

PUBLIC DISCLOSURE

February 26, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

State Street Bank and Trust Company
Certificate Number: 14

One Congress Street
Boston, Massachusetts 02114

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

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 concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING	1
SCOPE OF EVALUATION	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
GLOSSARY	10

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding 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.

State Street Bank and Trust Company (State Street or the bank) demonstrates a high level of qualified investments, particularly investments that are not routinely provided by private investors. The bank demonstrates extensive use of innovative and complex qualified investments and community development services. State Street exhibits excellent responsiveness to community economic development needs in its assessment area.

SCOPE OF EVALUATION

State Street's CRA performance was evaluated using the Division of Bank's Regulation 209 CMR 46.25 for Wholesale and Limited Purpose Institutions and utilized procedures by the Federal Financial Institutions Examination Council. These procedures assess a bank's record of helping to meet the credit needs of its assessment area under the community development test through its community development lending, qualified investments, or community development services.

The examination covered State Street's community development activities for the period from the prior examination, dated September 27, 2021, to the current period ending February 26, 2024. In addition, outstanding book value balances on prior examination period community development qualified investments were evaluated.

While State Street is evaluated on its community development activities, performance context is also considered. The performance context is a broad range of economic, demographic, institution, and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. Examiners also conducted an interview with a representative of a community development organization in order to gain an understanding of local needs.

The bank has identified one assessment area in which its CRA activities are evaluated. In addition, qualified activities made outside of the bank's assessment area were considered as the bank has adequately addressed the community development needs of its assessment area.

Demographic information referenced throughout the evaluation was obtained from the 2020 United States (U.S. Census Bureau's American Community Survey (ACS) data, unless otherwise noted.

DESCRIPTION OF INSTITUTION

State Street Bank and Trust Company is a wholly owned subsidiary of State Street Corporation, Boston MA with headquarters located at One Congress Street in Boston. The State Street Foundation (Foundation) is State Street’s charitable arm. The Foundation is the platform the organization leverages to make grants to non-profits and non-governmental organizations where State Street operates. Additionally, the Foundation leads State Street’s volunteer program that facilitates community development service activities. State Street is one of the country’s largest custodial banks, holding assets and providing investment servicing and investment management services to institutional investors, including pension funds, mutual funds, insurance companies, foundations, endowment and investment managers, and other investment pools. As of December 31, 2023, State Street Corporation had \$41.8 trillion in assets under custody and administration and \$4.1 trillion in assets under management.

Given its designation as a wholesale institution, State Street meets its CRA responsibilities predominantly through community development investments and services. As of December 31, 2023, the bank’s assets totaled \$293.2 billion; loans and leases accounted for \$36.8 billion, representing 12.5 percent of the bank’s asset base. The bank’s loan portfolio consists primarily of loans to non-depository financial institutions, at \$30.0 billion, accounting for 81.4 percent of total loans and leases.

State Street does not engage in retail banking services other than ancillary activity to existing customers. In 2017, State Street launched an initiative to finance commercial real estate and multifamily properties for commercial clients. As of December 31, 2023, these loans account for 8.3 percent of the portfolio, compared to the previous evaluation of 7.5 percent in 2021. Additionally, the bank’s commercial real estate and commercial and industrial lending is to large institutional customers primarily through syndication arrangements and through direct lending channels. These loans continue to remain a small portion of the portfolio. The remainder of the portfolio is broken out in the table below.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Loans to non-depository financial institutions	30,006,000	81.4
Commercial and Industrial Loans U.S. and non-U.S.	3,488,000	9.4
Commercial Real Estate	1,919,000	5.2
Loans Secured by Multifamily residential properties	1,150,000	3.1
Obligations of State and Political Subdivisions	285,000	0.6
Loans to depository institutions in foreign countries	4,000	0.01
Loans to foreign Governments and official institutions	2,000	0.01
Less: Any unearned income on loans.	2,000	0.01
Total Loans	36,852,000	100.0
<i>Source: Reports of Condition and Income 12/31/2023</i>		

Financial capacity, legal impediments, local economic conditions, demographics, and market competition are all considered when examining the bank’s CRA performance. None of these factors

prevented the bank from fulfilling its obligations under the CRA. State Street was last evaluated for Community Reinvestment on September 27, 2021, by the Federal Reserve Bank of Boston and received an Outstanding rating. In 2019, both the Division of Banks and Federal Reserve Bank of Boston conducted a concurrent examination resulting in an Outstanding.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. State Street's assessment area is comprised of the city of Boston and the contiguous city of Quincy, respectively located in the counties of Suffolk and Norfolk, within the Boston-Cambridge-Newton, MA-NH Metro Statistical Area (MSA). The assessment area remains the same as the previous examination.

The assessment area was designated based upon the locations of bank operations combined with the State Street Charitable Foundation's strategic focus to directly impact those communities. In addition, State Street's focus on having Boston and Quincy as their assessment area is influenced by the demographics of these communities. The table below displays demographics of the assessment area based on geographic income categories to assist in identifying community development needs within the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	231	19.9	20.3	22.5	24.2	13.0
Population by Geography	777,269	22.4	24.7	25.5	23.0	4.3
Housing Units by Geography	342,286	20.4	24.4	24.5	27.0	3.8
Owner-Occupied Units by Geography	114,841	11.5	22.6	30.0	33.1	2.8
Occupied Rental Units by Geography	199,666	25.4	25.7	22.4	22.2	4.3
Vacant Units by Geography	27,779	21.2	22.1	16.4	35.8	4.5
Businesses by Geography	110,500	11.9	15.5	17.9	48.6	6.1
Farms by Geography	754	9.9	18.2	24.4	42.8	4.6
Family Distribution by Income Level	151,558	33.5	16.0	17.1	33.5	0.0
Household Distribution by Income Level	314,507	33.6	14.0	15.7	36.8	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$567,831
			Median Gross Rent			\$1,674
			Families Below Poverty Level			12.1%

*Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income;
(*) The NA category consists of geographies that have not been assigned an income classification.*

Economic and Demographic Data

According to the 2023 demographic data and 2020 ACS U.S. Census, the assessment area contains 231 census tracts. There are 46 (19.9 percent) low-income census tracts, 47 (20.3 percent) moderate, 52 (22.5 percent) middle, 56 (24.2 percent) upper, and 30 census tracts (12.9 percent) where income is not available. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas within the assessment area. However, there are 15 census tracts designated as opportunity zones: 13 in Boston and 2 in Quincy. These zones are recommended by the Governor of Massachusetts and approved by the U.S. Department of Treasury. The opportunity zones are identified as areas of economic need, with many opportunity zones having the lowest median family income within the state.

Income Characteristics

According to demographic data, the assessment area includes approximately 314,507 households. Approximately 33.6 percent of households are classified as low-income, 13.9 percent are moderate-income, 15.6 percent are middle-income, and 36.8 percent as upper income. Approximately 17.2 percent of households are below the poverty level in the assessment area and 3.2 percent receive public assistance. The poverty level throughout suggests a need for community development activities, such as health and human services and the need for education and workforce development programs, as educational levels are highly correlated to employment rates and income level. According to the Bureau of Labor statistics, the unemployment rate in Massachusetts was 3.0 percent as of January 2024. Unemployment rates coupled with lower income levels further demonstrate the need for employment opportunities and workforce development within the assessment area.

Housing

According to 2020 ACS Census data, the assessment area has approximately 342,286 housing units, of which 33.5 percent are owner-occupied and 58.3 percent are rental units. The median housing value in the assessment area is approximately \$538,903 and the median gross rent equals \$1,674. In the assessment area, housing is expensive relative to income levels, which causes significant affordability issues for the low and moderate-income population. State Street does not extend 1-4 Family residential mortgages, however, does support the creation of affordable housing through investment opportunities.

Community Contact

As part of the evaluation process, examiners met with community leaders to understand the community, its economic base, challenges that may exist, and local community development initiatives. This assists in assessing the housing, credit, and overall needs in the bank's assessment area. Relevant information from these meetings assists in determining whether local financial institutions are responsive to the credit needs of the community and whether additional opportunities are available. Two community contacts were considered in conjunction with this evaluation.

A community contact was conducted with a representative from an organization serving Quincy and the surrounding towns. The organization's goal is to reduce poverty by helping individuals reach their educational and financial goals by offering programs that include housing, money management, adult education, early childhood education and care, and energy assistance programs. The contact stated the high living costs and poor access to childcare are significant factors presenting difficulties for individuals to seek educational or workforce development programs. The contact expressed the most significant needs for low- and moderate -income families include flexible credit products, and financial counseling. In addition, the contact acknowledged a need for translation assistance programs to assist in neighborhoods, such as North Quincy and Wollaston, with highly limited English proficiency. The contact indicated that local banks have been responsive to the community needs.

A second community contact was conducted with a community development corporation which promotes access to affordable housing, creates social and economic opportunities, and empowers residents to be leaders of change. The CDC rehabilitates or develops affordable housing units throughout the Commonwealth. Additionally, provides first time home buyer education and foreclosure prevention programming. The contact described the complexities and challenges involved with the creation or preservation of multi-family affordable housing developments. Additionally, the contact described the efforts being made to expand its mission to work with suburban cities and towns and within Massachusetts Gateway cities. Suburban areas have a high demand for affordable housing and lack capacity to manage complex rental or ownership projects. The contact indicated that local banks have been responsive to the financing needs of these projects.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, management, and demographic and economic information, examiners determined that affordable housing represents a primary community development for the assessment area and broader statewide regional area. Additionally, financial education and support for workforce development is also an identified community development need.

CONCLUSIONS ON PERFORMANCE CRITERIA

The Community Development Test evaluates the number and amount of community development loans, qualified investments, or community development services; the use of innovative or complex qualified investments, community development loans, or community development services and the extent to which the investments are not routinely provided by private investors; and the institution's responsiveness to credit and community development needs.

State Street demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

COMMUNITY DEVELOPMENT TEST

Community Development Loans

The bank's community development lending is considered supplementary to its overall performance and in accordance with the CRA procedures, a wholesale institution need not engage in all three categories to perform well under the community development test. A total of 3 multi-family housing developments totaling \$41.3 million were considered in this evaluation. The bank received pro rata consideration for the portion of these activities that help to provide affordable housing to low-or moderate- income individuals. All loans supported the sustainability of affordable housing and contributed to 129 affordable housing units. The loans were all outside of the assessment area, however, since the bank met the credit needs of the assessment area, activities outside the assessment area were considered.

Qualified Investments

State Street has a high level of qualified community development investments, particularly investments that are not routinely provided by private investors. In total, investment activity presents approximately \$1.5 billion. State Street uses innovative or complex qualified investments and exhibits excellent responsiveness to credit and community development needs of the assessment area.

The bank's diverse CRA investment portfolio consists of affordable housing investments, tax investments, preservation funds, mortgage-backed securities, deposits in minority owned financial institutions and grants and donations. Investments require the collaboration of multiple funding partners and sources, are competitive to obtain, and require technical expertise.

In total, the bank's current level of investments represents 0.5 percent of total assets, which is higher than the prior evaluation, when investments represented 0.4 percents of total assets. This is notable given the decrease in asset size of \$30 billion since the previous evaluation.

The table below reflects the Bank's investment summary and includes prior period investments and new commitments, as well as charitable donations and grants.

Community Development Investment Summary			
Inside AA	New Commitments (000's)	Prior Period Book Values (000's)	Total Qualified
<i>Activities that benefit the assessment area and broader statewide or regional area that includes the assessment area</i>			
MHIC	\$32,000	\$57,814	\$89,814
MA LIHTC and Historic State Tax Credit Purchases	\$39,477	\$24,499	\$63,976
RMBS	\$39,772	\$200,060	\$239,832
CMBS	\$175,168	-	\$175,168
SBICs	-	\$5,865	\$5,865
Grants and Donations	\$25,024	-	\$25,024
Total Inside	\$311,441	\$288,238	\$599,679
Outside AA			
<i>Activities that benefit areas outside of the assessment area, including Nationwide Investments</i>			
Affordable Housing Preservation Funds	\$15,000	\$36,914	\$51,914
Nationwide LIHTC Funds	\$140,937	\$613,489	\$754,426
CMBS	\$80,000	-	\$80,000
Deposits in MDIs	\$20,000	-	\$20,000
Grants and Donations	\$4,367	-	\$4,367
Total Nationwide	\$260,304	\$650,403	\$910,707
Total Qualified Investments	\$571,745	\$938,641	\$1,510,386

Source: Internal Bank Documents

Below are notable examples of the bank's current commitments and prior period investments.

Commercial Mortgage-Backed Securities

The bank's new commitments to Commercial Mortgage-Backed Securities are found to be innovative, complex, and responsive. Historically, the bank has actively pursued Residential Mortgage-Backed Securities. However, as the supply of CRA residential pools became limited, State Street proactively engaged in Commercial Mortgage-Backed Securities. They are responsive to the need for multi-family affordable housing developments inside and outside of the assessment area. The bank invested in 10 pools of commercial mortgage-backed securities during the review period totaling \$255.2 million. All investments are backed by a large portfolio of multi-family property locations within the assessment area and broader statewide regional area and nationwide.

Deposits in Minority Depository Institutions

State Street's leadership role is recognized with the creation of an MDI Deposits Program. The total program commitment is expected to be \$100 million in Deposits to Minority Depository Institutions and Community Development Financial Institutions. As of the exam period, \$20 million of \$100 million is considered qualified for CRA. Deposit placements are to Optus Bank and M&F Bank and benefit outside of the assessment area.

Tax Advantaged Investments

The bank exhibits excellent responsiveness to the assessment area's needs for affordable housing through tax advantaged investments which include, but are not limited to investments in: Affordable Housing Preservation Funds, purchase of Low-Income Housing Tax Credits, Massachusetts Housing Investment Corporation Funds, and Massachusetts Tax Credits. The tax credit projects are considered

innovative and complex as they are not routinely provided by private investors. In addition to the new commitments in tax advantaged investments, consideration was given to investments that were made prior to the current and remain outstanding.

State Street Foundation, Inc.

The bank exhibits excellent responsiveness to community development needs of the assessment area through grants, donations, sponsorships, and an employee matching gift program, all awarded by the State Street Foundation.

Qualified donations and grant activity represent \$29.3 million, an increase from the previous evaluation representing \$23.3 million. The increase in grant and donation activity is attributed to State Street's significant contribution into Early College totaling \$3.8 million. Early College is a college readiness initiative and involves a partnership between high schools and higher education in a prioritizing economically disadvantaged, low-income high school student to earn high school graduation requirements and college credit. The program is conducted in collaboration with the Boston Public Schools and Quincy Public Schools. To date, the impact of Early College, has provided support to over 800 high schools students in both Quincy and Boston. The Massachusetts Department of Elementary and Secondary Education oversees the Commonwealth's Early College program. State Street is considered the first major corporate funder for Early College. Other contributing funding sources come from the Smith Family Foundation and other local supporters.

In addition to Early College, State Street Foundation makes recurring grants to organizations serving the assessment area. During the review period, the Foundation extended grant making to 12 additional organizations and increased grant making around racial equity and social justice. The grant making involves an extensive application review process. Grants are specifically earmarked for specific operating years and purposes and must be used in accordance with each organization's grant proposal. A condition of the grant requires organizations to submit a report on how the funds were used, performance, outcomes and metrics is required after each fiscal year.

State Street Foundation offers an employee matching gift program that matches employees' personal donations to nonprofit organizations and also monetizes their volunteer time. For example, for every 16 hours an employee volunteers with a single organization, the organization is eligible to receive a grant of \$500.

Community Development Services

The bank is a leader in providing community development services. State Street extensively uses innovative and complex services that exhibit excellent responsiveness to credit and community economic development needs within the assessment area. During the examination period, employees participated in over 72,000 qualified service hours.

Global Volunteer Program

The State Street Foundation leads a companywide global volunteer program. State Street provides four paid days off annually for all employees and encourages employees to participate in programs that are consistent with the Foundation's focus on education and workforce development or other

volunteer opportunities of their choosing. Skill based volunteerism is part of this program whereby employees apply their professional skills to volunteer service projects benefiting the community.

Volunteerism through Charitable Board Service

State Street Foundation encourages engagement of its senior leaders with non-profit community-based organizations through board service as a highly strategic and impactful form of volunteering. The Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents and/or Senior Vice President served on boards during the review period. Many of these organizations are Foundation grantees, enabling State Street to maintain a multi-faceted relationship with the community organization.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk to the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

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

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.