

PUBLIC DISCLOSURE

March 05, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Fort Jennings State Bank
Certificate Number: 13209

120 N Water Street
Fort Jennings, OH 45844

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Fort Jennings State Bank's (FJSB) satisfactory Community Reinvestment Act (CRA) performance under the Small Bank Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

The following points summarize the institution's CRA performance:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The institution originated a substantial majority of its home mortgage and small business loans in the AA.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels (including low- and moderate-income) and reasonable penetration to businesses of different sizes.
- The institution did not receive any CRA related complaints since the last evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

FJSB, headquartered in Fort Jennings, Ohio, is a wholly-owned subsidiary of FJSB Bancshares, Inc., a single-bank holding company also located in Fort Jennings, Ohio. The institution received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated May 16, 2018, based on the Interagency Small Institution Examination Procedures.

FJSB operates a main office in Fort Jennings, Ohio, and six full-service branches in Glandorf, Ottawa, Columbus Grove, Continental, Leipsic, and Ottoville, Ohio. All locations are located in Putnam County. The institution opened two locations since the prior performance evaluation. In February 2019, management opened the Continental branch and in July 2022, opened the Glandorf branch. FJSB did not participate in any merger or acquisition activities since the previous evaluation.

The institution offers a variety of banking products and services, including deposit and lending products. Deposit products include checking, savings, certificate of deposit, and money market accounts. The institution also offers alternative banking services to include online and mobile banking, and electronic bill pay. In addition, the institution has deposit-taking automated teller machines at each branch location.

The institution’s primary lending focus is home mortgage and small business loans. In addition, FJSB offers agriculture and consumer loans, and maintains a correspondent relationship to originate fixed-rate secondary market loans through Capital Mortgages Services.

As of the December 31, 2023, Reports of Condition and Income (Call Report), FJSB reported total assets of \$251.8 million, total loans of \$191 million, and total securities of \$24.7 million. Deposits totaled \$221.4 million.

The following table illustrates the institution's loan portfolio distribution.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	4,782	2.5
Secured by Farmland	18,137	9.5
Secured by 1-4 Family Residential Properties	73,468	38.5
Secured by Multifamily (5 or more) Residential Properties	903	0.5
Secured by Nonfarm Nonresidential Properties	43,503	22.8
Total Real Estate Loans	140,793	73.8
Commercial and Industrial Loans	35,231	18.4
Agricultural Production and Other Loans to Farmers	4,990	2.6
Consumer Loans	8,080	4.2
Other Loans	1,923	1.0
Total Loans	191,017	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. The institution’s AA is in conformance with CRA requirements as it consists of whole, contiguous census tracts (CTs) and does not arbitrarily exclude low- and moderate-income (LMI) CTs. All CTs, except for Allen County CTs, are located in the Non-MSA portions of Ohio. While the Allen County CTs reside in the Lima Metropolitan Statistical Area (MSA), they are contiguous to Putnam County and do not extend substantially beyond the border of the MSA; therefore, examiners considered the area as a single AA. The following table illustrates the institution's AA.

Description of Assessment Areas			
Census Tracts	Counties in Assessment Area	# of CTs	# of Branches
301, 302, 303.01, 303.02, 304, 305, 306, 307	Putnam County	8	7
101, 102, 103, 139, 140	Allen County	5	0
9589	Defiance County	1	0
3.01, 3.02, 4, 9.01, 9.02, 10, 13	Hancock County	7	0
9601, 9605	Paulding County	2	0
201, 204, 205	Van Wert County	3	0
6, 7	Henry County	2	0
<i>Source: Bank Data</i>			

Economic and Demographic Data

The current evaluation uses the 2020 U.S. Census Data to assess performance. The AA includes 28 CTs with the following income designations: two moderate-, sixteen middle-, and ten upper-income CTs.

Since the previous evaluation, FJSB removed nine census tracks, five in Hancock County and four in Van Wert County from its AA. In addition, the 2020 Census data updated the number, income designation, and boundaries of the CTs within the AA, resulting in the total number of CTs in the AA increasing from 27 to 28. The following table illustrates relevant demographic information for the AA during the evaluation period.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	0.0	7.1	57.1	35.7	0.0
Population by Geography	113,099	0.0	5.8	52.7	41.5	0.0
Housing Units by Geography	48,649	0.0	6.0	54.2	39.8	0.0
Owner-Occupied Units by Geography	36,235	0.0	3.3	54.4	42.3	0.0
Occupied Rental Units by Geography	9,271	0.0	15.1	51.4	33.5	0.0
Vacant Units by Geography	3,143	0.0	11.0	60.0	29.0	0.0
Businesses by Geography	11,397	0.0	10.0	49.7	40.3	0.0
Farms by Geography	1,478	0.0	2.8	58.9	38.2	0.0
Family Distribution by Income Level	31,186	12.2	16.3	22.8	48.7	0.0
Household Distribution by Income Level	45,506	16.2	14.5	19.6	49.6	0.0
Median Family Income MSA - 30620 Lima, OH MSA		\$64,913	Median Housing Value			\$137,474
Median Family Income Non-MSAs - OH		\$66,684	Median Gross Rent			\$760
			Families Below Poverty Level			5.6%
<i>Source: 2020 U.S. Census and 2023 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.</i>						

The Geographic Distribution criterion compares the institution's home mortgage lending to the distribution of owner-occupied housing units.

Examiners used the FFIEC median family income (MFI) ranges to analyze home mortgage lending under the Borrower Profile criterion. The following table outlines the income ranges within the AA during the evaluation period.

MFI Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Lima, OH MSA Median Family Income (30620)				
2022 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760
2023 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760
OH NA Median Family Income (99999)				
2022 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880
2023 (\$74,900)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880
<i>Source: FFIEC</i>				

Examiners considered unemployment data when evaluating the institution’s ability to lend within the AA. Data obtained from the U.S. Bureau of Labor and Statistics indicates unemployment rates decreased over the evaluation period. The unemployment rate in Putnam County decreased over the past three years from 3.4 percent in 2021 to 2.7 percent in 2023, which trends lower than the state (3.5 percent) and national levels (3.6 percent) and indicates the potential for higher consumer borrowing capacity.

Competition

According to the FDIC Deposit Market Share data as of June 30, 2023, six financial institutions operated 17 branches within the AA resulting in a moderately competitive market for banking services. Of the six institutions, FJSB ranked 2nd with 19.1 percent of the deposit market share. The top four institutions accounted for 84.1 percent of the deposit market share.

The institution is not required to report home mortgage data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include a direct comparison against aggregate data. However, aggregate data reflects the level of demand for lending. The 2022 aggregate mortgage data revealed that 162 lenders reported 2,763 home mortgage loan originations in the AA. The top four lenders accounted for 46.2 percent of the market share, indicating a moderately competitive market.

Aggregate small business lending data for 2022, the most recent year for which aggregate data is available, reflects 84 lenders originated or purchased 4,427 small business loans in the AA. The top five lenders originated 61.9 percent of business loans, illustrating the highly concentrated level of competition. Four of the top five lenders are credit card companies.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying community and credit needs. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to the AA's credit needs. For this evaluation, examiners conducted an interview with a local Putnam County economic development organization.

The community contact indicated that even though the AA has sufficient housing, the primary credit need is affordable single-family housing for families and seniors, as well as small business lending. The contact was not aware of any discriminatory practices. In addition, the contact named FJSB as a leader in meeting the AA's credit and community development needs.

Credit Needs

Considering information from the community contact, institution management, and demographic and economic data, examiners determined home mortgage and small business loans represent the primary credit needs within the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the last evaluation dated May 16, 2018. Examiners used the Interagency Small Institution Examination Procedures to evaluate the institutions CRA performance. The Appendix discusses the small institution performance criteria.

Activities Reviewed

Examiners identified home mortgage and small business lending as the institutions primary product lines. Examiners considered the institution's business strategy, the number and dollar volume of loans originated during the evaluation period, loan portfolio composition, and AA credit needs. Examiners weighted both products equally, considering the overall loan portfolio composition, and dollar volume of activity. In addition, examiners weighted Borrower Profile more heavily than Geographic Distribution due to the limited number of LMI CTs within the AA; no low-income tracts and only two moderate-income tracts. No other loans, such as small farm loans or consumer loans, represent a major product line. Therefore, these loans provided no material support for the conclusions or rating and were not reviewed.

Examiners analyzed a sample of home mortgage loans originated between January 1, 2022, and December 31, 2023. The institution originated 121 home mortgage loans totaling \$15.2 million in 2022, of which examiners sampled 47 loans totaling \$6.4 million, and 80 home mortgage loans totaling approximately \$9.9 million in 2023, of which examiners sampled 41 loans totaling \$4.8 million. The 2020 U.S. Census data provided a standard of comparison for home mortgage loans originated in 2022 and 2023.

Examiners analyzed a sample of small business loans originated between January 1, 2022, and December 31, 2023. The institution originated 226 small business loans totaling \$24.9 million in 2022, of which examiners sampled 55 loans totaling \$10.5 million, and 55 small business loans totaling approximately \$12.2 million in 2023, of which examiners sampled 35 loans totaling \$6.8

million. Examiners used 2022 and 2023 D&B data as a standard of comparison for small business loans originated in 2022 and 2023.

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 originated, as this is a 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

The institution demonstrated reasonable performance under the Lending Test. The distribution of home mortgage loans to individuals of different income levels and businesses of different sizes primarily supports this conclusion. As stated previously, more weight was placed on Borrower Profile due to the limited number of LMI CTs within the AA.

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 84.2 percent over the last 23 calendar quarters from March 31, 2018, to December 31, 2023. The ratio ranged from a high of 94.6 percent as of June 30, 2018, to a low of 75.6 percent as of March 31, 2021. As shown in the following table, the average LTD ratio is comparable to similarly-situated institutions. Examiners selected similarly-situated institutions based on their asset size, geographic location, and loan portfolio distribution.

LTD Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Fort Jennings State Bank	251,792	84.2
Similarly-Situated Institution #1	209,664	70.4
Similarly-Situated Institution #2	215,194	101.8
Similarly-Situated Institution #3	226,392	60.5
Similarly-Situated Institution #4	234,878	96.2
<i>Source: Reports of Condition and Income 3/31/2018 – 12/31/2023.</i>		

Assessment Area Concentration

The institution originated a substantial majority of home mortgage and small business loans, by number and dollar volume, within the AA. The following table illustrates the sampled lending activity both inside and outside of the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2022	36	76.6	11	23.4	47	4,585	71.6	1,818	28.4	6,403
2023	35	85.4	6	14.6	41	4,146	86.6	643	13.4	4,789
Small Business										
2022	45	81.8	10	18.2	55	8,168	77.7	2,338	22.3	10,506
2023	30	85.7	5	14.3	35	6,488	95.2	330	4.8	6,818

Source: Sampled Bank Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AA. The AA does not include low-income CTs; therefore, examiners focused on performance in the moderate-income CTs.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion with one sampled loan originated in the moderate-income CTs in 2022, which is reasonably comparable to the demographic; and no sampled originations in the moderate-income CT in 2023. The low percentage of housing units reflects the limited lending opportunities available in these tracts. In addition, one of the moderate-income CTs is located approximately 23 miles (approximately 31 minutes) from the closest branch. This same area includes 17 financial institution branches, reflecting an increased level of competition in the area. Finally, as previously stated, a community contact indicated that even though the AA has sufficient housing, the primary credit needs is affordable single-family housing for families and seniors. In fact, the contact named FJSB as a leader in meeting the AA's credit and community development needs. Performance is considered reasonable given the area demographic and economic information. The following table shows the institution's performance for home mortgage loans in 2022 and 2023.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate					
2022	3.3	1	2.8	97	2.1
2023	3.3	0	0.0	0	0.0
Middle					
2022	54.4	17	47.2	2,412	52.6
2023	54.4	20	57.1	2,338	56.4
Upper					
2022	42.3	18	50.0	2,076	45.3
2023	42.3	15	42.9	1,808	43.6
Totals					
2022	100.0	36	100.0	4,585	100.0
2023	100.0	35	100.0	4,146	100.0

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

Small Business

The geographic distribution of small business loans reflects poor dispersion. In 2022, the bank originated no sampled loans in the moderate-income tracts. In 2023, the bank's performance is below the demographic.

The following table shows the institutions performance for small business loans in 2022 and 2023.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2022	10.6	0	0.0	0	0.0
2023	10.0	2	6.7	553	8.5
Middle					
2022	49.7	21	46.7	2,733	33.5
2023	49.7	12	40.0	2,786	42.9
Upper					
2022	39.7	24	53.3	5,435	66.5
2023	40.3	16	53.3	3,149	48.5
Totals					
2022	100.0	45	100.0	8,168	100.0
2023	100.0	30	100.0	6,488	100.0

Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and to businesses of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is reasonable.

Dispersion among low-income borrowers is comparable to the demographic in 2022 and below the demographic in 2023. However, according to demographic data, 5.6 percent of families in the AA reported income levels below the poverty level. Due to their limited financial resources, families with low incomes, including those below the poverty level, generally do not have the capacity to support a home mortgage, and limits the demand and opportunity for lending to low-income applicants. The median housing value in the AA of \$137,474, further reduces the opportunity for low-income applicants. Considering poverty levels, performance is reasonable.

Dispersion among moderate-income borrowers well exceeds demographic data in both 2022 and 2023.

The following table illustrates the institution’s home mortgage loan performance in each borrower income category.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2022	12.2	4	11.1	167	3.6
2023	12.2	2	5.7	109	2.6
Moderate					
2022	16.3	10	27.8	917	20.0
2023	16.3	8	22.9	681	16.4
Middle					
2022	22.8	7	19.4	1,063	23.2
2023	22.8	11	31.4	1,153	27.8
Upper					
2022	48.7	15	41.7	2,439	53.2
2023	48.7	14	40.0	2,203	53.1
Totals					
2022	100.0	36	100.0	4,585	100.0
2023	100.0	35	100.0	4,146	100.0
<i>Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0.</i>					

Small Business Loans

The distribution of small business loans is reasonable. In 2022, the institution's performance was below demographic data. However, in 2023, performance improved and exceeded demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2022	87.0	28	62.2	1,488	18.2
2023	88.1	30	100.0	6,488	100.0
>\$1,000,000					
2022	4.1	17	37.8	6,680	81.7
2023	3.6	0	0.0	0	0.0
Revenue Not Available					
2022	8.9	0	0.0	0	0.0
2023	8.2	0	0.0	0	0.0
Totals					
2022	100.0	45	100.0	8,168	100.0
2023	100.0	30	100.0	6,488	100.0

Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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.

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.