

# **PUBLIC DISCLOSURE**

January 25, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

DeWitt Bank & Trust Co.  
Certificate Number: 14705

815 Sixth Avenue  
DeWitt, Iowa 52742

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION.....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	10
APPENDICES .....	11
SMALL BANK PERFORMANCE CRITERIA.....	11
GLOSSARY .....	12

## 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.

DeWitt Bank & Trust Co. (DBTC)'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance:

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The institution made a majority of its small farm, small business, and home mortgage loans inside the assessment area.
- The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and to individuals of different income levels given assessment area demographics.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

DBTC is a commercial bank headquartered in DeWitt, Iowa. Financial services are also offered at a branch facility in Wilton, Iowa, which operates under the name of “Wilton Bank, Office of DeWitt Bank & Trust Co.” De Witt Bancorp, Inc. is a one-bank holding company that owns 100 percent of DBTC’s common stock. Through common ownership, DBTC is affiliated with DeWitt Bank Statutory Trust I, a non-depository subsidiary of the holding company. DBTC has not opened or closed any offices; however, the Wilton branch relocated on April 29, 2019, to a newly constructed building, not far from the prior location. There has been no merger or acquisition activity since the prior CRA evaluation. The institution received a rating of “Satisfactory” at the previous FDIC CRA evaluation dated February 23, 2015, based on Interagency Small Institution Examination Procedures.

DBTC offers a variety of lending products and services, including agricultural, commercial, home mortgage, and consumer loans. The institution’s lending focus is to offer credit products of all types to qualified applicants. The bank has the ability to assist with special financing alternatives through the Farm Service Agency, Small Business Administration, Farmer Mac, and Iowa Agricultural Developmental Authority. DBTC also participated in the Small Business Administration’s Paycheck Protection Program during the review period. This program provided financial aid to businesses impacted by the COVID-19 pandemic. Secondary market financing options are available for qualifying home mortgage borrowers.

DBTC provides deposit-related products, including checking, savings, and certificates of deposit. Alternative banking products or services include debit cards; direct deposit; online and mobile banking; bill payment; electronic statements; night depository; safe deposit boxes; as well as tax, accounting, investment, trust, and other convenient services. Further, DBTC offers commercial online banking services that include Automated Clearing House, wire transfers, and merchant deposit capture. Lastly, the institution owns and operates two full-service automated teller machines located at each bank office and a cash-dispensing automated teller machine at a DeWitt grocery store.

Assets totaled approximately \$206.7 million as of September 30, 2020, representing an increase of 31.7 percent since the December 31, 2014, Consolidated Reports of Condition and Income (Call Report). Total deposits equaled approximately \$179.4 million, representing a 34.9 percent increase, and total loans were approximately \$146.7 million, representing a 38.8 percent increase, during the same timeframe. Management indicated that coupled with increased customer referral business, loan growth has been organic and is attributable to normal activities of the institution. Loan portfolio concentrations are similar to those at the prior evaluation. Composition of the loan portfolio is illustrated in the following table.

<b>Loan Portfolio Distribution as of 9/30/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	2,757	1.9
Secured by Farmland	33,460	22.8
Secured by 1-4 Family Residential Properties	19,031	13.0
Secured by Multifamily (5 or more) Residential Properties	1,084	0.7
Secured by Nonfarm Nonresidential Properties	21,453	14.6
<b>Total Real Estate Loans</b>	<b>77,785</b>	<b>53.0</b>
Commercial and Industrial Loans	34,284	23.4
Agricultural Production and Other Loans to Farmers	28,138	19.2
Consumer Loans	4,299	2.9
Obligations of State and Political Subdivisions in the U.S.	2,041	1.4
Other Loans	103	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>146,650</b>	<b>100.0</b>
<i>Source: 9/30/2020 Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the credit needs of 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. DBTC has defined their assessment area to be Cedar County census tracts 4503-4505, Clinton County census tracts 8-12, Muscatine County census tracts 501-502, and Scott County census tract 103. All assessment area counties are part of Iowa’s nonmetropolitan area with the exception of Scott County, which is part of the Davenport-Moline-Rock Island Iowa-Illinois Metropolitan Statistical Area (MSA). The geographical boundaries of the assessment area have not changed since the prior evaluation.

### **Economic and Demographic Data**

According to the U.S. Census Bureau’s 2015 American Community Survey (2015 ACS), the assessment area is comprised of eight middle- and three upper-income census tracts. These classifications represent a change from 2010 U.S. Census data, when the assessment area was comprised of six middle- and five upper-income census tracts. The institution’s main office is located in Clinton County upper-income census tract 9, and the Wilton branch is located in Muscatine County upper-income census tract 502. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	72.7	27.3	0.0
Population by Geography	44,861	0.0	0.0	66.1	33.9	0.0
Housing Units by Geography	19,830	0.0	0.0	66.0	34.0	0.0
Owner-Occupied Units by Geography	14,693	0.0	0.0	67.2	32.8	0.0
Occupied Rental Units by Geography	3,668	0.0	0.0	63.4	36.6	0.0
Vacant Units by Geography	1,469	0.0	0.0	60.9	39.1	0.0
Businesses by Geography	3,400	0.0	0.0	66.1	33.9	0.0
Farms by Geography	757	0.0	0.0	75.6	24.4	0.0
Family Distribution by Income Level	12,896	13.2	14.1	24.4	48.3	0.0
Household Distribution by Income Level	18,361	16.7	13.7	18.2	51.4	0.0
Median Family Income - Davenport-Moline-Rock Island, Iowa-Illinois MSA		\$66,600	Median Housing Value			\$143,620
Median Family Income - Nonmetropolitan Iowa		\$61,681	Median Gross Rent			\$644
			Families Below Poverty Level			6.1%
<i>Source: 2015 ACS and 2019 D&amp;B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%</i>						

According to 2019 D&B data, service industries represent the largest portion of farm and business operations at 32.3 percent; followed by agriculture, forestry, and fishing at 18.2 percent; and non-classifiable establishments at 10.9 percent. In addition, 73.5 percent of assessment area farms and businesses have four or fewer employees, and 90.8 percent of farms and businesses operate from a single location.

The 2019 FFIEC-estimated median family income levels are used to analyze home mortgage loans under the Borrower Profile criteria. The low-, moderate-, middle-, and upper-income categories for the Davenport-Moline-Rock Island, Iowa-Illinois MSA and the nonmetropolitan Iowa area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Davenport-Moline-Rock Island, Iowa-Illinois MSA</b>				
2019 (\$72,700)	<\$36,350	\$36,350 to <\$58,160	\$58,160 to <\$87,240	≥\$87,240
<b>Iowa Nonmetropolitan</b>				
2019 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	≥\$80,280
<i>Source: FFIEC</i>				

### **Competition**

The assessment area is moderately competitive regarding the market for financial services. The FDIC Deposit Market Share Report as of June 30, 2020, reports 31 banks operate from 102 offices within the assessment area counties. DBTC ranks 10<sup>th</sup> with 2.5 percent deposit market share. It is noted that this four-county area encompasses the larger metropolitan areas of Davenport and Bettendorf, Iowa. These cities are located in the eastern portion of Scott County; however, the bank's assessment area only includes one geography in the northwestern quadrant of Scott County (census tract 103). As such, a Deposit Market Share Report omitting Scott County and encompassing Cedar, Clinton, and Muscatine counties was also reviewed. This report reflected 18 banks operating from 50 offices, with DBTC ranking 6<sup>th</sup> with 7.1 percent deposit market share. These institutions range from small community banks to larger financial institutions operating branch locations in the area.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify the credit needs and economic conditions of the assessment area. This information helps determine whether local financial institutions are responsive to community credit needs and provides context regarding available opportunities for area financial institutions. In conjunction with this evaluation, examiners referenced a prior community contact with a representative of an economic development organization operating in the assessment area.

The representative stated that economic conditions in the area are good and unemployment is low. The primary credit needs of the community remain in the commercial and agricultural sectors. The contact indicated that the community is heavily reliant on agriculture. Farmland prices have been steady; however, lower commodity prices have had an impact on local farmers. The national political climate and tariffs have also raised concerns for farmers. The contact stated that the commercial sector primarily consists of small entities, with active business startups and expansions. Regarding housing, the representative stated there is a shortage of moderately priced, entry-level homes. The area needs moderately priced homes for purchase and rental. Finally, the contact noted many residents commute to jobs in nearby larger metropolitan areas, such as Cedar Rapids, Iowa City, and Davenport.

### **Credit Needs**

Considering information from the community contact, bank management, economic and demographic data, and Call Report data, examiners determined that small farm, small business, and home mortgage lending remain the primary credit needs of the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated February 23, 2015, to the current evaluation date of January 25, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate DBTC's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria Appendix. Examiners conducted a full-scope review. No affiliate lending activities were reviewed in conjunction with this evaluation.

**Activities Reviewed**

Based on Call Report information and the bank’s business strategy, examiners determined that the major product lines of the institution are agriculture, commercial, and home mortgage lending. All loan products received equal weight when deriving overall conclusions. This is consistent with the bank’s loan portfolio composition and volume of loans recently originated and renewed.

Examiners used the bank’s automated loan download to identify primary product lines and assemble the universe of loans. Examiners reviewed all small farm, small business, and home mortgage loans originated or renewed from January 1, 2019, through December 31, 2019. For the Assessment Area Concentration performance criterion, examiners analyzed the entire universes of small farm, small business, and home mortgage loans. For the Borrower Profile performance criterion, examiners analyzed a sample of the small farm and small business loans from the universes of loans made inside the assessment area. The entire universe of home mortgage loans originated or renewed inside the assessment area was analyzed given the availability of data. The table below provides information on the number and dollar volume of loan products reviewed for each criterion.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	76	9,023	46	3,652
Small Business	99	10,928	36	4,032
Home Mortgage	88	8,041	63	6,050

*Source: Bank Records for small farm, small business, and home mortgage lending from 1/1/2019 through 12/31/2019. Universe loan amounts reflect available original or current loan balances from bank records. The reviewed loan amount is adjusted with actual balances at the time of origination or renewal, as applicable.*

Additionally, the subject bank has the ability to originate mortgage loans for sale to the secondary market. Management has established relationships with two secondary market entities for this purpose. Loan activity with these service providers was handled differently for purposes of this evaluation based upon the bank’s role and responsibilities in the origination of related credits. Specifically, credits originated and sold to the Federal Home Loan Bank were evaluated as part of DBTC’s lending and are included in the home mortgage loan universe. Conversely, credits originated and sold to Iowa Bankers Mortgage Corporation were not evaluated. From January 1, 2019 through December 31, 2019, management stated they originated 32 loans totaling approximately \$5.5 million to borrowers via the bank’s arrangement with Iowa Bankers Mortgage Corporation.

When arriving at small farm and small business conclusions, 2019 D&B data provided a standard of comparison. For home mortgage conclusions, 2015 ACS data provided a standard of comparison. Examiners obtained the data necessary for this evaluation from an automated loan download, other bank records, individual customer loan files, and bank management. Examiners reviewed the number and dollar volume of small farm, small business, and home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of farms, businesses, and individuals served.



## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

DBTC demonstrated reasonable performance under the Lending Test. The institution's reasonable lending performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria support this conclusion.

#### Loan-to-Deposit Ratio

DBTC's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The institution's net loan-to-deposit ratio, calculated from Call Report data, averaged 80.1 percent over the 23 calendar quarters from March 31, 2015, through September 30, 2020. The net loan-to-deposit ratio ranged from a high of 86.6 percent as of December 31, 2018, to a low of 74.1 percent as of June 30, 2016.

Examiners compared the institution's average net loan-to-deposit ratio to similarly-situated institutions to help evaluate DBTC's performance. Similarly-situated institutions were selected based on their size, geographic location, and lending focus. DBTC's average net loan-to-deposit ratio is reasonable when compared with those of the similarly-situated banks. Information pertaining to this review appears in the following table; selected institutions are listed alphabetically by location of their main office.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2020 (\$000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>DeWitt Bank &amp; Trust Co., DeWitt, Iowa</b>	<b>206,718</b>	<b>80.1</b>
Citizens Savings Bank, Anamosa, Iowa	150,051	57.7
First Central State Bank, DeWitt, Iowa	609,649	89.9
Liberty Trust & Savings Bank, Durant, Iowa	156,251	68.2
Community Bank and Trust, Muscatine, Iowa	253,885	67.8
First Trust and Savings Bank, Wheatland, Iowa	213,380	105.2
<i>Source: Call Reports 3/31/2015 - 9/30/2020</i>		

#### Assessment Area Concentration

Overall, the institution made a majority of its small farm, small business, and home mortgage loans, by number and dollar volume, within the assessment area. Management stated that there has been a growing trend with word-of-mouth referrals, resulting in credit requests outside of the bank's assessment area. Examiners noted that a majority of the originated loans outside the assessment area were located within the assessment area counties. See the following table for details.

<b>Lending Inside and Outside of the Assessment Area</b>										
	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
<b>Loan Category</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Small Farm	56	73.7	20	26.3	76	5,777	64.0	3,246	36.0	9,023
Small Business	71	71.7	28	28.3	99	7,610	69.6	3,318	30.4	10,928
Home Mortgage	63	71.6	25	28.4	88	6,050	75.2	1,991	24.8	8,041
<i>Source: 2019 Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration of loans among farms and businesses of differing revenue sizes and home mortgage borrowers of differing incomes. The institution's reasonable performance in all three lending products supports this conclusion. Examiners focused on the percentage of small farm and small business loans, by number, to farms and businesses with gross annual revenues of \$1 million or less, as well as on the percentage of home mortgage loans, by number, to low- and moderate-income borrowers. Only loans originated inside the assessment area were analyzed.

### ***Small Farm Loans***

The distribution of the small farm loan sample reflects reasonable penetration among agricultural operations of different revenue sizes. The bank's lending to farms with gross annual revenues of \$1 million or less is below D&B data; however, examiners noted that three of the five loans with gross annual revenues greater than \$1 million were to the same borrower, which can artificially inflate results in that category. See the following table.

<b>Distribution of Small Farm 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	99.2	41	89.1	3,382	92.6
>1,000,000	0.4	5	10.9	270	7.4
Revenue Not Available	0.4	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>3,652</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data.</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

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

The distribution of the small business loan sample among commercial operations of different revenue sizes reflects reasonable penetration. The bank's record of lending to business operations

with gross annual revenues of \$1 million or less moderately exceeds D&B data. See the following table.

<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	84.6	32	88.9	2,769	68.7
>1,000,000	4.2	4	11.1	1,263	31.3
Revenue Not Available	11.2	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>4,032</b>	<b>100.0</b>

*Source: 2019 D&B Data; Bank Data.  
Due to rounding, totals may not equal 100.0%*

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

DBTC’s record of extending home mortgage loans to borrowers of different income levels inside the bank’s assessment area is reasonable. As shown in the following table, the bank’s level of lending to low-income borrowers is comparable to the 2015 ACS benchmark data; however, lending to moderate-income borrowers it is significantly lower than demographic data. Examiners considered other contextual information to further analyze the bank’s performance with respect to moderate-income borrowers when arriving at an overall reasonable conclusion.

Lending data reveals that 20.6 percent of loans reported income as “Not Available.” When evaluating the bank’s performance exclusive of “Not Available” income information, it lessens the gap between the bank’s concentration of loans in low- and moderate-income borrower segments and the comparative data. Management reported they have an ample amount of business that comes from both individuals and investment companies for rental purposes and that these properties often provide housing for low- or moderate-income individuals.

Management also cited competition as a factor in servicing low- and moderate-income borrowers. As noted previously, there are 31 banks operating from 102 offices within the assessment area counties. Although DBTC is not a data reporter, examiners reviewed Home Mortgage Disclosure (HMDA) data as an additional indicator of competition and demand. HMDA aggregate data showed 60 lenders originated 268 loans to assessment area moderate-income borrowers in 2019; 40 of these lenders originated three or less loans to moderate-income borrowers. HMDA data shows two institutions dominate the market of assessment area lending to moderate-income borrowers and both institutions offer specialized programs. One of these entities is Iowa Banker’s Mortgage Corporation, to which DBTC reports a limited number of moderate-income borrower loans sold.

Demographic and community contact information was also considered. Specifically, the median housing value for the assessment area is \$143,620, which is significantly higher than the median housing value of \$106,504 for the nonmetropolitan area of Iowa. Examiners used this comparison given that the vast majority of the assessment area is non-metropolitan and that such housing values are particularly high in and around the City of DeWitt. The community contact mentioned that there is a shortage of moderately-priced, entry-level homes, which are needed for both purchase and

rental. Management concurred with this statement and further explained that much of the assessment area’s housing is in such poor condition, many low- and moderate-income families have difficulty being able to afford to buy and repair the property.

Although performance has declined from the prior evaluation, discussions with bank officials noted a willingness to lend regardless of income status; review of the institution’s credit underwriting guidelines, loan processes, and denied applications did not identify any related impediments. Management performs basic marketing and outreach to expand its customer base and garners customer referrals to gain business.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	13.2	8	12.7	447	7.4
Moderate	14.1	2	3.2	260	4.3
Middle	24.4	9	14.3	600	9.9
Upper	48.3	31	49.2	3,570	59.0
Not Available	0.0	13	20.6	1,173	19.4
<b>Total</b>	<b>100.0</b>	<b>63</b>	<b>100.0</b>	<b>6,050</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**Response to Complaints**

The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the CRA rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs; 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.



