

# **PUBLIC DISCLOSURE**

April 10, 2006

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Iron and Glass Bank  
RSSD No. 38526

1114 East Carson Street  
Pittsburgh, PA 15203

Federal Reserve Bank of Cleveland

PO Box 6387  
Cleveland, OH 44101-1387

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

## TABLE OF CONTENTS

Institution's CRA Rating .....	1
Scope of Examination .....	2
Description of Institution.....	4
Description of Assessment Area.....	5
Conclusions with Respect to Performance Tests .....	8
Appendix A - Definitions.....	13
Appendix B - Map .....	16

**INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY**

**The Lending Test is rated: SATISFACTORY**

**The Community Development Test is rated: SATISFACTORY**

Major factors supporting the institution's rating include:

For the Lending Test:

- The bank's origination of residential real estate, small business, small business secured by real estate, and consumer loans to borrowers of different income levels and to businesses of different sizes in its assessment areas is good.
- The bank's geographic distribution of residential real estate, small business, small business secured by real estate, and consumer loans is good throughout the assessment area.
- The bank's net loan-to-deposit ratio reflects a good level of lending.
- Overall, the bank originates the majority of residential real estate, small business, small business secured by real estate, and consumer loans in its assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

For the Community Development Test:

- The bank's community development activity reflects a good responsiveness to community development needs.
- Bank staff and officers provide a good level of service to community development organizations.
- The bank's qualified investment and donation activity in its assessment areas is good.
- The bank's level of qualified community development loans is good.

## SCOPE OF EXAMINATION

Iron and Glass Bank's (Iron & Glass) CRA activities in its assessment area were reviewed using the Federal Financial Institutions Examination Council's *Intermediate Small Bank Examination Procedures*. An intermediate small bank ("ISB") evaluation is for banks with assets of at least \$250 million as of December 31<sup>st</sup> of both of the prior two calendar years and less than \$1 billion as of December 31<sup>st</sup> of either of the prior two calendar years. The ISB procedures utilize a two part test for the evaluation: the Lending Test and the Community Development Test.

Under the ISB procedures, the following criteria were analyzed to determine the bank's Lending Test rating:

- Net loan-to-deposit ratio,
- Lending activity inside the assessment area,
- Lending activity to borrowers of different income levels and to businesses of different revenue sizes,
- Geographic distribution of loans, and
- Record of responding to complaints about the bank's CRA performance.

The Community Development Test rating evaluates the following:

- Qualified investments,
- Community development services, and
- Community development loans

The Lending Test rating and Community Development Test rating were combined to determine an overall CRA rating.

This evaluation of the bank's CRA performance in its assessment area is partially based on information provided by bank management and community contacts. Information from these sources, as well as economic and demographic characteristics for the assessment area, competitive factors, and the size and financial condition of the bank was analyzed to understand its performance.

This CRA evaluation covers the period from January 1, 2005 to December 31, 2005.

The bank operates in one assessment area as described in more detail in the *Description of Assessment Area* section.

As part of the evaluation, examiners made a community contact with an organization familiar with economic and demographic characteristics and community development opportunities in the area. Examiners used information obtained from this interview to establish a context for the communities in which the bank operates and to gather information on its performance. The contact did not identify any unmet credit needs in the bank's assessment areas.

The bank received a satisfactory rating at its previous CRA performance evaluation, dated October 21, 2002, under the Small Bank Evaluation Procedures.

### **Lending Test Scope**

The scope of the Lending Test includes the major loan products offered by the bank. The analysis is based on the bank's 2005 Home Mortgage Disclosure Act ("HMDA") reportable loans, which consist of home purchase, home improvement, refinance, and multifamily dwelling secured loans. Because of the relatively small size of this portfolio (185 total loans in the assessment area in 2005), the HMDA products are aggregated together to draw conclusions.

The analysis also includes the bank's consumer and small business loans from January 1, 2005 through December 31, 2005. Consumer loans consist of home equity, motor vehicle, other secured, and unsecured loans. Again, because of the relative small number of consumer loans in the portfolio (334 loans in the assessment area in 2005), the consumer products are aggregated together for conclusions.

Finally, small business loans and small business loans secured by real estate were also a part of the lending test analysis. These loans were originated from January 1, 2005 through December 31, 2005.

Refer to the glossary in Appendix A for definitions of small business loans.

### **Community Development Test Scope**

In addition to the loan activity listed above, the bank's community development lending, qualified investments and donations, and community development services were reviewed in the bank's assessment area. The review period for community development activity was January 1, 2005 through December 31, 2005.

## DESCRIPTION OF INSTITUTION

Iron & Glass is a Pennsylvania, state-chartered member bank. Iron & Glass is a full-service retail bank residing in the South Side of the city of Pittsburgh. Iron & Glass is the sole subsidiary of Iron and Glass Bancorp, Inc. Both the bank and the holding company are located at 1114 East Carson Street, in Pittsburgh, Pennsylvania.

In addition to the main office, Iron & Glass operates seven other locations located in Allegheny County. All offices have ATMs and there is one standalone ATM in Pittsburgh. Since the previous examination, the bank has opened an office in Robinson Township.

The bank's assessment area services portions of Allegheny and Washington Counties that are a part of the larger Pittsburgh MSA 38300. More details of the assessment area are discussed in the *Description of the Assessment Area* section of this report.

As of December 31, 2005, Iron & Glass reported total assets of \$293 million, with total net loans and leases of \$164 million and total deposits of \$240 million. Its principal sources of revenue arise from its portfolio of residential mortgage loans, commercial loans, and consumer loans, as well as interest earnings on investment securities and a variety of retail deposit services provided to its customers.

According to the FDIC Summary of Deposits<sup>1</sup> as of June 30, 2005, Iron & Glass' overall deposit share in the Pittsburgh MSA was 0.43%, which ranks Iron & Glass 22<sup>nd</sup> out of 62 institutions in the MSA's market share. However, it should be noted that Iron & Glass is an intermediate small bank with assets of less than \$300 million. Most of the bank's major competitors are financial institutions with assets greater than \$300 million. Some of the bank's competitors include, but are not limited to, PNC NA, National City Bank, Citizens Bank of PA, Mellon Bank NA, Dollar Bank FSB, First Commonwealth Bank, Sky Bank, and First National Bank of PA.

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1 <http://www.fdic.gov/bank/index.html>

## **DESCRIPTION OF ASSESSMENT AREA within Pittsburgh MSA 38300**

The bank has one assessment area that consists of portions of Allegheny and Washington Counties, both of which are in the Pittsburgh MSA (38300). The assessment area is unchanged since the previous examination and does not arbitrarily exclude low- or moderate-income (LMI) geographies. A map illustrating the Iron & Glass' assessment area is in Appendix B.

The assessment area includes 151 census tracts. Six of the tracts are low-income, 25 are moderate-income, 75 are middle-income, and 45 are upper-income. One of the bank's branches is located in a moderate-income tract. Iron & Glass' main office, four of its branches, and its stand-alone ATM are in middle-income tracts. There are two branches in upper-income tracts.

As of February 2006, the unemployment rate for the Pittsburgh MSA was 5.6%, which was slightly higher than the state's rate of 5.3%.<sup>2</sup>

Major industries dominating Allegheny and Washington Counties<sup>3</sup> include educational, health care and social assistance, government, and banking. A few of the major employers identified in the two counties include University of Pittsburgh, UPMC Presbyterian Hospital, Giant Eagle, Allegheny County, Pittsburgh School District Board of Education, Mellon Bank NA, PNC Bank NA, Washington Hospital, Washington County, Monongahela Valley Hospital, Wal-Mart, and California University of PA.

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<sup>2</sup> Bureau of Labor Statistics: [www.bls.gov/news.release/metro.t01.htm](http://www.bls.gov/news.release/metro.t01.htm)

<sup>3</sup> Pennsylvania Department of Labor and Industry [www.paworkstats.state.pa.us](http://www.paworkstats.state.pa.us)

## PERFORMANCE CONTEXT

### Demographic and Income Characteristics

The assessment area is densely populated and according to the 2000 Census, the population of Iron & Glass' assessment area was 489,746. Of the 151 census tracts in the assessment area, 6 (3.9%) are low-income, 25 (16.6%) are moderate-income, 75 (49.7%) are middle-income, and 45 (29.8%) are upper-income. The population is 90.76% are white, 6.50% are black, and .73% Hispanic.

It was noted during the evaluation that there were several tracts within the bank's assessment area with no lending activity. The analysis revealed that five of the six low-income tracts, nine of the 25 moderate-income tracts, and 17 of the 75 middle-income tracts show no lending activity. There are several obstacles making it difficult for the bank to lend in these areas. Many of the tracts are located where the steel industry once stood and new commercial areas are being erected. Other tracts are vacant lots, heavily wooded rural areas, or consist of steep mountain sides. Lastly, there are several competitive financial institutions within the bank's assessment area. As a result, potential customers will generally conduct their banking at an institution that is conveniently located closer to their residence.

The 2000 median household income for the assessment area was \$41,079. Of the total households, 20.54% are low-income, 15.52% are moderate-income, 17.93% middle-income, and 46.01% are upper-income.

The following table provides key demographic information from the 2000 Census that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the evaluation as they apply to particular parts of the analysis.



Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-Income	6	4.0	2,130	1.6	912	42.8	21,417	16.1	
Moderate-Income	25	16.5	14,874	11.2	2,399	16.1	22,347	16.9	
Middle-Income	75	49.7	63,293	47.7	4,148	6.6	28,036	21.1	
Upper-Income	45	29.8	52,456	39.5	1,329	2.5	60,953	45.9	
<b>Total Assessment Area</b>	<b>151</b>	<b>100.0</b>	<b>132,753</b>	<b>100.0</b>	<b>8,788</b>	<b>6.6</b>	<b>132,753</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>		<b>Housing Types by Tract</b>						
			<b>Owner-occupied</b>		<b>Rental</b>		<b>Vacant</b>		
			#	%	%	#	%	#	%
Low-Income		4,722	1,297	0.8	27.5	1,967	41.6	1,458	30.9
Moderate-Income		30,312	15,356	10.4	50.6	10,905	36.0	4,051	13.4
Middle-Income		108,242	72,373	48.8	66.9	29,098	26.9	6,771	6.2
Upper-Income		76,395	59,276	40.0	77.6	14,377	18.8	2,742	3.6
<b>Total Assessment Area</b>		<b>219,671</b>	<b>148,302</b>	<b>100.0</b>	<b>67.5</b>	<b>56,347</b>	<b>25.7</b>	<b>15,022</b>	<b>6.8</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>						
			<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
	#	%	#	%	#	%	#	%	
Low-Income	185	1.1	141	1.0	34	1.8	10	1.5	
Moderate-Income	1,674	10.3	1,398	10.2	198	10.6	78	11.6	
Middle-Income	7,093	43.5	6,058	44.0	723	38.7	312	46.4	
Upper-Income	7,349	45.1	6,162	44.8	915	48.9	272	40.5	
<b>Total Assessment Area</b>	<b>16,301</b>	<b>100.0</b>	<b>13,759</b>	<b>100.0</b>	<b>1,870</b>	<b>100.0</b>	<b>672</b>	<b>100.0</b>	
	<b>Percentage of Total Businesses:</b>			<b>84.4</b>		<b>11.5</b>		<b>4.1</b>	
	<b>Total Farms by Tract</b>		<b>Farms by Tract &amp; Revenue Size</b>						
			<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
	#	%	#	%	#	%	#	%	
Low-Income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-Income	3	5.1	3	5.3	0	0.0	0	0.0	
Middle-Income	27	45.7	26	45.6	1	50.0	0	0.0	
Upper-Income	29	49.2	28	49.1	1	50.0	0	0.0	
<b>Total Assessment Area</b>	<b>59</b>	<b>100.0</b>	<b>57</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	
	<b>Percentage of Total Farms:</b>			<b>96.6</b>		<b>3.4</b>		<b>0.0</b>	

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### Lending Test

Iron & Glass' record of meeting the credit needs of its assessment areas through its lending performance is satisfactory. Iron & Glass' loan-to-deposit ratio is reasonable, it originated a majority of its loans within its assessment area, the overall distribution of its loans within its assessment area is reasonable, and the distribution among individuals of different income levels and businesses of different sizes is reasonable.

### ***Loan-to-Deposit Ratio***

The general purpose of CRA is to encourage banks to meet the credit needs in their assessment area, while operating safely and soundly. To gain an understanding of the bank's lending activity, its net loan-to-deposit ratio is reviewed to assess the willingness of the bank to meet the area's demand for credit.

The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the credit needs of its assessment area. The bank's average loan-to-deposit ratio for the eight most recent quarters, ending December 31, 2005, was 67.43%, based on information contained in its *Consolidated Report of Condition and Income*. The ratio has remained relatively stable during the past eight quarters with only slight fluctuations from the average. This ratio is below the peer group during the same time frame which was 81.47%.

The peer group for Iron & Glass is banks with three or more banking offices, located in a metropolitan area with assets between \$100 and \$300 million.

### ***Lending in Assessment Area***

CRA emphasizes the importance of banks serving the convenience and credit needs of the individuals, and small businesses inside the assessment area. By extending credit inside their assessment areas, banks fulfill a financial need of the community. This evaluation includes a review of the loans extended inside and outside the bank's assessment area.

Iron & Glass originated a majority of its loans in its assessment area. Lending within the assessment area represented 73.1% of total loans by volume and 63.5% by dollar amount. The following table illustrates the percentage of loans, by number and dollar amount, made within the bank's assessment area from January 1, 2005 through December 31, 2005. This is satisfactory in consideration of the location of branches, the bank's size, and competition within the assessment area.

Loan Type	Inside Assessment Area				Outside Assessment Area			
	#	%	\$(000s)	%	#	%	\$(000s)	%
HMDA	185	71.4	11,949	59.0	74	28.6	8,288	41.0
Consumer	334	82.9	6,905	77.6	69	17.1	1,989	22.4
Small Business	146	60.3	18,155	58.6	96	39.7	12,825	41.4
Small Business – Real Estate	28	63.6	6,195	78.5	16	36.4	1,693	21.5
<b>Total Loans</b>	<b>693</b>	<b>73.1</b>	<b>43,204</b>	<b>63.5</b>	<b>255</b>	<b>26.9</b>	<b>24,795</b>	<b>36.5</b>

### ***Geographic Distribution***

There were no HMDA loans made in low-income census tracts; otherwise, the majority of the loans were equally distributed inside the assessment area. The lack of HMDA lending in the low-income tracts can be attributed to the limited opportunities, specifically a .8% owner occupancy rate, and competition. The aggregate HMDA lending to moderate-income tracts was 11.9%, which is comparable to the percentage of owner-occupied units in these tracts at 10.4%. Lending to the middle- and upper-geographies closely resembled the respective proxies, with 50.8% of lending in the middle-income tracts compared to a 48.8% owner-occupancy rate and 37.3% of lending in the upper-income tracts compared to a 40.0% owner-occupancy rate.

Consumer lending within the assessment area was equally distributed inside the assessment area. Consumer lending to low-income geographies was at .3% while the percentage of households was at 1.6%. The consumer lending to moderate-income tracts was at 11.7%, while the percentage of households was 12.9%. Again, the consumer lending to the middle- and upper-income geographies closely resembled the proxies, with 53.0% of lending in the middle-income tracts compared to the percentage of households of 49.5% and 35.0% of lending in the upper-income tracts compared to a percentage of households at 36.0%.

Small business lending throughout the assessment area was equally distributed. Approximately 1.4% of small business lending was in low-income census tracts, which approximates the 1.0% of small business present in those tracts. The small business lending to moderate-income tracts was 7.5%, which is slightly below the 10.2% of small business located in the moderate-income tracts. Loans to small businesses in the middle-income tracts at 45.9% were similar to the percentage of businesses in these tracts at 44.0%. Loans to small businesses in the upper-income tracts at 45.2% also approximated the percentage of businesses in these tracts at 44.8%.

Based on these factors, Iron & Glass' performance with regard to the geographic distribution of HMDA, consumer, and small business lending reflects reasonable dispersion throughout the assessment area.

### ***Borrower Distribution***

To assess Iron & Glass' performance relative to this criterion, HMDA, consumer, and small business loans originated within the bank's assessment area were analyzed. For the analysis, the distribution of HMDA and consumer lending by borrower income level and small business lending by revenue size was compared with available demographic information.

Based on demographic and loan data from the review period, low-income families represented 16.1% of total families, but received only 10.3% of Iron & Glass' HMDA loans. A possible reason for this lending differential is that 6.6% of families in the assessment area have incomes below the poverty level. Typically, families with incomes below the poverty level have difficulty qualifying for HMDA loans. Moderate-income families represent 16.8%, while receiving 17.8 % of the bank's HMDA lending. Middle-income borrowers received 30.3% of HMDA loans compared to the proxy of 21.1%, while upper-income borrowers received 32.4% of the loans compared to the proxy of 45.9%.

Consumer lending to low-income borrowers is 15.3%, which is slightly lower than the 20.54% of low income households. Consumer lending to moderate-income borrowers, 17.6%, compared more favorably to the 15.5% of moderate-income households within the assessment area. Lending to middle and upper income borrowers was less than the proxies, with 19.8% of loans to middle-income borrowers compared to the percentage of middle-income households at 17.9% and 21.9% of loans to upper-income borrowers compared to the proxy of 46.0%.

Based on demographic and loan data from the review period, businesses with reported gross revenues of \$1 million or less (which are considered small businesses for CRA purposes) represented 84.4% of businesses in the assessment area, but received 60.3% of loans originated by Iron & Glass. A possible reason for this lending disparity is that 4.1% of the bank's loans were made to businesses with revenues not reported. Of the 146 loans where revenue was reported, 88 were to small businesses. Of those 88 loans to small business, 66 were for amounts less than \$100,000.

The distribution of borrowers, given the demographics of assessment area, reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

#### ***Record of Response to CRA-Related Complaints***

The bank has not received any CRA-related complaints since the previous evaluation.

## **COMMUNITY DEVELOPMENT TEST**

Iron & Glass' community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering Iron & Glass' capacity and the need and availability of such opportunities for community development in the assessment area.

### ***Community Development Lending***

The level of community development lending in its assessment area is satisfactory. During the examination period, Iron & Glass made four community development loans totaling \$3.65 million. Examples of its community development loans originated include a \$150,000 loan to purchase fire equipment to a fire company that serves a moderate-income neighborhood. Additionally, \$3.5 million credit was provided to refurbish a mall that borders a moderate-income tract. Once completed, this will provide employment opportunities and help revitalize the neighborhood.

The bank operates in a very competitive market for community development loans. Given the market factors, the community development lending in the assessment area is satisfactory.

### ***Qualified Investments***

The level of qualified investments in the assessment area is satisfactory. The bank made one investment of \$2,500 to the "Your Money, Your Life" program, which provides financial educational services to low-and moderate-income children. This investment is a five-year commitment and the investment is based on the asset size of the institution. Additionally, Iron & Glass made \$36,150 in grants and donations for 2005. The grants and donations are to organizations providing community services and that sponsor affordable housing and economic development activities throughout the assessment area.

Again, it is notable that the bank operates in a very competitive market for community development investments. Given the market factors, the qualified investments and donations in the assessment area is satisfactory.

### ***Community Development Services***

The community development services in the assessment area are good. Two bank personnel serve on two boards of different organizations. The bank's executive vice president serves as chair of the finance committee of a learning center for underprivileged children. This learning center provides a "Pathway to Success" for youths from low- and moderate-income families. The bank's CRA officer is on the board and loan committee for Neighborhood Housing Services. This organization provides housing opportunities for the low-and moderate-income residents through educational programs and provides full-cycle lending through flexible loan products, financial literacy education, credit counseling and affordable down payment and closing cost assistance loans.

Iron & Glass received the Pillars of the Community award from the Neighborhood Housing Services group. This award was given based on their participation in the group, lending and services in the Pittsburgh community.

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

The evaluation did not reveal any violations of the substantive provisions of the fair lending and fair housing laws and regulations. Additionally, no illegal credit practices inconsistent with helping to meet community credit needs were identified by the evaluation.

## APPENDIX A CRA GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Block numbering area (“BNA”):** Statistical subdivisions of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

**Census tract:** Small subdivisions 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. They 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:** Affordable 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,

**Consumer loan:** A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

**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 household and no wife present) or “female householder” (a family with a female householder and no husband present).

**Full review:** Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography:** A census tract or a block numbering area delineated by the U.S. 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 (e.g., approved, denied, and withdrawn).

**Home mortgage loans:** Include 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 % tabulations, the count of households always equals the count of occupied housing units.

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

**Limited review:** Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**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 lenders in the MSA/assessment area.

**Metropolitan area:** Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

**Optional loans:** Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes 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.

**Small loans to business:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.



**Small loans to farms:** 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**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.

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

**APPENDIX B  
ASSESSMENT AREA MAP**

