



PUBLIC DISCLOSURE

December 18, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Adrian Bank
RSSD# 94858

130 East Main Street
Adrian, Missouri 64720

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

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

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

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

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2020, 2021, and 2022) was referenced for additional perspective to gauge credit demand within the bank's AA. Lending performance was assessed within the bank's only AA. Examiners reviewed the following data:

- The bank's 19-quarter average NLTD ratio,
- A statistical sample of 81 small farm loans from a universe of 135 loans originated between January 1, 2022, and December 31, 2022; and,
- A statistical sample of 65 small business loans from a universe of 96 loans originated between January 1, 2022, and December 31, 2022.

Small farm lending received greater weight in the analysis based on its rank within the bank's loan portfolio and number of originations during the review period.

DESCRIPTION OF INSTITUTION

Adrian Bank is a community bank headquartered in Adrian, Missouri. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Adrian Bancshares, Inc.
- The bank has total assets of \$171.2 million as of September 30, 2023.
- In addition to its main office in Adrian, the bank operates two additional full-service branches in Butler and Archie, Missouri.
- The bank also maintains three cash-dispensing only automated teller machines (ATMs). An ATM is located at each of the Adrian and Butler offices and at a local convenience store in Archie, Missouri.
- As shown in the table below, the bank’s primary business focus is lending to farming operations and commercial entities.

Table 1

Composition of Loan Portfolio as of September 30, 2023		
Loan Type	\$(000)	%
Construction and Land Development	5,784	5.6
Farmland	29,388	28.2
1- to 4- Family Residential Real Estate	12,684	12.2
Multifamily Residential Real Estate	0	0.0
Nonfarm Nonresidential Real Estate	15,509	14.9
Agricultural	17,564	16.9
Commercial and Industrial	12,903	12.4
Consumer	9,698	9.3
Other	560	0.5
Gross Loans	104,090	100.0

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

The bank was rated Satisfactory under the CRA at its August 5, 2019 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Kansas City Metropolitan AA consists of Cass and Bates Counties in their entirety and comprise 2 of the 14 counties that combine to form the Kansas City, MO-KS Metropolitan Statistical Area (Kansas City MSA). See Appendix A for an AA map and Appendix B for additional demographic data.

- The bank’s AA includes 9 moderate-, 15 middle-, and 4 upper-income census tracts based on 2016-2020 American Community Survey (ACS) data.
- The bank’s delineated AA remains unchanged since the 2019 evaluation, although the tract composition has changed. The AA previously consisted of 7 moderate-, 15 middle-, and 2 upper-income census tracts.
- Cass County is located in the northern portion of the AA and is suburban in nature. The AA’s three upper-income census tracts are located in the northern

portion of Cass County and include the town of Lake Winnebago and portions of the town of Raymore, which are approximately 30 miles from the bank's nearest branch location in Archie.

- Bates County, located in the southern portion of the AA, is exclusively comprised of moderate-income census tracts with economic and demographic characteristics similar to the nonmetropolitan areas of the state.
- Based on the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank's market share of 6.9 percent ranks 6 out of 18 institutions operating from 38 locations in the AA.
- To further augment the CRA performance evaluation, a community contact recently conducted as part of the CRA evaluation of another financial institution with offices in the bank's AA was referenced to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and perspective on local economic and demographic characteristics. The community member represents a local economic agency.

Table 2

Population Change			
Assessment Area: Kansas City Metropolitan			
Area	2015 Population	2020 Population	Percent Change
Kansas City Metropolitan	117,424	123,866	5.5
Bates County, MO	16,643	16,042	(3.6)
Cass County, MO	100,781	107,824	7.0
Kansas City, MO-KS MSA	2,055,675	2,192,035	6.6
Missouri	6,045,448	6,154,913	1.8

*Source: 2020 U.S. Census Bureau: Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- The bank's offices are all located in small rural communities, with two locations in Bates County. The third office is located in Cass County, near the county line that separates the two counties. According to 2021 ACS five-year data, the population of cities where the bank operates includes 2,258 residents in Adrian, 1,244 in Archie, and 4,313 in Butler.
- The two-county AA contains a small fraction of the state of Missouri population at 2.0 percent and a relatively small portion of the Kansas City MSA population at 5.7 percent.
- Approximately 87.0 percent of the AA population resides in Cass County.

Table 3

Median Family Income Change			
Assessment Area: Kansas City Metropolitan			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Kansas City Metropolitan	75,069	81,482	8.5
Bates County, MO	58,560	63,250	8.0
Cass County, MO	78,333	85,798	9.5
Kansas City, MO-KS MSA	79,346	86,562	9.1
Missouri	66,438	72,834	9.6

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

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

- Median family income varies considerably among the two AA counties, with higher incomes noted for Cass County, although the rate of growth from 2015 to 2020 is similar between the two counties.
- At 6.3 percent, the portion of AA families living below the poverty level is similar to the Kansas City MSA figure of 6.9 percent and lower than the state of Missouri figure of 8.9 percent. Poverty level statistics vary within the AA, with 5.9 percent of families living below the poverty level in Cass County and 8.9 percent in Bates County.

Table 4

Housing Cost Burden						
Assessment Area: Kansas City Metropolitan						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Kansas City Metropolitan	71.9	28.3	39.5	58.1	27.7	16.9
Bates County, MO	48.7	15.2	26.5	56.0	32.3	18.4
Cass County, MO	76.3	31.4	41.9	58.4	26.9	16.7
Kansas City, MO-KS MSA	73.2	27.8	39.0	59.0	26.4	16.4
Missouri	72.8	26.6	39.7	56.8	25.6	16.5

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

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

- The housing cost burden for moderate-income renters is considerably lower in Bates County when compared to Cass County, the Kansas City MSA, and the state of Missouri, while cost burden figures for homeowners were relatively consistent among all the aforementioned areas and income groups. These statistics suggest lower demand for home mortgage loans among moderate-income borrowers in Bates County based on highly affordable rents.

- The housing affordability ratio¹ in the AA is similar to the ratio for the state of Missouri, at 36.6 percent and 35.0 percent, respectively. Housing affordability ratios are similar in the two AA counties, at 36.9 percent in Cass County and 39.1 percent in Bates County.
- The AA’s median gross rent of \$916 fell between the figures for the state of Missouri and the Kansas City MSA, at \$843 and \$988, respectively. Bates County’s median gross rent of \$631 is considerably lower than the Cass County at \$976.
- A community member noted that the local area has sufficient affordable housing but lacks middle-income housing to attract employees to the area.

Table 5

Unemployment Rates					
Assessment Area: Kansas City Metropolitan					
Area	2017	2018	2019	2020	2021
Kansas City Metropolitan	3.6	3.1	3.0	5.3	3.9
Bates County, MO	4.4	3.8	3.9	5.3	4.3
Cass County, MO	3.5	3.0	2.9	5.3	3.9
Kansas City, MO-KS MSA	3.8	3.3	3.1	6.1	4.2
Missouri	3.7	3.2	3.1	6.1	4.4

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Unemployment rates in 2021 have generally trended higher than rates noted prior to the onset of the Coronavirus Disease 2019 pandemic (pandemic) in 2020.
- Major employers in the AA include Raymore-Peculiar School District, Wal-Mart Distribution Center, Belton School District, Quick ‘n Tasty, and Cass Medical Center.
- A community member noted that the local area was critically impacted by the economic effects of the pandemic. Notably, the community had not fully recovered from the 2008 recession at the onset of the pandemic, and many existing small businesses permanently closed in 2020.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA²

The bank’s overall lending test performance is Satisfactory. The bank’s performance under each of the performance criterion, including the loan-to-deposit ratio, lending inside the bank’s AA, and the distribution of lending by size of business and farm is reasonable.

¹ The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

² The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

The distribution of small business and small farm lending by census tract income level is excellent. More consideration was given to the number of loan originations than the dollar amount as this is more representative of the number of individuals and entities served.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, loan portfolio composition, and areas of operation within or near the bank’s AA.

The bank’s NLTD ratio is reasonable. The bank’s 19-quarter average NLTD ratio was within the range of the four similarly situated institutions with ratios ranging from 59.5 percent to 79.3 percent.

Table 9

Comparative NLTD Ratios March 31, 2019 – September 30, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			19 Quarter Average
Adrian Bank	Adrian, MO	171,232	65.0
Similarly Situated Institutions			
Citizens Bank	Butler, MO	186,167	79.3
Community First Bank	Butler, MO	242,185	77.5
Sherwood Community Bank	Creighton, MO	76,032	59.5
Goppert Financial Bank	Lathrop, MO	249,417	63.1

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of loans, by number and dollar, inside the AA. A substantial majority of small farm loans were originated inside the AA, while a majority of small business lending occurred within the AA. The percentage of small business and small farm loans inside the bank’s AA reflects its overall responsiveness to area credit needs.

Table 10

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Small Business	52	80.0	4,538	81.1	13	20.0	1,055	18.9
Small Farm	74	91.4	4,322	92.9	7	8.6	331	7.1
Total Loans	126	86.3	8,860	86.5	20	13.7	1,387	13.5
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of both small business and small farm loans reflects an excellent distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is excellent. The distribution of small business lending among the moderate-income census tracts was above the percentage of total businesses operating in the AA. An analysis of lending dispersion was also conducted and revealed conspicuous gaps and lapses in lending in Cass County, including in moderate-income census tracts. However, this did not impact the overall conclusion given the bank’s distance from the isolated groups of moderate-income census tracts in the northern portion of Cass County and the presence of other financial institutions within or near those census tracts.

Table 11

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Kansas City Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	31	59.6	1,850	40.8	30.4
Middle	20	38.5	2,541	56.0	58.5
Upper	1	1.9	147	3.2	11.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	52	100.0	4,538	100.0	100.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The geographic distribution of small farm lending is excellent. The distribution of small farm lending among moderate-income census tracts was above the percentage of total farms operating in the AA. An analysis of the dispersion of loans was conducted and revealed conspicuous gaps and lapses in lending in the northern half of Cass County, including in moderate-income census tracts. As previously mentioned in the discussion of the bank’s small business lending, the bank’s branches are not in proximity to the Cass County’s moderate-income census tracts and there are a number of other financial institutions present in the area. Based on this context, the overall conclusion was not impacted.

Table 12

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Kansas City Metropolitan					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	59	79.7	3,727	86.2	34.7
Middle	15	20.3	595	13.8	58.3
Upper	0	0.0	0	0.0	7.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	74	100.0	4,322	100.0	100.0

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

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

Lending to Businesses and Farms of Different Sizes

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

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less was comparable to the percentage of total businesses operating in the AA. Moreover, an analysis of the 17 loans with unknown revenue revealed that 16 of 17 loans were in amounts of \$100,000 or less, which are amounts typically demanded by smaller entities. Based on this context, the bank demonstrates a willingness to meet the credit demands typically associated with small businesses.

Table 13

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Kansas City Metropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	33	63.5	3,511	77.4	92.9
Over \$1 Million	2	3.8	330	7.3	5.4
Revenue Unknown	17	32.7	697	15.4	1.7
Total	52	100.0	4,538	100.0	100.0
By Loan Size					
\$100,000 or Less	40	76.9	1,641	36.2	
\$100,001 - \$250,000	9	17.3	1,406	31.0	
\$250,001 - \$1 Million	3	5.8	1,491	32.9	
Total	52	100.0	4,538	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	24	72.7	1,068	30.4	
\$100,001 - \$250,000	6	18.2	952	27.1	
\$250,001 - \$1 Million	3	9.1	1,491	42.5	
Total	33	100.0	3,511	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with gross annual revenues of \$1 million or less was comparable to the percentage of total farms operating in the AA. For additional context, 85.7 percent of loans to small farms were in the amount of \$100,000 or less, which are amounts generally requested by smaller farming operations.

Table 14

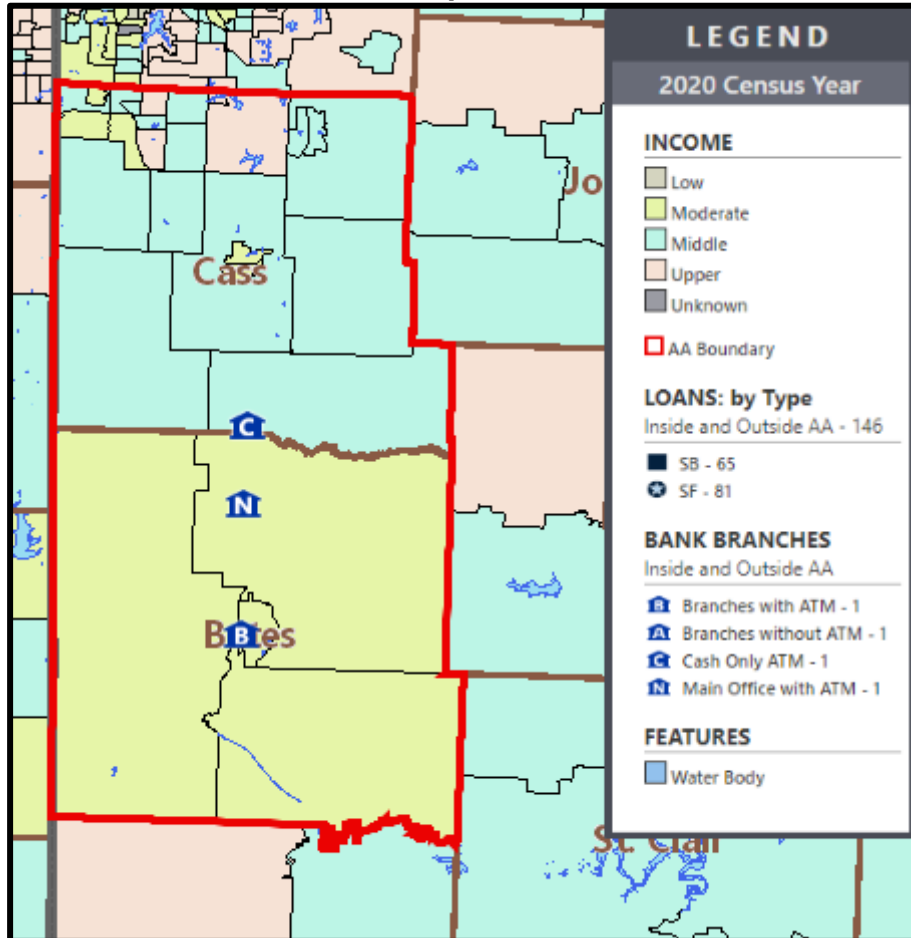
Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Kansas City Metropolitan					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	63	85.1	3,817	88.3	96.7
Over \$1 Million	2	2.7	125	2.9	3.3
Revenue Unknown	9	12.2	379	8.8	0.0
Total	74	100.0	4,322	100.0	100.0
By Loan Size					
\$100,000 or Less	64	86.5	2,061	47.7	
\$100,001 - \$250,000	7	9.5	1,037	24.0	
\$250,001 - \$500,000	3	4.1	1,223	28.3	
Total	74	100.0	4,322	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	54	85.7	1,689	44.2	
\$100,001 - \$250,000	6	9.5	905	23.7	
\$250,001 - \$500,000	3	4.8	1,223	32.0	
Total	63	100.0	3,817	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – MAP OF THE ASSESSMENT AREA

Map A-1



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2022 Kansas City Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,999	20.7
Moderate	9	32.1	9,939	29.4	901	9.1	6,543	19.4
Middle	15	53.6	19,832	58.7	1,116	5.6	8,077	23.9
Upper	4	14.3	4,023	11.9	120	3.0	12,175	36.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	28	100.0	33,794	100.0	2,137	6.3	33,794	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	16,943	9,513	27.1	56.1	5,636	33.3	1,794	10.6
Middle	28,053	20,970	59.8	74.8	5,848	20.8	1,235	4.4
Upper	5,151	4,595	13.1	89.2	400	7.8	156	3.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	50,147	35,078	100.0	70.0	11,884	23.7	3,185	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1,360	30.4	1,227	29.5	92	37.9	41	55.4
Middle	2,623	58.5	2,461	59.1	130	53.5	32	43.2
Upper	497	11.1	475	11.4	21	8.6	1	1.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,480	100.0	4,163	100.0	243	100.0	74	100.0
Percentage of Total Businesses:				92.9		5.4		1.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	84	34.7	82	35.0	2	25.0	0	0.0
Middle	141	58.3	135	57.7	6	75.0	0	0.0
Upper	17	7.0	17	7.3	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	242	100.0	234	100.0	8	100.0	0	0.0
Percentage of Total Farms:				96.7		3.3		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>								

APPENDIX C – GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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

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

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