PUBLIC DISCLOSURE

November 27, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens Bank of Eldon
Certificate Number: 01956

110 North Maple Street
Eldon, Missouri 65026

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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 category has a satisfactory record of helping to meet the credit needs of its assessment area in a manner consistent with its resources and capabilities. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the institution's Lending Test performance.

- The average net loan-to-deposit ratio is reasonable given the asset size and financial condition of the institution, and assessment area credit needs.
- A majority of the reviewed loans are in the institution's assessment area.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among farms of different revenue sizes and individuals 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.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 10, 2012, to the current evaluation dated November 27, 2018. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include a review of the institution's Lending Test performance based on the following criteria:

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

This evaluation does not include any lending activity performed by affiliates.

Loan Products Reviewed

Examiners determined that the bank's major product lines are small farm and home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. No other loan types, such as small business loans and consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

Bank records indicate the lending focus and product mix remained fairly consistent throughout the evaluation period. Examiners reviewed small farm and home mortgage loans originated from January 1, 2017, to December 31, 2017. Specifically, examiners reviewed a sample of 37 small farm loans totaling $827,000 selected from a universe of 197 small farm loans totaling $8,996,000. In addition, examiners reviewed a sample of 32 home mortgage loans totaling $2,995,000 from a universe of 119 home mortgage loans totaling $9,891,000. Management indicated a review of loans from this time period would be representative of the institution's performance throughout the entire evaluation period. Examiners gave equal weighting to both loan products reviewed in drawing conclusions. Data from the 2015 American Community Survey (ACS) provided a standard of comparison for the sampled home mortgage loans, and 2017 D&B data provided a standard of comparison for the small farm loans.

Examiners reviewed the number and dollar volume of small farm and home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans, as the number of loans is a better indicator of the number of farms and individuals served.

DESCRIPTION OF INSTITUTION

Background
Citizens Bank of Eldon is headquartered in Eldon and operates in central Missouri. The bank is wholly owned by Citizens Bancshares of Eldon, Missouri, Inc., a one-bank holding company. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated December 10, 2012, which also utilized Interagency Small Institution Examination Procedures.

Operations
The institution operates from a main office in Eldon and three branch offices. One of the branches is located in Eldon and the two remaining branches are located in Versailles. The main office and Eldon branch are located in moderate-income census tract 9629 in Miller County. The Versailles branches are located in moderate-income census tract 4703 and middle-income census tract 4701 in Morgan County. The Versailles branch located in census tract 4701 is the sole new office opened since the prior evaluation, and no offices have been closed. No merger or acquisition activity has occurred since the previous examination. Regarding the automated teller machine (ATM) structure, cash dispensing units are located at all offices. The ATM located at the new Versailles branch was installed since the last evaluation.

The institution's primary business focus is agricultural lending. In addition, the institution offers commercial, residential real estate, and consumer loans. The institution provides a variety of deposit products including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet, telephone, and mobile banking.

Ability and Capacity
According to the September 30, 2018, Call Report, the institution reported total assets of $146.8 million, total loans of $114.2 million, and total deposits of $125.1 million. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 09/30/18		
Loan Category	**$(000s)**	**%**
Construction and Land Development	3,291	2.9
Secured by Farmland	32,303	28.3
Secured by 1-4 Family Residential Properties	36,182	31.7
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	6,537	5.7
Total Real Estate Loans	**78,313**	**68.6**
Commercial and Industrial Loans	9,756	8.5
Agricultural Loans	10,445	9.1
Consumer Loans	14,649	12.8
Obligations of States and Political Subdivisions	411	0.4
Other Loans	63	0.1
Lease Financing Receivables	611	0.5
Less: Unearned Income	(0)	(0.0)
Total Loans	**114,248**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments affecting the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The bank has designated one assessment area consisting of seven census tracts that include portions of Miller and Morgan counties in the nonmetropolitan portion of central Missouri. The assessment area includes census tracts 9626, 9627, and 9629 in Miller County, and census tracts 4701, 4702, 4703, and 4704 in Morgan County. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The institutions assessment area remains unchanged from the previous evaluation. However, there have been changes to the income tract designations. The 2010 U.S. Census data indicated that the seven census tracts consisted of six middle-income and one upper-income geographies. Based on the 2015 ACS data, the assessment area consists of two moderate-income census tracts, four middle-income census tracts, and one upper-income census tract.

Based on Federal Financial Institutions Examination Council (FFIEC) designations for calendar years 2013 through 2018, census tracts within the assessment area have been designated as distressed middle-income nonmetropolitan geographies[1] or underserved middle-income nonmetropolitan geographies[2]. Specifically, census tracts 9626 and 9629 in Miller County were designated as distressed due to poverty in years 2014 and 2015. In addition, census tracts 4701, 4702, and 4704 were designated as distressed due to poverty and/or underserved due to their remote rural location in years 2013 through 2018. The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	7	0.0	28.6	57.1	14.3	0.0
Population by Geography	28,594	0.0	29.5	63.1	7.4	0.0
Housing Units by Geography	16,985	0.0	21.8	51.7	26.5	0.0
Owner-Occupied Units by Geography	7,953	0.0	24.3	64.9	10.9	0.0
Occupied Rental Units by Geography	2,639	0.0	50.2	45.1	4.6	0.0
Vacant Units by Geography	6,393	0.0	7.0	38.0	55.0	0.0
Businesses by Geography	1,603	0.0	37.4	52.7	9.9	0.0
Farms by Geography	198	0.0	11.6	83.3	5.1	0.0
Family Distribution by Income Level	6,998	27.2	18.3	18.2	36.3	0.0
Household Distribution by Income Level	10,592	26.5	18.1	15.7	39.7	0.0
Median Family Income - Nonmetropolitan MO		$48,553	Median Housing Value			$128,371
			Median Gross Rent			$623
			Families Below Poverty Level			19.5%

Source: 2015 ACS Data and 2017 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.

According to 2017 D&B data, there were 198 farms in the assessment area. Of these farms, 11.6 percent were located in moderate-income census tracts; 83.3 percent were located in middle-income census tracts; and 5.1 percent were located in upper-income census tracts. The analysis of small farm loans under the Geographic Distribution criterion compares small farm lending to the distribution of farms by census tract income level.

[1] A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) An unemployment rate of at least 1.5 times the national average; (2) A poverty rate of 20 percent or more; or (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

The analysis of small farm loans under the Borrower Profile criterion compares small farm lending to the distribution of farms by gross annual revenues level. The revenue levels for these farms are as follows:

- 97.5 percent have gross annual revenues of $1 million or less
- 1.0 percent have gross annual revenues exceeding $1 million
- 1.5 percent did not report revenue information

There are 16,985 housing units in the assessment area. Of these, 46.8 percent are owner-occupied, 15.5 percent are occupied rental units, and 37.7 percent are vacant. The Geographic Distribution criterion compares home mortgage lending to the distribution of owner-occupied housing units in the assessment area.

The 2017 FFIEC-updated median family income figures are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table for the nonmetropolitan portion of Missouri.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2017 ($50,800)	<$25,400	$25,400 to <$40,640	$40,640 to <$60,960	≥$60,960
Source: FFIEC				

Service industries represent the largest portion of businesses in the assessment area at 37.0 percent; followed by retail trade (14.3 percent); and agriculture, forestry, and fishing (11.0 percent). In addition, 74.2 percent of area businesses have four or fewer employees and 90.3 percent operate from a single location. Based on a combination of management comments, Missouri Partnership data, and community contact comments, the largest employers in the area include Gates Corporation, Adient, Inc., the State of Missouri, and local school districts.

Unemployment data obtained from the Bureau of Labor Statistics reveals that the unemployment rates for Missouri and Miller and Morgan counties have consistently fallen during the evaluation period, denoting improving economic conditions.

Unemployment Rates						
Area	**2013***	**2014***	**2015***	**2016***	**2017***	**September 2018**
Miller County	8.7	7.7	6.0	5.2	4.5	2.6
Morgan County	9.5	8.7	6.7	5.9	5.0	3.2
State of Missouri	6.7	6.1	5.0	4.6	3.8	2.6
*Source: Bureau of Labor Statistics data, *Annual Average rate*						

Competition

The assessment area is a relatively competitive market for financial services. According to FDIC Deposit Market Share data, as of June 2018, there were 6 financial institutions operating 11 offices within the assessment area. Of these institutions, Citizens Bank of Eldon ranked 1st with 30.9 percent of the deposit market share.

Management indicated their primary competitors are Bank of Versailles, Central Bank of Lake of the Ozarks, and Citizens-Farmers Bank.

Community Contact

Examiners used two community contacts from the institution's assessment area. Community contacts are used to obtain a profile of the local communities, general credit needs in the assessment area, and assess opportunities for participation by local financial institutions. This information helps determine whether local financial institutions are responsive to identified needs.

A new community contact was performed in conjunction with this evaluation to obtain information related to the local agricultural economy. This individual characterized Morgan County's agricultural economy as stable to declining. The agricultural industry has been adversely impacted recently as a result of low commodity prices. The prevalent farming products produced in the area include cattle, row crops, poultry, pig, and some produce. Land values have remained stable and are considered a strength of the area. The contact indicated that creditworthy small farms are able to obtain credit from local institutions, indicating a need for agricultural lending in the assessment area.

In addition, an existing community contact interview was reviewed to obtain information related to the local economy and housing market. This individual characterized the current economy as good with an improving trend. However, the contact noted that overall, local business wages are too low. In addition, the contact concurred with a recent study that identified a need for affordable housing in the area. This individual indicated that banks are willing to provide credit for affordable housing, but housing developers see more opportunity in higher-dollar housing projects. Financial institutions are involved in the local communities and provide credit to creditworthy individuals and businesses.

Bank management categorized the overall economy as fairly strong and diversified. Specifically, the local economy is supported by the agricultural industry, tourism, and manufacturing. Management categorized overall loan demand as stable, although commercial loan demand is weak which is attributed to a lack of new businesses in the area. According to management, demand for home mortgage loans is stable, demand for agricultural loans is strong, and demand for consumer loans is improving. Lending activity is primarily limited to existing businesses and relationships. In addition, management indicated that the assessment area has a large volume of rental units, limiting opportunities for low- to moderate-income individuals to purchase homes. Management stated that home mortgage lending constitutes the primary credit need of the assessment area.

Based on demographic and economic data, and information provided by bank management and the community contacts, examiners determined the primary credit need for the assessment area is home mortgage lending. There is also a demand for agricultural lending, and opportunities exist for originating such loans.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Citizen's Bank of Eldon demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

The net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The institution's net loan-to-deposit ratio, calculated from Call Report data, averaged 79.1 percent over the past 24 calendar quarters from December 31, 2012, to September 30, 2018. The net loan-to-deposit ratio ranged from a low of 65.3 percent, as of March 31, 2013, to a high of 90.6 percent, as of September 30, 2018. The net loan-to-deposit ratio has gradually increased throughout the evaluation period.

The bank's average loan-to-deposit ratio compares reasonably to the ratios of two similarly-situated lenders, as outlined in the following table. The similarly-situated institutions were selected based on asset size, market served, product offerings, and loan portfolio composition.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 09/30/18 $(000s)**	**Average Net Loan-to-Deposit Ratio (%)**
Citizens Bank of Eldon, Eldon, Missouri	146,819	79.1
The Tipton Latham Bank, Tipton, Missouri	130,915	71.8
Community Point Bank, Russellville, Missouri	127,502	76.5
Source: Call Reports 12/31/2012 through 09/30/2018		

Assessment Area Concentration

The bank made a majority of its small farm and home mortgage loans, by number and dollar volume, in its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					**Dollar Amount of Loans $(000s)**				
Loan Category	**Inside**		**Outside**		**Total**	**Inside**		**Outside**		**Total**
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Small Farm	22	59.5	15	40.5	37	518	62.7	309	37.3	827
Home Mortgage	27	84.4	5	15.6	32	2,790	93.1	205	6.9	2,995
Source: 1/1/2017 - 12/31/2017 Bank Data										

Geographic Distribution

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. Small farm and home mortgage lending performance supports this conclusion.

Only loans originated inside the assessment area were analyzed. The assessment area does not contain any low-income census tracts; therefore, examiners focused on the percentage of loans by number in moderate-income census tracts.

Small Farm Loans

The geographic distribution of small farm loans reflects a reasonable dispersion throughout the assessment area. The following table shows that 13.6 percent of the sampled loans were originated to farms located in moderate-income census tracts. This compares reasonably to the percentage of farms in this tract income level, reflecting reasonable performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
Moderate	11.6	3	13.6	66	12.7
Middle	83.3	18	81.8	443	85.5
Upper	5.1	1	4.5	9	1.7
Totals	**100.0**	**22**	**100.0**	**518**	**100.0**
Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data. *Due to rounding, totals may not equal 100.0*					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a reasonable dispersion throughout the assessment area. The following table shows that 29.6 percent of the sampled loans were originated in moderate-income census tracts. This compares reasonably to the percentage of owner-occupied housing units in this tract income level, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	**% of Owner-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Moderate	24.3	8	29.6	524	18.8
Middle	64.9	17	63.0	2,146	76.9
Upper	10.9	2	7.4	120	4.3
Total	**100.0**	**27**	**100.0**	**2,790**	**100.0**
Source: 2015 ACS Census, 1/1/2017 - 12/31/2017 Bank Data *Due to rounding, totals may not equal 100.0*					

<u>Borrower Profile</u>

The distribution of borrowers reflects a reasonable penetration of loans among farms of different revenue sizes and individuals of different income levels. Small farm and home mortgage lending performance support this conclusion. As indicated, examiners gave equal weight to both loan products reviewed in the overall conclusion. Only loans originated inside the assessment area were analyzed. Examiners focused on the percentage of loans to farms with gross annual revenues of $1 million or less and loans to low- and moderate-income borrowers.

Small Farm Loans

The distribution of small farm loans reflects an excellent penetration of loans among farms of different revenue sizes. The following table shows that 100.0 percent of the sampled loans were originated to farms with gross annual revenues of $1 million or less. This exceeds the percentage of farms in this revenue category, reflecting excellent performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	97.5	22	100.00	518	100.0
>1,000,000	1.0	0	0.0	0	0.0
Revenue Not Available	1.5	0	0.0	0	0.0
Total	**100.0**	**22**	**100.0**	**518**	**100.0**

Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data.
Due to rounding, totals may not equal 100.0

Home Mortgage Loans

The distribution of home mortgage loans reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers, after all pertinent performance context information is considered.

The following table shows that 14.8 percent of home mortgage loans sampled were originated to low-income borrowers, which is less than the percentage of low-income families in the assessment area. In addition, 18.5 percent of the sampled home mortgage loans were originated to moderate-income borrowers, which is comparable to the percentage of families in this income level.

In evaluating this lending performance, examiners considered the assessment area's poverty level (19.5 percent) and the difficulty individuals living below the poverty level may have qualifying for a home loan, given the costs associated with home ownership. Examiners also considered the community contact's comments alluding to a lack of affordable housing and management's comments regarding a large volume of rental units in the assessment area. Overall, this lending performance reflects a reasonable penetration among individuals of different income levels, after considering this pertinent information.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	**% of Families**	**#**	**%**	**$(000s)**	**%**
Low	27.2	4	14.8	96	3.4
Moderate	18.3	5	18.5	183	6.6
Middle	18.2	8	29.6	1,022	36.6
Upper	36.3	10	37.0	1,489	53.4
Not Available	0.0	0	0.0	0	0.0
Total	**100.0**	**27**	**100.0**	**2,790**	**100.0**
Source: 2015 ACS Census; 1/1/2017 - 12/31/2017 Bank Data *Due to rounding, totals may not equal 100.0*					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.