



PUBLIC DISCLOSURE

April 17, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Select Bank

Forest, 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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3567269

211 Gristmill Drive

Forest, VA 24551

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered more than reasonable given its size, financial condition, and assessment area credit needs.
- A majority of the institution's mortgage and small business loans considered in the evaluation were originated within the bank's assessment areas.
- Borrower distribution performance reflects a reasonable penetration among individuals of different incomes (including low- and moderate-income) and businesses of different sizes.
- The geographic distribution of loans varies by assessment area, but reflects reasonable dispersion throughout the bank's assessment areas overall.
- The institution has not received any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation.
- The bank's responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and services is considered adequate.

SCOPE OF EXAMINATION

Select Bank (Select) was evaluated using the interagency evaluation procedures for an intermediate small bank developed by the Federal Financial Institutions Council (FFIEC). Select's performance was evaluated based on residential mortgage and small business lending data from 2021.

Select was required to report certain information regarding its residential mortgage lending for calendar year 2022 in accordance with the Home Mortgage Disclosure Act (HMDA). While the bank has reported its 2022 HMDA data, that data is not included in this analysis because the 2022 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 and services provided since the previous evaluation (October 23, 2017) were also considered in this evaluation. Additionally, all qualified investments financed during this period, including those outstanding as of the date of this evaluation, were considered. To determine availability of qualified community development opportunities in the assessment area, CRA public evaluations of other financial institutions operating in the assessment area were reviewed. Additionally, members of the communities were contacted to discern local economic conditions, credit needs, the performance of local financial institutions, and potential community development opportunities.

Select serves a total of three assessment areas in the Commonwealth of Virginia and North Carolina. The bank's operations are primarily concentrated in the Lynchburg, VA assessment area; however, because the bank maintains a branch office in Burlington, NC, the State of North Carolina is also reviewed alongside the Lynchburg, VA assessment area using the FFIEC's full scope procedures. The bank's Staunton, VA assessment area was evaluated utilizing the FFIEC's limited review procedures, and a determination was made as to whether performance was consistent with the assigned state ratings. **Appendix C** includes information about the bank's performance in the limited scope assessment area.

An overall rating and ratings for the Lending and Community Development Tests were assigned to the institution based on its performance within the assessment areas reviewed using full scope procedures. The ratings are weighted primarily according to bank activity as measured by relative lending volume, proportion of deposits, and the number of branches in each assessment area as outlined in **Appendix D**. In all cases, conclusions also take into consideration relevant performance context factors. When assigning the institution’s overall rating, the bank’s performance in the Lynchburg, VA assessment area is given greater weight than the Burlington, NC MSA assessment area, as a majority of the bank’s loans, deposits, and branches are located within this assessment area.

DESCRIPTION OF INSTITUTION

Select is headquartered in Forest, Virginia, and operates a main office and five branches serving two assessment areas in Virginia and one assessment area in North Carolina. Select has no affiliates or subsidiaries. The bank has four branch offices located in Lynchburg, VA, one in the Staunton, VA Metropolitan Statistical Area (MSA), and one in the Burlington, NC MSA. Select has ATMs at each branch location. The bank also has one loan production office (LPO) in Asheboro, North Carolina that was opened since the prior exam. The branches in Staunton, VA and Burlington, NC were also opened since the prior exam, resulting in two new AA delineations (Staunton, VA MSA, and Burlington, NC MSA). The branch opening in the state of North Carolina also resulted in the bank’s designation as an interstate bank. Additionally, one of the four branches in the Lynchburg, VA assessment was also opened since the previous exam. Select received a Satisfactory rating at its prior CRA evaluation dated October 23, 2017. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As of December 31, 2022, bank assets totaled \$440.9 million of which 79.9% were net loans and 11.3% were securities. Deposits totaled \$409.7 million during the same period. Various deposit and loan products are available through the institution, including residential mortgage, commercial, and consumer purpose loans. The composition of the loan portfolio reflecting gross loans as of December 31, 2022, is depicted in the following table.

Composition of Loan Portfolio

Loan Type	12/31/2022	
	\$(000s)	%
Secured by 1-4 Family dwellings	142,193	40.1
Multifamily	5,920	1.7
Construction and Development	41,391	11.7
Commercial & Industrial/ NonFarm NonResidential	158,228	44.6
Consumer Loans and Credit Cards	4,398	1.2
Agricultural Loans/ Farmland	2,486	0.7
All Other	0	0.0
Total	354,616	100.0

As indicated in the preceding table, Select is an active residential mortgage and commercial lender. Small business lending (i.e., business purpose loans of \$1 million or less) is a subset of commercial lending. As such, small business and residential mortgage loans were used for this evaluation.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to provide direct incentive for small businesses, allow workforces to remain employed, and promote economic stability during the Coronavirus (Covid-19) pandemic. Since the PPP was established, Select has originated 398 loans totaling approximately \$41.8 million. Select’s origination of PPP loans is an example of the bank being responsive to area credit needs.

As mentioned previously, Select serves two assessment areas located in the Commonwealth of Virginia and one in the state of North Carolina. The composition of each assessment area is detailed below.

Assessment Area	City/County	Census Tracts Included
Lynchburg, VA	Lynchburg City	All
	Bedford County	All
	Campbell County	All
Staunton, VA MSA	Staunton City	All
	Waynesboro City	All
	Augusta County	All
Burlington, NC MSA	Alamance County	All

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

When evaluating a bank’s residential mortgage lending performance, relevant area demographic data from the American Community Survey (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. As such, when evaluating the bank’s performance, relevant area demographic data from the 2015 ACS is used as a proxy for loan demand. Dun & Bradstreet (D&B) business demographic data from 2021 is also considered when evaluating the bank’s small business lending performance.

Aggregate loan data is also used as a proxy for demand when evaluating the bank’s HMDA and small business lending performance. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA data, respectively, within the bank’s assessment areas. Because the bank does not report CRA loan data, its small business loans are not included in the aggregate CRA data.

To evaluate the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated. Performance in each loan category is then generally weighted by dollar volume of such loans made in the assessment area to arrive at an overall assessment area level conclusion regarding the distribution of lending. Similarly, when the performance of multiple assessment areas is considered to reach the institution's rating, the overall level of performance from each assessment area subject to full scope review is weighted primarily according to loan dollar volume within each area during the review period.

The bank is an active small business lender and was an active participant in the SBA’s PPP. Consistent with data collection and reporting requirements of the program, financial institutions were not required to collect or report borrower revenue information for PPP loans. As PPP loans are included in bank and aggregate loan data with a mixture of known and unknown revenues, small business borrower distribution performance was evaluated using loan size as a proxy for loans with revenues not available. Borrower distribution performance conclusions for the bank’s small business lending considered the institution’s percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of small dollar loans considered to be more responsive to the needs of smaller-sized businesses.

Overall, the bank’s lending test is rated Satisfactory. This rating considers the bank’s loan-to-deposit ratio, proportion of lending within its overall assessment area, borrower distribution performance, and geographic distribution performance.

The bank’s community development performance is rated Satisfactory. This conclusion is based on the number and amount of qualified community development loans, investments, and services during the evaluation period, and the bank’s responsiveness to identified local community development needs.

Loan-To-Deposit Ratio

The bank's loan-to-deposit ratio equaled 86% as of December 31, 2022, and averaged 97.6% for the 21-quarter period ending December 31, 2022. By comparison, the quarterly average loan-to-deposit ratios for peer banks similar in asset size and operating in Select's assessment areas ranged from 80% to 81.4% for the same 21-quarter period. Since December 31, 2017, the bank's assets, net loans, and deposits have increased by 109.8%, 83.5%, and 115.4%, respectively. When considering relevant performance context factors such as the institution's size, financial condition, and local credit needs, the bank's loan-to-deposit ratio is considered more than reasonable.

Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, the geographic location of Select's small business and residential mortgage loans was considered. The lending distribution inside and outside of the bank's combined assessment areas is represented in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	258	64.8	27,373	65.5	140	35.2	14,396	34.5
Mortgage Loans	110	76.4	43,638	71.6	34	23.6	17,280	28.4
TOTAL LOANS	368	67.9	71,011	69.2	174	32.1	31,676	30.8

As indicated in the preceding table, a majority of the total number (67.9%) and dollar amount (69.2%) of small business and mortgage loans were extended within the bank's assessment areas during the review period. Overall, the institution's level of lending within its assessment areas is considered responsive to community credit needs.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

The bank's distribution of lending to businesses of different revenue sizes and borrowers of different income levels is considered reasonable in the Commonwealth of Virginia and the State of North Carolina. As such, the bank's borrower distribution performance is considered reasonable for the institution overall.

Geographic Distribution of Loans

The bank's geographic distribution performance is considered excellent in the Commonwealth of Virginia and very poor in the State of North Carolina. On a combined basis, when taking into consideration the dollar volume of lending and strength of performance across assessment areas, Select's geographic distribution performance is considered reasonable overall.

Community Development Loans, Investments, and Services

Select supports community development initiatives within its assessment areas and larger statewide areas by extending community development loans, making qualified investments, and providing financial expertise and other support to local organizations providing community development services. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities. Select's community development performance within the Commonwealth of Virginia and the State of North Carolina is rated Satisfactory. The bank's overall community development performance is also rated Satisfactory. Details of community development activities are discussed in the assessment area where the activities took place.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The fair lending review performed concurrently with this evaluation identified substantive violations of technical provisions within the Equal Credit Opportunity Act. The violations impacted a minimal number of borrowers. During this evaluation, management began taking action to address the violations and implemented controls to prevent such violations in the future. Given the limited number of affected borrowers, the bank's CRA rating was not downgraded based on the violations of the Equal Credit Opportunity Credit Act.

VIRGINIA

CRA RATING FOR COMMONWEALTH OF VIRGINIA: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Major factors supporting the rating include:

- The bank's borrower distribution performance (lending to low- and moderate-income borrowers and businesses of different sizes) is considered reasonable overall in the Commonwealth of Virginia.
- The geographic distribution of loans reflects excellent dispersion in the Commonwealth of Virginia.
- The bank's responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and services is considered adequate.

SCOPE OF EXAMINATION

Residential mortgage and small business lending data from 2021 were analyzed to determine the bank's performance regarding the borrower and geographic distribution of lending. Qualified community development loans and services provided since the previous evaluation (October 23, 2017) were also considered in this evaluation. All qualified investments financed during this period, including those outstanding as of the date of this evaluation, were also considered.

The bank has delineated two assessment areas in the Commonwealth of Virginia:

- Lynchburg, VA
- Staunton, VA MSA

On a combined basis, the assessment areas in the Commonwealth of Virginia account for 86.2% of the bank's overall lending (dollar volume), 83.3% of branches, and 94.5% of the deposit volume. Based upon relative size and concentration of banking activities, the Lynchburg, VA assessment area was identified as the bank's primary market within the Commonwealth of Virginia and was reviewed utilizing the FFIEC's full-scope evaluation procedures. The Staunton, VA MSA accounts for 16.4% of the bank's overall lending (dollar volume), 16.7% of branches, and 3.2% of the institution's deposit volume and was reviewed utilizing the FFIEC's limited-scope evaluation procedures and a determination was made as to whether its performance was consistent with the assigned state rating. Information about loan volume, branches, and deposits are included in Appendix D of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN VIRGINIA

Select operates five branches across two assessment areas in central western Virginia. Within the bank's Virginia assessment areas, Select is ranked 62nd out of 115 institutions in local deposit market share with <.1% of the assessment area's available Federal Deposit Insurance Corporation (FDIC) insured deposits (excluding credit unions) as of June 30, 2022.

According to ACS data from 2015, the Virginia assessment areas have a population of 329,029, including 85,563 families. Of the families within the Virginia assessment areas, low- and moderate-income families comprise 20.4% and 17.8% respectively. Within these assessment areas, the owner-occupancy rate equals 61.1% and 10.4% of families live below the poverty level. The 2021 median family incomes for the Lynchburg, VA MSA and the Staunton, VA MSA equal \$73,700 and \$71,200, respectively.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall Commonwealth of Virginia rating and the rating for each test for the commonwealth is based upon the performance in the Lynchburg, VA assessment area, which is discussed in detail in the next section of this evaluation. Overall, the bank's Lending Test rating is Satisfactory.

Community Development Loans, Investments, and Services

Select supports community development initiatives and organizations that benefit the Commonwealth of Virginia by originating community development loans, making qualified investments, and providing financial expertise and other support to community service organizations operating within the state.

Qualified community development activities that benefit both of the bank's assessment areas in Virginia or the larger statewide area include the following:

- Three community development loans totaling approximately \$7.5 million to revitalize or stabilize the greater statewide area during the evaluation.
- A \$6,500 donation for financial literacy to the Virginia Reads One Book program.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LYNCHBURG, VA ASSESSMENT AREA

Select's Lynchburg, VA assessment area includes a portion of the Lynchburg, VA MSA and consists of Lynchburg City, Bedford County, and Campbell County in their entirety. Within the assessment area, Select operates four full-service branches. As of June 30, 2022, Select ranked 6th out of 17 institutions in deposit market share having 5.9% of the available FDIC insured deposits in the assessment area.

According to 2015 ACS data, the Lynchburg, VA assessment area served by the bank has a total population of 209,633 and a median housing value of \$166,317. Within the assessment area, the owner-occupancy rate is 60.2%, which is similar to the owner-occupancy rates for the Commonwealth of Virginia (59.2%) and the Lynchburg, VA MSA (61.6%). The percentage of families living below the poverty level in the assessment area (11.2%) is higher than the rate in the Commonwealth of Virginia (8.2%), but similar to the rate in the entire MSA (11%). The Lynchburg, VA MSA median family income during 2021 equated \$73,700. The following table includes pertinent demographic data for the assessment area in 2021.

Assessment Area Demographics

Lynchburg, VA (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.1	1,214	2.3	499	41.1	11,091	20.8
Moderate	12	25.0	9,917	18.6	1,935	19.5	9,302	17.4
Middle	27	56.3	29,823	55.9	3,048	10.2	11,465	21.5
Upper	8	16.6	12,388	23.2	512	4.1	21,484	40.3
NA	0	0.0	0	0.0	0	0.0		
Total	48	100.0	53,342	100.0	5,994	11.2	53,342	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	1,046	1.9	1,992	2.5	573	28.8	19,693	24.3
Moderate	7,910	14.2	17,384	21.5	4,094	23.6	12,755	15.8
Middle	33,344	59.7	44,655	55.2	6,403	14.3	14,662	18.1
Upper	13,580	24.2	16,879	20.8	1,281	7.6	33,800	41.8
NA	0	0.0	0	0.0	0	0.0		
Total	55,880	100.0	80,910	100.0	12,351	15.3	80,910	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	147	1.7	125	1.6	20	3.2	2	2.3
Moderate	1,951	22.5	1,766	22.2	173	27.8	12	13.8
Middle	4,392	50.8	4,038	50.8	306	49.1	48	55.2
Upper	2,162	25.0	2,013	25.4	124	19.9	25	28.7
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	8,652	100.0	7,942	100.0	623	100.0	87	100.0
Percentage of Total Businesses:				91.8		7.2		1.0

*NA-Tracts without household or family income as applicable

The largest employers include Centra Health, Lynchburg City Schools, City of Lynchburg, J. Crew Outfitters, Areva NP Inc., Bedford County School Board, Babcock & Wilcox Nuclear, and Campbell County Schools. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	Nov 2017	Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
Bedford County	3.3%	2.6%	2.6%	4%	2%	3%
Campbell County	3.5%	2.9%	2.9%	4.5%	2.3%	3.2%
Lynchburg City	4.2%	3.5%	3.3%	5.7%	2.8%	4%
Commonwealth of Virginia	3.2%	2.7%	2.5%	4.9%	2.2%	3%

As indicated in the preceding table, prior to the Covid-19 pandemic and subsequent economic shutdown, the assessment area was experiencing a relatively stable unemployment rate environment and rates were slightly decreasing. Unemployment rates for the assessment area have generally remained consistent with the statewide rate.

A local economic development official was contacted during the evaluation to assist in evaluating the bank’s CRA performance. She observed that the demand for affordable housing remains high within the area. The individual contacted also mentioned that the area’s economy would benefit from additional entrepreneurial small business opportunities. While noting such areas of opportunity, she indicated that area financial institutions are reasonably serving the banking needs of the local community.

Overall, discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are reasonably available within the assessment area when considering performance context factors. The institution faces no significant constraints relative to its size or business strategy in making community development loans or investments, or supporting community service activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

During 2021, the bank originated \$28 million in residential mortgage loans and \$21.6 million in small business loans within this assessment area. As such, residential mortgage lending generally receives greater weight in determining the bank’s overall performance within the Lynchburg, VA assessment area.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

The bank’s borrower distribution is considered poor for residential mortgage lending and reasonable for small business lending within the assessment area. On a combined basis, when considering the volume of lending and the relative performance level of each product, Select’s borrower distribution performance is considered reasonable overall. In reaching this conclusion, more weight was placed on the small business lending in this instance due to the large presence of unknown loans being extended as PPP loans, the majority of those being for \$100,000 or less versus the large presence of mortgage borrower unknown incomes (\$14,498 out of \$28,000 total extended).

Distribution of Mortgage Loans by Income Level of Borrower

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Mortgage Loan Totals								
Low	3	9.7	532	3.9	836	9.8	97,319	5.5
Moderate	1	3.2	117	0.9	2,081	24.5	329,251	18.5
Middle	5	16.1	909	6.7	2,187	25.7	430,349	24.1
Upper	22	71.0	11,944	88.5	3,394	40.0	925,082	51.9
Total	31	100.0	13,502	100.0	8,498	100.0	1,782,001	100.0
<i>Unknown</i>	<i>49</i>		<i>14,498</i>		<i>1,835</i>		<i>563,702</i>	

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

During 2021, the bank’s lending to low-income borrowers (9.7%) lagged the percentage of area low-income families (20.8%) and approximated the aggregate level of lending to such borrowers (9.8%). Select’s lending to moderate-income borrowers (3.2%) significantly lagged the percentage of area moderate-income families (17.4%) and the aggregate level of lending to such borrowers (24.5%). Overall, the bank’s performance is considered poor.

Distribution of Lending by Loan Amount and Size of Business

Lynchburg, VA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	28	12.1	6,308	29.2	2,178	51.7	57,613	34.0
Over \$1 Million	6	2.6	456	2.1	NA	NA	NA	NA
Unknown	198	85.3	14,829	68.7	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	178	76.7	5,775	26.7	3,877	92.0	57,384	33.8
\$100,001-\$250,000	31	13.4	5,067	23.5	176	4.2	28,853	17.0
\$250,001-\$1 Million	23	9.9	10,752	49.8	159	3.8	83,321	49.2
Total	232	100.0	21,594	100.0	4,212	100.0	169,558	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 91.8% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 12.1% were to businesses with revenues of \$1 million or less. The percentage of the bank’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e., 85.3% of all loans). As previously noted, the bank was an active PPP lender, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, a majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (82.4%).

Although the bank does not collect or report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 51.7% 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 revenues 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 76.7% of its small business loans in amounts of \$100,000 or less, which lagged the aggregate reporter level of such lending (92%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

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

Lynchburg, VA (2021)				
Loan Size	#	%	\$(000s)	%
\$100,000 or less	163	82.7%	\$4,817,712	34.9%
> \$100,000 to \$250,000	21	10.7%	\$3,283,146	23.8%
> \$250,000 to \$1,000,000	13	6.6%	\$5,717,544	41%
Total	197	100%	\$13,818,402	100%

Within the assessment area, a large majority (82.7%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Considering these factors, overall, the bank’s distribution by borrower revenue performance is considered reasonable.

Geographic Distribution of Loans

Select’s geographic distribution performance is considered excellent for residential mortgage and reasonable for small business lending. Overall, Select’s geographic distribution performance is considered excellent based on the relative product performance levels and the greater weight given to residential mortgage lending due to the larger dollar volume of such lending.

Distribution of Mortgage Loans by Income Level of Census Tract

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Mortgage Loan Totals								
Low	2	2.5	162	0.6	140	1.4	14,778	0.6
Moderate	18	22.5	4,192	15.0	1,708	16.5	270,072	11.5
Middle	31	38.8	10,952	39.1	5,473	53.0	1,232,682	52.6
Upper	29	36.2	12,694	45.3	3,012	29.1	828,171	35.3
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	80	100.0	28,000	100.0	10,333	100.0	2,345,703	100.0

NA*-Tracts without household or family income as applicable

During 2021, the bank’s lending in low-income census tracts (2.5%) exceeds both the percentage of owner-occupied housing units located in such tracts (1.9%) and the aggregate level of lending (1.4%) in such tracts. Select’s lending within moderate-income census tracts (22.5%) substantially exceeds the percentage of owner-occupied housing units (14.2%) and the aggregate level of lending (16.5%) in such tracts. The bank’s performance is considered excellent overall.

Distribution of Small Business Loans by Income Level of Census Tract

Lynchburg, VA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	7	3.0	1,437	6.7	57	1.4	7,808	4.6
Moderate	46	19.8	2,630	12.2	838	20.1	32,247	19.1
Middle	90	38.8	8,936	41.4	2,109	50.6	87,295	51.6
Upper	89	38.4	8,590	39.7	1,167	27.9	41,908	24.7
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	232	100.0	21,593	100.0	4,171	100.0	169,258	100.0

*NA-Tracts without household or family income as applicable

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

During 2021, Select’s lending in low-income census tracts (3%) exceeds the percentage of area businesses (1.7%) and the proportion of aggregate lending in such census tracts (1.4%). The bank’s small business lending in moderate-income census tracts (19.8%) slightly lags the percentage of area businesses (22.5%) and the proportion of aggregate lending in such census tracts (20.1%). The bank’s performance is considered reasonable overall.

Community Development Loans, Investments, and Services

Discussions with individuals knowledgeable of the local community and the review of performance evaluations of other financial institutions having a local presence indicate that local community development opportunities are reasonably available within the assessment area. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

Specific to this assessment area, Select originated five community development loans totaling approximately \$5.8 million to facilitate affordable housing and revitalize or stabilize the assessment area. Additionally, the bank made charitable donations totaling \$3,020 to local organizations that provide community development services within the assessment area during the evaluation period. A Select officer serves on the board of directors of America's Small Business Development Center Virginia Lynchburg Region which focuses on small business development within the assessment area. Systems for delivering retail-banking services appear effective and are accessible to all portions of the assessment area.

Overall, Select has demonstrated an adequate level of responsiveness to local community development needs through its lending and investment activities and support of area organizations that facilitate community development.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN METROPOLITAN AREAS

Certain assessment areas, which are noted in the table below, were reviewed using the limited review examination procedures. Information detailing the composition of the assessment areas, including selected demographic data, is included in APPENDIX C of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX C** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's statewide ratings.

Assessment Area	Lending Test	Community Development Test
Staunton, VA MSA	Consistent	Consistent

NORTH CAROLINA

CRA RATING FOR STATE OF NORTH CAROLINA: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Major factors supporting the rating include:

- The bank's borrower distribution is considered reasonable overall in the State of North Carolina.
- The geographic distribution of loans reflects very poor dispersion throughout the bank's assessment area in the State of North Carolina.
- The bank's responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and services is considered adequate.

SCOPE OF EXAMINATION

Residential mortgage and small business lending data from 2021 were analyzed to determine the bank's performance regarding the borrower and geographic distribution of lending. Qualified community development loans and services provided since the previous evaluation (October 23, 2017) were also considered in this evaluation. All qualified investments financed during this period, including those outstanding as of the date of this evaluation, were also considered.

The bank has delineated one assessment area of Burlington, NC MSA in the State of North Carolina which was evaluated using the FFIEC's full-scope evaluation procedures. As such, ratings for the state are based solely on the bank's performance in this assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN BURLINGTON, NC MSA

Select's Burlington, NC MSA assessment area consists of Alamance County and operates one full-service branch. As of June 30, 2022, Select ranked 12th out of 14 institutions in deposit market share having 0.7% of the available FDIC insured deposits within its North Carolina assessment area.

According to 2015 ACS data, the Burlington, NC MSA assessment area served by the bank has a total population of 155,258 and a median housing value of \$138,125. Within the assessment area, the owner-occupancy rate is 59.4%, which is slightly higher than the owner-occupancy rate for the State of North Carolina (55.7%). The percentage of families living below the poverty level in the assessment area (14.4%) is slightly higher than the rate in the State of North Carolina (12.8%). The Burlington, NC MSA median family income during 2021 equated \$68,100. The following table includes pertinent demographic data for the assessment area in 2021.

Assessment Area Demographics

Burlington, NC MSA <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	0	0.0	0	0.0	0	0.0	8,919	21.8
Moderate	9	25.0	11,147	27.2	2,776	24.9	7,284	17.8
Middle	17	47.2	18,924	46.2	2,325	12.3	7,499	18.3
Upper	10	27.8	10,867	26.6	775	7.1	17,236	42.1
NA	0	0.0	0	0.0	0	0.0		
Total	36	100.0	40,938	100.0	5,876	14.4	40,938	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	14,634	23.8
Moderate	9,210	22.9	17,541	28.5	4,772	27.2	10,564	17.2
Middle	19,267	47.8	28,169	45.8	4,071	14.5	10,627	17.3
Upper	11,796	29.3	15,835	25.7	1,880	11.9	25,720	41.7
NA	0	0.0	0	0.0	0	0.0		
Total	40,273	100.0	61,545	100.0	10,723	17.4	61,545	100.0
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,498	26.7	1,340	26.2	151	34.3	7	14.0
Middle	2,654	47.4	2,425	47.4	204	46.4	25	50.0
Upper	1,449	25.9	1,346	26.4	85	19.3	18	36.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	5,601	100.0	5,111	100.0	440	100.0	50	100.0
Percentage of Total Businesses:				91.3		7.9		0.8

*NA-Tracts without household or family income as applicable

The largest employers in the county include Alamance-Burlington School System, Labcorp, Alamance Regional Medical Center, Elon University, Wal-Mart Associates Inc., Alamance County Government, City of Burlington, GKN Driveline, Inc., Honda Power Equipment Manufacturing Inc., and Alamance Community College. Recent and historical unemployment rates since the previous evaluation are included in the following table.

Geographic Area	Nov 2017	Nov 2018	Nov 2019	Nov 2020	Nov 2021	Nov 2022
Alamance County, NC	4%	3.6%	3.4%	5.5%	3.9%	3.6%
Burlington, NC MSA	4%	3.6%	3.4%	5.5%	3.9%	3.6%
State of North Carolina	4.3%	3.8%	3.6%	5.5%	3.9%	3.6%

As indicated in the preceding table, prior to the Covid-19 pandemic and subsequent economic shutdown, the assessment area was experiencing a relatively stable unemployment rate environment and rates were slightly decreasing. Unemployment rates for the assessment area have remained consistent with the statewide rate.

A local housing authority official was contacted during the evaluation to assist in evaluating the bank’s CRA performance. She observed that the demand for affordable housing remains high within the area. The individual contacted also mentioned that the area’s economy would benefit from additional financial education opportunities. While noting such areas of opportunity, she indicated that area financial institutions are reasonably serving the banking needs of the local community.

Overall, discussions with the community contact and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are reasonably available within the assessment area when considering performance context factors. The institution faces no significant constraints relative to its size or business strategy in making community development loans or investments, or supporting community service activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

During 2021, the bank originated 16 residential mortgage loans totaling \$8.9 million and five small business loans totaling \$.9 million within this assessment area. As such, residential mortgage lending generally receives greater weight in determining the bank’s overall performance within the Burlington, NC MSA assessment area.

Lending To Borrowers of Different Incomes and To Businesses of Different Sizes

The bank’s borrower distribution is considered reasonable for residential mortgage lending and excellent for small business lending within the assessment area. On a combined basis, when considering the volume of lending and the relative performance level of each product, Select’s borrower distribution performance is considered reasonable overall.

Distribution of Mortgage Loans by Income Level of Borrower

Burlington, NC MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Mortgage Loan Totals								
Low	1	20.0	224	17.4	512	7.3	57,167	4.2
Moderate	0	0.0	0	0.0	1,534	21.8	235,735	17.2
Middle	1	20.0	191	14.8	1,869	26.5	344,859	25.1
Upper	3	60.0	875	67.8	3,126	44.4	733,882	53.5
Total	5	100.0	1,290	100.0	7,041	100.0	1,371,643	100.0
Unknown	11		7,579		1,309		401,201	

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

During 2021, the bank’s lending to low-income borrowers (20%) approximated the percentage of area low-income families (21.8%) and substantially exceeded the aggregate level of lending to such borrowers (7.3%). Select did not originate any residential mortgage loans to moderate-income borrowers; however, the percentage of moderate-income families in the area (17.8%) and the aggregate level of lending (21.8%) indicate there are lending opportunities to these borrowers. Overall, the bank’s performance is considered reasonable.

Distribution of Lending by Loan Amount and Size of Business

Burlington, NC MSA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	5	100.0	909	100.0	1,793	47.6	59,791	33.7
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	2	40.0	124	13.6	3,375	89.6	54,160	30.5
\$100,001-\$250,000	2	40.0	345	38.0	220	5.8	36,309	20.5
\$250,001-\$1 Million	1	20.0	440	48.4	172	4.6	86,895	49.0
Total	5	100.0	909	100.0	3,767	100.0	177,364	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 91.3% of all local businesses have revenues that do not exceed \$1 million per year. According to 2021 aggregate small business data, 47.6% of reported loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. Of the small business loans originated by Select, 100% were to businesses with revenues of \$1 million or less. Overall, the bank’s small business performance is considered excellent.

Geographic Distribution of Loans

The bank’s geographic distribution performance is considered very poor for both residential mortgage and small business lending in the assessment area. Select’s assessment area contains no low-income census tracts; therefore, performance was determined by the bank’s level of lending within moderate-income census tracts. As such, Select’s geographic distribution performance is considered very poor overall.

Distribution of Mortgage Loans by Income Level of Census Tract

Burlington, NC MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Mortgage Loan Totals								
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	1,460	17.5	220,535	12.4
Middle	12	75.0	7,679	86.6	4,249	50.9	945,148	53.3
Upper	4	25.0	1,190	13.4	2,641	31.6	607,161	34.3
NA*	0	0.0	0	0.0	0	0.0	0	0.0
Total	16	100.0	8,869	100.0	8,350	100.0	1,772,844	100.0

NA*-Tracts without household or family income as applicable

During 2021, Select did not originate any residential mortgage loans located within moderate-income census tracts; however, the percentage of owner-occupied housing units (22.9%) and the aggregate level of lending (17.5%) indicate there are lending opportunities in these areas. The bank’s performance is considered very poor.

Distribution of Small Business Loans by Income Level of Census Tract

Burlington, NC MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	962	25.8	49,225	27.8
Middle	4	80.0	871	95.7	1,815	48.7	87,426	49.4
Upper	1	20.0	39	4.3	952	25.5	40,147	22.8
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	5	100.0	910	100.0	3,729	100.0	176,798	100.0

*NA-Tracts without household or family income as applicable

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

During 2021, Select did not originate any small business loans located within moderate-income census tracts; however, the percentage of businesses by tract (26.7%) and the aggregate level of lending (25.8%) indicate there are lending opportunities in these areas. The bank's performance is considered very poor.

Community Development Loans, Investments, and Services

Discussions with individuals knowledgeable of the local community and the review of performance evaluations of other financial institutions having a local presence indicate that local community development opportunities are reasonably available within the assessment area. The bank faces no constraints in providing community development loans, investments, and services consistent with its capacity and available opportunities.

Select originated two community development loans totaling \$1.1 million to facilitate affordable housing that benefits the greater statewide area. Additionally, the bank also holds one qualified investment totaling \$400,000 which supports affordable housing within the assessment area and larger regional area. Select also made charitable donations totaling \$500 to a local organization that provides community development services within the assessment area during the evaluation period. Systems for delivering retail-banking services appear effective and are accessible to all portions of the assessment area.

Overall, Select has demonstrated an adequate level of responsiveness to local community development needs through its lending and investment activities and support of area organizations that facilitate community development.

CRA APPENDIX A
SCOPE OF EXAMINATION

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED¹	OTHER INFORMATION
Lynchburg, VA	Full-scope	None	None
Staunton, VA MSA	Limited-scope	None	None
Burlington, NC MSA	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	Community Development Test Rating	Overall Rating
Commonwealth of Virginia	Satisfactory	Satisfactory	Satisfactory
State of North Carolina	Satisfactory	Satisfactory	Satisfactory

CRA APPENDIX C

LIMITED REVIEW TABLES

Staunton, VA MSA Assessment Area

This assessment area includes Staunton City, Waynesboro City, and Augusta County, VA in their entirety and operates one branch located in a middle-income census tract. The assessment area includes one low- three moderate-, 18 middle- and two upper-income census tracts. The median family income for 2021 is \$71,200, which is higher than the 2021 statewide Commonwealth of Virginia area median family income of \$58,900. Within the assessment area, 19.7% and 18.4% of families are low- and moderate-income, while 22.7% and 39.2% of families are middle- and upper-income, respectively.

Performance Test Data for Staunton, VA MSA Assessment Area

Limited Review Lending Table

Staunton, VA MSA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Mortgage Loan Totals				Consumer			
<i>Geographic</i>	(14)				(NA)			
Low	0	0.0	0.4	0.2	NA	NA	NA	NA
Moderate	1	7.1	11.0	9.2	NA	NA	NA	NA
Middle	13	92.9	80.4	83.1	NA	NA	NA	NA
Upper	0	0.0	8.2	7.4	NA	NA	NA	NA
<i>Borrower</i>	(2)				(NA)			
Low	0	0.0	8.1	19.7	NA	NA	NA	NA
Moderate	1	50.0	27.3	18.4	NA	NA	NA	NA
Middle	1	50.0	29.9	22.7	NA	NA	NA	NA
Upper	0	0.0	34.7	39.2	NA	NA	NA	NA
	Small Business				Small Farm			
<i>Geographic</i>	(21)				(NA)			
Low	0	0.0	3.6	4.3	NA	NA	NA	NA
Moderate	1	4.8	6.5	6.2	NA	NA	NA	NA
Middle	19	90.5	83.3	81.6	NA	NA	NA	NA
Upper	1	4.8	6.6	7.9	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	15	71.4	53.9	91.7	NA	NA	NA	NA

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

Community Development Loans, Investments, and Services

Specific to this assessment area, Select originated a community development loan totaling \$960,000 to facilitate affordable housing within the assessment area. Systems for delivering retail-banking services appear effective and are accessible to all portions of the assessment area. Overall, community development performance is consistent with the statewide rating.

CRA APPENDIX D

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits and is current as of June 30, 2022, while the loan volume includes all residential mortgage and small business loans considered in the evaluation.

Assessment Area	Loan Volume				Full-Service Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Lynchburg, VA	312	84.8%	\$49,594	69.8%	4	66.6%	\$344,530	91.3%
Staunton, VA MSA	35	9.5%	\$11,639	16.4%	1	16.7%	\$11,923	3.2%
Burlington, NC MSA	21	5.7%	\$9,779	13.8%	1	16.7%	\$20,918	5.5%
TOTAL	368	100%	\$71,011	100%	6	100%	\$377,371	100%

CRA APPENDIX E

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 and Community Development 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 and Community Development 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.