

PUBLIC DISCLOSURE

December 28, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Gogebic Range Bank
Certificate Number: 57192

155 East Cloverland Drive
Ironwood, MI 49938

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	2
SCOPE OF EVALUATION.....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	10
APPENDICES	11
SMALL BANK PERFORMANCE CRITERIA.....	11
GLOSSARY	12

INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following points summarize the bank's Satisfactory Community Reinvestment Act (CRA) performance:

- **Loan-to-Deposit (LTD) Ratio:** The LTD ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area (AA).
- **Assessment Area Concentration:** The bank originated a substantial majority of home mortgage and small business loans within the AA.
- **Geographic Distribution:** The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AA.
- **Borrower Profile:** The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels and businesses of different sizes.
- **CRA-Related Complaints:** The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Gogebic Range Bank (GRB) is a full-service financial institution headquartered in Ironwood, Michigan. In addition to its main office, GRB conducts business from three branch offices located in the communities of Bergland, Bessemer, and Ewen. In May 2017, GRB acquired the Bergland and Ewen branch offices through a merger with the State Bank of Ewen. Both offices are located in middle-income census tracts (CTs). GRB is wholly-owned by West End Financial Corporation, a one-bank holding company located in Ironwood, Michigan. GRB received a Satisfactory rating during its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated September 22, 2014, based on the Interagency Small Institution Examination Procedures.

GRB offers a variety of loan and deposit products. Commercial real estate, commercial and industrial, home mortgage, secondary market mortgage, and consumer loans are offered, with a focus on residential and commercial lending. Deposit products offered include checking, savings, money market, and certificates of deposit. Customers can access GRB's products and services through online, telephone, and mobile banking services, as well as four non-depository automated teller machines located in close proximity to each branch location.

As of September 30, 2020, GRB maintained total assets of \$150.2 million, total loans of \$78.9 million, and total deposits of \$134.8 million. Total assets, loans, and deposits all increased substantially since the prior CRA evaluation due to the 2017 merger; however, the loan portfolio concentrations remained consistent with a strong focus on commercial lending followed by residential lending. Refer to the following table for the loan portfolio distribution based on the September 30, 2020, Report of Condition and Income (Call Report).

Loan Portfolio Distribution as of 9/30/2020		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	4,550	5.7
Secured by 1-4 Family Residential Properties	15,474	19.6
Secured by Multifamily (5 or more) Residential Properties	303	0.4
Secured by Nonfarm Nonresidential Properties	21,292	27.0
Total Real Estate Loans	41,619	52.7
Commercial and Industrial Loans	30,260	38.4
Consumer Loans	6,880	8.7
Other Loans	143	0.2
Total Loans	78,902	100.0

Source: Reports of Condition and Income

No financial, legal, or other impediments limit GRB's ability to meet the credit needs of its AA.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. GRB has defined one AA consisting of all seven CTs in Gogebic

County, Michigan, all three CTs in Ontonagon County, Michigan, and all three CTs in Iron County, Wisconsin. Since the previous evaluation, management added all three CTs in Ontonagon County, as the branch offices acquired through the merger with State Bank of Ewen are located in Ontonagon County. Sources of data used in this section include 2015 American Community Survey (ACS) census data, 2019 D&B data, the Federal Financial Institution Examiner Council (FFIEC), the U.S. Bureau of Labor Statistics, the Wisconsin Department of Workforce Development, and Northern Michigan University.

Economic and Demographic Data

The table below summarizes demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	23.1	76.9	0.0	0.0
Population by Geography	28,029	0.0	26.1	73.9	0.0	0.0
Housing Units by Geography	22,410	0.0	22.2	77.8	0.0	0.0
Owner-Occupied Units by Geography	10,324	0.0	26.9	73.1	0.0	0.0
Occupied Rental Units by Geography	2,411	0.0	36.1	63.9	0.0	0.0
Vacant Units by Geography	9,675	0.0	13.8	86.2	0.0	0.0
Businesses by Geography	1,739	0.0	33.4	66.6	0.0	0.0
Farms by Geography	82	0.0	22.0	78.0	0.0	0.0
Family Distribution by Income Level	7,399	21.7	21.6	24.6	32.1	0.0
Household Distribution by Income Level	12,735	29.4	19.0	19.1	32.5	0.0
Median Family Income Non-MSAs - Michigan		\$53,628	Median Housing Value			\$98,170
Median Family Income Non-MSAs - Wisconsin		\$60,742	Median Gross Rent			\$494
			Families Below Poverty Level			11.0%

*Source: 2015 ACS and 2019 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.*

Three CTs are designated moderate-income, while the remaining ten CTs are designated as middle-income. The table below provides the 2019 median family income and corresponding income levels used to analyze home mortgage lending activities in the AA under the Borrower Profile criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
MI Non-MSA Median Family Income				
2019 (\$58,600)	<\$29,300	\$29,300 to <\$46,880	\$46,880 to <\$70,320	≥\$70,320
WI Non-MSA Median Family Income				
2019 (\$65,900)	<\$32,950	\$32,950 to <\$52,720	\$52,720 to <\$79,080	≥\$79,080

Source: FFIEC

The following table reflects the median housing value of homes located in each county of the AA compared to the states of Wisconsin and Michigan. Further, the table provides data on the percentage of occupied housing units and vacant housing units by county and state. The high percentage of vacant housing units in each county of the AA compared to corresponding State data is due to a high number of seasonal vacation homes within the AA.

Housing Data			
Area	Median Housing Value (\$)	Occupied Housing Units (%)	Vacant Housing Units (%)
Iron County, WI	142,373	48	52
Gogebic County, MI	87,789	63	37
Ontonagon County, MI	70,914	55	45
State of Wisconsin	168,265	87	13
State of Michigan	125,876	85	15
<i>Source: 2015 ACS Data</i>			

The table below provides the annual unemployment rates of each county within the AA compared to the states of Wisconsin and Michigan. The unemployment rates in all three counties of the AA are consistently higher than state unemployment rates, due primarily to the seasonality of the AA economy. The AA contains many forests, lakes, and mountains, making it a vacation spot for recreational activity in the summer months. The influx of vacationers creates more employment opportunities for local residents during the summer months. Additionally, many individuals who live in the AA work in the construction, forestry, and logging industries, which provide employment opportunities in the summer months. These opportunities, however, diminish in the winter months, resulting in layoffs. Conversely, several large ski resorts provide employment opportunities during the winter months; however, these opportunities diminish during the warmer months.

Annual Unemployment Rates					
Year	Iron County, WI (%)	Gogebic County, MI (%)	Ontonagon County, MI (%)	State of Wisconsin (%)	State of Michigan (%)
2014	9.5	8.9	11.4	5.4	7.2
2015	8.8	7.4	9.5	4.5	5.4
2016	7.4	6.1	8.5	4.0	5.0
2017	6.2	5.9	8.7	3.3	4.6
2018	5.8	5.1	7.8	3.0	4.1
2019	6.1	5.2	6.8	3.3	4.1
October 2020	8.0	4.5	5.0	4.9	5.1
<i>Source: U.S. Bureau of Labor Statistics</i>					

According to 2019 D&B data, 1,739 businesses operate within the AA, of which, 76 percent reported gross annual revenue (GAR) of \$1 million or less. Approximately 84 percent of the businesses that operate within the AA employ less than ten employees. This data illustrates the significant amount of small businesses operating within the AA. According to D&B data, 63 percent of employment opportunities in the AA come from several major industries, including services, retail trade, and construction. The following table provides major employers in each county of the AA.

Largest Employers by County		
Gogebic County, MI	Ontonagon County, MI	Iron County, WI
Grand View Health Systems, Inc.	Aspirus Ontonagon	Villa Maria Health Care Center
Lac Vieux Desert Tribe	Settlers Co-Operative, Inc.	Whitecap Mountain Ski-Golf
<i>Source: Wisconsin Department of Workforce Development; Northern Michigan University</i>		

Competition

GRB operates in a moderately competitive bank environment. According to the June 30, 2020 Deposit Market Share Report compiled by the FDIC, six financial institutions maintain ten offices in Gogebic and Ontonagon Counties. GRB ranks 1st with a deposit market share of approximately 35 percent. Additionally, three offices operate within Iron County, Wisconsin.

Community Contact

According to a representative of an economic development organization in Gogebic County, the local economy remains in good standing despite the COVID-19 pandemic. Local lodging facilities, such as motels and hotels, have experienced an influx of customers as more people travel domestically during the pandemic. However, local restaurants have not been able to capitalize on the influx of visitors due to indoor gathering limitations imposed by state authorities. The contact further indicated housing values continue to increase in the area; however, during the pandemic, fewer families are building new homes due to a large increase in the cost of raw materials. Finally, the contact indicated there is a need for start-up business financing in the area.

Credit Needs

According to economic and demographic data, as well as community contact information, the primary credit needs of the community appear to be start-up business financing.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated September 22, 2014, to the current evaluation. Examiners used the Interagency Small Institution Examination Procedures to assess GRB's CRA performance, including an evaluation of the institution's LTD ratio, AA concentration, geographic distribution, borrower profile, and response to CRA-related complaints.

Activities Reviewed

Home mortgage and commercial loans continue to represent the bank's major product lines. Examiners made this determination in consideration of GRB's business strategy, as well as the number and dollar volume of loans originated during the evaluation period. As of the September 30, 2020, Call Report, home mortgage loans represented approximately 20 percent of the loan

portfolio, while commercial loans represented approximately 65 percent of the loan portfolio. Small farm and consumer loans represent a nominal percentage of GRB’s loan portfolio; therefore, examiners did not analyze them as part of this evaluation.

Examiners reviewed all home mortgage loans extended in 2019, including those subsequently sold on the secondary market, as well as a sample of small business loans extended in 2019. Examiners included secondary market lending activity to provide a representative picture of GRB’s entire home mortgage lending activity. This lending activity is representative of the bank’s lending performance throughout the evaluation period. The following table provides specific details regarding the universe and sample of loans reviewed by product type.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$ (000s)	#	\$ (000s)
Home Mortgage – Portfolio	23	1,012	23	1,012
Home Mortgage – Secondary Market	23	1,906	23	1,906
Small Business	98	14,221	41	4,272
<i>Source: Bank Data</i>				

Examiners placed more weight on small business lending performance, as this represents the bank’s primary lending focus and the largest number and dollar volume of loan originations during the evaluation period. D&B data from 2019 provided a standard of comparison for the bank’s small business lending activity, while 2015 ACS census data provided a standard of comparison for the bank’s home mortgage lending activity.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

GRB demonstrates reasonable performance under the Lending Test. The distribution of home mortgage and small business loans among geographies of different income levels, borrowers of different income levels, and businesses of different sizes, primarily supports this conclusion.

Loan-to-Deposit Ratio

GRB’s LTD ratio reflects reasonable performance given the institution’s size and financial condition, as well as the credit needs within the AA. GRB’s LTD ratio averaged 73.5 percent over the previous 25 quarters. This ratio is comparable to similarly-situated institutions whose average LTD ratios ranged from 70.7 percent to 86.9 percent over the same period. Examiners selected comparable financial institutions based on geographic location, loan portfolio composition, and asset size.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2020 (\$ 000s)	Average Net LTD Ratio (%)
Gogebic Range Bank	150,266	73.5
Similarly-Situated Institution #1	117,220	73.7
Similarly-Situated Institution #2	120,818	86.9
Similarly-Situated Institution #3	158,447	76.9
Similarly-Situated Institution #4	175,479	70.7
Similarly-Situated Institution #5	243,987	81.5

Source: Reports of Condition and Income 9/30/2014 – 9/30/2020

Assessment Area Concentration

GRB originated a substantial majority of home mortgage and small business loans within its AA. Refer to the following table for details.

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										
Portfolio	20	87.0	3	13.0	23	763	75.4	249	24.6	1,012
Secondary Market	22	95.7	1	4.3	23	1,798	94.3	108	5.7	1,906
Subtotal	42	91.3	4	8.7	46	2,561	87.8	357	12.2	2,918
Small Business	37	90.2	4	9.8	41	3,640	85.2	632	14.8	4,272

Source: Bank Data

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AA.

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The following table shows that the distribution of home mortgage loans in moderate-income CTs is below demographic data; however, GRB's performance is reasonable considering the location of bank offices and competition from other financial institutions within the AA. In aggregate, GRB extended 19 percent of in-house and secondary market home mortgage loans in moderate-income CTs. GRB does not maintain any office locations in moderate-income CTs. The Ironwood office is located approximately one mile from the closest moderate-income CTs, while the remaining branch offices are located more than five miles from the nearest moderate-income CT. Six competing financial institutions, including several larger financial institutions, are located within or in closer proximity to the moderate-income CTs of the AA.

Geographic Distribution of Home Mortgage Loans									
		Portfolio				Secondary Market			
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Moderate	26.9	3	15.0	132	17.3	5	22.7	173	9.6
Middle	73.1	17	85.0	631	82.7	17	77.3	1,625	90.4
Total	100.0	20	100.0	763	100.0	22	100.0	1,798	100.0

Source: 2015 ACS Data; Bank Data

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. The distribution of small business loans in moderate-income CTs is comparable to demographic data as demonstrated in the following table.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$ (000s)	%
Moderate	33.4	14	37.8	1,542	42.4
Middle	66.6	23	62.2	2,098	57.6
Total	100.0	37	100.0	3,640	100.0

Source: 2019 D&B Data; Bank Data

Borrower Profile

The distribution of home mortgage and small business loans among borrowers of different income levels and businesses of different sizes reflects reasonable penetration throughout the AA. GRB's home mortgage lending activity reflects excellent performance; however, the heavier-weighted small business lending activity reflects reasonable performance and primarily supports this conclusion.

Home Mortgage

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels.

While the distribution of home mortgage loans extended and subsequently sold on the secondary market to low-income borrowers trails demographic data, the distribution of home mortgage loans extended in-house to low-income borrowers is above demographic data. In aggregate, the distribution of all home mortgage loans extended to low-income borrowers is 20.5 percent and compares reasonably to demographic data. However, it is important to note that 11 percent of low-income families in the AA earn an income below the poverty level, lacking the financial resources to obtain a home mortgage loan and limiting a financial institution's opportunity to lend to these borrowers. After accounting for the percentage of families below poverty level, GRB's distribution of in-house home mortgage loans and secondary market home mortgage loans to low-income borrowers exceeds the adjusted demographic data by 14.3 percent and 7.5 percent, respectively. In

aggregate, the distribution of all home mortgage loans extended to low-income borrowers exceeds demographic data by almost ten percent, reflecting excellent performance

The distribution of in-house and secondary market home mortgage loans to moderate-income borrowers exceeds demographic data by approximately three percent and six percent, respectively. In aggregate, the distribution of all home mortgage loans extended to moderate-income borrowers is 26.2 percent, approximately 4.6 percent above demographic data. The table below provides specific details.

Distribution of Home Mortgage Loans by Borrower Income Level									
		Portfolio				Secondary Market			
Borrower Income Level	% of Families	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Low	21.7	5	25.0	90	11.8	4	18.2	146	8.1
Moderate	21.6	5	25.0	109	14.3	6	27.3	335	18.6
Middle	24.6	3	15.0	114	14.9	7	31.8	648	36.1
Upper	32.1	7	35.0	450	59.0	5	22.7	669	37.2
Total	100.0	20	100.0	763	100.0	22	100.0	1,798	100.0

Source: 2015 ACS; Bank Data

Small Business

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Although GRB’s distribution of small business loans is below demographic data, performance is reasonable. Lending personnel do not collect an applicant’s revenue information if the applicant’s commercial debt is less than \$75,000. Consequently, revenues are not available for many small business loans sampled during this evaluation. Removing loans with revenues not available from the bank’s sample, as well as demographic data, increases GRB’s distribution of loans to businesses with GAR of \$1 million or less to 90 percent, as compared to demographic data of 91 percent. GRB’s distribution of small business loans reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Annual Revenue Level	% of Businesses	#	%	\$ (000s)	%
≤ \$1,000,000	76.1	26	70.3	2,440	67.0
> \$1,000,000	7.2	3	8.1	993	27.3
Revenue Not Available	16.7	8	21.6	207	5.7
Total	100.0	37	100.0	3,640	100.0

Source: 2019 D&B Data; Bank Data

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test Rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices. Therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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