

PUBLIC DISCLOSURE

February 28, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sweet Water State Bank
Certificate Number: 9615

31385 Alabama Highway 10
Sweet Water, Alabama 36782

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

Ten 10th Street, N. W., Suite 800
Atlanta, Georgia 30309-3849

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.

Sweet Water State Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test performance.

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

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated January 10, 2012, to the current evaluation dated February 28, 2018. Examiners used the Interagency Small Institution Examination Procedures to evaluate Sweet Water State Bank's CRA performance. These procedures consist of the Lending Test.

The Lending Test considered the bank's performance according to the following criteria.

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

Loan Products Reviewed

Examiners determined that the bank's major product lines are small business, 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. Small business loans contributed more weight to overall conclusions due to the larger dollar volume when compared to home mortgage lending and small farm lending during the review period. Consumer loans were not reviewed, as they do not represent a major product line for the bank and would not provide meaningful analysis. The following table identifies the bank's originations during 2017 by loan type.

Loans Originated January 1, 2017 through December 31, 2017				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	17	0.1	2	0.3
Secured by Farmland	5,648	27.1	42	5.7
1-4 Family Residential	1,942	9.3	22	3.0
Commercial Real Estate	2,055	9.9	16	2.2
Commercial and Industrial	7,483	35.9	138	18.6
Agricultural	1,356	6.5	40	5.4
Consumer	2,318	11.2	482	64.8
Other Loans	0	0	0	0
Gross Loans	20,819	100.0	742	100.0
Source: Bank Data				

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. Examiners selected a sample of small business loans, small farm loans, and home mortgage loans originated during the most recent calendar year, January 1, 2017 through December 31, 2017. This sample was considered representative of the bank's performance during the entire evaluation period. The bank originated 154 small business loans totaling \$9.5 million, of which 41 small business loans totaling \$1.8 million were sampled. The bank originated 79 small farm loans totaling \$3.9 million, of which 31 small farm loans totaling

\$1.5 million were sampled. The 2017 Dun & Bradstreet, Inc. (D&B) business data for 2017 provided a standard of comparison for the sampled small business loans and small farm loans. The bank originated 22 residential loans totaling \$1.9 million. All residential loans were considered for the bank's lending performance. The percentage of families by income level and owner-occupied housing units by geography were used for comparison purposes.

For the Lending Test, examiners reviewed the number and dollar amount of small business loans, small farm loans, and home mortgage loans. While both the number and dollar amount of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

DESCRIPTION OF INSTITUTION

Background

Sweet Water State Bank is a small commercial bank headquartered in Sweet Water, Alabama. The bank is a wholly-owned subsidiary of Tombigbee Bancshares, Inc., a one-bank holding company, also located in Sweet Water, Alabama. The bank primarily operates in west Alabama. The bank received a satisfactory rating at its previous FDIC Performance Evaluation, dated January 10, 2012, based on Interagency Small Institutions Examination Procedures.

Operations

In addition to the main office in Sweet Water, the bank operates three branch offices in Demopolis, Alabama; Linden, Alabama; and Thomasville, Alabama. Sweet Water State Bank offers loan products including commercial, agricultural, home mortgage, and consumer loans; however, its primary focus is on commercial lending. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, four automated teller machines (ATMs), online bill payment, mobile deposit capture, and electronic statements. The bank has not closed any offices. Additionally, no merger or acquisition activities have occurred since the previous evaluation.

Ability and Capacity

As of December 31, 2017, the bank's assets totaled approximately \$99 million, and included total loans of \$72 million and securities of \$11 million. The loan portfolio is illustrated in the table on the following page.

Loan Portfolio Distribution as of December 31, 2017		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	385	0.5
Secured by Farmland	22,107	30.9
Secured by 1-4 Family Residential Properties	10,197	14.3
Secured by Multi-family (5 or more) Residential Properties	387	0.5
Secured by Non-farm Non-Residential Properties	15,356	21.5
Commercial and Industrial Loans	14,536	20.3
Agricultural Production and Other Loans to Farmers	4,545	6.4
Consumer	3,849	5.4
Obligations of States and Political Subdivisions in the United States	0	0.0
Loans to depository institutions and acceptances of other banks	0	0.0
Other Loans	167	0.2
Gross Loans	71,529	100.0
Less: Unearned Income	0	0.0
Total Loans and Leases	71,529	100.0
<i>Source: 12/31/2016 Call Report</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Sweet Water State Bank's assessment area comprises all of Marengo, Clarke, and Choctaw Counties, Alabama, and is located in a non-Metropolitan Statistical Area. The following sections discuss demographic and economic information pertaining to the assessment area.

Economic and Demographic Data

The assessment area consists of 19 census tracts. These census tracts have the following income designations according to the 2010 U. S. Census:

- 4 moderate-income census tracts,
- 12 middle-income census tracts, and
- 3 upper-income census tracts.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Sweet Water AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	21.1	63.2	15.8	0.0
Population by Geography	58,771	0.0	17.7	61.6	20.7	0.0
Housing Units by Geography	30,050	0.0	18.0	61.5	20.5	0.0
Owner-Occupied Units by Geography	16,728	0.0	16.5	60.3	23.2	0.0
Occupied Rental Units by Geography	6,750	0.0	21.5	62.3	16.3	0.0
Vacant Units by Geography	6,572	0.0	18.1	63.6	18.3	0.0
Businesses by Geography	3,103	0.0	16.5	62.5	21.0	0.0
Farms by Geography	122	0.0	12.3	55.7	32.0	0.0
Family Distribution by Income Level	14,876	23.2	16.1	17.3	43.4	0.0
Household Distribution by Income Level	23,478	31.1	14.4	14.2	40.2	0.0
Median Family Income Non-MSAs - AL		\$45,334	Median Housing Value			\$82,093
			Median Gross Rent			\$541
			Families Below Poverty Level			18.3%
Source: 2015 ACS Census and 2017 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2017 D&B data, there were 3,103 businesses in the assessment area. Of these businesses, 75.4 percent reported gross annual revenues (GARs) of \$1 million or less, 5.7 percent reported more than \$1 million, and 18.9 percent did not report revenue. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GARs level.

Service industries represent the largest portion of businesses at 39.0 percent, followed by retail trade at 16.1 percent, and transportation and communication industries at 8.1 percent. In addition, 63.9 percent of area businesses have four or fewer employees, and 82.0 percent operate from a single location.

According to 2017 D&B data, there were 122 farms in the assessment area. Of these farms, 86.9 percent reported GARs of \$1 million or less, 5.7 percent reported more than \$1 million, and 7.4 percent did not report revenue. Farms represent 3.8 percent of businesses that are classified.

There are 30,050 housing units in the assessment area. Of these, 55.7 percent are owner-occupied, 22.5 percent are occupied rental units, and 21.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Data obtained from the U.S. Bureau of Labor and Statistics indicates that the 2017 annual unemployment rate, not seasonally adjusted, was 4.4 percent statewide, which was lower than the

unemployment rate for Marengo County at 6.0 percent, Clarke County at 8.9 percent, and Choctaw County at 6.9 percent. Additionally, the unemployment rate for the state, Marengo County, Clarke County, and Dallas County has improved from 2016 when the rates were 6.0 percent, 7.4 percent, 11.1 percent, and 8.9 percent, respectively.

The 2017 FFIEC-updated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories and ranges are presented in the following table.

Median Family Income Ranges AL NMSA Median Family Income (99999)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2017 (\$45,700)	<\$22,850	\$22,850 to <\$36,560	\$36,560 to <\$54,840	≥\$54,840
<i>Source: FFIEC</i>				

Competition

The assessment area is moderately competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2017, there were nine FDIC-insured financial institutions that operated 30 full-service offices in Sweet Water’s assessment area. Of these institutions, Sweet Water State Bank ranked 5th with a 6.9 percent deposit market share.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business lending does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business loans, and is therefore included in this section. Aggregate data for 2016 shows that 46 institutions reported 692 small business loans in the assessment area, indicating a moderate degree of competition for this product.

The bank is not required to collect or report its home mortgage loan data, and it has not elected to do so. Therefore, the analysis of home mortgage lending does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for home mortgage loans, and is therefore included in this section. Aggregate data for 2016 shows that 93 institutions reported 912 home mortgage loans in the assessment area, indicating a moderate degree of competition for this product.

Community Contact

As part of the evaluation process, examiners contact third parties that are active in the assessment area to assist in identifying credit and community development needs, or they rely on existing community contact information. This information helps examiners determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Existing community contact information noted a strong agricultural and timber presence in the area. The representative described a need for affordable housing and mixed income communities. The contact also noted that there is a very strong need for improved financial literacy in the community.

Credit Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that residential development, small business, and small farm loans represent the primary credit needs in the assessment area. As indicated by the community contact information, there is a need for loans to finance residential real estate and farms. Demographic data shows that the median age of housing stock in the assessment area is over 38 years, which indicates a credit need for residential development loans. Finally, based on demographic data, the opportunity exists for originating small business and small farm loans.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Sweet Water State Bank demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 82.5 percent over the past 24 calendar quarters from March 31, 2012 to December 31, 2017. The ratio ranged from a low of 76.6 percent as of December 31, 2013, to a high of 87.8 percent as of June 30, 2017. The ratio has exhibited a stable trend, with some minor fluctuations, during the evaluation period.

A bank's average net LTD ratio is usually compared to similarly-situated institutions. Similarly-situated institutions typically operate within the same assessment area and share similar attributes, such as size, product lines, and branching structure. There are no similarly-situated institutions within the assessment area. Since no similarly-situated institutions exist, the bank's average net LTD ratio was compared to its peer group, which is defined within the Uniform Bank Performance Report (UPBR). The bank's peer group consists of 133 insured commercial banks with assets between \$50 million and \$100 million, with three or more full-service banking offices and not located in a metropolitan statistical area. The bank's average net LTD ratio of 82.5 percent exceeds the peer group's average LTD ratio of 69.0 percent over the same past 24 calendar quarters.

Assessment Area Concentration

The analysis of the bank's lending efforts revealed that a majority of home mortgage, small business, and small farm loans were originated within the assessment area. This indicates reasonable dedication to lending within the assessment area. Examiners considered the bank's asset size and office structure as well as the loan products reviewed, relative to the assessment area's size and economy, when arriving at conclusions with respect to this performance factor.

The following table reflects that 17 home mortgage loans totaling \$1.5 million, 32 small business loans totaling \$1.6 million, and 22 small farm loans totaling \$1.1 million were originated inside the assessment area. This corresponds to 77.3 percent of home mortgage loans, 78.0 percent of small business loans, and 71.0 percent of small farm loans being originated inside the bank's assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	17	77.3	5	22.7	22	1,477	76.1	465	23.9	1,942
Small Business	32	78.0	9	22.0	41	1,608	88.4	211	11.6	1,819
Small Farm	22	71.0	9	29.0	31	1,077	71.3	434	28.7	1,511
Source: Evaluation Period 1/1/2017 - 12/31/2017 Bank Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's performance in small business, small farm, and home mortgage lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Small Business Loans

The geographic distribution of sampled small business loans reflects a reasonable dispersion throughout the assessment area. The bank's small business lending in moderate-income census tracts is slightly lower than the percent of businesses located in the moderate-income census tracts. However, the bank experiences a moderate level of competition for small business lending within the assessment area, as previously described. The bank's level of lending reflects reasonable performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Sweet Water AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	16.5	5	15.6	258	16.0
Middle	62.5	20	62.5	908	56.5
Upper	21.0	7	21.9	442	27.5
Totals	100.0	32	100.0	1,608	100.0
<i>Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion throughout the assessment area. The bank's small farm lending in moderate-income census tracts is significantly higher than the percentage of farms located in moderate-income geographies.

Geographic Distribution of Small Farm Loans					
Assessment Area: Sweet Water AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	12.3	5	22.7	127	11.7
Middle	55.7	15	68.2	630	58.5
Upper	32.0	2	9.1	320	29.8
Totals	100.0	22	100.0	1,077	100.0
Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data.					

Home Mortgage Loans

The geographic distribution of mortgage loans in the assessment area is considered excellent. The bank's lending performance in the moderate-income census tracts exceeds the demographic data.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Sweet Water AA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	16.5	4	23.5	84	5.7
Middle	60.3	11	64.7	1,358	92.0
Upper	23.2	2	11.8	35	2.3
Total	100.0	17	100.0	1,477	100.0
Source: 2015 ACS Census, 1/1/2017 - 12/31/2017 Bank Data					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels in the assessment area. Examiners focused on the percentage by number of small business and small farm loans to operations with GARs of \$1 million or less. They also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners considered the loan product type reviewed, relative to available comparative data as well as any performance context issues, when arriving at this conclusion.

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to small businesses. The following table shows that 68.8 percent of sampled loans were originated to businesses with GARs of \$1 million or less. This level of lending is less than the percent of small businesses operating within the assessment area with GARs of \$1 million or less.

Although the bank's lending trails the percent of business with GARs of \$1 million or less, a majority of the bank small business loans were to business with GARs of \$1 million or less. Additionally, the bank experiences a moderate level of competition for small business lending within the assessment area, as previously described. Also, 18.9 percent of businesses in the assessment area did not report revenue.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Sweet Water AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	75.4	22	68.8	554	34.4
>1,000,000	5.7	10	31.2	1,054	65.6
Revenue Not Available	18.9	0	0.0	0	0.0
Total	100.0	32	100.0	1,608	100.0
Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data.					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to small farms. The following table shows that 90.9 percent of farm loans were originated to farms with GARs of \$1 million or less. This level of lending slightly exceeds the number of small farms operating within the assessment area with GARs of \$1 million or less. Also, 7.4 percent of farms in the assessment area did not report revenue.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Sweet Water AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤\$1,000,000	86.9	20	90.9	762	70.8
>1,000,000	5.7	2	9.1	315	29.2
Revenue Not Available	7.4	0	0.0	0	0.0
Total	100.0	22	100.0	1,077	100.0
Source: 2017 D&B Data, 1/1/2017 - 12/31/2017 Bank Data.					

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels reflects reasonable penetration. While the percentage of loans to low-income individuals is below the demographic data, over 70 percent of low-income families are living below the poverty level. This significantly reduces the number of individuals that may be eligible for a home loan with conventional financing. The percentage of loans to moderate-income individuals exceeds the demographic data. Also, there is a moderate degree of competition for home mortgage lending in the assessment area, as previously described. This information is depicted in the following table.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Sweet Water AA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	23.2	1	5.9	56	3.8
Moderate	16.1	3	17.7	79	5.3
Middle	17.3	2	11.7	25	1.7
Upper	43.4	8	47.0	580	39.3
Not Available	0.0	3	17.7	737	49.9
Total	100.0	17	100.0	1,477	100.0
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2017 Bank Data</i>					

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test conclusion

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 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.