

# **PUBLIC DISCLOSURE**

October 23, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Citizens Bank Company  
Certificate Number: 10266

501 5th Street  
Beverly, Ohio 45715

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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The Citizens Bank Company (Citizens) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's performance under the Interagency Small Institution Examination Procedures.

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

## DESCRIPTION OF INSTITUTION

Citizens is a full-service community bank headquartered in Beverly, Ohio, and operates in the southeastern part of Ohio in Washington County. Citizens is owned by Muskingum Valley Bancshares, Inc., a one-bank holding company also located in Beverly, Ohio. Citizens received a Satisfactory rating at its previous FDIC CRA Performance Evaluation, dated February 12, 2018, using Interagency Small Bank Examination Procedures.

Citizens operates five full-service branches within its AA. The main office is located in a moderate-income census tract in Beverly, Ohio. The remaining four branches are located in Barlow, Belpre, Little Hocking, and Marietta, Ohio. The branches in Barlow and Marietta are located in moderate-income census tracts, the Belpre office is located in a middle-income census tract, and the Little Hocking office is located in an upper-income census tract. The bank did not open or close any branches, and was not involved in any merger activity since the previous evaluation.

Citizens offers a range of credit, deposit, and other financial products to meet the needs of its customers. Deposit products include a variety of consumer checking, savings, certificates of deposit, and individual retirement accounts. Alternative deposit products include telephone, online and mobile banking, electronic statements, and electronic bill pay. Each branch location includes a drive-up automated teller machine (ATM). In addition, the bank operates five remote ATMs within the AA, and one ATM in Meigs County. Credit products include commercial, home mortgages, agricultural, consumer loans, and credit cards, primarily focusing on residential lending.

On March 27, 2020, lawmakers signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and authorized the Small Business Administration (SBA) to guarantee \$349.0 billion in loans under a new Paycheck Protection Program (PPP). The intent of the CARES Act was for

SBA to provide relief to America's small businesses expeditiously by giving all lenders delegated authority and streamlining the requirements of the 7(a) loan program. In addition, the PPP and Health Care Enhancement Act became law on April 24, 2020, and authorized an additional \$310.0 billion for guarantees of PPP loans. In 2020 and 2021, Citizens originated 302 PPP loans totaling \$25.7 million. The Lending Test does not include PPP loans as examiners only reviewed loans originated in 2022. However, Citizens PPP lending demonstrates the bank's willingness to meet the credit needs of its community by moving quickly to provide small businesses relief during the COVID-19 pandemic.

As reported in the September 30, 2023, Consolidated Reports of Condition and Income (Call Report), bank assets totaled approximately \$303.6 million, deposits totaled \$266.7 million, and securities totaled \$93.2 million. The following table provides a breakdown of the bank's loan portfolio.

Loan Portfolio Distribution as of September 30, 2023		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	20,663	11.0
Secured by Farmland	1,178	0.6
Secured by 1-4 Family Residential Properties	91,860	49.1
Secured by Multifamily (5 or more) Residential Properties	6,640	3.6
Secured by Nonfarm Nonresidential Properties	44,994	24.1
<b>Total Real Estate Loans</b>	<b>165,335</b>	<b>88.4</b>
Commercial and Industrial Loans	15,766	8.4
Agricultural Production and Other Loans to Farmers	1,142	0.6
Consumer Loans	4,685	2.5
Obligations of State and Political Subdivisions in the U.S.	190	0.1
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>187,118</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of the AA.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its performance. Citizens designated a single AA, which includes all of Washington County, Ohio. The AA does not arbitrarily exclude any low- or moderate-income census tracts.

### **Economic and Demographic Data**

Based on the 2020 U.S. Census data, the institution's AA consists of 18 census tracts with the following income designations: no low-, 3 moderate, 13 middle, and 2 upper-income census tracts.

The AA does not contain designated distressed or underserved census tracts. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	16.7	72.2	11.1	0.0
Population by Geography	59,771	0.0	21.7	66.0	12.2	0.0
Housing Units by Geography	28,247	0.0	20.6	68.0	11.4	0.0
Owner-Occupied Units by Geography	18,289	0.0	20.0	66.6	13.4	0.0
Occupied Rental Units by Geography	6,514	0.0	20.0	73.8	6.2	0.0
Vacant Units by Geography	3,444	0.0	25.2	64.1	10.7	0.0
Businesses by Geography	5,313	0.0	24.2	65.0	10.8	0.0
Farms by Geography	260	0.0	27.3	60.8	11.9	0.0
Family Distribution by Income Level	16,125	20.6	19.4	22.3	37.8	0.0
Household Distribution by Income Level	24,803	25.0	16.9	17.9	40.2	0.0
Median Family Income Non-MSA OH	\$66,684	Median Housing Value			\$138,433	
		Median Gross Rent			\$694	
		Families Below Poverty Level			11.0%	

Source: 2020 U.S. Census Data; 2022 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 Geographic Distribution criterion compares the bank's home mortgage lending to the distribution of owner-occupied housing units in the AA. According to the 2020 U.S. Census data, the AA contains 28,247 housing units, of which 64.7 percent are owner-occupied, 23.1 percent are rental units, and 12.2 are vacant, representing a limited supply of owner-occupied housing.

Examiners used the FFIEC-updated median family estimate to analyze home mortgage lending under the Borrower Profile criterion. The following table outlines the income ranges for the AA during the evaluation period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880

Source: FFIEC

The Geographic Distribution criterion compares the bank's small business lending to the distribution of businesses in the AA, and the Borrower Profile compares the distribution of lending by the borrower's gross annual revenue (GAR). According to the 2022 D&B data, there were 5,313 small businesses in the AA. Approximately 84.0 percent of the businesses had GARs of \$1.0 million or less, 4.7 percent had GARs over \$1.0 million, and 11.3 percent had unknown revenues. Of these businesses, 88.7 percent operate from a single location and 61.1 percent have four or fewer employees, indicating increased opportunity to lend to small businesses.

The Services industry represents the largest portion of businesses at 34.9 percent, followed by Non-Classifiable Establishments at 20.9 percent, and Retail Trade at 10.7 percent. Major employers in the AA include Memorial Health Systems, Pioneer Group, Thermo Fisher Scientific, and Kraton Polymers.

Examiners considered unemployment data when evaluating Citizens ability to lend within the AA. Data obtained from the U.S. Bureau of Labor Statistics, indicates the AA unemployment rates generally trended higher than the state and national levels. The higher unemployment rates in 2020 and 2021 were due to the COVID-19 pandemic. The decreasing unemployment rates indicates an adequate labor market within the AA.

Area	Unemployment Rates					
	2018 %	2019 %	2020 %	2021 %	2022 %	August 2023 %
Washington County	5.6	5.4	8.6	5.6	4.7	4.3
State	4.5	4.2	8.2	5.1	4.0	3.5
National Average	3.9	3.7	8.1	5.3	3.6	3.6

*Source: Bureau of Labor Statistics*

### **Competition**

There is a high level of competition for financial services in the AA. According to the FDIC Deposit Market Share data as of June 30, 2023, 10 institutions operate 26 full-service offices in the AA. Among the institutions, Citizens ranked third with 11.8 percent of the deposit market share. The top two institutions include one large regional bank and one large national bank, and accounted for 70.3 percent of the total deposit market share within the AA.

Although Citizens is not required to report under Home Mortgage Disclosure Act (HMDA), aggregate HMDA data identified a high level of competition for home mortgage loans within the AA as well. According to the 2022 aggregate data, 170 lenders originated or purchased 1,957 home mortgage loans throughout the AA. The top three lenders accounted for 33.4 percent of the market share.

There is also a high level of competition in the AA for small business loans. Although Citizens is not required to report data about its small business lending, aggregate data is useful in determining the level of competition for such loans. In 2021, the most recent year of aggregate data available, 50 lenders originated or purchased 946 small business loans throughout the AA. The top three lenders accounted for 45.3 percent of the market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit needs and opportunities, as well as the institution's responsiveness to these. Examiners conducted a community contact with a quasi-governmental agency that works with the city and county governments within the AA and surrounding counties, to provide economic development, and other services. The contact indicated the primary credit needs in the AA are affordable housing and small business loans and that housing inventory is low and contains aging

homes. Due to this, the contact stated some low- and moderate-income residents have relocated across the Ohio River to West Virginia where affordable housing is more abundant. The contact also stated the area is in need for lending and grant programs designed to assist residents in updating older homes. In addition, the contact indicated a need for small business acquisition lending.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgages, specifically affordable housing efforts, and small business loans represent the primary needs of the AA.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation, dated February 12, 2018, to the current evaluation date of October 23, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate the institution's performance.

### **Activities Reviewed**

Based on the September 30, 2023, Call Report data, the bank's major product lines are home mortgage and small business loans. Examiners considered the bank's business strategy, loan portfolio composition, and number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm or consumer lending represent a major product line; therefore, examiners did not analyze these products as they do not provide material support for the conclusions or ratings. Examiners weighted home mortgage loans greater than small business loans when drawing overall conclusions considering the number of loans originated during the evaluation period.

Since Citizens is not required to report home mortgage loans under HMDA, examiners used bank records to analyze the universe of home mortgage loans originated in 2022. In 2022, Citizens originated 145 home mortgage loans totaling \$30.5 million. Examiners sampled 47 home mortgage loans totaling \$10.8 million. Examiners used 2020 U.S. Census data as a standard of comparison for home mortgage loans. Examiners confirmed home mortgage lending is representative of the bank's home mortgage lending throughout the evaluation period.

Examiners used bank records to identify the universe of small business loans originated from January 1, 2022, through December 31, 2022. In 2022, the bank originated 62 small business loans totaling \$12.2 million. Examiners sampled 36 small business loans totaling \$7.6 million.

Examiners used 2022 D&B data as a standard of comparison for small business loans. Examiners confirmed small business lending is representative of the small business lending throughout the evaluation period.

For the Lending Test, examiners analyzed and presented both the number and dollar volume of home mortgage and small business loans. However, examiners emphasized performance relative to the number of loans, as this is better indicator of the number of individuals and small businesses served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners only evaluated loans extended within the AA.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Citizens demonstrated reasonable performance under the Lending Test. Excellent Geographic Distribution performance and reasonable Borrower Profile performance primarily support this conclusion.

#### **Loan-to-Deposit (LTD) Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report data, averaged 76.5 over the past 23 calendar quarters, from March 31, 2018 to September 30, 2023. The ratio fluctuated during the evaluation period and ranged from a high of 88.5 percent on June 30, 2019 to a low of 67.3 percent on March 31, 2022. Examiners selected the similarly situated institutions based on size, geographic location, and loan portfolio distribution. As shown in the following table, the bank's performance is higher than similarly situated institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 9/30/2023 (\$000s)	Average Net LTD Ratio (%)
<b>The Citizens Bank Company</b>	<b>303,625</b>	<b>76.5</b>
Similarly-Situated Institution #1	395,798	75.7
Similarly-Situated Institution #2	277,525	59.4
Similarly-Situated Institution #3	333,025	64.5
Similarly-Situated Institution #4	482,954	44.3

*Source: Reports of Condition and Income 03/31/2018 – 09/30/2023*

#### **Assessment Area Concentration**

As shown in the following table, Citizens originated a majority of its home mortgage and small business loans, by number and dollar volume, within its AA.

Loan Category	Lending Inside and Outside of the Assessment Area											
	Number of Loans				Total #	Dollars Amount of Loans \$ (000s)				Total \$ (000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage	33	70.2	14	29.8	47	8,026	74.1	2,809	25.9	10,835		
Small Business	26	72.2	10	27.8	36	4,782	62.5	2,867	37.5	7,649		

*Source: Bank Data*

#### **Geographic Distribution**

Overall, the geographic distribution of loans reflects excellent dispersion throughout the AA. Excellent performance for both home mortgage and small business loans supports this conclusion. As previously stated, the AA does not include low-income census tracts; therefore, examiners focused on performance in moderate-income census tracts.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. Examiners compared the bank's performance to demographic data. Citizens sampled lending performance in moderate-income geographies exceeds the demographic. The following table illustrates the geographic distribution of sampled home mortgage loans throughout the AA.

<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>
Moderate	20.0	10	30.3	2,840	35.4
Middle	66.6	21	63.6	4,776	59.5
Upper	13.4	2	6.1	410	5.1
<b>Total</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>8,026</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data*

### ***Small Business Loans***

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. Examiners compared the bank's performance to demographic data. Citizens sampled lending performance in moderate-income geographies exceeds the demographic. The following table illustrates the geographic distribution of sampled small business loans throughout the AA.

<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>
Moderate	24.2	9	34.6	1,689	35.3
Middle	65.0	15	57.7	2,833	59.2
Upper	10.8	2	7.7	260	5.4
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>4,782</b>	<b>100.0</b>

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

### **Borrower Profile**

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable performance in home mortgage and small business lending supports this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers, and businesses with GARs of \$1 million or less.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including low- or moderate-income borrowers is reasonable. According to demographic data, of the 20.6 percent of low-income families in the AA, 11.0 percent live below the poverty level, which can create a lack of lending opportunities. Due to their limited financial resources, families below the poverty level generally do not have the capacity to support a home mortgage loan, limiting the demand and opportunity to lend to low-income borrowers.

The bank's performance of sampled home mortgage loans to moderate-income borrowers is lower than the demographic data. According to the community contact and demographic data, available housing stock is very low in the AA, decreasing the demand for home mortgage loans. In addition, the community contact stated that some low- and moderate-income individuals relocated across the Ohio River to West Virginia, where affordable housing was more abundant. Considering this information and the competition within the AA, examiners considered performance for both low- and moderate-income borrowers reasonable. The following table illustrates the distribution of home mortgage loans by borrower income level throughout the AA.

<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	20.6	3	9.1	141	1.8
Moderate	19.4	4	12.1	498	6.2
Middle	22.3	6	18.2	1,077	13.4
Upper	37.7	20	60.6	6,310	78.6
<b>Total</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>8,026</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data*

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. Citizens performance of sampled loans to businesses with GARs of \$1.0 million or less slightly trailed the demographic data. As previously stated, the bank operates in a highly competitive market. In addition, many small businesses often seek other financing vehicles, such as credit cards or home equity lines of credit, limiting the demand from and opportunity to lend to small businesses. Considering these factors, the bank's performance is reasonable. The following table illustrates the distribution of small business loans by GAR level throughout the AA.

<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	84.0	21	80.8	3,209	67.1
> \$1,000,000	4.7	5	19.2	1,573	32.9
Revenue Not Available	11.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>4,782</b>	<b>100.0</b>

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

## **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.