

PUBLIC DISCLOSURE

September 17, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dean Co-operative Bank
Certificate Number: 27269

21 Main Street
Franklin, Massachusetts 02038

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

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 Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution Rating	1
Scope of Evaluation	2
Description of Institution	3
Description of Assessment Area	4
Conclusions on Performance Criteria	7
Discriminatory or Other Illegal Credit Practices Review	10
Appendix	11
Glossary	13

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory** by the Federal Deposit Insurance Corporation (FDIC) and **High Satisfactory** by the Commonwealth of Massachusetts Division of Banks (Division). An institution in this group has a good 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. Although the FDIC and Division agree on bank performance conclusions, FDIC CRA regulations do not include an overall High Satisfactory rating.

The following points summarize Dean Co-operative Bank's CRA performance.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment area.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes. Lending-related activities further emphasize a commitment to low- and moderate-income individuals.
- The geographic distribution of loans was not analyzed for this evaluation, as the bank has no low- or moderate-income census tracts within its assessment area.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the CRA rating.

SCOPE OF EVALUATION

General Information

This evaluation was conducted jointly by the Division and the FDIC. The evaluation utilized Small Bank CRA Examination Procedures, as established by the Federal Financial Institutions Examination Council (FFIEC). Small Bank CRA procedures consider the following criteria:

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

Loan Products Reviewed

A review of loan origination activity revealed that the bank's primary lending focus is residential lending. However, the bank also originates commercial loans. Therefore, the evaluation assessed residential mortgage and small business lending. The evaluation did not assess small farm loans, as the bank did not originate any such loans since the previous evaluation.

Examiners considered all home mortgage loans reported on the bank's 2016 and 2017 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The institution reported 314 home loans totaling \$75.1 million in 2016 and 201 home loans totaling \$50.8 million in 2017. Examiners used 2016 and 2017 HMDA aggregate data as a comparison for assessing bank lending. The evaluation also compared 2016 HMDA lending to demographic data from the 2010 U.S. Census. For 2017 HMDA lending, demographic data from the 2015 American Community Survey (ACS) was used for comparison.

Examiners collected data from bank records for small business loans originated in 2017 to draw conclusions about the bank's small business lending performance. The bank originated 50 small business loans totaling \$3.6 million in 2017, from which a sample of 34 small business loans totaling \$2.9 million were analyzed for the evaluation. The bank's small business lending was compared to 2017 D&B business demographic data.

DESCRIPTION OF INSTITUTION

Background

Dean Co-operative Bank (Dean Bank) is a Massachusetts-chartered mutual savings bank incorporated in 1889. The bank does not have a holding company or affiliate relationships. The FDIC and the Division assigned a Satisfactory CRA rating at the bank's previous CRA evaluation dated March 29, 2012.

Operations

Dean Bank's main office is located at 21 Main Street, Franklin, with three additional full-service banking offices in Bellingham, Blackstone, and Mendon. The bank operates automated teller machines (ATM) at each location. Dean Bank is a full-service financial institution offering a variety of products and services. Deposit accounts include statement savings, passbook savings, free checking, and interest checking accounts. Home financing programs include adjustable- and fixed-rate options for the purchase, refinance, improvement, and construction of residential property, as well as home equity loans. Automobile loans and collateral loans are also offered. Alternative banking services include online banking and bill payment, mobile banking, 24-hour ATM banking, and telephone banking.

Ability and Capacity

As of June 30, 2018, Dean Bank had total assets of \$305 million, consisting primarily of loans and securities. Total assets have increased 30.1 percent since the most recent FDIC and Division CRA evaluation. Loans total \$225.8 million as of June 30, 2018, and account for 72.2 percent of total assets. The following table details the loan portfolio composition.

Loan Portfolio Distribution as of June 30, 2018		
Loan Category	\$(000s)	%
Construction and Land Development	8,977	4.0
Secured by Farmland	898	0.4
1-4 Family Residential	163,643	72.5
Multi-family (5 or more) Residential	2,586	1.1
Commercial Real Estate	38,132	16.9
Total Real Estate Loans	214,236	94.9
Commercial and Industrial	9,549	4.2
Agricultural	-	-
Consumer	2,006	0.9
Other	-	-
Less: Unearned Income	-	-
Total Loans	225,791	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify financial or legal impediments that would limit the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define an assessment area or areas within which their CRA performance will be evaluated. Dean Bank's assessment area includes the Massachusetts communities of Bellingham, Blackstone, Franklin, and Mendon. Bellingham and Franklin are located in Norfolk County and are in the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA). Blackstone and Mendon are located in Worcester County and are in the Worcester, MA-CT MSA. Both MSAs are located within the Boston-Worcester-Providence, MA-RI-NH-CT Combined Statistical Area (CSA). This evaluation included a full-scope review of the bank's performance within the CSA.

Economic and Demographic Data

The assessment area includes seven census tracts in southwest Norfolk County and three census tracts in southeast Worcester County, Massachusetts. Five tracts are designated as middle-income and five census tracts are designated as upper-income. There are no low-income or moderate-income census tracts within the assessment area. 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)	10	0.0	0.0	50.0	50.0	0.0
Population by Geography	64,429	0.0	0.0	49.1	50.9	0.0
Housing Units by Geography	23,582	0.0	0.0	50.5	49.5	0.0
Owner-Occupied Units by Geography	17,932	0.0	0.0	48.5	51.5	0.0
Occupied Rental Units by Geography	4,705	0.0	0.0	55.0	45.0	0.0
Vacant Units by Geography	945	0.0	0.0	67.4	32.6	0.0
Businesses by Geography	4,119	0.0	0.0	43.6	56.4	0.0
Farms by Geography	126	0.0	0.0	41.3	58.7	0.0
Family Distribution by Income Level	17,136	11.0	12.6	21.5	54.9	0.0
Household Distribution by Income Level	22,637	14.3	11.0	17.1	57.7	0.0
Median Family Income MSA - 14454 Boston –Cambridge-Newton, MA-NH MSA		\$90,699	Median Housing Value			\$342,398
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137	Median Gross Rent			\$1,112
			Families Below Poverty Level			2.0%
Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data. Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

The assessment area has a population of 64,429, comprising 17,136 family households. Of all family households, 11.0 percent are low-income, 12.6 percent are moderate-income, 21.5 percent are middle-income, and 54.9 percent are upper-income.

The assessment area consists of 23,582 total housing units, of which 17,932 (76 percent) are owner-occupied, 4,705 (20 percent) are rental units, and 945 (4 percent) are vacant units. The median housing value in 2010 for the assessment area was \$342,398. Warren Group Housing Statistics provide updated home value information. The average median home sales price was \$341,988 in 2017 in the assessment area. Median home values range from a low in Blackstone of \$260,950, to a high in Mendon of \$425,000.

The FFIEC-updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories for 2016 and 2017 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%
Boston, MA MD Median Family Income (14454)				
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
Worcester, MA-CT MSA Median Family Income (49340)				
2016 (\$78,500)	<\$39,250	\$39,250 to <\$62,800	\$62,800 to <\$94,200	≥\$94,200
2017 (\$84,000)	<\$42,000	\$42,000 to <\$67,200	\$67,200 to <\$100,800	≥\$100,800
<i>Source: FFIEC</i>				

2017 D&B data show that there are 4,119 businesses in the assessment area, of which 84.1 percent have gross annual revenues of \$1 million or less, 6.3 percent have gross annual revenues greater than \$1 million, and the remaining 9.6 percent have unknown revenues. The highest proportion of businesses falls within the services industry (42.7 percent); followed by retail trade (13.9 percent); construction (12.3 percent); and finance, insurance, and real estate (7.6 percent). In terms of employees, 71.9 percent of the area's businesses employ four or fewer people. The largest employers in the assessment area are Dell Technologies Inc., Garelick Farms LLC, Dean College, and Speedline Technologies, Inc.

According to the Bureau of Labor Statistics, the Massachusetts unemployment rate was 3.9 percent as of July 2018 and 4.0 percent as of July 2017. Norfolk and Worcester County rates were 3.6 percent and 4.2 percent in July 2018 and 3.6 percent and 4.3 percent in July 2017, respectively.

Competition

The assessment area is competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2018, there were 10 FDIC-insured financial institutions that operated 19 full-service branches within the bank's assessment area. Of these institutions, Dean Co-operative Bank ranked 2nd with a 19.5 percent deposit market share.

The bank faces strong competition from other financial institutions that originate loans within the assessment area. These institutions range in size from small credit unions and mortgage companies with single office locations to the largest banks in New England. Among the more prominent lenders competing with the bank are Wells Fargo Bank, JPMorgan Chase Bank, and Quicken Loans. The 2017 home mortgage aggregate lending data shows that 234 lenders originated 2,374 residential mortgage loans in the bank's assessment area. Dean Bank ranked fourth with a 4.4 percent market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and shows what credit opportunities are available. Examiners contacted a representative of a local government office in the assessment area. The contact noted that there is a lack of affordable one-to-four family housing units for purchase, but there are affordable rental units. The contact did not indicate any specific housing or small business community credit needs. Overall, the contact indicated that financial institutions have been responsive to the credit needs of the community.

CONCLUSIONS ON PERFORMANCE CRITERIA

Dean Bank demonstrated reasonable CRA performance overall. The following sections describe bank performance under each criterion.

Loan-to-Deposit Ratio

Dean Bank's average net LTD ratio is reasonable considering the institution's size, financial condition, and assessment area credit needs. The LTD ratio averaged 85.2 percent over the past 26 calendar quarters from March 31, 2012 through June 30, 2018. The ratio is greater than one comparable bank, but less than two comparable banks, as indicated in the following table. Similarly situated banks were determined based on asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Financial Institution	Total Assets as of 6/30/2018 \$(000s)	Average Net LTD Ratio (%)
Dean Co-operative Bank	305,046	85.2
Charles River Bank	229,443	82.0
Milford Federal Bank	385,913	97.3
The Milford National Bank	365,741	92.5
<i>Source: Reports of Condition and Income 3/31/2012 through 6/30/2018</i>		

Assessment Area Concentration

Dean Bank originated a majority of home mortgage and small business loans by number and dollar volume within the assessment area. Refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	188	59.9	126	40.1	314	43,081	57.4	31,976	42.6	75,057
2017	105	52.2	96	47.8	201	25,285	49.8	25,537	50.2	50,822
Total	293	56.9	222	43.1	515	68,366	54.3	57,513	45.7	125,879
Small Business										
2017	23	67.6	11	32.4	34	1,656	56.2	1,293	43.8	2,949
Source: Evaluation Period: 1/1/2016 - 12/31/2017 Bank Data Due to rounding, totals may not equal 100.0										

Borrower Profile

The distribution of loans reflects excellent penetration among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

The distribution of home mortgage loans reflect excellent penetration among individuals of different income levels in the assessment area. Examiners focused on the percentage of loans, by number, to low- and moderate-income borrowers. The following table reflects the distribution of home mortgage loans based on borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	14.1	3.9	14	7.4	1,579	3.7
2017	11.0	4.2	7	6.7	743	2.9
Moderate						
2016	13.6	15.0	30	16.0	5,091	11.8
2017	12.6	17.8	18	17.1	3,546	14.0
Middle						
2016	23.0	23.1	39	20.7	8,091	18.8
2017	21.5	24.9	25	23.8	4,372	17.3
Upper						
2016	49.3	44.8	98	52.1	26,435	61.4
2017	54.9	42.3	45	42.9	13,618	53.9
Not Available						
2016	0.0	13.2	7	3.7	1,885	4.4
2017	0.0	10.9	10	9.5	3,006	11.9
Totals						
2016	100.0	100.0	188	100.0	43,081	100.0
2017	100.0	100.0	105	100.0	25,285	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0</i>						

With the exception of 2017 lending to moderate-income borrower, the bank originated a higher percentage of home mortgage loans to low- and moderate-income borrowers compared to aggregate data during the review period. However, the bank originated fewer home mortgage loans to low-income families compared to demographic data. This is understandable given that a low-income family in the area would have an income of no more than \$47,800. A family that falls into this income delineation would have difficulty qualifying for a home with a median

value of \$342,398. The bank's percentage of lending to low-income borrowers was consistently above that of aggregate lenders. The bank's lending to moderate-income borrowers was comparable to aggregate performance, and slightly exceeded demographic data for both 2016 and 2017. Examiners placed greater weight on aggregate data as it reflects actual lending opportunities in the assessment area.

Market share data supports the bank's excellent performance. In 2016, the bank ranked 1st in originations to low-income borrowers, with a market share of 11.7 percent. The bank was also the top-ranked lender to moderate-income applicants with a market share of 6.5 percent. This compares favorably to the bank's overall 2016 market share of 6.1 percent. In 2017, the bank ranked 2nd in originations to low-income borrowers with a market share of 7.1 percent, and 4th in loans to moderate-income borrowers with a market share of 4.3 percent. This is comparable to the bank's overall rank of 4th with a market share of 4.4 percent. The bank was consistently the top-ranked local lender in the assessment area, and was only outranked by large national banks or mortgage lenders.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. Examiners focused on the percentage of loans, by number, to businesses with gross annual revenues (GARs) of \$1 million or less. The following table reflects the distribution of small business loans by revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	84.1	14	60.9	951	57.4
>1,000,000	6.3	8	34.8	675	40.8
Revenue Not Available	9.6	1	4.3	30	1.8
Total	100.0	23	100.0	1,656	100.0
<i>Source: 2017 D&B Data, 1/1/2016 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0</i>					

The percentage of loans to businesses with GARs of \$1 million or less was less than the percentage of businesses in this revenue category. However, Dean Bank's performance is reasonable considering competition for small business loans in the assessment area. In addition, business demographic data does not provide a true representation of credit demand by revenue category. A review of 2016 aggregate data for the assessment area showed that banks reporting CRA data made less than half of all small business loans to businesses with GARs of \$1 million or less.

Lending-Related Activities

The bank's record of community development lending reflects a commitment to expanding housing for low- and moderate-income individuals and developing businesses of different sizes. During the evaluation period, the bank made eight community development loans for \$3.4 million. All loans were extended in the assessment area, and the majority were originated with

the community development purpose of affordable housing. The following represent notable examples of community development lending.

- The bank originated one loan to a local housing authority for \$839,600 in 2017. The loan financed a 48-unit housing complex. All tenants are part of the section 8 program and fall within the low-income delineation.
- The bank originated a loan that financed the purchase of a 10-unit property in 2016 for \$487,500. The property is located in Franklin MA, and all unit rents fall below Department of Housing and Urban Development (HUD) fair market rent guidelines, increasing the stock of housing for low- and moderate-income families.
- The bank originated one working capital loan to a small business in Franklin, MA in 2018. The \$1.0 million loan will expand employment opportunities for low- and moderate-income individuals.

Geographic Distribution

The bank's assessment area does not include any low- or moderate-income census tracts; therefore, a review of the Geographic Distribution criterion would not result in meaningful conclusions. As a result, this criterion was not evaluated and did not affect the overall rating.

Response to Complaints

Dean Bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the overall rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation.

APPENDIX – Massachusetts Division of Banks

FAIR LENDING POLICIES AND PROCEDURES

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2016 and 2017 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2015 ACS Census Data, the bank's assessment area contained a total population of 64,429 individuals, of which 8.0 percent are minorities. The assessment area's minority and ethnic population is 0.8 percent Black/African American, 3.0 percent Asian/Pacific Islander, 0.1 percent American Indian, 2.5 percent Hispanic or Latino, and 1.6 percent other.

The bank's level of lending was compared with that of the aggregate's lending performance level for the years that data was available, 2016 and 2017. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	Bank 2016		2016 Aggregate Data	Bank 2017		2017 Aggregate Data
	#	%	%	#	%	%
American Indian/Alaska Native	1	0.4	0.2	1	0.7	0.1
Asian	2	0.8	3.4	1	0.7	3.3
Black/African American	0	0.0	1.0	4	2.8	1.2
Hawaiian/Pacific Islander	0	0.0	0.0	0	0.0	0.0
2 or more Minority	0	0.0	0.0	1	0.7	0.0
Joint Race (White/Minority)	1	0.4	1.2	1	0.7	1.2
Total Minority	4	1.6	5.8	8	5.6	5.8
White	208	85.6	75.6	105	74.5	73.6
Race Not Available	31	12.8	18.6	28	19.9	20.6
Total	243	100.0	100.0	141	100.0	100.0
ETHNICITY						
Hispanic or Latino	0	0.0	2.0	0	0.0	1.5
Not Hispanic or Latino	197	81.1	78.1	110	78.0	77.0
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.1	0	0.0	1.3
Ethnicity Not Available	46	18.9	18.8	31	22.0	20.2
Total	243	100.0	100.0	141	100.0	100.0

In 2016, the bank received 243 HMDA-reportable loan applications from within its assessment area. Of these applications, four or 1.6 percent were received from minority applicants, of which two or 50.0 percent resulted in originations. Approximately 5.8 percent of aggregate lender applications were received from racial minority applicants, 66.8 percent of which were originated. The bank did not receive any applications from ethnic groups of Hispanic origin within its assessment area in 2016.

In 2017, the bank received 141 HMDA-reportable loan applications from within its assessment area. Of these applications, eight or 5.6 percent were received from minority applicants, of which six or 75.0 percent resulted in originations. The aggregate racial minority application rate was 5.8 percent and 69.4 percent of these applications were originated. The bank did not receive any applications from ethnic groups of Hispanic origin within its assessment area in 2017.

The bank significantly improved in its racial minority application flow from 2016 to 2017, and is currently comparable to the aggregate. The bank regularly tracks its performance with regard to minority application flow, and has made efforts to increase outreach to minority applicants. A review of the application and underwriting process exhibited controls that mitigate fair lending concerns. Considering the demographic composition of the assessment area and current fair lending controls, the bank's minority application flow is adequate.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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