

PUBLIC DISCLOSURE

August 14, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Bank of Calhoun County
Certificate Number: 12549**

**204 Main Street
P.O. Box 555
Hardin, Illinois 62047**

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

The following conclusions under the five performance criteria support Bank of Calhoun County's (BCC) outstanding Community Reinvestment Act (CRA) rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a substantial majority of consumer and small farms loans in the assessment area. Also, a majority of home mortgage loans were originated in the assessment area.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels (including low- and moderate-income) given the demographics of the assessment area, and reasonable penetration to farms of different sizes.
- The assessment area does not include low- or moderate-income geographies and a review of the bank's geographic distribution of loans would not result in meaningful conclusions. Therefore, this criterion was not evaluated.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 24, 2011, to the current evaluation dated August 14, 2017. Examiners performed a full scope review and used the Interagency Small Institutions CRA Examination Procedures to evaluate BCC's CRA performance. These procedures include an evaluation according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Borrower profile
- Geographic distribution
- Response to CRA-related complaints

Loan Products Reviewed

Examiners determined that the bank's major product lines are consumer loans, home mortgage loans, and small farm loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The bank's record of originating consumer and home mortgage loans contributed more weight to the overall conclusions due to the larger loan volume when compared to small farm lending during the prior two calendar years and through June 30, 2017. Also, no other loan types, such as small business loans, represent a major product line. Therefore, such loans provided no material support for conclusions or ratings and were not analyzed.

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. Examiners selected a sample of consumer loans originated during the period of 2015, 2016, and through June 30, 2017. This sample was considered representative of the bank's performance during the entire evaluation period. In 2015, the bank originated 45 consumer loans totaling \$583,000 of which 25 loans totaling \$274,000 were sampled. In 2016, the bank originated 120 consumer loans totaling \$974,000 of which 31 loans totaling \$262,000 were sampled. Through June 30, 2017, the bank originated 75 consumer loans totaling \$570,000 of which 31 loans were sampled totaling \$244,000. The 2010 U.S. Census Data was utilized as a comparison when evaluating the bank's performance.

In addition, this evaluation considered all home mortgage loans reported on the bank's 2015, 2016, and through June 30, 2017, Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). For 2015 the bank reported 40 loans totaling \$4.5 million, and for 2016 the bank reported 37 loans totaling \$3.2 million, and through June 30, 2017, the bank reported 29 loans totaling \$2.9 million. The 2010 U.S. Census Data was utilized as a comparison when evaluating the bank's performance.

Small farm loans were also used in the evaluation of the bank's CRA performance. The universe was used and it included 14 loans totaling \$1.7 million in 2015, 14 loans totaling \$1.3 million in 2016, and 13 loans through June 30, 2017, totaling \$1.3 million. Small farm loans are compared to D&B business data.

DESCRIPTION OF INSTITUTION

Background

BCC is a \$64 million institution and wholly-owned by BCC Bancshares, Inc., a one-bank holding company. The institution operates from its main office located in the Village of Hardin, Illinois and two branch offices; one branch in Brussels, Illinois and one branch in Fieldon, Illinois. The three bank offices are located in middle-income census tracts. The bank did not open or close any branches, nor engage in any merger or acquisition activity since the previous evaluation.

The institution received an "Outstanding" rating at its previous FDIC Performance Evaluation, dated May 24, 2011, based on the Small Institutions CRA Examination Procedures. No legal or financial impediments exist which would prevent the financial institution from meeting the credit needs of its assessment area.

Operations

BCC is a full service community bank offering a full range of deposit and lending products and services. Loan product offerings including consumer, home mortgage, agricultural, and commercial loans, primarily focusing on consumer and home mortgage lending. BCC has a specialized loan program called a "Very Small Loan," or VSL. The program is specifically designed to address a large market demand and need for small dollar, short-term, mainly unsecured loans to qualified borrowers as an alternative to the more expensive, and sometimes predatory "payday" loan programs offered by personal finance companies.

The institution also provides a variety of deposit services including checking, savings, and certificates of deposits. All offices provide lobby and drive-up access to customers during the week and on Saturdays. In addition, 24-hour banking services are available through automated teller machines at the main office location. In addition, the bank offers online banking to access accounts held at the bank and external bill pay.

Ability and Capacity

Assets totaled approximately \$64 million as of June 30, 2017, and included total loans of \$34 million and securities totaling \$15 million. The loan portfolio is illustrated in the following table on the next page.

Table A - Loan Portfolio Distribution as of 6/30/2017

Loan Category	\$(000s)	%
Construction and Land Development	65	<1
Secured by Farmland	6,298	18
1-4 Family Residential	19,705	57
Multi-family (5 or more) Residential	430	1
Commercial Real Estate	4,449	13
Total Real Estate Loans	30,947	90
Commercial and Industrial	750	2
Agricultural	1,121	3
Consumer	1,657	5
Other	16	<1
Less: Unearned Income	0	0
Total Loans	34,491	100
<i>Source: Call Report</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires a financial institution to define its assessment area within which its CRA performance will be evaluated. BCC's designated assessment area is located within the St. Louis (MO-IL) Metropolitan Statistical Area (MSA), and consists of the 8 census tracts in Calhoun and Jersey Counties. The one census tract in Greene County is part of the Illinois non-metropolitan statistical (non-MSA); that is, it is not been designated as part of an MSA. The assessment area does not arbitrarily exclude any low- or moderate-income areas, and it meets regulatory requirements.

The bank's overall assessment area is mainly rural in nature. The primary non-farm industries in the assessment area are services, retail trade, and financial institutions (including insurance and real estate). Bank management stated that the largest employer in Calhoun County continues to be the local school district. However, the assessment area continues to struggle with providing employment for area residents. The assessment area remains mainly a bedroom community for St. Louis, Missouri and surrounding areas.

According to the Illinois Department of Employment Security, the non-seasonally adjusted unemployment rates of Calhoun, Jersey, and Green Counties as of July 2017 were 5.2, 5.0, and 5.4 percent, respectively. These rates were comparable to the non-seasonally adjusted rates of both Illinois at 4.9 percent and the National rate at 4.6 percent (seasonally adjusted rate for Illinois was 4.8 percent and the National rate was 4.3 percent). While the unemployment rate has been falling at the National, State and County levels, bank management indicated that employment continues to be unstable as there have not been many jobs originated and maintained in the assessment area. A community contact and bank management indicated that many bank residents have to go outside of the county to find work in the surrounding communities of Alton, Illinois and St. Louis, Missouri.

Economic and Demographic Data

The assessment area includes 9 middle-income census tracts according to the 2010 U.S. Census. There are no low-, moderate-, and upper-income census tracts in the assessment area. The following table includes select demographic characteristics of the assessment area.

Table B – Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	100.0	0.0	0.0
Population by Geography	30,208	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	13,480	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	8,957	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	2,450	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	2,073	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,273	0.0	0.0	100.0	0.0	0.0
Farms by Geography	174	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	8,152	21.6	18.9	24.4	35.1	0.0
Household Distribution by Income Level	11,407	23.2	16.4	20.7	39.7	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$66,798	Median Housing Value			\$113,861
Median Family Income Non-MSAs – IL		\$54,499	Median Gross Rent			\$555
			Families Below Poverty Level			6.5%
Source: 2010 U.S. Census and 2016 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 assessment area has 13,480 housing units, of which 66.4 percent are owner-occupied, 18.2 percent are occupied rental units, and 15.4 percent are vacant. The median housing value of \$113,861 is somewhat high compared to the median family incomes of \$66,798 in the St. Louis, MO-IL MSA and \$54,499 in the Non-MSA IL. This factor could present a significant challenge to financial institutions in making home mortgage loans to low- and moderate-income borrowers.

The analysis of small farm loans under the Borrower Profile criterion compares the distribution small farms by Gross Annual Revenue (GAR). According to D&B data, there were 174 farms in the assessment area. Of those, 98.85 percent report gross annual revenues (GAR) of less than \$1 million with the remaining 1.15 percent reporting GARs of \$1 million or more.

The 2010 U.S. Census median family income level is used to analyze home mortgage loans and consumer loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in Table C.

Table C – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2015 (\$72,200)	<\$36,100	\$36,100 to <\$57,760	\$57,760 to <\$86,640	≥\$86,640
2016 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
2017 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
Source: FFIEC Due to rounding, totals may not equal 100.0				

Competition

The assessment area is fairly competitive for financial services. According to the FDIC's Summary of Deposit data as of June 30, 2016, there were seven institutions with a total of twelve branches operating offices within the assessment area. BCC is tied for the highest percentage of deposit market share at 25 percent with \$66,216 in deposits.

Community Contact

To assist in the evaluation process, examiners performed a community contact with a representative of an organization within the assessment area. The community contact stated that there is a need for consumer loans, such as automobile loans. According to the contact, transportation is an obstacle for the community as the area is surrounded by the Illinois River which serves as a barrier to accessibility. The contact further stated that the closest full-service grocery store is located approximately 20 miles away and the closest hospital is located outside of Calhoun County. The contact also stated there is a need for home improvement loans based on the large percentage of elderly residents with needs, such as ramps to aid in accessibility.

Lastly, the contact stated that the area is primarily made up of low- and moderate-income families and households, which further supports the need for affordable housing. In addition, farming has become less of an industry in the community and more of a hobby to supplement primary income. As stated previously, most individuals need to go outside the county to find work in surrounding towns such as Alton, Illinois, and even further into St. Louis, Missouri.

Overall, the contact stated that local banks, including BCC, have been responsive to the credit needs of the community. The bank was also mentioned in that it is active within the community by sponsoring community events and by allowing organizations to set up bake sales utilizing bank property.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

BCC's lending reflects an excellent responsiveness in meeting assessment area credit needs. The outstanding performance under borrower profile primarily supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 54.75 percent over the past 25 quarters from June 30, 2011, to June 30, 2017. The ratio ranged from a low of 49.7 percent as of December 31, 2014, to a high of 60.1 percent as of June 30, 2017. The ratio remained generally stable during the evaluation period. BCC maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Table D - Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2017 \$(000s)	Average Net LTD Ratio (%)
Bank of Calhoun County	64,284	54.75%
Similarly-Situated Institution #1	60,689	49.50%
Similarly-Situated Institution #2	84,343	61.87%
Similarly-Situated Institution #3	80,294	79.37%
Similarly-Situated Institution #4	47,821	63.88%
Similarly Situated Institution #5	41,111	35.77%
<i>Source: Call Reports 6/30/2011 through 6/30/2017</i>		

Assessment Area Concentration

The bank made a substantial majority of consumer and small farm loans, by number and dollar amount, within its assessment area. A majority of home mortgage loans, by number and dollar amount, were originated within the assessment area. See the following table for a breakdown of loans originated inside and outside of the assessment area.

Table E - 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										
2015	34	85.0	6	15.0	40	4,214	92.9	321	7.1	4,535
2016	29	78.4	8	21.6	37	2,669	82.7	557	17.3	3,226
2Q2017	19	65.5	10	34.5	29	2,041	71.4	819	28.6	2,860
Subtotal	82	77.4	24	22.6	106	8,924	84.0	1,697	16.0	10,621
Consumer*										
2015	23	92.0	2	8.0	25	238	86.9	36	13.1	274
2016	28	90.3	3	9.7	31	248	94.7	14	5.3	262
2Q2017	29	93.5	2	6.5	31	226	92.6	18	7.4	244
Subtotal	80	92.0	7	8.0	87	712	91.3	68	8.7	780

Table E - 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		
	#	%	#	%		\$	%	\$	%	
Small Farm										
2015	14	100.0	0	0.0	14	1,659	100.0	0	0.0	1,659
2016	13	92.9	1	7.1	14	1,277	94.8	70	5.2	1,347
2Q2017	13	100.0	0	0.0	13	1,299	100.0	0	0.0	1,299
Subtotal	40	97.6	1	2.4	41	4,235	98.4	70	1.6	4,305
Source: Evaluation Period: 1/1/2015 - 6/30/2017 Due to rounding, totals may not equal 100.0 *indicates sampling.										

Borrower Profile

The distribution of loans to borrowers of different incomes reflects excellent performance. This conclusion is supported by the consumer lending and home mortgage lending which reflects excellent penetration loans among borrowers of different income levels. The bank's small farm lending reflects reasonable penetration among businesses of different sizes. As stated previously, home mortgage and consumer lending performance received greater weight in arriving at the overall CRA rating and criterion conclusion. Only loans inside the assessment area are included in the analyses.

Consumer Lending

The distribution of BCC's consumer lending reflects excellent performance. Table F reflects the bank's consumer lending during the review period. For consumer loans, the standard comparative demographic is the percentage of households as reported in 2010 U.S. Census data. Households are used as this is a better gauge of consumer lending opportunities (relative to families) because households are more likely to make use of consumer product financing, such as automobile loans, credit cards, and other types of unsecured credit.

The distribution of consumer loans reflects excellent penetration of loans to borrowers of different income levels. Consumer loans originated to low-income borrowers significantly exceeded the demographic in years 2015, 2016, and through June 30, 2017. This consumer lending trend continued with moderate-income borrowers. Consumer loans originated to moderate-income borrowers far exceeded the demographic for the year 2015 and through June 30, 2017, and was slightly below the demographics in 2016. Of the total number of consumer loans originated during the review period, approximately 66 percent were originated to low- and moderate-income borrowers.

The consumer loans include the VSL Program mentioned in the Description of the Institution. Management stated that there is a need in the community for short-term unsecured loans, especially used automobiles. This statement was also confirmed by the community contact as they stated transportation is a challenge for the area as the town is surrounded by the Illinois River and the closest full-service grocery store is located approximately 20 miles away.

Table F - Distribution of Consumer Loans by Borrower Income Level					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	23.2	10	43.5	91	38.3
2016	23.2	11	39.3	73	29.3
2Q2017	23.2	14	48.3	98	43.1
Moderate					
2015	16.4	5	21.8	65	27.4
2016	16.4	4	14.3	30	12.1
2Q2017	16.4	9	31.0	40	17.5
Middle					
2015	20.7	3	13.0	50	21.0
2016	20.7	2	7.1	21	8.4
2Q2017		1	3.4	12	5.3
Upper					
2015	39.7	3	13.0	10	41.9
2016	39.7	5	17.9	64	25.8
2Q2017	39.7	2	6.9	39	17.3
NA					
2015	-	2	8.7	22	9.0
2016	-	6	21.4	60	24.4
2Q2017	-	3	10.3	38	16.8
Total					
2015	100	23	100	238	100
2016	100	28	100	248	100
2Q2017	100	29	100	226	100
Source: 2010 U.S. Census, 2015, 2016, 2Q2017 Bank Records					

Instead of borrowers seeking out predatory lenders, the bank's VSL Program fulfills the need for affordable automobile loans. The VSL Program also allows the customer to build up their credit, establish a relationship with the bank, and receive a fair interest rate that is aligned with the FDIC's Small Dollar Loan Program standards. Overall, performance in consumer lending to low- and moderate- income borrowers is excellent as the bank is fulfilling a need of the community.

Home Mortgage Lending

The distribution of home mortgage loans reflects excellent penetration of loans to borrowers of different income levels (including low- and moderate-income). The table below shows the distribution of loans by borrower income level. In addition, the distribution of families in the assessment area by income level (demographic), and aggregate lending data is shown for comparison. The aggregate lending data represents a better comparison as it reflects the demand of borrowers seeking home mortgage financing. Aggregate data is not available for 2016 and 2017.

According to the U.S. Census Bureau data, 6.5 percent of families within the assessment area live below the poverty level. Families below poverty level may not be able to reasonably afford a mortgage payment, which represents a challenge in lending to this income segment.

BCC originated 2.9 percent of its loans to low-income borrowers in 2015. This performance is significantly below aggregate lending and demographic. Lending to low-income borrowers improved significantly in 2016 and through June 30, 2017 to exceed the demographic by volume of originations. BCC's performance to moderate-income borrowers at 20.6 percent was slightly higher than the aggregate and demographic in 2015. In 2016, BCC's performance to moderate-income borrowers trailed the demographic. However, BCC's performance to moderate-income borrowers exceeded the demographics through the second quarter of 2017. The following table shows the lending activity to borrowers of various income segments.

Table G – Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	21.6	13.7	1	2.9	62	1.5
2016	21.6	--	7	24.1	396	14.8
2Q2017	21.6	--	6	31.6	213	10.4
Moderate						
2015	18.9	19.3	7	20.6	634	15.0
2016	18.9	--	3	10.3	195	7.3
2Q2017	18.9	--	5	26.3	543	26.6
Middle						
2015	24.4	23.0	8	23.5	668	15.9
2016	24.4	--	6	20.7	536	20.1
2Q2017	24.4	--	4	21.1	455	22.3
Upper						
2015	35.1	28.9	18	52.9	2,850	67.6
2016	35.1	--	13	44.8	1,542	57.8
2Q2017	35.1	--	4	21.1	830	40.7
Not Available						
2015	0.0	15.2	0	0.0	0	0.0
2016	0.0	--	0	0.0	0	0.0
2Q2017	0.0	--	0	0.0	0	0.0
Totals						
2015	100.0	100.0	34	100.0	4,214	100.0
2016	100.0	--	29	100.0	2,669	100.0
2Q2017	100.0	--	19	100.0	2,041	100.0

Source: 2010 U.S. Census; 1/1/2015 - 6/30/2017 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Of the total home mortgage loans originated during the review period, approximately 35 percent were originated to low- and moderate-income borrowers. Overall, the bank's lending performance to low- and moderate-income borrowers is excellent when considering the demographic data indicates the lending to those borrowers is challenging due to the relatively high poverty level, as well as housing prices. Given the challenges, the bank has an excellent penetration of home mortgage loans to low- and moderate-income borrowers.

Small Farm Lending

BCC's small farm lending activities were evaluated based on loans extended during the evaluation period to businesses with gross annual revenues of \$1 million or less and loan amounts of \$500,000 or less. The distribution of small farm lending reflects reasonable penetration. Table H reflects the bank's small farm lending activities during the review period. Performance is measured against D&B business data of the assessment area.

Table H - Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Bank of Calhoun County AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2015	99.1	12	85.7	1,140	68.7
2016	98.9	9	69.2	696	54.5
2Q2017	--	10	76.9	1,038	79.9
>1,000,000					
2015	0.9	2	14.3	519	31.3
2016	1.1	4	30.8	581	45.5
2Q2017	--	3	23.1	261	20.1
Revenue Not Available					
2015	0.0	0	0.0	0	0.0
2016	0.0	0	0.0	0	0.0
2Q2017	--	0	0.0	0	0.0
Totals					
2015	100.0	14	100.0	1,659	100.0
2016	100.0	13	100.0	1,277	100.0
2Q2017	--	13	100.0	1,299	100.0
Source: 2015 & 2016 D&B Data; 1/1/2015 - 6/30/2017 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0					

Although performance lagged behind the demographic during the review period, the bank's performance is still reasonable. Two farm owners originated all of the bank's farm loans with GAR's greater than \$1 million in 2015 and through June 30, 2017. In 2016, the same two farmers with an additional farmer originated loans with GARs greater than \$1 million.

Accounting for the adjustment, the bank still lags behind the demographic in terms of origination volume and dollar amount. A community contact stated that farming has become less of an industry as more farmers have to supplement their farming with other work. The contact also stated that farmers have consolidated their farms or rent out their farms which can affect the demographic of GARs within the assessment area. Given the mitigating factors, performance is still considered reasonable.

Geographic Distribution

Bank of Calhoun County's assessment area does not include any low- or moderate-income census tracts. Therefore, an analysis of the bank's geographic distribution of lending would not be meaningful. Additionally, geographic performance will not affect the overall rating during this evaluation.

Response to Complaints

Bank of Calhoun County has not received any complaints regarding its performance in meeting the credit needs of its assessment area; therefore, the criterion did not affect the overall rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No violations of the substantive provisions of the anti-discriminatory laws and regulations or other illegal credit practices were identified during the evaluation.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase 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.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.