

PUBLIC DISCLOSURE

March 1, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Centera Bank
Certificate Number: 16436

119 South Inman Street
Sublette, Kansas 67877

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

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

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

DESCRIPTION OF INSTITUTION

Background

Centera Bank is a full-service community bank headquartered in Sublette, Kansas, and continues to be wholly-owned by Santa Fe Trail Banc Shares, Inc., a one-bank holding company also located in Sublette. The bank operates from the main office in Sublette, as well as four branch offices in Dodge City, Greensburg, Minneola, and Satanta, Kansas. The bank also has a limited service-administrative office located in Sublette. The bank has not opened or closed any offices since the prior evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated March 26, 2018, based on Interagency Small Institution Examination Procedures.

Operations

The institution offers traditional loan products for agricultural, commercial, home mortgage, and consumer loan purposes. Agricultural loans continue to be the primary business focus. The bank offers government-guaranteed farm and commercial loan products through Farm Services Agency, and Small Business Administration. The bank has also been an active originator of loans under the Small Business Administration's Paycheck Protection Program (PPP), established in 2020 to provide relief financing to small businesses during the Coronavirus pandemic. In addition, the bank continues to offer home loans through a referral program.

The bank also offers a variety of deposit services including checking, savings, money market accounts, and certificates of deposit. Alternative banking services include internet and mobile

banking, electronic bill pay, remote deposit capture, and non-deposit taking bank-owned automated teller machines (ATMs) located at each full-service branch.

Ability and Capacity

The bank’s total assets were \$320.2 million as of December 31, 2020, and included total loans of \$121.4 million and total securities of \$174.7 million. The following table illustrates the loan portfolio.

| Loan Portfolio Distribution as of 12/31/2020 | | |
|---|-----------------|--------------|
| Loan Category | \$(000s) | % |
| Construction, Land Development, and Other Land Loans | 3,911 | 3.2 |
| Secured by Farmland | 24,163 | 19.9 |
| Secured by 1-4 Family Residential Properties | 18,252 | 15.0 |
| Secured by Multi-family (5 or more) Residential Properties | 4,201 | 3.5 |
| Secured by Non-farm Non-Residential Properties | 18,529 | 15.3 |
| Total Real Estate Loans | 69,056 | 56.9 |
| Commercial and Industrial Loans | 14,618 | 12.0 |
| Agricultural Production and Other Loans to Farmers | 34,814 | 28.7 |
| Consumer | 2,656 | 2.2 |
| Obligations of State and Political Subdivisions in the U.S. | - | 0.0 |
| Other Loans | 132 | 0.1 |
| Lease Financing Receivables (net of unearned income) | 138 | 0.1 |
| Less: Unearned Income | - | 0.0 |
| Total Loans | 121,414 | 100.0 |
| <i>Source: Reports of Condition and Income</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

Centera Bank continues to designate all of Clark, Ford, Haskell, and Kiowa counties; and the southern half of Gray County as its sole assessment area. This area is categorized as nonmetropolitan and consists largely of rural countryside and farmland. The following section shows demographic and economic information from the 2015 American Community Survey (ACS) and 2020 D&B data for this assessment area.

Economic and Demographic Data

The assessment area consists of 11 census tracts. The income designations of these tracts remain unchanged since the prior evaluation with one upper-income tract, nine middle-income tracts, and one moderate-income tract. Ford County contains both the upper- and moderate-income tracts, with the moderate-income tract located near Dodge City. The following table shows select demographic characteristics for the entire assessment area.

| Demographic Information of the Assessment Area | | | | | |
|--|----------|------------------------------|--------------------|------------------|-----------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # |
| Geographies (Census Tracts) | 11 | - | 9.1 | 81.8 | 9.1 |
| Population by Geography | 46,594 | - | 9.9 | 85.8 | 4.3 |
| Housing Units by Geography | 17,375 | - | 8.8 | 86.3 | 4.9 |
| Owner-Occupied Units by Geography | 10,095 | - | 6.3 | 87.4 | 6.2 |
| Occupied Rental Units by Geography | 5,603 | - | 13.5 | 83.7 | 2.8 |
| Vacant Units by Geography | 1,677 | - | 8.2 | 87.6 | 4.2 |
| Businesses by Geography | 2,300 | - | 15.4 | 80.3 | 4.3 |
| Farms by Geography | 406 | - | 1.5 | 85.0 | 13.5 |
| Family Distribution by Income Level | 11,454 | 22.2 | 16.7 | 19.9 | 41.2 |
| Household Distribution by Income Level | 15,698 | 19.4 | 15.7 | 17.4 | 47.5 |
| Median Family Income Nonmetropolitan KS | \$57,229 | Median Housing Value | | | \$104,540 |
| FFIEC-Estimated Median Family Income for 2020 | \$64,200 | Median Gross Rent | | | \$636 |
| | | Families Below Poverty Level | | | 13.1% |

Source: 2015 ACS Census; 2020 D&B Data; FFIEC Estimated Median Family Income

D&B data for 2020 indicates the primary industries of this assessment area include the services industry, which comprises 33.1 percent of all area businesses (farm and non-farm); followed by agricultural operations at 15.0 percent; and retail trade at 13.4 percent. This data also indicates that a notable number of these operations are relatively small, with 84.4 percent having nine or fewer employees, and 79.1 percent operating from a single location.

The 2019 FFIEC-updated median family income figures were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle- and upper-income categories for nonmetropolitan Kansas.

| Median Family Income Ranges | | | | |
|-----------------------------|-------------|-------------------------|------------------------|----------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| 2020 (\$64,200) | <\$32,100 | \$32,100 to <\$51,360 | \$51,360 to <\$77,040 | ≥\$77,040 |

Source: FFIEC

Unemployment information from the Bureau of Labor Statistics shows that unemployment rates increased for most of the assessment area due to the impacts of the Coronavirus pandemic. While still well below the national rate, unemployment rates nearly doubled in Ford, Haskell, and Kiowa counties during the summer of 2020.

Competition

Competition for financial services is notable. According to FDIC Deposit Market Share data as of June 30, 2020, there are 18 banks operating 30 offices in the assessment area. Of these institutions,

Centera Bank ranked first in deposit market share, at 21.6 percent. Centera Bank faces the strongest competition in the Dodge City market.

There is competition for small farm and small business loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2019, aggregate data indicates 15 lenders reported a total of 195 small farm loans, and 45 lenders reported a total of 548 small business loans in the assessment area. There is also competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2019, aggregate data indicates 87 lenders reported a total of 639 home mortgage loan originations and purchases in the assessment area. Although the bank does not report small farm, small business, or home mortgage data, this information provides insight regarding competition in the assessment area.

Community Contacts

Examiners contact third parties active in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information not only helps in identifying credit and community development needs and opportunities, but also assists in determining whether local financial institutions are responsive to those needs.

An individual representing the business community was contacted during this evaluation and indicated the area economy has been fairly strong. Although the economy may have moderately slumped in 2020 due to the Coronavirus pandemic, area farms and businesses have generally been able to maintain effective operations. The contact indicated that the primary credit need is home loans, as home financing activity has increased in the past year with the low interest rate environment. The contact specifically mentioned a large increase in new home construction in 2020 and that very few existing homes have been on the market. The contact also noted that local financial institutions (including Centera Bank) are generally active in community initiatives and responsive to identified needs.

Credit Needs

Examiners identified the credit needs of the assessment area based on information from a community contact, bank management, and demographic and economic data. Accordingly, examiners determined that small farm, small business, and home mortgage loans are all notable credit needs in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 26, 2018, to the current evaluation dated March 1, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance.

Activities Reviewed

Under the Interagency Small Institution Examination Procedures, examiners generally review small farm, small business, and home mortgage loans if each of these categories is a major product line of the institution. As previously stated, agricultural lending continues to be a primary focus, followed

by commercial and residential lending. Based on this information, along with the previously detailed loan portfolio composition, examiners reviewed small farm, small business, and home mortgage loans, with small farm loans receiving the greatest weight in determining the overall conclusions.

For the three loan categories reviewed, examiners focused on loans originated or extended in 2020. The number and volume of loans increased in 2020, with the addition of the PPP loans. However, management stated that the bank's 2020 lending patterns for location and size/income of its borrowers would generally be representative of its overall lending patterns since the previous evaluation.

The 2020 bank data showed a total of 207 small farm loans totaling \$26 million, 272 small business loans totaling \$20.7 million, and 88 home mortgage loans totaling \$10.1 million. Examiners reviewed the universe of loans for the Assessment Area Concentration and Geographic Distribution analyses. For the Borrower Profile analysis, examiners reviewed a random sample of each loan category. This sample included 47 small farm loans totaling \$6.6 million, 51 small business loans totaling \$3.9 million, and 36 home mortgage loans totaling \$6.4 million.

D&B data for 2020 provided a standard of comparison for the small farm and small business loans, and 2015 ACS data provided a standard of comparison for the home mortgage loans reviewed. Additionally, although both the number and dollar volume of loans are analyzed, examiners emphasize performance by number of loans, because it is a better indicator of the number farms, businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Centera Bank demonstrates satisfactory performance under the Lending Test. This conclusion is supported by reasonable performance in all evaluated criteria.

Loan-to-Deposit Ratio

The LTD ratio is reasonable. The bank's performance was evaluated based on the average net LTD ratio since the prior evaluation (12 quarters). The bank's average net LTD ratio is comparable to the other similarly-situated banks, which were selected based on asset size, geographic location, and lending focus. See the following table for details.

| Loan-to-Deposit (LTD) Ratio Comparison | | |
|---|--|---------------------------------|
| Bank | Total Assets as of 12/31/2020 (\$000s) | Average Net LTD Ratio (%) |
| Centera Bank, Sublette, Kansas | 320,186 | 49.1 |
| The Fidelity State Bank and Trust Company, Dodge City, Kansas | 202,613 | 22.9 |
| SJN Bank of Kansas, Saint John, Kansas | 218,309 | 60.5 |
| <i>Source: Reports of Condition and Income 3/31/2018 through 12/31/2020</i> | | |

Assessment Area Concentration

A majority of the small farm, small business, and home mortgage loans are within the assessment areas. Refer to the following table for details.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|------|---------|------|---------|----------------------------------|------|---------|------|----------------|
| Loan Category | Number of Loans | | | | Total # | Dollars Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Farm | 142 | 68.6 | 65 | 31.4 | 207 | 19,116 | 73.5 | 6,900 | 26.5 | 26,016 |
| Small Business | 192 | 70.6 | 80 | 29.4 | 272 | 16,243 | 78.3 | 4,497 | 21.7 | 20,740 |
| Home Mortgage | 73 | 83.0 | 15 | 17.0 | 88 | 8,794 | 87.2 | 1,286 | 12.8 | 10,080 |
| <i>Source: 2020 Bank Data</i> | | | | | | | | | | |

Geographic Distribution

The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. Examiners focused on the percentage by number of loans in the moderate-income tract. Reasonable performance in the small farm and home mortgage loan categories supports this conclusion.

Small Farm Loans

The geographic distribution of small farm lending reflects reasonable dispersion. The following table indicates the bank did not originate any small farm loans in the moderate-income tract. However, demographic data indicates 1.5 percent of farming operations are located in this tract, which equates to approximately six farms. Therefore, the bank has limited opportunities to lend to small farms in this tract and bank performance is deemed reasonable.

| Geographic Distribution of Small Farm Loans | | | | | |
|--|--------------|------------|--------------|---------------|--------------|
| Tract Income Level | % of Farms | # | % | \$(000s) | % |
| Moderate | 1.5 | - | - | - | - |
| Middle | 85.0 | 140 | 98.6 | 19,083 | 99.8 |
| Upper | 13.5 | 2 | 1.4 | 33 | 0.2 |
| Total | 100.0 | 142 | 100.0 | 19,116 | 100.0 |
| <i>Source: 2020 D&B Data, 2020 Bank Data</i> | | | | | |

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion. Although strong competition was noted in the assessment area, particularly in Dodge City, the bank's performance has declined since the previous evaluation and now notably lags the demographic data.

| Geographic Distribution of Small Business Loans | | | | | |
|--|------------------------|------------|--------------|-----------------|--------------|
| Tract Income Level | % of Businesses | # | % | \$(000s) | % |
| Moderate | 15.4 | 6 | 3.1 | 747 | 4.6 |
| Middle | 80.3 | 180 | 93.8 | 15,239 | 93.8 |
| Upper | 4.3 | 6 | 3.1 | 257 | 1.6 |
| Total | 100.0 | 192 | 100.0 | 16,243 | 100.0 |

Source: 2020 D&B Data, 2020 Bank Data

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The following table indicates that the bank's 2020 performance is slightly below; however, it is generally comparable to the percentage of owner-occupied housing units in the moderate-income tract.

| Geographic Distribution of Home Mortgage Loans | | | | | |
|---|--|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | # | % | \$(000s) | % |
| Moderate | 6.3 | 2 | 2.7 | 24 | 0.3 |
| Middle | 87.4 | 69 | 94.5 | 8,569 | 97.4 |
| Upper | 6.2 | 2 | 2.7 | 201 | 2.3 |
| Total | 100.0 | 73 | 100.0 | 8,794 | 100.0 |

Source: 2015 ACS Data; 2020 Bank Data
**Due to rounding, percentages may not total 100.0%*

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. Reasonable performance in all loan categories supports this conclusion.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among small farms with gross annual revenues of \$1 million or less. The below table shows bank performance lags comparable data for farms with gross annual revenues of \$1 million or less. However, the 2017 Agricultural Census reveals 54.0 percent of the farms in the five counties had no interest expenses, and 31.1 percent of the farms had revenues of less than \$2,500. This information indicates a sizeable percentage of farms in the assessment area had little or no need for credit. See the following table for details.

| Distribution of Small Farm Loans by Gross Annual Revenue Category | | | | | |
|--|-------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Farms | # | % | \$(000s) | % |
| ≤ \$1,000,000 | 91.1 | 36 | 76.6 | 4,062 | 61.2 |
| > \$1,000,000 | 6.4 | 11 | 23.4 | 2,579 | 38.8 |
| Revenue Not Available | 2.5 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 47 | 100.0 | 6,641 | 100.0 |

Source: 2020 D&B Data, 2020 Bank Data

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. The following table indicates the bank's performance is comparable to demographic data.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| ≤ \$1,000,000 | 70.5 | 38 | 74.5 | 2,338 | 60.0 |
| > \$1,000,000 | 7.3 | 10 | 19.6 | 1,485 | 38.1 |
| Revenue Not Available | 22.1 | 3 | 5.9 | 76 | 1.9 |
| Total | 100.0 | 51 | 100.0 | 3,899 | 100.0 |

Source: 2020 D&B Data, 2020 Bank Data
**Due to rounding, percentages may not total 100.0%*

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. The following table shows the bank's performance lags demographic data for both low- and moderate-income borrowers. However, this is still reasonable considering approximately 13.1 percent of families in the assessment area are living below the poverty level, which equates to nearly half of the low-income families in the assessment area. When considering the average median housing value within the assessment area, it is unlikely that these families would meet the qualifications for a home mortgage loan. Further, the community contact mentioned that few homes have been available for sale in the past year and that new home construction has boomed as a result. The lack of homes to buy and the competition for home mortgages in the assessment area has impacted the bank's home mortgage lending performance.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | |
|---|----------------------|-----------|--------------|-----------------|--------------|
| Borrower Income Level | % of Families | # | % | \$(000s) | % |
| Low | 22.2 | 3 | 8.3 | 117 | 1.8 |
| Moderate | 16.7 | 3 | 8.3 | 137 | 2.1 |
| Middle | 19.9 | 8 | 22.2 | 687 | 10.8 |
| Upper | 41.2 | 22 | 61.1 | 5,445 | 85.3 |
| Total | 100.0 | 36 | 100.0 | 6,386 | 100.0 |
| <i>Source: 2015 ACS Data; 2020 Bank Data</i> | | | | | |

Response to Complaints

The bank has not received 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 inconsistent with helping to meet community credit needs.

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.