

PUBLIC DISCLOSURE

September 12, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens State Bank
RSSD #643368

112 W. Princeton Drive
Princeton, Texas 75407

Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

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.

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

The performance of Citizens State Bank (CSB) in originating loans to meet the credit needs of all segments of its community is rated "Satisfactory" for the period covered by this evaluation. The factors supporting this rating include:

- A majority of the loans, both in number and dollar volume, were made within the bank's assessment area, including 91 percent of the number and 77 percent of the dollar volume of loans reviewed;
- The bank's overall distribution of borrowers reflects reasonable performance among individuals of different income levels and businesses of different sizes;
- Detracting from the rating is a less than reasonable loan-to-deposit ratio of 30.4 percent as of June 30, 2011, with a quarterly average of 35.2 percent since the last evaluation.

SCOPE OF EXAMINATION

CSB's lending performance with respect to the CRA was assessed by analyzing a sample of 47 commercial loans totaling \$4.23 million and 76 consumer loans totaling \$543 thousand originated by the bank between June 21, 2007 and June 1, 2011. Because of limited loan volume, it was necessary to review loans originated since the last evaluation in June 2007 in order to obtain an adequate sample size. The bank is not required to report under the Home Mortgage Disclosure Act (HMDA) due to its asset size.

The evaluation was conducted using the CRA small bank performance standards. Small bank CRA performance standards evaluate:

- average loan-to-deposit ratio since the last CRA evaluation;
- the overall level of lending within the assessment area;
- the bank's lending to borrowers of different income levels and businesses and farms of different sizes;
- the bank's geographic distribution of loans within its assessment area; and,
- the bank's response to any written complaints since the last examination.

Each standard is viewed as part of an overall picture of the bank's performance in meeting the credit needs of its delineated assessment area.

DESCRIPTION OF INSTITUTION

Baylor Bancshares, Inc., Seymour, Texas (BBI), through its wholly owned Delaware subsidiary, controls 100 percent of CSB. CSB is a full-service retail bank and operates only one banking location in Princeton, which is in Collin County. The bank’s only ATM does not have deposit-taking capabilities.

Deposit products offered by CSB include checking, savings, certificates of deposit, money market, NOW accounts, direct deposit, pre-authorized withdrawals, on-line bill pay, telephone transfers and debit cards. Lending products offered include agricultural, commercial and consumer loans. CSB does not offer residential mortgage, open-end or private education loans. The bank’s loan portfolio has 1-4 family residential loans as the largest loan product by dollar volume; however, this consists of loan renewals with no new originations. Based on the number of originations, consumer loans are also a significant product.

CSB ranks 43rd in deposit market share out of 62 FDIC-insured financial institutions operating in Collin County as of June 30, 2010. The bank’s branch office contains nearly \$29 million in deposits or 0.21 percent of market share as of June 30, 2010. Bank of America has the largest share of the market, with 15.04 percent of total deposits, followed by JPMorgan Chase Bank NA with 13.52 percent, Viewpoint Bank with 10.15 percent, and Wells Fargo Bank at 9.77 percent.

With deposits slowing due to rate competition, the bank’s overall strategy is one of dependence upon securities transactions. There were no pending plans for increased lending or acquisitions at the time of the evaluation. Listed below is the bank’s branching profile:

RETAIL BRANCH			
BRANCH ADDRESS	CENSUS TRACT/ INCOME LEVEL	LOBBY HOURS	MOTOR BANK HOURS
Main Office 112 West Princeton Drive Princeton, Texas 75407	310.02 Middle	Monday – Thursday 9:00 am – 3:00 pm Friday 9:00 am – 2:00 pm and 3:00 pm – 6:00 pm	Monday – Friday 8 am – 6 pm Saturday 9:00 am – Noon

As of June 30, 2011, the bank reported total assets of approximately \$39 million, gross loans of \$9.06 million, total deposits of \$29.06 million, and a net loan-to-deposit ratio of 30.4 percent. The following table reflects the loan portfolio mix:

PRODUCT	6/30/2011 \$(000)	% OF LOANS
<u>Real Estate</u>		
1-4 Family Res Construction Lns (03/2008)	0	0.00
Other Const Lns & Land Dev & Other (03/2008)	1,257	13.87
Farm Land	84	0.93
1-4 Family – Revolving	0	0.00
1-4 Family Res Secured by First Liens	2,526	27.87
1-4 Family Res Secured by Junior Liens	0	0.00
Multifamily	0	0.00
Lns Secured Owner Occupd NonFrm NonRes (03/2008)	1,215	13.41
Lns Secured by Other NonFrm NonRes (03/2008)	348	3.84
Total Real Estate	5,430	59.92
Agricultural	246	2.71
Commercial and Industrial	1,574	17.37
Consumer	712	7.86
State and Political	1,094	12.07
Other	7	0.08
Gross Loans	9,063	100.00*

*Percentage may not equal 100 due to rounding.

CSB is a small unit bank operating in a competitive, highly banked market. Therefore, it is expected that lending will be located near the bank’s location. Collin County has three moderate-income census tracts, 22 middle-income census tracts and 60 upper-income census tracts. There are no low-income census tracts in Collin County. CSB’s ability to meet various credit needs of the community has not been hampered by its capacity to lend, its financial condition and size, products, prior performance, legal impediments or other factors. The community contact interviewed indicated communities near the bank have been impacted by the recent economic downturn resulting in excessive foreclosures. The bank received a Satisfactory rating on its last CRA performance evaluation dated June 18, 2007 performed by the Federal Reserve Bank of Dallas.

DESCRIPTION OF COLLIN COUNTY

CSB’s assessment area consists of Collin County. Collin County is located north of Dallas and is one of the eight counties in the Dallas-Plano-Irving Metropolitan Division (MD). The assessment area population grew by nearly 63 percent between 2000 and 2010. The city of McKinney is the County seat with a population of 131,117. Other municipalities include Allen, Frisco, Plano, Richardson, Wylie and Murphy. Collin County has no distressed or underserved geographies.

At the time of the census of 2000, there were 491,772 people, 181,970 households and 133,200 families in the county. The county is one of the fastest growing counties in the U.S. with a

demographic that includes Whites, African Americans, Native Americans, Hispanics, Asians and Pacific Islanders.

Demographic and economic information impacting the bank's performance context are further discussed below. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, 2000; the U.S. Department of Labor; the U.S. Department of Housing and Urban Development (HUD); Dun & Bradstreet; and the Texas Workforce Commission.

The following table details selected characteristics of the assessment area:

CITIZENS STATE BANK, PRINCETON, TEXAS ASSESSMENT AREA DEMOGRAPHICS COLLIN COUNTY – 2007 – 2011								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.00	0	0.00	12,786	9.6
Moderate	3	3.5	3,387	2.5	599	17.7	14,482	10.9
Middle	22	25.9	36,187	27.2	1,948	5.4	23,282	17.6
Upper	60	70.6	93,626	70.3	1,787	1.9	82,550	62.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total Area	85	100.0	133,200	100.0	4,334	3.3	133,200	100.00
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,046	2,140	1.7	42.4	2,679	53.1	227	4.5
Middle	56,325	30,880	24.7	54.8	21,310	37.8	4,135	7.3
Upper	133,521	91,915	73.6	68.8	33,046	24.7	8,560	6.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total Area	194,892	124,935	100.00	64.1	57,035	29.3	12,922	6.6
	Total Businesses by Tract	Businesses by Tract & 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	2,252	5.4	1,821	4.8	278	17.4	153	8.7
Middle	8,950	21.6	8,193	21.5	362	22.7	395	22.5
Upper	30,226	73.0	28,064	73.7	956	59.9	1,206	68.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total Area	41,428	100.00	38,078	100.0	1,596	100.00	1,754	100.00
	Percentage of Total Businesses:			91.9		3.9		4.2

Based on 2000 Census information

Income Characteristics: The assessment area contains 85 census tracts in Collin County. There are no low-income census tracts and three moderate-income tracts or 3.5 percent, which contain 2.5 percent of families. There are 22 middle-income census tracts in the assessment area or 25.9 percent, which contain 27.2 percent of assessment area families. There are 60 upper-income census tracts or 70.6 percent, which contain 70.3 percent of assessment area families. The 11 tracts where the bank focuses its lending are comprised of one upper-, one moderate-, and nine-middle-income census tracts.

There are 133,200 families in the assessment area; 62 percent are upper-income, with low-, moderate-, and middle-income families accounting for 9.6 percent, 10.9 percent, and 17.6 percent of the population respectively. Collin County has 3.3 percent of the population living below the poverty level.

Housing: According to the 2000 census data, there are 194,892 housing units located in the assessment area with 64.1 percent owner-occupied, 29.3 percent rental and 6.6 percent vacant. There are 73.6 percent owner-occupied units concentrated in the upper-income census tracts. Moderate-income tracts contain 1.7 percent of the owner-occupied units and middle-income tracts contain 24.7 percent.

Labor, Employment and Economic Characteristics: The area economy includes such industries as technology, health care, education and financial services. Major employers include Texas Instruments, EDS/HP, J.C. Penney and the Richardson ISD. The 2010 unemployment rate is 8.4 percent for Collin County, which is comparable to the 2010 state unemployment rate of 8.2 percent.

Community Contacts and Credit Needs: Interviews were conducted with community leaders employed in the real estate industry and local government. These contacts noted that the county has been negatively impacted by foreclosures as a result of the recent economic downturn. They stated that there are additional opportunities for financial institutions to participate in reinvestment activities such as financial training workshops for borrowers impacted by the recent economic downturn.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LOAN-TO-DEPOSIT RATIO

The general purpose of the CRA is to encourage banks to meet the credit needs in their assessment area while operating in a safe and sound manner. To gain an understanding of the bank's lending activity, the net loan-to-deposit (LTD) ratio is reviewed to approximate the credit demand of the assessment area and assess the bank's willingness to meet the community's demand for credit.

CSB's net LTD ratio is considered less than reasonable given the bank's size and financial condition, the credit needs of the assessment area, and the competitive local banking environment. As of June 30, 2011, the net LTD ratio was 30.4 percent, and the quarterly average for the 16 quarters since the previous evaluation was 35.2 percent.

To better understand the bank's performance in relation to its assessment area, a comparison of similarly situated local banks was performed. These banks were chosen for analysis based on their proximity, similar size and structure. Based on the LTD ratios of similarly situated banks, there is demand for lending in the area. As noted, CSB's LTD ratios are significantly lower than those of its peers and reflect unfavorably upon the bank's efforts to meet the credit needs of its community. Bank management attributed the low LTD ratio to its conservative lending philosophy. No ranking is implied in the order of the competitor banks listed below:

BANK	COUNTY	TOTAL ASSETS 6/30/2011 IN '000S	LTD RATIO 6/30/2011	QUARTERLY* AVERAGE LTD RATIO
Citizens State Bank, Princeton, Texas	Collin	38,856	30.4	35.2
Prosper Bank, Prosper, Texas	Collin	64,543	73.9	80.9
Texas Republic Bank, NA Frisco, Texas	Collin	36,493	53.8	85.8
Farmersville Bank Farmersville, Texas	Collin	95,289	68.4	79.9

*Based on 16 quarters since the last CRA performance evaluation.

The low level of lending negatively impacts the bank's overall performance.

LENDING IN ASSESSMENT AREA

A majority of the bank's loans were originated inside its assessment area. As shown in the table below, the bank extended 91.1 percent of all loans, including approximately 77 percent of the dollar volume, within the assessment area.

ASSESSMENT AREA CONCENTRATION								
LOAN TYPE	INSIDE ASSESSMENT AREA				OUTSIDE ASSESSMENT AREA			
	#	%	\$000's	% of \$	#	%	\$000's	% of \$
Motor Vehicle	68	89.5	\$469	86.3	8	10.5	\$74	13.7
Commercial	44	93.6	\$3,203	75.6	3	6.4	\$1,032	24.4
TOTAL	112	91.1	\$3,672	76.9	11	8.9	\$1,106	23.1

*Percentage may not equal 100 due to rounding.

The remaining analyses will be based on loans made inside the bank's assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The distribution of lending based on income and revenue levels of the borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. For the purposes of the evaluation, motor vehicle loans were assigned the greatest weight since it is the bank's primary lending product by number of origination. The income level of the borrowers was compared to the Dallas-Plano-Irving MD median family income (MFI) for 2007 - 2011. The following tables depict the referenced income level ranges:

INCOME LEVEL	2007 MFI	2008 MFI	2009 MFI
Median Income	\$63,200	\$65,000	\$68,700
Low-income	\$0<\$31,600	\$0<\$32,500	\$0<\$34,350
Moderate-income	\$31,600<\$50,560	\$32,500<\$52,000	\$34,350<\$54,960
Middle-income	\$50,560<\$75,840	\$52,000<\$78,000	\$54,960<\$82,440
Upper-income	\$75,840 and up	\$78,000 and up	\$82,440 and up

INCOME LEVEL	2010 MFI	2011 MFI
Median Income	\$68,900	\$69,600
Low-income	\$0<\$34,450	\$0<\$34,800
Moderate-income	\$34,450<\$55,120	\$34,800<\$55,680
Middle-income	\$55,120<\$82,680	\$55,680<\$83,520
Upper-income	\$82,680 and up	\$83,520 and up

Motor Vehicle Loans:

As shown in the table below, the bank’s lending distribution for motor vehicle loans is reasonable when compared to the various income levels of households in the assessment area. Approximately 22 percent of the loans were originated to low-income borrowers compared to the percentage of households at 11.02 percent. There were 17 loans or 25 percent originated to moderate-income borrowers compared to 12.30 percent of moderate-income households. Middle- and upper-income borrowers accounted for 53 percent of the borrowers but represent 77 percent of the households.

2007-2011 DISTRIBUTION OF MOTOR VEHICLE LOANS BY MEDIAN FAMILY INCOME LEVEL										
	Low		Moderate		Middle		Upper		Income N/A	
Loan Type	#	%	#	%	#	%	#	%	#	%
Motor Vehicle	15	22.1%	17	25.0%	21	30.9%	15	22.1%	0	0.0
Percent of Households	11.02%		12.30%		16.32%		60.36%		N/A	

*Percentage may not equal 100 due to rounding.

Commercial Loans:

The following table reflects the distribution of commercial loans originated within the assessment area by gross annual revenues of borrowers. There were no loans extended in 2007. In 2008, the bank extended 77 percent of its loans to small businesses.¹ In 2009, the bank extended 89 percent of its loans to small businesses. In 2010, the number of loans extended to small businesses was 79 percent. As of June of 2011, the bank extended 100 percent of originations to small businesses.

To better understand the lending needs of the community, aggregate data was examined for small business lending in Collin County. Aggregate data shows lending to small businesses with gross annual revenues of \$1 million or less was 32.7 percent for 2008, 25.9 percent for 2009, and 35.8 percent for 2010. Aggregate data was not available for 2011. CSB’s lending to small businesses with gross annual revenues of \$1 million or less exceeds the assessment area demographics and aggregate performance.

¹ A small business is one with gross annual revenue of \$1 million or less

Gross Annual Revenues	'08 # of LNs	'08 % of LNs	'09 # of LNs	'09 % of LNs	'10 # of LNs	'10 % of LNs	'11 # of LNs	'11 % of LNs
<=\$50,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$50,001 - \$100,000	12	92.3%	8	88.9%	14	73.7%	3	100%
\$100,001 - \$250,000	1	7.7%	1	11.9%	1	5.3%	0	0.0%
\$250,001 - \$500,000	0	0.0%	0	0.0%	4	21.1%	0	0.0%
\$500,001 - \$750,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$750,001 - \$1 million	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total <= \$1 million	10	76.9%	8	88.9%	15	78.9%	3	100%
> \$1 million	3	23.1%	1	11.1%	4	21.1%	0	0.0%
Revenues N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	13	100%	9	100%	19	100%	3	100%
AGGERGATE		32.7%		25.9%		35.8%		N/A

*Percentage may not equal 100 due to rounding.

GEOGRAPHIC DISTRIBUTION OF LOANS

The distribution of loans by the income level of geographies reflects a reasonable dispersion throughout the assessment area. Although a majority of the bank's loans were made to borrowers located in the middle-income census tracts, when compared to the percentage of households and the total businesses in low- and moderate-income census tracts, the bank's lending is considered reasonable.

CSB made no consumer loans to borrowers in moderate-income census tracts. The bank's lending is reasonable given the opportunities evident by the census data. There are only three moderate-income census tracts in the assessment area, and all but one is located some distance from the bank. In addition, only 2.7 percent of the households are located in moderate-income census tracts; however, 18 percent of families residing in the moderate-income tracts live below the poverty line, compared to 3.3 percent of families in the assessment area. It is often difficult for people with limited income to qualify for credit. The bank's made 65 originations or 95.6%, in middle-income census tracts where 28.72 percent of the household are located. The bank originated 3 loans or 4.4 percent in upper-income tracts where 68.6 percent of households are located.

There were a total of 44 commercial loans originated during the sample period. Two commercial loans were made to borrowers who operated businesses in moderate- income census tracts or 4.5 percent, compared to the 4.8 percent of total small businesses operating in moderate-income census tracts. The majority of loans were made to small businesses operating in middle-income census tracts, where the bank produced 40 loans or 90.9 percent of total originations. With 73.7

² A small business is one with gross annual revenue of \$1million or less.

percent of small businesses operating in upper-income census tracts, the bank originated the remaining 2 loans or 4.5 percent.

The following tables depict the distribution of loans by income level of the census tracts:

DISTRIBUTION OF CONSUMER LOANS BY GEOGRAPHIC INCOME LEVEL								
	Low		Moderate		Middle		Upper	
Loan Type	#	%	#	%	#	%	#	%
Motor Vehicle	N/A	N/A	0	0	65	95.6	3	4.4
Percent of Households	N/A%		2.65%		28.72%		68.63%	

*Percentage may not equal 100 due to rounding.

DISTRIBUTION OF COMMERCIAL LOANS BY GEOGRAPHIC INCOME LEVEL						
Tract Level Income	% Total Businesses	% Small Businesses	Total Loans		Dollar Amount	
			#	%	\$('000s)	%
Low	N/A	N/A	N/A	N/A	N/A	N/A
Moderate	5.4%	4.8%	2	4.5%	167	5.2%
Middle	21.6%	21.5%	40	90.9%	3,012	94.0%
Upper	73.0%	73.7%	2	4.5%	24	.07%
Unknown	0	0.0%	0	0.0%	0	0.0%
TOTAL	100.0	100.0	44	100.0	3,203	100.0

*Percentage may not equal 100 due to rounding.

RESPONSE TO COMPLAINTS

There were no complaints received related to the CRA during the review period. Consequently, the bank's performance in responding to complaints was not considered in evaluating its overall CRA performance.

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. The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. Established policies and procedures are designed to ensure ongoing compliance with applicable laws and regulations.

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, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts average about 4,000 inhabitants, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to the 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).

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 income of the applicants; the amount of loan requested; and the disposition of the application (for example, approved, denied, or 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 refinancing 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.

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.

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.

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.