

PUBLIC DISCLOSURE

November 15, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Paper City Savings Association
Certificate Number: 29676

4200 8th Street South
Wisconsin Rapids, WI 54494

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.

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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.

The following factors summarize the institution's performance.

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

DESCRIPTION OF INSTITUTION

Paper City Savings Association (Paper City) is a full-service mutual savings association with its main office in Wisconsin Rapids, Wisconsin, and two branch offices located in Nekoosa and Plover, Wisconsin. All three of these offices are located in middle-income census tracts. The main office and the Nekoosa branch are located in Wood County and the Plover branch is located in Portage County, Wisconsin. Both of these counties are in the non-metropolitan statistical area of Wisconsin. The institution opened the branch in Plover on July 15, 2015.

Paper City received an Outstanding rating during its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated July 6, 2015, based on the Interagency Small Institution Examination Procedures.

Paper City's primary business focus is to serve its local community through the origination and servicing of consumer and home mortgage loans. The institution also offers a variety of deposit products, telephone and internet banking services, drive-up facilities, and extended banking hours on Saturday. The institution does not own any automated teller machines.

As of June 30, 2021, Paper City maintained total assets of \$217 million, total loans of \$130 million, and total deposits of \$183 million, according to their Call Report. The loan portfolio as of that date is broken down in the following table.

Loan Portfolio Distribution as of 6/30/2021		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	9,217	7.1
Secured by 1-4 Family Residential Properties	82,574	63.5
Secured by Multifamily (5 or more) Residential Properties	13,969	10.7
Secured by Nonfarm Nonresidential Properties	18,600	14.3
Total Real Estate Loans	124,360	95.6
Commercial and Industrial Loans	1,503	1.2
Consumer Loans	4,090	3.2
Other Loans	43	0.0
Total Loans	129,996	100.0
<i>Source: Reports of Condition and Income</i>		

In addition to those loans reflected in the table above, the institution originates and sells home mortgage loans on the secondary market to the Federal National Mortgage Association (FNMA). The following table summarizes the secondary market lending activity.

Secondary Market Lending Activity		
Year	#	\$(000s)
2015	191	20,799
2016	197	21,225
2017	169	19,776
2018	151	18,622
2019	224	30,512
2020	698	104,118
YTD 2021	316	45,333
Total	1,946	\$260,385
<i>Source: Institution Records</i>		

Examiners did not identify any legal or financial impediments that would hinder the institution’s ability to meet the credit needs of the AA.

DESCRIPTION OF ASSESSMENT AREA

Paper City has designated their AA to include 10 census tracts in Wood County, 11 census tracts in Portage County, and 1 census tract in both Adams and Juneau Counties. These counties and census tracts are contiguous, include the locations of the banking offices, and are located in a non-metropolitan area of central Wisconsin. The AA includes two moderate-income census tracts, 17 middle-income census tracts, and four upper-income census tracts. One of the moderate-income census tract is located in Portage County (Stevens Point) and one is located in Wood County (Wisconsin Rapids).

Economic and Demographic Data

Wood County includes the city of Wisconsin Rapids which has a population of approximately 18,000 according to the 2010 census data. Portage County includes the city of Stevens Point with a population of approximately 27,000 and the Village of Plover with a population of approximately 12,000. The remaining cities, villages, and towns in both counties have much smaller populations.

The following table reflects demographic and economic information for the AA according to the 2015 American Community Survey (ACS) US Census and D&B data. Examiners used this data to conduct the evaluation.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	0.0	8.7	73.9	17.4	0.0
Population by Geography	106,214	0.0	7.6	71.0	21.4	0.0
Housing Units by Geography	50,490	0.0	7.7	73.4	18.9	0.0
Owner-Occupied Units by Geography	31,050	0.0	5.1	69.5	25.4	0.0
Occupied Rental Units by Geography	12,899	0.0	16.0	75.8	8.2	0.0
Vacant Units by Geography	6,541	0.0	3.6	87.0	9.4	0.0
Businesses by Geography	6,212	0.0	5.1	73.7	21.1	0.0
Farms by Geography	322	0.0	2.5	72.7	24.8	0.0
Family Distribution by Income Level	27,040	16.4	19.6	23.3	40.6	0.0
Household Distribution by Income Level	43,949	23.2	17.0	18.4	41.4	0.0
Median Family Income Non-MSAs – WI		\$60,742	Median Housing Value			\$130,293
			Median Gross Rent			\$667
			Families Below Poverty Level			7.2%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Information from the Wisconsin Realtors Association indicates that housing sales prices have steadily increased in the AA, and throughout the entire state of Wisconsin, since the previous evaluation. Median housing pricing is significantly higher as shown in the following table.

Area	Median Housing Cost 2015	Median Housing Cost 2020	Increase (%)
Wood County	\$97,750	\$134,400	37.5%
Portage County	\$138,750	\$200,000	44.1%
State of Wisconsin	\$155,000	\$220,000	41.9%

Source: Wisconsin Realtors Association

The increased housing prices has not deterred home sales as the number of houses sold has also increased.

Area	Number of Homes Sold		Increase (%)
	2015	2020	
Wood County	892	949	6.4%
Portage County	754	798	5.8%
State of Wisconsin	77,680	88,966	14.5%

Source: Wisconsin Realtors Association

The median family incomes have also increased but at a much lower rate. The 2020 median family income levels for the AA are in the following table:

Median Family Income Ranges WI Non-MSA Median Family Income				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600

Source: FFIEC

The median family income for the non-metropolitan areas of Wisconsin in 2015 was \$61,500. The 2020 level (\$68,000) represents an increase of 11 percent from 2015. The greater increase in housing prices when compared to income levels indicates that families making a low- or moderate-income amount may have a difficult time affording a home purchase.

The following table shows unemployment data from Wisconsin’s Department of Workforce Development. The unemployment rates for December 2020 are higher than normal due to the COVID-19 pandemic. Unemployment rates peaked in April 2020 with the national unemployment rate at 14.7 percent and the Wisconsin unemployment rate at 13.6 percent.

Area	Unemployment Rate December 2015	Unemployment Rate December 2020	Unemployment Rate September 2021
Wood County	5.0%	6.2%	3.6%
Portage County	4.0%	4.8%	2.9%
State of Wisconsin	4.2%	4.0%	3.3%
United States	4.8%	6.5%	4.6%

The primary industries in both Wood and Portage Counties are trade, transportation, and utilities; services; and public administration. Large employers in Wood County include the Marshfield Clinic; St. Joseph’s Hospital; Riverview Hospital; NewPage Corporation, a paper mill; and Roehl Transport, Incorporated, a long-distance freight trucking operation. Similar industries are present in Portage County, including HO Wolding, Incorporated, a long-distance freight truck operation, and St. Michael’s Hospital. Portage County’s large employers also include Sentry Insurance, the Stevens Point Public Schools, and the University of Wisconsin – Stevens Point.

Competition

According to the June 2021 FDIC Summary of Deposits, approximately \$2.4 billion of deposits in Wood County are being managed by 13 financial institutions. Paper City maintains a market share of 7.5 percent, the sixth largest share in the county. In Portage County, 14 financial institutions

manage approximately \$2.2 billion of deposits. Paper City maintains a market share of only .2 percent having the smallest share of the deposits.

Community Contact(s)

Examiners contacted a representative from a local economic development agency to discuss and assess the economics of the AA and to determine if there are any unmet credit needs. The contact stated that there continues to be a need for affordable housing, particularly for those persons that have reached the stage of needing assisted living housing and for younger individuals and families looking to purchase their first home. The contact stated that banks are generally meeting the needs of the community; however, there is additional need for outreach and credit programs for the low- and moderate-income individuals and families.

Credit Needs

Examiners identified a need for home mortgage loans, specifically affordable housing, in the AA based on economic and demographic information and information obtained from the community contact.

SCOPE OF EVALUATION

General Information

Examiners used Small Institution Evaluation Procedures to evaluate Paper City's CRA performance. Examiners used these same procedures for the most recent evaluation. The scope for this evaluation is from the prior July 6, 2015 CRA evaluation to the current evaluation date of November 15, 2021.

Activities Reviewed

Based on Call Report data, mortgage lending represents 74.3 percent of the institution's loan portfolio as of June 30, 2021 and is the institution's primary lending focus. Therefore, examiners reviewed the entire universe of mortgage loans originated in 2020 for this evaluation. Commercial and consumers loans represent only 15.5 percent and 3.1 percent, respectively, as of the same date. The institution did not originate any agricultural loans. Examiners did not include commercial, consumer, or agriculture loans in the evaluation, as they do not represent a significant portion of the institution's loan portfolio and were not a lending focus in 2020. Therefore including them in the evaluation would not have added any meaningful conclusions.

In 2020, Paper City originated 856 mortgage loans totaling \$129,133,000. In arriving at final conclusions, examiners placed more weight on borrower profile than geographic distribution because the AA contains only two moderate-income census tracts. Therefore, the borrower profile analysis provides a stronger understanding of actual individuals served. Examiners used 2015 ACS Census Data as a standard of comparison for the institution's home mortgage lending activity.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Paper City demonstrates more than reasonable performance under the Lending Test. The bank's performance is primarily supported by more than reasonable LTD ratio, and the distribution of home mortgage loans among borrowers of different income levels, including loan programs targeted to low- and moderate-income individuals.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs and opportunities. Paper City's LTD ratio, calculated from Call Report data, averaged 91.1 percent over the past 24 calendar quarters from September 2015 to June 2021. This ratio ranged from a low of 70.3 percent on June 30, 2021 to a high of 106.4 percent on June 30, 2019. The institution's average LTD ratio is significantly higher than that of similarly-situated banks based on size, location, and product offerings as shown in the table below.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of 06/30/2021 (\$000s)	Average Net LTD Ratio (%)
Paper City Savings Association	216,639	91.1
Similarly-Situated Institution #1	247,479	66.5
Similarly-Situated Institution #2	129,748	69.5
Similarly-Situated Institution #3	91,424	65.9
<i>Source: Reports of Condition and Income 9/30/15 through 6/30/2021</i>		

Assessment Area Concentration

Paper City originated a majority of its home mortgage loans, by number and dollar volume, in the AA as shown in 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	589	80.5	167	19.5	856	98,551	76.3	30,582	23.7	129,133
<i>Source: Institution Data</i>										

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. Paper City’s lending in the two moderate-income census tracts in their AA (4.9 percent) is similar to the percentage of owner-occupied housing units in those tracts (5.1 percent).

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	5.1	34	4.9	3,571	3.6
Middle	69.5	508	73.7	71,184	72.2
Upper	25.4	147	21.4	23,796	24.2
Total	100.0	689	100.0	98,551	100.0

Source: 2015 ACS, Institution Data

Borrower Profile

The institution has excellent penetration of home mortgage loans among borrowers of different income levels including the low- and moderate-income borrowers. Refer to the following table.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	16.5	70	10.1	5,400	5.5
Moderate	19.6	154	22.4	15,736	16.0
Middle	23.3	173	25.1	23,178	23.5
Upper	40.6	292	42.4	54,237	55.0
Total	100.0	689	100.0	98,551	100.0

Source: 2015 ACS; Institution Data

The AA has a population comprised of 16.5 percent low-income families; however, 7.2 percent of those families are living below the poverty level. Due to their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a home mortgage, as they need their income for daily living expenses. The percentage of low-income families adjusted by the poverty level indicates that 9.3 percent of the families may be potential home loan borrowers. The institution’s level of lending to the low-income borrowers (10.1 percent) slightly exceeds this demographic percentage. Similarly, the level of lending to moderate-income families (22.4 percent) also exceeds the demographics (19.6 percent). The bank is not required to collect or report home mortgage data, and therefore aggregate data is not used as the primary source of comparison. However, aggregate data demonstrates loan demand in the AA. The 2020 aggregate data shows that reporting institutions originated 4.9 percent of loans to low-income families and 15 percent to moderate income families in the AA. In addition to exceeding the

comparable census demographic, Paper City’s performance more significantly exceeds other lenders in the area.

Paper City also participates in several government-guaranteed loan programs designed to assist low- and moderate-income individuals obtain the financing necessary to purchase and/or improve a dwelling. These programs include the Federal Home Loan Bank (FHLB) Down Payment Plus Program, as well as various loan programs offered through the Wisconsin Housing and Economic Development Authority (WHEDA), the Veterans Administration (VA), and FNMA. The following tables show the number and dollar volume for these loan types.

Year	WHEDA		VA		FNMA	
	#	\$ (000)	#	\$ (000)	#	\$(000)
2015	4	258	7	719	-	-
2016	9	833	18	2,203	-	-
2017	10	911	11	1,553	-	-
2018	28	2,487	11	1,518	17	1,387
2019	10	1,094	9	1,872	44	4,091
2020	3	411	23	3,838	125	12,498
YTD 2021	2	123	8	1,256	-	-
TOTAL	66	6,117	87	12,959	186	17,976

Source: Bank Records

Paper City participates in two loan programs offered through WHEDA: WHEDA Advantage and Easy Close Advantage. The WHEDA Advantage is a 30-year, fixed rate loan that is available to individuals who maintain an annual household income under a certain threshold. Individuals who qualify for the WHEDA Advantage are also eligible for down payment assistance through the WHEDA Easy Close Advantage program. WHEDA offers this assistance in the form of a 10-year, low-cost, fixed-rate loan. WHEDA also gives free access to educational resources, including homebuyer classes and credit counseling to individuals who qualify for the WHEDA Easy Close Advantage program.

The institution participates in two FNMA programs. Both programs primarily benefit low- and moderate-income people. The HomeReady Program offers low rates, minimal risk-based price adjustments compared to other programs, and reduced mortgage insurance costs. The Duty to Serve program provides below market rates in three underserved markets: manufactured housing, affordable housing preservation, and rural housing.

Under the Down Payment Plus Program, Paper City assists homebuyers in obtaining a grant of up to \$6,000 per household from the FHLB. Borrowers may use this grant for down payment and closing cost assistance, homebuyer counseling costs (up to \$700), and/or eligible rehabilitation costs associated with the purchase of a home. Grants are available in connection with conventional financing, as well as mortgage loans obtained through the Federal Housing Administration, the VA and WHEDA. FHLB forgives the Down Payment Plus Program grants over a five-year period, with 20 percent of the original grant amount forgiven each year. The volume of grants provided on a per year basis has increased since the prior evaluation. The following table shows the volume of grants provided to low- and moderate-income individuals since the prior CRA evaluation.

Down Payment Plus Grants		
Year	#	\$(000s)
2015	32	190
2016	61	360
2017	46	275
2018	41	246
2019	33	198
2020	39	234
YTD 2021	18	107
TOTAL	270	1,610
<i>Source: Institution Records</i>		

Other Lending Related Activities

While Paper City primarily focuses on consumer lending, the institution demonstrated responsiveness in meeting the credit needs of the AA during the pandemic by participating in the SBA Paycheck Protection Program (PPP). The PPP provided funds in the form of a forgivable loan to help businesses keep their workforce employed during the COVID – 19 pandemic. The SBA has forgiven all of these loans. A summary of the loans that they facilitated is included in the following table:

Paycheck Protection Program		
Year	#	\$(000)
2020	49	832
2021	37	564
Total	86	1,396

All of the 2020 and 2021 PPP loans were in loan amounts of less than \$100,000. Paper City is not traditional a commercial lender. The volume of small-sized loans demonstrates the bank’s willingness to meet small business credit needs, despite not having a commercial loan focus.

Paper City also provided borrowers with a loan deferral option during the COVID – 19 pandemic to assist any borrower who was experiencing financial hardship. They processed 91 deferrals with a term of one to three months and offered multiple deferrals for 22 borrowers. Every borrower that requested a deferral received it.

In addition, the institution participated in the FHLB Chicago Targeted Impact Funding Grant Program. The FHLB provided Paper City with a \$15,000 grant to be distributed to businesses in their area that were most impacted by COVID – 19. The institution distributed the funds to three local businesses on December 11, 2020. These retail and lending activities demonstrate flexibility in response to an immediate credit need of the area resulting from the COVID-19 pandemic.

Finally, Paper City continues to service loans originated by Habitat for Humanity. As of November 15, 2021, the institution is servicing 12 loans with an aggregate original loan amount of \$735,800.

Response to Complaints

Paper City has not received any CRA-related complaints since the previous evaluation. Therefore, this criterion did not have an impact on the CRA 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.