

PUBLIC DISCLOSURE

May 17, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Pacific State Bank

RSSD #660767

15260 Ventura Boulevard

Sherman Oaks, CA 91403

Federal Reserve Bank of San Francisco

101 Market Street

San Francisco, California 94105

Note: 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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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance for **American Pacific State Bank** prepared by the **Federal Reserve Bank of San Francisco**, the institution's supervisory agency, as of **May 17, 1999**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to CFR Part 228.*

INSTITUTION

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

American Pacific State Bank's overall performance has exhibited a level of responsiveness in line with its business banking strategy and has satisfactorily addressed the credit needs of its assessment area. The bank's performance under the lending test evidences a substantial majority of loans in its assessment area and a good distribution of lending throughout the different income geographies, particularly moderate-income census tracts. Lending levels indicate that the nature and type of credited extended supports the small business sector of the community.

Since the previous examination, performance under the investment test has evidenced a noted increase in activity with qualified investments, grants and donations now considered to be adequate. Under the service test, the bank's delivery systems were considered reasonably accessible to all segments of the community, and community development services provided are adequate given the bank's resources and capacity.

PERFORMANCE LEVELS	AMERICAN PACIFIC STATE BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

**NOTE: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.*

PERFORMANCE CONTEXT

DESCRIPTION OF INSTITUTION

American Pacific State Bank (APSB) is a business-oriented bank that was established in 1971 in Sherman Oaks, California. As of March 31, 1999, APSB had total assets of \$414 million and operates eight branches located throughout the San Fernando and Santa Clarita Valleys. The bank's business strategy is to provide commercial banking products and services to mid-sized businesses and small business entrepreneurs. The bank grants commercial, Small Business Administration (SBA) and consumer loans to its customers. The majority of consumer lending is made as an accommodation to its business customers. APSB's SBA department is nationally ranked and is one of the largest generators of SBA loans in the San Fernando and Santa Clarita Valleys. As of March 31, 1999, APSB's loan portfolio showed a distribution that reflects the bank's commercial focus:

Loan Type	Dollar Amount (000s)	% of Total
Commercial/Industrial & Non-Farm Non-Residential Real Estate	\$207,851	89%
Secured by 1-4 Family Residential	\$11,753	5%
Consumer Loans	\$6,401	3%
Multifamily Residential	\$1,575	1%
Construction	\$2,908	1%
Credit Cards	\$855	.5%
All Other	\$971	.5%
Total (Gross)	\$232,314	100%

The bank has selected an assessment area in accordance with the requirements of the regulation. There are no legal or financial impediments preventing the bank from meeting the credit needs of its community, consistent with its size, financial resources and local economic conditions.

The bank's previous CRA examination, as of August 4, 1997, resulted in a satisfactory performance rating.

DESCRIPTION OF ASSESSMENT AREA

American Pacific State Bank's assessment area is comprised of 377 contiguous census tracts consisting primarily of the San Fernando and Santa Clarita Valleys, both located in Los Angeles County. The assessment area was based primarily on the bank's geographic distribution of credit extensions, applications and denials. Also, the branching network of the bank

contributed to the designation of the assessment area, since it allows the bank access to the majority of its community. With the exception of the Valencia branch in the Santa Clarita Valley, all the bank's offices are located in San Fernando Valley at the following sites: North Hollywood, Sun Valley, Sherman Oaks, Van Nuys, Northridge, Granada Hills, and Woodland Hills. Depicted in the following table is the income composition of the tracts in the bank's assessment area, along with the corresponding population and number of families as of the 1990 U.S. Census, and number of businesses as of 1998 Dun & Bradstreet data.

Census Tract Income Profile

Income Level	Total Census Tracts		Total Population		Total Families		Total Businesses	
	#	%	#	%	#	%	#	%
Low	4	1%	18,797	1%	3,649	1%	873	1%
Moderate	48	13%	338,286	17%	71,463	15%	11,583	15%
Middle	134	35%	732,277	37%	168,906	35%	26,776	34%
Upper	191	51%	880,900	45%	232,625	49%	39,714	50%
TOTAL	377	100%	1,970,260	100%	476,643	100%	78,946	100%

Since approximately 88% of the institution's branches are in San Fernando Valley and a larger number of the bank's loans are extended in this area; much of the economic and demographic information in this report primarily reflects the San Fernando Valley.

Residents of the bank's assessment area are more affluent than the rest of the Los Angeles MSA. According to 1990 U.S. Census Bureau data, the median family income for the assessment area is \$46,770, which is 20 percent higher than the Los Angeles MSA of \$39,035, and 15 percent higher than the State of California at \$40,559. Of the population residing in the assessment area, less than 1 percent reside in low-income tracts, with 17 percent in moderate-income tracts, 37% in middle-income tracts and 45% in upper-income tracts. All of the bank's low and moderate-income tracts are in San Fernando Valley.

Although the San Fernando Valley contains many large businesses, the vast majority of businesses located in the bank's assessment area are considered small businesses. An analysis¹ of businesses operating in the assessment area revealed that 88 percent of the 78,946 businesses are small businesses, defined as enterprises with gross annual revenues less than \$1 million. Community contacts indicated that small business loans were a major credit need, and that this need was being adequately met by the numerous financial institutions in the area. The San Fernando Valley is the world center for the entertainment industry as well as a major supplier for aerospace and defense related technologies, financial services, health care and high-tech manufacturing. The majority of small businesses in the area provide entertainment industry services, and their recent dramatic expansion in the area is credited with reviving the San Fernando Valley economy. Major employers include: The Walt Disney Company, Universal

¹ Source: 1997 Dun & Bradstreet data for assessment area.

Studios, Warner Brothers, Dreamworks SKG, NBC, Boeing-Rocketdyne Propulsion and Power, Countrywide Credit, Nestle USA, Sunkist, and Wellpoint Health Networks².

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

SCOPE OF EXAMINATION

The evaluation of American Pacific State Bank's performance under the Community Reinvestment Act focused on the bank's lending, investment, and service activities for the period since the previous examination of August 1, 1997, through December 31, 1998.

Under the lending test, examiners reviewed the bank's small business lending activity, as it represents a major portion of the bank's loan portfolio and is indicative of its business focus. The bank originates few residential real estate loans (only 11 loans in 1997 and 16 loans in 1998); thus, no analysis of Home Mortgage Disclosure Act (HMDA) lending was performed. The investment test assessment included an evaluation of the bank's securities portfolio, grants, donations, and other investments purchased by the bank during the review period. In conjunction with the service test, examiners evaluated the bank's branch locations, retail banking services, and community development services provided by bank employees within its assessment area.

LENDING TEST

American Pacific State Bank's overall performance under the lending test is high satisfactory. The bank actively services the credit needs of its assessment area as reflected by its small business lending performance. Given the competitive environment and the bank's resources and capacity, the bank's lending activity over the past 18 months reflects a good responsiveness to assessment area credit needs. Loan growth from August 1997 through December 1998 shows a 35% increase. Additionally, the bank has been recognized by the Small Business Administration (SBA) as a leading lender in the Los Angeles District, the highest production SBA district. American Pacific State Bank was ranked #9 in 1997, and #10 in 1998. The bank's strengths under the lending test are evidenced by the volume of lending to small businesses, the concentration of lending within its assessment area, and a geographic loan distribution that reflects a responsiveness throughout its assessment area, with particularly good performance in moderate-income geographies.

For the six-quarter review period, American Pacific State Bank's average loan-to-deposit ratio is 57 percent and is considered reasonable given the competitive market, in which the bank operates. Moreover, this ratio is comparable to the bank's loan-to-deposit ratio at the previous examination in spite of significant deposit growth of 47% emanating from an influx of new customers transferring from merged financial institutions. Although deposit growth has outpaced loan production during the same period, the bank has been able to maintain an adequate loan-to-deposit ratio through activities such as auto loan promotions and the

² Economic Alliance of San Fernando Valley, Valley Almanac 1999.

introduction of new products such as a special apartment building loan program aimed at bolstering loan levels. Given the overall loan volume and the substantive loan growth demonstrated, the bank's performance reflects a good responsiveness to credit needs in its assessment area.

Assessment Area Concentration

A substantial portion of the bank's lending was originated within the bank's assessment area. An analysis of the bank's small business lending shows that, out of 501 loans extended during the review period, 84 percent of the total number were extended inside the assessment area. In terms of dollar volume, \$65.8 million (79 percent) of the total amount of loans were extended inside the assessment area.

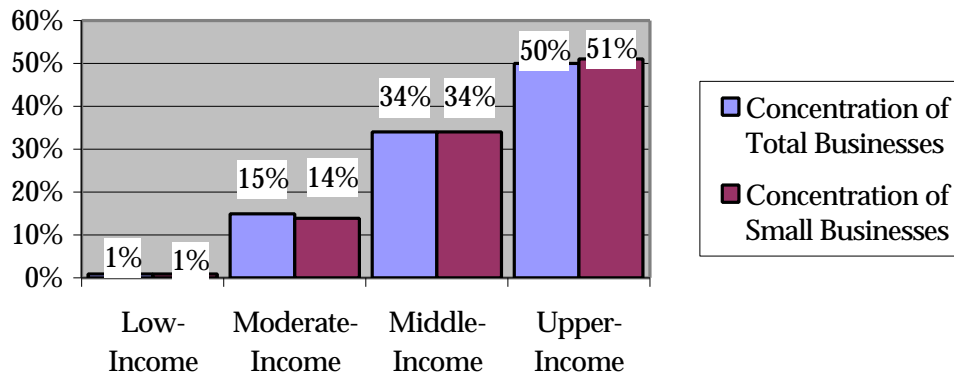
Contributing to the bank's high level of lending inside of its assessment area, is the match between the bank's business focus and the large number of businesses located there. Dun & Bradstreet data shows that in 1998, there were approximately 79,000 businesses in the assessment area. Eighty-eight percent of those businesses had gross annual revenues of less than \$1 million.

Lending Distribution by Geography

The bank's record of lending throughout its assessment area, including moderate-income census tracts, shows a good distribution. The evaluation determined that the lending distribution was reasonably comparable to the concentrations of small businesses within the assessment area, given the lending opportunities, branch distribution, and competitive factors in the marketplace.

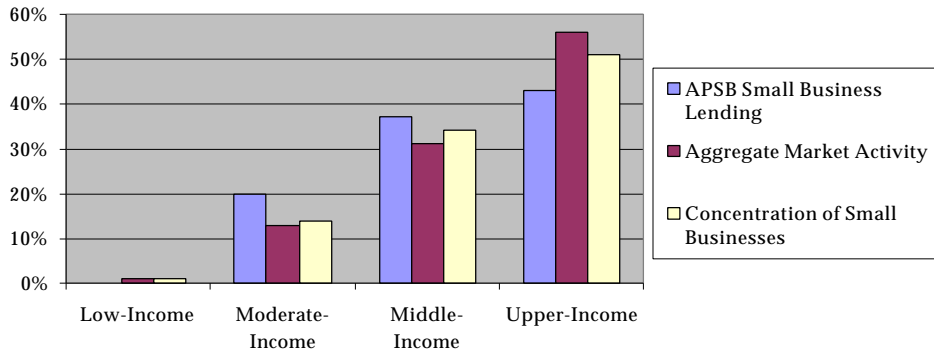
American Pacific State Bank's small business lending is concentrated in middle- and upper-income areas, which also comprise the majority of the assessment area. Dun and Bradstreet small business data shows that the highest concentrations of small businesses are also in middle- and upper-income census tracts with significantly lower numbers of small businesses in low- and moderate-

Distribution of Businesses Within Assessment Area



income areas. The following chart illustrates the bank's record of lending by income level of geography to concentrations of small businesses and the aggregate market lending activity.

Small Business Lending in Comparison to Location of Business and Aggregate Market Activity



The bank has extended small business loans in census tracts of different income levels in reasonable proportion to the distribution of total census tracts, the total population, and the number of businesses located in each income category. Of note is the fact that in moderate-income tracts, the bank has exceeded the business concentration percentages, and has also surpassed the market aggregate percentages of lending by both number and dollar amount of loans extended. While the market showed moderate-income totals of 14% in the number of loans and 17% in dollar volume, American Pacific extended 20% of their lending by number and 21% by dollar volume in those tracts. The bank’s small business lending focus and provision of SBA credit has attributed to this performance.

The lack of lending in the four low-income tracts in the assessment area necessitated a closer review of those particular tracts. According to 1990 census data, tract 3200.00 is comprised of the Universal Studios entertainment facilities and did not have a population. Census tract 1047.01 is located in the city of Pacoima, which has been designated as part of the Northeast Valley Enterprise Zone (NVEZ). While the bank has generated credit within moderate-income tracts in the NVEZ including sections of the city of Pacoima, small business lending opportunities are limited since this particular tract is primarily residential and contains only 819 families. Dun & Bradstreet data for 1998 shows that there were only 26 businesses located in this tract. The other two census tracts with no lending, tracts 4619.00 and 4620.00, are located in the city of Pasadena, which is in the extreme southeastern corner of the bank’s assessment area. These tracts are distant from any of the bank’s branches, limiting accessibility to this area. Examiners noted that with the exception of one loan in that region, the bank did not have any other lending activity within the city of Pasadena. Given that the absence of lending was not just restricted to the low-income geographies within the city and the fact that alternatives for credit are readily available from numerous other financial institutions located in the Pasadena area the bank’s absence in this market is not a supervisory concern.

Overall, the bank’s geographic distribution of lending is consistent with its resource capacity and credit needs in the assessment area.

Lending Distribution by Borrower Income or Business Revenue

American Pacific State Bank’s lending to businesses of different revenue sizes shows a distribution that demonstrates an adequate response to the commercial credit needs within its assessment area, including those of small businesses.

According to Dun & Bradstreet data, small businesses³ comprise 88 percent of all businesses in the bank’s assessment area. Of the 423 business loan originations within the bank’s assessment area, 46 percent of the number of loans and 51 percent of the dollar amounts were extended to enterprises with gross annual revenues of \$1 million or less.

Business Lending by Number of Loans

Loan Amounts	Businesses with Revenues <=\$1MM		Businesses with Revenues >\$1MM		TOTALS	
	#	%	#	%	#	% of Total
<= \$100,000	122	62%	147	65%	269	64%
> \$100m to <=\$250m	29	15%	42	19%	71	16%
> \$250m to <=\$1 million	45	23%	38	16%	83	20%
TOTAL	196	46%	227	54%	423	100%

Although the table indicates that less than half of the loan originations went to small businesses, the bank’s credit profile reflects lending consistent with assessment area needs. In particular, bank management indicated that the substantial improvement in the San Fernando Valley’s economy has led to revenue growth and spurred business expansion for the bank’s clients. This growth coupled with a dramatic increase in real estate values in the past few years has also increased the need for larger credit accommodations. A community contact interviewed during the examination confirmed that the tremendous rebuilding and upsurge in real estate values since the 1994 Northridge earthquake has fueled an increased need for larger loan amounts. The contact also stated that there was adequate access to credit for small businesses in the San Fernando Valley, due to the number of financial institutions and competition for loans. As a substantial preferred SBA lender, the bank has significantly contributed to this referenced availability of small business financing. Consistent with previous comments, a SBA small business lending study⁴ published in 1998 further acknowledged an increasing trend for larger, small business loans and a corresponding growth in small businesses. Growth in small business loans from \$250,000 to \$1,000,000 outpaced smaller dollar financing by 5.7 percent compared to 4.1 percent for loans less than \$100,000, and 4.9 percent for loans under \$250,000. Additionally, the growth rates for larger loans (over \$1 million), was 10.9 percent.

³ Businesses with gross annual revenues less than or equal to \$1 million.

⁴ U.S. Small Business Administration, Office of Advocacy “Small Business Lending in the United States, 1997 Edition”, published March 1998.

Notwithstanding the increasing demand for larger dollar financing, the concentration of the bank's loans indicate that the majority (62 percent) of the bank's loans were for amounts under \$100,000, which are typically critical to small business operations. Given the business profile of the assessment area and the corresponding credit needs, the bank's distribution of small business loans by business size and loan amounts demonstrates its responsiveness to small business credit needs.

Community Development Lending

The bank has not originated any community development lending as defined by the regulation during the review period. However, during the examination the bank identified loans to small businesses located in enterprise zones. While not considered community development financing, the credit extended has helped to foster development in the designate area. The bank's assessment area includes three special zones that have been designated by the state or City of Los Angeles as specific geographic areas in need of commercial revitalization and redevelopment. As an incentive, banks receive state tax credits for extending loans to entities conducting business in the zones. The areas include the Northeast Valley Enterprise Zone (NVEZ) which encompasses portions of the city of Pacoima, with a poverty rate in excess of the 35 percent minimum poverty rate requirement stipulated in the Housing and Urban Development (HUD) Empowerment Zones and Enterprise Community summary. The other two special zones are the City of Los Angeles Community Redevelopment Agency North Hollywood Project Area (LA CRA North Hollywood) and the Los Angeles Revitalization Zone (LARZ), both created to stimulate economic growth, create jobs, and rebuild businesses affected by the April 1992 civil disturbances.

Of the 423 small business loans considered under the lending test, 31% were extended in these zones:

Northeast Valley Enterprise Zone:	20 loans
LARZ:	106 loans
LA CRA North Hollywood:	<u>5 loans</u>
Total	131 loans

The 131 loans represent an increase over the 96 loans identified at the previous examination that have supported operations and growth of small businesses in these designated communities.

Innovative or Flexible Lending Practices

During the review period, the bank participated in the SBA Community Adjustment Investment Program (CAIP), which is a new flexible financing program created to provide credit to businesses impacted by the North American Free Trade Agreement (NAFTA). The program provides special advantages, in that the loan guarantee fee usually paid by the borrower is paid through the facilitating bank, the North American Development Bank (NADBank). The specific area targeted under this program is located within the Pacoima Enterprise Zone, which is part of American Pacific State Bank's assessment area. American Pacific targeted three mail promotions of CAIP to the Pacoima Enterprise Zone in 1999, consisting of over 2,200 pieces. The mailings were followed by telemarketing to ensure that eligible businesses were aware of this new program. As of the examination, three loan applications were generated, with one

now completed. A contact at the Los Angeles District SBA stated that only a very few lenders have participated in this program.

INVESTMENT TEST

American Pacific State Bank has demonstrated an adequate level of qualified community development investments and grants. Investments have increased over previous examination levels, as have grants and donations.

Investment and Grant Activity

During the review period, the bank purchased California State low-income housing tax credits (LIHTC) totaling \$1,640,000, and representing approximately 1.8 percent of the bank's investment portfolio. This investment benefited the bank's assessment area and a surrounding broader regional area. The LIHTC issue included two projects within the bank's assessment area; a 32-unit affordable housing project in Panorama City noted by a community contact as an area in need of affordable housing, and a 21-unit project in Van Nuys.

Additionally, a total of \$83,555 in qualified grants and donations have been made to a variety of community organizations throughout the bank's assessment area. Collectively, the contributions represent 59 percent of the bank's total grants and donations and reflect an increase over the \$22,500 extended at the previous examination.

SERVICE TEST

American Pacific State Bank's retail banking and community development services are adequate. Branch delivery systems area are generally accessible to essentially all portions of the bank's assessment area, and the bank's record of opening and closing branches has not affected service delivery in low- and moderate-income areas. The bank is providing community development services at a level generally consistent with its resources and expertise.

Retail Banking Services

The bank's retail delivery systems are generally accessible to all portions of the assessment area, and there are no material differences in services at each location. The bank's eight branches all offer commercial and consumer loans, and deposit services. Banking hours are tailored to meet the convenience and needs of each particular area, and seven branches provide Saturday banking from 9:00 am to 12:00 noon. Four locations have drive-up banking facilities with extended hours.

As a complement to office facilities, the bank offers a variety of alternative delivery systems which include a toll-free, 24-hour telephone banking line, and Quik-Info, which allows customers to access information on deposit and loan accounts and transfer funds. The bank also provides pre-paid envelopes to allow customers to bank by mail free of charge. The bank does not own any proprietary ATMs, but is a member of the nationwide Star System. Because of the bank's business focus, ATMs are not a major delivery mechanism. To accommodate its

business clientele, the bank offers Business Express, an on-line personal computer software system for business account management. Business Express features include deposit and loan information, funds transfers, and payroll services. This service has a one-time software charge, and a monthly fee. The bank also provides its business customers with a courier service for non-cash deposits and armored car service for cash deliveries. These services are priced according to the service provider charges, and do not include any charge by the bank.

The bank has not opened or closed any offices since the previous examination, however, on May 17, 1999, the North Hollywood office was relocated to a more accessible location on Lankershim Boulevard. Both the previous and new locations are in middle-income tracts, and there was no adverse impact on low- and moderate-income areas or individuals. The bank's distribution of branches is depicted in the following chart.

Branch Distribution

Income Level	Branches		Assessment Area	
	#	%	#	%
Low	0	0	4	1%
Moderate	0	0	48	13%
Middle	3	37%	134	35%
Upper	5	63%	191	51%
TOTALS	8	100%	377	100%

While no branches are located in low- or moderate-income census tracts, four of the eight offices, namely, the Sun Valley, North Hollywood, Van Nuys, and Northridge branches, are located within proximity to reasonably serve low- and moderate-income tracts.

Community Development Services

The bank is providing an adequate level of community development services to CRA qualified organizations in its assessment area. Bank officers are involved in community organizations by providing technical financial assistance such as serving on loan review committees, assisting in development of advertising and promotions, providing accounting and bookkeeping services, and assisting in fundraising. An analysis of the services provided shows that the bank is performing on a monthly basis approximately 14 hours of community development services to 6 organizations in the San Fernando and Santa Clarita Valleys. An example of a noteworthy qualified service is a bank representative's role as treasurer of the Sun Valley Neighborhood Improvement Organization (SVNIO). The SVNIO is a non-profit organization formed to improve blighted areas of Sun Valley and northeast San Fernando Valley and promote economic development through attraction of businesses, neighborhood beautification, transportation upgrades, and provision of day care. As treasurer, the responsibilities include advising the Board on financial matters, handling the budget for operating funds and donations, and assisting with various financial and volunteer projects.

COMPLIANCE WITH FAIR LENDING LAWS AND REGULATIONS

American Pacific State Bank's fair lending policies, procedures and training programs were found to be adequate. No violations of the substantive provisions of anti-discrimination laws and regulations were identified.

GLOSSARY OF FREQUENTLY USED TERMS

Area Median Income (Median Income)

The median family income for the Metropolitan Statistical Area (MSA) if a person or geography is located in an MSA, or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area

A geographic area which generally consists of one or more MSAs or one or more contiguous subdivisions, such as counties, cities or towns. Assessment areas also include geographies in which the bank has its main office, its branches and its deposit taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans (including home mortgage loans, small business loans, small farm loans, and any other loans the bank chooses, such as those consumer loans on which the bank elects to have its performance assessed).

Community Development

- (1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals.
- (2) Community services targeted to low- or moderate-income individuals.
- (3) Activities that promote economic development by financing business or farms which have gross annual revenues of \$1 million or less or that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs.
- (4) Activities that revitalize or stabilize low- or moderate-income geographies.

Community Development Loan

A loan that has as its primary purpose community development; and, except in the case of a wholesale or limited purpose bank:

- (1) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan; and
- (2) Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service	A service that has as its primary purpose community development, is related to the provision of financial services, and has not been considered in the evaluation of the bank's retail banking services under CRA.
Consumer Loans	Loans 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. Examples of consumer loans are: Motor Vehicle Loans, Credit Card Loans, Home-Equity Loans, Secured Consumer Loans and Unsecured Consumer Loans.
Families	Defined by the U.S. Bureau of Census as all persons occupying a housing unit related to the householder by birth, marriage or adoption. A single person living alone or two or more unrelated individuals occupying the same household are not considered to be a family.
Geographies	Census tracts or numbering area blocks delineated by the U.S. Bureau of Census in the most recent decennial census.
Households	Defined by the U.S. Bureau of Census as all persons occupying a housing unit.
HUD Adjusted Median Income	Based initially on the area median income derived from the most recent decennial census, the Department of Housing and Urban Development adjusts the figure annually for inflation.
Income Level	Includes low-income, moderate-income, middle-income and upper-income.
Low-Income	An individual income that is less than 50 percent of the HUD- adjusted median income or a census tract or block numbering area with a median family income that is less than 50% of the area median income.
Median Income	See Area Median Income and HUD Adjusted Median Income
Metropolitan Statistical Area (MSA)	An area qualifies as an MSA if it contains a city with a population of at least 50,000 or is defined by the Bureau of the Census as an urbanized area and has a population of 50,000 or more and a total metropolitan population of 100,000.

Middle-Income	An individual income that is at least 80 percent and less than 120 percent of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is at least 80 and less than 120 percent of the area median income.
Moderate-Income	An individual income that is at least 50 percent and less than 80 percent of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is at least 50 and less than 80 percent of the area median income.
Qualified Investment	A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.
Real Estate Mortgage Loan	Defined by the Home Mortgage Disclosure Act (HMDA) as a home purchase loan, home improvement loan or the refinancings for both. A home purchase loan is any loan secured by and made for the purpose of purchasing a dwelling. A home improvement loan is for the purpose, in whole or part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located and is classified by the financial institution as a home improvement loan.
Small Bank	A bank that, as of December 31 of either of the prior two calendar years, had total assets of less than \$250 million and was independent or an affiliate of a holding company that, as of December 31 of the prior two calendar years, had total banking and thrift assets of less than \$1 billion.
Small Business	Businesses with gross annual revenues of \$1 million or less as defined by the Community Reinvestment Act.
Small Business Loan	Business purpose loans with original amounts of \$1 million or less as defined by the instructions for the Consolidated Reports of Condition and Income (CALL Report) for entry on schedule RC-C, part II "Loans to Small Businesses."
Upper-Income	An individual income that is 120 percent or more of the HUD-adjusted median income, or a census tract or block numbering area with a median family income that is 120 percent or more of the area median income.