PUBLIC DISCLOSURE

July 14, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Fulton State Bank
221 North Main Avenue
Fulton, South Dakota 57340
RSSD 467957

Federal Reserve Bank of Minneapolis
90 Hennepin Avenue, P.O. Box 291
Minneapolis, MN 55480-0291

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 the 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

Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix A at the end of this performance evaluation.

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

Examiners evaluated the Community Reinvestment Act (CRA) performance of Fulton State Bank, Fulton, South Dakota, using the Small Bank CRA Examination Procedures. Based on the bank's asset size and financial condition, the bank effectively meets the credit needs of the small farms, small businesses, and residents in its assessment area. Several factors support the bank's Satisfactory rating.

- The bank's lending to farms and businesses of different sizes and borrowers of different income levels is reasonable.
- The net loan-to-deposit ratio reflects a reasonable level of lending.
- The bank originated the substantial majority of its loans within the assessment area.
- The geographic distribution of lending is reasonable and reflects assessment area characteristics.

The bank received a Satisfactory rating at the previous CRA evaluation, conducted April 26, 2010.

SCOPE OF EVALUATION

This evaluation is based on a statistical sample of 60 small farm, 57 small business, and 54 consumer loans originated between January 1, 2013, and December 31, 2013. Examiners selected these loans for the analysis because they represent the bank's major product lines by total number or total dollar amount, as Table 1 illustrates. The bank's small farm, small business, and consumer loans received equal weight because they represent a similar percentage of originations by number.

TABLE 1[1]
Loan Originations from January 1, 2013, to December 31, 2013

Loan Type	*Number of Loans*	*Percentage of Total Number*	*Total Loan Dollars*	*Percentage of Total Dollars*
Agricultural	86	35.5	$ 6,321,407	41.5
Commercial	80	33.1	8,213,456	53.9
Consumer	74	30.6	685,047	4.5
Other	2	1.0	5,827	0.0
Total	**242**	**100.0**	**$15,225,737**	**100.0**

Examiners analyzed the following criteria to determine the bank's CRA rating:

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

In assigning the rating, examiners placed the greatest weight on the bank's lending to farms and businesses of different sizes and to borrowers of different income levels. The geographic distribution of loans received the least weight because there are no low- or moderate-income census tracts in the assessment area. Examiners weighted the remaining evaluation criteria equally. The bank has not received any CRA-related complaints since the previous evaluation.

[1]Note: Because the percentages presented in the tables are rounded to the nearest tenth, some columns or rows may not total 100.0%.

DESCRIPTION OF INSTITUTION

Offices. The bank's main office is located in Fulton, South Dakota. Main office lobby hours are 8:30 a.m. to 4:00 p.m. Monday through Friday. The bank operates one full-service branch in Mitchell, South Dakota. Branch lobby hours are 8:30 a.m. to 5:00 p.m. Monday through Friday. Both offices have Saturday lobby hours of 8:30 a.m. to noon. The branch operates a drive-up facility that offers extended business hours. The bank's current hours of operation appear appropriate for the communities the bank serves. The bank has not opened or closed any offices since the previous evaluation. Both offices are located in middle-income census tracts.

Alternative Delivery Methods. The bank operates a deposit-taking automated teller machine (ATM) at the Mitchell branch. The bank no longer operates three cash-dispensing-only ATMs at local restaurants because the restaurant owners decided to install and operate their own ATMs. The bank also offers Internet banking services, allowing customers to review account information, receive electronic periodic statements, make loan payments, and transfer funds between accounts.

Loan Portfolio. According to the March 31, 2014, Report of Condition, the bank's assets totaled $60.0 million. The bank's $23.9 million loan portfolio consists of approximately 49.2% commercial, 45.6% agricultural, and 5.2% consumer loans. Commercial and agricultural loans continue to represent the largest portions of the bank's loan portfolio. Since the previous evaluation, the overall loan portfolio decreased by 10.1%. The composition of the loan portfolio remained relatively stable. The evaluation did not identify any financial constraints on the bank's ability to lend within its assessment area.

Credit Products. The bank offers a variety of traditional, noncomplex loan products to meet the credit needs of the farms, businesses, and consumers in the assessment area. The bank's credit products include agricultural, commercial, and consumer loans. The bank also participates in Farm Service Agency (FSA) loan programs and offers loans through the Small Business Administration.

Market Share. According to the June 30, 2013, Federal Deposit Insurance Corporation Deposit Market Share Report, the bank ranks 13th out of 19 financial institutions reporting deposits in the eight counties that make up the bank's assessment area. Of the ten financial institutions reporting deposits in Davison and Hanson counties, where the bank has offices, the bank ranks sixth, with 7.0% of deposits.

Community Contacts. Discussions with bank management and interviews with members of the community familiar with economic issues and demographic characteristics of the assessment area provided context for the CRA evaluation. Examiners used information from these sources as part of the evaluation of the bank's CRA performance. The community contacts did not identify any unmet credit needs in the bank's assessment area.

DESCRIPTION OF ASSESSMENT AREA

Assessment Area. The bank defined one assessment area for CRA purposes, which includes all of Aurora, Davison, Douglas, Hanson, Hutchinson, Jerauld, Miner, and Sanborn counties in southeastern South Dakota. These counties cover a large, sparsely populated area of South Dakota. Six of the counties have only one census tract. The assessment area includes 12 middle-income census tracts and one upper-income census tract, which is the same as at the previous evaluation.

Aurora, Douglas, Miner, and Sanborn counties are designated as distressed and underserved. Hutchinson and Jerauld counties are designated as underserved, and Hanson County is designated as distressed.

Table 2 details the demographic characteristics of the assessment area based on 2010 census data and 2013 Dun & Bradstreet data.

TABLE 2
Assessment Area Demographics

Income Categories	*Tract Distribution*		*Families by Tract Income*		*Families < Poverty Level as % of Families by Tract*		*Families by Family Income*	
	#	*%*	*#*	*%*	*#*	*%*	*#*	*%*
Low Income	0	0.0	0	0.0	0	0.0	1,944	17.0
Moderate Income	0	0.0	0	0.0	0	0.0	2,414	21.1
Middle Income	12	92.3	10,057	88.1	705	7.0	2,689	23.6
Upper Income	1	7.7	1,360	11.9	110	8.1	4,370	38.3
Total Assessment Area	**13**	**100.0**	**11,417**	**100.0**	**815**	**7.1**	**11,417**	**100.0**

Income Categories	*Housing Units by Tract*	*Housing Types by Tract*						
		Owner-Occupied			*Rental*		*Vacant*	
		#	*%*	*%*	*#*	*%*	*#*	*%*
Low Income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate Income	0	0	0.0	0.0	0	0.0	0	0.0
Middle Income	17,137	11,066	89.3	64.6	3,906	22.8	2,165	12.6
Upper Income	2,651	1,324	10.7	49.9	1,116	42.1	211	8.0
Total Assessment Area	**19,788**	**12,390**	**100.0**	**62.6**	**5,022**	**25.4**	**2,376**	**12.0**

Income Categories	*Total Businesses by Tract*		*Businesses by Tract and Revenue Size*					
			≤ $1 Million		*> $1 Million*		*Revenue Not Reported*	
	#	*%*	*#*	*%*	*#*	*%*	*#*	*%*
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	0	0.0	0	0.0	0	0.0	0	0.0
Middle Income	2,359	89.6	2,054	88.8	167	93.8	138	95.8
Upper Income	275	10.4	258	11.2	11	6.2	6	4.2
Total Assessment Area	**2,634**	**100.0**	**2,312**	**100.0**	**178**	**100.0**	**144**	**100.0**
Percentage of Total Businesses:				**87.8**		**6.8**		**5.5**

Income Categories	*Total Farms by Tract*		*Farms by Tract and Revenue Size*					
			≤ $1 Million		*> $1 Million*		*Revenue Not Reported*	
	#	*%*	*#*	*%*	*#*	*%*	*#*	*%*
Low Income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate Income	0	0.0	0	0.0	0	0.0	0	0.0
Middle Income	1,439	98.9	1,426	99.0	13	92.9	0	0.0
Upper Income	16	1.1	15	1.0	1	7.1	0	0.0
Total Assessment Area	**1,455**	**100.0**	**1,441**	**100.0**	**14**	**100.0**	**0**	**0.0**
Percentage of Total Farms:				**99.0**		**1.0**		**0.0**

Population. According to 2010 U.S. Census data, the population of the bank's assessment area is 42,705, which is a slight decline from 2000 when the population was 44,325. Davison County has a significantly larger population than all of the other counties in the bank's assessment area. The population of Davison County represents 45.7% of the population of the assessment area. Mitchell is the county seat of Davison County, with a population of 15,254.

The percentages of low- and moderate-income households in the assessment area are 22.4% and 16.3%, respectively. These rates are comparable to the low- and moderate-income percentages for the state of South Dakota, at 22.5% and 17.3%, respectively. The percentages of households and families below the poverty level, 12.1% and 7.1%, respectively, are similar to the statewide percentages of 12.9% and 8.7%, respectively.

Income. In order to classify borrowers by income level, this evaluation uses the Federal Financial Institutions Examination Council's estimated median family income. For borrowers in nonmetropolitan areas of South Dakota, this figure is $59,600 for 2013. For purposes of classifying census tracts by income level, this evaluation relies on the 2010 U.S. Census median family income of $55,116 for nonmetropolitan areas South Dakota.

Economy. Overall, the economy in the assessment area is strong. Over the last four years, farms and businesses have performed well. Agriculture is a large part of the local economy. According to bank management and community contacts, agricultural producers have been in good financial condition for the past several years because of high commodity prices and strong yields. Bank management and community contacts indicated that agricultural conditions might not be as strong in 2014 for crop producers. The high commodity prices of the last few years have decreased. In addition, current drought conditions will probably reduce the corn yield. Producers have also experienced an increase in input costs (including fertilizer, fuel, and seed), and cropland rents have risen because of the strong prices and yields of the last few years. Livestock producers will continue to be in good financial condition because cattle prices have been increasing.

The major nonagricultural employers in the assessment area include health-care providers, manufacturers, government, telecommunications companies, and retail businesses. A community contact indicated that unemployment in the assessment area is low and that local companies are expanding or would like to expand but they cannot find more employees. Local businesses have over 500 open positions. According to the Bureau of Labor Statistics, the 2013 annual nonseasonally adjusted unemployment rates in the assessment area range from 2.4% in Jerauld County to 4.0% in Miner County. The 2013 statewide unemployment rate for South Dakota is 3.8%, which is the second lowest unemployment rate in the country.

Housing. In the bank's assessment area, 62.6% of the housing units are owner occupied, and the median housing value is $86,238. According to a community contact, the limited availability of affordable rental and single-family housing in Mitchell is a concern. While construction is underway on a number of new rental units, the city of Mitchell needs more than the 300 planned units. Further, construction costs are too high for developers to build single-family homes that are affordable to low- and moderate-income individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance in meeting the credit needs of its assessment area is reasonable. The bank's lending to farms and businesses of different sizes is reasonable as is its lending to borrowers of different income levels. The bank's net loan-to-deposit ratio is reasonable, and the bank originates a substantial majority of its loans to borrowers inside the bank's assessment area. The geographic distribution of lending is reasonable and reflects assessment area characteristics.

LENDING TO FARMS AND BUSINESSES OF DIFFERENTS SIZES AND TO BORROWERS OF DIFFERENT INCOME LEVELS

Overall, the bank's lending to small farms, small businesses, and low- and moderate-income borrowers is reasonable.

Small Farm Lending. The bank's lending to small farms is reasonable. According to 2013 Dun & Bradstreet data, 99.0% of farms in the assessment area have gross annual revenues of $1 million or less. The bank originated all of its small farm loans to entities with gross annual revenues of $1 million or less. Table 3 shows the bank's small farm lending to small farms, by loan amount.

Small Business Lending. The bank's lending to small businesses is reasonable. According to 2013 Dun & Bradstreet data, 87.8% of businesses in the assessment area have gross annual revenues of $1 million or less. The bank originated 77.4% of small business loans to entities with gross annual revenues of $1 million or less. Although the bank's lending to small businesses is lower than the demographic data, the bank's small business lending performance is reasonable. The small business loan sample included multiple loans to a few businesses that have gross annual revenues greater than $1 million, which affects the analysis. Further, despite strong competition in the assessment area, the bank is an active small business lender, according to a community contact.

Table 3 displays the distribution of small business loans in the sample by loan amount and entity size.

TABLE 3
Small Farm and Small Business Lending in the Assessment Area

Small Farm and Small Business Loan Originations (by loan amount)	***≤ $100,000***	***> $100,000 to ≤ $250,000***	***> $250,000 to ≤ $500,000 (Farm) ≤ $1 Million (Business)***	***Total Originations***
Percentage of Loans to Farms with Revenues of $1 Million or Less	82.1%	14.3%	3.6%	100.0%
Percentage of Small Business Loans	69.8%	22.6%	7.5%	100.0%
Percentage of Loans to Businesses with Revenues of $1 Million or Less	68.3%	26.8%	4.9%	77.4%

The bank originated the majority of its small farm and small business loans to small entities for amounts of $100,000 or less, as Table 3 shows. Small-dollar loans indicate a willingness to serve the credit needs of small farms and businesses.

Overall, based on the distribution of small farm and small business loans, assessment area demographics, and information from a community contact, the bank's small farm and small business lending are reasonable.

Consumer Lending. The bank's lending to low- and moderate-income borrowers is reasonable. The bank originated 23.5% of its loans to low-income borrowers and 27.5% to moderate-income borrowers. Table 4 shows that 22.4% and 16.3% of the households in the assessment area are low and moderate income, respectively. The bank's lending to low- and moderate-income borrowers exceeds the level of low- and moderate-income households in the assessment area.

TABLE 4 **Distribution of Consumer Loans in the Assessment Area by Borrower Income Levels***										
	Low Income		***Moderate Income***		***Middle Income***		***Upper Income***		***Unknown***	
Loan Type	***#***	***$***	***#***	***$***	***#***	***$***	***#***	***$***	***#***	***$***
Consumer	23.5%	15.7%	27.5%	18.9%	25.5%	38.4%	21.6%	27.1%	2.0%	0.1%
Percentage of Households by Income Levels**	22.4%		16.3%		19.8%		41.6%		NA	
*Median family income for nonmetropolitan areas of South Dakota was $59,600 for 2013. **Based on 2010 census data.										

Bank management explained that the high level of lending to low- and moderate-income borrowers occurs because the bank does not require a minimum loan amount for consumer loans, has few loan fees, and actively works with consumers to meet personal loan needs. Common loan purposes include debt consolidation, automobile purchases, and general living expenses. The bank originated 41.2% of the consumer loans in the sample for amounts of $3,000 or less. Of these loans, and where the bank relied on income for the credit decision, 70.0% were to low- and moderate-income borrowers. The bank's origination of small-dollar loans demonstrates its ability and willingness to meet the credit needs of the community.

Overall, the bank's lending reflects reasonable lending levels to small farms, small businesses, and low- and moderate-income individuals when compared to demographics. In addition, the bank actively extends small-dollar loans to meet credit needs in the assessment area.

LOAN-TO-DEPOSIT RATIO ANALYSIS

The bank's net loan-to-deposit ratio is reasonable given the bank's asset size, financial condition, and the assessment area's credit needs. Since the previous evaluation, the bank's quarterly net loan-to-deposit ratio ranged from 43.2% to 58.6%. The bank's 17-quarter average net loan-to-deposit ratio is 49.0%, which is lower than the 73.7% average at the previous evaluation. The bank's net loans decreased by 6.0%, and total deposits increased significantly, by 21.2%, which reduced the average net loan-to-deposit ratio.

According to the March 31, 2014, Uniform Bank Performance Report, the bank's net loan-to-deposit ratio was 44.5%, compared to the national peer group's net loan-to-deposit ratio of 59.9%. The bank's peer group includes all insured commercial banks having assets between $50 million and $100 million in a nonmetropolitan area with two or fewer full-service offices. The peer group's 17-quarter average net loan-to-deposit ratio is 63.5%.

Table 5 shows the 17-quarter average net loan-to-deposit ratios for the bank and some of its local competitors. The bank's ratio is above that of one small, primarily agricultural financial institution operating in the bank's assessment area.

TABLE 5 **17-Quarter Average Net Loan-to-Deposit Ratios**		
Bank Name and Location	***Assets as of March 31, 2014 (in thousands)***	***Average Net Loan-to-Deposit Ratio***
Fulton State Bank, Fulton, South Dakota	$ 60,045	49.0%
Menno State Bank, Menno, South Dakota	$ 36,693	40.4%
Security State Bank, Alexandria, South Dakota	$ 74,053	60.5%
Farmers & Merchants State Bank, Plankinton, South Dakota	$ 87,693	99.3%
Farmers State Bank, Stickney, South Dakota	$105,570	84.0%

The bank's net loan-to-deposit ratio is reasonable despite its decline since the previous evaluation and despite being lower than the peer group's net loan-to-deposit ratio. Community contacts and bank management indicated that competition among area financial institutions is strong. In addition to the competitors included in Table 5, the bank faces competition from Farm Credit Services of America, local credit unions, and large national banks. Bank management also indicated that the high commodity prices and strong yields of the last few years resulted in weak loan demand, an increase in pay-offs, and an increase in deposits from the bank's agricultural customers. These factors affect the bank's net loan-to-deposit ratio because agricultural loans represent a significant percentage of the loan portfolio.

Overall, the bank is an active lender in its assessment area.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE THE ASSESSMENT AREA

The bank extends a substantial majority of its loans to borrowers within the assessment area, specifically 93.6% by number and 87.8% by loan amount. Table 6 shows the bank's lending inside and outside its assessment area by loan type.

TABLE 6
Percentage of Loans Originated Inside and Outside the Assessment Area

	Inside		***Outside***	
Loan Type	***Total Number of Loans***	***Total Dollar Amount of Loans***	***Total Number of Loans***	***Total Dollar Amount of Loans***
Small Farm	93.3%	83.2%	6.7%	16.8%
Small Business	93.0%	90.3%	7.0%	9.7%
Consumer	94.4%	95.1%	5.6%	4.9%
Total	**93.6%**	**87.8%**	**6.4%**	**12.2%**

As Table 6 shows, the bank originates a substantial majority of its small farm, small business, and consumer loans to borrowers in its assessment area. Bank management indicated that the loans made outside the assessment area are typically made to borrowers in nearby counties.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution and dispersion of the bank's small farm, small business, and consumer loans in the assessment area is reasonable and does not reveal any unexplained gaps in lending. According to 2010 census data, the assessment area contains 12 middle-income census tracts and one upper-income tract. The upper-income census tract is in Mitchell. The bank's Mitchell branch is in a middle-income tract adjacent to the upper-income tract. The bank's assessment area does not include any low- or moderate-income census tracts. Table 7 shows the percentage of small farm, small business, and consumer loans originated by census tract income level.

TABLE 7 Distribution of Loans by Census Tract Income Level*				
	Middle Income		***Upper Income***	
Loan Type	***#***	***$***	***#***	***$***
Small Farm	94.6%	92.8%	5.4%	7.2%
Small Business	67.9%	55.2%	32.1%	44.8%
Consumer	90.2%	88.7%	9.8%	11.3%
Demographic Data				
Number of Census Tracts	12		1	
Percentage of Census Tracts	92.3%		7.7%	
Percentage of Farms	98.9%		1.1%	
Percentage of Businesses	89.6%		10.4%	
Percentage of Households	86.0%		14.0%	
*Income classification of census tracts is based on 2010 median family income. **Demographic data is based on 2010 census data and 2013 Dun & Bradstreet data.				

The bank made the majority of its loans in middle-income census tracts, which is reasonable because most of the tracts in the bank's assessment area are middle-income tracts. The bank's offices are also in middle-income tracts in Davison and Hanson counties, which is where most lending occurred. The bank made loans in all of the counties in its assessment area except for Aurora and Jerauld counties, which can be explained. Borrowers in these counties are closer to other financial institutions operating in the area than to the bank's locations.

<u>RECORD OF RESPONSE TO CRA-RELATED COMPLAINTS</u>

Neither the bank nor the Federal Reserve Bank of Minneapolis has received any CRA-related complaints concerning the bank since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The evaluation did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B--Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

Appendix A

Glossary of Common CRA Terms

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 statistical area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. 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 on 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 (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 C.F.R. 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 Federal Deposit Insurance Corporation (the Agencies) 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 Agencies 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 meet essential community needs, including the needs of low- and moderate-income individuals.

Consumer loan: A loan to one or more individuals for household, family, or other personal expenditures. It 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 nonrelatives 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 data such as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments).

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 statistical area (MSA): An area, defined by the Office of Management and Budget, based on the concept of a core area with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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 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 typically are either secured by nonfarm or nonresidential real estate or classified as commercial and industrial loans.

Small loan to farm: 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 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 geography.

(For additional information, please see the Definitions sections of Regulation BB at 12 C.F.R. 228.12.)