

# **PUBLIC DISCLOSURE**

February 21, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Bank of Dickson  
Certificate Number: 17327

466 Highway 46 South  
Dickson, Tennessee 37055

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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 following points summarize the applicable performance factors, discussed in detail elsewhere.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans and other lending related activities are in the AA.
- The geographic distribution of loans reflects poor dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Bank of Dickson (BOD) is a full-service community bank headquartered in Dickson, Tennessee. Dickson Financial Corporation, is a one-bank holding company and wholly owns BOD. There are no other affiliates relevant to the CRA evaluation. BOD received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation, dated January 28, 2020, based on Small Institution Procedures.

BOD operates four full-service offices, each with an automated teller machine in Tennessee. All branch locations are within Dickson County. The bank did not open or close any offices or participate in any merger or acquisition activity since the previous evaluation.

BOD primarily focuses on residential lending, but offers a variety of loan products, including commercial, agricultural, and consumer loans. The institution provides a variety of deposit services including checking, savings, and certificates of deposit. The institution maintains banking hours typical for the area and industry. Alternative banking services include internet and mobile banking.

As of December 31, 2022, assets totaled approximately \$296.9 million, consisting primarily of total loans of \$166.9 million and total securities of \$112.4 million. Total deposits equaled \$258.0 million

as of the same date. As reflected in the following table, residential loans represent the largest loan category at 72.7 percent and commercial loans represent the second largest at 12.0 percent.

<b>Loan Portfolio Distribution as of 12/31/2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	9,084	5.4
Secured by Farmland	4,674	2.8
Secured by 1-4 Family Residential Properties	121,055	72.5
Secured by Multifamily (5 or more) Residential Properties	402	0.2
Secured by Nonfarm Nonresidential Properties	11,724	7.0
<b>Total Real Estate Loans</b>	<b>146,939</b>	<b>87.9</b>
Commercial and Industrial Loans	8,275	5.0
Agricultural Production and Other Loans to Farmers	1,172	0.7
Consumer Loans	5,166	3.1
Obligations of State and Political Subdivisions in the U.S.	5,315	3.2
Other Loans	45	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>166,912</b>	<b>100.0</b>
<i>Source: Report of Condition and Income</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. BOD designated all of Dickson County as its AA, which is a part of the Nashville-Davidson-Murfreesboro-Franklin, Tennessee (Nashville) Metropolitan Statistical Area (MSA). The AA conforms to CRA regulatory requirements. The following section discusses demographic and economic information for the AA.

### **Economic and Demographic Data**

The AA includes all 11 census tracts (CTs) in Dickson County. These 11 CTs reflect the following income designations according to the 2020 U.S. Census data: six moderate- and five middle-income tracts. The AA has changed since the previous evaluation due to the updated data from the 2020 U.S. Census. One new middle-income CT was added to the AA. All four branches are located in moderate-income CTs. The following table provides additional demographic data for the AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	11	0.0	54.5	45.5	0.0	0.0
Population by Geography	54,315	0.0	55.7	44.3	0.0	0.0
Housing Units by Geography	21,030	0.0	63.8	36.2	0.0	0.0
Owner-Occupied Units by Geography	14,891	0.0	52.5	47.5	0.0	0.0
Occupied Rental Units by Geography	4,668	0.0	66.9	33.1	0.0	0.0
Vacant Units by Geography	2,538	0.0	65.0	35.0	0.0	0.0
Businesses by Geography	4,052	0.0	59.3	40.7	0.0	0.0
Farms by Geography	195	0.0	56.9	43.1	0.0	0.0
Family Distribution by Income Level	13,264	27.2	21.5	20.1	31.1	0.0
Household Distribution by Income Level	19,559	26.9	20.3	20.6	32.3	0.0
Median Family Income MSA - 34980 Nashville-Davidson-Murfreesboro- Franklin, TN MSA		\$83,085	Median Housing Value			\$181,392
			Median Gross Rent			\$808
			Families Below Poverty Level			8.3%
<i>Source: 2015 American Community Survey data, 2020 U.S. Census data, and 2022 D&amp;B data</i>						
<i>Due to rounding, totals may not equal 100.0 percent</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification</i>						

To determine the borrowers' income designation to analyze home mortgage loans under the borrower profile criterion, examiners used the Federal Financial Institutions Examination Council's (FFIEC's) 2021 estimated-median family income of \$79,200 for the Nashville MSA.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Nashville-Davidson-Murfreesboro-Franklin, TN MSA Median Family Income (34980)</b>				
2021 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
<i>Source: FFIEC</i>				

According to the Tennessee Department of Labor and Workforce Development, the largest industries in the AA consist of manufacturing; health care and social assistance; retail trade accommodation and food services; and educational services. Major employers in the area include Tennesco Corporation, Walmart Supercenter, and Odom Sausage Company. As shown in the following table, data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rate for Dickson County improved after 2020 following the COVID-19 Pandemic and is lower than the State and national averages.

Unemployment Rates			
Area	Dec 2020	Dec 2021	Dec 2022
	%	%	%
Dickson	4.0	2.5	2.5
State	5.5	3.6	3.5
National Average	6.7	3.9	3.5

*Source: Bureau of Labor Statistics*

**Competition**

BOD operates in a moderately competitive environment in the AA. Competition comes from other local, regional, and national banks, digital mortgage lenders, mortgage companies, and credit unions. According to the FDIC Deposit Market Share data as of June 30, 2022, nine financial institutions operate 20 full-service offices within the AA. Of these institutions, BOD ranked second with a 19.2 percent deposit market share.

**Community Contact(s)**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine financial institutions’ responsiveness to these needs and indicates available credit opportunities.

The contact from a local community organization focusing on promoting economic growth describes the area’s current economic conditions as diverse and growing. The contact stated there are plenty of opportunities for small and large businesses to move operations to Dickson County. Additionally, the contact stated there is always a need for affordable housing. However, infrastructure needs to improve in order to expand housing options. Lastly, the community contact stated that financial institution involvement is high in the area and that bank representatives actively participate in housing programs, sponsorship events, and educational seminars. Bank participation is well received within the community.

**Credit Needs**

Consistent with other MSAs, the AA has varied loan demand for residential loans, commercial loans, and consumer loans. Considering information obtained from the community contact, bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of the AA include home mortgage and small business loans.

**SCOPE OF EVALUATION**

**General Information**

This evaluation covers the period from the previous evaluation dated January 28, 2020, to the current evaluation date of February 21, 2023. Examiners used the Interagency Small Institution

Examination Procedures to evaluate BOD’s CRA performance. The appendix lists the criteria evaluated.

**Activities Reviewed**

CRA Small Institution Examination Procedures require examiners to determine the major product lines for review. Examiners may select from among the same loan categories used for Large Bank CRA evaluations, including home mortgage, small business, small farm, and consumer loans. The following table shows the originations and purchases for the most recent calendar year by loan type.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	15,160	15.3	49	5.7
Secured by Farmland	2,428	2.4	11	1.3
Secured by 1-4 Family Residential Properties	47,484	47.8	236	27.4
Multi-Family (5 or more) Residential Properties	440	0.4	1	0.1
Commercial Real Estate Loans	8,458	8.5	25	2.9
Commercial and Industrial Loans	14,681	14.8	78	9.1
Agricultural Loans	2,034	2.0	56	6.5
Consumer Loans	7,577	7.6	403	46.8
Other Loans	1,146	1.2	2	0.2
<b>Total Loans</b>	<b>99,408</b>	<b>100.0</b>	<b>861</b>	<b>100.0</b>
<i>Source: Bank data (01/01/2022 through 12/31/2022) Due to rounding, totals may not equal 100.0 percent</i>				

Considering the dollar volume and number of loans originated and products commonly reviewed for CRA, examiners determined the major products lines in 2022 consist of home mortgage loans at 48.2 percent by dollar volume and 27.5 percent by number and commercial loans at 23.3 percent by dollar volume and 12.0 percent by number. The performance is generally consistent with the lending activity during the entire evaluation period.

Since none of the other categories typically reviewed, including small farm and consumer loans, represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of them.

This evaluation will consider all home mortgage loans reported on the 2020 and 2021 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). For 2020, the bank originated 199 loans totaling \$39.7 million. For 2021, the bank originated 184 loans totaling \$44.8 million. This evaluation will present information for 2021, the most recent year with HMDA aggregate data available. 2020 HMDA data will be presented within the AA concentration. HMDA aggregate data and 2015 American Community Survey data provided the standard of comparison for analyzing home mortgage loans.

The evaluation will also consider a sample of small business loans originated between January 1, 2022, and December 31, 2022. The bank originated 103 commercial loans totaling approximately \$23.1 million, of which 99 loans totaling approximately \$13.5 million met the definition of small business loans. Examiners will review a random sample of 41 small business loans totaling \$3.9

million. Examiners selected this sample based on a 90 percent confidence interval at the 10 percent level of precision. D&B data for 2022 provided the standard of comparison for analyzing small business loans.

Examiners considered the number and dollar volume of home mortgage and small business loans as well as management’s stated business strategy to determine loan product weighing to arrive at applicable conclusions. Consequently, home mortgage loans will receive the greatest weight.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

FCB demonstrated a satisfactory record regarding the Lending Test. Reasonable performance records regarding the LTD ratio and borrower profile and a majority of loans inside the AA outweigh the poor geographic distribution to support this conclusion.

#### Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution’s size, financial condition, and AA credit needs. Examiners considered the bank’s size, business strategy, and capacity relative to AA credit needs when arriving at this conclusion.

The LTD ratio, calculated from Reports of Condition and Income data, averaged 59.2 percent over the past 12 calendar quarters from March 31, 2020, to December 31, 2022, representing a decrease from the 70.8 percent average, net LTD ratio reflected at the previous evaluation. The ratio ranged from a high of 66.7 percent as of March 31, 2020, to a low of 54.3 percent as of September 30, 2021. Since the highest LTD in March 31, 2020, the LTD ratio gradually decreased reflecting a downward trend until March 31, 2022. The LTD has progressively increased over the past three quarters.

Examiners identified two similarly-situated institutions that reflect similar asset sizes, branching structures, and lending emphases to BOD shown in the following table.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank Name and Location</b>	<b>Total Assets \$(000s)</b>	<b>Average, Net LTD Ratio (%)</b>
Bank of Dickson, Dickson, Tennessee	296,885	59.2
<b>Similarly-Situated Banks</b>		
Homeland Community Bank, McMinnville, Tennessee	229,717	56.5
CedarStone Bank, Lebanon, Tennessee	269,252	81.3
<i>Source: Reports of Condition and Income (3/31/2020 to 12/31/2022)</i>		



**Assessment Area Concentration**

A majority of loans and other lending related activities are in the institution’s AA. The following table shows that the bank originated a majority of home mortgage and small business loans by both number and dollar volume inside the AA.

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										
2020	161	80.9	38	19.1	199	31,423	79.1	8,316	20.9	39,739
2021	143	77.7	41	22.3	184	33,299	74.2	11,550	25.8	44,849
<b>Subtotal</b>	<b>304</b>	<b>79.4</b>	<b>79</b>	<b>20.6</b>	<b>383</b>	<b>64,722</b>	<b>76.5</b>	<b>19,866</b>	<b>23.5</b>	<b>84,588</b>
Small Business	35	85.4	6	14.6	41	2,826	72.6	1,068	27.4	3,894
<i>Source: 2020 – 2021 HMDA LARs and Bank data (01/01/2022 through 12/31/2022)            Due to rounding, totals may not equal 100.0 percent</i>										

**Geographic Distribution**

The geographic distribution of loans reflects poor dispersion throughout the AA. The poor performance for home mortgage loans outweighed the reasonable performance for small business loans to support this conclusion. Examiners focused on lending within moderate-income CTs within the AA when arriving at conclusions.

***Home Mortgage Loans***

The geographic distribution of loans reflects poor dispersion throughout the AA. The poor performance in moderate-income CTs supports this conclusion.

The following table shows BOD’s home mortgage lending in moderate-income CTs trails aggregate performance by 10.5 percentage points, reflecting poor performance.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0.0	0	0.0	0	0.0
Moderate	62.3	57.4	67	46.9	14,445	43.4
Middle	37.7	42.6	76	53.1	18,854	56.6
Upper	0.0	0.0	0	0.0	0	0.0
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>143</b>	<b>100.0</b>	<b>33,299</b>	<b>100.0</b>

*Source: 2015 ACS data, 2021 HMDA Aggregate data, and 2021 HMDA LAR data  
Due to rounding, totals may not equal 100.0 percent*

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

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. Reasonable performance in moderate-income CTs supports this conclusion.

The following table shows that in moderate-income CTs, the small business lending performance exceeds demographic data by 3.6 percentage points, reflecting a reasonable level.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0	0.0	0	0.0
Moderate	59.3	22	62.9	1,766	62.5
Middle	40.7	13	37.1	1,060	37.5
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>2,826</b>	<b>100.0</b>

*Source: 2022 D&B data and Bank data (01/01/2022 through 12/31/2022)  
Due to rounding, totals may not equal 100.0 percent*

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. The reasonable records for both home mortgage and small business loans support this conclusion. Examiners focused on lending to LMI individuals and to businesses with gross annual revenues of \$1.0 million or less in the AA when arriving at conclusions.

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

The distribution of borrowers reflects reasonable penetration among borrowers of different income levels, including LMI. The reasonable performances to both LMI borrowers support this conclusion.

The following table shows that lending to low-income borrowers exceeds aggregate data by 4.8 percentage points, reflecting reasonable performance. The table further shows that the level of lending to moderate-income borrowers falls below aggregate data by 7.3 percentage points, also reflective of reasonable performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	27.2	7.8	18	12.6	2,393	7.2
Moderate	21.5	22.7	22	15.4	3,571	10.7
Middle	20.1	23.6	38	26.6	6,690	20.1
Upper	31.1	25.9	59	41.2	19,368	58.2
Not Available	0.0	20.0	6	4.2	1,277	3.8
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>143</b>	<b>100.0</b>	<b>33,299</b>	<b>100.0</b>
<i>Source: 2015 ACS data, 2021 HMDA Aggregate data, and 2021 HMDA LAR data Due to rounding, totals may not equal 100.0 percent</i>						

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

The distribution of small business loans, based on the borrowers’ profiles, reflects reasonable performance.

As seen in the following table, the institution originated almost nine out of every 10 small business loans to businesses with gross annual revenues of \$1.0 million or less, reflecting reasonable performance. This level exceeds the demographic data by 2.1 percentage points. Additionally, a majority of the small business loans were made to businesses with gross annual revenues of less than \$250,000, reflecting a willingness to serve the smallest of businesses.

<b>Distribution of Small Business Loans by Gross Annual Revenues</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	56.8	12	34.3	493	17.4
\$100,000 - \$249,999	22.5	8	22.9	801	28.4
\$250,000 - \$499,999	5.1	7	20.0	608	21.5
\$500,000 - \$1,000,000	2.5	4	11.4	463	16.4
<b>Subtotal &lt;= \$1,000,000</b>	<b>86.9</b>	<b>31</b>	<b>88.6</b>	<b>2,366</b>	<b>83.7</b>
>\$1,000,000	2.8	2	5.7	350	12.4
Revenue Not Available	10.3	2	5.7	110	3.9
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>2,826</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B data and Bank data (01/01/2022 through 12/31/2022) Due to rounding, totals may not equal 100.0 percent</i>					

### **Response to Complaints**

The bank 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 reviewed for compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

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

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

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

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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

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

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

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

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

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

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

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

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

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

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

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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

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

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

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

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

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



**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.