



## **PUBLIC DISCLOSURE**

September 11, 2017

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Vidalia Federal Savings Bank  
Charter Number 704067

300 Jackson St  
Vidalia, GA 30474-4708

Office of the Comptroller of the Currency

Three Ravinia Drive Suite  
550  
Atlanta, GA 30346

**NOTE:** 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'S CRA RATING: This institution is rated Satisfactory**

Vidalia Federal Savings Bank's CRA performance rating is supported by the following:

- The loan-to-deposit (LTD) ratio is less than reasonable in light of the institution's size, business strategies, and loan demand.
- The bank's record of lending within the assessment area meets the standards for satisfactory performance.
- Lending to Borrowers of Different Income Levels is reasonable and meets the standards for satisfactory performance.
- The distribution of loans among census tracts of different income levels is reasonable and meets the standards for satisfactory performance.

## **SCOPE OF EXAMINATION**

This Performance Evaluation (PE) is an assessment of Vidalia Federal's ability to meet the credit needs of the communities in which it operates. We determined the bank's primary lending products to be residential mortgage loans and consumer loans based on number and dollar volume. To evaluate the bank's lending performance, we reviewed home mortgage and consumer loans originated between January 1, 2015 and December 31, 2016. A specific data integrity review was not needed for this evaluation, as this bank is not subject to the Home Mortgage Disclosure Act. Loan performance was determined using 2015 and 2016 internal loan registers and sampling.

A full-scope review was conducted of the institution's assessment area, which is defined as Toombs and Montgomery Counties. As a traditional thrift, Vidalia Federal's primary focus is the origination of home mortgage loans. We do recognize, however, that the consumer loans originated by Vidalia Federal also satisfy important credit needs in rural areas. In performing this evaluation, we placed equal weight on the bank's 1-4 family residential lending and its consumer lending.

## **DESCRIPTION OF INSTITUTION**

Vidalia Federal is a federally chartered thrift headquartered in Vidalia, Georgia. As of June 30, 2017, Vidalia Federal had total assets of \$230.6 million. Deposits are stable

and typically generated within the communities the bank serves. Vidalia Federal conducts business from its main office in Vidalia, Georgia, in Toombs County. In addition, the bank operates a branch office in the city of Lyons, which is also located in Toombs County. Both offices offer drive-thru facilities and ATMs, and are located in middle-income census tracts. There were no legal or regulatory impediments adversely affecting Vidalia Federal's ability to meet community credit needs during the review period.

As a traditional savings association, Vidalia Federal has concentrated its operations in the origination of mortgage and consumer loans and the acceptance of deposits. The institution offers fixed-rate mortgage loans with loan-to-value ratios up to 80 percent for the purchase and refinancing of residential dwellings. Much of the bank's consumer lending consists of unsecured loans made to existing customers to cover essential household expenses such as car and appliance repairs. The institution also offers consumer loans for boats and other watercraft, heavy equipment, and recreational vehicles. As of June 30, 2017, 88.7 percent of the bank's loan mix consisted of 1-4 family secured real estate. However, the bank originated a substantial volume of consumer loans during the evaluation period totaling 696 with a total dollar amount of approximately \$6 million. The bank does not offer any special lending-related programs that would promote affordable housing in the assessment area.

Vidalia Federal delivers lending and deposit products to the public primarily through the main office in Vidalia and branch office in Lyons. The institution also offers telephone and online banking. By telephone, customers can make payments on loans with Vidalia Federal, check deposit and loan balances, transfer funds between accounts, and place stop payment orders. Online, customers may obtain copies of checks, make payments on Vidalia Federal loans, and make utility payments and payments to any of their creditors. Hours for both locations are from 9:00 a.m. until 3:00 p.m. Monday through Thursday, and from 9:00 a.m. until 5:00 p.m. on Friday. The institution does not offer Saturday banking hours.

The last CRA Examination was conducted as of June 25, 2012, and resulted in a rating of Satisfactory.

## **DESCRIPTION OF ASSESSMENT AREA**

Vidalia Federal has designated Montgomery and Toombs Counties, Georgia, as its assessment area. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low-or moderate-income census tracts. Montgomery and Toombs Counties are not located in any Metropolitan Statistical Area. According to 2010 Census data, the assessment area includes no low-income, two moderateincome, five middle-income, and two upper-income census tracts. All five of the middleincome census tracts are designated as distressed or underserved.

According to the 2010 US Census data, the population of the assessment area is 36,346 persons with 9,141 families. Approximately 25.15 percent of the families in the assessment area are low-income, 16.17 percent moderate- income, 16.79 percent middle-income, and 41.89 percent upper-income. Approximately 22.63 percent of households earn less than the poverty level.

Montgomery and Toombs Counties are contiguous to one another and located in southeast Georgia. Montgomery and Toombs are largely rural. Vidalia is the largest city in Toombs County, and Lyons is the county seat. Both of the bank's branch locations are in Toombs County. One is in Vidalia and the other is in Lyons. The county seat of Montgomery is Mt. Vernon. Other incorporated areas in Montgomery County include Ailey, Uvalda, and Tarrytown. According to the U.S. Bureau of Labor Statistics, as of August 2017, the unemployment rates in Montgomery and Toombs Counties were 8.1 percent, and 8.5 percent, respectively. The Georgia statewide unemployment rate for August 2017 was lower, at 4.7 percent. Montgomery and Toombs Counties are home to several large employers such as Trane, a provider of home and commercial heating and air systems, and TUMI, makers of upscale luggage and other accessories. Other major employers in the area include Meadows Regional Medical Center, Plant Hatch (a nuclear energy facility), and Chicken of the Sea's canning operations. In addition, the city of Vidalia is renowned for its onion crop, nationally recognized as "Vidalia Onions".

Vidalia Federal competes with local financial institutions and mortgage loan providers, as well as with nationwide mortgage lenders operating in the bank's assessment area. Besides Vidalia Federal, six other FDIC-insured financial institutions operate twelve branch locations throughout Toombs and Montgomery Counties. As of June 30, 2017, the top three banks based on total deposits in the assessment area were Ameris Bank (\$218 million), Vidalia Federal (\$199 million), and Altamaha Bank and Trust (\$116 million). Owner-occupied housing units make up 54.13 percent of total assessment area housing units. Total rental units are 33.74 percent of total housing units. The percentage of units that are owner-occupied is among the lowest for counties statewide, and the rental unit percentage is among the highest. In addition, the median age of assessment area housing is 1979. A check of the Georgia Multiple Listing service in October 2017, showed no listings for newly constructed homes in the assessment area. The shortage of owner-occupied homes and the lack of new construction in the area, make it difficult to originate residential mortgage loans. In addition, nationwide internet lenders are positioned to offer low rates and pricing in the assessment area, straining the bank's ability to compete.

The following table reflects selected demographics for the institution's assessment area:

| Demographic Information for Assessment Area                                 |            |                                       |                 |               |              |            |
|---|------------|---------------------------------------|-----------------|---------------|--------------|------------|
| Demographic Characteristics   | #          | Low % of #                            | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs)  | 9          | 0.00%                                 | 22.22%          | 55.56%        | 22.22%       | 0          |
| Population by Geography   | 36,346     | 0.00%                                 | 24.57%          | 54.58%        | 20.85%       | 0          |
| Owner-Occupied Housing by Geography   | 13,371     | 0.00%                                 | 21.47%          | 57.58%        | 20.95%       | 0          |
| Businesses by Geography   | 2,222      | 0.00%                                 | 31.91%          | 43.11%        | 24.98%       | 0          |
| Farms by Geography  | 155        | 0.00%                                 | 20.00%          | 60.65%        | 19.35%       | 0          |
| Family Distribution by Income Level   | 9,141      | 0.00%                                 | 22.87%          | 57.03%        | 20.10%       | 0          |
| Distribution of Low- and Moderate Income Families throughout AA Geographies | 2,091      | 0.00%                                 | 30.18%          | 57.37%        | 12.45%       | 0          |
| Median Family Income  |            | Median Housing Value = \$83,968       |                 |               |              |            |
| HUD Adjusted Median Family Income for 2015                                  | = \$47,800 | Unemployment Rate (Toombs) = 8.5%     |                 |               |              |            |
| HUD Adjusted Median Family Income for 2016                                  | = \$45,300 | Unemployment Rate (Montgomery) = 8.1% |                 |               |              |            |

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 U.S. Census, and HUD updated MFI.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Vidalia Federal’s Lending in its Assessment Area meets the standards for satisfactory performance. Lending to Borrowers of Different Incomes and Geographic Distribution also meet the standards for satisfactory performance. The average LTD ratio is low and needs improvement.

### Loan-to-Deposit Ratio

Vidalia Federal’s LTD ratio is less than reasonable. The average LTD ratio demonstrates that lending levels are low and not commensurate with the volume of community deposits. The average LTD ratio was calculated by averaging the bank’s ratios over 22 business quarters starting with the quarter ending March 31, 2012 through the quarter ending June 30, 2017. During this period, the bank’s LTD ratio

averaged 35.18 percent. The quarterly low over the 22 business quarters was 30.67 percent (quarter ended March 31, 2017). The quarterly high was 43.22 percent (quarter ended March 31, 2012). These percentages clearly depict a steadily declining trend in lending volume over the period reviewed.

There are two similarly-sized community banks also operating in Vidalia Federal’s assessment area. Over the same 22 quarter review period, these banks had average LTD ratios of 77.05 percent and 53.94 percent. However, both banks are commercial lenders while Vidalia Federal does not engage in commercial lending.

We considered that even with a 35.18 percent LTD ratio, Vidalia Federal ranks third when compared to 2015 lending market share in the assessment area among HMDA reporting lenders (Vidalia Federal is not a HMDA lender). The top two lenders in the assessment area are both larger, regional banks. As noted previously, our review also disclosed a shortage of new housing construction and owner-occupied housing in the area, which limits lending opportunities and results in intense competition over a limited market. In light of these factors, we determined that Vidalia Federal’s average LTD ratio is not so extremely low that it would preclude an overall CRA performance rating of Satisfactory. Still, the bank’s LTD ratio is less than reasonable and needs to improve.

**Lending in Assessment Area**

The bank’s record of lending inside its assessment area meets the standards for satisfactory performance. For the period reviewed, 87.64 percent by number, and 77.50 percent by dollar volume of home mortgages and consumer loans were originated within the assessment area. The table below depicts the number and dollar volume of home mortgages and consumer loans originated inside and outside the assessment area from January 1, 2015, through December 31, 2016.

| <b>Lending in Montgomery and Toombs Counties Assessment Area</b> |                 |               |         |               |       |                  |               |             |               |              |
|--|-----------------|---------------|---------|---------------|-------|------------------|---------------|-------------|---------------|--------------|
| Loan Type  | Number of Loans |               |         |               |       | Dollars of Loans |               |             |               |              |
|  | Inside          |               | Outside |               | Total | Inside           |               | Outside     |               | Total        |
|  | #               | %             | #       | %             |       | \$               | %             | \$          | %             |              |
| Home Mortgages   | 109             | 79.56         | 28      | 20.44         | 137   | 13,820,300       | 74.46         | 4,739,700   | 25.54         | \$18,560,000 |
| Consumer Loans   | 621             | 89.22         | 75      | 10.78         | 696   | 5,252,749        | 86.83         | 796,975     | 13.17         | \$6,049,724  |
| Totals   | 730             | <b>87.64%</b> | 103     | <b>12.36%</b> | 833   | \$19,073,049     | <b>77.50%</b> | \$5,536,675 | <b>22.50%</b> | \$24,609,724 |

Source: Loan sample; internal bank data

## Lending to Borrowers of Different Incomes

Overall, the distribution of loans among borrowers of different income levels is reasonable in light of demographic comparators and comparison with aggregate lending data, and meets the standards for satisfactory performance.

## Home Mortgages

Overall, the bank’s home mortgage lending to low- and moderate-income borrowers is reasonable in comparison to demographics (taking poverty levels into account) and to the aggregate of all lenders, and meets the standards for satisfactory performance. For purposes of this analysis, family income levels were stratified as a percentage of the updated median family income (MFI) levels for the non-metropolitan areas of the state of Georgia. The updated MFI figures were \$47,800 for 2015 and \$45,300 for 2016.

Vidalia Federal’s percentage of lending to low-income borrowers is low in relation to the demographics for the assessment area. However, the percentage of households living below the poverty level in Montgomery and Toombs Counties combined is 22.01 percent. Considering that such a high poverty level limits lending opportunities to low-income borrowers, the bank’s volume of lending to low-income borrowers is reasonable. The level of loan originations to moderate-income borrowers is excellent compared to the percentage of families in the assessment area that are moderate-income. The following table illustrates the distribution of home mortgage loan originations to borrowers of different income levels within the assessment area.

| Borrower Distribution of Residential Real Estate Loans in Montgomery and Toombs Counties Assessment Area |                  |                      |                  |                      |                  |                      |                  |                      |
|--|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Borrower Income Level  | Low              |                      | Moderate         |                      | Middle           |                      | Upper            |                      |
| Loan Type  | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans | % of AA Families | % of Number of Loans |
| Home Mortgages   | 25.15%           | <b>5.00%</b>         | 16.17%           | <b>15.00%</b>        | 16.79%           | <b>30.00%</b>        | 41.89%           | <b>50.00%</b>        |

Data Source: 2010 US Census Data. Sample of 20 Home Mortgage Loans Originated in 2015 and 2016.

The bank’s lending to low-and moderate-income borrowers was also compared to the aggregate of all lenders reporting data within the assessment area. For 2015,

aggregate lenders originated 6.33 percent of home mortgages to low-income borrowers, and 17.09 percent to moderate-income borrowers. As indicated in the above table, Vidalia Federal originated 5.0 percent of home mortgage loans to low-income borrowers and 16.17 percent to moderate-income borrowers. Thus, Vidalia Federal’s lending to low-and moderate-income borrowers in the assessment area is reasonable compared with the aggregate percentages for all lenders.

**Consumer Loans**

Consumer loan penetration among low- and moderate-income borrowers is reasonable and meets the standards for satisfactory performance. The penetration of consumer loans among low-income borrowers is reasonable compared with the percentage of households that are low-income. In addition, penetration among moderate-income households is excellent compared with the percentage of households that are moderate-income. The table below illustrates the penetration of consumer loans originated to borrowers of different income levels in the assessment area.

| <b>Borrower Distribution of Consumer Loans in Montgomery and Toombs Counties Assessment Area</b> |                    |                      |                    |                      |                    |                      |                    |                      |
|--|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Borrower Income Level  | Low                |                      | Moderate           |                      | Middle             |                      | Upper              |                      |
| Loan Type  | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans |
| Consumer Loans   | 28.68%             | <b>25.00%</b>        | 16.51%             | <b>30.00%</b>        | 14.07%             | <b>25.00%</b>        | 40.74%             | <b>20.00%</b>        |

*Data Source: 2010 US Census Data. Sample of 20 Consumer Loans Originated in 2015 and 2016.*

**Geographic Distribution of Loans**

Overall, the distribution of loans among census tracts of different income levels is reasonable in light of demographic comparators and comparison with aggregate lending data, and meets the standards for satisfactory performance. There are no low-income census tracts in the assessment area and only two moderate-income tracts.

**Home Mortgages**

Vidalia Federal’s record of home mortgage lending reflects an excellent dispersion of loans among moderate-income census tracts in the assessment area, and performance exceeds standards for satisfactory performance.

The analysis presented in the following table reflects the dispersion of lending among census tracts of different income levels within the assessment area. The analysis compares the percentage of home mortgage originations in census tracts of different income levels to the percentage of owner-occupied housing units (OOHUs) located within those areas.

| Geographic Distribution of Residential Real Estate Loans in Montgomery and Toombs Counties Assessment Area |                                |                      |                                |                      |                                |                      |                                |                      |
|--|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Census Tract Income Level  | Low                            |                      | Moderate                       |                      | Middle                         |                      | Upper                          |                      |
| Loan Type  | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans | % of AA Owner Occupied Housing | % of Number of Loans |
| Home Mortgages   | 0.00%                          | <b>0.00%</b>         | 21.47%                         | <b>25.00%</b>        | 57.58%                         | <b>55.00%</b>        | 20.95%                         | <b>20.00%</b>        |

Data Source: 2010 US Census Data. Sample of 20 Home Mortgage Loans Originated in 2015 and 2016.

Information in the above table shows that Vidalia Federal’s lending in moderate-income census tracts is higher than the OOHUs located in those tracts. The bank’s home mortgage lending among census tracts of different income levels was also analyzed in light of the aggregate performance of lenders within the assessment area. For 2015, aggregate lenders originated 23.42 percent of home mortgage loans in moderate-income census tracts. Given that 25.00 percent of Vidalia Federal’s originations were in moderate-income census tracts, the bank exceeded the record of aggregate lenders.

### Consumer Loans

Consumer lending levels reflect a reasonable dispersion of lending in the assessment area. The analysis compares the percentages of consumer loans originated in moderate-, middle, and upper-income census tracts to the percentage of total assessment area households that are located within each census. The table below illustrates the geographic distribution of consumer loans originated within the assessment area.

| Geographic Distribution of Consumer Loans in Montgomery and Toombs Counties Assessment Area |                    |                      |                    |                      |                    |                      |                    |                      |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Census Tract Income Level   | Low                |                      | Moderate           |                      | Middle             |                      | Upper              |                      |
| Loan Type   | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans | % of AA Households | % of Number of Loans |
| Consumer Loans  | 0.00%              | <b>0.00%</b>         | 24.99%             | <b>15.00%</b>        | 54.85%             | <b>80.00%</b>        | 20.16%             | <b>5.00%</b>         |

Data Source: 2010 US Census Data. Sample of 20 Consumer Loans Originated in 2015 and 2016.

As depicted in the above table, the penetration of consumer loans among moderate-income census tracts is reasonable when compared to the percentage of total households located in moderate-income tracts. It is important to note that approximately 28.54 percent of households located in moderate-income census tracts are below poverty level, which limits lending opportunities in those tracts.

### **Responses to Complaints**

Vidalia Federal has not received any complaints during this evaluation period directly related to CRA performance.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §195.28(c) in determining a federal savings association's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Appendix A: Definitions and Common Abbreviations

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The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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.

**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, which 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).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination.

Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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