

PUBLIC DISCLOSURE

March 25, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Madison

Certificate Number: 148

133 North Main Street
Madison, Georgia 30650

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

10 10th Street NE, Suite 900
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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	3
SCOPE OF EVALUATION.....	6
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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area.
- Overall, a majority of loans reviewed were originated inside the institution's assessment area.
- The geographic distribution of the loans reflects an excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution has not received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

Bank of Madison is a state-chartered community bank headquartered in Madison, Morgan County, Georgia (GA). The bank is wholly owned by Madison Bancorp of Georgia, a one-bank holding company, also located in Madison, GA. Bank of Madison received a “Satisfactory” rating at its previous FDIC CRA Performance Evaluation, dated February 24, 2021, based on Interagency Small Institution Examination Procedures.

Operations

Bank of Madison is primarily a commercial lender, which has not changed since the previous evaluation. The bank continues to operate three full-service banking locations, a free-standing automated teller machine (ATM), a limited-service drive-through facility, and a loan production office (LPO). The main office, Eatonton Road branch, ATM, and limited-service drive-through facility are all located in Madison, GA, in a moderate-income census tract; the Eatonton Road branch is located in an upper-income census tract. The remaining branch is located in a middle-income census tract in Social Circle, Walton County, GA, and operates under the trade name, Bank of Social Circle, a Division of Bank of Madison. The LPO is located in Greensboro, Greene County, GA. Bank of Madison has not closed any offices or participated in any merger or acquisition activity since the previous evaluation.

Bank of Madison offers a variety of loan products including commercial, home mortgage, farm, and consumer loans. As a service to its customers, the bank offers long-term, fixed-rate mortgage loans through the secondary market. During the 2023 calendar year, Bank of Madison facilitated 65 loans totaling \$22.5 million to the secondary market. In addition, Bank of Madison provides a variety of deposit products, including checking, savings, money market, and certificates of deposit accounts. Further, the Bank of Madison offers alternative banking services, which include online banking, mobile banking, and access to ATMs.

Ability and Capacity

As of the December 31, 2023, Consolidated Reports of Condition and Income (Call Report), Bank of Madison had total assets of \$406.7 million, total loans of \$283.2 million, and total deposits of \$369.2 million. As shown in the following table, home mortgage loans (loans secured by 1-4 and multifamily residential properties) represent the largest portion of the loan portfolio at 32.9 percent, followed by commercial loans (loans secured by non-farm/non-residential properties and commercial and industrial loans) at 29.5 percent, and agriculture and farm loans (loans secured by farmland and agricultural loans) at 17.2 percent. Consumer loans represent a nominal amount of the loan portfolio, at 0.5 percent.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	55,983	19.8
Secured by Farmland	47,156	16.7
Secured by 1-4 Family Residential Properties	92,319	32.6
Secured by Multifamily (5 or more) Residential Properties	778	0.3
Secured by Nonfarm Nonresidential Properties	68,683	24.3
Total Real Estate Loans	264,919	93.7
Commercial and Industrial Loans	14,732	5.2
Agricultural Production and Other Loans to Farmers	1,583	0.5
Consumer Loans	1,496	0.5
Obligations of State and Political Subdivisions in the U.S.	795	0.2
Other Loans	41	0.0
Lease Financing Receivable (net of unearned income)	0.0	0.0
Less: Unearned Income	(399)	(0.1)
Total Loans	283,167	100.0
<i>Source: Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution'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. The Bank of Madison continues to have one delineated assessment area, consisting of Morgan and Walton counties in GA. Both counties are located within the Atlanta-Sandy Springs-Alpharetta, GA, Metropolitan Statistical Area (Atlanta MSA).

Assessment area delineations are based on available census data. Specifically, the 2015 American Community Survey (ACS) Census data was used at the previous evaluation to delineate the assessment area. In 2022, the Federal Financial Interagency Examination Council (FFIEC) released updates to the MSA and Metropolitan Divisions, states, counties, census tracts, and income-level indicators based on information collected during the 2020 U.S. Census. As a result of the 2020 U.S. Census, the number of census tracts increased from 20 to 26 and income classifications changed, which impacted the bank's assessment area. The number of low-income census tracts decreased from one to zero; moderate-income census tracts increased from 6 to 13; middle-income census tracts increased from 13 to 17; and upper-income census tracts increased from zero to one.

Economic and Demographic Data

According to 2023 Dun & Bradstreet (D&B) data, there are 18,264 total businesses, including 17,366 non-farm businesses and 898 farms, operating in the assessment area. Of the total businesses and farms, 66.0 percent reported having four or fewer employees and 96.1 percent reported operating from a single location. In addition, 2023 D&B data reflects the following gross annual revenues of the businesses in the assessment area:

- 94.1 percent have \$1.0 million or less;
- 1.6 percent have more than \$1.0 million; and,
- 4.3 percent have unknown revenues.

The following table presents select demographic information from the 2020 U.S. Census and 2023 D&B) data for the bank’s delineated assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.0	30.8	65.4	3.8	0.0
Population by Geography	116,770	0.0	30.5	65.8	3.7	0.0
Housing Units by Geography	42,177	0.0	28.6	67.1	4.3	0.0
Owner-Occupied Units by Geography	29,633	0.0	22.0	74.2	3.8	0.0
Occupied Rental Units by Geography	9,501	0.0	48.3	47.2	4.5	0.0
Vacant Units by Geography	3,043	0.0	31.9	59.4	8.6	0.0
Businesses by Geography	17,366	0.0	31.1	62.1	6.8	0.0
Farms by Geography	898	0.0	26.9	67.9	5.1	0.0
Family Distribution by Income Level	29,691	22.7	20.7	23.4	33.3	0.0
Household Distribution by Income Level	39,134	24.9	18.0	19.8	37.3	0.0
Median Family Income MSA - 12060 Atlanta-Sandy Springs-Alpharetta, GA MSA		\$84,791	Median Housing Value			\$212,598
			Median Gross Rent			\$995
			Families Below Poverty Level			8.7%

Source: 2020 U.S. Census and 2023 D&B Data. () The NA category consists of geographies that have not been assigned an income classification.*

According to the Bureau of Labor Statistics, the services industry represents the largest percentage of businesses at 30.9 percent; followed by non-classified establishments at 25.2 percent; finance, insurance and real estate at 10.1 percent; construction at 9.3 percent and retail trade at 9.2 percent. According to the Georgia Department of Labor, major employers include: Bxl Covington, C.R.Bard, Inc., Georgia Pacific Woods Products, and Hitachi Automotive Products, Inc.

Although unemployment rates increased in 2020, due to the impact of the COVID-19 pandemic-related job losses in 2020, unemployment rates have declined in 2021 and 2022, and remained relatively consistent in 2023. Unemployment rates in both Morgan and Walton counties were lower than both the state and national rates across all years. The following table reflects the average annual unemployment rates and trends for the assessment area, state, and the nation.

Unemployment Rates*			
Area	2021	2022	2023
	%	%	%
Morgan County, GA	3.3	2.8	2.8
Walton County, GA	3.2	2.9	3.0
Georgia Average	3.9	3.1	3.2
National Average	5.3	3.6	3.6

*Source: Bureau of Labor Statistics; *Not seasonally adjusted*

Competition

There is a high level of competition for financial services within the assessment area. According to the FDIC’s June 30, 2023 Deposit Market Share Report, there are 12 FDIC-insured financial institutions operating 21 offices within the assessment area. Of these institutions, Bank of Madison is ranked second, with a 17.2 percent deposit market share. The top three financial institutions have over 10 percent of the deposit market share.

There is a high level of competition for home mortgage loans within the assessment area. In 2022, Bank of Madison was not a reporter under the Home Mortgage Disclosure Act (HMDA). Therefore, the analysis of home mortgage loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for home mortgage loans and is, therefore, included for context. Aggregate data for 2022 reflects 317 lenders originated or purchased 5,274 home mortgage loans within the bank’s assessment area. The top five lenders (by number of home mortgage loans) accounted for 23.5 percent of the total market share.

Further, Bank of Madison is not required to collect or report its small business loan data, and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business loans and is, therefore, included for context. Aggregate data for small business loans is not available for 2023. As such, 2022 aggregate data was used. There is a high level of competition for small business loans within the assessment area. Aggregate data for 2022 reflects 80 lenders originated or purchased 3,605 small business loans. The top five lenders (by number of small business loans) accounted for 56.8 percent of the total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the area. This information helps determine how responsive local financial institutions are to the needs of the area, and what credit opportunities are available within the assessment area. Examiners contacted a representative of an economic development organization in the assessment area. The contact noted that there is a need for single family housing lending, small business lending capital, and small business technical training in the area, given the number of small business owners in the assessment area.

Credit Needs

Considering information obtained from the community contact, demographic data, and economic data, examiners determined that small business loans represent a credit need and opportunity within the assessment area. The significant percentage of businesses with gross annual revenues of \$1.0 million or less (94.1 percent) and the large number of businesses with four or fewer employees support the conclusion that there is a need for small business lending. In addition, affordable housing is a credit need, as the median housing value is high at \$212, 598 and 43.7 percent of the families are low- or moderate-income and may not qualify for a conventional mortgage.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated February 24, 2021, to the current evaluation, dated March 25, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate the Bank of Madison's CRA performance. These procedures include the CRA Small Bank Lending Test. Refer to the Appendices for information regarding the Lending Test.

Activities Reviewed

Examiners determined Bank of Madison's major product lines are home mortgage and small business loans. This conclusion considered Bank of Madison's business strategy and the distribution of the loan portfolio. No other loan types, such as small farm or consumer loans, represent a major product line; therefore, they provide no material support for conclusions or ratings and are not presented.

Bank of Madison became a HMDA reporter in 2023 during the evaluation period; however, the bank did not collect HMDA data in the prior two years. Therefore, examiners reviewed home mortgage loans, as defined in the *Glossary*, originated from January 1, 2023, through December 31, 2023, obtained from the 2023 HMDA Loan Application Register (LAR). During the evaluation period, Bank of Madison originated 53 home mortgage loans totaling \$25.8 million. The entire universe of home mortgage loans was evaluated for the *Assessment Area Concentration*. All home mortgage loans originated inside the delineated assessment area, 22 loans totaling \$5.7 million, were used to evaluate the *Geographic Distribution* and the *Borrower Profile* criteria. The 2020 U.S. Census demographic data (owner-occupied housing units by geography and the distribution of families by income level) provided a standard of comparison for home mortgage loans given the absence of available 2023 peer mortgage data for aggregate comparisons. The 2023 FFIEC's estimated median family income for the Atlanta MSA market, of \$102,900, was used to analyze home mortgage loans under the *Borrower Profile* criterion. Please refer to the *Glossary* for details on the low-, moderate-, middle-, and upper-income ranges and categories.

The CRA evaluation also included an analysis of small business loans, as defined in the *Glossary*, originated from January 1, 2023, through December 31, 2023. These loans were identified from the bank's internal loan trial. During the evaluation period, Bank of Madison originated 193 small

business loans totaling \$28.2 million. The entire universe of small business loans was evaluated for the *Assessment Area Concentration*. All small business loans originated inside the assessment area, 124 loans totaling \$16.9 million, were evaluated for *Geographic Distribution*. Due to the absence of readily available data, a sample of 47 small business loans totaling \$8.1 million was selected from the total small business loans originated inside the assessment area to analyze the *Borrower Profile* criterion. Small business lending was compared to 2023 D&B data as a standard of comparison.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans since it is a better indicator of the number of individuals and businesses served. Considering the bank’s primary lending focus and the level of lending, small business loans received more weight in determining the overall rating.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank of Madison demonstrated reasonable performance under the Lending Test. The Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile support this conclusion.

Loan-to-Deposit Ratio

Bank of Madison’s net loan-to-deposit (NLTD) ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. Bank of Madison’s NLTD ratio, calculated from Call Report data, averaged 70.2 percent over the past 12 calendar quarters from March 31, 2021 to December 31, 2023. The ratio fluctuated from a low of 59.9 percent, as of March 31, 2022, to a high of 78.8 percent, as of December 31, 2022.

To evaluate performance, a bank’s NLTD ratio is compared to the ratios similarly-situated institutions. These institutions typically operate within a bank’s assessment area or share similar attributes, such as total asset size, branching network, geographic location, and/or product offerings or lending focus. As shown in the following table, Bank of Madison’s average NLTD ratio consistently exceeded similarly situated institutions over the same 12 calendar quarters.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Bank of Madison, Morgan County GA	406.7	70.2
Exchange Bank, Baldwin County, GA	373.7	58.0
Commercial Bank, Oglethorpe County, GA	402.1	68.7
Farmers Bank, Greene County, GA	158.2	52.2
<i>Source: Reports of Condition and Income 03/31/2021 – 12/31/2023</i>		

Assessment Area Concentration

Overall, the Bank of Madison originated a majority of loans inside the assessment area. The majority of small business loans, by number and dollar volume, was originated within the assessment area; however, less than a majority of home mortgage loans was inside the assessment area. As previously addressed, the bank does not originate traditional long-term fixed-rate mortgages in-house, but instead has entered into relationships with third parties to facilitate this type of mortgage product for the bank’s customers. Home mortgage loans originated through these arrangements, however, are not reflected on the bank’s HMDA LAR. The following table details lending inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	22	41.5	31	58.5	53	5,708	22.1	20,124	77.9	25,832
Small Business	124	64.2	69	35.8	193	16,892	59.9	11,318	40.1	28,210
Total	146	59.3	100	40.7	246	22,600	41.8	31,442	58.2	54,042

Source: Bank Data

Geographic Distribution

Overall, the geographic distribution of loans reflects excellent dispersion throughout the assessment areas. Reasonable home mortgage and excellent small business lending performance support this conclusion. Only loans originated inside the assessment area were evaluated. There are no low-income census tracts in the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Bank of Madison’s home mortgage lending in moderate-income census tracts exceeded demographics. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	22.0	7	31.8	1,282	22.5
Middle	74.2	12	54.5	3,348	58.6
Upper	3.8	3	13.6	1,079	18.9
Totals	100.0	22	100.0	5,709	100.0

Source: 2020 U.S. Census; Bank Data; Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. Lending performance in moderate-income census tracts exceeded demographics by 18.1 percentage points. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	31.1	61	49.2	9,402	55.7
Middle	62.1	39	31.5	3,341	19.8
Upper	6.8	24	19.4	4,149	24.6
Totals	100.0	124	100.0	16,892	100.0

Source: 2023 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.

Borrower Profile

The overall distribution of loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Reasonable lending penetration levels to low-income borrowers and small businesses with gross annual revenues of \$1.0 million or less supports this conclusion. Only loans originated inside the assessment area were evaluated.

Home Mortgage Loans

Home mortgage lending to low-income borrowers is below demographics. Examiners considered the 2022 aggregate HMDA data to assist in determining demand for home mortgage loans from low-income individuals. This data reflects that of the total 2022 HMDA reportable loans, 7.2 percent were originated to low-income borrowers, which reflects a low demand level. Additionally, as noted earlier, the bank faces a high level of competition for home mortgage loans in the assessment area. Considering the above noted factors, the bank's lending performance to low-income families is considered reasonable.

Home mortgage lending to moderate-income borrowers is significantly below the percentage of moderate-income families in the assessment area. In considering the 2022 aggregate HMDA data, 22.3 percent of the total 2022 HMDA reportable loans were originated to moderate-income borrowers, reflecting a reasonable demand level.

Please refer to the following table for details on the bank's lending based on borrower income levels.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	22.7	3	13.6	137	2.4
Moderate	20.7	1	4.5	64	1.1
Middle	23.4	4	18.2	664	11.6
Upper	33.3	11	50.0	3,810	66.7
Not Available	0.0	3	13.6	1,033	18.1
Total	100.0	22	100.0	5,708	100.0

Source: 2020 U.S. Census; Bank Data; Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1.0 million or less (small businesses) is below demographics. However, performance is considered reasonable in light of the significant level of competition the bank faces for small business loans in the assessment area. Refer to the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	93.9	32	68.1	4,449	55.1
>\$1,000,000	1.6	14	29.8	3,194	39.6
Revenue Not Available	4.5	1	2.1	430	5.3
Total	100.0	47	100.0	8,073	100.0

Source: 2023 D&B Data, Bank Data; Due to rounding, totals may not equal 100.0%

Response to Complaints

The Bank of Madison 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

The Bank of Madison's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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