

PUBLIC DISCLOSURE

August 2, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

State Street Bank and Trust Company
Certificate Number: 14857

801 State Street
Quincy, Illinois 62301

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.

State Street Bank and Trust Company's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following factors support the institution's rating:

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

DESCRIPTION OF INSTITUTION

State Street Bank and Trust Company (SSB) is a \$283.2 million bank headquartered in Quincy, Adams County, Illinois. Quincy (population 40,280) is located centrally along the western border of Illinois, on the Mississippi River. It is located approximately 311 miles southwest of Chicago, Illinois and 129 miles north of Saint Louis, Missouri. The bank has two other full-service facilities in Quincy and operates a branch facility in nearby Payson, Illinois (population 1,107). Payson is located approximately 14 miles southeast of Quincy in Adams County. SSB is owned by Backlund Investment Company, a three-bank holding company headquartered in Peoria, Illinois. The bank's main office is located in a moderate-income census tract and the remaining branches are located in middle-income census tracts. No branches have been open or closed since the last evaluation. Automated teller machines (ATMs) are located at each facility. SSB is not required to report residential real estate loans for Home Mortgage Disclosure Act (HMDA) purposes due to its location in an Illinois Non-Metropolitan Statistical Area (Non-MSA).

SSB offers a variety of products and services to meet the credit and deposit needs of the local area it serves. Home mortgage and consumer lending, particularly automobile lending, remains the primary focus of the institution. Consumer residential lending products offered include home purchase, refinance, and home improvement loans. The bank originates long-term, fixed-rate

mortgage loans through the Federal Home Loan Bank's (FHLB) Mortgage Partnership Finance program. Agriculture and commercial lending products are offered by the bank but are not primary business focuses for the bank. The institution offers a variety of deposit services including checking, savings, and certificates of deposit accounts. The bank also offers investment advisory and trust services. Alternative banking services include internet and mobile banking, electronic bill pay, ATMs, and debit cards.

As of June 30, 2021, the bank's total assets were \$283.2 million, total loans were \$194.8 million, and total deposits were \$256.7 million. Total assets and total loans have grown 26 percent and 24 percent, respectively, since the previous CRA evaluation in 2015. During the same time period, deposits also increased by 27 percent. The table below depicts the loan portfolio as of June 30, 2021.

| Loan Portfolio Distribution as of 6/30/2021 | | |
|---|-----------------|-------------|
| Loan Category | \$(000s) | % |
| Construction and Land Development | 4,982 | 2.6 |
| Secured by Farmland | 24,073 | 12.4 |
| Secured by 1-4 Family Residential Properties | 66,780 | 34.3 |
| Secured by Multifamily (5 or more) Residential Properties | 2,712 | 1.4 |
| Secured by Nonfarm Nonresidential Properties | 14,171 | 7.3 |
| Total Real Estate Loans | 112,718 | 58.0 |
| Agricultural Loans | 3,958 | 2.0 |
| Commercial and Industrial Loans | 13,351 | 6.9 |
| Consumer Loans | 64,572 | 33.2 |
| Other Loans | 170 | 0.1 |
| Total Loans | 194,769 | 100 |
| <i>Source: Reports of Condition and Income</i> | | |

SSB has no financial or legal impediments that would inhibit its ability to meet the credit needs of its established assessment area. The bank was assigned a CRA rating of "Satisfactory" at its prior CRA evaluation dated June 1, 2015, when the FDIC used Small Bank Examination Procedures to assess the bank's performance.

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. SSB has designated one assessment area consisting of all 18 census tracts in Adams County, which is located in a Non-MSA. The assessment area is in conformance with CRA requirements and does not arbitrarily exclude low- or moderate-income geographies.

The Department of Housing and Urban Development categorizes individual census tracts in Adams County as low-, moderate-, middle-, or upper-income based upon the individual geography's median family income as a percentage of the Illinois Non-Metropolitan Statistical Area. Based on information

from the 2015 American Community Survey (ACS), the bank's assessment area was designated with five moderate-, ten middle-, and three upper-income census tracts. This is a change from the previous evaluation when the assessment area had one low-, four moderate-, nine middle-, and four upper-income census tracts. None of the tracts in the assessment area are categorized as distressed or underserved by the FFIEC.

Economic and Demographic Data

Quincy, Illinois (population 39,463), the county seat and largest municipality in Adams County, serves as a regional hub of employment, services, and medical care that serves west-central Illinois, northeastern Missouri, and southeastern Iowa. Employment opportunities in the area are centered in services, retail-related fields, and agriculture. According to the June 2021 unemployment numbers issued by the Illinois Department of Employment Security, the unemployment rate for Adams County was 4.1 percent, below the State of Illinois rate (7.9 percent) and the national rate (6.1 percent) for the same period. The unemployment rate has appeared to recover faster in the county than in the state since the COVID-19 pandemic hit and is consistent with the national and state averages pre-pandemic.

The bank's assessment area is primarily rural in nature. The table below illustrates select demographic characteristics of the assessment area.

| Demographic Information of the Assessment Area | | | | | | |
|--|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: State Street Quincy AA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 18 | 0.0 | 27.8 | 55.6 | 16.7 | 0.0 |
| Population by Geography | 67,081 | 0.0 | 18.8 | 62.2 | 19.0 | 0.0 |
| Housing Units by Geography | 29,976 | 0.0 | 21.1 | 60.3 | 18.6 | 0.0 |
| Owner-Occupied Units by Geography | 19,005 | 0.0 | 11.8 | 67.8 | 20.4 | 0.0 |
| Occupied Rental Units by Geography | 7,878 | 0.0 | 38.2 | 46.8 | 15.0 | 0.0 |
| Vacant Units by Geography | 3,093 | 0.0 | 34.4 | 48.6 | 16.9 | 0.0 |
| Businesses by Geography | 4,224 | 0.0 | 25.0 | 55.1 | 19.9 | 0.0 |
| Farms by Geography | 398 | 0.0 | 2.3 | 81.2 | 16.6 | 0.0 |
| Family Distribution by Income Level | 17,272 | 18.9 | 18.4 | 22.3 | 40.4 | 0.0 |
| Household Distribution by Income Level | 26,883 | 23.6 | 16.8 | 18.5 | 41.1 | 0.0 |
| Median Family Income Non-MSAs - IL | | \$59,323 | Median Housing Value | | | \$111,495 |
| | | | Median Gross Rent | | | \$593 |
| | | | Families Below Poverty Level | | | 10.3% |
| Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification. | | | | | | |

The 2020 FFIEC-updated Median Family Income level is used to analyze home mortgage and consumer loans under the Borrower Profile criterion. The table below contains information on the median family incomes by category.

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

Competition

The assessment area is moderately competitive in the market for financial services. The FDIC Summary of Deposits data as of June 30, 2020, reflects 36 offices of 13 financial institutions operating within the assessment area. SSB ranked 3rd with 12.4 percent of the market share.

Community Contact

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

Examiners reviewed a recent community contact that was performed within the last 12 months in Adams County. The contact works for an organization focused on maintaining the vitality of the community. The contact indicated that the area has been fairly stable, though the COVID-19 pandemic had an impact on small businesses. The contact stated that new businesses have entered the area helping with unemployment figures. The contact indicated that the supply of apartments is good but new construction of affordable housing has been limited. The contact did not indicate any unmet credit needs in Adams County.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business loans represent the primary credit needs of the assessment area. While the bank is willing to make small business loans to qualified applicants, the bank has chosen to focus on home mortgage and consumer loans. The counties surrounding Adams County struggle more economically than Adams County. It is important to maintain the stability of Quincy as a place to live and work, thus making the availability of residential and consumer loans vital, which the bank actively pursues.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from SSB's prior performance evaluation dated June 1, 2015 to the current evaluation dated August 2, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures focus on the bank's lending under the Lending Test. No affiliate activity was considered in the evaluation.

Activities Reviewed

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

Examiners evaluated the bank's performance using home mortgage and consumer automobile loan data from January 1, 2020 to December 31, 2020. The bank's record of originating residential real estate loans and consumer loans contributed equal weight to the overall conclusions. Both products represent a product focus for the bank, and while the dollar volume of residential real estate loans exceeds consumer lending, the number of consumer originations greatly exceeds the number of residential loan originations. Small business and small farm loans were not considered in the evaluation as such loans are not a product focus.

For this evaluation, examiners reviewed the universe of 2020 loan originations for each loan type. While all loans are reviewed for the Assessment Area Concentration criterion, only those inside the assessment area were analyzed for the geographic and borrower distributions. All assessment area loans were considered for the Geographic Distribution analysis, and examiners reviewed a sample of home mortgage and consumer automobile loans for the Borrower Profile portion of this review. This sample is indicative of the bank's overall lending performance.

As of the June 30, 2021 Call Report, residential home mortgage loans represented the largest portion of the bank's loan portfolio by dollar volume at 34.3 percent. For this evaluation, examiners reviewed all 548 home mortgage loans originated in 2020 totaling approximately \$77.5 million. For the Borrower Profile analysis, examiners reviewed a sample of 63 home mortgage loans totaling \$8.9 million.

As of the June 30, 2021 Call Report, consumer automobile loans represented the second largest portion of the bank's loan portfolio by dollar volume at 24.3 percent. For this evaluation, examiners reviewed all 894 consumer automobile loans originated in 2020 totaling approximately \$15.4 million. For the Borrower Profile analysis, examiners reviewed a sample of 63 consumer automobile loans totaling \$1.1 million.

The 2015 ACS data provides a standard of comparison for the bank's home mortgage and consumer automobile lending.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SSB demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria primarily support this conclusion.

Loan-to-Deposit Ratio

SSB's average net LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's most recent LTD ratio as of June 30, 2021, was 75.1 percent. The average net LTD ratio was 77.3 percent over the past 25 quarters from June 30, 2015 to June 30, 2021, ranging from a low of 68.2 percent as of June 30, 2015 to a high of 84.9 percent as of June 30, 2019. Both loans and deposits have grown throughout the review period.

Examiners compared SSB's LTD ratio to three similarly situated banks. Examiners selected these comparator banks based on asset size, geographic location, and lending focus. SSB's average net LTD ratio falls within range of similarly situated banks, supporting reasonable performance.

| Loan-to-Deposit Ratio Comparison | | |
|---|---|---------------------------------|
| Bank | Total Assets as of June 30, 2021 (\$000s) | Average Net LTD Ratio (%) |
| State Street Bank and Trust Company | 283,219 | 77.3 |
| Similarly-Situated Institution #1 | 180,019 | 102.4 |
| Similarly-Situated Institution #2 | 121,721 | 75.3 |
| Similarly-Situated Institution #3 | 222,770 | 78.7 |
| Source: Reports of Condition and Income 06/30/2015 through 06/30/2021 | | |

Assessment Area Concentration

The bank made a majority of home mortgage and consumer automobile loans, by number and dollar volume, within its assessment area. The following table shows the bank's concentration of loans inside and outside the assessment area.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|------|---------|------|----------------|---------------------------------|------|---------|------|-----------------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | 536 | 97.8 | 12 | 2.2 | 548 | 74,054 | 95.5 | 3,492 | 4.5 | 77,546 |
| Consumer (Auto) | 735 | 82.2 | 159 | 17.8 | 894 | 12,551 | 81.6 | 2,826 | 18.4 | 15,377 |
| Total | 1,271 | 88.1 | 171 | 11.9 | 1,442 | 86,605 | 93.2 | 6,318 | 6.8 | 92,923 |
| Source: Bank Data Due to rounding, totals may not equal 100.0% | | | | | | | | | | |

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's assessment area does not contain any low-income census tracts but includes five moderate-income census tracts. The bank's performance of consumer automobile lending primarily supports this conclusion. Examiners focused on the percentage by number of loans in the moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area for the moderate-income census tracts. The bank's level of lending at 5.0 percent is considerably less than the demographics of the area at 11.8 percent. However, 31.8 percent of families living in these moderate-income tracts are below the poverty level. These families are often not able to qualify for home mortgage loans. Additionally, there is a good level of competition for home mortgage loans as there are 13 financial institutions operating 36 offices in Adams County. The following table shows the bank's lending performance.

| Geographic Distribution of Home Mortgage Loans | | | | | |
|---|-----------------------------------|------------|--------------|---------------|--------------|
| Assessment Area: State Street Quincy AA | | | | | |
| Tract Income Level | % of Owner-Occupied Housing Units | # | % | \$(000s) | % |
| Moderate | | | | | |
| 2020 | 11.8 | 27 | 5.0 | 2,492 | 3.4 |
| Middle | | | | | |
| 2020 | 67.8 | 383 | 71.5 | 51,945 | 70.1 |
| Upper | | | | | |
| 2020 | 20.4 | 126 | 23.5 | 19,617 | 26.5 |
| Totals | | | | | |
| 2020 | 100.0 | 536 | 100.0 | 74,054 | 100.0 |
| Source: 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | |

Consumer loans

The geographic distribution of consumer automobile loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's performance to the percent of households in the assessment area by the income level of tracts. The bank's lending in the moderate-income census tracts at 15.0 percent compares reasonably to the demographics of 19.5 percent. Though performance trails the demographic, census records indicate that 31.8 percent of households in these tracts are below the poverty level, and the same percentage have rental costs that account for over 30 percent of household income. These statistics indicate difficulty on the part of those residents to qualify for consumer loans. Therefore, the bank's level of lending is considered reasonable overall.

| Geographic Distribution of Consumer Loans | | | | | |
|---|------------------------|----------|----------|-----------------|----------|
| Assessment Area: State Street Quincy AA | | | | | |
| Tract Income Level | % of Households | # | % | \$(000s) | % |
| Moderate | | | | | |
| 2020 | 19.5 | 110 | 15.0 | 1,703 | 13.6 |
| Middle | | | | | |
| 2020 | 61.7 | 486 | 66.1 | 8,287 | 66.0 |
| Upper | | | | | |
| 2020 | 18.8 | 139 | 18.9 | 2,562 | 20.4 |
| Totals | | | | | |
| 2020 | 100.0 | 735 | 100.0 | 12,552 | 100.0 |
| <i>Source: 2015 ACS; Bank Data.</i> | | | | | |
| <i>Due to rounding, totals may not equal 100.0%</i> | | | | | |

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. The bank's performance in home mortgage and consumer automobile loans supports this conclusion. Examiners focused on the number of home mortgage and consumer automobile loans to low- and moderate-income borrowers because it is a better indicator for the number of individuals served.

Home Mortgage Loans

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

Lending to low-income borrowers trailed the percentage of low-income families residing in the area. However, to some degree, this disparity can be attributed to the level of families below the poverty level (at 10.3 percent). These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints, which results in reduced home mortgage lending opportunities. When adjusting the demographic figure for those families, the bank's performance compares more reasonably to the 8.6 percent of low-income families with

incomes above the poverty level. Home mortgage lending to moderate-income borrowers at 14.3 percent is reasonable when compared to assessment area demographics at 18.4 percent of moderate-income families. The following table shows the bank's lending to borrowers of varying income levels.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | |
|--|---------------|----|-------|----------|-------|
| Assessment Area: State Street Quincy AA | | | | | |
| Borrower Income Level | % of Families | # | % | \$(000s) | % |
| Low | | | | | |
| 2020 | 18.9 | 5 | 7.9 | 335 | 3.8 |
| Moderate | | | | | |
| 2020 | 18.4 | 9 | 14.3 | 810 | 9.1 |
| Middle | | | | | |
| 2020 | 22.3 | 6 | 9.5 | 415 | 4.7 |
| Upper | | | | | |
| 2020 | 40.4 | 43 | 68.3 | 7,326 | 82.4 |
| Totals | | | | | |
| 2020 | 100.0 | 63 | 100.0 | 8,886 | 100.0 |
| Source: 2015 ACS; Bank Data, "-" data not available. Due to rounding, totals may not equal 100.0% | | | | | |

Consumer Loans

The distribution of consumer loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. The bank's level of lending to moderate-income borrowers supports this conclusion. Examiners focused on the comparison to demographic data for the assessment area.

Borrower income level is determined based on borrowers' income as a percentage of the median family income of the assessment area, and the bank's lending performance is compared to the percentage of households (demographic) in each income level.

Low-income lending at 22.2 percent compared to 23.6 percent of households in the assessment area is reasonable. Consumer automobile lending to moderate-income borrowers at 30.2 percent significantly exceeds the assessment area demographics at 16.8 percent of moderate-income families and is excellent. The following table shows the bank's lending to borrowers of varying income levels.

| Distribution of Consumer Loans by Borrower Income Level | | | | | |
|--|-----------------|----|-------|----------|-------|
| Assessment Area: State Street Quincy AA | | | | | |
| Borrower Income Level | % of Households | # | % | \$(000s) | % |
| Low | | | | | |
| 2020 | 23.6 | 14 | 22.2 | 181 | 16.3 |
| Moderate | | | | | |
| 2020 | 16.8 | 19 | 30.2 | 281 | 25.3 |
| Middle | | | | | |
| 2020 | 18.5 | 9 | 14.3 | 135 | 12.1 |
| Upper | | | | | |
| 2020 | 41.1 | 21 | 33.3 | 515 | 46.3 |
| Totals | | | | | |
| 2020 | 100.0 | 63 | 100.0 | 1,112 | 100.0 |
| Source: 2015 ACS; Bank Data. Due to rounding, totals may not equal 100.0% | | | | | |

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The 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.