Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Reserve Board (Board) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Board also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Federal Reserve Bank of St. Louis (Reserve Bank); and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Federal Reserve System publishes a list of the banks that are scheduled for CRA examination by the Reserve Bank in that quarter. This list is available from Allen North, Vice President, Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, MO 63166. You may send written comments about our performance in helping to meet community credit needs to Kevin D. Heneghan, President/CEO, New Frontier Bank, 1771 Zumbehl Rd., St. Charles, MO 63303 and Allen North, Vice President, Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, MO 63166. Your letter, together with any response by us, will be considered by the Federal Reserve System in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Reserve Bank. You may also request from the Reserve Bank an announcement of our applications covered by the CRA filed with the Reserve Bank. We are an affiliate of Lincoln County Bancorp, Inc., a bank holding company. You may request from Allen North, Vice President, Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, MO 63166 an announcement of applications covered by the CRA filed by bank holding companies.

New Frontier Bank
At home in St. Charles County

1771 ZUMBEHL ROAD
ST. CHARLES, MO 63303

(636) 940-8740
(FAX) (636) 940-0451

INTEROFFICE MEMORANDUM

TO: **CRA PUBLIC FILE**

FROM: **CHRISTINE SHY**

DATE: **07/08/2024 – REVISED DUE TO NEW LOCATION ADDED**

1. **Public Comments**

   There were no public comments.

2. **Street Address and geography of the Bank's Office(s)**

MAIN OFFICE

1771 Zumbehl Road
St. Charles, MO 63303
CT: 3109.98

ELM BRANCH

3773 Elm Street
St. Charles, MO 63301
CT: 3102.00

2. **List of branches and ATM's opened or closed during the current year and the past two calendar years**

LAKE ST. LOUIS BRANCH

100 Ridgeway Cove Lane, Lake St. Louis, MO 63367 **CT**: **FFIEC** Mapping System not currently updated

4. **List of Services**

A complete line of deposit services is provided including checking accounts (business and consumer), money market accounts (business and consumer), savings accounts (business and consumer), Health Savings Accounts, IRAs, and certificates of deposit (business and consumer). In addition, commercial loans, commercial real estate loans, SBA loans, consumer purpose loans, home equity lines of credit, overdraft protection and credit card accounts are offered. Other services offered are internet banking, including mobile deposit, bill payment services, safe deposit boxes and cash management services, including remote deposit capture.

5. **Hours of Operation**

Hours of Operation	Lobby	Drive - Up
Monday - Thursday	9:00 a.m. - 5:00 p.m.	8:30 a.m. - 5:00 p.m.
Friday	9:00 a.m. - 5:00 p.m.	8:30 a.m. – 5:00 p.m.
Saturday	9:00 a.m. - Noon	8:30 a.m. - Noon

6. **Bank's Loan to Deposit ratios**

03/31/23 **78.97%**	06/30/23 **80.30%**	09/30/23 **79.34%**	12/31/23 **78.01%**

7. **Bank Strategic Planning Context**

Since its inception, New Frontier Bank's mission has been to focus on being the best financial services provider for small businesses, professionals, and residents in St. Charles County.

New Frontier Bank intends to focus lending efforts on St. Charles County; however, we recognize our local customers will request loans to purchase or refinance non-St. Charles County property. We also feel periodic opportunities for out-of-area participation will exist, which will provide us the flexibility to diversify our portfolio. It is expected that no less than 70% of our loans will be to St. Charles County based borrowers. This includes St. Charles County borrowers secured by non-St. Charles County real estate.

PUBLIC DISCLOSURE

January 8, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

New Frontier Bank
RSSD #2917184

1771 Zumbehl Road
St. Charles, Missouri 63303

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

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

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

New Frontier Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A substantial majority of the bank's loans and other lending-related activities are originated inside the AA.
- The borrower's profile analysis reveals poor distribution among businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act[1] Paycheck Protection Program (PPP). Bank participation in the PPP was also considered in the rating.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics and credit needs. Lending performance was assessed within the bank's AA.

Small business loans were used to evaluate the bank's lending performance, as this loan category is considered the bank's core business line based on lending volume and the bank's stated business strategy. The following table includes the corresponding time period for each performance category.

[1] Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020

Performance Criterion	Time Period
LTD Ratio	September 30, 2019 – September 30, 2023
Assessment Area Concentration	January 1, 2020 – December 31, 2022
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	September 9, 2019 – January 7, 2023

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2015 and 2020 American Community Survey data; certain business demographics are based on 2020, 2021, and 2022 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from $154.0 million to $196.0 million as of September 30, 2023.

To augment this evaluation, one community contact interview with a member of the local community was utilized to ascertain specific credit needs, opportunities, and local market conditions within the AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

New Frontier Bank is an intrastate community bank headquartered in St. Charles, Missouri. The following characteristics are noted for this review:

- The bank is a wholly owned subsidiary of Lincoln County Bancorp, Inc. of Troy, Missouri.
- The bank has total assets of $145.0 million as of September 30, 2023, representing an increase of 48.7 percent since the last evaluation.
- In addition to its main office in St. Charles, the bank has one additional office also located in St. Charles. The bank did not open or close any branch offices during the review period.
- The bank operates four full-service automated teller machines, two located at each branch location.
- As shown in the following table, the bank's primary business focus is commercial lending.

Composition of Loan Portfolio as of September 30, 2023		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans**
Commercial Real Estate	$63,927	61.2%
1–4 Family Residential	$20,989	20.1%
Multifamily Residential	$6,426	6.2%
Commercial and Industrial	$5,173	5.0%
Construction and Development	$5,157	4.9%
Farmland	$2,573	2.5%
Farm Loans	$140	0.1%
Loans to Individuals	$72	0.1%
TOTAL	**$104,457**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

The bank was rated Satisfactory under the CRA at its September 9, 2019 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank's St. Louis, Missouri Partial metropolitan statistical area (MSA) AA consists of the entireties of St. Charles County and St. Louis County (see Appendix A for an AA map).

- According to the June 30, 2023 Federal Deposit Insurance Corporation (FDIC) Market Share Report data, the bank has a market share of 0.2 percent, which ranks 37 out of 60 FDIC-insured depository institutions operating in the AA.

- According to the Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are healthcare and social assistance (16.8 percent), retail trade (11.5 percent), and accommodation and food services (9.6 percent).

- One community contact interview was conducted with an individual from a non-profit economic development organization.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	20	57	97	144	3	**321**
	6.2%	17.8%	30.2%	44.9%	0.9%	**100%**
Family Population	15,456	54,787	115,895	178,877	313	**365,328**
	4.2%	15.0%	31.7%	49.0%	0.1%	**100%**

- As, shown above, 24.0 percent of the census tracts in the AA are low- and moderate-income (LMI), with 19.2 percent of the family population residing in those tracts.

- Most of the AA LMI geographies are located in north St. Louis County, which is separated from the bank's two branch locations by the Missouri River. The bank's main branch is located in an upper-income census tract, and its second branch is located in a low-income census tract.

- Though the bank has delineated its AA to include the entireties of both St. Charles County and St. Louis County, due to the bank's asset size and branch network relative to the size of its AA, along with high levels of competition, the bank could not reasonably be expected to meet the financial needs of its entire AA.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
St. Louis, Missouri Partial MSA AA	1,376,132	1,409,387	2.4%
St. Charles County	374,805	405,262	8.1%
St. Louis County	1,001,327	1,004,125	0.3%
St. Louis, Missouri-Illinois MSA	2,801,914	2,820,253	0.7%
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The AA population overall experienced a slight increase in population by 2.4 percent from 2015 to 2020. St. Charles County accounted for most of that increase, as it grew by 8.1 percent, while St. Louis County's population increased 0.3 percent.

- This trend was also noted by the community contact, who stated that a strength of the local economy was St. Charles County's population growth.

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
St. Louis, Missouri Partial MSA AA	$86,629	$93,974	8.5%
St. Charles County	$93,750	$102,422	9.3%
St. Louis County	$84,564	$90,540	7.1%
St. Louis, Missouri-Illinois MSA	$77,265	$84,758	9.7%
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- The median family income in the AA increased at about the same rate as the MSA as a whole, though the overall median family income in St. Charles County is higher than in St. Louis County, and the median family income increased slightly more in St. Charles County (9.3 percent) than in St. Louis County (7.1 percent).

Unemployment Rates					
Area	**2019**	**2020**	**2021**	**2022**	**2023 YTD (September 2023)**
St. Louis, Missouri Partial MSA AA	2.8%	6.0%	3.9%	2.3%	2.7%
St. Charles County	2.5%	5.2%	3.2%	2.1%	2.4%
St. Louis County	3.0%	6.3%	4.2%	2.4%	2.8%
St. Louis, Missouri-Illinois MSA	3.2%	6.8%	4.4%	2.8%	3.1%
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- The unemployment rate in the AA (2.7 percent) is slightly lower than the MSA as a whole (3.1 percent), though it is lower in St. Charles County (2.4 percent) than St. Louis County (2.8 percent).

- The community contact estimated that a majority of the St. Charles County workforce commutes to St. Louis City and County for work.

Housing Cost Burden						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
St. Louis, Missouri Partial MSA AA	78.9%	27.3%	40.2%	64.8%	29.5%	16.7%
St. Charles County	77.8%	32.8%	36.0%	65.7%	32.5%	14.3%
St. Louis County	79.1%	26.1%	41.1%	64.5%	28.3%	17.7%
St. Louis, Missouri-Illinois MSA	74.0%	22.9%	41.0%	59.7%	25.3%	16.6%
Cost burden is housing cost that equals 30% or more of household income. *Source: 2016–2020 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*						

- In the AA, 78.9 percent of low-income renters are cost burdened, while 27.3 percent of moderate-income renters are cost burdened. In the MSA as a whole, 74.0 percent of low-income renters and 22.9 percent of moderate-income renters are cost burdened. This illustrates that rental housing is slightly less affordable in the AA than in the MSA as a whole.

- Similarly, 64.8 percent of low-income owners and 29.5 percent of moderate-income owners in the AA are cost burdened, which is slightly more than the figures for low- and moderate-income owners in the MSA as a whole.

Small Business Loan Trends			
Area	**2019**	**2020**	**2021**
St. Louis, Missouri Partial MSA AA	33,307	35,917	38,665
St. Charles County	7,974	7,913	9,059
St. Louis County	25,333	28,004	29,606
St. Louis, Missouri-Illinois MSA	56,288	60,734	66,372
Source: FFIEC CRA Aggregate Data			

- The number of small business loans has been trending upward in both the AA and the MSA overall. Within the AA, more small business loans are made in St. Louis County (29,606) than in St. Charles County (9,059).

- The community contact stated that there is a high level of competition in St. Charles County for banking services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and geographic location.

Comparative LTD Ratios September 30, 2019 – September 30, 2023			
Institution	Location	Asset Size $ (000s)	LTD Ratio (%) 17-Quarter Average
New Frontier Bank	St. Charles, Missouri	$145,004	74.7%
Similarly Situated Institutions			
Regional Banks	St. Peters, Missouri	$153,997	99.2%
	Steelville, Missouri	$196,004	50.6%

The bank's LTD ratio is reasonable. During the review period, the bank maintained a 17-quarter average of 74.7 percent, which is within the range of the similarly situated regional banks used for comparison.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	$ (000s)	$ %	#	# %	$ (000s)	$ %
Small Business	64	94.1%	$15,618	92.7%	4	5.9%	$1,228	7.3%
TOTAL LOANS	64	94.1%	$15,618	92.7%	4	5.9%	$1,228	7.3%
Note: Percentages may not total 100.0% due to rounding.								

A substantial majority of the bank's loans, by number and dollar, were originated inside the AA. Overall, 94.1 percent of the total loans were originated inside the AA, accounting for 92.7 percent of the total dollar volume of loans.

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to businesses of different revenue sizes.

The borrower distribution of small business lending is poor. As displayed in the following table, the bank's lending to small businesses (37.5 percent) is below aggregate lending levels (47.9 percent) and the demographic figure (90.0 percent).

While not reflected in the data below, the bank made 83 PPP loans inside the assessment area in 2020 and 44 in 2021. A majority of these were small dollar (<$100,000) loans.

Distribution of 2020–2022 Small Business Lending by Revenue Size of Businesses
Assessment Area: St. Louis, Missouri Partial MSA AA

Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	24	37.5%	47.9%	$6,854	43.9%	26.1%	90.0%
	Over $1 Million/ Unknown	40	62.5%	52.1%	$8,764	56.1%	73.9%	10.0%
	TOTAL	64	100.0%	100.0%	$15,618	100.0%	100.0%	100.0%
Loan Size	$100,000 or Less	30	46.9%	88.6%	$1,074	6.9%	27.1%	
	$100,001 – $250,000	11	17.2%	5.6%	$2,146	13.7%	17.4%	
	$250,001 – $1 Million	23	35.9%	5.7%	$12,398	79.4%	55.5%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	64	100.0%	100.0%	$15,618	100.0%	100.0%	
Loan Size – Revenue $1 Million or Less	$100,000 or Less	6	25.0%		$242	3.5%		
	$100,001 – $250,000	8	33.3%		$1,571	22.9%		
	$250,001 – $1 Million	10	41.7%		$5,041	73.5%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	24	100.0%		$6,854	100.0%		

Source: 2020–2021 FFIEC Census Data
2020, 2021, and 2022 Dun & Bradstreet Data
Census Years from 2016–2021 use 2011–2015 U.S. Census Bureau: American Community Survey data; Census Years 2021–2026 use 2016–2020 data.
Note: Percentages may not total 100.0% due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA.

The geographic distribution of small business lending is reasonable overall when considering performance context and PPP lending.

Distribution of 2020–2022 Small Business Lending by Income Level of Geography Assessment Area: St. Louis, Missouri Partial MSA AA							
Tract Income Levels	Count			Dollar			Total Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Low	2	3.1%	2.5%	$266	1.7%	2.0%	3.0%
Moderate	5	7.8%	13.4%	$911	5.8%	12.9%	14.7%
Middle	34	53.1%	28.2%	$6,778	43.4%	26.8%	28.8%
Upper	23	35.9%	54.9%	$7,663	49.1%	56.0%	52.7%
Unknown	0	0.0%	1.0%	$0	0.0%	2.4%	0.8%
TOTAL	64	100.0%	100.0%	$15,618	100.0%	100.0%	100.0%

Source: 2020–2022 FFIEC Census Data
2020–2022 Dun & Bradstreet Data
Census Years from 2016–2021 use 2011–2015 U.S. Census Bureau: American Community Survey data; Census Years 2021–2026 use 2016–2020 data.
Note: Percentages may not total 100.0% due to rounding.

The bank's distribution of small business loans to low-income census tracts (3.1 percent) exceeds but is comparable to the aggregate (2.5 percent) and is in line with the demographic figure (3.0 percent). In moderate-income census tracts, the bank's distribution of small business loans (7.8 percent) trails both the aggregate (13.4 percent) and demographic figures (14.7 percent).

The bank's PPP lending further supports the reasonable conclusion. In 2020, 31.3 percent of the bank's PPP lending occurring inside the AA was in LMI census tracts (4.8 percent in low, 26.5 percent in moderate), and in 2021, 25.0 percent of PPP lending inside the AA was in LMI census tracts (2.3 percent in low, 22.7 percent in moderate).

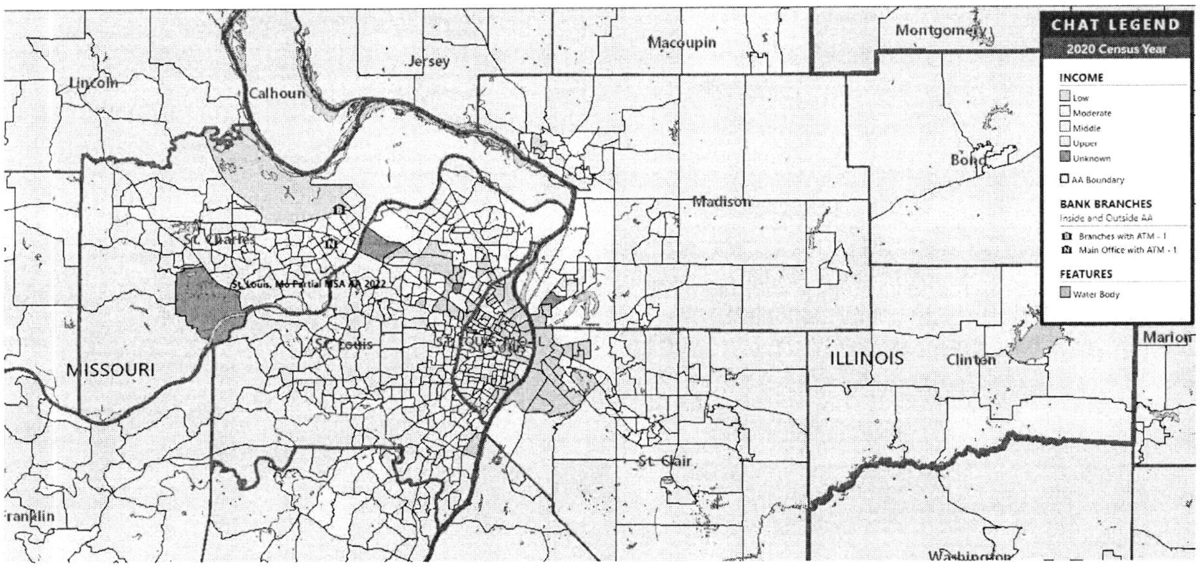
Additionally, no conspicuous lending gaps were noted when assessing the bank's geographic distribution of loans. As previously stated, the bank cannot be reasonably expected to serve its entire AA given its small market share. Although the bank made small business loans in only 4.3 percent of the total AA census tracts, loans were dispersed throughout tracts of every income level and in both AA counties.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Partial St. Louis, Missouri MSA Assessment Area



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

Rated area: A rated area is a state or 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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate 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.