



PUBLIC DISCLOSURE

August 28, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Farmers State Bank
RSSD# 647759

1100 Main Street
Quinton, Oklahoma 74561

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

The Farmers State Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2019, 2020, and 2021) was referenced for additional perspective to gauge credit demand within the bank's AA. Lending performance was assessed within the bank's single AA. Examiners reviewed the following data:

- The bank's 20-quarter average NLTD ratio;
- A statistical sample of 99 small business loans selected from a universe of 192 loans originated between January 1, 2022 and December 31, 2022;
- A statistical sample of 82 small farm loans selected from a universe of 139 loans originated between January 1, 2022 and December 31, 2022; and
- A statistical sample of 51 home mortgage loans selected from a universe of 68 loans originated between January 1, 2022 and December 31, 2022.

Greater weight was placed on small business loans in the analysis due to the composition of the bank's loan portfolio and overall number of originations.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Quinton, Oklahoma. The bank’s characteristics include the following:

- The bank is a wholly owned subsidiary of F.S.B. Properties, Quinton, Oklahoma.
- The bank has total assets of \$180.7 million as of March 31, 2023.
- In addition to the main office in Quinton, the bank has three additional full-service offices located in Eufaula, Stigler, and Red Oak, Oklahoma.
- The bank has five full-service interactive teller machines (ITMs), with one ITM at each of the Quinton, Stigler, and Red Oak locations and two ITMs at the Eufaula location.
- As shown in the table below, the bank’s primary business focus is commercial and residential lending.

Table 1

Composition of Loan Portfolio as of March 31, 2023		
Loan Type	\$(000)	%
Construction and Land Development	7,033	7.0
Farmland	7,692	7.7
1-4 Family Residential Real Estate	28,582	28.6
Multifamily Residential Real Estate	0	0.0
Non-Farm Non-Residential Real Estate	13,721	13.7
Agricultural	9,593	9.6
Commercial and Industrial	15,907	15.9
Consumer	16,460	16.5
Other	828	0.8
Gross Loans	99,816	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its November 26, 2018, performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Eastern Oklahoma AA consists of Latimer and Haskell Counties in their entirety, two census tracts in Pittsburg County, and three census tracts in McIntosh County (see Appendix A for an AA map and Appendix B for additional demographic data).

- The AA delineation has changed since the previous performance evaluation. The bank’s AA now includes three census tracts in McIntosh County. This change was due to the opening of a new branch in Eufaula, Oklahoma in 2019.
- The AA is comprised of three moderate- and ten middle-income census tracts. The AA’s composition at the previous performance evaluation consisted of one moderate- and eight middle-income census tracts. The composition change was primarily due to the addition of McIntosh County within the AA.
- Based on the June 30, 2022 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank is ranked 4th out of 14 FDIC insured institutions within the AA, with 7.8 percent deposit share.
- To further augment the CRA performance evaluation, an interview was conducted with a member of the community within the bank’s AA to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and current demographic characteristics. The community member represented the local real estate industry.

Table 2

Population Change			
Assessment Area: Eastern Oklahoma			
Area	2015 Population	2020 Population	Percent Change
Eastern Oklahoma	88,865	83,719	(5.8)
Haskell County, OK	12,850	11,561	(10.0)
Latimer County, OK	10,774	9,444	(12.3)
McIntosh County, OK	20,280	18,941	(6.6)
Pittsburg County, OK	44,961	43,773	(2.6)
NonMSA Oklahoma	1,333,350	1,289,548	(3.3)
Oklahoma	3,849,733	3,959,353	2.8
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011 – 2015 U.S. Census Bureau: American Community Survey</i>			

- A large portion, 34.1 percent, of the AA's population resides in Haskell County, where the Stigler Branch is located. Although Pittsburg and McIntosh Counties are the most populous counties in the AA, the tracts captured in the AA only represent 8.6 percent and 42.4 percent of each county’s total population, respectively.

Table 3

Median Family Income Change			
Assessment Area: Eastern Oklahoma			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Eastern Oklahoma	54,885	55,218	0.6
Haskell County, OK	50,307	57,224	13.8
Latimer County, OK	54,565	49,727	(8.9)
McIntosh County, OK	50,651	49,827	(1.6)
Pittsburg County, OK	58,639	59,763	1.9
NonMSA Oklahoma	56,258	58,565	4.1
Oklahoma	63,401	67,511	6.5

*Source: 2011 – 2015 U.S. Census Bureau: American Community Survey
2016 – 2020 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- The percentage of families living below the poverty level in the AA, at 15.0 percent, is above to the state of Oklahoma at 11.3 percent, and the statewide rural figure, at 13.5 percent.
- The percentage of low-income families in the AA, at 25.2 percent, is above the state of Oklahoma and statewide rural figures, at 21.4 percent and 21.6 percent, respectively.

Table 4

Housing Cost Burden						
Assessment Area: Eastern Oklahoma						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Eastern Oklahoma	60.3	26.4	34.7	42.7	17.9	14.2
Haskell County, OK	61.4	28.0	40.2	43.6	25.0	16.0
Latimer County, OK	65.3	8.7	32.9	31.6	12.1	10.5
McIntosh County, OK	51.6	17.6	29.7	39.3	17.8	15.4
Pittsburg County, OK	62.1	33.5	35.6	47.4	17.0	13.8
NonMSA Oklahoma	64.4	27.6	34.5	48.4	21.4	15.5
Oklahoma	71.1	30.5	37.9	52.5	24.5	16.0

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

- The median housing value of \$101,292 in the AA is below the state of Oklahoma figure of \$142,400 and the statewide rural figure of \$110,370.
- The median age of housing stock in the AA is 43 years, which is higher than the state of Oklahoma and statewide rural figures of 41 years and 39 years, respectively.

A community member indicated the AA, specifically in the Lake Eufaula area, has a shortage of long-term rentals as tourism in the area has increased the demand for secondary housing and short-term vacation rentals.

Table 5

Unemployment Rates Assessment Area: Eastern Oklahoma					
Area	2017	2018	2019	2020	2021
Eastern Oklahoma	5.9	4.5	4.7	8.2	5.6
Haskell County, OK	6.3	4.9	5.0	8.0	5.2
Latimer County, OK	7.1	5.7	6.0	10.3	7.3
McIntosh County, OK	7.3	5.7	5.5	8.6	6.1
Pittsburg County, OK	5.0	3.7	4.0	7.7	5.2
NonMSA Oklahoma	4.3	3.5	3.4	6.0	3.8
Oklahoma	4.0	3.3	3.1	6.2	3.8

Source: Bureau of Labor Statistics; Local Area Unemployment Statistics

- As of 2022, the unemployment rate for Haskell County was 4.3 percent.
- Major industries in Haskell County include health care and social assistance; construction; and mining, quarrying, and oil and gas extraction.
- Haskell, McIntosh, and Pittsburg Counties contain Lake Eufaula’s shoreline. Lake Eufaula, Oklahoma’s largest lake, covers 105,500 surface acres with 800 miles of shoreline. A community member indicated tourism from the lake is one of the driving forces of the AA’s economy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank’s overall lending test performance is Satisfactory based on a more than reasonable NLTD ratio, a majority of loans originated with the bank’s AA, and a reasonable geographic distribution and borrower distribution. In addition, performance context was considered when evaluating the bank’s lending performance.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and the area where they are located.

The bank’s NLTD ratio is more than reasonable. The bank’s 20-quarter average NLTD ratio, at 59.4 percent, is significantly above the NLTD ratios of the four similarly situated banks.

Table 6

Comparative NLTD Ratios June 30, 2018 – March 31, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			20 Quarter Average
The Farmers State Bank	Quinton, Oklahoma	180,704	59.4
Similarly Situated Institutions			
Latimer State Bank	Wilburton, Oklahoma	68,861	23.0
First National Bank of Stigler	Stigler, Oklahoma	132,654	32.9
Bank of Eufaula	Eufaula, Oklahoma	111,784	34.4
Peoples National Bank of Checotah	Checotah, Oklahoma	166,235	35.6

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of loans, by number and dollar, inside the AA.

Table 7

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Residential Loans	37	72.5	3,994	68.6	14	27.5	1,829	31.4
Small Business	78	78.8	3,394	73.1	21	21.2	1,247	26.9
Small Farm	70	85.4	2,048	83.9	12	14.6	393	16.1
Total Loans	185	79.7	9,436	73.1	47	20.3	3,469	26.9

Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. An evaluation of the dispersion of the bank’s lending revealed no material gaps or lapses throughout the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The distribution of small business lending in moderate and middle-income census tracts is comparable to the percentage of total businesses in those tracts. An evaluation of the dispersion of the bank’s small business lending revealed no material gaps or lapses throughout the AA.

Table 8

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Eastern Oklahoma					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	21	26.9	1,372	40.4	21.5
Middle	57	73.1	2,022	59.6	78.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	78	100.0	3,394	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The distribution of small farm lending in moderate and middle-income census tracts is comparable to the percentage of total businesses in those tracts. An evaluation of the dispersion of the bank’s small farm lending revealed no material gaps or lapses throughout the AA.

Table 9

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Eastern Oklahoma					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	14	20.0	453	22.1	19.0
Middle	56	80.0	1,595	77.9	81.0
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	70	100.0	2,048	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The distribution of home mortgage lending in moderate and middle-income census tracts is comparable to the percentage of owner-occupied units in those tracts. An evaluation of the dispersion of the bank's home mortgage lending revealed no material gaps or lapses throughout the AA.

Table 10

Distribution of 2022 Residential Lending By Income Level of Geography					
Assessment Area: Eastern Oklahoma					
Geographic Income Level	Bank Loans				Owner Occupied Units
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	8	21.6	737	18.5	21.8
Middle	29	78.4	3,257	81.5	78.2
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	37	100.0	3,994	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. The bank’s lending has a reasonable distribution among individuals of different income levels and businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less is comparable to the percentage of small businesses operating within the AA.

Table 11

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Eastern Oklahoma					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	76	97.4	3,198	94.2	88.5
Over \$1 Million	2	2.6	196	5.8	8.0
Revenue Unknown	0	0.0	0	0.0	3.5
Total	78	100.0	3,394	100.0	100.0
By Loan Size					
\$100,000 or Less	71	91.0	2,115	62.3	
\$100,001 - \$250,000	5	6.4	659	19.4	
\$250,001 - \$1 Million	2	2.6	620	18.3	
Total	78	100.0	3,394	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	70	92.1	2,029	63.4	
\$100,001 - \$250,000	4	5.3	549	17.2	
\$250,001 - \$1 Million	2	2.6	620	19.4	
Total	76	100.0	3,198	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with gross annual revenues of \$1 million or less is comparable to the percentage of small farms operating within the AA.

Table 12

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Eastern Oklahoma					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	70	100.0	2,048	100.0	98.7
Over \$1 Million	0	0.0	0	0.0	1.3
Revenue Unknown	0	0.0	0	0.0	0.0
Total	70	100.0	2,048	100.0	100.0
By Loan Size					
\$100,000 or Less	66	94.3	1,420	69.3	
\$100,001 - \$250,000	4	5.7	628	30.7	
\$250,001 - \$500,000	0	0.0	0	0.0	
Total	70	100.0	2,048	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	66	94.3	1,420	69.3	
\$100,001 - \$250,000	4	5.7	628	30.7	
\$250,001 - \$500,000	0	0.0	0	0.0	
Total	70	100.0	2,048	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. While bank’s lending to low- and moderate-income borrowers is below the percentage of families by family income within the AA, additional performance context was considered in relation to the bank’s lending performance to low- and moderate-income borrowers.

While the bank does not report lending data under the HMDA, a review of HMDA aggregate lending data reported by institutions operating in the AA was conducted. The 2020 to 2022 three-year average indicated lending levels at 15.9 percent by number volume to low- and moderate-income borrowers. While aggregate data is not a direct comparator in evaluating the bank’s performance, this data reflects the overall limited demand for home mortgage loans by low- and moderate-income borrowers when compared to the percentage of low- and moderate-income families in the AA, which supports the bank's reasonable lending performance.

Table 13

Distribution of 2022 Residential Lending By Borrower Income Level					
Assessment Area: Eastern Oklahoma					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	\$%	
Low	6	16.2	326	8.2	25.2
Moderate	2	5.4	178	4.5	17.5
Middle	10	27.0	829	20.8	23.1
Upper	19	51.4	2,660	66.6	34.2
Unknown	0	0.0	0	0.0	0.0
Total	37	100.0	3,994	100.0	100.0

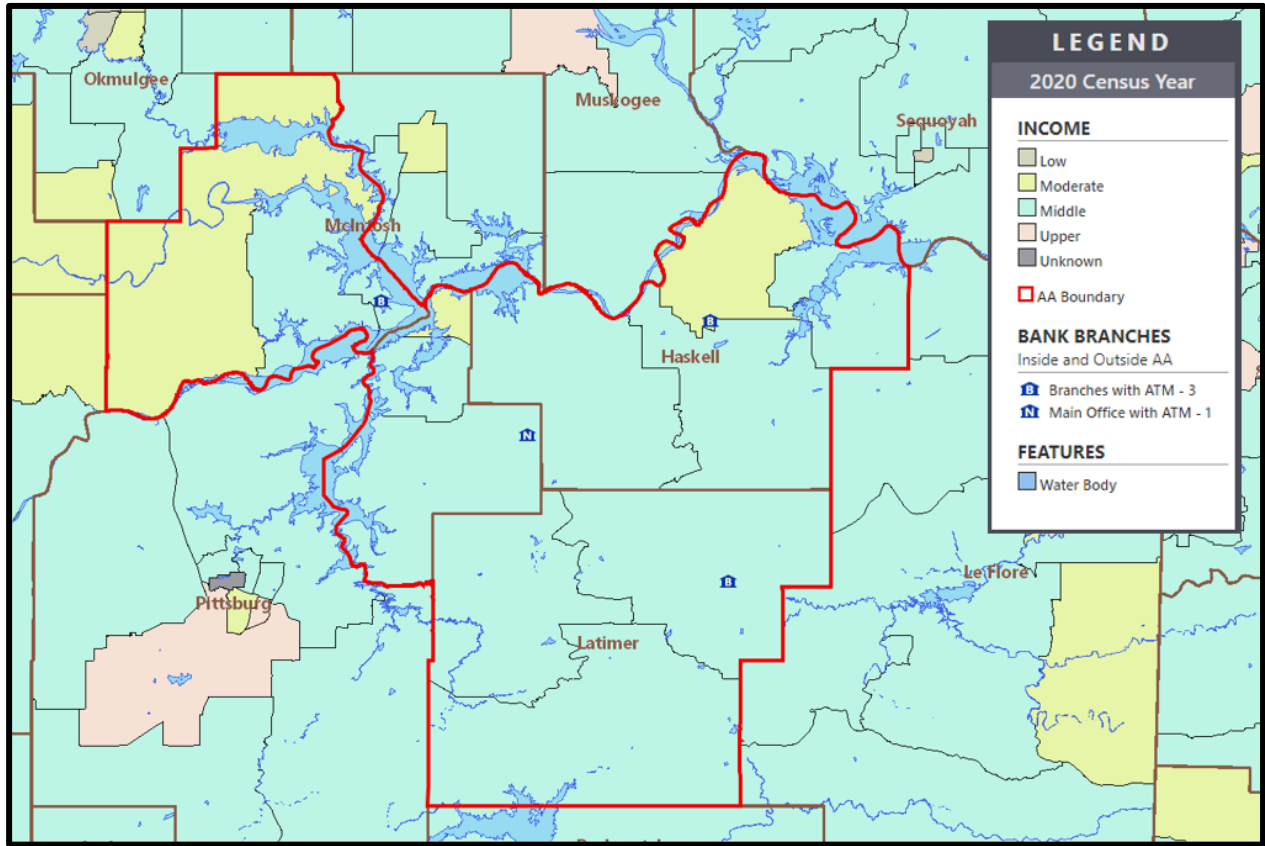
*Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey*

Note: Percentages may not total 100.0 percent due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

2022 Eastern Oklahoma AA Demographics								
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	0.0	0	0.0	2,566	25.2
Moderate	3	23.1	2,152	21.1	353	16.4	1,781	17.5
Middle	10	76.9	8,025	78.9	1,177	14.7	2,347	23.1
Upper	0	0.0	0	0.0	0	0.0	3,483	34.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	10,177	100.0	1,530	15.0	10,177	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,923	2,435	21.8	49.5	814	16.5	1,674	34.0
Middle	15,447	8,717	78.2	56.4	2,584	16.7	4,146	26.8
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	20,370	11,152	100.0	54.7	3,398	16.7	5,820	28.6
	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	249	21.5	221	21.6	21	22.8	7	17.1
Middle	907	78.5	802	78.4	71	77.2	34	82.9
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,156	100.0	1,023	100.0	92	100.0	41	100.0
Percentage of Total Businesses:				88.5		8.0		3.5
	Total Farms by Tract		Farms 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	15	19.0	14	17.9	1	100.0	0	0.0
Middle	64	81.0	64	82.1	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	79	100.0	78	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C – 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: 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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, 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 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 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.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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) 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 Consolidated Reports of Condition and Income (Call Report) instructions. 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.