

# **PUBLIC DISCLOSURE**

December 5, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Grant County State Bank  
Certificate Number: 15687

102 N Washington St  
Swayzee, Indiana 46986

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. The Grant County State Bank's (GCSB) satisfactory Community Reinvestment Act (CRA) performance under the Small Bank Lending Test supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit (LTD) ratio is more than reasonable, given the institution's size, financial condition, and assessment area credit needs.
- A majority of home mortgage and small business loans are in the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

GCSB is a \$302 million bank headquartered in Swayzee, Indiana, and operates in east central Indiana within Grant County. The bank is owned by Grant County State Bancshares, Inc., a one-bank holding company, also headquartered in Swayzee. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated October 30, 2017, based on Interagency Small Institution Examination Procedures.

The bank operates three-full service offices in Grant County with the main office in Swayzee, and one branch each in Sweetser and Marion. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

GCSB offers a variety of banking products and services. Deposit products include business and personal checking, savings, and certificates of deposit, and individual retirement accounts. Lending products include home mortgage, commercial, agricultural, and consumer loans. Alternative banking services include automated teller machines, online banking, bill pay services, and a 24-hour automated telephone banking line. The bank primarily focuses on home mortgage and commercial lending, and this focus has not changed since the previous evaluation.

Assets totaled approximately \$302 million as of September 30, 2023, and included total loans of \$241 million. Deposits totaled \$222 million. The following table illustrates the bank's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 09/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	2,930	1.2
Secured by Farmland	15,708	6.5
Secured by 1-4 Family Residential Properties	103,442	43.0
Secured by Multifamily (5 or more) Residential Properties	8,740	3.6
Secured by Nonfarm Nonresidential Properties	29,696	12.3
<b>Total Real Estate Loans</b>	<b>160,516</b>	<b>66.6</b>
Commercial and Industrial Loans	45,360	18.8
Agricultural Production and Other Loans to Farmers	15,651	6.5
Consumer Loans	18,813	7.8
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	466	0.2
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
<b>Total Loans</b>	<b>240,806</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income; due to rounding totals may not equal 100 percent.</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. GCSB designated a single assessment area in Grant County, Indiana, which is not located in a metropolitan statistical area (MSA). The assessment area conforms to the CRA regulation requirements, as it includes the census tracts where the bank's offices are located, consists of contiguous whole geographies, and does not arbitrarily exclude any low- or moderate-income census tracts.

The bank amended the assessment area since the previous evaluation. At that time, the assessment area included the entirety of Grant County. At this evaluation, GCSB excluded census tracts 103, 107, and 108, located in the farthest eastern and southern borders of the county, distant from the bank's main office. The following sections discuss demographic and economic information for the assessment area.

### **Economic and Demographic Data**

The assessment area includes 13 census tracts in Grant County, Indiana. These tracts reflect the following designations according to the 2020 U.S. census:

- 2 low-income tracts,
- 5 moderate-income tracts,
- 4 middle-income tracts, and
- 2 upper-income tracts.

The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	13	15.4	38.5	30.8	15.4	0.0
Population by Geography	52,729	13.5	29.5	37.3	19.7	0.0
Housing Units by Geography	24,899	14.8	32.6	31.1	21.5	0.0
Owner-Occupied Units by Geography	14,680	12.8	28.1	32.2	26.9	0.0
Occupied Rental Units by Geography	7,123	18.3	38.5	28.9	14.3	0.0
Vacant Units by Geography	3,096	16.1	40.1	30.9	12.8	0.0
Businesses by Geography	4,192	12.8	31.9	33.7	21.6	0.0
Farms by Geography	236	2.5	16.1	49.2	32.2	0.0
Family Distribution by Income Level	13,995	27.2	20.0	18.1	34.8	0.0
Household Distribution by Income Level	21,803	29.3	19.1	17.6	34.0	0.0
Median Family Income Non-MSAs - IN		\$67,032	Median Housing Value			\$95,467
			Median Gross Rent			\$700
			Families Below Poverty Level			15.4%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data; due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 24,899 housing units in the assessment area. Of these, 59.0 percent are owner-occupied, 28.6 percent are occupied rental units, and 12.4 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner occupied housing units.

Examiners use the 2022 FFIEC updated median family income level to analyze home mortgage loans under the borrower profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>IN NA Median Family Income (99999)</b>				
2022 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<i>Source: FFIEC</i>				

According to 2022 D&B data, there were 4,192 businesses in the assessment area with the following gross annual revenue (GAR) levels:

- 85.0 percent have \$1 million or less,
- 4.0 percent have more than \$1 million, and
- 11.0 percent have unknown revenues.

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. Services represents the largest portion of businesses at 35.9 percent, followed by retail trade (11.9 percent); finance, insurance, and real estate (10.5 percent); and agriculture, forestry and fishing (5.3 percent). In addition, 59.9 percent of area businesses have four or fewer employees, and 88.9 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the October 2023 non-seasonally adjusted unemployment rate was 3.3 percent statewide. The unemployment rate for the same period within the assessment area was equivalent to the statewide rate.

### **Competition**

The assessment area is a highly competitive market for financial services. According to FDIC deposit market share data as of June 2023, 7 financial institutions operated 15 full-service offices within Grant County. Of these institutions, GCSB ranked second, with a 22.8 percent deposit market share.

The bank is not required and does not collect or report small business loan data; therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, this data can be useful in determining the level of demand for small business loans. The most recently available aggregate data as of 2021 shows 48 institutions originated 966 small business loans within the assessment area, indicating a high degree of competition for this product.

### **Community Contact**

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

Examiners contacted a housing organization in the assessment area. The contact stated that supporting business loan funds and affordable housing are opportunities for local banks. The contact also stated lending to small businesses provides job opportunities for residents. Local employment helps to retain the population base, reduce the number of commuters, and ensure needed services are available within the community. In addition, the contact stated local banks are highly involved in the community and provide essential services to meet the credit needs of local businesses, farms, and community members.

### **Credit Needs**

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that home mortgage lending and small business lending focused on multi-family construction projects and new business development represent the primary credit needs of the assessment area.

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the previous evaluation dated October 30, 2017 to the current evaluation dated December 5, 2023. Examiners used Interagency Small Bank Evaluation Procedures to analyze GCSB. These procedures include the CRA Small Bank Lending Test, as detailed in the Appendix.

GCSB does not have any affiliates; therefore, this evaluation does not include any lending activity performed by affiliates.

### **Activities Reviewed**

Based on the bank's business strategy, the number and dollar volume of loans originated during the evaluation period, and data from the September 30, 2023 Call Report, examiners determined that the bank's major product lines are home mortgage and small business loans. Examiners did not consider small farm loans or any additional loan types, as they did not represent a major product line and did not provide material support for conclusions or ratings.

Home mortgage loans contributed more weight to the overall conclusions as this loan product had the largest volume of loan originations by number and dollar volume. Small business loans are weighted second, as this product's originations (by number and dollar) represented a sizable origination volume for the time frame reviewed.

The bank is not subject to the Home Mortgage Disclosure Act and does not collect or report home mortgage loan data. Accordingly, examiners selected and reviewed a sample of loans originated or renewed during the period from January 1, 2022 through December 31, 2022 and considered this representative of the bank's performance during the entire evaluation period. In 2022, the bank originated 278 home mortgage loans totaling \$24.7 million, from which examiners reviewed a sample of 55 loans totaling \$4.2 million. Examiners used 2020 U.S. Census data to analyze home mortgage lending under the geographic distribution and borrower profile criteria.

GCSB is also not required to collect or report small business data pursuant to CRA, and has not elected to do so. As with home mortgage loans, examiners reviewed a sample of loans originated or renewed during the period from January 1, 2022, through December 31, 2022 and considered this representative of the bank's performance during the entire evaluation period. In 2022, the bank originated 127 loans totaling \$19.9 million, from which examiners reviewed a sample of 47 small business loans totaling \$5.8 million. Examiners used 2020 U.S. Census data and 2022 D&B data to analyze small business lending under the geographic distribution and borrower profile criteria.

Examiners analyzed and presented both the number and dollar volume of home mortgage and small business loans; however, examiners emphasized performance based on the number of loans, as this is a better indicator of the number of individuals and businesses served by the institution. In evaluating the geographic distribution and borrower profile criteria, examiners only evaluated loans within the assessment area.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

GCSB demonstrated reasonable performance under the Lending Test.

#### Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s LTD ratio, calculated from Call Report data, averaged 104.9 percent over the past 24 calendar quarters from December 31, 2017 to September 30, 2023. The ratio ranged from a low of 86.1 as of December 31, 2021, to a high of 111.7 as of December 31, 2022. It increased over the evaluation period from an average of 87.7 percent at the previous evaluation. Examiners selected two comparable institutions based on their asset size, geographic location, and lending focus. As shown in the following table, GCSB maintained a ratio higher than the two comparable institutions.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 09/30/2023 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Grant County State Bank</b>	<b>302,278</b>	<b>104.9</b>
Similarly-Situated Institution #1	339,228	94.9
Similarly-Situated Institution #2	395,835	80.2
<i>Source: Reports of Condition and Income 12/31/2017- 09/30/2023</i>		

#### Assessment Area Concentration

A majority of home mortgage and small business loans, by number and dollar volume, are in the institution’s assessment area. The following table illustrates the lending activity both inside and outside of the assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2022	35	63.6	20	36.4	55	2,379	57.1	1,785	42.9	4,164
Small Business										
2022	27	57.4	20	42.6	47	3,232	55.8	2,556	44.2	5,788
<b>Total</b>	<b>62</b>	<b>60.8</b>	<b>40</b>	<b>39.2</b>	<b>102</b>	<b>5,611</b>	<b>56.4</b>	<b>4,341</b>	<b>43.6</b>	<b>9,953</b>
<i>Source: Bank Data: 01/01/2022 – 12/31/2022</i>										



**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s performance of home mortgage and small business lending supports this conclusion.

***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area overall. In 2022, the bank originated 22.9 percent of home mortgage loans within low-income tracts, significantly exceeding the percentage of owner-occupied housing. The bank’s lending in moderate-income tracts was below the percentage of owner-occupied housing.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	12.8	8	22.9	406	17.1
Moderate	28.1	6	17.1	371	15.6
Middle	32.2	10	28.6	778	32.7
Upper	26.9	11	31.4	824	34.6
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>2,379</b>	<b>100.0</b>

*Source: 2020 U.S. Census, Bank Data; Due to rounding, totals may not equal 100.0%*

***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank’s performance is below the percentages of businesses in low- and moderate-income tracts. Examiners determined that the bank’s performance is reasonable because two of the bank’s three branches are located approximately ten miles from the low- and moderate-income tracts. As noted earlier, the assessment area has a highly competitive market for small business loans, and these areas are in closer proximity to the offices of competing lenders.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	12.8	2	7.4	139	4.3
Moderate	31.9	4	14.8	777	24.0
Middle	33.7	14	51.9	1,624	50.2
Upper	21.6	7	25.9	692	21.4
<b>Totals</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>3,232</b>	<b>100.0</b>

*Source: 2022 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%*

**Borrower Profile**

GCSB’s lending reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable performance in both home mortgage and small business lending supports this conclusion. Examiners focused on the percentages by number of loans to low- and moderate-income borrowers and businesses with GARs of \$1 million or less.

***Home Mortgage Loans***

GCSB’s home mortgage lending to borrowers of different income levels is reasonable overall. As shown in the following table, the bank’s lending to low-income borrowers is below the corresponding percentage of families. However, this category includes the 15.4 percent of assessment area families with incomes below the poverty level. These families likely face difficulty qualifying for and/or service debt in amounts necessary to afford homes in the assessment area. Examiners noted much stronger performance in lending to moderate-income borrowers, as the bank’s lending exceeds the percentage of moderate-income families in the assessment area.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	27.2	7	20.0	345	14.5
Moderate	20.0	10	28.6	805	33.8
Middle	18.1	7	20.0	470	19.8
Upper	34.8	11	31.4	759	31.9
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>2,379</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data; Due to rounding, totals may not equal 100.0%*

***Small Business Loans***

The distribution loans to businesses of different sizes is reasonable. As shown in the following table, the bank’s lending to businesses with GARs of \$1 million or less is slightly below the corresponding percentage of businesses. The bank’s performance is reasonable because this category includes the smallest businesses and start-up entities, which may not yet qualify for traditional bank financing and may seek alternative forms of credit, such as credit cards or home equity loans.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	85.0	21	77.8	2,143	66.3
>\$1,000,000	4.0	5	18.5	1,054	32.6
Revenue Not Available	11.0	1	3.7	35	1.1
<b>Total</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>3,232</b>	<b>100.0</b>

*Source: 2022 D&B Data; Bank Data.*

### **Response to Complaints**

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

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## 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 geographic distribution of the bank's loans;
- 4) 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; 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**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.