



PUBLIC DISCLOSURE

April 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Security State Bank
RSSD# 955959

201 South 4th Street
Basin, Wyoming 82410

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

This institution is rated: **Satisfactory.**
The Lending Test is rated: **Satisfactory.**
The Community Development Test is rated: **Satisfactory.**

Security State Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- 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 individuals of different income levels, including low- and moderate-income (LMI), and businesses 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.
- Community development (CD) activity reflects adequate responsiveness to CD needs of its AA.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate 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. Performance was assessed within the bank's only AA, the Northern Wyoming AA. Examiners reviewed the following data:

- The bank's 13-quarter average NLTD ratio,
- The universe of 60 outstanding residential real estate originated between January 1, 2023, and December 31, 2023,
- A statistical sample of 88 outstanding small business loans from a universe of 156 loans originated between January 1, 2023, and December 31, 2023, and
- CD loans, qualified investments, and CD services from March 9, 2021 through December 31, 2023.

For this evaluation, greater weight was placed on the bank’s small business lending based on the higher number of originations and composition of the loan portfolio when compared to home mortgage loans. Greater consideration was also given to the volume of loan originations rather than the dollar amount, as origination volume is more representative of the number of individuals and entities served.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Basin, Wyoming. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Financial Security Corporation.
- The bank has total assets of \$460.3 million as of December 31, 2023.
- In addition to its main office in Basin, Wyoming, the bank operates four additional branches throughout north-central and northeast Wyoming in the towns of Gillette, Greybull, Sheridan, and Worland.
- All five of the bank’s locations offer cash-dispensing automated teller machines (ATMs). The bank also maintains one offsite cash-dispensing ATM in Basin and two in Greybull.
- As shown in the table below, the bank’s primary business focus is commercial and residential real estate lending.

Table 1

Composition of Loan Portfolio as of December 31, 2023		
Loan Type	\$(000)	%
Construction and Land Development	19,682	10.2
Farmland	12,500	6.5
1- to 4-Family Residential Real Estate	46,447	24.0
Multifamily Residential Real Estate	1,840	1.0
Nonfarm Nonresidential Real Estate	63,837	33.0
Agricultural	16,460	8.5
Commercial and Industrial	20,413	10.6
Consumer	9,956	5.2
Other	2,019	1.0
Gross Loans	193,154	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its March 8, 2021, 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 Northern Wyoming AA is comprised of Big Horn, Campbell, Sheridan, and Washakie Counties in their entirety. (refer to Appendix A for an AA map and Appendix B for additional demographic data).

- The bank’s AA remains unchanged from the prior CRA evaluation.
- The AA is comprised of 23 census tracts, including 4 moderate-, 17 middle-, and 2 upper-income census tracts based on 2016-2020 American Community Survey (ACS) data. This represents a change in census tract designations from the prior evaluation, when the AA was comprised of 19 census tracts, including 2 moderate-, 13 middle- and 4 upper-income census tracts.
- The delineated AA includes four underserved census tracts located in Washakie County and the northern portion of Big Horn County, respectively.
- According to the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report, the bank ranked 4th of 15 FDIC-insured depository institutions operating from 39 locations in the AA, with a total deposit market share of 10.6 percent.
- An interview with a member of the community was conducted to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and for perspective on local economic conditions. The contact represents an organization focused on revitalization efforts within one of the AA’s communities.

Table 2

Population Change			
Assessment Area: Northern Wyoming			
Area	2015 Population	2020 Population	Percent Change
Northern Wyoming	98,046	97,153	(0.9)
Big Horn County, WY	11,895	11,521	(3.1)
Campbell County, WY	48,013	47,026	(2.1)
Sheridan County, WY	29,738	30,921	4.0
Washakie County, WY	8,400	7,685	(8.5)
NonMSA Wyoming	404,237	396,384	(1.9)
Wyoming	579,679	576,851	(0.5)
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- The AA, rural areas statewide, and the state of Wyoming all experienced a decline in population from 2015 to 2020, while Sheridan County was the only county in the AA to experience a population increase over the same period.
- Gillette and Sheridan were the two most populous cities in the AA in 2020, with a total of 33,458 and 18,821 residents, respectively. Other municipalities in the AA are more rural in nature and sparsely populated.

- The city of Basin, where the bank is headquartered, had a population of 1,219 in 2020.

Table 3

Median Family Income Change			
Assessment Area: Northern Wyoming			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Northern Wyoming	83,741	80,684	(3.7)
Big Horn County, WY	65,029	68,877	5.9
Campbell County, WY	95,992	87,835	(8.5)
Sheridan County, WY	77,595	83,570	7.7
Washakie County, WY	72,234	67,557	(6.5)
NonMSA Wyoming	79,576	81,346	2.2
Wyoming	79,970	81,290	1.7

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

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

- The median family income (MFI) varied widely among the four counties in the AA. However, the AA MFI figure in 2020 was similar to the figure for rural areas statewide and the entire state. Growth in AA MFI fell below figures for rural areas statewide and the state of Wyoming.
- Based on MFI, Washakie County ranked as the least affluent AA county, while Campbell County was the most affluent.
- The portion of families in the AA living below the poverty level in 2020 at 7.3 percent was comparable to figures for rural areas statewide and the state of Wyoming, at 6.9 percent and 6.7 percent, respectively.

Table 4

Housing Cost Burden						
Assessment Area: Northern Wyoming						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Northern Wyoming	60.9	12.1	30.5	54.2	27.0	18.3
Big Horn County, WY	31.3	8.5	17.8	40.3	13.9	14.7
Campbell County, WY	62.2	19.4	33.6	66.9	21.0	17.6
Sheridan County, WY	68.6	12.3	32.6	43.1	41.3	22.2
Washakie County, WY	57.4	0.0	21.1	48.2	10.5	12.5
NonMSA Wyoming	62.3	19.6	32.1	48.0	25.7	16.3
Wyoming	64.9	22.2	34.1	51.1	27.6	16.9

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

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

- The housing cost burden for low-income renters in the AA is comparable to rural areas statewide and the state of Wyoming, while the burden for moderate-income renters is well below the two comparator areas.
- The AA housing affordability ratio¹ of 29.1 percent is comparable to ratios for rural areas statewide and the state of Wyoming, at 28.0 percent and 28.4 percent, respectively.
- A community contact discussed the lack of affordable housing for individuals and families of all income levels in one of the AA's more affluent communities.

Table 5

Unemployment Rates					
Assessment Area: Northern Wyoming					
Area	2018	2019	2020	2021	2022
Northern Wyoming	4.2	3.8	6.0	4.9	3.6
Big Horn County, WY	4.7	4.4	5.0	4.6	4.1
Campbell County, WY	4.1	3.8	7.0	5.4	3.6
Sheridan County, WY	4.1	3.6	5.0	4.4	3.3
Washakie County, WY	4.2	4.1	5.3	4.1	4.0
NonMSA Wyoming	4.0	3.7	5.7	4.5	3.5
Wyoming	4.1	3.7	5.9	4.6	3.6

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Unemployment rates in the AA during the evaluation period were similar to other nonmetropolitan areas of the state. Increases in unemployment noted in 2020 as a result of the pandemic did appear to slightly impact the AA more than statewide unemployment figures.
- Major employment sectors in the AA include Educational Service (5,324 employees); Mining, Quarrying, and Oil & Gas Extraction (5,105); Construction (4,803); Health Care and Social Assistance (4,017); and Manufacturing (379).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank’s overall lending test performance is Satisfactory. The conclusion was reached based on a reasonable NLTD ratio, a majority of loans being originated within the bank’s AAs, an excellent geographic distribution of loans, and a reasonable borrower distribution of loans.

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.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison, to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and geographic proximity. The bank’s NLTD ratio is reasonable and fell within the performance of the four similarly situated institutions with NLTD ratios, ranging from 38.0 percent to 84.1 percent.

Table 6

Comparative NLTD Ratios December 31, 2020 to December 31, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			13 Quarter Average
Security State Bank	Basin, WY	460,343	52.4
Similarly Situated Institutions			
Bank of Bridger	Bridger, MT	733,942	46.5
Buffalo Federal Bank	Buffalo, WY	191,300	84.1
First Federal Bank & Trust Company	Sheridan, WY	617,438	83.2
Big Horn FSB	Greybull, WY	358,328	38.0
First Northern Bank of Wyoming	Buffalo, WY	769,317	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.

Table 7

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	##%	\$(000)	##%	#	##%	\$(000)	##%
Residential Loans	49	81.7	9,636	81.3	11	18.3	2,212	18.7
Small Business	70	79.5	5,126	75.6	18	20.5	1,650	24.4
Total Loans	119	80.4	14,762	79.3	29	19.6	3,862	20.7

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

The remaining loan distribution analyses discussed in this performance evaluation considered only those loans originated within the bank’s AA.

Geographic Distribution of Loans

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

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. The distribution of home mortgage loans among moderate-income census tracts was above the demographic figure, which represents the percentage of owner-occupied housing units by census tract income level. An evaluation of the dispersion of home mortgage loans identified gaps and lapses that were exclusive to the AA’s middle-income census tracts and did not impact the overall conclusion.

Table 8

Distribution of 2023 Residential Lending By Income Level of Geography					
Assessment Area: Northern Wyoming					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	22	44.9	3,850	40.0	14.5
Middle	24	49.0	4,716	48.9	72.9
Upper	3	6.1	1,069	11.1	12.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	1	0.0	
Total	49	100.0	9,636	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is excellent. The distribution of small business loans among moderate-income census tracts was above the demographic figure, which represents the percentage of businesses in the AA’s moderate income census tracts. A review of the dispersion of loans among the various tracts throughout the AA revealed no conspicuous gaps or lapses.

Table 9

Distribution of 2023 Small Business Lending By Income Level of Geography					
Assessment Area: Northern Wyoming					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	23	32.9	1,066	20.8	7.5
Middle	43	61.4	3,664	71.5	89.1
Upper	4	5.7	395	7.7	3.4
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	70	100.0	5,126	100.0	100.0

Source: 2023 FFIEC Census Data
2023 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 Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different revenue sizes. The distribution of home mortgage lending reflects excellent performance, while small business lending reflects reasonable performance.

Home Mortgage Lending

The borrower distribution of home mortgage lending is excellent. The bank’s lending distribution to low- and moderate-income borrowers was comparable to the respective demographic figure, which represents the percentage of families by family income level in the AA. To augment the analysis, a review of the three-year average aggregate lending data for home mortgage lending in the AA noted lending distribution to low- and moderate-income borrowers of 6.0 percent and 16.5 percent by number of loans, respectively. While these figures are not direct comparators, as the bank does not report home mortgage lending data, aggregate figures are relevant to ascertain demand for credit. When taking these factors into consideration, the bank’s performance exceeds the credit needs of its AA.

Table 10

Distribution of 2023 Residential Lending By Borrower Income Level					
Assessment Area: Northern Wyoming					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	\$%	
Low	11	22.4	1,689	17.5	20.5
Moderate	7	14.3	950	9.9	17.6
Middle	11	22.4	1,824	18.9	23.4
Upper	18	36.7	4,296	44.6	38.5
Unknown	2	4.1	877	9.1	0.0
Total	49	100.0	9,636	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is reasonable. The distribution of loans to businesses with gross annual revenues of \$1MM or less was below the demographic figure, which represents the percentage of small businesses operating in the AA. To augment the analysis, a review of the three-year average aggregate lending data for small business lending noted a distribution of 49.0 percent of business loans in the AA by number were originated to small businesses, which was well below the demographic figure. While not a direct comparator, as the bank does not report CRA data, aggregate CRA figures is relevant as a proxy to ascertain demand for credit by businesses of different income levels. Additionally, 92.9 percent of business loans were made in amounts of \$250,000 or less, which demonstrates a willingness to meet smaller credit demands typically associated with small businesses. When taking these factors into consideration, the bank’s performance meets the credit needs of its AA.

Table 11

Distribution of 2023 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Northern Wyoming					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	39	55.7	2,446	47.7	92.7
Over \$1 Million	14	20.0	1,651	32.2	4.2
Revenue Unknown	17	24.3	1,028	20.1	3.1
Total	70	100.0	5,126	100.0	100.0
By Loan Size					
\$100,000 or Less	55	78.6	1,795	35.0	
\$100,001 - \$250,000	10	14.3	1,579	30.8	
\$250,001 - \$1 Million	5	7.1	1,752	34.2	
Total	70	100.0	5,126	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	32	82.1	946	38.7	
\$100,001 - \$250,000	5	12.8	900	36.8	
\$250,001 - \$1 Million	2	5.1	600	24.5	
Total	39	100.0	2,446	100.0	
<i>Source: 2023 FFIEC Census Data 2023 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>					

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank’s responsiveness to CD needs of its AA through CD loans, qualified investments, and CD services, considering the bank’s capacity and the need and availability of such opportunities in the bank’s AA. The bank’s overall CD test performance is Satisfactory and demonstrates adequate responsiveness to the AA’s CD needs. Examples of CD activities include:

- Ten loans totaling \$1.5 MM to individuals that were a part of the Wyoming Rural Development and Wyoming Community Development Authority affordable housing programs.
- Three new investments totaling \$1.1 MM that provide affordable housing to low- and moderate-income individuals in Wyoming, that also includes the bank’s AA.
- One donation totaling \$14,451 to a local AA organization that offers assistance with food, rent, utilities, and medical bills for LMI individuals.

Table 12

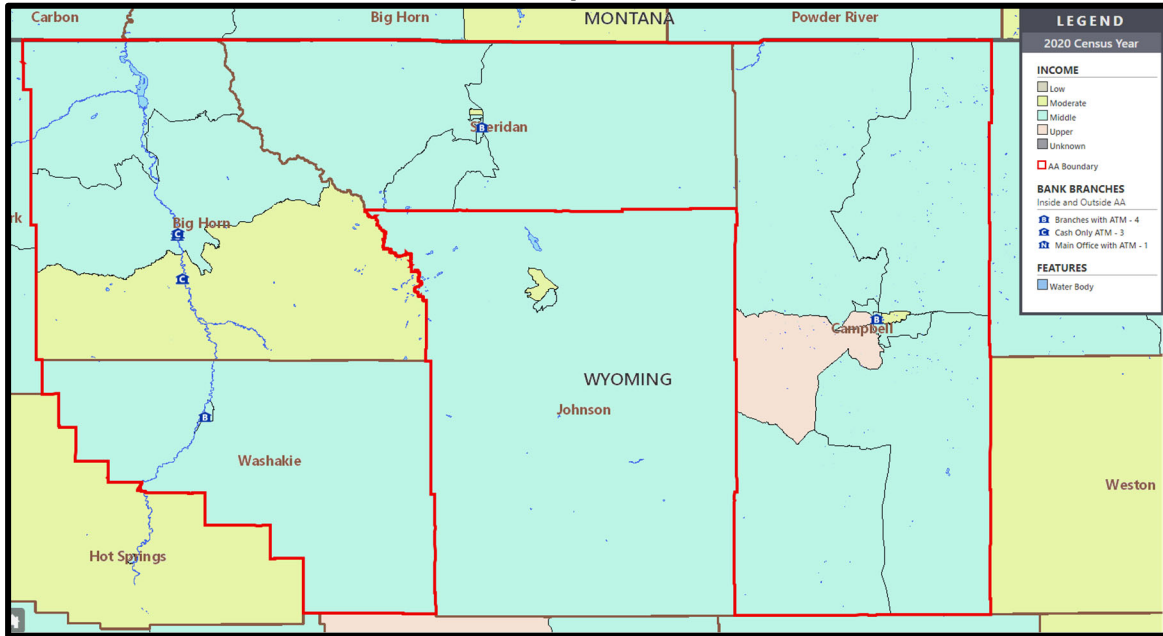
Community Development Activity Assessment Area: Northern Wyoming									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services #
	#	\$(000)	Investments		Donations		Total Investments		
			#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	17	2,296	3	1,100	0	0	3	1,100	3
Community Services	0	0	0	0	50	46	50	46	11
Economic Development	2	943	0	0	4	2	4	3	9
Revitalization and Stabilization	4	2,812	0	0	3	1	3	1	5
Outside Activities	0	0	0	0	0	0	0	0	0
Totals	23	6,051	3	1,100	57	49		1,149	28

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

2023 Northern Wyoming 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	5,257	20.5
Moderate	4	17.4	3,872	15.1	457	11.8	4,516	17.6
Middle	17	73.9	18,407	71.9	1,292	7.0	5,977	23.4
Upper	2	8.7	3,310	12.9	117	3.5	9,839	38.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	23	100.0	25,589	100.0	1,866	7.3	25,589	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	7,379	4,050	14.5	54.9	2,447	33.2	882	12.0
Middle	32,684	20,302	72.9	62.1	7,580	23.2	4,802	14.7
Upper	4,658	3,495	12.6	75.0	771	16.6	392	8.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	44,721	27,847	100.0	62.3	10,798	24.1	6,076	13.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	884	7.5	803	7.4	66	13.4	15	4.1
Middle	10,464	89.1	9,706	89.1	413	83.6	345	94.3
Upper	401	3.4	380	3.5	15	3.0	6	1.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11,749	100.0	10,889	100.0	494	100.0	366	100.0
Percentage of Total Businesses:				92.7		4.2		3.1
	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	45	11.5	44	11.4	0	0.0	1	100.0
Middle	333	85.2	328	85.2	5	100.0	0	0.0
Upper	13	3.3	13	3.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	391	100.0	385	100.0	5	100.0	1	100.0
Percentage of Total Farms:				98.5		1.3		0.3
<i>Source: 2023 FFIEC Census Data 2023 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>								

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.