

# **PUBLIC DISCLOSURE**

April 22, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Twin City Bank  
Certificate Number: 35261

729 Vandercook Way  
Longview, Washington 98632

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

25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, California 94105

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 loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a majority of its small business loans in the AA.
- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of borrowers reflects poor penetration among businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the CRA rating.

## DESCRIPTION OF INSTITUTION

Twin City Bank (TCB) is headquartered in Longview, Washington, and operates in the southwestern portion of the state in Cowlitz County. TCB is owned by Twin City Bancorp, Inc., a one-bank holding company also located in Longview, Washington. The institution received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated February 5, 2018, based on Interagency Small Institution Examination Procedures.

TCB continues to operate one full-service branch in Longview, Washington, within its sole AA of Cowlitz County. Since the previous evaluation, the bank has not opened or closed any branches, and no mergers or acquisition activities occurred.

The bank is predominantly a commercial lender; however, it offers agriculture, consumer, and home mortgage loans on an accommodation and limited basis to its commercial customers. The institution provides a variety of deposit services including checking, money market, savings deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, and an automated teller machine (ATM).

The bank’s assets totaled approximately \$71.0 million as of March 31, 2024, which included total loans of \$47.2 million. The bank maintains no securities. The loan portfolio is illustrated in the following table.

<b>Loan Portfolio Distribution as of 3/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	3,363	7.1
Secured by 1-4 Family Residential Properties	9,015	19.1
Secured by Multi-Family (5 or more) Residential Properties	1,591	3.4
Secured by Non-farm Non-residential Properties	19,028	40.3
<b>Total Real Estate Loans</b>	<b>32,997</b>	<b>69.9</b>
Commercial and Industrial Loans	14,266	30.2
Consumer	11	0.0
Less: Unearned Income	(47)	(0.1)
<b>Total Loans</b>	<b>47,227</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

No legal, financial, or other impediments exist that would limit the bank’s ability to meet the credit needs of its AA.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. TCB designated a single AA that is comprised of the Longview, Washington Metropolitan Statistical Area (MSA), Number 31020. The Longview, Washington MSA consists of Cowlitz County. The following sections discuss demographic and economic information for the AA.

## **Economic and Demographic Data**

The AA changed slightly over the evaluation period with the 2020 U.S. Census, which resulted in revised census tract (CT) delineations and income designations. In 2021, based on the 2015 ACS, the AA consisted of 24 CTs: 4 low-income, 3 moderate-income, 12 middle-income, and 5 upper-income tracts. In 2022 and 2023, based on the 2020 U.S. Census, the AA consisted of 30 geographies. These geographies reflect the following income designations according to the 2020 U.S. Census:

- 2 low-income geographies (6.7 percent);
- 5 moderate-income geographies (16.7 percent);
- 14 middle-income geographies (46.7 percent);
- 8 upper-income geographies (26.7 percent); and
- 1 geography with no income designation (3.2 percent).

The AA includes no distressed or underserved middle-income geographies and does not include any designated Innovation Partnership Zones. However, the State of Washington designated Cowlitz County both as a High Unemployment County and a Rural County. Such designations provide local businesses with certain tax incentives for operating and headquartering in the county and help to attract new and retain existing businesses. Two CTs in Cowlitz County are designated Opportunity Zones, which provide incentives to invest in distressed areas and aim to spur economic growth and job creation in low-income communities. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Twin City Bank						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	6.7	16.7	46.7	26.7	3.3
Population by Geography	110,730	5.0	19.9	45.1	28.9	1.2
Housing Units by Geography	44,970	4.7	21.0	46.6	26.2	1.4
Owner-Occupied Units by Geography	27,982	2.6	15.0	49.8	32.1	0.5
Occupied Rental Units by Geography	14,372	8.8	33.5	39.5	15.2	3.0
Vacant Units by Geography	2,616	5.4	15.9	51.9	24.5	2.2
Businesses by Geography	9,286	5.8	13.8	51.5	25.8	3.1
Family Distribution by Income Level	28,007	19.5	18.1	22.5	39.9	0.0
Household Distribution by Income Level	42,354	24.7	15.9	18.3	41.1	0.0
Median Family Income MSA – #31020 Longview, WA MSA		\$72,234	Median Housing Value			\$235,088
			Median Gross Rent			\$862
			Families Below Poverty Level			8.8%
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data</i> <i>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>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenue level. Service industries represent the largest portion of businesses at 34.4 percent; followed by non-classified establishments at 19.7 percent; retail trade at 10.9 percent; construction at 9.6 percent; and finance, insurance, and real estate at 9.5 percent. In addition, 64.1 percent of the businesses in the AA have 4 or fewer employees and 91.9 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor and Statistics indicates that the February 2024 unemployment rate was 4.7 percent statewide and 7.1 percent in Cowlitz County. The unemployment rate in Cowlitz County spiked during the COVID-19 pandemic to a high of 16.7 percent in April 2020, and has declined since then to pre-pandemic levels.

### **Competition**

The AA is competitive in the market for financial services. According to the FDIC Deposit Market Share Data report as of June 30, 2023, a total of 12 financial institutions operated 14 full-service branches within the bank’s AA. Of these institutions, many are credit unions. A total of 5 credit unions maintains 5 branches in Cowlitz County, and account for a large majority (73.9 percent) of the deposit market share. TCB’s deposit market share is 1.9 percent, ranking 9th in the AA.

The bank is not required to collect or report its small business loan data and it has not elected to do so. Therefore, the analysis of the bank’s small business loans under the Lending Test does not

include a direct comparison against the 2022 aggregate data. Aggregate data is only included in the evaluation to show the level of demand for small business loans in the AA, where applicable. Aggregate data for 2022 reflects those 51 institutions reported 1,710 small business loans in the AA, indicating a moderate degree of competition for this product.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the AA 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.

Examiners contacted representatives of two different economic development organizations in the AA. Both contacts identified opportunities for small business start-up lending and equipment financing in Cowlitz County. One contact noted that financing needs were in the \$10,000 to \$50,000 range. Both contacts noted that many small businesses and startups may have difficulty obtaining financing because they are not yet credit worthy.

### **Credit Needs**

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need for the AA. Demand exists for small business loans, particularly those loans for start-up businesses, and opportunities exist in Cowlitz County for originating such loans. The significant percentage of businesses with revenues of \$1.0 million or less and the large number of businesses with 4 or fewer employees support this conclusion. Small business lending opportunities and demand exist throughout the AA.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated February 5, 2018, to the current evaluation date of April 22, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate TCB's CRA performance.

### **Activities Reviewed**

The bank's major product line is small business 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 home mortgage, small farm, and consumer lending is very limited. The bank originated 2 home mortgage loan totaling \$949,000, 2 multifamily residential real estate loans totaling \$712,000, no small farm loans, and 1 consumer loan totaling \$10,000 since the previous evaluation. While these loans were considered, they provided no material support for conclusions or ratings and are not presented. The following table depicts the bank's originations and purchases over the most recent calendar year by loan type.

<b>Loans Originated or Purchased (2023)</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	3,578	15.6	7	9.5
Commercial Real Estate	7,268	31.7	17	23.0
Commercial and Industrial	12,108	52.7	49	66.2
Consumer Purpose	10	0.0	1	1.3
<b>Gross Loans</b>	<b>22,964</b>	<b>100.0</b>	<b>74</b>	<b>100.0</b>
<i>Source: Bank records</i>				

The universe of all small business loans originated in 2022 and 2023 was selected for review. The bank's lending performance in the most recent two years is representative of the institution's performance during the entire evaluation period. The bank originated 25 small business loans totaling \$12.4 million in 2022 and 48 small business loans totaling \$11.0 million in 2023. D&B data for 2022 and 2023 provided a standard of comparison for the bank's small business loan originations.

For the Lending Test, both the number and dollar volume of small business loans were reviewed. While the number and dollar volume of loans are presented in the evaluation, emphasis was placed on performance by number of loans because the number of loans is a better indicator of the actual number of businesses served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

TCB demonstrated reasonable performance under the Lending Test. An excellent geographic distribution and reasonable level of lending mitigates a poor borrower profile performance.

### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 76.9 percent over the past 25 quarters from December 31, 2017, to December 31, 2023. The ratio ranged from a high of 103.1 percent as of January 31, 2018, to a low of 46.6 percent as of June 30, 2022. The ratio generally remained stable during the evaluation period. The bank maintained a ratio similar to the ratios of comparable institutions, as shown in the following table. Comparable institutions were selected based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
<b>Twin City Bank</b>	<b>71,879</b>	<b>76.9</b>
Similarly-Situated Institution #1	55,511	10.2
Similarly-Situated Institution #2	104,843	103.0
Similarly-Situated Institution #3	360,755	74.9
<i>Source: Reports of Condition and Income 12/31/2017 - 12/31/2023</i>		

### Assessment Area Concentration

The bank made a majority of its small business loans, by number and dollar volume, within its AA, as depicted in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business										
2022	14	66.0	11	44.0	25	8,512	68.4	3,930	31.6	12,442
2023	29	60.4	19	39.6	48	5,985	54.4	5,024	45.6	11,009
<b>Total</b>	<b>43</b>	<b>58.9</b>	<b>30</b>	<b>41.1</b>	<b>73</b>	<b>14,497</b>	<b>61.8</b>	<b>8,954</b>	<b>38.2</b>	<b>23,451</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										
<i>Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.</i>										

### Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the AA. The excellent performance of small business lending supports this conclusion, as depicted in the following table. Focus was given to the percentage of loans in low- and moderate-income (LMI) geographies by number.

#### *Small Business*

The percentage of the institution’s loans made in low-income geographies in 2022 was more than four times the percentage of businesses located in those geographies. Performance in moderate-income geographies in 2022 was similar, with the bank’s percentage of loans in those geographies was double the percentage of businesses located in moderate-income tracts. The bank’s 2023 distribution of small business loans in LMI geographies shows a decreasing trend, yet it is still generally excellent performance. Lending to businesses in low-income tracts slightly trailed the percentage of businesses in low-income geographies in 2023. However, the bank’s 2023 distribution of small business loans in moderate-income geographies exceeded the percentage of businesses in those geographies. Overall, given that TCB operates one branch with two loan

officers, the bank’s 2022 and 2023 distribution compares very favorably to the percentage of businesses located in LMI geographies.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Assessment Area: Twin City Bank</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2022	5.9	4	28.6	3,490	41.0
2023	5.8	1	3.4	1,000	16.7
<b>Moderate</b>					
2022	14.2	4	28.6	3,807	44.7
2023	13.8	5	17.2	2,007	33.5
<b>Middle</b>					
2022	51.3	5	35.7	1,090	12.8
2023	51.5	21	72.4	2,734	45.7
<b>Upper</b>					
2022	25.3	1	7.1	125	1.5
2023	25.8	2	6.9	244	4.1
<b>Not Available</b>					
2022	3.3	0	0.0	0	0.0
2023	3.1	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>8,512</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>5,985</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

## **Borrower Profile**

The distribution of borrowers reflects poor penetration among businesses of different revenue sizes in the AA. The bank’s poor performance of small business lending supports this conclusion. The review focused on the percentage by number of small business loans to businesses with gross annual revenues (GARs) of \$1.0 million or less.

### *Small Business*

The distribution of small business loans reflects poor penetration to businesses with revenues of \$1.0 million or less in 2022 and 2023, as reflected in the following table. In 2022, the performance is poor and significantly below the demographic data. In 2023, although the bank showed a modest increasing trend, the performance level is still significantly below demographic data. In 2023, a total of 3 borrowers with GARs of over \$1.0 million accounted for 16 loans; if these additional loans to

the same borrowers are subtracted out of the total then the bank’s percentage of lending to businesses of GARs of \$1.0 million or less is 18.75 percent. The bank’s 2023 performance still reflects poor performance.

As discussed earlier, there are many credit unions who operate in the AA. Therefore, the bank’s poor performance has been impacted by competition from these credit unions for the AA’s small business loans.

Although the 2022 and 2023 D&B data shows that 88.2 percent and 88.6 percent, respectively, of the AA’s businesses report revenues of \$1.0 million or less, actual lending opportunities in this market segment are significantly lower. Also, the D&B data only represents the percentage of businesses operating in the AA and not necessarily the creditworthiness of businesses with actual credit needs. Smaller businesses tend to use credit cards or home equity financing to finance their loan needs and are less likely to seek a small business loan from a local institution.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Twin City Bank</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2022	88.2	1	7.1	625	7.3
2023	88.6	3	10.3	1,115	18.6
<b>&gt;\$1,000,000</b>					
2022	3.5	13	92.9	7,887	92.7
2023	3.3	26	89.7	4,870	81.4
<b>Revenue Not Available</b>					
2022	8.3	0	0.0	0	0.0
2023	8.1	0	0.0	0	0.0
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>8,512</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>5,985</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

As mentioned earlier, small business lending performance is not compared to aggregate data as the bank is not a reporter; however, aggregate lending by other institutions in the AA in 2022 was reviewed to determine the demand for loans of small businesses with revenues of \$1.0 million or less. The 2022 aggregate data revealed that 49.1 percent of loans were made to businesses with GARs revenues of \$1.0 million or less. Although the data is from 2022, aggregate data does not typically vary much from year-to-year, and 2023 aggregate data was not available at the time of this evaluation.

The bank's poor distribution is slightly mitigated by the bank's willingness to make smaller dollar volume loans. For example, 3 of the 14 small business loans made in 2022 were in amounts of \$100,000 or less (21.4 percent), and 5 of the 14 small business loans made in 2022 were in amounts of \$250,000 or less (35.7 percent). In 2023, 16 of the 29 small business loans were in amounts of \$100,000 or less (55.2 percent), while 23 of the 29 loans were in amounts of \$250,000 or less (79.3 percent). These figures reflect the bank's willingness to make loans to businesses requiring smaller dollar credit in its AA.

### **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.

## **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 Equal Credit Opportunity Act and the Fair Housing Act. Examiners did not identify any evidence of 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.