

# **PUBLIC DISCLOSURE**

November 16, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

American Metro Bank  
Certificate Number: 34334

4878 North Broadway Street  
Chicago, Illinois 60640

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 net loan-to-deposit ratio is more than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans are in the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among 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

### **Background**

American Metro Bank (AMB) is an \$85.9 million institution headquartered in the Uptown neighborhood of Chicago, Illinois. AMB is wholly-owned by American Metro Bancorp, Incorporated; a one-bank holding company also located in Chicago. The main office is in an upper-income tract. The bank's sole branch office is located in the Chinatown neighborhood of Chicago in a low-income tract. The branch relocated to its current location since the prior evaluation. The prior location was also in Chinatown in a low-income tract. The institution does not have any subsidiaries or affiliates. Examiners assigned a Satisfactory rating at the prior CRA evaluation dated July 21, 2014, based on Interagency Small Institution Examination Procedures.

### **Operations**

AMB operates two full-service offices in its assessment area. The bank is a community-oriented financial institution that provides a traditional offering of deposit, credit, and other services to meet the needs of its surrounding communities and businesses. Retail deposit products consist of a conventional mix of checking, savings, certificates of deposit, and money market deposit accounts. Loan products include residential, home equity lines of credit, commercial real estate, multi-family, personal, and business loans. Banking services include bank-by-phone, online banking via [www.americanmetrobank.com](http://www.americanmetrobank.com), and a walk-up window in the lobby. Automated teller machine services with 24-hour access are available at both offices. The bank has not opened or closed any branches or participated in any merger or acquisition activities since the prior evaluation.

## Ability and Capacity

As of the September 30, 2020 Call Report, AMB reported approximately \$85.9 million in total assets and \$60.7 million in total loans. Total assets have increased approximately 31.9 percent since the prior examination. Commercial real estate represents the primary lending focus, followed by 1-4 family residential. Loan portfolio concentrations are detailed in the following table:

<b>Loan Portfolio Distribution as of 09/30/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	5,607	9.2
Secured by Farmland	0	0.0
1-4 Family Residential	19,112	31.5
Multi-family (5 or more) Residential	3,773	6.2
Commercial Real Estate	26,349	43.4
<b>Total Real Estate Loans</b>	<b>54,841</b>	<b>90.4</b>
Agricultural Production	0	0.0
Commercial and Industrial	2,989	4.9
Consumer Purpose	0	0.0
Other Loans	2,859	4.7
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>60,689</b>	<b>100.0</b>
<i>Source: Report of Condition and Income Due to rounding, totals may not equal 100.0</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. AMB designated a single assessment area, which includes all census tracts located within Cook and DuPage Counties in Illinois. Cook and DuPage Counties are part of the Chicago-Naperville-Arlington Heights Metropolitan Division. The assessment area includes contiguous census tracts, conforms to CRA regulatory requirements, and does not arbitrarily exclude any low- or moderate-income geography.

## Economic and Demographic Data

The assessment area includes 770 census tracts. Based on the 2015 American Community Survey (ACS) demographic data, the census tracts reflect the following income designations:

- 252 (32.7 percent) low-income census tracts;
- 343 (44.5 percent) moderate-income census tracts;
- 147 (19.1 percent) middle-income census tracts;
- 22 (2.9 percent) upper-income census tracts; and
- 6 (0.8 percent) census tracts with no income designation due to nominal populations.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	770	32.7	44.5	19.1	2.9	0.8
Population by Geography	2,895,744	26.0	47.7	22.2	3.7	0.4
Housing Units by Geography	1,143,199	27.3	45.8	22.2	4.2	0.5
Owner-Occupied Units by Geography	480,930	15.7	48.1	30.2	5.7	0.2
Occupied Rental Units by Geography	506,780	34.1	45.0	17.0	3.0	0.8
Vacant Units by Geography	155,489	41.2	41.2	13.9	3.1	0.5
Businesses by Geography	130,442	18.6	43.0	31.4	6.6	0.4
Farms by Geography	1,465	14.6	46.6	33.2	5.5	0.1
Family Distribution by Income Level	630,934	39.2	20.0	17.7	23.1	0.0
Household Distribution by Income Level	987,710	37.8	18.4	17.3	26.6	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Evanston, IL		\$75,024	Median Housing Value			\$170,658
			Median Gross Rent			\$916
			Families Below Poverty Level			20.0%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The table above reflects that 77.2 percent of the geographies within the assessment area are categorized as low- or moderate-income. The demographics of the assessment area vary greatly between Cook County and DuPage County. The majority of the assessment area's low- and moderate-income census tracts are located in Cook County. The city of Chicago is located in Cook County and is more densely populated with fewer owner-occupied housing units and more diverse income characteristics. DuPage County is generally more affluent, as evidenced by higher median income levels.

The assessment area consists of 39.2 percent low-income families, 20.0 percent of which are those generating incomes below the poverty level. This demographic, in conjunction with the stark contrast between median family income levels and high median housing values, highlights difficulties that home mortgage lenders may face in providing traditional financing options to this market, especially to low-income borrowers.

Examiners use the FFIEC-updated median family income levels to analyze lending performance under the borrower profile criterion. Income categories in the assessment area are presented in the following table.

<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>Chicago-Naperville-Arlington Heights, IL MD Median Family Income (16974)</b>				
2018 (\$82,400)	<\$41,200	\$41,200 to <\$65,920	\$65,920 to <\$98,880	≥\$98,880
<b>Chicago-Naperville-Evanston, IL Median Family Income (16984)</b>				
2019 (\$82,000)	<\$41,000	\$41,000 to <\$65,600	\$65,600 to <\$98,400	≥\$98,400
<i>Source: FFIEC</i>				

At the time of the evaluation, the Coronavirus Disease 2019 (COVID-19) considerably affected local and global environments. The stay-at-home orders and temporary closures of non-essential businesses, that became effective in March 2020, caused significant hardships for both individuals and businesses. Throughout the majority of the review period, unemployment rates were steadily improving. However, the COVID-19 pandemic triggered dramatic increases in statewide and national unemployment rates. The following table outlines the unemployment rates of the bank’s assessment area during the review period.

<b>Unemployment Rates</b>				
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>September 2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cook County, Illinois	5.1	4.1	3.8	12.9
DuPage County, Illinois	4.0	3.2	2.9	8.5
State of Illinois	4.9	4.3	4.0	10.4
National Average	4.3	3.9	3.7	7.9
<i>Source: U.S. Bureau of Labor Statistics</i>				

## **Competition**

The assessment area reflects a highly competitive market for deposits and loans. According to the FDIC Deposit Market Share data as of June 30, 2020, there were 116 financial institutions operating 1,588 offices within the defined assessment area. Of these, AMB ranked 95<sup>th</sup> maintaining 0.02 percent of the deposit market share.

The bank is not required to collect or report small business or home mortgage data pursuant to the reporting requirements of the CRA. Therefore, aggregate small business and home mortgage data is not used as a direct comparison to performance; but is considered as a measure of demand. Aggregate data shows that 198 reporting lenders originated 162,631 small business loans within the assessment area in 2018. These performance context factors indicate a highly competitive market for originating small business loans in the assessment area.

The bank’s assessment area maintains a heavily competitive market for home mortgage loans among banks, credit unions, and non-depositor mortgage lenders. The 2019 aggregate mortgage data reflects 6,170 conventional home mortgage loan originations and purchases by 342 lenders.

These home mortgage loans were secured by investment properties like the majority of AMB's home mortgage loans.

### **Community Contact**

Community contact interviews assist examiners in identifying and understanding the credit and community development needs of the assessment area. The information helps examiners determine whether local financial institutions are responsive to these needs.

Examiners reviewed two recent community contact interviews to assist in setting the scope of the current evaluation. The contacts identified credit needs for affordable housing and financing for start-up businesses, specifically small dollar loans.

### **Credit Needs**

Examiners determined that small business and affordable home mortgage loans represent significant credit needs in the assessment area based on information from the community contacts, and demographic data.

## **SCOPE OF EVALUATION**

### **General Information**

The evaluation covers the period from the previous evaluation dated July 21, 2014, to the current evaluation dated November 16, 2020. Examiners used the Interagency Small Institution Examination Procedures to evaluate AMB's CRA performance. These procedures include the Lending Test.

The Lending Test evaluates performance under the following criteria:

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

### **Activities Reviewed**

Through a review of AMB's business strategy, loan portfolio composition, and number and dollar volume of loan originations during the evaluation period; examiners determined the bank's major product lines to be small business and home mortgage loans. AMB did not originate any small farm loans during the review period, and consumer loans do not represent a significant portion of the loan portfolio. Therefore, these loan products were not reviewed, as they provide no material support for the conclusions.

Examiners evaluated the universe of small business loans originated in 2018 and 2019. In 2018, AMB originated eight small business loans totaling \$3.9 million. The bank originated six small business loans totaling \$2.2 million in 2019.

The universe of all home mortgage loans originated in 2018 and 2019 was also considered in the review. AMB originated 26 home mortgage loans totaling \$8.7 million in 2018 and six home mortgage loans totaling \$2.4 million in 2019.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

AMB demonstrated reasonable performance under the Lending Test. The performance under the following criteria supports the conclusion.

#### **Loan-to-Deposit Ratio**

The net loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. Based on Call Report data for the previous 25 quarters (from September 30, 2014 through September 30, 2020), AMB’s net LTD ratio averaged 99.2 percent. The net LTD ratio was relatively stable during the review period, and ranged between a high of 123.0 percent in December 31, 2017, and a low of 83.8 percent in December 31, 2015. AMB’s average net LTD has remained considerably higher than those of comparable intuitions, as shown in the following table. Comparable institutions were selected based on asset size, area served, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Institution</b>	<b>Total Assets \$(000s)</b>	<b>Average NLTD Ratio (%)</b>
<b>American Metro Bank</b>	<b>85,914</b>	<b>99.2</b>
Similarly-Situated Institution #1	141,545	99.5
Similarly-Situated Institution #2	161,310	74.5
Similarly-Situated Institution #3	164,444	82.8
Similarly-Situated Institution #4	175,924	52.7
<i>Source: Reports of Condition and Income 09/30/2014 through 09/30/2020</i>		

#### **Assessment Area Concentration**

The bank made a substantial majority of its small business and home mortgage loans, by number and dollar volume, within its assessment area. Refer to the following table for the loan concentrations inside and outside of the 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		
	#	%	#	%		\$	%	\$	%	
<b>Small Business</b>										
2018	8	100.0	0	0.0	8	3,935	100.0	0	0.0	3,935
2019	6	100.0	0	0.0	6	2,202	100.0	0	0.0	2,202
<b>Total</b>	<b>14</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>14</b>	<b>6,137</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>6,137</b>
<b>Home Mortgage</b>										
2018	26	100.0	0	0.0	26	8,729	100.0	0	0.0	8,729
2019	6	100.0	0	0.0	6	2,421	100.0	0	0.0	2,421
<b>Total</b>	<b>32</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>32</b>	<b>11,150</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>11,150</b>
<b>Total</b>	<b>46</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>46</b>	<b>17,287</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>17,287</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0</i>										

**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area considering the demographics, lending opportunities, and location of the institution. The reasonable penetration of small business and home mortgage loans supports this conclusion. Examiners focused on lending penetrations in low- and moderate-income census tracts and emphasized performance by number of loans, because the number of loans is a better indicator of the number of borrowers served.

***Small Business Loans***

The geographic dispersion of small business loans reflects reasonable dispersion throughout the assessment area. The table on the following page reflects the distribution of small business loans in comparison to the percentage of businesses by census tract income level (demographic).

<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>
<b>Low</b>						
	2018	18.8	3	37.5	1,075	27.3
	2019	18.6	1	16.7	650	29.5
<b>Moderate</b>						
	2018	43.0	5	62.5	2,860	72.7
	2019	43.0	2	33.3	797	36.2
<b>Middle</b>						
	2018	31.6	0	0.0	0	0.0
	2019	31.4	1	16.7	200	9.1
<b>Upper</b>						
	2018	6.3	0	0.0	0	0.0
	2019	6.6	2	33.3	555	25.2
<b>Not Available</b>						
	2018	0.4	0	0.0	0	0.0
	2019	0.4	0	0.0	0	0.0
<b>Totals</b>						
	<b>2018</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>3,935</b>	<b>100.0</b>
	<b>2019</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>2,202</b>	<b>100.0</b>
<i>Source: 2018 and 2019 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

AMB's record of lending in low- and moderate-income geographies exceeded business demographics in 2018. Although the bank's originations in low- and moderate-income geographies trailed the demographic in 2019, not all businesses are necessarily seeking financing. The 2019 D&B data revealed that 62.7 percent of the businesses in low- and moderate-income tracts have revenues less than \$500,000. Additionally, 60.3 percent of the businesses in the assessment area employ fewer than five employees. Often, very small businesses seek other forms of financing such as credit cards. In addition, the bank's locations are not particularly convenient to locales outside their immediate areas. Nevertheless, the loan distribution reflects adequate performance and an active pursuit to originate loans in low- and moderate-income geographies.

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

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area relative to the low volume of originations as shown in the following table. A significant portion of AMB's home mortgage lending reflects activity related to investor lending including non-owner occupied home mortgage loans. In 2018, 20 of the 26 home mortgage loans originated were for non-owner occupied housing. In 2019, five of the six home mortgage loans were for non-owner occupied housing. Given the high percentage of non-owner occupied loans, an analysis of non-owner occupied loans was conducted.

The geographic distribution of non-owner occupied home mortgage loans reflects reasonable dispersion throughout the assessment area as shown in the table below. The bank’s performance is measured against the percentage of occupied rental units in the assessment area.

<b>Geographic Distribution of Non-Owner Occupied Home Mortgage Loans</b>					
<b>Tract Income Level</b>	<b>% of Occupied Rental Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2018	34.4	8	40.0	2,846	41.0
2019	34.1	1	20.0	546	23.6
Moderate					
2018	44.9	8	40.0	2,535	36.5
2019	45.0	1	20.0	492	21.3
Middle					
2018	16.8	2	10.0	703	10.1
2019	17.0	3	60.0	1,275	55.1
Upper					
2018	3.0	2	10.0	866	12.5
2019	3.0	0	0.0	0	0.0
Not Available					
2018	0.8	0	0.0	0	0.0
2019	0.8	0	0.0	0	0.0
<b>Totals</b>					
<b>2018</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>6,950</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>2,313</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0</i>					

In 2018, AMB’s lending in low-income census tracts at 40.0 percent exceeded the demographic; and slightly trailed the demographic in moderate-income tracts at 40.0 percent. The bank’s performance declined in low- and moderate-income geographies in 2019. AMB faces geographic distance and competition challenges in reaching low- and moderate-income census tracts. The two banks that have the largest market share of non-owner occupied home mortgage loans at 6.4 and 4.7 percent, respectively, have assets greater than \$1.0 billion and are located within a three-mile radius of the Chinatown branch. However, AMB was still able to originate a high percentage of its non-owner occupied home mortgage loans in low- and moderate-income geographies during the evaluation period.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes.

**Small Business Loans**

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. The following table details the distribution of loans by the business revenue.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000					
2018	80.6	7	87.5	3,435	87.3
2019	84.0	4	66.7	1,852	84.1
>1,000,000					
2018	7.8	1	12.5	500	12.7
2019	6.4	2	33.3	350	15.9
Revenue Not Available					
2018	11.6	0	0.0	0	0.0
2019	9.6	0	0.0	0	0.0
<b>Totals</b>					
<b>2018</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>3,935</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>2,202</b>	<b>100.0</b>
<i>Source: 2018 &amp; 2019 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

While the bank trailed the demographic in 2019, the distribution of loans to businesses of different sizes is adequate considering performance context factors. It should be noted that the demographic consists of all businesses that exist within the assessment area. As previously mentioned, not all of these businesses may be seeking traditional financing. Additionally, the Small Business Administration created the Paycheck Protection Program (PPP) to assist small businesses in keeping their workers on the payroll during the COVID-19 pandemic. This program is directly responsive to AMB’s assessment area needs. Loan originations under this program are considered particularly responsive to assessment area credit needs given the current economic environment. Since the program was recently implemented, these lending efforts are not reflected in the Lending Test analysis. During the review period, the bank originated 62 PPP loans totaling approximately \$2.3 million within its designated assessment area. Bank personnel also spent extensive time assisting borrowers through the application process. Assistance included translation services for English as a second language (ESL) applicants.

**Payment Deferrals Due to COVID-19**

AMB provided loan payment deferrals to support borrowers and small businesses. The bank granted loan deferral requests for 44 borrowers with deferred balances of \$20.4 million. AMB’s initiatives are responsive to the assessment area’s credit needs as identified by community contacts and the current economic conditions.

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

No meaningful conclusions could be drawn regarding the borrower profile distribution of home mortgage loans given the limited number of home mortgage loans originated with income information. In 2018, 20 of the 26 home mortgage loans originated within the assessment area had income reported as “not applicable” (NA). Of the six home mortgage loans with a reported income, one loan was to a low-income borrower and three loans were to moderate-income borrowers. In 2019, five of the six home mortgage loans originated within the assessment area had incomes reported as NA. The one home mortgage loan with a reported income was to a moderate-income borrower.

### **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 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.