

PUBLIC DISCLOSURE

January 11, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Clackamas County Bank
Certificate Number: 9486

38975 Proctor Boulevard
Sandy, Oregon 97055

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

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

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 **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 loan-to-deposit ratio (LTD) is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans are in the institution's AA
- The geographic distribution of loans reflects excellent dispersion throughout the AA
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Clackamas County Bank (CCB), is headquartered in Sandy, Oregon. The institution is a wholly-owned subsidiary of Clackamas County Bank Financial. The bank does not have any lending-related subsidiaries or affiliates, but offers investment services through Cambridge Investment Research Advisors, Inc., and has an insurance affiliate, CCB Insurance Services, that offers property and casualty products. CCB has not engaged in any merger or acquisition activity since the previous evaluation.

CCB is a retail bank operating a four-branch network in the Portland, OR area. The bank has not opened or closed any branch locations during the review period. While the institution remains primarily focused on commercial lending, CCB also offers various residential and consumer lending products, mainly as an accommodation to commercial clients.

CCB offers the traditional array of personal deposit products, including: checking, savings, money market, certificates of deposits, individual retirement accounts. Business deposit products include checking, savings, and commercial sweep accounts. Alternative systems for delivering retail banking services include online and mobile banking, including mobile deposit capture.

CCB's assets totaled \$278.5 million as of September 30, 2020, including total loans of \$141.5 million and total deposits of \$221.6 million. The loan portfolio mix is similar to that of the previous evaluation and is illustrated in the following table.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	17,077	12.1
Secured by Farmland	3,682	2.6
Secured by 1-4 Family Residential Properties	31,406	22.2
Secured by Multi-family (5 or more) Residential Properties	22,137	15.6
Secured by Non-farm Non-Residential Properties	57,338	40.5
Total Real Estate Loans	131,640	93.1
Commercial and Industrial Loans	9,362	6.6
Agricultural Production and Other Loans to Farmers	176	0.1
Consumer	732	0.5
Obligations of States and Political Subdivisions in the U.S.	566	0.4
Other Loans	-	-
Lease Financing Receivables (net of unearned income)	-	-
Less: Unearned Income	1,005	0.7
Total Loans	141,471	100.0
<i>Source: Reports of Condition and Income as of 09/30/2020</i>		

The bank received a "Satisfactory" rating at the previous FDIC Performance Evaluation (PE) dated January 20, 2015, based on the Interagency Small Institution Examination Procedures. Examiners did not identify any financial, legal, or other impediments that would limit CCB's ability to meet the credit needs of the AA.

DESCRIPTION OF ASSESSMENT AREA

CCB's AA consists of all 80 census tracts (CTs) of Clackamas County and all 171 CTs of Multnomah County. Both counties are part of the Portland-Vancouver-Hillsboro MSA.

At the previous evaluation, the bank's delineated AA took only portions of Clackamas and Multnomah counties. To better adhere to the requirements of the CRA, the bank increased the AA in 2015 to include all 251 CTs of the combined counties.

Economic and Demographic Data

According to the 2015 ACS Census, the AA contained 5 low-, 63 moderate-, 98 middle-, and 82 upper-income CTs. Additionally, the AA contains three CTs without income designations. Demographic data is shown in the following table.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	251	2.0	25.1	39.0	32.7	1.2
Population by Geography	1,157,856	2.1	27.8	39.7	30.2	0.3
Housing Units by Geography	489,258	2.0	25.7	39.9	31.9	0.4
Owner-Occupied Units by Geography	269,150	0.9	21.5	41.5	36.1	0.1
Occupied Rental Units by Geography	191,041	3.6	31.8	37.7	26.0	0.9
Vacant Units by Geography	29,067	1.9	25.4	40.3	31.9	0.5
Businesses by Geography	142,046	1.4	19.8	36.8	38.0	3.9
Farms by Geography	3,509	1.0	14.7	48.6	34.4	1.3
Family Distribution by Income Level	272,085	22.1	17.1	20.0	40.7	0.0
Household Distribution by Income Level	460,191	26.0	16.2	17.6	40.2	0.0
Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR- WA MSA		\$73,089	Median Housing Value			\$308,125
			Median Gross Rent			\$1,014
			Families Below Poverty Level			9.9%
<i>Source: 2015 ACS and 2019 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>						

According to 2020 D&B data, there were a total of 142,046 businesses in the AA. Gross annual revenues (GARs) reported for these businesses are as follows:

- 90.1 percent have \$1.0 million or less,
- 3.5 percent have more than \$1.0 million, and

- 6.4 percent have unknown revenues.

The service industry accounts for 44.3 percent of businesses; followed by government at 12.5 percent, and retail trade at 9.7 percent.

The Federal Financial Institutions Examination Council (FFIEC) publishes annual estimates of median family incomes. The following table shows the FFIEC-estimated median family incomes in the AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Portland-Vancouver-Hillsboro, OR-WA MSA Median Family Income (38900)				
2018 (\$81,400)	<\$40,700	\$40,700 to <\$65,120	\$65,120 to <\$97,680	≥\$97,680
2019 (\$87,900)	<\$43,950	\$43,950 to <\$70,320	\$70,320 to <\$105,480	≥\$105,480
<i>Source: FFIEC</i>				

Examiners obtained the following economic information from November 2020 Moody’s Analytics.

The Portland-Vancouver-Hillsboro area has suffered from job losses due to COVID-19 much like other areas across the US. The area has generally lagged to regain the jobs it had lost at the beginning of the crisis. The area is expected to benefit from the increased use of work from home protocols and a general flight from higher cost areas into those with a lower cost of living. The area is expected to see an influx of high-tech jobs from San Francisco and Seattle. The area does rely more heavily on tourism than the national average so it has been disproportionately affected by the pandemic, particularly in the state of Oregon which is one of eight states where nonessential businesses are all closed. As the AA includes the Portland area, significant industry sectors include: technology; professional and business services; and government. Major employers in the AA include: Intel, Providence Health Systems, and the Oregon Health and Science University.

Unemployment in the AA decreased during the review period and was below state and national averages; see the following table.

Unemployment Rates		
Area	2018	2019
	%	%
Clackamas County	3.7	3.1
Multnomah County	3.6	3.0
Oregon State	4.2	3.4
National Average	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>		

Competition

The AA is competitive for financial services. According to June 30, 2019 FDIC Deposit Market Share Report shows that CCB ranked 15th out of 28 FDIC-insured institutions competing within the

AA, with a total of 0.5 percent of the deposit market share. According to the same data, the bank operates 4 out of the 268 branches in the AA.

Community Contacts

Examiners reviewed an existing community contact, an economic development organization that serves the Portland area. The contact described the economy of the area as ‘booming,’ but noted that the housing market is tight and Portland has a lot of displaced individuals, especially in the downtown area. The contact also indicated the need for flexible credit opportunities for very small business loans, as the area has a significant number of entrepreneurs and start-ups seeking credit that may not qualify for traditional business credit. The contact noted that there is a need for community services to vulnerable individuals in the area, especially the homeless.

Credit Needs

Based on community contacts, interviews with bank management, and review of relevant area demographics, examiners determined affordable housing and very small business lending represent primary credit needs in the AA.

SCOPE OF EVALUATION

General Information

CCB’s performance was evaluated using the Interagency Small Institution CRA Examination Procedures. This evaluation covers the period from the prior evaluation, dated January 20, 2015, to the current evaluation date, with primary emphasis on full-year 2018 and 2019 lending performance. Examiners relied on records provided by the institution, public and loan information, demographic data, and community contacts.

Activities Reviewed

Examiners determined that CCB’s major product lines are small business and home mortgage loans based on the bank’s strategy, loan portfolio composition, and lending activity during the evaluation period. Based on activity by number and dollar, small business lending performance contributes more weight than home mortgage performance to overall conclusions. Small farm lending activity was minimal and the bank did not request the inclusion of consumer loans as part of this PE; therefore, both products are excluded from review.

All small business and home mortgage lending activity for 2018 and 2019 was analyzed to form conclusions. As lending test performance in 2018 lending was consistent with 2019, only 2019 activity is presented within this PE for Geographic Distribution and Borrower Profile criteria.

Loan Products Reviewed						
Loan Category	Universe		Reviewed		Presented	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Business	242	97,831	242	97,831	116	51,290
Home Mortgage	80	36,188	80	36,188	40	19,632

Source: 2018 and 2019 HMDA LARs: Bank Records from 01/1/2018 through 12/31/2019

Due to variability in the dollar amounts of individual small business and home mortgage loans, lending performance by number carries more weight than that by dollar in the assessment area concentration, geographic distribution, and borrower profile elements of the lending test.

As CCB does not report CRA data, small business lending performance was compared only to relevant D&B demographic data. Home mortgage lending performance was compared to both applicable aggregate performance of other lenders operating within each AA and to relevant 2015 ACS/census demographic data. More weight is given to CCB’s performance in comparison to aggregate data, as this is the better measure of actual lending opportunity within each AA.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

CCB’s Lending Test performance is rated “Satisfactory.” The bank’s performance in each criterion supports the overall rating.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and AA credit needs. CCB’s average net LTD ratio decreased from the 75.8 percent ratio at the previous evaluation; however, the ratio generally increased over the previous 23 quarters, with a low of 61.8 percent as of December 31, 2015, and a high of 75.6 percent as of March 31, 2020. Comparison of average net LTD ratios to similarly-situated institutions is shown in the following table. Comparison institutions were selected based on asset size, primary geographies served, and product mix.

Average Net Loan-to-Deposit Ratio Comparison to Peer				
Institution	Assets as of 09/30/2020 (\$000’s)	Primary Lending Product	Area Served	Average Net LTD
Clackamas County Bank	278,546	Commercial	Portland	69.5%
Comparable Institution #1	197,077	Commercial	Portland	87.4%
Comparable Institution #2	327,354	Commercial	Portland	94.7%
Comparable Institution #3	534,762	Commercial	Southern Oregon	83.9%

Source: FDIC Summary of Deposits as of 09/30/2020

CCB's average net LTD ratio historically trails similarly-situated institutions due to the bank's conservative growth strategy and lending approach. For example, similarly-situated institutions experienced average loan growth of 105.5 percent by dollar since the previous CRA evaluation, whereas CCB's loan growth over the same period was only 29.1 percent. At the same time, CCB's deposit growth of 16.7 percent was significantly below the 100.6 average of similarly-situated intuitions. Given this context, CCB's average net LTD ratio is reasonable.

Assessment Area Concentration

CCB originated a majority of loans within its AA based on both the number and dollar of small business and home mortgage loans; see 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										
2018	31	77.5	9	22.5	40	14,166	85.6	2,392	14.4	16,556
2019	36	90.0	4	10.0	40	16,850	85.8	2,781	14.2	19,632
Subtotal	67	83.8	13	16.2	80	31,016	85.7	5,173	14.3	36,188
Small Business										
2018	104	82.5	22	17.5	126	38,553	82.8	7,988	17.2	46,541
2019	95	81.9	21	18.1	116	45,208	88.1	6,082	11.9	51,290
Subtotal	199	82.2	43	17.8	242	83,761	85.6	14,070	14.4	97,831
Total	266	82.6	56	17.4	322	114,777	85.6	19,243	14.4	134,019
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the AA, based on the excellent performance of small business lending and adequate performance of home mortgage lending.

Small Business

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. Lending in low-income tracts was above demographics; and CCB's performance in moderate-income tracts outperformed demographics by over 30.0 percent. See the following table.

Geographic Distribution of Small Business Loans						
Tract Income Level		% of Businesses	#	%	\$(000s)	%
Low						
	2019	1.4	2	2.1	562	1.2
Moderate						
	2019	19.8	25	26.3	8,190	18.1
Middle						
	2019	36.8	53	55.8	28,465	63.0
Upper						
	2019	38.0	15	15.8	7,991	17.7
Not Available						
	2019	3.9	0	0.0	0	0.0
Totals						
	2019	100.0	95	100.0	45,208	100.0
<i>Source: 2019 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. While the bank did not make any home mortgage loans in low-income tracts in 2019, demographic and aggregate data demonstrate opportunity to lend in these tracts was limited. Lending to moderate-income tracts was in line with demographics and peer performance. As such, overall performance is adequate; see the following table.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.9	1.0	0	0.0	0	0.0
Moderate						
2019	21.5	21.9	8	22.2	2,193	13.0
Middle						
2019	41.5	41.6	22	61.1	13,125	77.9
Upper						
2019	36.1	35.5	6	16.7	1,532	9.1
Not Available						
2019	0.1	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	36	100.0	16,851	100.0

*Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers in the AA reflects, given the demographics of the AA, reasonable penetration among retail customers of different income levels and business customers of different sizes. Excellent performance in small business lending and poor performance in home mortgage lending support this conclusion.

Small Business

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among businesses of different sizes. CCB's percentage of lending to businesses with GARs of less than \$1.0 million was below demographics; however, further analysis of D&B data indicates a majority of small businesses in the AA have GARs of less than \$100,000. The following table illustrates the bank's distribution of small business loans by GAR size.

Detailed Distribution of Small Business Loans by Gross Annual Revenues					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	54.4	19	20.0	11,051	24.4
\$100,000 - \$249,999	25.7	21	22.1	5,793	12.8
\$250,000 - \$499,999	6.3	13	13.7	5,914	13.1
\$500,000 - \$1,000,000	3.0	7	7.4	3,535	7.8
Subtotal <= \$1,000,000	89.5	60	63.0	26,293	58.0
>\$1,000,000	3.9	10	10.5	3,382	7.5
Revenue Not Available	6.6	25	26.3	15,533	34.4
Total	100.0	95	100.0	45,208	100.0
<i>Source: 2019 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%</i>					

Opportunity of lending to very small businesses is generally minimal, as these businesses have limited credit needs and often would not qualify for credit if sought. Despite the inherent difficulty in extending credit to these very small businesses, CCB made almost one-third of their total small business loans to businesses with GARs of less than \$100,000. This demonstrates good responsiveness to an identified AA credit need. Further, as the table indicates, CCB's distribution of lending to small businesses is well stratified across all GAR categories. CCB's percentage of lending to businesses with GARs between \$100,000 and \$1.0 million, at 43.2 percent, outperformed the 35.0 percent of businesses in the AA indicated by demographic data.

Finally, aggregate lending represents all lenders in the AA that are required to report small business lending data. While not used as a comparison because CCB is not required and does not elect to report small business data, it can be a good indicator of loan demand in the AA. In 2019, aggregate performance of lending to business with GARs below \$1 million was 51.4 percent. CCB's outperformance of these larger institutions, despite their greater resources, is particularly significant. Considering these factors, CCB's lending among business customers of different sizes is excellent.

Home Mortgage

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels, including LMI. CCB's lending to LMI borrowers was approximately half that of peer and well below demographics. Even when considering the bank's limited level of overall home mortgage lending, this performance is poor.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	22.1	4.2	1	2.8	100	0.6
Moderate						
2019	17.1	16.6	3	8.3	613	3.6
Middle						
2019	20.0	23.9	4	11.1	1,223	7.3
Upper						
2019	40.8	42.4	19	52.8	6,365	37.8
Not Available						
2019	0.0	12.9	9	25.0	8,550	50.7
Totals						
2019	100.0	100.0	36	100.0	16,851	100.0
<i>Source: 2015 ACS; Bank Data, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs was identified since the previous evaluation.

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 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;
- 4) The geographic distribution of the bank's loans; 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.

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 (CCBSA): 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 CCBSAs.

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 CCBSA 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): CCBSA 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.