



PUBLIC DISCLOSURE

July 17, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

John Marshall Bank

Reston, Virginia

**Federal Reserve Bank of Richmond
Richmond, Virginia**

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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Federal Reserve Bank of Richmond

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INSTITUTION RATING

INSTITUTION'S CRA RATING: John Marshall Bank is rated “**SATISFACTORY.**”

The following table indicates the performance level of John Marshall Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>JOHN MARSHALL BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution’s rating include:

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- A substantial majority of the number and dollar volume of the institution’s reported Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank’s assessment area.
- The bank’s geographic distribution performance ranges from poor to adequate by loan product and year. Overall, the bank’s geographic distribution performance is adequate.
- The bank’s borrower distribution performance ranges from poor to excellent by loan product and year and is considered adequate overall.
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and geographies as well as very small businesses.
- The bank has made use of innovative and/or flexible lending practices during the review period in serving assessment area credit needs, particularly small businesses.
- The bank extended a relatively high level of community development loans during the evaluation period.
- The bank maintains a significant level of qualified community development investments that demonstrate a good responsiveness to local credit needs, and it makes occasional use of innovative and/or complex investments to support community development initiatives.

- Delivery systems and branch locations are accessible to all segments of the bank's assessment area, and bank employees support a relatively high level of organizations that provide community development services in the bank's market area.
- Branch closings have not adversely affected the accessibility of its delivery systems.
- Services do not vary in a way that inconveniences low- or moderate-income geographies or individuals.
- There have been no complaints regarding the bank's CRA performance since its previous evaluation.

INSTITUTION

DESCRIPTION OF INSTITUTION

John Marshall Bank (JMB) is headquartered in Reston, Virginia, and is a wholly owned subsidiary of John Marshall Bankcorp, Inc., a single bank holding company also headquartered in Reston, Virginia.

JMB currently operates eight branch offices, four automated teller machines (ATMs), and two loan production offices (LPOs) within its assessment area. Since its previous CRA evaluation in March 2021, one of the bank’s branches relocated (<1 mile) from an upper-income tract to a moderate-income tract. In addition, the bank closed one office in a moderate-income tract, and opened another branch in a middle-income tract. Neither of these changes impacted the composition of the bank’s assessment area.

As of March 31, 2023, the bank held total assets of approximately \$2.3 billion, of which 74.5% were net loans and 18.7% were securities, while deposits totaled approximately \$2.1 billion. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purpose. The composition of the loan portfolio (reflecting gross loans) as of March 31, 2023, is depicted in the following table.

Composition of Loan Portfolio

Loan Type	3/31/2023	
	\$ (000s)	%
Secured by 1-4 Family dwellings	438,381	24.7
Multifamily	88,475	5.0
Construction and Development	179,052	10.1
Commercial & Industrial/ NonFarm NonResidential	1,065,027	60.1
Consumer Loans and Credit Cards	338	0.0
Agricultural Loans/ Farmland	0	0.0
All Other	0	0.0
Total	1,771,273	100.0

As reflected in the preceding table, commercial and industrial loans and those secured by one- to four-family dwellings represent the largest category of loans held within the bank’s portfolio. Small business lending is a subset of commercial loans and a significant business line for the bank. While the bank offers other loans, the dollar volume of such lending is relatively limited in comparison to its primary lending business lines and was not further considered in the evaluation of lending performance, as doing so would not yield meaningful information for rating bank performance.

JMB’s previous CRA rating, dated March 15, 2021, was Satisfactory. Based on its financial capacity, there are no significant limitations on the bank’s ability to meet the credit needs within the community it serves. Furthermore, no known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. Consistent with these procedures, HMDA loans reported by the institution from January 1, 2021, through December 31, 2022, and small business lending activity reported from January 1, 2020, through December 31, 2021, were reviewed.

While the bank reported its 2022 CRA data, that data is not included in this analysis because the 2022 CRA aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2022 is an important performance context factor needed to evaluate the bank’s lending performance.

Qualified community development loans that were originated or renewed since the previous evaluation, dated March 15, 2021, were considered for this evaluation. All qualified community development services provided since the previous evaluation, and all qualified investments made during the same period, and those outstanding as of the evaluation, regardless of when made, were also considered. The bank did not report any small farm loans during the evaluation period.

To help determine the availability of community development opportunities in the assessment area, the CRA public evaluations of financial institutions operating in the assessment area were reviewed. Additionally, a member of the community was contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

DESCRIPTION OF WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD ASSESSMENT AREA

JMB is located within the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. The MSA is comprised of two metropolitan divisions (MD); the bank takes a portion of both the Frederick-Gaithersburg-Rockville, MD and Washington-Arlington-Alexandria, DC-VA-MD metropolitan divisions. The following table reflects the composition of the bank’s assessment area.

Assessment Area Name	City/County	State	Census Tracts
Washington-Arlington-Alexandria, DC-VA-MD	District of Columbia	DC	All
	Alexandria City	VA	All
	Arlington County	VA	All
	Fairfax City	VA	All
	Fairfax County	VA	All
	Falls Church City	VA	All
	Loudoun County	VA	All
	Manassas City	VA	All
	Manassas Park City	VA	All
	Prince William County	VA	All
	Montgomery County	MD	All

According to the American Community Survey (ACS) data from 2015, the assessment area has a population of 4,048,803, and a median housing value of \$458,172. The owner-occupancy rate for the assessment area equals 57.1%, which is less than the owner-occupancy rates for the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (57.8%), the Frederick-Gaithersburg-Rockville, MD metropolitan division (64.6%), the Commonwealth of Virginia (59.2%), and the State of Maryland (60.1%), but higher than the owner-occupancy rate for the District of Columbia (37.2%).

Within the assessment area, 5.6% of families are considered below the poverty level, which is less than the poverty rates in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (6.1%), the District of Columbia (14.3%), the Commonwealth of Virginia (8.2%), and the State of Maryland (7%), but higher than the rate in the Frederick-Gaithersburg-Rockville, MD metropolitan division (4.6%). The HUD estimated median family incomes for the relevant metropolitan divisions during the review period are detailed in the following table.

Metropolitan Division	Median Family Incomes		
	2020	2021	2022
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	\$118,700	\$122,100	\$139,700
Frederick-Gaithersburg-Rockville, MD Metropolitan Division	\$124,400	\$129,900	\$143,900

The following table includes pertinent demographic data for the assessment area during 2022. The demographic data relied upon to evaluate the bank's 2020 and 2021 lending performance can be found in Appendix C.

Assessment Area Demographics

Washington-Arlington-Alexandria, DC-VA (Based on 2020 ACS Data and 2022 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	88	8.7	69,813	7.1	14,107	20.2	198,325	20.1
Moderate	169	16.6	168,004	17.0	14,015	8.3	149,912	15.2
Middle	303	29.8	303,700	30.8	12,584	4.1	187,436	19.0
Upper	436	42.9	441,332	44.7	8,022	1.8	451,279	45.7
NA	21	2.0	4,103	0.4	490	11.9		
Total	1,017	100.0	986,952	100.0	49,218	5.0	986,952	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	34,996	3.7	127,104	8.2	26,838	21.1	337,472	21.8
Moderate	134,748	14.2	273,621	17.7	26,591	9.7	233,189	15.1
Middle	293,034	30.9	480,954	31.1	30,040	6.2	283,541	18.3
Upper	482,281	50.9	656,790	42.4	26,839	4.1	694,244	44.8
NA	2,392	0.3	9,977	0.6	1,527	15.3		
Total	947,451	100.0	1,548,446	100.0	111,835	7.2	1,548,446	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	11,521	4.6	10,813	4.7	603	3.0	105	4.5
Moderate	40,379	16.1	36,377	15.9	3,705	18.5	297	12.8
Middle	74,144	29.5	67,258	29.4	6,332	31.7	554	23.8
Upper	122,366	48.7	112,222	49.1	9,002	45.0	1,142	49.1
NA	2,635	1.1	2,049	0.9	360	1.8	226	9.8
Total	251,045	100.0	228,719	100.0	20,002	100.0	2,324	100.0
	Percentage of Total Businesses:			91.1		8.0		0.9

*NA-Tracts without household or family income as applicable

The bank’s assessment area provides a large number and variety of local employment opportunities. The bank operates in a diversified economy and leading sources of employment in the assessment area are federal and state government, healthcare, hospitality, retail, construction, finance, and information technology. The area’s largest private employers include respective public county and city schools, Orbital Sciences Corporation, U.S. Department of Defense, U.S. Department of Commerce, Inova Health System, The Wackenhut Corporation, Realtime PEO II, LLC, Micron Technology, Walmart, and Marriott. Average annual unemployment rates from 2017-2021 are presented in the following table.

Washington-Arlington-Alexandria, DC-VA-MD – Annual Average Unemployment Rates					
Area	2017	2018	2019	2020	2021
District of Columbia, DC	6.09%	5.62%	5.38%	7.96%	6.58%
Montgomery County, MD	3.19%	2.94%	2.82%	6.22%	5.49%
Arlington County, VA	2.46%	1.99%	1.90%	4.42%	2.99%
Fairfax County, VA	3.02%	2.43%	2.27%	5.79%	3.48%
Loudoun County, VA	3.00%	2.45%	2.29%	5.28%	3.09%
Prince William County, VA	3.37%	2.72%	2.51%	6.47%	3.95%
Alexandria City, VA	2.83%	2.25%	2.11%	5.99%	3.77%
Fairfax City, VA	2.84%	2.26%	2.14%	5.78%	3.42%
Falls Church City, VA	2.62%	2.14%	2.07%	3.79%	2.65%
Manassas City, VA	3.34%	2.67%	2.50%	6.53%	3.91%
Manassas Park city, VA	3.33%	2.69%	2.46%	6.64%	3.80%
Frederick-Gaithersburg-Rockville, MD MD	3.25%	3.00%	2.86%	6.15%	5.35%
Washington-Arlington-Alexandria, DC-VA-MD-WV MD	3.73%	3.25%	3.07%	6.46%	4.76%
District of Columbia	6.09%	5.62%	5.38%	7.96%	6.58%
Maryland	3.99%	3.64%	3.44%	6.67%	5.77%
Virginia	3.67%	2.95%	2.76%	6.20%	3.91%

Prior to the COVID-19 pandemic and subsequent economic shut down, the assessment area was experiencing very low and stable unemployment rates. With the exception of the District of Columbia, Prince William County, Manassas City, and Manassas Park City, VA, local unemployment rates are generally lower than the respective statewide unemployment rates. While 2021 unemployment rates have not returned to pre-pandemic levels, the downward trend indicates favorable labor conditions within the bank’s assessment area.

An official from a local economic development organization was recently contacted to discuss area economic conditions and community credit needs. The official stated that there are economic development needs within the area, including continued demand for small business loans and counseling services for newly created businesses, as well as a shortage of affordable housing. She indicated that local financial institutions have opportunities to assist with the financing of large development projects, but that both large and small banks in the area are equally involved in the community.

Discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicated that community development opportunities are readily available within the bank’s assessment area when considering performance context factors. Despite a highly competitive market, the institution faces no significant constraints relative to its size or business strategy in making community development loans, investments, or supporting community service activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Ratings for the lending, investment, and service test are assigned to the institution based on performance within the assessment area. Following the FFIEC's procedures, lending test performance accounts for half of the overall rating, while the investment and service tests are equally weighted and each account for one-quarter of the overall rating.

LENDING TEST

When evaluating the bank's performance, relevant area demographic data from the 2015 ACS and 2020 ACS is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. Dun & Bradstreet (D&B) demographic data published annually from 2020 and 2021 is also considered when evaluating the bank's small business lending performance.

Aggregate 2021 and 2022 HMDA and 2020 and 2021 CRA small business loan data is considered when evaluating the bank's performance. Aggregate CRA data from 2022 cannot be considered in this evaluation because the data is not currently available. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA loan data within the bank's assessment area. Because JMB is required to report HMDA and CRA loan data, its lending is included in the aggregate data.

While two years of HMDA and CRA loan data were fully analyzed and considered in the evaluation, only bank and aggregate data from the most recent years (2022 HMDA and 2021 CRA) are presented in the assessment area analysis tables. In instances where the prior year HMDA and CRA performance varies significantly, such variances and the corresponding impact on the overall performance are discussed.

Throughout the lending analysis, loans without a reported income (in the case of borrower distribution) and loans where the reported geographic information is incomplete (in the case of geographic distribution) are excluded from both bank loan totals and comparative aggregate lending totals. Additionally, the borrower and geographic and distribution performance of HMDA loans focused on the Home Purchase, Home Improvement, Refinancing, and Multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

When assessing individual loan products for borrower and geographic distribution performance, primary consideration is given to the number (and corresponding percentage) of loans. When combining multiple loan products to arrive at an overall conclusion, the level of performance for each product is weighed primarily by the dollar volume that the product contributes to the overall activity considered in the evaluation.

During 2021, JMB reported approximately \$192 million in HMDA loans and \$95 million in small business loans within its assessment area. Accordingly, the bank's HMDA lending performance is generally given more weight than its small business lending performance when considering the bank's combined product performance. Additionally, when determining the overall performance of a product, greater weight is generally given to the year with the larger dollar volume for that product. For JMB's HMDA lending, greater weight is given to the 2021 performance, as the bank originated \$192 million in loans compared to \$127.8 million in 2022. For small business lending, greater weight is given to the 2020 performance, as the bank originated \$138.2 million in loans compared to \$95 million in 2021.

Overall, the bank's lending test performance is rated Low Satisfactory based on its lending activity, assessment area concentration of lending, borrower and geographic lending distribution performances, and community development lending. The components of each test are discussed in the following sections. All conclusions take into consideration relevant performance context factors.

Lending Activity:

Combined lending activity from 2020 through 2022 based on the bank’s loan data reviewed during this evaluation is detailed in the following table.

Summary of Lending Activity

Loan Type	#	%	\$(000)	% of \$
Home Improvement	2	0.12	350	0.06
Home Purchase	222	13.29	154,884	26.14
Multi-Family Housing	25	1.50	61,666	10.41
Refinancing	140	8.38	121,011	20.42
Loan Purpose Not Applicable	0	0	0	0
Other Purpose Closed-End	5	0.30	3,189	0.54
Other Purpose LOC	0	0	0	0
Total HMDA related	394	24	341,100	58
Small Business	1,277	76.42	251,491	42.44
TOTAL LOANS	1,671	100	592,591	100

The total number and dollar volume of loans, shown in the above table, were considered in arriving at the lending activity conclusion. The bank extended a significantly greater number of small business loans than HMDA loans; however, residential mortgage lending accounts for 58% of lending activity by dollar volume during the evaluation period. Overall, the bank’s lending levels reflect adequate responsiveness to credit needs, based on the lending activity analyzed under the Lending Test.

Information about the bank’s loan-to-deposit ratio, changes in loans and deposits, and its market share and rankings can also provide additional context regarding the bank’s lending activity and its capacity. As of March 31, 2023, JMB’s loan-to-deposit ratio equaled 83.7% and averaged 84.7% during the nine-quarter period ending March 31, 2023. Since March 31, 2021, the bank’s assets, loans, and deposits have increased by 16.9%, 10.3%, and 18.6%, respectively. As of June 30, 2022, JMB ranked 18th out of 58 institutions in local deposit market share, having .8% of the available Federal Deposit Insurance Corporation insured deposits (credit union deposits are not included) within its assessment area.

The following table provides information regarding JMB’s lending activity according to aggregate HMDA and CRA data during the evaluation period. All market share rankings consider originated and purchased loans. JMB’s market share rankings indicate that the bank is an active lender within its assessment area.

Year	HMDA			CRA/Small business		
	Market Share	Rank	Number of Lenders	Market Share	Rank	Number of Lenders
2020	0.1%	165 th	850	0.6%	23 rd	322
2021	0.1%	161 st	846	0.3%	28 th	307
2022	0.1%	101 st	799	-	-	-

To meet the credit needs of its assessment area, JMB offers a broad range of financial products and services, including loan programs that have flexible criteria or are designed to meet special credit needs that often benefit small businesses. The following are examples of loan programs the bank utilizes in an effort to be responsive to the community credit needs:

- Paycheck Protection Program (PPP) – the bank offered PPP loans designed to help businesses retain their workforce during the pandemic. During 2020, JMB originated 660 PPP loans totaling \$105.1 million, of which 622 loans totaling approximately \$97.5 million were originated within the assessment area. During 2021, the bank originated 368 PPP loans totaling \$62.8 million, of which 338 PPP loans totaling approximately \$57.2 million were within the

assessment area. This is an example of JMB using flexible lending products to meet credit needs within its assessment area.

- Small Business Administration (SBA) – the bank began offering the SBA’s Small Business 7A loan program in January 2021, which provides small business owners with an SBA 85% guarantee for loans up to \$150,000 and 75% guarantee for loans greater than \$150,000. Loan purposes may include working capital, equipment purchases, business acquisitions, and start-up financing. In addition to the aforementioned PPP loans, JMB originated two SBA 7a loans in 2021 totaling \$300,000.
- Home Pursuit – the bank implemented a Home Pursuit loan product in 2020, which is aimed at removing obstacles for first time homebuyers. The program includes a first lien mortgage loan up to 89.9% loan-to-value (LTV) with a second lien mortgage, if needed, up to 95% LTV which can be used for down payment or closing costs. JMB originated 18 of these loans totaling \$5.6 million during the evaluation period.

Considering the relevant performance context factors such as bank size, financial condition, and local area credit needs, the bank’s overall lending activity reflects adequate responsiveness to assessment area credit needs.

Assessment Area Concentration:

Loan data includes all bank originations and purchases of HMDA loans from calendar years 2021 and 2022, and small business loans from calendar years 2020 and 2021. The data does not include large commercial loans (loan amounts in excess of \$1 million), or any other loan type not specified.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	194	87.4	143,859	92.9	28	12.6	11,025	7.1
Home Improvement	2	100.0	350	100.0	0	0.0	0	0.0
Refinancing	134	95.7	117,861	97.4	6	4.3	3,150	2.6
Multi-Family Housing	21	84.0	57,672	93.5	4	16.0	3,994	6.5
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	2	40.0	368	11.5	3	60.0	2,821	88.5
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	353	89.6	320,110	93.8	41	10.4	20,990	6.2
Small Business	1,187	93.0	233,176	92.7	90	7.0	18,315	7.3
TOTAL LOANS	1,540	92.2	553,286	93.4	131	7.8	39,305	6.6

As illustrated in the preceding table, a substantial majority of the number (92.2%) and dollar amount (93.4%) of total loans considered in the evaluation were made within the bank’s assessment area. Overall, the institution’s level of lending within the assessment area is considered highly responsive to community credit needs.

Geographic Distribution:

Geographic distribution performance varies by product and year, and is considered adequate overall for both HMDA and small business.

Distribution of HMDA Loans by Income Level of Census Tract

Washington-Arlington-Alexandria, DC-VA (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(131)				Home Purchase (75,460)			
Low	2	1.5	1,502	1.7	3,183	4.2	1,299,706	2.9
Moderate	10	7.6	4,869	5.7	11,452	15.2	4,675,099	10.5
Middle	34	26.0	16,668	19.4	24,923	33.1	12,328,615	27.6
Upper	85	64.9	63,064	73.2	35,671	47.5	26,332,284	59.0
	(36)				Refinance (32,652)			
Low	0	0.0	0	0.0	1,480	4.5	452,081	3.2
Moderate	0	0.0	0	0.0	4,602	14.1	1,384,941	9.7
Middle	6	16.7	5,373	18.7	9,918	30.4	3,511,953	24.6
Upper	30	83.3	23,436	81.3	16,652	51.0	8,901,448	62.5
	(0)				Home Improvement (11,198)			
Low	0	0.0	0	0.0	253	2.3	30,799	1.7
Moderate	0	0.0	0	0.0	1,083	9.7	120,115	6.8
Middle	0	0.0	0	0.0	2,935	26.2	370,741	21.1
Upper	0	0.0	0	0.0	6,927	61.8	1,239,070	70.4
	(7)				Multi-Family (312)			
Low	1	14.3	4,600	35.7	97	31.1	807,615	18.7
Moderate	3	42.9	3,906	30.3	58	18.6	838,278	19.4
Middle	1	14.3	920	7.1	46	14.7	1,177,689	27.3
Upper	2	28.5	3,445	26.9	111	35.6	1,488,961	34.6
	HMDA Totals							
Low	3	1.7	6,102	4.8	5,013	4.2	2,590,201	4.0
Moderate	13	7.5	8,775	6.9	17,195	14.4	7,018,433	10.8
Middle	41	23.6	22,961	18.0	37,822	31.6	17,388,998	26.7
Upper	117	67.2	89,945	70.3	59,361	49.5	37,961,763	58.1
NA*	0	0.0	0	0.0	311	0.3	235,859	0.4
Total	174	100.0	127,783	100.0	119,702	100.0	65,195,254	100.0

NA*-Tracts without household or family income as applicable

Within the assessment area, home purchase loans were extended most frequently by the bank and aggregate reporters. By loan product, JMB's home purchase loan performance is considered poor, while refinance lending is considered very poor. Given the bank's limited volume of home improvement and multi-family lending within the assessment area, these loan categories were given minimal weight when considering the bank's overall performance.

During 2022, the bank's total HMDA lending in low-income census tracts (1.7%) lagged the percentage of owner-occupied housing units (3.7%) and the aggregate lending level (4.2%) in such tracts. The bank's lending in moderate-income census tracts (7.5%) also lagged the percentage of owner-occupied housing units (14.2%) and the aggregate lending level (14.4%) in such tracts. On a combined basis, JMB's performance in 2022 is considered poor.

In 2021, the bank originated 177 HMDA loans within its assessment area totaling \$192 million. Of those originations, seven (4%) loans totaling \$10.7 million (5.6%) were originated in low-income census tracts, while 12 (6.8%) loans totaling \$7.7 million (4%) were originated in moderate-income census tracts. When compared to the number of loans reported by aggregate lenders in low-and-moderate income census tracts (3.8% and 11.8%, respectively), and the percentage of owner-occupied housing units located in low-and moderate-income census tracts (3.7% and 12.5%, respectively), JMB's performance in 2021 is considered adequate.

On a combined basis, and after consideration of the greater weight given to its 2021 performance due to the larger dollar volume of originations that year, JMB’s HMDA lending performance is considered adequate overall.

Distribution of Small Business Loans by Income Level of Census Tract

Washington-Arlington-Alexandria, DC-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	13	2.9	2,850	3.0	6,314	4.4	199,695	3.7
Moderate	46	10.4	12,680	13.3	21,559	15.2	811,248	15.1
Middle	137	31.1	31,120	32.8	44,695	31.5	1,756,420	32.6
Upper	243	55.1	48,288	50.8	68,831	48.5	2,595,073	48.2
NA*	2	0.5	73	0.1	630	0.4	25,788	0.4
Total	441	100.0	95,011	100.0	142,029	100.0	5,388,224	100.0

*NA-Tracts without household or family income as applicable
Loans where the geographic location is unknown are excluded from this table.

D&B data from 2021 indicates that 4.8% of all area businesses are located in low-income census tracts and 14.8% are located in moderate-income census tracts. JMB’s small business lending in low-income census tracts (2.9%) slightly lagged the percentage of businesses located in low-income census tracts and the aggregate level of lending (4.4%) in such tracts. The bank’s lending in moderate-income census tracts (10.4%) also lagged the demographic proxy and aggregate level of lending (15.2%) in such tracts. On a combined basis, JMB’s performance in 2021 is considered adequate and its performance during 2020 is substantially similar.

Distribution by Borrower Income and Revenue Size of Business:

JMB’s borrower distribution performance is considered adequate overall for both HMDA and small business lending.

Distribution of HMDA Loans by Income Level of Borrower

Washington-Arlington-Alexandria, DC-VA (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	1	4.8	335	2.2	8,482	8.3	1,997,327	3.9
Moderate	8	38.1	3,222	21.2	21,244	20.7	7,205,395	14.1
Middle	2	9.5	650	4.3	26,059	25.4	11,201,160	21.9
Upper	10	47.6	10,975	72.3	46,815	45.6	30,748,559	60.1
Total	21	100.0	15,182	100.0	102,600	100.0	51,152,441	100.0
Unknown	153		112,601		17,102		14,042,813	

Percentages (%) are calculated on all loans where incomes are known

As reflected in the table, JMB reports a significant volume of HMDA loans where borrower income is unknown. These loans are primarily originated to non-natural persons for business purpose consistent with the bank’s commercial focused business strategy. HMDA loans where borrower income was not reported are not included in the borrower lending distribution analysis.

During 2022, the bank’s lending to low-income borrowers (4.8%) substantially lagged the percentage of area low-income families (20.1%) and the aggregate lending level (8.3%). However, the bank’s level of lending to moderate-income borrowers (38.1%) substantially exceeded the percentage of area moderate-income families (15.2%) and the aggregate lending level (20.7%). Overall, the bank’s combined distribution of loans reflects excellent penetration among low- and moderate-income borrowers during 2022, primarily driven by the bank’s lending to moderate-income borrowers.

During 2021, the bank originated 35 residential mortgages within its assessment area totaling \$36.3 million where borrower incomes were known. Of the total loans, there were no loans originated to low-income borrowers and three (8.6%) loans totaling \$795,000 (2.2%) to moderate-income borrowers. When compared to the percentage of loans reported by aggregate lenders to low- and moderate-income borrowers (6.9% and 18.5%, respectively), and the proportion of area low- and moderate-income families (20.4% and 14.8%, respectively), JMB’s performance in 2021 is considered poor.

On a combined basis, JMB’s HMDA lending performance is considered adequate overall based on the respective performance levels and volume of lending each year.

Distribution of Lending by Loan Amount and Size of Business

Washington-Arlington-Alexandria, DC-VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	57	12.9	23,919	25.2	68,358	48.0	1,520,275	28.2
Over \$1 Million	46	10.4	13,924	14.7	NA	NA	NA	NA
Unknown	338	76.7	57,168	60.1	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	190	43.1	8,244	8.7	131,612	92.4	2,016,917	37.4
\$100,001-\$250,000	112	25.4	18,907	19.9	6,019	4.2	964,205	17.9
\$250,001-\$1 Million	139	31.5	67,860	71.4	4,756	3.4	2,410,535	44.7
Total	441	100.0	95,011	100.0	142,387	100.0	5,391,657	100.0

* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

D&B data from 2021 indicates that 91.1% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans with known revenues considered in the evaluation, 12.9% of JMB’s originations were to businesses with revenues of \$1 million or less. The percentage of JMB’s small business loans extended to businesses with revenues \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown. As noted in the table, of the small business loans originated within its assessment area during 2021, 338 (76.7%) loans totaling \$57.2 million (60.1%) were reported with unknown revenue, which also accounts for the total number and dollar of PPP loans originated within the assessment area. As mentioned previously, PPP was an SBA-backed loan program designed to help businesses keep their workforce employed during the COVID-19 pandemic. As part of the program, lenders were not required to consider borrower revenue as an underwriting criteria; consequently, the majority of PPP loans were reported with unknown revenue.

When considering non-PPP loans, the bank originated 103 small business loans totaling \$37.8 million with known borrower revenue. Of this total, 57 loans (55.3%) totaling \$23.9 million (63.2%) were made to businesses with annual revenues of \$1 million or less. According to aggregate data from 2021, 48% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenue exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 43.1% of its small business loans in amounts of \$100,000 or less, which lagged the aggregate level of such lending (92.4%).

As an element of performance context, the bank’s PPP small business loans were also evaluated by loan size. The following table reflects this distribution.

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Washington-Arlington-Alexandria, DC-VA (2021)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	166	49.1%	\$7,158	12.5%
>\$100,000 to \$250,000	90	26.6%	\$14,915	26.1%
>\$250,000 to \$1 million	82	24.3%	\$35,095	61.4%
Total	338	100%	\$57,168	100%

In 2021, nearly half (49.1%) of the bank’s PPP loans for which borrower revenue was not known had loan amounts of \$100,000 or less. In 2020, the bank originated a total of 622 PPP loans totaling \$97.5 million. A majority (52.6%) of the bank’s 2020 PPP loans were made in amounts of \$100,000 or less. The amount of PPP lending indicates that the bank is helping to serve the needs of small businesses in the assessment area.

Overall, JMB’s small business borrower distribution performance by loan amount and size of business is considered adequate for 2020 and 2021.

Community Development Lending:

Information from individuals knowledgeable of the local market area and a review of the performance evaluation of other financial institutions having a local presence indicate that a variety of community development opportunities are available within this assessment area, and the bank’s capacity for additional lending, including community development lending, is not constrained and is considered relatively high.

JMB supported local community development initiatives by originating 25 community development loans totaling approximately \$59.3 million. Seven loans supported affordable housing efforts in the assessment area, including the financing of affordable multifamily housing projects, one SBA 504 loan was extended to support economic development, and 17 PPP loans over \$1 million were provided to businesses either within low- or moderate-income census tracts or having an average payroll at or below 80% of the area’s median family income. Overall, JMB makes a relatively high level of community development loans.

INVESTMENT TEST

JMB’s level of responding to community development needs through its investment activities is rated High Satisfactory. As of March 31, 2023, the bank reported approximately \$2.3 billion in total assets and held approximately \$438.7 million in securities. As of the date of the evaluation, JMB held 29 qualified investments totaling approximately \$27 million and representing approximately 1.2% of total assets and 6.2% of total securities. The dollar volume of qualified investments has tripled since the previous evaluation (\$8.8 million), primarily attributed to the additional SBA-backed development company participation certificates (DCPCs) purchased that support SBA loans.

Qualified community investments include:

- 19 pools of SBA-backed DCPCs totaling \$18.8 million issued by the SBA. The SBA debentures are securitized into debenture pools that are sold to investors as participation certificates that are guaranteed by the SBA.
- Seven equity investments in the Virginia Community Development Corporation (VCDC) totaling \$5.3 million. The VCDC is a tax credit fund manager that supports affordable housing and economic development throughout the Commonwealth of Virginia.

- Three municipal bonds totaling \$2.9 million issued by the Housing Opportunity Community Partnership of Montgomery County, MD, which facilitates the development of affordable housing for low- and moderate-income residents of Montgomery County, MD.

In addition, the bank made six qualified donations totaling \$9,449 during the evaluation period to local organizations that promote affordable housing and assist low- and moderate-income residents within the bank's assessment area.

Overall, JMB maintains a significant level of qualified community development investments that demonstrate a good responsiveness to local credit needs, and the bank makes occasional use of innovative and/or complex investments to support community development initiatives.

SERVICE TEST

The bank's performance under the service test is rated High Satisfactory. Delivery systems, branch locations, and hours of operation are considered accessible and convenient to all portions of the assessment area. During the evaluation period, the changes in branch locations did not adversely affect the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals. Given the changes detailed earlier, there was no net impact to the number of branches located in low- or moderate-income tract. JMB services do not vary in a way that inconveniences low- or moderate-income geographies or individuals. Additionally, bank employees provide a relatively high level of support to local organizations that provide community development services in relation to the institution's size, location, and financial capacity.

Retail Services:

Automated teller machines (ATMs), bank-by-phone, mobile and internet banking are available, offering 24-hour account access. The bank offers free access to JMB ATMs, mobile, and internet banking services. The bank also offers low-cost deposit accounts for small businesses and consumers, which also generally have minimum balance or transaction requirements to avoid monthly service fees.

The bank operates eight full-service branch offices, four stand-alone ATMs, and two LPOs. There are no branches located in low-income census tracts, two (25%) in moderate-income census tracts, and the remaining are in middle- and upper-income census tracts. The absence of branches in low-income census tracts is below the percentage of low-income tracts (9.8%) and households located in such tracts (9%); however, the distribution of branches in moderate income tracts (25%) exceeds the percentage of moderate-income tracts (15.6%) and households located in such tracts (15.9%). JMB's ATM locations consist of one located in a moderate-income tract, two in middle-income tracts, and one in an upper-income census tract. Overall, branch locations are considered accessible to all portions of the assessment area.

JMB's business hours and services offered do not vary in a way that inconveniences low- and moderate-income individuals or areas. Branch offices generally have consistent hours and availability across the assessment area; all locations are open until 5:00 p.m. Monday through Friday. There are no offices opened on Saturdays. Since the previous evaluation, the bank relocated a branch in Prince William County from a moderate-income to a middle-income census tract in June 2021, and relocated a branch in the District of Columbia from an upper-income to a moderate-income census tract in April 2023.

Community Development Services:

The bank and its employees participate in a relatively high level of community development service activities benefiting local organizations within the assessment area. Bank directors, officers, and employees served in leadership positions and provided financial education and expertise to 14 organizations, including seven that provide community services to low- and moderate-income individuals and geographies and seven that support small businesses and facilitate economic development or provide affordable housing. Examples of these activities include, but are not limited to, the following:

- A bank employee serves on the loan committee of the Business Finance Group – CDC, which provides lending solutions for small businesses through SBA 504 loan programs.
- A bank employee serves as the director of the Loudoun Small Business Development Center, which promotes small business development by providing resources and support to area small businesses.
- A bank employee serves on the executive board of HomeAid Northern Virginia, which provides assistance to at-risk or homeless individuals in need of housing by connecting with regional builders and housing industry professionals focused on ending homelessness.
- A bank employee serves as an executive board member for the Boys and Girls Club of Prince William County as the resource development chair.
- A bank employee volunteers at Tree of Life Ministries by providing financial literacy training to low-income adults and children.
- A bank employee volunteers and serves as a board member with Habitat for Humanity.
- Several employees participate in Junior Achievement (JA) which partners with local secondary schools to provide financial literacy and education to students. Several of the schools that participate in the JA program have student populations that are primarily low- and moderate-income.

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. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED¹	OTHER INFORMATION
Washington-Arlington-Alexandria, DC-VA-MD	Full Scope	None	None

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

CRA APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating
Washington-Arlington-Alexandria, DC-VA-MD	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

CRA APPENDIX C

DISTRIBUTION AND DEMOGRAPHIC TABLES

Geographic Distribution Tables

Distribution of HMDA Loans by Income Level of Census Tract

Washington-Arlington-Alexandria, DC-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(63)				(99,220)			
Low	3	4.8	2,591	4.5	4,482	4.5	1,874,491	3.4
Moderate	8	12.7	4,092	7.1	13,784	13.9	5,443,812	10.0
Middle	17	27.0	10,333	17.9	32,113	32.5	15,026,885	27.6
Upper	35	55.5	40,740	70.5	48,535	49.1	32,060,267	59.0
	(98)				(195,087)			
Low	0	0.0	0	0.0	6,669	3.4	2,270,148	2.7
Moderate	4	4.1	3,642	4.1	21,410	11.0	6,783,619	8.0
Middle	14	14.3	11,340	12.7	56,562	29.0	20,714,937	24.5
Upper	80	81.6	74,070	83.2	110,446	56.6	54,904,352	64.8
	(2)				(8,572)			
Low	0	0.0	0	0.0	203	2.4	34,298	2.3
Moderate	0	0.0	0	0.0	630	7.3	85,749	5.7
Middle	0	0.0	0	0.0	2,019	23.6	296,037	19.8
Upper	2	100.0	350	100.0	5,720	66.7	1,075,813	72.2
	(13)				(306)			
Low	4	30.8	8,102	18.8	102	33.3	502,414	11.0
Moderate	0	0.0	0	0.0	44	14.4	664,329	14.5
Middle	3	23.1	21,644	50.2	71	23.2	1,933,526	42.3
Upper	6	46.2	13,350	31.0	89	29.1	1,473,937	32.2
	HMDA Totals							
Low	7	4.0	10,693	5.6	11,456	3.8	4,681,351	3.2
Moderate	12	6.8	7,734	4.0	35,868	11.8	12,977,509	8.9
Middle	34	19.2	43,317	22.6	90,765	29.9	37,971,385	26.1
Upper	123	69.5	128,510	66.9	164,790	54.3	89,514,369	61.5
NA*	1	0.5	1,705	0.9	763	0.2	447,878	0.3
Total	177	100.0	191,959	100.0	303,642	100.0	145,592,492	100.0

NA*-Tracts without household or family income as applicable

Distribution of Small Business Loans by Income Level of Census Tract

Washington-Arlington-Alexandria, DC-VA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	18	2.4	3,375	2.4	4,767	3.8	218,307	3.1
Moderate	82	11.0	17,410	12.6	18,533	14.7	1,068,256	15.0
Middle	235	31.5	49,367	35.7	39,094	31.0	2,358,297	33.0
Upper	406	54.4	67,755	49.0	62,893	49.9	3,456,210	48.4
NA*	5	0.7	258	0.3	628	0.6	39,040	0.5
Total	746	100.0	138,165	100.0	125,915	100.0	7,140,110	100.0

*NA-Tracts without household or family income as applicable

Loans where the geographic location is unknown are excluded from this table.

Borrower Distribution Tables

Distribution of HMDA Loans by Income Level of Borrower

Washington-Arlington-Alexandria, DC-VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	0	0.0	0	0.0	16,800	6.9	4,031,376	3.6
Moderate	3	8.6	795	2.2	45,115	18.5	14,745,314	13.2
Middle	0	0.0	0	0.0	62,707	25.7	25,270,356	22.6
Upper	32	91.4	35,459	97.8	119,037	48.9	67,880,390	60.6
Total	35	100.0	36,254	100.0	243,659	100.0	111,927,436	100.0
<i>Unknown</i>	<i>142</i>		<i>155,705</i>		<i>59,983</i>		<i>33,665,056</i>	

Percentages (%) are calculated on all loans where incomes are known

Distribution of Lending by Loan Amount and Size of Business

Washington-Arlington-Alexandria, DC-VA (2020)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	56	7.5	18,560	13.4	55,955	44.3	1,826,865	25.5
Over \$1 Million	68	9.1	22,065	16.0	NA	NA	NA	NA
<i>Unknown</i>	<i>622</i>	<i>83.4</i>	<i>97,540</i>	<i>70.6</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
by Loan Size								
\$100,000 or less	358	48.0	15,591	11.3	110,442	87.5	2,259,094	31.6
\$100,001-\$250,000	200	26.8	33,453	24.2	8,897	7.0	1,434,008	20.0
\$250,001-\$1 Million	188	25.2	89,121	64.5	6,872	5.5	3,459,429	48.4
Total	746	100.0	138,165	100.0	126,211	100.0	7,152,531	100.0

** No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues*

Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size

Washington-Arlington-Alexandria, DC-VA (2020)				
Loan Size	#	%	\$ (000s)	%
\$100,000 or less	327	52.6%	\$13,683	14.0%
>\$100,000 to \$250,000	162	26.0%	\$26,215	26.9%
>\$250,000 to \$1 million	133	21.4%	\$57,642	59.1%
Total	622	100%	\$97,540	100%

2020 Demographic Data

Assessment Area Demographics

Washington-Arlington-Alexandria, DC-VA <i>(Based on 2015 ACS Data and 2020 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	90	9.8	77,594	8.2	17,787	22.9	193,181	20.4
Moderate	143	15.6	145,550	15.4	12,663	8.7	140,389	14.8
Middle	274	30.0	284,265	30.1	13,621	4.8	179,063	18.9
Upper	392	42.9	435,519	46.0	8,458	1.9	433,254	45.9
NA	15	1.7	2,959	0.3	496	16.8		
Total	914	100.0	945,887	100.0	53,025	5.6	945,887	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	32,894	3.7	132,583	9.0	30,559	23.0	318,210	21.5
Moderate	112,313	12.5	234,691	15.9	23,988	10.2	222,501	15.1
Middle	277,633	30.9	460,908	31.2	29,265	6.3	263,900	17.9
Upper	472,903	52.7	640,429	43.4	26,321	4.1	672,704	45.5
NA	1,856	0.2	8,704	0.5	1,589	18.3		
Total	897,599	100.0	1,477,315	100.0	111,722	7.6	1,477,315	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	11,234	4.5	10,526	4.6	629	3.0	79	3.9
Moderate	36,752	14.7	33,142	14.6	3,387	16.3	223	11.1
Middle	74,410	29.8	67,124	29.6	6,789	32.7	497	24.7
Upper	125,658	50.3	114,857	50.6	9,767	47.0	1,034	51.4
NA	1,863	0.7	1,483	0.6	202	1.0	178	8.9
Total	249,917	100.0	227,132	100.0	20,774	100.0	2,011	100.0
	Percentage of Total Businesses:			90.9		8.3		0.8

*NA-Tracts without household or family income as applicable

2021 Demographic Data

Assessment Area Demographics

Washington-Arlington-Alexandria, DC-VA								
<i>(Based on 2015 ACS Data and 2021 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	90	9.8	77,594	8.2	17,787	22.9	193,181	20.4
Moderate	143	15.6	145,550	15.4	12,663	8.7	140,389	14.8
Middle	274	30.0	284,265	30.1	13,621	4.8	179,063	18.9
Upper	392	42.9	435,519	46.0	8,458	1.9	433,254	45.9
NA	15	1.7	2,959	0.3	496	16.8		
Total	914	100.0	945,887	100.0	53,025	5.6	945,887	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	32,894	3.7	132,583	9.0	30,559	23.0	318,210	21.5
Moderate	112,313	12.5	234,691	15.9	23,988	10.2	222,501	15.1
Middle	277,633	30.9	460,908	31.2	29,265	6.3	263,900	17.9
Upper	472,903	52.7	640,429	43.4	26,321	4.1	672,704	45.5
NA	1,856	0.2	8,704	0.5	1,589	18.3		
Total	897,599	100.0	1,477,315	100.0	111,722	7.6	1,477,315	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	11,888	4.8	11,190	4.9	618	3.1	80	3.8
Moderate	36,920	14.8	33,380	14.7	3,286	16.3	254	12.0
Middle	74,515	29.8	67,424	29.6	6,571	32.7	520	24.5
Upper	124,700	49.9	114,161	50.2	9,456	47.0	1,083	51.1
NA	1,840	0.7	1,464	0.6	193	0.9	183	8.6
Total	249,863	100.0	227,619	100.0	20,124	100.0	2,120	100.0
	Percentage of Total Businesses:			91.1		8.1		0.8

*NA-Tracts without household or family income as applicable

APPENDIX D

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 subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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 the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and 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 refinancings 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.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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 Consolidated Report of Condition and Income (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 geography.