

PUBLIC DISCLOSURE

June 1, 2009

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Northern Neck State Bank
550327

5839 Richmond Road

Warsaw, Virginia 22572

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

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 Rating

- Institution's CRA Rating..... 1
- Table of Performance Test Ratings..... 1
- Summary of Major Factors Supporting Rating..... 1

Institution

- Description of Institution..... 2
- Description of Assessment Area..... 2
- Scope of Examination..... 4
- Conclusions With Respect to Performance Tests..... 5

CRA Appendices

- CRA Appendix A: Scope of Examination..... 11
- CRA Appendix B: Glossary..... 12

INSTITUTION RATING

INSTITUTION'S CRA RATING: Northern Neck State Bank is rated "**SATISFACTORY.**"

The following table indicates the performance level of Northern Neck State Bank with respect to the lending, investment, and service tests.

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

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

The major factors supporting the institution's rating include:

- Overall lending activity is good in relation to the bank's capacity and market presence.
- A substantial majority of the institution's small business, small farm, and home mortgage loans were originated within the bank's assessment areas.
- Overall, the geographic lending distribution and distribution of loans by borrower income and revenue is considered good.
- The level of qualified community development investments is considered adequate relative to available opportunities.
- Delivery systems and branch locations are readily accessible to all segments of the assessment areas.
- Bank employees provide a limited level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Northern Neck State Bank (NNSB) is headquartered in Warsaw, Virginia, and operates nine full service branch offices in Essex, Lancaster, Northumberland, Richmond, and Westmoreland Counties, Virginia. The institution is a wholly-owned subsidiary of Union Bankshares Corporation, a multi-bank holding company located in Bowling Green, Virginia. No branch offices have been opened or closed since the previous evaluation.

As of March 31, 2009, the bank reported \$353.3 million in assets, of which 67.8% were loans and 22.3% were securities. Since June 30, 2007, loans, deposits, and assets have increased by 3.1%, 11.9%, and 8.8%, respectively. Various credit products are available through the institution including small business, commercial, consumer, and real estate secured loans. The following chart details the composition of the bank's loan portfolio as of that date.

Composition of Loan Portfolio

Loan Type	3-31-2009	
	\$(000s)	%
Secured by 1-4 Family dwellings	105,431	43.7
Multifamily	253	0.1
Construction and Development	23,433	9.7
Commercial & Industrial/ NonFarm NonResidential	35,195	14.6
Consumer Loans and Credit Cards	52,061	21.6
Agricultural Loans/ Farmland	20,307	8.4
All Other	4,775	2.0
Total	241,455	100.0

DESCRIPTION OF ASSESSMENT AREA

The following table reflects the current composition of the bank's assessment areas.

Assessment Area	City/County	Census Tracts Included
Essex Counties Non-MSA VA	Essex	All
	Lancaster	All
	Northumberland	All
	Richmond	All
	Westmoreland	All

According to census data from 2000, the assessment area has a population of 59,342. Housing is generally considered affordable when comparing the 2000 assessment area median housing value (\$96,911) to the 2000 assessment area median family income (\$43,898). The market owner-occupancy rate of 61.1% is slightly lower than the rate for the Commonwealth of Virginia at 63.3%. The overall family poverty rate of the assessment area (9.7%) is slightly higher than the rate for the commonwealth (7%), but lower than the rate for the nonmetropolitan areas of Virginia (10.7%). The Virginia nonmetropolitan 2008 median family income equals \$50,600.

The local economies of the five counties are supported by the fishing and agricultural industries. The market area is predominantly rural and many residents commute to Richmond, Virginia, Fredericksburg, Virginia, or Washington, D. C., for employment opportunities in the manufacturing, service, tourism, chemical, insurance, pharmaceutical, banking, and medical industries. With Richmond serving as the capital of the Commonwealth of Virginia, many employment opportunities are available with the state government. The area also provides employment with local and Federal governments.

The following table provides unemployment rates as of May 2009 for the counties in the assessment area, as well as the rate for Virginia.

Locality	Unemployment Rate
Essex County	8%
Lancaster County	9.9%
Northumberland County	8.7%
Richmond County	7.5%
Westmoreland County	7.7%
Virginia	7%

A local advocacy group director was contacted to assist in evaluating the bank's CRA performance. The individual indicated that local financial institutions are adequately meeting the credit needs of the community.

The following table contains detailed demographic information for the assessment area based on the 2000 census. The table provides demographic data for the assessment area by the income level of families, the type and distribution of housing units, and the distribution of local businesses. Eight of the middle-income census tracts located in Richmond, Westmoreland, and Lancaster counties have been designated as underserved areas as provided in the definition of community development.

Assessment Area Demographics

Essex Counties Non-MSA VA								
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	3,071	18.4
Moderate	0	0.0	0	0.0	0	0.0	2,645	15.8
Middle	11	73.3	11,676	69.8	1,251	10.7	3,195	19.1
Upper	4	26.7	5,040	30.2	376	7.5	7,805	46.7
NA	0	0.0	0	0.0	0	0.0		
Total	15	100.0	16,716	100.0	1,627	9.7	16,716	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	5,404	22.3
Moderate	0	0.0	0	0.0	0	0.0	3,377	13.9
Middle	13,417	68.1	17,009	70.1	2,541	14.9	4,141	17.1
Upper	6,297	31.9	7,240	29.9	910	12.6	11,327	46.7
NA	0	0.0	0	0.0	0	0.0		
Total	19,714	100.0	24,249	100.0	3,451	14.2	24,249	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	2,170	69.3	1,971	69.1	132	74.6	67	67.0
Upper	960	30.7	882	30.9	45	25.4	33	33.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	3,130	100.0	2,853	100.0	177	100.0	100	100.0
Percentage of Total Businesses:				91.2		5.7		3.2

*NA Tracts are tracts without household or family income as applicable.

As of June 30, 2008, NNSB ranked second in deposit market share having 20.1% of the assessment area's available FDIC insured deposits (credit union deposits are not included).

Based on its financial capacity and the economic conditions of the local market, there are no significant limitations on the bank's ability to meet credit needs within the community it serves. NNSB received a satisfactory rating at its prior CRA evaluation dated May 14, 2007.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures, small business and small farm lending activity reported by the institution from January 1, 2007, through December 31, 2008, was reviewed. Since the institution is not required to report Home Mortgage Disclosure Act (HMDA) data, a sample of 81 home mortgage loans was reviewed (these loans would have been reported as HMDA loans and are referred

to as such in various tables in this document). The sample was selected from the universe of 134 home mortgage loans extended by the institution during 2008. Throughout the analysis of lending data, loans without reported income or revenue and loans where the reported geographic information is incomplete or extended in a geography with a median family income of zero (or no median family income) are excluded.

Qualified community development loans and services were also considered from May 14, 2007, through June 1, 2009. All qualified investments made since the prior evaluation, as well as any outstanding as of the examination date regardless of when made, were also considered.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The institution's overall rating is based on its performance with regard to the Lending, Investment, and Service Tests. According to the FFIEC procedures, Lending Test performance accounts for half of the overall rating, while the Investment and Service tests are equally weighted, accounting for 25% each of the overall rating.

LENDING TEST

The lending test is rated high satisfactory considering overall lending activity and the distribution of lending among borrowers and geographies of different income levels in the bank's assessment area. Area demographic data, Dun & Bradstreet (D&B) business data, and market aggregate information are used as proxies for demand when evaluating the bank's performance. The demographic data used is based on the 2000 census, and D&B business data is current as of 2008. Aggregated small business/small farm data includes NNSB and all other reporting institutions that originated and/or purchased loans of the type considered within the bank's assessment area.

While small business and small farm loan data from calendar years 2007 and 2008 were analyzed and considered in the evaluation, only data from 2007 is presented in the following tables. In instances where the performance during 2008 varies significantly from performance in 2007, such variances and the corresponding impact on the overall performance is noted. For home mortgage loans, information is presented reflecting bank performance from the sampled 2008 transactions. Aggregated HMDA for 2008 is not available for use as a demand proxy; however, 2007 aggregate HMDA data (which would not include NNSB) was considered as part of the performance context and demographic data was used as a proxy for demand to gauge bank mortgage lending performance.

When evaluating lending performance for a specific loan type, primary consideration is given to the number (and corresponding percentage) of transactions. The institution's rating is based on the combined performance of each loan category and primary consideration is given to the dollar volume each category contributes to the overall activity considered in the evaluation.

Lending Activity:

A bank's loan-to-deposit ratio is one measure of its lending relative to its capacity. The bank's quarterly loan-to-deposit ratio for the eight-quarter period ending March 31, 2009, averaged 83.9% and ranged from 77% to 87.5%. During the eight-quarter period ending March 31, 2009, the average of quarterly loan-to-deposit ratios of all banks headquartered in nonmetropolitan areas of Virginia and of similar asset size to NNSB ranged from 83.6% to 89%. The bank's loan-to-deposit ratio, as of March 31, 2009, equaled 77%. No barriers to the bank's ability to lend were noted.

Assessment Area Concentration:

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	25	96.2	5,143	95.6	1	3.8	237	4.4
Home Improvement	22	100.0	642	100.0	0	0.0	0	0.0
Refinancing	33	100.0	4,104	100.0	0	0.0	0	0.0
Total HMDA related	80	98.8	9,889	97.7	1	1.2	237	2.3
SB - Small Business	145	92.9	14,421	84.1	11	7.1	2,735	15.9
SF - Small Farm	41	93.2	2,158	83.0	3	6.8	443	17.0
TOTAL LOANS	266	94.7	26,468	88.6	15	5.3	3,415	11.4

Note: Affiliate loans not included.

As indicated in the previous table, a substantial majority of loans, both by number (94.7%) and dollar amount (88.6%), for the product lines included in the analysis have been provided to residents and businesses in the bank's assessment area. Overall, the percentage of loans made in the assessment area is considered highly responsive to community credit needs and is considered excellent.

Distribution by Borrower Income and Revenue Size of the Business:

The following tables present data about lending to borrowers of different income levels and to businesses and farms of different revenue sizes. As previously mentioned, the following home mortgage loan table reflects 2008 sampled transactions and the small business and small farm tables depict 2007 reported data.

Distribution of HMDA Loans by Income Level of Borrower

Essex Counties Non-MSA VA								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(25)				Home Purchase			
Low	3	12.0	109	2.1	NA	NA	NA	NA
Moderate	4	16.0	298	5.8	NA	NA	NA	NA
	(33)				Refinance			
Low	3	9.1	98	2.4	NA	NA	NA	NA
Moderate	4	12.1	286	7.0	NA	NA	NA	NA
	(22)				Home Improvement			
Low	5	22.7	161	25.1	NA	NA	NA	NA
Moderate	4	18.2	117	18.2	NA	NA	NA	NA
	(0)				Multi-Family			
Low	0	0.0	0	0.0	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	NA	NA	NA	NA
	HMDA Totals							
Low	11	13.8	368	3.7	NA	NA	NA	NA
Moderate	12	15.0	700	7.1	NA	NA	NA	NA
Middle	22	27.5	1,567	15.9	NA	NA	NA	NA
Upper	35	43.8	7,253	73.3	NA	NA	NA	NA
Unknown	0		0		NA		NA	
Total	80	100.0	9,889	100.0	NA	NA	NA	NA

() represents the total number of bank loans for the specific Loan Purpose where income is known
Percentage's (%) are calculated on all loans where incomes are known

Demographic data indicates that within the assessment area, 18.4% of families are low-income and 15.8% are moderate-income. According to 2007 aggregate HMDA data, in instances where borrower income was known, 6.2% of loans reported were to low-income borrowers and 14.4% were to moderate-income borrowers. The bank's sampled home mortgage loans to low-income and moderate-income borrowers were 13.8% and 15%, respectively. Considering demographic data and performance context information, the bank's distribution of home mortgage loans to borrowers of different income levels is considered good.

Distribution of Lending by Loan Amount and Size of Business

Essex Counties Non-MSA VA								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	20	26.3	1,291	25.8	921	37.4	22,570	40.8
Over \$1 Million	22	28.9	2,099	41.9	NA	NA	NA	NA
Unknown	34	44.7	1,617	32.3	NA	NA	NA	NA
by Loan Size	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	63	82.9	2,041	40.8	2,362	96.0	26,589	48.0
\$100,001-\$250,000	11	14.5	2,156	43.1	60	2.4	10,589	19.1
\$250,001-\$1 Million	2	2.6	810	16.2	39	1.6	18,175	32.8
Total	76	100.0	5,007	100.0	2,461	100.0	55,353	100.0

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

During 2007, 34 small business loans were reported from which the business's revenues were not known. These loans are excluded from the following analysis.

According to 2008 D&B data, 91.2% of businesses within the assessment area that reported revenue data have revenues of \$1 million or less. Aggregate small business data indicates that 37.4% of reported small business loans in 2007 were to businesses having revenues of \$1 million or less. The remaining portion of businesses either had revenues exceeding \$1 million or revenue data was not known. During 2007, 47.6% of the bank's loans were to businesses with revenues of \$1 million or less. Lending to small businesses with revenues of \$1 million or less was significantly higher in 2008 with 80.5% of the loans to such entities. Considering demographic and aggregate lending data as proxies for demand, the bank's level of lending to small businesses is considered good.

Distribution of Lending by Loan Amount and Size of Farm

Essex Counties Non-MSA VA								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	13	54.2	682	68.3	77	62.6	3,210	61.9
Over \$1 Million	0	0.0	0	0.0	NA	NA	NA	NA
Unknown	11	45.8	317	31.7	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	22	91.7	499	49.9	111	90.2	2,639	50.9
\$100,001-\$250,000	1	4.2	200	20.0	9	7.3	1,590	30.7
\$250,001-\$500k (Farm)	1	4.2	300	30.0	3	2.4	955	18.4
Total	24	100.0	999.0	100.0	123	100.0	5,184	100.0

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

During 2007, 11 small farm loans were reported from which the business's revenues were not known. These loans are excluded from the following analysis.

According to 2008 D&B data, 96.2% of farms within the assessment area that reported revenue data have revenues of \$1 million or less. Aggregate small farm data indicates that 62.6% of reported small farm loans in 2007 were to farms having revenues of \$1 million or less. The remaining portion of businesses either had revenues exceeding \$1 million or revenue data was not known. During the evaluation period, 100% of the bank's loans were to small farms. This level of lending is considered excellent.

The overall distribution of loans to borrowers of different income levels and to businesses of different sizes is considered good using aggregate data and area demographics as proxies for demand.

Geographic Distribution:

The reported and sampled loans reviewed in this analysis were also analyzed to determine the level of lending among geographies of varying income levels. As previously mentioned, the bank's assessment area contains only middle- and upper- income geographies. Accordingly, all of the loans were in middle- and upper-income areas.

Of the sampled home mortgage loans, 77.5% and 22.5% of the loans were in middle- and upper-income tracts, respectively. This level of lending is good when considering the percentage of the owner-occupied housing units located in middle-income tracts (68.1%) and the 2007 aggregate lending for such tracts (69.5%).

Of the reported 2007 small business loans, 90.8% were made in middle-income tracts and 9.2% were in upper-income areas. Lending in 2008 was similar with 94.2% in middle-income tracts. This level of lending is good when comparing the percentage of area businesses in middle-income tracts (69.3%) and the 2007 aggregate lending (63.2%) in such tracts.

Of the reported 2007 small farm loans, 87.5% were made in middle-income areas and 12.5% were in upper-income tracts. Lending in 2008 was similar with 94.1% in middle-income tracts. This level of lending is good when considering the percentage of area farms in middle-income tracts (79.6%) and the 2007 aggregate lending (56.8%) in such tracts.

Overall, the level of lending among geographies of varying income levels is considered good when using aggregate data and area demographics as proxies for demand.

Community Development Lending:

During the evaluation period, the bank did not report any community development lending. To the extent that the bank may have originated any loans for community development purposes in the assessment area, such credit extensions have been reported as small business or small farm and cannot also be reported as community development loans. Local opportunities appear limited when considering the bank's competition and assessment area demographic data. The institution faces no lending constraints relative to its size and business strategy.

Overall, the lending performance within the assessment area is considered good. This conclusion is based on the evaluations of the geographic and borrower distributions during 2007 and 2008, while taking into account the bank's market strategy, area demographic, and aggregate loan data.

INVESTMENT TEST

The institution's level of responding to community development needs through its investment activities is rated low satisfactory. As of March 31, 2009, the institution reported approximately \$353 million in total assets and held \$79 million in securities. As of the date of the evaluation, NNSB held approximately \$1.5 million in qualified investments. Qualified community development investments consist of the following:

- Three Virginia Housing Development Authority (VHDA) bonds. The VHDA promotes affordable housing by financing single-family and multi-family mortgages for low- and moderate-income individuals throughout the commonwealth, including the bank's assessment area. Of the \$1,508,515 VHDA bonds held by the bank, \$1 million were purchased since the previous evaluation.

In addition to these investments, the bank contributed \$26,583 in qualified donations to a variety of local organizations providing services to low- and moderate-income residents or underserved geographies.

Market data gathered from a variety of resources suggest limited opportunities of qualified investment opportunities in the assessment area. When considering investment opportunities and market presence, the bank's level of investments is considered adequate.

SERVICE TEST

NNSB's performance under the service test is rated low satisfactory. Systems for delivering retail-banking services appear effective and are readily accessible to all portions of the assessment area. Also, bank employees have participated in a limited level of community development services.

Retail Services:

Delivery systems are readily accessible to all portions of the assessment area. Automated teller machines (ATMs) are available and, through a network, provide customers with 24-hour nationwide access. Bank-by-phone and bank-by-computer services are also offered by the institution. The bank offers a low-cost checking product to its customers.

The institution operates nine full service offices within the assessment area of which six (66.7%) are located in middle-income tracts. Four branches are located in middle-income census tracts that have been designated underserved. These branches are also in close proximity to the remaining four underserved middle-income census tracts and therefore provide banking services to all eight underserved census tracts. Branch locations and business hours are considered convenient and as a result delivery systems for bank services are readily accessible to all portions of the assessment area. As previously noted, no branch offices have been opened or closed since the previous evaluation.

Community Development Services:

As previously mentioned, bank employees participate in a limited level of community development service endeavors within Richmond County (the two census tracts that make up Richmond County have been designated as underserved for CRA purposes). Such activities include involvement with the Richmond County Industrial Development Authority and the Richmond County YMCA.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

CRA APPENDIX A

SCOPE OF EXAMINATION

A full discussion of the scope of the examination is contained in the narrative section of this public evaluation. A branch office, located at 5839 Richmond Road, Warsaw, Virginia, was visited during the evaluation.

CRA APPENDIX B

GLOSSARY

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption.

The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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