



**PUBLIC DISCLOSURE**

**June 5, 2023**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Clear Mountain Bank**

**Bruceton Mills, West Virginia**

**Federal Reserve Bank of Richmond  
Richmond, Virginia**

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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886624

P.O. Box 205

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**Federal Reserve Bank of Richmond**

**P. O. Box 27622**

**Richmond, Virginia 23261**

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## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**INSTITUTION'S CRA RATING: This institution is rated: SATISFACTORY.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's size, financial condition, and credit needs of the bank's assessment area.
- A substantial majority of the institution's Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank's assessment areas.
- The bank's lending penetration among borrowers of different income levels, including low- and moderate-income, and businesses of different sizes is reasonable overall. Performance, however, varies by state and assessment area.
- The bank's geographic distribution of loans reflects a reasonable dispersion throughout the bank's assessment areas overall. Performance, however, varies by state and assessment area.
- The bank's community development performance demonstrates excellent responsiveness overall to community development needs of its assessment areas through community development lending, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such community development opportunities in the bank's assessment areas. Performance, however, varies by state and assessment area.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

### **SCOPE OF EXAMINATION**

Clear Mountain Bank (CMB) was evaluated using the interagency examination procedures for intermediate small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). CMB is required to report certain information regarding its home mortgage lending in accordance with the HMDA. Accordingly, CMB's 2020 and 2021 HMDA loans were considered in the evaluation. Given its size, loan volume, and branch locations, CMB is required to collect and report HMDA data, but it is not required to collect or report CRA data. CRA data includes information about a bank's small business and small farm lending. Nonetheless, small business lending was identified as a primary product line and was also considered in the evaluation. The analysis includes all small business loans originated during 2021.

Qualified community development loans and services are considered for activities since the previous evaluation (October 7, 2019). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered. Discussions with members of the community were also held to discern information about local economic conditions, credit needs, performance of banks, and potential community development opportunities.

Currently, CMB serves three assessment areas located within West Virginia and Maryland. Appendix E includes information detailing the lending volume, branch locations, and deposit volume by assessment area. Based upon location, relative market size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the following assessment areas:

- Morgantown, WV Metropolitan Statistical Area (MSA)
- Garrett County, MD NonMSA

The bank’s remaining assessment area in West Virginia was evaluated utilizing the FFIEC’s limited review procedures. For this assessment area, a determination was made as to whether performance was consistent with the assigned overall state rating. Appendix C includes information about the bank's performance in the limited scope assessment area.

Based on the bank's branch locations, an overall rating and ratings for the Lending and Community Development Tests are required for the institution and the states of West Virginia and Maryland. The institution's overall rating is based on the ratings assigned to each state. These ratings are weighted primarily according to bank activity as measured by relative lending volume, amount of deposits, and the number of branches. In all cases, conclusions also take into consideration relevant performance context factors. When assigning the institution's overall rating, the bank's performance in West Virginia is given the most weight, as a majority of the bank's loans, branches, and deposits are located within West Virginia.

**DESCRIPTION OF INSTITUTION**

CMB is headquartered in Bruceton Mills, West Virginia, and operates a total of 11 branch offices within West Virginia and Maryland. The bank is a wholly owned subsidiary of State Bancorp, a single-bank holding company, also headquartered in Bruceton Mills, West Virginia. CMB received a Satisfactory rating at its prior CRA evaluation dated October 7, 2019. No known legal impediments exist that would constrain the bank from meeting the credit needs of its assessment areas.

As of March 31, 2023, the bank reported \$896.9 million in assets, of which 67.5% were net loans and 24.6% were securities. During this same period, deposits totaled \$787.9 million. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purposes. The composition of the loan portfolio (reflecting gross loans) is represented in the following table.

**Composition of Loan Portfolio**

Loan Type	3/31/2023	
	\$(000s)	%
Secured by 1-4 Family dwellings	242,450	39.5
Multifamily	31,167	5.1
Construction and Development	62,201	10.1
Commercial & Industrial/ NonFarm NonResidential	237,639	38.7
Consumer Loans and Credit Cards	35,798	5.8
Agricultural Loans/ Farmland	1,134	0.2
All Other	3,536	0.6
<b>Total</b>	<b>613,925</b>	<b>100.0</b>

As indicated in the preceding table, CMB is an active residential mortgage and commercial/small business lender. Small business loans (i.e. business purpose loans of \$1 million or less) are a subset of Commercial & Industrial/NonFarm NonResidential loans. The bank offers other loans, such as consumer and construction and development loans; however, the volume of such lending is relatively small in comparison to the residential mortgage and small business lending.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to allow workforces to remain employed and promote economic stability during the coronavirus (COVID-19) pandemic. While banks were not required to participate in the SBA’s PPP lending program, CMB was an active participant having originated 1,315 PPP loans totaling approximately \$66 million. CMB’s origination of PPP loans is an example of the bank being responsive to area credit needs.

Based on branch locations and lending patterns, the bank delineated three assessment areas in northern West Virginia and western Maryland. The following table reflects the composition of the bank’s three assessment areas.

Assessment Area Name	County/City	State	Census Tracts Included
Morgantown, WV MSA	Monongalia	WV	All
	Preston	WV	All
Garrett County, MD NonMSA	Garrett	MD	All
Harrison County, WV NonMSA	Harrison	WV	All

Since its previous evaluation, the bank has engaged in branching activity by opening and closing some of its banking facilities. The following list summarizes the bank’s branching activity.

- Morgantown, WV MSA assessment area – Opened one branch in a middle-income census tract,
- Morgantown, WV, MSA assessment area – Closed one branch in a moderate-income census tract,
- Morgantown, WV MSA assessment area – Closed one stand-alone cash dispensing automated teller machine (ATM) in a moderate-income census tract,
- Morgantown, WV MSA assessment area – Consolidated the operations of two branches located in upper-income census tracts into two existing bank branches located within those same upper-income census tracts, and
- Garrett County, MD NonMSA assessment area – Closed one stand-alone cash dispensing automated teller machine (ATM) in a middle-income census tract.

The bank’s branching activity did not affect or change the delineation of any of its assessment areas.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

When evaluating the bank’s performance, relevant area demographic data from 2015 American Community Survey (ACS) is used as a proxy for demand for residential mortgage loans, while Dun and Bradstreet (D&B) business demographic data from 2021 is used as a proxy for demand when evaluating the bank’s small business performance. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years.

Aggregate loan data is also used as a proxy for demand when evaluating the bank’s HMDA and small business lending performance. The aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA data, respectively, within the bank’s assessment areas. Because the bank does not report CRA loan data, CMB’s small business loans are not included in the aggregate CRA data.

While HMDA loan data from calendar years 2020 and 2021 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2021 are presented in the assessment area tables. In instances where the bank’s 2021 performance varies significantly from its 2020 performance, such variance and the corresponding impact on overall performance is discussed. Appendix D includes the bank’s 2020 lending performance tables to support any variance in conclusions discussed in the report.

The geographic and borrower distribution performance of HMDA loans focused on performance for Home Purchase, Home Improvement, Refinancing, and Multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

During 2021, the bank was an active participant in the SBA's PPP. Consistent with data collection and reporting requirements of the program, financial institutions were not required to collect or report borrower revenue information for PPP loans. Since PPP loans represent a significant portion of CMB's small business lending in 2021, examiners evaluated the borrower distribution performance for small business lending using loan size as a proxy for loans with revenues not available. Borrower distribution performance conclusions in 2021 consider the institution's percentage of small business loans in amounts of \$100,000 or less, with a higher percentage of small dollar loans considered to be more responsive to the needs of smaller-sized businesses and represent a favorable penetration among businesses of different sizes.

To evaluate the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated and purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the strength of performance and the dollar volume of such loans made in the assessment area. Similarly, when the performance of multiple assessment areas is considered to reach the institution's rating, the overall level of performance from each assessment area is weighted primarily according to loan dollar volume within each area during the review period.

Overall, the bank's Lending Test is rated "Satisfactory." This rating considers the bank's loan-to-deposit ratio, proportion of lending within its combined assessment areas, borrower distribution performance, and geographic distribution performance.

The bank's Community Development Test performance is rated "Outstanding." The review of the bank's community development activities is based on the number and amount of community development loans and qualified investments, the extent to which the bank provides community development services, and the bank's responsiveness to identified community development needs.

The components of each test are discussed in the following sections. All conclusions also take into consideration relevant performance context factors.

### **Loan-To-Deposit Ratio**

The bank's loan-to-deposit ratio as of March 31, 2023, equaled 76.8% and averaged 76.2% for the 14-quarter period ending March 31, 2023. In comparison the quarterly average loan-to-deposit ratio for a bank that operates in CMB's assessment area and that is of similar asset size equaled 82.1% during the same 14-quarter period. Since December 31, 2019, assets, loans, and deposits have increased by 38.3%, 26.1%, and 39.8%, respectively. The bank's loan-to-deposit ratio is considered reasonable given the institution's size, financial condition, market conditions, and local credit needs.

### **Lending In Assessment Area**

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's HMDA loans originated during calendar years 2020 and 2021, and small business loans originated during 2021, were considered. The lending distribution inside and outside of the bank's assessment areas is represented in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	630	80.1	164,856	79.9	157	19.9	41,595	20.1
Home Improvement	6	75.0	595	54.9	2	25.0	488	45.1
Refinancing	1,019	82.5	232,920	82.3	216	17.5	49,951	17.7
Multi-Family Housing	40	81.6	32,459	93.9	9	18.4	2,094	6.1
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	1	100.0	35	100.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>1,696</b>	<b>81.5</b>	<b>430,865</b>	<b>82.1</b>	<b>384</b>	<b>18.5</b>	<b>94,128</b>	<b>17.9</b>
Small Business	690	83.4	51,631	85.9	137	16.6	8,502	14.1
<b>TOTAL LOANS</b>	<b>2,386</b>	<b>82.1</b>	<b>482,496</b>	<b>82.5</b>	<b>521</b>	<b>17.9</b>	<b>102,630</b>	<b>17.5</b>

As indicated in the preceding table, a substantial majority of the number of residential mortgage (81.5%) and small business loans (83.4%) were extended to residents of the bank’s assessment areas. Overall, the institution’s level of lending within its assessment areas is considered highly responsive to community credit needs.

**Lending To Borrowers of Different Incomes and To Businesses of Different Sizes**

CMB’s lending to borrowers of different incomes varied from reasonable in West Virginia to excellent in Maryland. Overall, the bank’s borrower distribution performance is considered reasonable because of the larger dollar volume of lending in West Virginia.

**Geographic Distribution of Loans**

Similar to the bank’s borrower distribution performance, CMB’s geographic distribution performance is considered reasonable overall in the State of West Virginia, while its performance in the State of Maryland is excellent. The bank’s overall performance is considered reasonable, as greater weight was given to the bank’s performance in West Virginia because of the significantly larger dollar volume of lending during the review period.

**Community Development Loans, Investments, and Services**

The bank’s community development performance within the State of West Virginia is rated Outstanding, while its performance within the State of Maryland is rated Satisfactory. Given that the majority of the bank’s operations are located in West Virginia, the bank’s performance within West Virginia is given greater weight when determining overall community development performance. Overall, the bank’s community development performance is rated Outstanding.

CMB supports community development initiatives within its assessment areas and larger statewide areas by extending community development loans, making qualified investments, and providing financial expertise to local organizations that provide services to low- and moderate-income residents and small businesses.

The bank’s overall qualified community development activities include the following.

- Thirteen community development loans totaling \$6.1 million,
- Seven qualified investments totaling \$6.2 million,
- Donations totaling \$54,683 to organizations providing community development services, and
- Bank employees provided financial expertise to 12 different organizations providing community development services.

Details of the bank’s community development activities are discussed in the state or assessment area where the activities took place.



## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## WEST VIRGINIA

**CRA RATING FOR WEST VIRGINIA: Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

Major factors supporting the rating include:

- Lending to borrowers of different incomes and businesses of different sizes is reasonable overall in West Virginia.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout West Virginia.
- The bank's community development performance demonstrates excellent responsiveness overall to community development needs of its assessment areas through community development lending, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such community development opportunities in the bank's assessment areas.

### SCOPE OF EXAMINATION

CMB's HMDA loan originations from 2020 and 2021 and small business lending in 2021 were considered in the evaluation. Qualified community development loans and services are considered for activities since the previous evaluation (October 7, 2019). All qualified investments made during this same period and those outstanding as of the date of this evaluation, regardless of when made, were also considered.

The bank delineated the following assessment areas in the State of West Virginia:

- Morgantown, WV MSA
- Harrison County, WV NonMSA

A significant majority of the bank's operations within West Virginia are located within the Morgantown, WV MSA assessment area (81.7% of the bank's lending by dollar volume, 81.8% of branches and 86.8% of deposits). Accordingly, the Morgantown, WV MSA assessment area was evaluated using the FFIEC's full-scope procedures, and performance conclusions from this assessment area were used when determining performance ratings for the State of West Virginia. The remaining assessment area (Harrison County, WV NonMSA) was subject to the limited review procedures, and a determination was made as to whether its performance was consistent with the assigned state rating. Information about loan volume, branches, and deposits are included in Appendix E of this report.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN WEST VIRGINIA

CMB operates ten branches across two assessment areas in northern West Virginia. Within the bank's West Virginia assessment areas, CMB ranked 5<sup>th</sup> out of 18 institutions in local deposit market share with 9.5% of the assessment area's available Federal Deposit Insurance Corporation (FDIC) insured deposits (excluding credit unions) as of June 30, 2022. According to 2021 aggregate data, the bank ranked 1<sup>st</sup> out of 246 institutions in reported residential mortgage lending with a 9.3% market share.

According to ACS data from 2015, the West Virginia assessment areas have a total population of 204,475, including 45,850 families. Of the families within the West Virginia assessment areas, the majority are middle- and upper-income families (64.2%), while low- and moderate-income families account for 20.1%, and 15.7%, respectively. Within these assessment areas, the owner-occupancy rate equals 56.6%, and 11.4% of families live below the poverty level. The following table details median family income data during 2020 and 2021.

Assessment Area	Median Family Incomes	
	2020	2021
Morgantown, WV MSA	\$73,900	\$76,200
West Virginia Statewide Nonmetropolitan Area	\$54,000	\$54,600

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

The bank’s overall West Virginia state rating and the rating for each test for the state is based upon activity occurring within the state, while the borrower and geographic distribution performance is based on the performance in the Morgantown, WV MSA assessment area, which is discussed in detail in the next section of this evaluation. Overall, the bank’s Lending Test rating is “Satisfactory.”

**Community Development Loans, Investments, and Services**

The bank’s community development performance within West Virginia is rated “Outstanding.” CMB supports community development initiatives within its assessment areas and the larger statewide area by extending community development loans, making qualified investments, and providing financial expertise to local organizations that provide services to low- and moderate-income residents and small businesses.

The bank’s overall qualified community development activities include the following.

- Ten community development loans totaling \$5.6 million,
- Seven qualified investments totaling \$6.2 million,
- Ten community development loans totaling \$5.6 million,
- Donations totaling \$33,383 to organizations providing community development services, and
- Bank employees provided financial expertise to 10 different organizations providing community development services.

Additional information is provided in the applicable area.

**METROPOLITAN AREA  
Full Scope Review**

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN MORGANTOWN, WV MSA  
ASSESSMENT AREA**

The assessment area is located in northern West Virginia and includes all of Monongalia and Preston counties, West Virginia, which includes all of the Morgantown, WV MSA. The bank operates nine branch offices in this assessment area, and as of June 30, 2022, ranked 3<sup>rd</sup> out of 13 institutions in local deposit market share with 12.8% of insured deposits. According to 2021 aggregate data, the bank ranked 1st out of 216 institutions in reported residential mortgage lending with an 11.6% market share.

According to 2015 ACS data, the assessment area has a population of 135,477 and a median housing value of \$150,257. The owner-occupancy rate of the assessment area equals 52.5%, which is less than the overall statewide rate (60.8%). Preston County includes a large percentage of rental housing associated with West Virginia University, which is located in the county. Within the assessment area, 10.8% of families are below the poverty level, which is less than the state rate (13.1%). The median family income for the Morgantown, WV MSA equaled \$73,900 during 2020 and \$76,200 during 2021. The following table includes pertinent demographic data for the assessment area.

**Assessment Area Demographics**

<b>Morgantown, WV MSA</b>								
<i>(Based on 2015 ACS Data and 2021 D&amp;B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	3.1	15	0.1	9	60.0	6,212	22.1
Moderate	8	25.0	6,349	22.6	1,065	16.8	4,624	16.5
Middle	15	46.9	13,940	49.7	1,342	9.6	6,174	22.0
Upper	8	25.0	7,771	27.6	626	8.1	11,065	39.4
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>32</b>	<b>100.0</b>	<b>28,075</b>	<b>100.0</b>	<b>3,042</b>	<b>10.8</b>	<b>28,075</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	10	0.0	197	0.4	145	73.6	13,951	28.2
Moderate	6,745	21.7	12,575	25.4	3,240	25.8	6,692	13.5
Middle	15,588	50.1	23,591	47.7	4,558	19.3	7,619	15.4
Upper	8,773	28.2	13,144	26.5	2,129	16.2	21,245	42.9
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>31,116</b>	<b>100.0</b>	<b>49,507</b>	<b>100.0</b>	<b>10,072</b>	<b>20.3</b>	<b>49,507</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	13	0.3	13	0.3	0	0.0	0	0.0
Moderate	1,163	22.8	1,033	22.3	113	30.1	17	19.1
Middle	2,182	42.8	1,990	42.9	141	37.5	51	57.3
Upper	1,746	34.1	1,603	34.5	122	32.4	21	23.6
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>5,104</b>	<b>100.0</b>	<b>4,639</b>	<b>100.0</b>	<b>376</b>	<b>100.0</b>	<b>89</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				90.9		7.4		1.7

\*NA-Tracts without household or family income as applicable

The assessment area has a variety of employment sectors including local government, healthcare, education, and retail establishments. Major employers in the area include West Virginia University, West Virginia University Hospitals, Hazelton Federal Prison, Mylan Pharmaceuticals, Walmart stores, Monongalia General Hospital, local government, and area school boards. Recent periodic unemployment rates are included in the following table.

Geographic Area	April 2020	April 2021	April 2022	April 2023
Monongalia County	12.3%	4.4%	3.3%	2.7%
Preston County	14.4%	4.9%	3.8%	3.5%
Morgantown, WV MSA	12.7%	4.5%	3.4%	2.8%
State of West Virginia	15.6%	5.8%	3.7%	3.4%

Area unemployment rates have declined significantly since the 2020 high caused in large part by the COVID-19 pandemic.

A local economic development official was recently contacted to discuss the housing conditions and community credit needs. The contact noted that small business resources and support are especially important in low- and moderate- income areas. Similarly, funding for small businesses in these areas is vital for initiating growth, innovation, and jobs. The individual contacted suggested that area financial institutions are reasonably meeting community credit needs.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

HMDA originations during 2021 totaled \$149.7 million, while small business lending totaled \$35.1 million during the same time period. As such, the bank’s HMDA lending performance is given greater weight when determining an overall rating for both borrower and geographic distribution performance.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

Within this assessment area, the bank’s borrower distribution performance for HMDA and small business lending is considered reasonable for both products. Overall, CMB’s borrower distribution performance is considered reasonable for this assessment area.

**Distribution of HMDA Loans by Income Level of Borrower**

Morgantown, WV MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	36	6.7	3,662	2.9	287	6.7	32,872	3.3
Moderate	84	15.6	12,151	9.5	780	18.1	129,026	12.8
Middle	133	24.8	25,883	20.3	983	22.9	192,783	19.1
Upper	284	52.9	85,643	67.3	2,248	52.3	654,718	64.8
<b>Total</b>	<b>537</b>	<b>100.0</b>	<b>127,339</b>	<b>100.0</b>	<b>4,298</b>	<b>100.0</b>	<b>1,009,399</b>	<b>100.0</b>
Unknown	64		22,383		729		242,626	

Percentages (%) are calculated on all loans where incomes are known

During 2021, CMB’s lending to low-income borrowers (6.7%) lagged the percentage of low-income families within the assessment area (22.1%), but equaled the percentage of aggregate lending to such borrowers (6.7%). The bank’s lending to moderate-income borrowers (15.6%) approximated the percentage of moderate-income families within the assessment area (16.5%) and lagged the percentage of aggregate lending to such borrowers (18.1%). The bank’s overall HMDA borrower distribution is considered reasonable. CMB’s 2021 HMDA borrower distribution performance is similar.

**Distribution of Lending by Loan Amount and Size of Business**

Morgantown, WV MSA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	113	22.4	17,492	49.9	1,166	45.0	36,015	31.1
Over \$1 Million	20	4.0	4,689	13.4	NA	NA	NA	NA
Unknown	372	73.6	12,904	36.7	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	425	84.2	10,459	29.8	2,342	90.4	41,193	35.6
\$100,001-\$250,000	42	8.3	6,598	18.8	150	5.8	25,760	22.3
\$250,001-\$1 Million	38	7.5	18,029	51.4	98	3.8	48,805	42.1
<b>Total</b>	<b>505</b>	<b>100.0</b>	<b>35,086</b>	<b>100.0</b>	<b>2,590</b>	<b>100.0</b>	<b>115,758</b>	<b>100.0</b>

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

D&B data from 2021 indicates that 90.9% of all local businesses have revenues of \$1 million or less per year. The percentage of the bank’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 73.6% of all loans). As previously noted, the bank was an active PPP lender during 2021 and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when the borrower revenues are known, a majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (84.9%).

Although the bank does not collect or report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 45% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 84.2% of its small business loans in amounts of \$100,000 or less, which approximated the aggregate reporter level of such lending (90.4%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

**Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size**

<b>Morgantown, WV MSA (2021)</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
\$100,000 or less	340	92.1%	\$6,752	53.8%
>\$100,000 to \$250,000	22	6.0%	\$3,171	25.2%
>\$250,000 to \$1,000,000	7	1.9%	\$2,637	21.0%
<b>Total</b>	<b>369</b>	<b>100%</b>	<b>\$12,560</b>	<b>100%</b>

Within the assessment area, a large majority (92.1%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area. Overall, the bank’s distribution by borrower revenue performance is considered reasonable.

**Geographic Distribution of Loans**

CMB geographic distribution performance is reasonable for both HMDA and small business lending within the assessment area. The assessment area contains only one low-income census tract which limits the opportunity for CMB to fund loans the low-income census tract.

**Distribution of HMDA Loans by Income Level of Census Tract**

Morgantown, WV MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(252)				(2,399)			
Low	0	0.0	0	0.0	4	0.2	618	0.1
Moderate	34	13.5	6,527	9.3	373	15.5	66,841	10.9
Middle	114	45.2	35,004	49.6	968	40.4	235,494	38.3
Upper	104	41.3	28,984	41.1	1,054	43.9	311,503	50.7
	(327)				(2,438)			
Low	0	0.0	0	0.0	2	0.1	529	0.1
Moderate	50	15.3	6,782	9.7	336	13.8	52,440	9.6
Middle	153	46.8	29,863	42.7	1,073	44.0	227,772	41.7
Upper	124	37.9	33,244	47.6	1,027	42.1	265,573	48.6
	(3)				(141)			
Low	0	0.0	0	0.0	1	0.7	152	1.0
Moderate	1	33.3	75	34.6	18	12.8	1,467	9.3
Middle	1	33.3	36	16.6	63	44.7	6,858	43.3
Upper	1	33.3	106	48.8	59	41.8	7,345	46.4
	(19)				(49)			
Low	0	0.0	0	0.0	1	2.0	250	0.3
Moderate	2	10.5	1,820	20.0	14	28.6	13,797	18.3
Middle	12	63.2	3,877	42.6	24	49.0	45,647	60.5
Upper	5	26.3	3,404	37.4	10	20.4	15,739	20.9
	HMDA Totals							
Low	0	0.0	0	0.0	8	0.2	1,549	0.1
Moderate	87	14.5	15,204	10.2	741	14.7	134,545	10.7
Middle	280	46.6	68,780	45.9	2,128	42.3	515,771	41.2
Upper	234	38.9	65,738	43.9	2,150	42.8	600,160	48.0
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>601</b>	<b>100.0</b>	<b>149,722</b>	<b>100.0</b>	<b>5,027</b>	<b>100.0</b>	<b>1,252,025</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

During 2021, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Within the assessment area, <0.1% of owner-occupied housing units and 1% of multifamily housing units are located in the low-income census tract, and 21.7% of owner-occupied housing units and 31.5% of multifamily housing units are located in the moderate-income census tracts. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is considered reasonable, while its home improvement loan performance is excellent and multi-family lending is poor. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, CMB's performance associated with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

While CMB did not report any loans in the assessment area's single low-income census tract, the percentage of owner-occupied housing units (<0.1%) and percentage of aggregate lending (0.2%) demonstrate that comparatively few lending opportunities exist in the low-income census tract. The bank's level of lending in moderate-income census tracts (14.5%) lagged the percentage of owner-occupied housing units located in moderate-income tracts (21.7%) but approximated the aggregate level of lending in such tracts (14.7%). Overall, the bank's HMDA geographic distribution performance is considered reasonable, and the performance during 2020 is substantially similar.



**Distribution of Small Business Loans by Income Level of Census Tract**

Morgantown, WV MSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	0	0.0	0	0.0	5	0.2	31	0.0
Moderate	78	15.4	4,288	12.2	550	21.4	29,489	25.5
Middle	260	51.5	14,306	40.8	1,111	43.2	47,458	41.0
Upper	167	33.1	16,491	47.0	908	35.2	38,662	33.5
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>505</b>	<b>100.0</b>	<b>35,085</b>	<b>100.0</b>	<b>2,574</b>	<b>100.0</b>	<b>115,640</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable  
 Loans where the geographic location is unknown are excluded from this table.

With only .3% of area businesses located the assessment area’s low-income census tract and only .2% of aggregate small business loans reported in the low-income census tract, small business lending opportunities area limited in the low-income census tract. With this context, the bank’s lack of lending in the low-income census tract is not a negative performance factor. While the bank’s percentage of small business lending in moderate-income census tracts (15.4%) lagged the percentage of businesses located in such tracts (22.8%) and the aggregate lending (21.4%), it is considered reasonable. Overall, the bank’s small business lending performance is considered reasonable.

**Community Development Loans, Investments, and Services**

Overall, the bank’s community development activities demonstrate an excellent level of responsiveness to the local community’s needs when considering the institution’s capacity and availability of community development opportunities within the area.

A discussion with an individual knowledgeable of the local market area and reviews of performance evaluations of other financial institutions having a local presence indicate community development opportunities are reasonably available within this assessment area. No constraints exist which would inhibit the bank from providing community development loans, investments, and services consistent with its capacity and available opportunities.

During the evaluation period, CMB participated in the following community development activities that benefit the Morgantown, WV MSA assessment area or larger statewide area that includes the assessment area.

- CMB originated three community development loans totaling \$2.9 million that promote economic development,
- CMB originated five community development loans totaling \$2.1 million that provide affordable housing targeted to low- and moderate-income people,
- Two bonds totaling \$2.4 million that provide community development by being part of qualified redevelopment plans, and
- Donations totaling \$27,183 to organizations providing community development services.

CMB and its employees volunteered their time and provided financial expertise to the following organizations that provide community development services targeted to area low- and moderate-income people, revitalize and stabilize low- and moderate-income and underserved middle-income areas, and economic development.

- Affordable Housing  
 Federal Home Loan Bank of Pittsburgh  
 Scotts Run Settlement House  
 North Central West Virginia Home Builders Association  
 Mon Valley Habitat for Humanity

Economic Development and Revitalization  
Morgantown Area Partnership

Social Services  
United Way of Monongalia and Preston Counties  
Food for Preston  
Milan Puskar Health

**NONMETROPOLITAN AREA  
 Limited Scope Review**

**Description of Institution’s Operations in the Harrison County, WV NonMSA Assessment Area**

The Harrison County, WV NonMSA assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Harrison County, WV. The assessment area has a population of 68,998. CMB operates one branch with an ATM located in a middle-income census tract within the assessment area. The West Virginia nonmetropolitan median family income equaled \$54,000 during 2020 and \$54,600 during 2021.

<b>Harrison County, WV NonMSA Assessment Area Demographics</b> <i>(Based on 2015 ACS data and 2021 D&amp;B data)</i>					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses by Tract
	#	%			
Low	0	0%	17%	0%	0%
Moderate	2	9%	14.5%	8.2%	7.1%
Middle	10	45.5%	18.2%	41.1%	38.2%
Upper	10	45.5%	50.3%	50.7%	54.7%
NA	0	0%	0%	0%	0%
Total	22	100%	100%	100%	100%
Area Businesses with Revenue of \$1 million or less					87.4%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX C** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the West Virginia statewide ratings.

Assessment Area	Lending Test	Community Development Test
Harrison County, WV NonMSA	Below	Below

## MARYLAND

**CRA RATING FOR MARYLAND: Satisfactory.**

**The Lending Test is rated: Outstanding.**

**The Community Development Test is rated: Satisfactory.**

Major factors supporting the rating include:

- Lending to borrowers of different incomes and businesses of different sizes is excellent in Maryland.
- The bank's geographic distribution of loans reflects an excellent dispersion throughout Maryland.
- The bank's community development performance demonstrates reasonable responsiveness overall to community development needs of its assessment areas through community development lending, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such community development opportunities in the bank's assessment areas.

### SCOPE OF EXAMINATION

The bank has delineated one assessment area in the State of Maryland. Consequently, the Garrett County, MD NonMSA assessment area was evaluated using the FFIEC's full-scope review procedures. Ratings for the State of Maryland are based solely on the bank's performance in this assessment area.

CMB's HMDA data from 2020 and 2021 and small business originations during 2021 were considered in the evaluation. Qualified community development loans and services are also considered for activities since the prior evaluation (October 7, 2019). All qualified investments made during this period, and those outstanding as of the evaluation, regardless of when made were also considered.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN GARRETT COUNTY, MD NONMSA ASSESSMENT AREA

The bank's assessment area is located in western Maryland and includes all of Garrett County, Maryland. CMB operates one branch within the assessment area, and as of June 30, 2022, ranked 3<sup>rd</sup> out of six institutions in local deposit market share by having 9.9% of FDIC insured deposits within the county. According to 2021 aggregate loan data, the institution ranks 7<sup>th</sup> out of 231 institutions in reported HMDA volume with a 3.7% market share.

According to ACS data from 2015, the assessment area has a population of 29,813 and a median housing value of \$165,307. The owner-occupancy rate for the assessment area equals 46.5%, which is lower than the rates for the entire state (60.1%) and the nonmetropolitan areas of Maryland (53.3%). The assessment area is a popular vacation destination, which accounts for the assessment area's larger volume of rental units when compared to nonmetropolitan areas in Maryland and the overall state. Within the assessment area, 9.6% of families are considered below the poverty level, which exceeds the rate for the entire state (7%), but is comparable to the nonmetropolitan areas of Maryland (9.8%). The HUD estimated median family income for the NonMSA areas of Maryland during 2020 and 2021 equaled \$72,800 and \$72,000, respectively. The following table includes pertinent demographic data for the assessment area.

**Assessment Area Demographics**

Garrett County, MD NonMSA (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,778	21.5
Moderate	1	14.3	881	10.7	66	7.5	1,983	24.0
Middle	6	85.7	7,388	89.3	726	9.8	1,679	20.3
Upper	0	0.0	0	0.0	0	0.0	2,829	34.2
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>8,269</b>	<b>100.0</b>	<b>792</b>	<b>9.6</b>	<b>8,269</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,305	27.9
Moderate	1,072	12.1	1,224	10.3	171	14.0	2,173	18.3
Middle	7,776	87.9	10,639	89.7	1,475	13.9	2,139	18.0
Upper	0	0.0	0	0.0	0	0.0	4,246	35.8
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>8,848</b>	<b>100.0</b>	<b>11,863</b>	<b>100.0</b>	<b>1,646</b>	<b>13.9</b>	<b>11,863</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and Revenue Size					
			Less than or = \$1 Million		Over \$1 Million		Revenue not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	93	5.7	86	5.9	4	2.9	3	12.5
Middle	1,532	94.3	1,378	94.1	133	97.1	21	87.5
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>1,625</b>	<b>100.0</b>	<b>1,464</b>	<b>100.0</b>	<b>137</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				90.1		8.4		1.5

\*NA-Tracts without household or family income as applicable

According to data published by the FFIEC in 2020 and 2021, all six middle-income census tracts within the assessment area are designated as being underserved. Underserved census tracts are typically located in rural communities which lack certain community services/infrastructure and are also distant from more urban population centers.

The assessment area is supported by a mix of private and public employment sectors. Transportation, hospitality and leisure, medical, education, manufacturing, along with local, state and federal government jobs drive the local economy. Major employers include Garrett Regional Medical Center, Beitzel Corporation (industrial contractor and fabrication), ClosetMaid, Wisp Resorts, and local government including the area school system. The following table states the current and most recent unemployment statistics.

Geographic Area	April 2020	April 2021	April 2022	April 2023
Garrett County, MD	11.5%	4.7%	2.8%	2%
Maryland	8.8%	5.6%	2.9%	1.9%

Area unemployment rates have declined significantly since the 2020 high caused in large part by the COVID-19 pandemic.

An official from a local economic development authority was recently contacted to discuss the local economic conditions and community credit needs. The contact stated that although the area was impacted during the pandemic, the community has rebounded and reestablished a strong and vibrant economy. New business opportunities have emerged as tourists have returned to the area. Unemployment rates have declined as local businesses are expanding their workforces. In addition, home values have increased, which has increased the need for entry-level, lower cost housing in the area. The contact indicated that while area financial institutions continue to support the banking needs of the local community that opportunities remain especially with the development and financing of affordable housing.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:**

During 2021, the bank reported originating \$19.8 million in HMDA loans and \$3.8 million in small business loans. As such, the bank’s HMDA lending was given greater weight when determining overall lending distribution performance.

**Lending To Borrowers of Different Incomes and To Businesses of Different Sizes**

The bank’s borrower distribution performance is considered excellent for both HMDA and small business lending.

**Distribution of HMDA Loans by Income Level of Borrower**

Garrett County, MD NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	6	8.3	601	3.1	60	3.9	6,815	1.3
Moderate	6	8.3	656	3.3	168	11.0	23,459	4.6
Middle	11	15.3	1,861	9.5	207	13.6	37,741	7.4
Upper	49	68.1	16,545	84.1	1,090	71.5	443,721	86.7
<b>Total</b>	<b>72</b>	<b>100.0</b>	<b>19,663</b>	<b>100.0</b>	<b>1,525</b>	<b>100.0</b>	<b>511,736</b>	<b>100.0</b>
Unknown	1		186		365		107,536	

*Percentages (%) are calculated on all loans where incomes are known*

During 2021, the bank’s residential mortgage lending to low-income borrowers (8.3%) lagged the percentage of low-income families in the assessment area (21.5%), but exceeded the aggregate level of lending to such borrowers (3.9%). CMB’s lending to moderate-income borrowers (8.3%) lagged both the percentage of moderate-income families in the assessment area (24%) and the aggregate level of lending to such borrowers (11%). The bank’s borrower distribution performance in 2021 is considered reasonable overall, in part because of the bank’s strength of performance in lending to area low-income borrowers.

In 2020, CMB originated 68 HMDA loans totaling \$18.1 million for which borrower incomes were known. Of these, seven loans (10.3%) totaling \$660,000 were reported to low-income borrowers, and nine loans (13.2%) totaling \$958,000 were reported to moderate-income borrowers. The bank’s lending to low-income borrowers (10.3%) lagged the percentage of area low-income families (21.5%) but exceeded the aggregate lending percentage (4.1%). Similarly, the bank’s lending to moderate-income borrowers (13.2%) lagged the percentage of area moderate-income families (24%) and also exceeded the aggregate lending percentage (9.6%). The bank’s performance is excellent in large part because of the bank’s level of lending in relation to the aggregate reporters for low- and moderate-income borrowers.

The bank’s borrower distribution performance during 2020 and 2021 is considered excellent overall. This conclusion reflects the strength of the bank’s performance during 2020 and the similar overall dollar volume of lending during 2020 and 2021.

**Distribution of Lending by Loan Amount and Size of Business**

Garrett County, MD NonMSA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	22	19.0	1,885	49.9	479	38.8	13,641	24.6
Over \$1 Million	2	1.7	119	3.2	NA	NA	NA	NA
Unknown	92	79.3	1,770	46.9	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	110	94.8	2,314	61.3	1,107	89.8	19,415	35.0
\$100,001-\$250,000	5	4.3	715	18.9	85	6.9	13,993	25.2
\$250,001-\$1 Million	1	0.9	745	19.8	41	3.3	22,027	39.8
<b>Total</b>	<b>116</b>	<b>100.0</b>	<b>3,774</b>	<b>100.0</b>	<b>1,233</b>	<b>100.0</b>	<b>55,435</b>	<b>100.0</b>

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

D&B data from 2021 indicates that 90.1% of all local businesses have revenues that do not exceed \$1 million per year. Of the small business loans considered in the evaluation, 19% were to businesses with revenues of \$1 million or less. The percentage of the bank’s small business loans extended to businesses with revenues of \$1 million or less was impacted by a large volume of loans for which borrower revenue was unknown (i.e. 79.3% of all loans). As previously noted, the bank was an active PPP lender during 2021, and the PPP loan program did not require the collection or consideration of borrower revenue data. Consequently, large volumes of small business loans were originated during 2021 for which borrower revenue is unknown. However, when borrower revenues were known, a majority of the bank’s small business loans were to businesses with annual revenues of \$1 million or less (91.7%).

Although the bank does not collect or report its small business loan data, aggregate small business data was also considered as an element of performance context in evaluating the bank’s distribution by business revenue. During 2021, 38.8% of all reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining portion of loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. The 2021 aggregate small business loan data also includes an unknown volume of PPP loans, which limits its usefulness as a proxy when evaluating the bank’s performance.

Because smaller dollar loans can demonstrate a willingness to provide credit to small businesses, the bank’s distribution by loan size was also considered. Overall, the bank originated 94.8% of its small business loans in amounts of \$100,000 or less which exceeded the aggregate reporter level of such lending (89.8%).

As an element of performance context, the bank’s PPP small business loans without borrower revenue data were also evaluated by loan size within this assessment area. The following table reflects this distribution.

**Distribution of PPP Small Business Loans with Unknown Revenue by Loan Size**

<b>Garrett County, MD NonMSA (2021)</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
\$100,000 or less	89	97.8%	\$1,507	87.1%
>\$100,000 to \$250,000	2	2.2%	\$223	12.9%
>\$250,000 to \$1,000,000	0	0.0%	\$0	0.0%
<b>Total</b>	<b>91</b>	<b>100%</b>	<b>\$1,730</b>	<b>100%</b>

Within the assessment area, a large majority (97.8%) of PPP small business loans for which borrower revenue was not known had loan amounts of \$100,000 or less, indicating that the bank is helping to serve the needs of small businesses in the assessment area.

Overall, the bank’s distribution by borrower revenue performance is considered excellent.

**Geographic Distribution of Loans**

While the bank’s assessment area includes all of Garrett County, MD, it does not contain any low-income census tracts and only one moderate-income census tract. The bank’s geographic distribution performance is considered excellent for both HMDA and small business lending within the assessment area.



**Distribution of HMDA Loans by Income Level of Census Tract**

Garrett County, MD NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(30)				(864)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	3.3	165	1.7	24	2.8	5,481	1.6
Middle	29	96.7	9,835	98.3	840	97.2	329,055	98.4
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(43)				(980)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	4.7	348	3.5	41	4.2	6,812	2.4
Middle	41	95.3	9,501	96.5	939	95.8	271,752	97.6
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(0)				(44)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	4	9.1	154	2.8
Middle	0	0.0	0	0.0	40	90.9	5,279	97.2
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(0)				(2)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	2	100.0	739	100.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	4.1	513	2.6	69	3.7	12,447	2.0
Middle	70	95.9	19,336	97.4	1,821	96.3	606,825	98.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>73</b>	<b>100.0</b>	<b>19,849</b>	<b>100.0</b>	<b>1,890</b>	<b>100.0</b>	<b>619,272</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

During 2021, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Within the assessment area, 12.1% of owner-occupied housing units and 1% of multifamily housing units are located in the moderate-income census tracts. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase and refinance lending is considered reasonable, while its home improvement loan performance and multi-family lending performance is poor. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, CMB's performance associated with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

Overall, the bank's level of lending in the moderate-income census tract (4.1%) lagged the percentage of owner-occupied housing units located in this moderate-income tract (12.1%) but approximated the level of aggregate lending in the tract (3.7%). During 2021, the bank's performance is considered reasonable.

During 2020, the bank extended 72 HMDA loans totaling \$19.1 million, of which five (6.9%) totaling \$609,000 (3.2%) were extended in the moderate-income census tract. CMB's level of lending lagged the percentage of owner-occupied units located in the moderate-income tract (12.1%), but exceeded the aggregate lending in the tract (4.2%). CMB's level of lending is considered excellent during 2020.

On a combined basis, the bank’s HMDA geographic performance is considered excellent overall and takes into the similar dollar volume of lending during 2020 and 2021 along with the strength of the bank’s performance during 2020.

**Distribution of Small Business Loans by Income Level of Census Tract**

Garrett County, MD NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	11	9.5	130	3.4	53	4.3	1,592	2.9
Middle	105	90.5	3,645	96.6	1,170	95.7	53,755	97.1
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>116</b>	<b>100.0</b>	<b>3,775</b>	<b>100.0</b>	<b>1,223</b>	<b>100.0</b>	<b>55,347</b>	<b>100.0</b>

*\*NA-Tracts without household or family income as applicable  
 Loans where the geographic location is unknown are excluded from this table.*

The bank’s small business lending in moderate-income census tracts (9.5%) exceeded the percentage of businesses located in such areas (5.7%) as well as the 2021 reported aggregate level of lending in such areas (4.3%). The bank’s small business geographic distribution is considered excellent.

**Community Development Loans, Investments, and Services**

Overall, the bank’s community development activities demonstrate a reasonable level of responsiveness to the local community needs when considering the institution’s capacity and limited opportunities available within the assessment area.

A discussion with an individual knowledgeable of the local market area and reviews of the performance evaluations of other financial institutions with a local presence indicate opportunities are limited within the assessment area. As previously mentioned, all six middle-income census tracts in Garrett County are designated as being underserved by the FFIEC. While opportunities may be limited, the bank faces no constraints in providing community development loans, investments, and services consistent with the assessment area.

During the evaluation period, CMB participated in the following community development activities that benefit the Garrett County, MD NonMSA assessment area or larger statewide area that includes the assessment area.

- CMB originated two community development loans totaling \$350,000 that promote economic development,
- CMB provided one \$3 million letter of credit that supported an affordable housing project. While the letter of credit was a legally binding commitment, it was not called to be funded,
- Donations totaling \$21,300 to organizations providing community development services, and
- A bank employee served on the board of directors of the Tri-County Council for Western Maryland which promotes economic development within the assessment area.

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED<sup>1</sup></b>	<b>OTHER INFORMATION</b>
Morgantown, WV MSA	Full scope	None	2020 and 2021 HMDA and 2021 small business loan data were evaluated within these assessment areas
Garrett County, MD NonMSA	Full scope	None	
Harrison County, WV NonMSA	Limited Scope	None	

<sup>1</sup> There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

**CRA APPENDIX B**  
**SUMMARY OF STATE RATINGS**

<b>State Name</b>	<b>Lending Test Rating</b>	<b>Community Development Test Rating</b>	<b>Overall Rating</b>
West Virginia	Satisfactory	Outstanding	Satisfactory
Maryland	Satisfactory	Satisfactory	Outstanding

**CRA APPENDIX C**

**LIMITED REVIEW TABLE**

**Harrison County, WV NonMSA Assessment Area**

**Performance Test Data for Harrison County, WV NonMSA Assessment Area**

**Limited Review Lending Table**

Harrison County, WV NonMSA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(16)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	6.3	7.6	0	0.0	2.1	7.6
Middle	8	50.0	32.4	43.2	0	0.0	29.5	43.2
Upper	8	50.0	61.2	49.2	0	0.0	68.4	49.2
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(41)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	3.2	7.6	0	0.0	0.0	7.6
Middle	14	34.1	29.4	43.2	0	0.0	77.8	43.2
Upper	27	65.9	67.5	49.2	0	0.0	22.2	49.2
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(57)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	4.6	7.6	NA	NA	NA	NA
Middle	22	38.6	31.0	43.2	NA	NA	NA	NA
Upper	35	61.4	64.4	49.2	NA	NA	NA	NA
<i>Borrower</i>	<b>(54)</b>				<b>(NA)</b>			
Low	1	1.9	4.0	17.0	NA	NA	NA	NA
Moderate	2	3.7	14.1	14.5	NA	NA	NA	NA
Middle	7	13.0	24.5	18.2	NA	NA	NA	NA
Upper	44	81.5	57.4	50.3	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(69)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	7	10.1	8.2	7.1	NA	NA	NA	NA
Middle	32	46.4	40.3	38.2	NA	NA	NA	NA
Upper	30	43.5	51.5	54.7	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	17	24.6	45.8	87.4	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*

*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*

*NA represents no activity in the income category*

### **Community Development Loans, Investments, and Services**

Specific to this assessment area, the bank participated in the following qualified community development activities.

- One \$400,000 loan supporting area economic development,
- One \$219,000 loan providing affordable housing,
- Qualified donations totaling \$6,200,
- A bank officer serves on the board of directors for the Harrison County Economic Development Corporation.

**CRA APPENDIX D**  
**2020 LENDING TABLES**

**Morgantown, WV MSA Assessment Area**

**Distribution of HMDA Loans by Income Level of Borrower**

Morgantown, WV MSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	27	3.6	2,803	1.6	174	4.2	18,155	1.9
Moderate	97	12.9	13,827	7.8	675	16.3	104,121	10.8
Middle	169	22.5	31,113	17.6	895	21.6	167,987	17.4
Upper	459	61.0	129,192	73.0	2,393	57.9	675,440	69.9
<b>Total</b>	<b>752</b>	<b>100.0</b>	<b>176,935</b>	<b>100.0</b>	<b>4,137</b>	<b>100.0</b>	<b>965,703</b>	<b>100.0</b>
Unknown	61		32,510		565		266,460	

Percentages (%) are calculated on all loans where incomes are known

**Distribution of HMDA Loans by Income Level of Census Tract**

Morgantown, WV MSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>(282) Home Purchase (2,001)</b>								
Low	0	0.0	0	0.0	1	0.0	174	0.0
Moderate	48	17.0	7,702	11.2	277	13.8	45,886	9.8
Middle	121	42.9	25,461	36.9	810	40.5	170,115	36.3
Upper	113	40.1	35,903	51.9	913	45.7	252,667	53.9
<b>(512) Refinance (2,527)</b>								
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	60	11.7	10,831	9.2	275	10.9	47,767	7.9
Middle	232	45.3	47,515	40.4	1,139	45.1	249,152	41.3
Upper	220	43.0	59,362	50.4	1,113	44.0	305,879	50.8
<b>(2) Home Improvement (125)</b>								
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	12	9.6	1,334	11.1
Middle	1	50.0	202	69.2	63	50.4	4,281	35.6
Upper	1	50.0	90	30.8	50	40.0	6,407	53.3
<b>(17) Multi-Family (49)</b>								
Low	0	0.0	0	0.0	1	2.0	4,000	2.7
Moderate	6	35.3	11,517	51.5	17	34.7	49,548	33.4
Middle	4	23.5	1,742	7.8	15	30.6	21,319	14.4
Upper	7	41.2	9,120	40.7	16	32.7	73,634	49.5
<b>HMDA Totals</b>								
Low	0	0.0	0	0.0	2	0.0	4,174	0.3
Moderate	114	14.0	30,050	14.3	581	12.4	144,535	11.7
Middle	358	44.0	74,920	35.8	2,027	43.1	444,867	36.1
Upper	341	42.0	104,475	49.9	2,092	44.5	638,587	51.9
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>813</b>	<b>100.0</b>	<b>209,445</b>	<b>100.0</b>	<b>4,702</b>	<b>100.0</b>	<b>1,232,163</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

Harrison County, WV NonMSA

**Limited Review Lending Table**

Harrison County, WV NonMSA (2020)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	(23)				(1)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	4.4	7.6	0	0.0	3.9	7.6
Middle	10	43.5	34.8	43.2	0	0.0	34.9	43.2
Upper	13	56.5	60.8	49.2	1	100.0	61.2	49.2
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	(52)				(3)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	3.3	7.6	2	66.7	22.2	7.6
Middle	10	19.2	27.2	43.2	1	33.3	22.2	43.2
Upper	42	80.8	69.6	49.2	0	0.0	55.6	49.2
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	(79)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	2.5	3.9	7.6	NA	NA	NA	NA
Middle	21	26.6	30.9	43.2	NA	NA	NA	NA
Upper	56	70.9	65.2	49.2	NA	NA	NA	NA
<i>Borrower</i>	(70)				(NA)			
Low	1	1.4	3.2	17.0	NA	NA	NA	NA
Moderate	2	2.9	12.2	14.5	NA	NA	NA	NA
Middle	9	12.9	23.0	18.2	NA	NA	NA	NA
Upper	58	82.9	61.7	50.3	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	(NA)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	NA	NA	NA	NA	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	NA	NA	NA	NA	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*  
*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*  
*NA represents no activity in the income category*



Garrett County, MD NonMSA Assessment Area

**Distribution of HMDA Loans by Income Level of Borrower**

Garrett County, MD NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>HMDA Totals</b>							
Low	7	10.3	660	3.7	58	4.1	5,686	1.3
Moderate	9	13.2	958	5.3	137	9.6	18,044	4.2
Middle	11	16.2	1,905	10.5	206	14.4	37,474	8.6
Upper	41	60.3	14,559	80.5	1,026	71.9	372,635	85.9
<b>Total</b>	<b>68</b>	<b>100.0</b>	<b>18,082</b>	<b>100.0</b>	<b>1,427</b>	<b>100.0</b>	<b>433,839</b>	<b>100.0</b>
Unknown	4		982		336		84,579	

Percentages (%) are calculated on all loans where incomes are known

**Distribution of HMDA Loans by Income Level of Census Tract**

Garrett County, MD NonMSA (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>(27)</b>				<b>Home Purchase (870)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	3.7	86	1.3	35	4.0	4,561	1.6
Middle	26	96.3	6,543	98.7	835	96.0	278,967	98.4
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>(44)</b>				<b>Refinance (853)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	3	6.8	392	3.2	37	4.3	5,425	2.4
Middle	41	93.2	11,912	96.8	816	95.7	223,796	97.6
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>(0)</b>				<b>Home Improvement (38)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	0	0.0	1	2.6	44	0.8
Middle	0	0.0	0	0.0	37	97.4	5,400	99.2
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>(1)</b>				<b>Multi-Family (1)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	100.0	131	100.0	1	100.0	131	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>HMDA Totals</b>							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	5	6.9	609	3.2	74	4.2	10,161	2.0
Middle	67	93.1	18,455	96.8	1,688	95.8	508,163	98.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>72</b>	<b>100.0</b>	<b>19,064</b>	<b>100.0</b>	<b>1,762</b>	<b>100.0</b>	<b>518,324</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

**CRA APPENDIX E**

**LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA**

The following table reflects the distribution of branch offices and deposit and loan volume by assessment area. The deposit volume includes all bank deposits and is current as of June 30, 2022, while the loan volume includes all residential mortgage and small business loans considered in the evaluation.

Assessment Area	Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Morgantown, WV MSA	1,920	80.5%	\$394,287	81.7%	9	81.8%	\$668,604	86.8%
Garrett County, MD NonMSA	261	10.9%	\$42,687	8.9%	1	9.1%	\$72,167	9.4%
Harrison County, WV NonMSA	205	8.6%	\$45,521	9.4%	1	9.1%	\$29,742	3.8%
<b>TOTAL</b>	<b>2,386</b>	<b>100%</b>	<b>\$482,495</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>\$770,513</b>	<b>100%</b>

## CRA APPENDIX F

### GLOSSARY

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

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

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

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

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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