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## **PUBLIC DISCLOSURE**

November 5, 2012

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Independent Bank of Texas  
RSSD 3129902

4300 North Beltline Road  
Irving, Texas 75038

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

Independent Bank of Texas (bank) has a satisfactory record of meeting the credit needs of its assessment area, including low- and moderate-income individuals, in a manner consistent with its resources, operating philosophy, and credit needs of the community it serves. The factors supporting this rating include:

- A majority of small business and HMDA reportable loans, 78.9% of the number and 74.1% of the dollar volume, originated within the bank's assessment areas.
- A reasonable loan-to-deposit ratio (LTD) of 72.2% as of September 30, 2012, with a quarterly average of 85.4% since the previous CRA evaluation, given the bank's resources and competition in the assessment areas.
- A reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- A reasonable dispersion of loans throughout the bank's assessment area.

**SCOPE OF EXAMINATION**

The bank's lending performance with respect to the CRA was assessed by analyzing a sample of 46 commercial loans totaling \$5.5 million originated by the bank in 2011. In addition, 25 Home Mortgage Disclosure Act (HMDA) loans totaling \$4.9 million reported on the bank's 2010 and 2011 Loan Application Registers (LARs) were reviewed.

The evaluation was conducted using the CRA small bank performance standards. Small bank CRA performance standards evaluate:

- Average loan-to-deposit ratio since the last CRA evaluation.
- The overall level of lending within the assessment area.
- The bank's lending to borrowers of different income levels and businesses and farms of different sizes.
- The bank's geographic distribution of loans within its assessment area.
- The bank's response to written complaints with respect to CRA performance in the assessment area.

Each standard is viewed as part of an overall picture of the bank's performance in meeting the credit needs of its delineated assessment area. The assessment of the bank's performance placed the most weight on the lending activities related to meeting the credit needs associated with small businesses, since this is the bank's primary loan product.

**DESCRIPTION OF INSTITUTION**

Independent Bank of Texas is a full-service retail bank headquartered in Irving, Texas. Irving is located in the Dallas-Plano-Irving Metropolitan Division (MD) of the Dallas-Fort Worth Metroplex. The bank is a wholly owned subsidiary of IBT Bancorp, Inc., headquartered in Irving, Texas. The bank operates its main office in Irving and has an automated teller machine

(ATM) on its premises. The branch office is located in Frisco, Collin County, Texas, and has an ATM on its premises. Neither ATM accepts deposits.

<b>RETAIL BRANCHES</b>			
<b>BRANCH ADDRESS</b>	<b>CENSUS TRACT/ INCOME LEVEL</b>	<b>COUNTY</b>	<b>LOBBY HOURS</b>
<b>Main Office</b> 4300 North Beltline Road Irving, TX 75038	141.03 / Low	Dallas	Mon.-Thurs. 9 am-3 pm Friday 9 am-6 pm Saturday - closed  Drive-Up Mon.-Fri. 7 am-6 pm Sat. 8 am-12 pm
<b>Frisco Branch</b> 1518 Legacy Drive, Suite 100 Frisco, TX 75034	305.04 / Upper	Collin	Mon.-Fri. 9 am-4 pm Saturday - closed

As of September 30, 2012, the bank reported total assets of approximately \$110,965 million, gross loans of \$70,799 million, total deposits of \$96,938 million, and a net loan-to-deposit ratio of 72.2%. The following table reflects the loan portfolio mix:

<b>PRODUCT</b>	<b>9/30/12 \$(000'S)</b>	<b>% OF LOANS</b>
<b>Real Estate</b>		
1-4 Family Res Construction Lns	58	0.1
Other Const Lns & Land Dev & Other	2,937	4.1
1-4 Family Res Secured by First Liens	8,449	11.9
1-4 Family Res Secured by Junior Liens	80	0.1
Multifamily	196	0.3
Lns Secured by Other NonFrm NonRes	12,825	18.1
<b>Total Real Estate</b>	<b>50,804</b>	<b>71.7</b>
<b>Commercial and Industrial</b>	<b>17,451</b>	<b>24.6</b>
<b>Consumer</b>	<b>2,527</b>	<b>3.6</b>
<b>Other</b>	<b>17</b>	<b>0.1</b>
<b>Gross Loans</b>	<b>70,799</b>	<b>100.00</b>

The bank's ability to meet various credit needs of the community has not been hampered by its capacity to lend, its financial condition and size, product offerings, prior performance, legal impediments or other factors. The bank received a Satisfactory rating on its last CRA performance evaluation dated August 11, 2008.

#### **DESCRIPTION OF ASSESSMENT AREA**

The bank's assessment area consists of the following counties: Dallas, Collin, and Tarrant. Dallas and Collin Counties are part of the Dallas-Plano-Irving MD, and Tarrant County is part of the Fort Worth-Arlington MD. The 2000 census estimated population for the assessment area was 4,156,793. The following table provides further information by county.

<b>County</b>	<b>2011 Population Estimate</b>	<b>% Increase Since 2000</b>	<b>Major Cities</b>
Collin	812,226	65.2	Plano, McKinney, Allen, Frisco
Dallas	2,416,014	8.9	Dallas, Garland, Irving, Carrollton, Mesquite
Tarrant	1,849,815	27.9	Fort Worth, Grapevine, Keller

As of June 30, 2012, there were 142 FDIC-insured financial institutions operating in the Bank's assessment area. The deposits in the bank's two branches represented less than 1% of the total deposits in FDIC-insured financial institutions. Bank of America dominates the market, with 31.9% of total deposits, followed by JPMorgan Chase with 22.4%. Wells Fargo is a distant third in the market with 8.1% of total deposits.

Demographic and economic information impacting the bank's performance context are further discussed in the following pages. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, 2000; the U.S. Department of Labor; the U.S. Department of Housing and Urban Development (HUD); Dun & Bradstreet; and the Texas Workforce Commission.

The following table details selected characteristics of the assessment area.

### Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	84	9.5	73,632	7.1	22,284	30.3	223,319	21.4
Moderate-income	262	29.7	278,525	26.7	42,125	15.1	189,924	18.2
Middle-income	271	30.7	342,808	32.9	19,045	5.6	211,102	20.2
Upper-income	261	29.6	347,909	33.4	7,363	2.1	418,529	40.1
Unknown-income	4	0.5	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>882</b>	<b>100.0</b>	<b>1,042,874</b>	<b>100.0</b>	<b>90,817</b>	<b>8.7</b>	<b>1,042,874</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	122,826	30,510	3.5	24.8	80,532	65.6	11,784	9.6
Moderate-income	438,027	191,736	21.9	43.8	219,878	50.2	26,413	6.0
Middle-income	554,110	298,062	34.1	53.8	228,171	41.2	27,877	5.0
Upper-income	499,862	354,169	40.5	70.9	120,387	24.1	25,306	5.1
Unknown-income	16	0	0.0	0.0	10	62.5	6	37.5
<b>Total Assessment Area</b>	<b>1,614,841</b>	<b>874,477</b>	<b>100.0</b>	<b>54.2</b>	<b>648,978</b>	<b>40.2</b>	<b>91,386</b>	<b>5.7</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
			#	%	#	%	#	%
Low-income	10,995	4.2	9,640	4.1	691	4.9	664	5.1
Moderate-income	61,015	23.3	52,196	22.2	4,893	34.9	3,926	30.1
Middle-income	83,651	31.9	75,130	32.0	4,428	31.6	4,093	31.4
Upper-income	104,835	40.0	96,880	41.2	3,773	26.9	4,182	32.1
Unknown-income	1,684	0.6	1,263	0.5	243	1.7	178	1.4
<b>Total Assessment Area</b>	<b>262,180</b>	<b>100.0</b>	<b>235,109</b>	<b>100.0</b>	<b>14,028</b>	<b>100.0</b>	<b>13,043</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.7</b>		<b>5.4</b>		<b>5.0</b>	

Based on 2000 Census Information.

**Income Characteristics:** According to the 2000 census, there are 1,042,874 families in the assessment area, about 9% of which live below the poverty level. The poverty rate compares favorably to the 12% statewide poverty level. Approximately 21% of families are low-income, 18.2% are moderate-income, 20.2% are middle-income, and 40.1% are upper-income.

The assessment area contains 882 census tracts, including 9.5% low-income, 29.7% moderate-income, 30.7% middle-income, and 29.6% upper-income census tracts. Four tracts, or 0.5% are unknown income. The median family income (MFI) for the Dallas-Plano-Irving MD was \$68,900 in 2010 and \$69,600 in 2011. For the Fort Worth-Arlington MD the MFI was \$67,300 in 2010 and \$68,200 in 2011.

**Housing:** According to the 2000 census, there were approximately 1.6 million housing units in the assessment area. Approximately 25% owner-occupied housing units are located in low-income census tracts, 43.8% in moderate-income census tracts, 53.8% in middle-income census tracts, and 70.9% in upper-income census tracts. The homeownership rate in the assessment area is slightly below the state average of about 58%, with 54.2% of housing units being owner-occupied, 40.2% rental, and almost 6% vacant. Approximately 63% of housing units are single-family homes, 6.2% are 2-4 family units, 28.8% have five or more units, and 2.1% are mobile homes. The median age of the housing stock is 24 years, with Collin County's homes being significantly newer at only 10 years old on average.

**Labor, Employment, and Economic Characteristics:** The Dallas-Fort Worth area is a major trade center and transportation hub, home to several area airports. Other industries include electronics manufacturing, data processing, retail trade, conventions and trade shows, education and health care. Major employers in this assessment area include Texas Instruments, EDS, JC Penney Co., Frito-Lay, Parkland Memorial Hospital, University of Texas Southwestern Medical Center, and the University of North Texas. According to 2010 Dun & Bradstreet data, 262,180 businesses are located in the assessment area. Approximately 90% reported gross annual revenues less than or equal to \$1 million. Approximately 4% of businesses are located in low-income census tracts, 23.3% in moderate-income, 31.9% in middle-income, and 40.0% in upper-income census tracts.

The unemployment rate for Dallas, Collin and Tarrant Counties has shown some increases since the last evaluation. According to the Texas Workforce Commission, the 2008 annual average unemployment rate for Dallas was 5.4%, with both Collin and Tarrant at almost 5%. By 2011, it had increased to 8.4%, 7.0% and 7.8%, respectively. The labor force in these three counties totals just above 2.5 million. Although increasing, the area's unemployment rates remain lower than the United States averages for 2011 at almost 9%.

**Community Contacts and Credit Needs:** Contact was made with community leaders working in affordable housing, transitional housing and commercial lending. The contacts stated that the credit needs in the community include financial literacy training, which is crucial in educating residents on banking products.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LOAN-TO-DEPOSIT RATIO

The general purpose of CRA is to encourage banks to meet the credit needs in their assessment areas while operating in a safe and sound manner. To gain an understanding of the bank's lending activity, the net LTD ratio is reviewed to approximate the credit demand of the assessment area and assess the bank's willingness to meet the community's demand for credit.

The bank's net LTD ratio is considered reasonable given its size and financial condition, the credit needs of the assessment area, and the competitive local banking environment. As of

September 30, 2012, the net LTD ratio was 72.2%, and the quarterly average since the previous evaluation was 85.4%.

To better understand the bank's performance in relation to its assessment area, a comparison of similarly situated local banks was performed. These banks were chosen for analysis based on their proximity and similar size and structure. The bank's LTD ratios are generally higher than the majority of its peers and reflect favorably upon the bank's efforts to meet the credit needs of its community.

### LENDING IN ASSESSMENT AREA

A majority of the bank's loans were originated inside its assessment area. As shown in the table below, the bank extended 56 of the loans sampled, including 78.9% of the number and 74.1% of the dollar volume, within the assessment area.

ASSESSMENT AREA CONCENTRATION								
LOAN TYPE	INSIDE ASSESSMENT AREA				OUTSIDE ASSESSMENT AREA			
	#	%	\$000's	% of \$	#	%	\$000's	% of \$
Home Purchase	13	72.2	1,969	62.0	5	27.8	1,209	38.0
Home Improvement	1	100.0	300	100.0	0	0.0	0	0.0
Refinancing	3	60.0	477	39.6	2	40.0	728	60.4
Multifamily	1	100.0	200	100.0	0	0.0	0	0.0
<b>Total HMDA</b>	<b>18</b>	<b>72.0</b>	<b>2,946</b>	<b>60.3</b>	<b>7</b>	<b>28.0</b>	<b>1,937</b>	<b>39.7</b>
<b>Small Business</b>	<b>38</b>	<b>82.6</b>	<b>4,780</b>	<b>86.2</b>	<b>8</b>	<b>17.4</b>	<b>763</b>	<b>13.8</b>
<b>TOTAL</b>	<b>56</b>	<b>78.9</b>	<b>7,726</b>	<b>74.1</b>	<b>15</b>	<b>21.1</b>	<b>2,700</b>	<b>25.9</b>

The remaining analyses will be based on loans made inside the bank's assessment area.

### LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of lending based on income and revenue levels of the borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. The income level of the borrowers was compared to both the Dallas-Plano-Irving MD and the Fort Worth-Arlington MD MFI for the years 2010 and 2011. The following tables depict the referenced income level ranges:



INCOME LEVEL	2010 DALLAS-PLANO-IRVING MFI	2011 DALLAS-PLANO-IRVING MFI
Median Income	\$68,900	\$69,600
Low-income	\$0 < \$34,450	\$0 < \$34,800
Moderate-income	\$34,451 < \$55,120	\$34,801 < \$55,680
Middle-income	\$55,121 < \$82,680	\$55,681 < \$83,520
Upper-income	\$82,681 and up	\$83,521 and up

INCOME LEVEL	2010 FORT WORTH-ARLINGTON MFI	2011 FORT WORTH-ARLINGTON MFI
Median Income	\$67,300	\$68,200
Low-income	\$0 < \$33,650	\$0 < \$34,100
Moderate-income	\$33,651 < \$53,840	\$34,101 < \$54,560
Middle-income	\$53,841 < \$80,760	\$54,561 < \$81,840
Upper-income	\$80,761 and up	\$81,841 and up

### **Commercial Loans**

For contextual purposes, the bank's small business lending was compared to the performance of the aggregate banks that report small business lending data to approximate loan demand. Smaller banks such as Independent Bank of Texas are not required to report this data. Of the 38 commercial loans originated to businesses located in the bank's assessment area, approximately 66% by number of originations and 71.0% by dollar volume were originated to businesses with gross annual revenues of \$1 million or less. This is less than the 89.7% of small businesses in the assessment area with gross annual revenues of \$1 million or less. One loan sampled was made to a new business; therefore, revenues were not available. Aggregate data reflects that 42.3% of all CRA small business loans were made to small businesses with gross annual revenues of \$1 million or less. The bank's performance is considerably better than aggregate.

<b>DISTRIBUTION OF COMMERCIAL LOANS BY GROSS ANNUAL REVENUES</b>				
<b>Gross Annual Revenues</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>% of \$</b>
\$100,000 or less	4	10.5	\$204	4.3
\$100,001 - \$250,000	6	15.8	\$767	16.0
\$250,001 - \$500,000	3	7.9	\$158	3.3
\$500,001 - \$750,000	7	18.4	\$844	17.7
\$750,001 - \$1 million	5	13.2	\$1,420	29.7
Total <= \$1 million	25	65.8	\$3,393	71.0
> \$1 million	12	31.6	\$1,348	28.2
Revenues Not Available	1	2.6	\$39	0.8
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>\$4,780</b>	<b>100.0</b>

Another way to gauge the bank's small business lending performance is to review the data by loan amount. Small businesses typically require smaller dollar credits. In this regard, it is noted that 22 or 57.9% of the bank's commercial loans by number of originations and \$1,079,000 or 22.6% by dollar volume were made in loan amounts of \$100,000 or less. This is indicative of the bank's support of the small business community. Aggregate lenders reported 93.5% of small business loans by number of originations were made in amounts of \$100,000 or less. The bank's performance is below aggregate lenders, but given the competition in its assessment area and the bank's primary customer base, is considered reasonable.

<b>DISTRIBUTION OF COMMERCIAL LOANS BY LOAN AMOUNT</b>				
<b>Loan Amount</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>% of \$</b>
\$50,000 or less	15	39.5	\$491	10.3
\$50,001 - \$100,000	7	18.4	\$588	12.3
\$100,001 - \$250,000	14	36.8	\$2,501	52.3
\$250,001 - \$1 million	2	5.3	\$1,200	25.1
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>\$4,780</b>	<b>100.0</b>

### **HMDA Reportable Loans**

The bank is primarily a commercial lender and as a result mortgage lending is not a significant product offering. Therefore, little weight is placed on HMDA reportable loans in this analysis. Detailed information concerning the HMDA data can be found in Appendix A.

In 2010, the bank made eight HMDA reportable loans in the assessment area. Seven loans were for home purchase, and one was a refinance. No loans were made to low- or moderate-income borrowers, 25.0% of loans were made to middle-income borrowers, and 75.0% of loans were to upper-income borrowers. In the assessment area, approximately 21% of the families are considered low-income, 18.2% are moderate-, 20.2% are middle-, and 40.1% are upper-income. The bank's performance is below that of the aggregate banks that made approximately 6% of their loans to low-income borrowers, 14.9% to moderate-, 18.4% to middle-, and 48.1% of loans to upper-income borrowers. Approximately 13% of loans made by aggregate lenders were to borrowers of unknown income<sup>1</sup>.

The bank made 10 HMDA-reportable loans within its assessment area in 2011. Six loans were home purchase loans, two refinances, one home improvement and one multi-family. Ten percent were made to low-income and 10.0% were made to moderate-income borrowers. No loans were made to middle-income borrowers. Seventy percent were made to upper-income borrowers, with the remaining 10.0% originated to a borrower with unknown-income. The bank's performance still compares unfavorably to the assessment area demographics noted above and slightly more favorably to aggregate lenders. In 2011, aggregate lenders made approximately 5% of their loans to low-income borrowers, 13.3% to moderate-, 17.3% to middle-, and 47.7% of loans to

<sup>1</sup> Generally, when borrower income is not reported for HMDA reportable loans, these loans are for investment purposes and not to individual consumers.

upper-income borrowers. Approximately 16% of loans made by aggregate lenders in 2011 were to borrowers of unknown income.

**GEOGRAPHIC DISTRIBUTION OF LOANS**

The distribution by the income level of geographies within the assessment area is reasonable. The bank’s lending distribution was compared to performance context factors including the distribution of the assessment area population, households, and small businesses among the four geographic income levels of the area. More weight was given to commercial loans because of the larger number and dollar volume of loans. Loans were generally made in close proximity to the bank’s branches, and there were no conspicuous gaps or anomalies in the lending patterns.

**Commercial Loans**

Of the 38 commercial loans sampled that were originated in the bank’s assessment area, none were made in low-income census tracts. However, 21.1% by number of originations and 39.6% by dollar volume were made to businesses in moderate-income tracts. This compares favorably to the 23.3% of businesses, of which 22.2% are considered small businesses, in moderate-income tracts. Approximately 24% of loans by number of originations and 20.4% by dollar volume were made to businesses in middle-income census tracts, while 55.3% by number and 40.0% by dollar volume were made to businesses in upper-income census tracts. Aggregate lenders reported 3.1% of loans in low-income tracts, 20.1% in moderate-income tracts, 28.6% in middle-income tracts, and 46.2% in upper-income tracts. The bank’s performance exceeds aggregate in moderate-income areas.

<b>DISTRIBUTION OF COMMERCIAL LOANS BY GEOGRAPHIC INCOME LEVEL</b>						
<b>Tract Level Income</b>	<b>% Total Businesses</b>	<b>% Small Businesses</b>	<b>Total Loans</b>		<b>Dollar Amount</b>	
			<b>#</b>	<b>%</b>	<b>\$(’000s)</b>	<b>%</b>
Low	4.2	4.1	0	0.0	0	0.0
Moderate	23.3	22.2	8	21.0	1,894	39.6
Middle	31.9	32.0	9	23.7	977	20.4
Upper	40.0	41.2	21	55.3	1,910	40.0
Unknown	0.6	0.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>4,780</b>	<b>100.0</b>

**HMDA Reportable Loans**

Of the eight HMDA-reportable loans made in the assessment area in 2010, none were made in low- or moderate-income tracts, 25.0% were originated in middle-income tracts, and 75.0% were made in upper-income tracts. This compares unfavorably to aggregate lenders’ performance in 2010, which made almost 1% in low-, 7.8% in moderate-, 29.1% in middle-, and 62.3% in upper-income tracts. This also compares unfavorably to demographic data, where 3.5% of owner-occupied houses are located in low-, 21.9% in moderate-, 34.1% in middle- and 40.5% in upper-income census tracts.

The bank made 10 HMDA reportable loans in 2011. Of these, 10.0% were originated in low-, 30.0% in moderate-, 40.0% in middle- and 20.0% in upper-income tracts. This compares favorably to aggregate lenders performance in 2011, which remained virtually unchanged from the 2010 data noted above. This also compares favorably to the assessment area demographics.

### **RESPONSE TO COMPLAINTS**

There were no complaints related to CRA during the review period. Consequently, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. Established policies and procedures are designed to ensure ongoing compliance with applicable laws and regulations.

Appendix A  
Loan Distribution Tables

**HMDA Loan Distribution Table**  
Assessment Area: Dallas, Tarrant, Collin 2010

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	2	28.6%	203	14.5%	2	28.6%	197	14.0%
Upper	5	71.4%	1,200	85.5%	5	71.4%	1,206	86.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>7</i>	<i>100.0%</i>	<i>1,403</i>	<i>100.0%</i>	<i>7</i>	<i>100.0%</i>	<i>1,403</i>	<i>100.0%</i>
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	1	100.0%	387	100.0%	1	100.0%	387	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>1</i>	<i>100.0%</i>	<i>387</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>387</i>	<i>100.0%</i>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
	<b>HMDA Totals</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	2	25.0%	203	11.3%	2	25.0%	197	11.0%
Upper	6	75.0%	1,587	88.7%	6	75.0%	1,593	89.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>8</i>	<i>100.0%</i>	<i>1,790</i>	<i>100.0%</i>	<i>8</i>	<i>100.0%</i>	<i>1,790</i>	<i>100.0%</i>

**Peer Group 2010 HMDA Loan Distribution Table**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	838	1.0%	97,500	0.7%	7,329	9.1%	619,403	4.5%
Moderate	8,317	10.4%	832,090	6.1%	16,839	21.0%	2,004,273	14.6%
<i>Low/Moderate Total</i>	<i>9,155</i>	<i>11.4%</i>	<i>929,590</i>	<i>6.8%</i>	<i>24,168</i>	<i>30.1%</i>	<i>2,623,676</i>	<i>19.1%</i>
Middle	27,094	33.8%	3,713,253	27.1%	16,476	20.6%	2,489,678	18.2%
Upper	43,910	54.8%	9,056,769	66.1%	31,469	39.3%	7,392,107	53.9%
Unknown	6	0.0%	2,916	0.0%	8,052	10.0%	1,197,067	8.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>80,165</i>	<i>100.0%</i>	<i>13,702,528</i>	<i>100.0%</i>	<i>80,165</i>	<i>100.0%</i>	<i>13,702,528</i>	<i>100.0%</i>
<b>Refinance</b>								
Low	470	0.6%	71,916	0.5%	1,947	2.5%	190,773	1.2%
Moderate	3,957	5.0%	492,761	3.2%	6,966	8.8%	793,204	5.1%
<i>Low/Moderate Total</i>	<i>4,427</i>	<i>5.6%</i>	<i>564,677</i>	<i>3.6%</i>	<i>8,913</i>	<i>11.3%</i>	<i>983,977</i>	<i>6.4%</i>
Middle	19,153	24.2%	2,902,892	18.8%	12,891	16.3%	1,807,990	11.7%
Upper	55,437	70.2%	12,002,752	77.6%	44,946	56.9%	10,504,741	67.9%
Unknown	8	0.0%	3,644	0.0%	12,275	15.5%	2,177,257	14.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>79,025</i>	<i>100.0%</i>	<i>15,473,965</i>	<i>100.0%</i>	<i>79,025</i>	<i>100.0%</i>	<i>15,473,965</i>	<i>100.0%</i>
<b>Home Improvement</b>								
Low	41	1.3%	1,756	0.7%	194	6.2%	5,597	2.3%
Moderate	394	12.5%	16,292	6.8%	412	13.1%	14,913	6.3%
<i>Low/Moderate Total</i>	<i>435</i>	<i>13.8%</i>	<i>18,048</i>	<i>7.6%</i>	<i>606</i>	<i>19.3%</i>	<i>20,510</i>	<i>8.6%</i>
Middle	923	29.4%	53,324	22.4%	608	19.4%	28,767	12.1%
Upper	1,783	56.8%	166,803	70.0%	1,799	57.3%	170,366	71.5%
Unknown	0	0.0%	0	0.0%	128	4.1%	18,532	7.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>3,141</i>	<i>100.0%</i>	<i>238,175</i>	<i>100.0%</i>	<i>3,141</i>	<i>100.0%</i>	<i>238,175</i>	<i>100.0%</i>
<b>Multi-Family</b>								
Low	31	19.0%	105,108	13.9%	0	0.0%	0	0.0%
Moderate	40	24.5%	99,960	13.3%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>71</i>	<i>43.6%</i>	<i>205,068</i>	<i>27.2%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	57	35.0%	228,508	30.3%	0	0.0%	0	0.0%
Upper	35	21.5%	320,156	42.5%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	163	100.0%	753,732	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>163</i>	<i>100.0%</i>	<i>753,732</i>	<i>100.0%</i>	<i>163</i>	<i>100.0%</i>	<i>753,732</i>	<i>100.0%</i>
<b>HMDA Totals</b>								
Low	1,380	0.8%	276,280	0.9%	9,470	5.8%	815,773	2.7%
Moderate	12,708	7.8%	1,441,103	4.8%	24,217	14.9%	2,812,390	9.3%
<i>Low/Moderate Total</i>	<i>14,088</i>	<i>8.7%</i>	<i>1,717,383</i>	<i>5.7%</i>	<i>33,687</i>	<i>20.7%</i>	<i>3,628,163</i>	<i>12.0%</i>
Middle	47,227	29.1%	6,897,977	22.9%	29,975	18.4%	4,326,435	14.3%
Upper	101,165	62.3%	21,546,480	71.4%	78,214	48.1%	18,067,214	59.9%
Unknown	14	0.0%	6,560	0.0%	20,618	12.7%	4,146,588	13.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>162,494</i>	<i>100.0%</i>	<i>30,168,400</i>	<i>100.0%</i>	<i>162,494</i>	<i>100.0%</i>	<i>30,168,400</i>	<i>100.0%</i>

**HMDA Loan Distribution Table**  
Assessment Area: Dallas, Tarrant, Collin 2011

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2	33.3%	184	32.5%	1	16.7%	117	20.7%
<i>Low/Moderate Total</i>	2	33.3%	184	32.5%	1	16.7%	117	20.7%
Middle	2	33.3%	149	26.3%	0	0.0%	0	0.0%
Upper	2	33.3%	233	41.2%	5	83.3%	449	79.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	6	100.0%	566	100.0%	6	100.0%	566	100.0%
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	1	50.0%	27	30.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	0	0.0%	0	0.0%	1	50.0%	27	30.0%
Middle	2	100.0%	90	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	1	50.0%	63	70.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	2	100.0%	90	100.0%	2	100.0%	90	100.0%
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	100.0%	300	100.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	1	100.0%	300	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	1	100.0%	300	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	1	100.0%	300	100.0%	1	100.0%	300	100.0%
<b>Multi-Family</b>								
Low	1	100.0%	200	100.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	1	100.0%	200	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	200	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	1	100.0%	200	100.0%	1	100.0%	200	100.0%
<b>HMDA Totals</b>								
Low	1	10.0%	200	17.3%	1	10.0%	27	2.3%
Moderate	3	30.0%	484	41.9%	1	10.0%	117	10.1%
<i>Low/Moderate Total</i>	4	40.0%	684	59.2%	2	20.0%	144	12.5%
Middle	4	40.0%	239	20.7%	0	0.0%	0	0.0%
Upper	2	20.0%	233	20.2%	7	70.0%	812	70.2%
Unknown	0	0.0%	0	0.0%	1	10.0%	200	17.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	10	100.0%	1,156	100.0%	10	100.0%	1,156	100.0%



**Peer Group 2011 HMDA Loan Distribution Table**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	684	0.9%	83,470	0.6%	5,876	7.8%	482,907	3.6%
Moderate	7,355	9.7%	756,532	5.7%	13,886	18.4%	1,604,069	12.0%
<i>Low/Moderate Total</i>	<i>8,039</i>	<i>10.6%</i>	<i>840,002</i>	<i>6.3%</i>	<i>19,762</i>	<i>26.2%</i>	<i>2,086,976</i>	<i>15.6%</i>
Middle	24,955	33.1%	3,427,329	25.7%	14,686	19.5%	2,225,147	16.7%
Upper	42,483	56.3%	9,065,454	68.0%	31,385	41.6%	7,637,585	57.3%
Unknown	16	0.0%	7,842	0.1%	9,660	12.8%	1,390,919	10.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>75,493</i>	<i>100.0%</i>	<i>13,340,627</i>	<i>100.0%</i>	<i>75,493</i>	<i>100.0%</i>	<i>13,340,627</i>	<i>100.0%</i>
	<b>Refinance</b>							
Low	445	0.6%	63,924	0.4%	2,215	2.9%	192,641	1.3%
Moderate	4,381	5.7%	510,922	3.5%	6,565	8.5%	714,215	4.8%
<i>Low/Moderate Total</i>	<i>4,826</i>	<i>6.2%</i>	<i>574,846</i>	<i>3.9%</i>	<i>8,780</i>	<i>11.3%</i>	<i>906,856</i>	<i>6.1%</i>
Middle	19,831	25.6%	2,836,285	19.2%	11,845	15.3%	1,616,118	10.9%
Upper	52,717	68.1%	11,365,868	76.9%	41,315	53.4%	9,847,970	66.6%
Unknown	10	0.0%	4,476	0.0%	15,444	20.0%	2,410,531	16.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>77,384</i>	<i>100.0%</i>	<i>14,781,475</i>	<i>100.0%</i>	<i>77,384</i>	<i>100.0%</i>	<i>14,781,475</i>	<i>100.0%</i>
	<b>Home Improvement</b>							
Low	48	1.5%	1,399	0.6%	223	6.9%	5,034	2.0%
Moderate	342	10.6%	13,504	5.5%	403	12.5%	14,383	5.8%
<i>Low/Moderate Total</i>	<i>390</i>	<i>12.1%</i>	<i>14,903</i>	<i>6.0%</i>	<i>626</i>	<i>19.4%</i>	<i>19,417</i>	<i>7.9%</i>
Middle	968	30.1%	48,568	19.7%	555	17.2%	25,774	10.4%
Upper	1,862	57.8%	183,627	74.3%	1,883	58.5%	183,789	74.4%
Unknown	0	0.0%	0	0.0%	156	4.8%	18,118	7.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>3,220</i>	<i>100.0%</i>	<i>247,098</i>	<i>100.0%</i>	<i>3,220</i>	<i>100.0%</i>	<i>247,098</i>	<i>100.0%</i>
	<b>Multi-Family</b>							
Low	35	14.9%	58,161	3.6%	0	0.0%	0	0.0%
Moderate	75	31.9%	425,955	26.2%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>110</i>	<i>46.8%</i>	<i>484,116</i>	<i>29.8%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	79	33.6%	544,171	33.5%	0	0.0%	0	0.0%
Upper	45	19.1%	594,183	36.5%	0	0.0%	0	0.0%
Unknown	1	0.4%	4,244	0.3%	235	100.0%	1,626,714	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>235</i>	<i>100.0%</i>	<i>1,626,714</i>	<i>100.0%</i>	<i>235</i>	<i>100.0%</i>	<i>1,626,714</i>	<i>100.0%</i>
	<b>HMDA Totals</b>							
Low	1,212	0.8%	206,954	0.7%	8,314	5.3%	680,582	2.3%
Moderate	12,153	7.8%	1,706,913	5.7%	20,854	13.3%	2,332,667	7.8%
<i>Low/Moderate Total</i>	<i>13,365</i>	<i>8.5%</i>	<i>1,913,867</i>	<i>6.4%</i>	<i>29,168</i>	<i>18.7%</i>	<i>3,013,249</i>	<i>10.0%</i>
Middle	45,833	29.3%	6,856,353	22.9%	27,086	17.3%	3,867,039	12.9%
Upper	97,107	62.1%	21,209,132	70.7%	74,583	47.7%	17,669,344	58.9%
Unknown	27	0.0%	16,562	0.1%	25,495	16.3%	5,446,282	18.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>156,332</i>	<i>100.0%</i>	<i>29,995,914</i>	<i>100.0%</i>	<i>156,332</i>	<i>100.0%</i>	<i>29,995,914</i>	<i>100.0%</i>

**Peer Group 2010 CRA Loan Distribution Table**

	SMALL BUSINESS			
	#	%	\$(000s)	%
	<b>By Tract Income</b>			
Low	2,169	3.0%	110,734	3.7%
Moderate	14,744	20.4%	864,387	29.0%
Low/Moderate Total	16,913	23.4%	975,121	32.7%
Middle	20,390	28.2%	827,551	27.8%
Upper	33,294	46.1%	1,115,249	37.4%
Unknown	415	0.6%	36,614	1.2%
Tract Unknown	1,215	1.7%	24,906	0.8%
Total	72,227	100.0%	2,979,441	100.0%
	<b>By Revenue</b>			
Total \$1 Million or Less	25,392	35.2%	971,758	32.6%
	<b>By Loan Size</b>			
\$100,000 or Less	66,746	92.4%	913,323	30.7%
\$100,001 - \$250,000	2,535	3.5%	456,280	15.3%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	2,946	4.1%	1,609,838	54.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%
Total	72,227	100.0%	2,979,441	100.0%

**Peer Group 2011 CRA Loan Distribution Table**

	SMALL BUSINESS			
	#	%	\$(000s)	%
	<b>By Tract Income</b>			
Low	2,769	3.1%	112,425	3.4%
Moderate	18,193	20.1%	947,262	28.4%
Low/Moderate Total	20,962	23.1%	1,059,687	31.8%
Middle	25,954	28.6%	939,389	28.2%
Upper	41,945	46.2%	1,282,328	38.5%
Unknown	575	0.6%	37,051	1.1%
Tract Unknown	1,293	1.4%	13,756	0.4%
Total	90,729	100.0%	3,332,211	100.0%
	<b>By Revenue</b>			
Total \$1 Million or Less	38,412	42.3%	1,157,767	34.7%
	<b>By Loan Size</b>			
\$100,000 or Less	84,861	93.5%	1,097,971	33.0%
\$100,001 - \$250,000	2,679	3.0%	475,125	14.3%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	3,189	3.5%	1,759,115	52.8%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%
Total	90,729	100.0%	3,332,211	100.0%

## GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts average about 4,000 inhabitants, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to the population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** All agencies have adopted the following language: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- i. Low-or moderate-income geographies;
- ii. Designated disaster areas; or
- iii. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a) Rates of poverty, unemployment, and population loss; or
  - b) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include

non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of the applicants; the amount of loan requested; and the disposition of the application (for example, approved, denied, or withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**Middle-income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geograph