

# **PUBLIC DISCLOSURE**

March 5, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Barwick Banking Company  
Certificate Number: 22205

2020 East Main Street  
Barwick, Georgia 31720

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

10 10th Street, Northeast, Suite 800  
Atlanta, Georgia 30309 - 3849

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Barwick Banking Company's satisfactory CRA lending performance supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following discussion summarizes the institution's performance.

- The institution loan-to-deposit ratio is less than reasonable given the institution's size, financial condition, and assessment area's credit needs.
- The institution originated a substantial majority of its consumer, small business, and small farm loans inside the assessment area.
- An analysis of the bank's geographic distribution of loans reviewed was not performed given the homogenous nature of its assessment area. The assessment area consists of only two middle-income geographies.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated April 8, 2013, to the current evaluation dated March 5, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate Barwick Banking Company’s CRA performance. These procedures take into consideration an institution’s performance according to the following criteria:

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

### Loan Products Reviewed

CRA Small Institution Examination Procedures require examiners to determine the institution’s major product lines from which to review. Examiners may select from among the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans, if significant. The following table illustrates Barwick Banking Company loan originations and purchases for the 2018 calendar year by loan type.

<b>2018 Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	-	-	-	-
Secured by Farmland	220	23.4	7	7.8
1-4 Family Residential	-	-	-	-
Multi-Family (5 or more) Residential	-	-	-	-
Commercial Real Estate	112	11.9	5	5.5
<b>Total Real Estate Loans</b>	<b>332</b>	<b>35.3</b>	<b>12</b>	<b>13.3</b>
Commercial and Industrial	165	17.5	8	8.9
Agricultural	245	26.0	8	8.9
Consumer	199	21.2	62	68.9
Other	-	-	-	-
<b>Total Loans</b>	<b>941</b>	<b>100.0</b>	90	<b>100.0</b>
<i>Source: 1/1/2018 – 12/31/2018 Bank Data</i>				

Considering the dollar volume and number of loans originated and purchased during 2018, as well as management’s stated business strategy, examiners determined the institution’s major product lines consist of small business, small farm, and consumer loans.

Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period. Due to the amount of limited lending over this time period, examiners reviewed the universe of small business, small farm, and consumer loans originated in 2018.

Barwick Banking Company delineated one assessment area, which encompasses one census tract (9602) in Brooks County, Georgia, which is part of the Valdosta, Georgia Metropolitan Statistical Area (MSA) and one census tract (9604) in Thomas County, Georgia, which is part of the Georgia Non-MSA. Both counties are contiguous. A detailed discussion of the assessment area is provided under the *Description of Assessment Area* in this document. A full-scope analysis of the bank’s assessment area was conducted for this evaluation.

***Loan Product Weighting***

Examiners considered the distribution of loans originated in 2018 when weighing the reviewed loan products. As seen in the following table, the universe of consumer loans (68.9 percent) comprises a large volume of the institution’s activity when compared to the number of loans to small businesses (14.4 percent) and small farms (16.7 percent). However, the universe of small business (29.4 percent) and small farm (49.4 percent) loans comprises a larger percentage of the dollar volume of the loan portfolio. Examiners placed more weight on consumer loans when drawing conclusions.

While this evaluation presents both number and dollar volume, examiners focused on performance by number of loans because the number of loans remains a better indicator of the number of individuals, businesses, and farms served. Refer to the following table for additional details.

<b>Universes of Loan Categories Reviewed</b>				
<b>Loan Category</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Small Business	13	14.4	277	29.4
Small Farm	15	16.7	465	49.4
Consumer	62	68.9	199	21.2
<b>Total Loans</b>	<b>90</b>	<b>100.0</b>	<b>941</b>	<b>100.0</b>
<i>Source: 1/1/2018 – 12/31/2018 Bank Data</i>				

**DESCRIPTION OF INSTITUTION**

**Background**

Barwick Banking Company has been serving the credit needs of its local communities for 85 years. It is a state-chartered, community bank headquartered in Barwick, Georgia. The bank is owned by local shareholders, independent of any holding company structure, and does not have any affiliates or subsidiaries. Barwick Banking Company operates one full-service banking office, which is located in a middle-income census tract in Brooks County, Georgia. The institution has not opened or closed any offices since the last CRA performance evaluation.

## Operations

The bank provides a reasonable level of retail banking services to meet the needs of the assessment area. The institution has reasonable lobby hours: Monday through Friday from 9:00 a.m. to 4:00 p.m. and is closed on Saturday. To further serve its customers, the institution offers telephone banking and a low-cost, non-interest bearing personal checking account. Barwick Banking Company also offers a variety of business, farm, and consumer credit products that meet the needs of its communities. The bank originates business and farm loans, including those for working capital, equipment financing, and real estate. Consumer loan products include automobile, recreational vehicle, certificates of deposit, and unsecured personal loans. Barwick Banking Company neither extends long-term, fixed-rate residential mortgage loans, nor acts as a broker or correspondent lender.

## Ability and Capacity

As of December 31, 2018, Barwick Banking Company's total assets equaled \$13,233,000. Total loans, net of unearned income, equaled \$1,223,000, or 9.2 percent of total assets. The composition of the bank's loan portfolio as of December 31, 2018, is reflected in the following table.

<b>Loan Portfolio Distribution as of 12/31/2018</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	--	-
Secured by Farmland	383	31.3
Secured by 1-4 Family Residential Properties	107	8.8
Secured by Multifamily (5 or more) Residential Properties	-	-
Secured by Nonfarm Nonresidential Properties	75	6.1
<b>Total Real Estate Loans</b>	<b>565</b>	<b>46.2</b>
Commercial and Industrial Loans	211	17.3
Agricultural Loans	252	20.6
Consumer Loans	195	15.9
Other Loans	-	-
Less: Unearned Income	-	-
<b>Total Loans</b>	<b>1,223</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

There are no financial, legal, or other impediments that affect the bank's ability to meet assessment area's credit needs. However, the environment in which the bank operates contains a small and dwindling population which may hinder the bank's opportunities to extend loans within its assessment area.

## 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. Barwick Banking Company operates in one assessment area consisting of portions of Brooks and Thomas Counties, Georgia. As previously mentioned, Brooks County is located in the Valdosta, Georgia Metropolitan Statistical Area (MSA), and Thomas County, Georgia, is located in the Georgia NMSA. The assessment area consists of 1 of 5 census tracts in Brooks County and 1 of 11 census tracts in Thomas County.

The bank has defined its assessment area in accordance with the technical requirements of the CRA regulation. The assessment area consists of whole census tracts and do not arbitrarily exclude any low- or moderate-income geographies.

The bank’s only office is located in the town of Barwick, Georgia, which borders Brooks and Thomas Counties. Brooks County is located in the eastern section of Barwick, and Thomas County is located in the western section of Barwick. The following table details information regarding the bank’s one office within the assessment area.

<b>Branch Distribution</b>				
<b>Office Name</b>	<b>Main Office or Branch</b>	<b>Census Tract</b>	<b>Tract Income</b>	<b>Opened or Closed Since Last Examination</b>
Barwick Banking CO	Main Office	9602	Middle-Income	No
<i>Source: Bank Data, 2018 FFIEC Data, and 2015 ACS Data</i>				

Unless otherwise stated, all demographic information presented is from the 2015 American Community Survey (ACS) census data. The demographic characteristics and economic information of the assessment area are presented below.

### **Economic and Demographic Data**

According to the 2015 ACS data, the assessment area contains a population of 3,730 persons and 1,614 of households. Of the total households, 27.3 percent are low income-, 13.6 percent moderate-, 18.7 percent middle-, and 40.4 percent upper- income. The 2015 ACS data reflects 23.1 percent of the families reported incomes below the poverty level. The assessment area consists of 1,933 housing units, of which 59.5 percent are owner-occupied units, 24.0 percent are rental units, and 16.5 percent are vacant units. Refer to the following table for additional demographic data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	-	-	100.0	-	-
Population by Geography	3,730	-	-	100.0	-	-
Housing Units by Geography	1,933	-	-	100.0	-	-
Owner-Occupied Units by Geography	1,150	-	-	100.0	-	-
Occupied Rental Units by Geography	464	-	-	100.0	-	-
Vacant Units by Geography	319	-	-	100.0	-	-
Businesses by Geography	145	-	-	100.0	-	-
Farms by Geography	43	-	-	100.0	-	-
Family Distribution by Income Level	1,039	16.2	19.2	28.1	36.5	-
Household Distribution by Income Level	1,614	27.3	13.6	18.7	40.4	-
Median Family Income FFIEC-Estimated Median Family Income for 2018		\$46,023 \$49,200	Median Housing Value Median Gross Rent Families Below Poverty Level			\$86,809 \$625 23.1%
<i>Source: 2015 ACS Data, 2018 D&amp;B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the 2018 D&B data, there were 145 non-farm businesses in the assessment area. Gross annual revenues (GARs) for these businesses are below.

- 86.9 percent have \$1 million or less.
- 1.4 percent have more than \$1 million.
- 11.7 percent have unknown revenues.

According to the 2018 D&B data, there were 43 farm businesses in the assessment area. The GARs for these farms are below.

- 90.7 percent have \$1 million or less.
- 4.7 percent have more than \$1 million.
- 4.6 percent have unknown revenues.

The analysis of small business and small farm loans under the *Borrower Profile* criterion compares the distribution of farm and non-farm businesses by GAR level. Service industries represent the largest portion of non-farm businesses at 23.9 percent, followed by retail trade 9.6 percent, construction (9.0 percent), and agriculture, forestry, and fishing (22.9 percent). In addition, 78.2 percent of the area's businesses have four or fewer employees and 92.6 percent operate from a single location.



Examiners used the 2018 FFIEC-estimated median family income level to analyze lending to borrowers of different income levels within the assessment area. The following table includes the income categories for the Valdosta, Georgia MSA and the Georgia NMSA.

<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>Valdosta, Georgia MSA Median Family Income</b>				
2018(\$49,500)	<\$24,750	\$24,750 to <\$39,600	\$39,600 to <\$59,400	≥\$59,400
<b>Georgia Non-MSA Median Family Income</b>				
2018 (\$48,900)	<\$24,450	\$24,450 to <\$39,120	\$39,120 to <\$58,680	≥\$58,680
<i>Source: 2018 FFIEC estimated Median Family Income</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates the unemployment rate as of December 2018, stood at 3.7 percent for Brooks County, Georgia and 4.0 percent for Thomas County, Georgia. The rate fell lower than the statewide figure of 4.1 percent; however, slightly higher than the national average of 3.9 percent as of the same time period. Unemployment rates trended downward the last four years. The following table includes unemployment trends for Brooks and Thomas County, the State of Georgia, and the United States, which illustrates an improving economy.

<b>Unemployment Rates</b>				
<b>Area</b>	<b>December 2015</b>	<b>December 2016</b>	<b>December 2017</b>	<b>December 2018</b>
Brooks County	4.7	4.3	4.0	3.7
Thomas County	4.7	4.5	4.1	4.0
State of Georgia	5.7	5.3	4.6	4.1
United States	5.3	4.9	4.4	3.9
<i>Source: U.S. Bureau of Labor Statistics</i>				

### **Competition**

Barwick Banking Company operates in a moderately competitive banking environment. According to the June 30, 2018, *FDIC Summary of Deposits*, 10 FDIC-insured financial institutions operate 15 branches in Brooks and Thomas County, Georgia. Barwick Banking Company holds 0.7 percent of the market's total deposits and ranks ninth among its competitors.

### **Community Contact**

As part of the CRA evaluation process, examiners typically contact third parties in a bank's assessment area to gain additional insight regarding local economic conditions and to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and to identify what opportunities are available.

A community contact was conducted with a representative from a development authority organization in Thomas County, Georgia. The community contact stated that home mortgage lending to qualified borrowers is a credit need within the assessment area. Additionally, the community contact stated increased lending to small businesses may increase the availability of jobs in the area. The community contact felt that several businesses were looking at neighboring towns and cities due to the limited opportunities of small business loans within the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Barwick Banking Company demonstrates a satisfactory lending performance for this evaluation. While the bank had a less than reasonable loan-to-deposit ratio, a substantial majority of loans reviewed originated inside the assessment area, accompanied by an excellent borrower profile primarily support this conclusion. As previously stated, examiners placed greater weight on consumer lending when arriving at overall conclusions and ratings.

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

Barwick Banking Company's average net loan-to-deposit (NLTD) ratio is less than reasonable. The bank's average NLTD, calculated over the past 24 quarters ending June 30, 2013, was 17.0 percent. The NLTD ratio considers net loans and leases, which excludes loan loss reserves and unearned income, divided by total deposits. As of December 31, 2018, the NTLTD ratio was 9.6 percent. Since the last CRA performance evaluation, the NLTD ratio has ranged from a low of 9.0 percent on December 31, 2018 to a high of 32.0 percent on September 30, 2013. During this time-frame, the ratio fluctuated with no distinctive trend.

Although the average NLTD is low, there have been various impediments that have adversely impacted lending opportunities, including adverse economic conditions, competition, the lack of branching, and the relative low population. Additionally, several businesses relocated to other areas since the last evaluation, limiting the demand for small business loans. Lastly, the bank's loan demand declined due to management decision to cease purchasing loan participation from larger institutions.

While the bank faces competition from financial institutions operating in the assessment area, there are no banks considered similarly-situated in terms of total asset size, branching network, and product offerings. As such, Barwick Banking Company's average NLTD ratio was compared to the Uniform Bank Performance Report's (UBPR) Peer Bank data. The Peer Group, as defined by the UPBR, consists of insured commercial banks having assets less than \$50 million, with one full-service banking office and located in a MSA. The bank's average NLTD ratio of 17.0 percent is significantly below the Peer Group's average of 61.0 percent.

**Assessment Area Concentration**

A substantial majority of the consumer, small business, and small farm loans were extended within the assessment area. As shown in the following table, the bank extended 91.2 percent of the number and 87.7 percent of the dollar volume of consumer loans inside the assessment area. The bank extended 92.9 percent of the number and 98.2 percent of the dollar volume of small business loans inside the assessment area. The bank extended 93.8 percent of the number and 96.5 percent of the dollar volume of small farm loans inside the assessment area. This performance level is considered outstanding.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollars Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Consumer	62	91.2	6	8.8	68	199	87.7	28	12.3	227
Small Business	13	92.9	1	7.1	14	277	98.2	5	1.8	282
Small Farm	15	93.8	1	6.2	16	465	96.5	17	3.5	482

*Source:: Evaluation Period: 1/1/2018 - 12/31/2018 Bank Data*

**Geographic Distribution**

As previously stated, the bank’s assessment area is comprised of two middle-income census tracts. An analysis of lending by geographic distribution was not performed because it would not provide meaningful information given the homogenous makeup of the bank’s assessment area.

**Borrower Profile**

The distribution of borrowers reflects excellent penetration. The bank’s excellent records of dispersing consumer, small business, and small farm lending to individuals, businesses, and farms within the assessment area, support this conclusion.

*Consumer Loans*

Barwick Banking Company established an excellent penetration of consumer loans among individuals with different income levels, including low- and moderate-income individuals. The bank’s level of lending to low-income borrowers (59.7 percent) exceeded demographic data (27.3 percent). For moderate-income borrowers, the bank’s level of lending (22.6 percent) exceeded demographic data (13.6 percent), as well. Overall, the bank’s lending performance is considered excellent. Refer to the following table for details.

<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>Percent of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	27.3	37	59.7	40	20.1
Moderate	13.6	14	22.6	31	15.6
Middle	18.7	8	12.9	86	43.2
Upper	40.4	3	4.8	42	21.1
<b>Totals</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2018 - 12/31/2018 Bank Data; Due to rounding, totals may not equal 100.0*

### *Small Business Loans*

Barwick Banking Company's distribution of small business loans is excellent by gross annual revenue of businesses in this assessment area. The following table reflects that small business lending at 100.0 percent exceeds the percentage of small businesses at 86.9 percent. Therefore, this level of lending is strong. Refer to the following table for details regarding the bank's small business lending.

<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	86.9	13	100.0	277	100.0
>1,000,000	1.4	-	-	-	-
Revenue Not Available	11.7	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>277</b>	<b>100.0</b>

*Source: 2018 D&B Data and Bank Records.*

### *Small Farm Loans*

Barwick Banking Company's distribution of small farm loans by gross annual revenue of farms in this assessment area is excellent. The following table reflects that small farm lending at 100.0 percent exceeds the percentage of small farms at 90.7 percent. Therefore, this level of lending is strong. Refer to the following table for details regarding the bank's small farm lending.

<b>Distribution of Small Farms Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	90.7	15	100.0	465	100.0
>1,000,000	4.7	-	-	-	-
Revenue Not Available	4.6	-	-	-	-
<b>Total</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>465</b>	<b>100.0</b>

*Source: 2018 D&B Data and Bank Records.*

### **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; therefore, this consideration did not affect the overall rating.

## GLOSSARY

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

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

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

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

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

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

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

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

**Family Income:** Includes the income of all members of a family that are age 15 and older.

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

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

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

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

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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

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

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

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

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

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

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

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



branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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

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