PUBLIC DISCLOSURE

October 16, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mission Valley Bank
Certificate Number: 57101

9116 Sunland Blvd
Sun Valley, California 91352

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

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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 (AA), including low- and moderate -income neighborhoods, in a manner consistent with its resources and capabilities.

Mission Valley Bank (MVB) operated under an FDIC-approved CRA Strategic Plan (Plan) during the evaluation period. The Plan included measurable goals for the five-year period from January 1, 2021, to December 31, 2025. This CRA Performance Evaluation covers Plan years 2021 and 2022. MVB substantially achieved its Plan goals for a satisfactory rating. The following supports the CRA rating:

- The AA concentration performance is mixed. MVB met the satisfactory goal in 2021 and did not meet the satisfactory goal in 2022.
- MVB did not meet the satisfactory goals in 2021 and 2022 for the geographic distribution performance.
- The borrower profile performance is mixed. MVB met the satisfactory goal in 2021 and did not meet the satisfactory goal in 2022.
- New community development loans and new and prior period investments met the satisfactory goals in 2021 and 2022.
- Community development donations exceeded the outstanding goals in 2021 and 2022.
- Community development services exceeded the outstanding goals in 2021 and 2022.

DESCRIPTION OF INSTITUTION

MVB is a state-chartered commercial bank headquartered in Sun Valley, California. MVB is owned by Mission Valley Bancorp. The holding company owns the bank and an affiliated company that provides SBA underwriting and servicing. The institution received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated November 9, 2020, based on Interagency Intermediate Small Institution Examination Procedures.

MVB has two full-service branches in northern Los Angeles County. Its headquarters branch is located in Sun Valley in a middle-income census tract. The other branch is located approximately 21.0 miles away in an upper-income tract. On November 30, 2020, the institution closed its loan production office in Torrance, California. MVB has been a designated CDFI since 2006 and has been a recipient of the CDFI's Business Enterprise Award each year from 2007 to 2015. The award goes to FDIC-insured institutions for making investments in the most under-privileged communities in the nation.

MVB is primarily a commercial lender providing financial services to local small- and medium-sized businesses. The bank's lending focuses on three major areas: commercial real estate, commercial and industrial, and specialty group. Commercial real estate loans include owner occupied and investor properties. Commercial and industrial loans include operating lines of credit, equipment loans, and term loans for capital and other related business activity. MVB continues to offer its Quick Qualifier loan program, which is a micro-loan product targeted to small business owners or businesses located in low- and moderate-income tracts. The Quick Qualifier loan is a 12-month line of credit with a maximum loan amount of $100,000. The specialty group includes the accounts receivable and asset-based lending programs. MVB is also a Preferred SBA Lender and offers the 7(a) and 504 programs. The bank made SBA loans throughout the U.S. with the majority made in California. The institution also provides a variety of deposit accounts including personal checking, savings, money market, and time deposit accounts. Alternative banking services include telephone banking, internet banking, mobile banking, wire transfers, business remote deposit capture, merchant bankcard, and ATM/debit cards. MVB operates one proprietary ATM from its headquarters branch.

MVB's assets totaled approximately $572.1 million as of June 30, 2023, and included total loans of $469.9 million and total securities of $49.5 million. The bank reported total deposits of $464.0 million. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 6/30/2023		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	3,677	0.8
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	9,416	2.0
Secured by Multifamily (5 or more) Residential Properties	33,633	7.1
Secured by Nonfarm Nonresidential Properties	295,828	63.0
Total Real Estate Loans	**342,554**	**72.9**
Commercial and Industrial Loans	127,067	27.0
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	292	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**469,913**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREA

MVB designated one AA consisting of the Newhall and San Fernando Valley Census County Divisions, which are a part of the Los Angeles-Long Beach-Glendale, CA MD #31084 (Los Angeles County) in Southern California. The AA remains unchanged from the prior CRA evaluation.

Economic and Demographic Data

According to Moody's Analytics as of August 2023, Los Angeles County's economy is slowing down, similar to California and the U.S. Job growth is slowing with new jobs from the private sector industries trending lower. The healthcare and leisure/hospitality industries are offsetting job losses in the logistics, technology, and entertainment industries. According to Equifax relocation data, net migration is still negative but is returning to the pre-pandemic level. Strengths of the area include a strong healthcare base and a growing technology sector that provides well-paying jobs; global links through entertainment, tourism, and fashion; and a deep San Pedro Harbor that enables the area to handle megaships that other ports cannot. Weaknesses of the area include high costs impacting net migration gains and the area's potential for disasters, including drought, wildfires, and earthquakes. The top major employers in the area include Cedars-Sinai Medical Center, Los Angeles International Airport, University of California Los Angeles, VXI Global Solutions, and The Walt Disney Company.

Based on the 2020 U.S. Census, the AA consists of 536 census tracts of which 19 are low-, 121 are moderate-, 149 are middle-, 234 are upper-income, and 13 do not have an income designation. The

Census Bureau released the updated 2020 U.S. Census data during the evaluation period. The update included changes in the total number of census tracts within the AA as well as income tract designations. From the 2015 ACS Census to the 2020 U.S. Census data, the total number of tracts in the AA increased from a total of 493 to 536. The update resulted in 2 more low-, 4 less moderate-, 22 more middle-, 20 more upper-income tracts, and 3 more tracts with no income designation.

The following table illustrates demographic information within the AA.

Demographic Information of the Assessment Area Mission Valley Bank Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	536	3.5	22.6	27.8	43.7	2.4
Population by Geography	2,111,090	3.2	22.5	28.4	45.1	0.7
Housing Units by Geography	757,052	2.9	21.7	27.4	47.5	0.4
Owner-Occupied Units by Geography	357,445	0.6	10.6	26.3	62.3	0.1
Occupied Rental Units by Geography	360,367	5.2	32.8	28.5	32.7	0.8
Vacant Units by Geography	39,240	2.1	21.2	27.7	48.6	0.4
Businesses by Geography	329,378	2.2	16.1	24.9	55.8	1.1
Farms by Geography	3,229	2.2	14.1	28.1	55.2	0.5
Family Distribution by Income Level	486,716	21.1	14.8	16.8	47.3	0.0
Household Distribution by Income Level	717,812	23.9	14.1	15.7	46.3	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		$80,317	Median Housing Value			$645,205
			Median Gross Rent			$1,726
			Families Below Poverty Level			8.9%

Source: 2020 U.S. Census and 2022 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

According to the 2022 D&B data, there were 329,378 businesses in the AA. Of those, 93.2 percent have gross annual revenues of $1.0 million or less, 2.7 percent have revenues of more than $1.0 million, and 4.2 percent have unknown revenues. The services industry represents the largest portion of businesses at 38.1 percent; followed by non-classifiable establishments at 27.1 percent; and finance, insurance, and real estate at 9.4 percent. In addition, 61.4 percent of area businesses have 4 or fewer employees, with 95.5 percent operating from a single location. According to the U.S. Bureau of Labor Statistics, the unemployment rate for Los Angeles County was 5.8 percent in August 2023.

Competition

The AA is highly competitive in the market for financial services. According to the FDIC Deposit Market Share Report as of June 30, 2023, there were 92 financial institutions that operated 1,486 branch offices within Los Angeles County. Of these institutions, MVB ranked 46th with a 0.1 percent deposit market share. The top 3 financial institutions account for 50.6 percent of the total deposit market share: JPMorgan Chase Bank at 13.4 percent, Bank of America at 14.3 percent, and Wells Fargo Bank at 17.0 percent.

MVB is not required to report small business loan data and has elected not to do so. However, reported data is an indicator of the competition and demand for small business loans in the AA. According to the 2021 aggregate reported data, 325 lenders reported 448,021 small business loans in the AA, indicating a highly competitive market for small business loans. The top 3 lenders accounted for 51.1 percent of the total market share: American Express National Bank, JPMorgan Chase Bank, and Bank of America.

Community Contact

Examiners reviewed an existing community contact with a small business development corporation to help understand the financial and banking needs of the local communities. The contact noted that there is a need for small business financial education, including offering industry specific education. In regards to small business financing, there are opportunities for financial institutions to make small business loans in conjunction with state or federal guarantee lending programs. The contact noted that some financial institutions are unaware of these programs. Lastly, the contact noted a need for providing pass-through grants to small businesses for technology and equipment.

Credit and Community Development Needs and Opportunities

Based on economic information, demographic data, and the community contact, examiners determined that there is a need for small business loans, financial education, and grants.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the previous evaluation dated November 9, 2020, to the current evaluation dated October 16, 2023. Examiners relied on records provided by the institution, public financial and loan information, demographic data, and community contact information.

Examiners used the Interagency Examination Procedures for Institutions with Strategic Plans to evaluate MVB's CRA performance. This is MVB's first time evaluated with an FDIC-approved Plan. The Plan was effective as of January 1, 2021, and covers the five year period from January 1, 2021, to December 31, 2025. This CRA evaluation compares the bank's performance for Plan years 2021 and 2022 to the Plan's measurable goals. Performance for Plan year 2023 was excluded as it did not represent a full plan cycle.

Activities Reviewed

The evaluation includes MVB's CRA performance from January 1, 2021, to December 31, 2022. The following activities were reviewed under the two full Plan years:

- AA concentration of small business loans
- Geographic distribution of small business loans
- Borrower profile of small business loans
- Community development loans and qualified investments, including prior period investments
- Community development grants and donations
- Community development services

Examiners evaluated MVB's CRA performance while considering the following factors:

- Current economic environment
- Demographic characteristics of the AA
- Opportunities and needs for small business lending
- Community development needs and opportunities for lending, investments, and services
- MVB's products, services, markets, and business strategies
- MVB's financial resources and constraints
- Information from MVB's performance context

For purposes of evaluating the Plan and its measurable goals, management provided data on small business loans and community development activities from January 1, 2021, to December 31, 2022. Management also provided small business loan data for 2020, which was not included in the prior evaluation and was analyzed during this evaluation for additional performance context.

CONCLUSIONS ON PERFORMANCE CRITERIA

MVB's CRA performance under the Plan reflects a satisfactory performance in helping to meet the credit and community development needs of its AA. The bank substantially achieved its Plan goals for a satisfactory rating. The following information details the performance under the Plan.

Small Business Lending

Assessment Area Concentration

The AA concentration performance is mixed. MVB met its established goal for satisfactory performance in Plan year 2021 but did not meet its satisfactory goal in Plan year 2022 in regards to AA concentration. The established goals for AA concentration was based on the dollar amount of small business loans made inside the AA as a percentage of year-end average total assets for each

Plan year. The following table shows the established goals for AA concentration compared to actual performance.

Assessment Area Concentration of Small Business Loans					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory %	Outstanding %	Loans Inside the Assessment Area $(000s)	Year-end Average Total Assets* $(000s)	Actual Performance %
2021	8.0	10.0	40,526	453,742	8.9
2022	8.0	10.0	17,468	529,744	3.3
Source: Bank Data and Strategic Plan					

*Year-end average total assets is calculated using the amount from line 9 of Schedule RC-K of the bank's March 31st, June 30th, September 30th, and December 31st Call Reports of that Plan year.

Management explained that the total small business lending volume for 2020 and 2021 was higher due to the origination of the SBA's Paycheck Protection Program (PPP) loans. Total small business loan volume was 300 in 2020 and 258 in 2021. The total volume of small business loans normalized in 2022 to pre-pandemic levels at 109 loans. Management also noted that 2022 lending was impacted by lingering economic effects of the pandemic with a number of small businesses going out of business. Furthermore, in an effort to increase small business lending, MVB was actively marketing throughout the evaluation period. The bank executed significant marketing activities using direct mailers and phone calls targeted to small businesses within its AA, including small businesses located in low- and moderate-income areas. With the additional performance context, majority of the 2020 small business loans are in the bank's AA.

Geographic Distribution

The bank did not meet its established goals for satisfactory performance in both Plan years 2021 and 2022 for its geographic distribution of small business loans in low- or moderate-income tracts. The Plan's goals were based on the percentage of the number of loans made in low- or moderate-income tracts to the total number of small business loans made within the AA. The following table reflects the established goals and bank's performance.

Geographic Distribution of Small Business Loans			
Plan Year	Bank Established Goals		Bank Performance – % of Loans by Number in Low- or Moderate-Income Tracts
	Satisfactory %	Outstanding %	
2021	25.0	35.0	18.4
2022	25.0	35.0	16.7
Source: Bank Data and Strategic Plan			

Despite the bank's extensive marketing efforts to small businesses within the AA, including those located in low- and moderate-income tracts, it did not meet its satisfactory goals. Marketing activities and outreach included direct mailers, telephone calls, and educational webinars for small business owners. It is also noted that small business lending competition in the AA is very high with the top three lenders contributing to half of the originations. The bank also continued to offer its Quick Qualifier micro-loans, but demand for the product was low throughout the evaluation period. With the additional performance context, the 2020 small business lending geographic distribution performance is poor.

Borrower Profile

The borrower profile performance is mixed. The bank met its established goal for satisfactory performance in 2021 but did not meet its established goal for satisfactory performance in 2022 regarding small business lending to businesses with $1.0 million or less in gross annual revenue. The following table reflects the established goals and the bank's performance in regards to lending to small businesses for each Plan year.

Borrower Profile of Small Business Loans					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory %	Outstanding %	# of Loans to Businesses with Gross Annual Revenues <=$1,000,000	Total # of Small Business Loans in AA	Actual Performance %
2021	45.0	55.0	94	207	45.4
2022	45.0	55.0	20	48	41.7
Source: Bank Data and Strategic Plan					

In 2022, MVB needed just two more loans to businesses with revenues of $1.0 million or less to meet its satisfactory goal. Considering how close the bank was to its goal, examiners concluded that the bank substantially met its 2022 goal for satisfactory performance. With the additional performance context, the 2020 small business lending borrower profile performance is reasonable.

<u>New Community Development Loans and New and Prior Period Qualified Investments</u>

For both Plan years, MVB exceeded its established goals for satisfactory performance in regards to new community development loans and new and prior period qualified investments. The goal included prior period investments still outstanding at the end of a Plan year. The goals were based on the total dollar amount of the activities as a percentage of year-end average total assets for that Plan year. The following table shows the bank's performance compared to the established goals by Plan year.

New Community Development Loans and New and Prior Period Investments					
	Bank Established Goals		Bank Performance		
Plan Year	Satisfactory %	Outstanding %	New Community Development Loans and New and Prior Period Investments $(000s)	Year-end Average Total Assets* $(000s)	Actual Performance %
2021	5.0	10.0	29,160	529,744	5.5
2022	5.0	10.0	38,615	453,742	8.5
Source: Bank Data, Strategic Plans, and Call Reports					

*Year-end average total assets is calculated using the amount from line 9 of Schedule RC-K of the bank's March 31st, June 30th, September 30th, and December 31st Call Reports of that Plan year.

In addition to the community development loans reflected in the 2021 totals in the above table, MVB made 47 community development loans totaling $8.0 million consisting of PPP loans within the state or regional area. This level of lending was responsive to the credit needs of the area during the pandemic.

The followings are examples of new community development loans or investments made during the evaluation period.

- In 2021, MVB provided a revolving line of credit to a non-profit that provides quality health-related care and services to low- and moderate-income children and families in Santa Clarita, Antelope, and San Fernando Valleys.

- In 2022, the bank renewed and increased a participation loan totaling $4.5 million to a non-profit organization that provides long-term financing for affordable multi-family rental housing to low-income families, seniors, and residents in California.

- In 2022, MVB deposited a total of $1.2 million into 5 minority-owned financial institutions that serve Los Angeles County.

Community Development Grants and Donations

MVB exceeded its established goals for outstanding performance in regards to community development grants and donations for both Plan years. The goals were based on a specific dollar amount per Plan year. The following table shows the bank's performance compared to the established goals by Plan year.

Community Development Grants and Donations			
Plan Year	Bank Established Goals		Bank Performance $
	Satisfactory $	Outstanding $	
2021	22,000	30,000	53,370
2022	27,000	35,000	40,692
Source: Bank Data and Strategic Plan			

The followings are examples of MVB's community development grants and donations made during the evaluation period.

- In 2021 and 2022, the bank donated a total of $12,000 to a non-profit organization that serves the poorest families and individuals in the San Fernando Valley. The non-profit helps its clients by meeting their most immediate basic needs and helping them build resources and skills to address and overcome long-term poverty.

- In 2021, MVB provided a $2,000 grant to a non-profit that provides affordable healthcare services to low- and moderate-income individuals in the Santa Clarita Valley.

- In 2021 and 2022, MVB donated a total of $4,000 to a housing corporation that develops affordable homes and safe communities for low-income families, formerly homeless individuals and households, seniors, and those with special needs.

Community Development Services

MVB exceeded its established goals for outstanding performance in regards to community development services for both Plan years. The goals were based on the total service hours to the number of full-time employees (FTEs). The following table illustrates the bank's performance compared to the established goals by Plan year.

Community Development Service Hours					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory	Outstanding	Total Service Hours	Full-time Employees	Actual Performance (hours per full-time employee)
2021	4.0 hours per FTE	5.0 hours per FTE	496	78	6.4
2022	4.0 hours per FTE	5.0 hours per FTE	530	82	6.5
Source: Bank Data and CRA Strategic Plan					

The followings are examples of community development services provided by MVB's employees during the evaluation period.

- During the evaluation period, the bank president, chief executive officer, and Director served on the Board of a non-profit with a mission to elevate the economic vitality and stability of the region's businesses and residents.

- In 2021, a vice president presented a webinar to help businesses apply for the SBA PPP loan and other emergency assistance.

- During the evaluation period, a Director served on a Board of a non-profit with a mission to end veteran homelessness by providing housing, employment, and mental services to veterans.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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