

PUBLIC DISCLOSURE

April 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Community Bank of Moultrie County
Certificate Number: 3745

1 South Main Street
Sullivan, Illinois 61951

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

First Community Bank of Moultrie County's Community Reinvestment Act (CRA) performance under the lending test supports the overall rating. The following factors support the institution's rating:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage, small business loans, and consumer loans in the assessment area.
- The geographic distribution of loans demonstrates an excellent distribution of loans throughout the assessment areas, including in the moderate-income geography.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the overall rating.

DESCRIPTION OF INSTITUTION

First Community Bank of Moultrie County (FCB) is a \$101 million bank headquartered in Sullivan, Illinois (population 4,433), in Moultrie County, Illinois. FCB is wholly-owned by Sullivan Bancshares, Inc., a one-bank holding company. The bank was formerly known as The First National Bank of Sullivan. The name was changed due to a merger with Hardware State Bank in Lovington, IL in February 2017. The bank's main office and one branch are within the city limits of Sullivan, in a moderate-income census tract. The bank's branch in Lovington, the former Hardware State Bank, is located in a middle-income tract in the northern portion of the county. Automated Teller Machines (ATMs) are located at each facility. FCB is not required to report residential real estate loans for Home Mortgage Disclosure Act (HMDA) purposes due to their location.

FCB offers a variety of products and services to meet the credit and deposit needs of the local area it serves. The bank is able to make loans of any type to meet the credit needs of its community. The bank's portfolio has generally tended to focus on residential home mortgage and agricultural lending. The bank offers in-house and secondary market residential loans for purchase, refinance, and home improvement of both owner-occupied and rental dwellings, as well as a first time homebuyer program. The bank serves farmers through agricultural loans for operating, equipment, and real estate purposes. Commercial lending is a secondary focus that includes real estate-secured, operating lines, and other business purpose credit. Finally, consumer loans for various purposes, both secured and unsecured, are available. Deposit products offered include checking, savings, NOW accounts, money markets, and certificates of deposit. The bank offers a variety of digital products and services, including online banking, debit cards, and telephone banking.

As of December 31, 2020, the bank's total assets were \$101,014,000, total securities were \$23,044,000, total loans were \$52,517,000, and total deposits were \$90,717,000. Total assets have grown 63 percent while loans have grown approximately 32 percent since the previous CRA evaluation in 2015. The asset growth is largely due to the merger of the two institutions. During the same time period, deposits increased by 62 percent. The table below depicts the loan portfolio as of December 31, 2020.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Construction and Land Development	4,052	7.7
Secured by Farmland	5,123	9.8
Secured by 1-4 Family Residential Properties	22,583	43.0
Secured by Multifamily (5 or more) Residential Properties	2,446	4.7
Secured by Nonfarm Nonresidential Properties	2,966	5.7
Total Real Estate Loans	37,170	70.9
Agricultural Loans	6,089	11.6
Commercial and Industrial Loans	4,263	8.1
Consumer Loans	4,335	8.3
Other Loans	660	1.2
Total Loans	52,517	100%
<i>Source: Reports of Condition and Income</i>		

FCB has no financial or legal impediments that would inhibit its ability to meet the credit needs of its established assessment area. The bank (the former First National Bank of Sullivan) was assigned a CRA rating of “Outstanding” at its prior CRA evaluation dated April 27, 2015, when the OCC used Small Bank Examination Procedures to assess the bank’s performance. The former Hardware State Bank was rated “Satisfactory” at its last CRA evaluation dated April 14, 2015 by FDIC, using Small Bank Examiner Procedures.

DESCRIPTION OF ASSESSMENT AREA

MOULTRIE COUNTY: Entire County

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. FCB designated one assessment area consisting of the four census tracts comprising Moultrie County, which is part of the Illinois Non-Metropolitan area (IL Non-MSA). The assessment area is in conformance with CRA requirements and does not arbitrarily exclude low- and moderate-income geographies.

Economic and Demographic Data

The Department of Housing and Urban Development categorizes individual census tracts in Moultrie County as low-, moderate-, middle-, or upper-income based upon the individual geography’s median family income (MFI) as a percentage of the IL Non-MSA. Based on information from the 2015 American Community Survey (ACS), the bank’s assessment area was designated with one moderate-income and three middle-income census tracts. The sole moderate-income tract is mostly comprised of the City of Sullivan. The bank’s two Sullivan locations are located in the moderate-income tract, while the Lovington facility is in a middle-income tract. The following table illustrates select demographic characteristics of this assessment area. During the prior evaluation, the assessment area was the same, but at that time, using 2010 Census designations, all four tracts were middle-income. None of the tracts in the assessment area are

categorized as distressed or underserved by the Federal Financial Institutions Examination Council (FFIEC).

Demographic Information of the Assessment Area						
Assessment Area: Moultrie County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	25.0	75.0	0.0	0.0
Population by Geography	14,927	0.0	29.2	70.8	0.0	0.0
Housing Units by Geography	6,325	0.0	32.9	67.1	0.0	0.0
Owner-Occupied Units by Geography	4,418	0.0	28.6	71.4	0.0	0.0
Occupied Rental Units by Geography	1,381	0.0	47.9	52.1	0.0	0.0
Vacant Units by Geography	526	0.0	29.3	70.7	0.0	0.0
Businesses by Geography	807	0.0	34.2	65.8	0.0	0.0
Farms by Geography	77	0.0	11.7	88.3	0.0	0.0
Family Distribution by Income Level	4,036	20.7	18.6	20.8	39.9	0.0
Household Distribution by Income Level	5,799	18.4	18.0	19.0	44.6	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$104,028
			Median Gross Rent			\$631
			Families Below Poverty Level			9.7%
Sources: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.						

The 2020 MFI level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table. These categories are based on the 2020 FFIEC-updated MFI for Illinois non-Metropolitan Statistical Area MFI of \$65,800.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
IL Non-MSA Median Family Income (99999)				
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥78,960
Source: FFIEC				

The area is largely rural and heavily dependent on agriculture. According to 2020 D&B data, there were 77 farms in this AA. Gross annual revenues for these farming operations are below:

- 97.4 percent have \$1 million or less
- 2.6 percent have unknown revenues

Major employers in the Moultrie AA are Agri Fab, manufacturers of lawn equipment; Hydro-Gear, a plant specializing in zero-turn transmissions; and MasterBrand Cabinets, builders of standard and custom cabinetry. In terms of the number of businesses, services and retail are the most prevalent types of firms. The area's location, situated between mid-size- and smaller-urban areas like Decatur, Champaign, and Mattoon, also means that a decent percentage of the area's residents commute to those areas for employment.

According to 2020 D&B data, there were 807 non-farm businesses in Moultrie County. Gross annual revenues for these businesses are below:

- 78.4 percent have \$1 million or less
- 6.8 percent have more than \$1 million
- 14.8 percent have unknown revenues

According to the Illinois Department of Employment Security, the unemployment rate as of January 2021 for Moultrie County was 5.0 percent. These unemployment rates are notably lower than the 8.5 percent unemployment rate for the State of Illinois and 6.8 percent for the United States for the same month. These rates reflect a significant increase in unemployment due to the COVID-19 pandemic, which peaked in March 2020 at 8.1 percent in Moultrie County. The average unemployment rate throughout 2019 was 3.3 percent for Moultrie County, while for 2020, the average was 5.0 percent. The 2019 averages were more in line with state and federal figures of 4.0 and 3.7 percent, respectively. That contrasts to 2020 where Moultrie County's unemployment situation improved more quickly than state and federal figures of 9.5 and 8.1 percent, respectively.

Competition

The assessment area has a moderately competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2019, there were six financial institutions operating 11 full-service offices in Moultrie County. FCB ranked third with 19.7 percent of the deposit market share. The highest-ranked institution had a deposit market share of 28.4 percent.

While the assessment area may not be particularly competitive for deposits, it is highly competitive for loans. While FCB does not report HMDA data, 81 lenders that are required to report data originated 352 loans in Moultrie County in 2019. Based on the bank's loan information, the bank's level of mortgage lending in 2019 would make FCB the second most active home mortgage lender in Moultrie County.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

For this evaluation, examiners reviewed one recent community contact within Moultrie County. The contact stated that the population in the area is aging but has stayed relatively constant with some increases. Economic conditions have remained relatively stable, and the county enjoys a

lower unemployment rate than its neighbors. While the COVID-19 pandemic has impacted the area, the agricultural sector appears to be on track for a good year, and their manufacturing firms have continued operating. Even with the increase in unemployment due to the pandemic, their unemployment rate remains relatively lower. As a result, businesses have had a difficult time attracting employees and have advertised in nearby Decatur and Mattoon to try to attract more applicants. The contact stated that the housing remains a need. Housing stock in the area is currently low with many aging homes that need to be revitalized or replaced. The contact also indicated that local financial institutions have been responsive to community lending needs and was not aware of any unmet needs in the area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from FCB's prior performance evaluation dated April 27, 2015 conducted by OCC using the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures, used again at the current evaluation, focus on the bank's lending according to the following criteria under the Lending Test:

- LTD ratio,
- Assessment area concentration,
- Borrower profile,
- Geographic distribution, and
- Response to CRA-related complaints.

Activities Reviewed

Bank records and management discussion revealed that the bank's major product lines are residential home mortgage, commercial, and agricultural loans. These conclusions considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period, specifically focusing on calendar year 2020 as a representative year.

Examiners evaluated the bank's performance using residential home mortgage, small business, and small farm loan data from January 1, 2020, to December 31, 2020. For this evaluation, the bank's performance is more heavily weighted for home mortgage lending, followed by small farm lending. Bank management considers residential and agricultural lending as the primary ways they serve their community. Small business lending is also an important product for the bank, which increased in 2020 due to the pandemic and the Payment Protection Program, through which the bank made approximately 100 loans worth approximately \$2 million. All of the bank's commercial loans in 2020 met the definition of a small business loan. The bank's portfolio, as of December 31, 2020, is depicted above under Description of Institution in this evaluation. The bank's lending for calendar year 2020 is shown in the table below.

Lending Activity, Calendar Year 2020		
Loan Type	\$(000)	%*
Home Mortgage Loans	9,990	36.2
Agricultural Loans	5,528	20.1
<i>Small Farm Loans</i>	2,738	9.9
Small Business Loans	5,210	18.9
All Loans	27,560	100%
<i>Source: Bank records.</i>		
<i>* Percentages do not total; not all loan types are shown</i>		

As of December 31, 2020, residential real estate loans represented 43 percent of the bank's total loan portfolio by dollar volume and was the highest product by dollar volume of 2020 originations and renewals. Agricultural loans accounted for 21.4 percent of the portfolio. Commercial loans accounted for 13.8 percent of the portfolio and 18.9 percent of the dollar volume of 2020 originations. For CRA, examiners reviewed 86 home mortgage loans, and 20 outstanding small farm loans and 32 small business loans originated or renewed in 2020. While all loans were reviewed for the assessment area concentration, only those inside the assessment area were analyzed for the geographic and borrower distributions. The 2015 ACS data provides a standard of comparison for the bank's home mortgage lending, while 2020 D&B data provides a standard for small farm and small business lending.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FCB demonstrated reasonable performance under the lending test. Excellent geographic distribution and reasonable borrower profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

FCB's net LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's most recent net LTD as of December 31, 2020, was 57.0 percent. The average net LTD ratio was 68.5 percent over the last 23 quarters from June 30, 2015 to December 31, 2020, ranging from its current low of 57.0 percent to a high of 76.6 percent as of June 30, 2015. The ratio has been trending downward throughout the review period, most noticeably dropping following the merger. Both loans and deposits have grown reasonably during the review period, with deposit growth far outpacing loan growth. Further augmenting the bank's performance are the secondary market loans, which do not remain on the banks books. In 2020, FCB originated 40 secondary market, residential real estate loans worth \$5.8 million.

The bank's average and most current net LTD ratios were compared to four other banks headquartered in Moultrie County and surrounding counties. All have residential lending as a primary focus and a significant portion of activity in agricultural loans. In terms of the average net LTD ratio, FCB has the median value of the five banks. The average net LTD ratios for the other banks ranged from 83.0 percent to 45.5 percent and are reflected in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2020 (\$000s)	Average Net LTD Ratio (%)
FCB	101,014	68.5
Institution #1	88,986	45.5
Institution #2	75,936	81.3
Institution #3	203,521	63.7
Institution #4	156,103	83.0
<i>Source: Reports of Condition and Income 06/30/2015 through 12/31/2020</i>		

Assessment Area Concentration

The majority of the bank's lending in 2020 by number and dollar volume of all three loan products reviewed were made within the delineated assessment area. The following table shows the bank's concentration of loans inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	67	77.9	19	22.1	86	7,775	77.8	2,215	22.2	9,990
Small Farm	15	75.0	5	25.0	20	2,158	79.1	570	20.9	2,728
Small Business	24	75.0	8	25.0	32	3,686	70.7	1,524	29.3	5,210
Total	106	76.8	32	23.2	138	13,619	76.0	4,309	24.0	17,928
<i>Source: Evaluation Period: 1/1/2020-12/31/2020. Bank Data</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion of home mortgage, small business, and small farm loans throughout the AA. This assessment is supported by excellent performance for home mortgage and small business lending and reasonable performance for small farm lending.

Home Mortgage Loans

FCB's geographic distribution of home mortgage loans by census tract-income level reflects excellent dispersion throughout its assessment area. In 2020, FCB originated 38.8 percent of its home mortgage loans in the sole moderate-income census tract, which exceeds the 28.6 percent of owner-occupied housing. The bank's performance reflects its position as a significant lender in Moultrie County for mortgage lending. The following table reflects the geographic distribution of home mortgage loans within Moultrie County.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	28.6	26	38.8	2,042	26.3
Middle	71.4	41	61.2	5,733	73.7
Total	100.0	67	100%	7,775	100%

Sources: 2015 ACS, Bank Data
Due to rounding, totals may not equal 100.0%

Small Farm Loans

FCB's geographic distribution of small business loans by census tract income level reflects reasonable dispersion throughout Moultrie County. FCB's lending performance in the moderate-income census tract is slightly lower than the percent of farms located there. The bank originated 6.7 percent (or 1 loan) of its small farm loans in the moderate-income tract, which is slightly lower, but comparable to, the 11.7 percent of farms that operate in the moderate-income tract, which is largely made up of the City of Sullivan. The following table reflects the geographic distribution of small farm loans originated within the AA.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	11.7	1	6.7	51	2.4
Middle	88.3	14	93.3	2,107	97.6
Totals	100.0	15	100%	2,158	100%

Sources: 2020 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%

Small Business Loans

FCB's geographic distribution of small business loans by census tract income level reflects excellent dispersion throughout its assessment area. FCB originated 54.2 percent of its small business loans in the moderate-income census tract, which compares more than favorably to the 34.2 percent of businesses that operate there. The following table reflects the geographic distribution of small business loans within the AA.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	34.2	13	54.2	2,109	57.2
Middle	65.8	11	45.8	1,577	42.8
Totals	100.0	24	100%	3,686	100%
<i>Sources: 2020 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes. The bank's performance to moderate-income borrowers for home mortgage loans, small farm loans, and small business loans by the number of entities support this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and small farm loans and small business loans and the number of businesses served.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank's record of lending to low- and moderate-income borrowers supports this conclusion. Examiners focused on the comparison to demographic data for the assessment area.

Home mortgage lending to low-income borrowers at 7.4 percent is reasonable when compared to the 20.7 percent of families in the assessment area designated as low-income when considering that 9.7 percent of the families in the assessment area are below the poverty level. Families living below the poverty level are often unable to financially qualify for home mortgage credit. As a result, comparing the bank's performance to 11.0 percent of families is more indicative of its lending performance. Home mortgage lending to moderate-income borrowers at 17.9 percent only slightly trails the moderate-income population of 18.6 percent and is also considered reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	20.7	5	7.4	260	3.3
Moderate	18.6	12	17.9	948	12.2
Middle	20.8	13	19.4	1,427	18.4
Upper	39.9	37	55.2	5,140	66.1
Total	100.0	67	100%	7,775	100%
<i>Sources: 2015 ACS; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of various sizes. As mentioned, the level of lending to farms of different sizes is compared to the assessment area concentration of businesses by revenue level, as reported by D&B. As shown in the following table, the bank originated 93.3 percent of small farm loans to farms with \$1 million or less in gross annual revenues, which is comparable to the reported revenues in that range. The following table shows the bank's lending to farms of different sizes.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.4	14	93.3	1,713	79.4
>1,000,000	0.0	1	6.7	445	20.6
Revenue Not Available	2.6	0	--	0	--
Total	100.0	15	100%	2,158	100%
<i>Source: 2020 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. As previously mentioned, the level of lending to businesses of different sizes is compared to the assessment area concentration of businesses by revenue level, as reported by D&B. As shown in the following table, the bank originated 62.5 percent of its small business loans to businesses with \$1 million or less in gross annual revenues, which lags the percentage of businesses reporting revenues in that range by nearly 16 percent. However, it is also useful to look at the number of businesses served, as some businesses may obtain multiple smaller loans. The bank's 24 loans were originated to 16 different entities. Of those, 12 borrowers (75 percent) of them had gross annual revenues of \$1 million or less, approximating the D&B data. Further, seven borrowers (29.2 percent of the 24 loans) had fewer than \$250,000 in gross annual revenues, indicating strong support for smaller businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	78.4	15	62.5	1,688	45.8
>1,000,000	6.8	9	37.5	1,998	54.2
Revenue Not Available	14.7	0	--	0	--
Total	100.0	24	100%	3,686	100%
<i>Sources: 2020 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the overall rating of the institution.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in

information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.