PUBLIC DISCLOSURE

August 21, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

SouthPoint Bank
Certificate Number: 58088

3501 Gardenview Parkway
Birmingham, AL 35243

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

10 10th Street NE, Suite 800
Atlanta, Georgia 30309-3849

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

SouthPoint Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's satisfactory Lending Test performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- The bank originated a majority of small business loans and less than a majority of home mortgage loans within its assessment area.
- The geographic distribution of loans reflects reasonable dispersion of small business and home mortgage loans throughout the assessment area.
- The distribution of borrowers reflects poor penetration of loans among businesses of different sizes and to individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous CRA evaluation as of August 29, 2016; therefore, this factor did not affect the CRA rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated August 29, 2016, to the current evaluation dated August 21, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate SouthPoint Bank's CRA performance, which includes a Lending Test. The Lending Test considered the institution's performance according to the following criteria.

The Lending Test considered the institutions performance based on the following criteria:

- Loan-to-deposit ratio,
- Assessment area concentration,
- Geographic distribution,
- Borrower profile, and
- Response to CRA-related complaints.

Loan Products Reviewed

A review of the Consolidated Report of Condition and Income (Call Report) for SouthPoint Bank dated June 30, 2019, found commercial loans (e.g. loans secured by non-farm, non-residential properties, and commercial and industrial loans) and home mortgage loans represent the largest loan categories by dollar volume at 59.6 percent and 18.2 percent, respectively. Both of these categories are integral components of the bank's lending focus. For purposes of this evaluation, loan distribution analyses were conducted on small business loans and home mortgage loans. Neither small farm loans nor consumer loans represent major product lines. Therefore, they provided no material support for conclusions or ratings and they are not presented in this evaluation.

The following table shows the bank's originations and purchases from the most recent calendar year by type that remain outstanding. The bank is active in the residential secondary market. During 2018, the bank originated 608 home mortgage loans totaling $115,856,000 of which the vast majority was sold to investors.

Loans Originated or Purchased (2018)				
Loan Category	**$(000s)**	**%**	**#**	**%**
Construction and Land Development	15,549	16.2	52	17.6
1-4 Family Residential	8,691	9.1	44	14.9
Multi-Family (5 or more) Residential	9,796	10.2	7	2.4
Commercial Real Estate	26,733	27.9	31	10.5
Commercial and Industrial	29,289	30.5	149	50.3
Consumer	875	0.9	12	4.0
Other Loans	5,000	5.2	1	0.3
Total Loans	**95,933**	**100.0**	**296**	**100.0**
Source: Bank Records.				

Between January 1, 2018, and December 31, 2018, the bank originated 168 small business loans totaling $35.7 million. From this universe of loans, examiners analyzed a sample of 53 small business loans totaling $11.1 million to assess the bank's performance in meeting the credit needs of its assessment area. This sample was considered representative of the bank's performance during the entire evaluation period. D&B data for 2018 was used for comparison purposes.

SouthPoint Bank is subject to the Home Mortgage Disclosure Act (HMDA) and is required to collect and report certain data concerning applications for home purchase, home refinance, and home improvement loans. This CRA evaluation includes an analysis of the bank's 2017 and 2018 HMDA loans originated. In 2017, the bank reported 674 HMDA loans totaling $126.6 million. During 2018, the bank reported 608 HMDA loans totaling $115.9 million. The percentage of families by income level, the percentage of owner-occupied housing units by geography, and 2017 lending of other HMDA reporters within the assessment area (i.e. aggregate lending data) were used for comparison purposes.

The loan portfolio reflects the bank's primary lending product as commercial purpose loans with a significantly less focus on home mortgage lending. However, the bank has originated a significant level of home mortgage loans that are sold to the secondary market. The level of home mortgage lending totaled 1,282 loans for $242.5 million. Home mortgage lending in 2018 was more than 3.6 times the level of small business lending by number and 3.2 times by dollar volume. Therefore, the bank's home mortgage lending contributed significantly to the overall conclusions and ratings despite the lower level loans within the portfolio. In addition, while the number and dollar volume of loans are presented, the analysis emphasized the number of loans originated rather than the dollar volume, as the number is a better indicator of the number of small businesses and individuals served.

DESCRIPTION OF INSTITUTION

Background

SouthPoint Bank is a commercial bank, headquartered in Birmingham, AL, and is wholly-owned by SouthPoint Bancshares, Inc., a one-bank holding company also located in Birmingham. The bank does not have any subsidiaries. The bank does have one affiliate, SPB Property. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated August 29, 2016, based on Interagency Small Bank Examination Procedures.

Operations

SouthPoint Bank operates in four full-service offices in Jefferson and Shelby Counties in the Birmingham-Hoover, AL Metropolitan Statistical Area (MSA) (Birmingham MSA assessment area). The main office and two branches are located in Jefferson County, with one branch office in Shelby County. Branch locations are reasonably accessible within the assessment area and provide full services, including drive-thru facilities and automated teller machine availability. The institution also has five loan production offices located in Decatur (Morgan County), Daphne (Baldwin County), Muscle Shoals (Colbert County), Millbrook (Autauga and Elmore Counties), and Huntsville (Madison County). The loan production offices focus on home

mortgage lending. The bank did not close or open any branches and no merger or acquisition activities occurred since the previous evaluation.

The institution offers an array of credit products, including commercial, construction, farm-related, and consumer loans to meet the needs of its assessment area. Additionally, its loan production offices offer a variety of residential lending products, which the bank then sells to secondary market investors. Deposit products include checking, savings, money market, individual retirement accounts, and certificates of deposits.

Alternative services for accessibility to banking services include online banking and bill pay services, mobile banking, telephone banking, wealth management, and treasury management services.

Ability and Capacity

As of June 30, 2019, assets totaled $395.6 million, including total loans of $323.3 million, and total securities of $37.0 million. The loan portfolio as of June 30, 2019, is illustrated in the following table.

Loan Portfolio Distribution as of 06/30/2019		
Loan Category	**$(000s)**	**%**
Construction and Land Development	46,298	13.9
Secured by Farmland	1,398	0.4
Secured by 1-4 Family Residential Properties	60,586	18.2
Secured by Multifamily (5 or more) Residential Properties	16,791	5.1
Secured by Nonfarm Nonresidential Properties	120,483	36.3
Total Real Estate Loans	**245,556**	**73.9**
Commercial and Industrial Loans	77,446	23.3
Agricultural Loans	33	0.0
Consumer Loans	4,031	1.2
Other Loans	5,215	1.6
Total Loans	**332,281**	**100.0**
Source: Reports of Condition and Income		

SouthPoint Bank provides for the credit needs of it community in a manner consistent with its size, financial condition, resources, and local economic conditions. Examiners did not identify any legal or financial impediments that prevents the bank from meeting the credit needs of its assessment area. However, the assessment area where the bank operates includes numerous financial institutions, credit unions, and non-depository mortgage lenders, which provide strong competition for loans.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. SouthPoint Bank has defined one assessment area in accordance with the technical requirements of the CRA regulation.

The assessment area includes Jefferson County and Shelby County, both part of the Birmingham-Hoover, AL MSA. The Birmingham-Hoover, AL MSA consists of seven counties; however; the bank only include Jefferson and Shelby Counties in the assessment area. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The Birmingham MSA assessment area includes all 211census tracts: 163 in Jefferson County and 48 in Shelby County, with the following income designations, according to the 2015 American Community Survey (ACS) Census data:

- 31 low-income
- 51 moderate-income
- 56 middle-income
- 71 upper-income
- two census tracts with no income designation

Demographics of the Birmingham assessment area shown below are based on 2015 ACS data.

Birmingham Assessment Area Demographics						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	211	14.7	24.2	26.5	33.6	0.9
Population by Geography	862,556	11.0	20.5	27.2	40.7	0.6
Housing Units by Geography	386,605	12.7	22.4	26.9	37.6	0.4
Owner-Occupied Units by Geography	224,482	6.4	17.7	28.9	47.0	0.0
Occupied Rental Units by Geography	111,981	20.7	27.6	24.3	26.2	1.1
Vacant Units by Geography	50,142	22.6	31.9	23.8	21.1	0.6
Businesses by Geography	55,780	8.4	18.1	26.5	45.4	1.5
Farms by Geography	1,152	4.3	12.8	26.0	56.3	0.4
Family Distribution by Income Level	220,532	23.0	15.0	17.6	44.4	0.0
Household Distribution by Income Level	336,463	25.1	15.1	15.8	44.0	0.0
MFI - Birmingham-Hoover, AL MSA		$62,204	Median Housing Value			$172,247
			Median Gross Rent			$829
			Families Below Poverty Level			12.7%

Source: 2015 ACS Census and 2018 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.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and compares small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The majority of businesses and owner-occupied housing units are in middle- and upper-income tracts. However, there are also fair levels in the moderate-income tracts. There are 224,482 owner-occupied housing units

in the assessment area. Of these, 6.4 percent is in low-income tracts, 17.7 percent in moderate-income tracts, 28.9 percent in middle-income tracts, and 47.0 percent in upper-income tracts. In 2018, 8.4 percent of businesses were in low-income tracts, with 18.1 percent in moderate-income, 26.5 percent in middle-income, and 45.4 percent in upper-income. The demographics reflect lower owner-occupied housing units and businesses in the low-income tracts which could impact the demand for lending in those areas.

According to 2018 D&B data, there were 55,780 businesses in the assessment area. Gross annual revenues for these businesses are below.

- 80.1 percent have $1 million or less
- 7.4 percent have more than $1 million
- 12.5 percent have unknown revenues

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level.

Service industries represent the largest portion of businesses at 43.3 percent, followed by retail trade (13.3 percent); non-classifiable establishments (12.7 percent), finance, insurance, and real estate (9.4 percent), and construction (6.7 percent). Additionally, 61.5 percent of area businesses have four or fewer employees, and 86.2 percent operate from a single location.

The 2017 and 2018 FFIEC Birmingham-Hoover, AL MSA median family incomes (MFI) are used to analyze home mortgage loans under the Borrower Profile criterion in the assessment area. The low-, moderate-, middle- and upper-income categories are presented in the following table. These categories are based on the 2017 and 2018 FFIEC MFIs of $61,400 and $69,400, respectively.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2017 ($61,400)	<$30,700	$30,700 to <$49,120	$49,120 to <$73,680	≥$73,680
2018 ($69,400)	<$34,700	$34,700 to <$55,520	$55,520 to <$83,280	≥$83,280
Source: FFIEC				

As reflected in the demographic table above, of the assessment area's families, 23.0 percent is low-income with 15.0 percent noted as moderate-income income, 17.6 percent as middle-income, and 44.4 percent as upper-income. Families below the poverty level stood at 12.7 percent. Given the median housing value of $172,247, a low-income individual which earns less than $35,000 per year may have difficulty qualifying for a mortgage loan.

Jefferson County

Jefferson County is the central and most populous county in Alabama. As of June 2019, employment conditions improved as the rate of job growth increased and the unemployment rate decreased, and it is lower than the national average. Population growth remained stagnant over

the last year. The median household income increased slightly and it is below the national average. The percentage of residents in poverty increased. Government transfer payments, such as unemployment benefits, increased. Consumer credit conditions improved, as personal bankruptcy filings decreased. Real estate conditions declined as single-family permit growth decreased and the housing affordability index decreased, indicating higher home prices. The largest employers are The University of Alabama Birmingham, Regions Financial Corporation, United States Pipe and Foundry Company, St. Vincent's Health System, and Children's of Alabama.

Shelby County

Shelby County is located in southeast Alabama. As of June 2019, employment conditions improved as the rate of household job growth increased and the unemployment rate decreased, and it is lower than the national average. Population growth decreased slightly over the last year. The median household income increased slightly and it is well above the national average. The percentage of residents in poverty decreased. Government transfer payments, such as unemployment benefits, decreased. Consumer credit conditions improved slightly as personal bankruptcy filings decreased.

Real estate conditions were declined as single-family permit growth decreased moderately and the housing affordability index decreased, indicating higher home prices. The largest employers in Shelby County are Regions Bank, Shelby County Board of Education, Wal-Mart, EBSCO Industries, and Shelby Baptist Medical Center.

Competition

The bank faces a high level of competition in the assessment area. According to the June 30, 2018, Federal Deposit Insurance Corporation's Summary of Deposits, there are 38 financial institutions with 255 offices operating in the assessment area. SouthPoint Bank is ranked 13th with 0.9 percent of the deposit market share.

The bank is not required to collect or report small business loan data and has elected not to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparison against aggregate data. However, aggregate data does reflect the level of demand for such loans and is included. In 2017, 110 institutions reported 16,776 small business loans in the assessment area, indicating a high level of competition for this product. The top five institutions accounted for 48.9 percent of the small business loan market share, and four of the five institutions do not have physical presences in the assessment area.

There is a significant level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2017, SouthPoint Bank ranked 22nd out of 429 lenders with a 1.0 percent home mortgage loan market share by number and 20th with a 1.1 percent market share by dollar volume. The lenders originated or purchased 25,303 residential mortgage loans. The top five home mortgage lenders accounted for 37.4 percent of the total market share. Three of the five institutions do not have physical presences in the assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners used an existing contact recently interviewed from a business development entity that serves the Birmingham MSA. The contact indicated the Birmingham area has experienced lower employment growth than much of the nation, which is a barrier to business development. The contact stated opportunities exist for institutions to participate in SBA loan programs and state guaranteed business loans to encourage business development and assist with financing needs. In addition, the contact stated that financial workshops for entrepreneurs and new small business owners would benefit the assessment area.

Credit Needs Statement

Considering the information from the community contact, bank management, as well as the demographic and economic data, examiners determined that small business loans and financial education for small business owners represent primary credit needs for the assessment area.

The significant percentage of businesses with gross annual revenues of less than $1 million and the number of businesses with less than four employees and operating from a single location support this conclusion. In addition, loans would provide opportunities for small business owners to grow their existing businesses, because as noted by the contact, the assessment area's lack of employment growth has prevented business development.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SouthPoint Bank demonstrated reasonable performance under the Lending Test. Loan-to-deposit ratio, Assessment Area Concentration, and Geographic Distribution performance primarily support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable, given the bank's size, financial condition, and assessment area credit needs. The loan-to-deposit ratio averaged 91.5 percent over the past 13 calendar quarters from June 30, 2016, to June 30, 2019, with loan-to-deposit ratio ranging from a low of 85.1 percent as of September 30, 2016, to 99.0 percent as of June 30, 2019.

There are no banks in the geographic area that are considered similarly situated regarding branching structure and loan offerings. Therefore, the bank's loan-to-deposit ratio was compared to that of a peer group, as defined by the Uniform Bank Performance Report (UBPR). The UBPR peer group included commercial banks with total assets between $300 million and $1 billion. The bank's average loan-to-deposit ratio of 91.7 percent is well above the 80.8 percent average calculated for the UBPR peer group over the same timeframe.

Assessment Area Concentration

SouthPoint Bank originated a majority of small business loans and less than a majority of home mortgage loans inside its assessment area.

The home mortgage performance is a direct result of the bank's loan production offices being located outside the assessment area. While the majority of the home mortgage loans are outside the assessment area, the bank has made a significant level of home mortgage loans within the assessment area and ranks well compared to other lenders at 22nd by number out of 429 lenders. Therefore, while the majority of loans are outside the assessment area, the bank is meeting the needs of the assessment area. Refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans $(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$	%	$	%	$(000s)
Home Mortgage										
2017	262	38.9	412	61.1	674	62,599	49.4	64,005	50.6	126,604
2018	218	35.9	390	64.1	608	50,007	43.2	65,849	56.8	115,856
Subtotal	**480**	**37.4**	**802**	**62.6**	**1,282**	**112,606**	**46.4**	**129,854**	**53.6**	**242,460**
Small Business	**38**	**71.7**	**15**	**28.3**	**53**	**8,243**	**74.0**	**2,890**	**26.0**	**11,133**
Source: 2017 and 2018 HMDA Data and Bank Records.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the number of loans in low- and moderate-income geographies. Only loans originated in the assessment area were analyzed.

Small Business Loans

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

The following table shows that the bank's performance in low-income census tracts was well above demographics, and lending in moderate-income geographies exceeds demographics.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	#	%	$(000s)	%
Low	8.4	6	15.8	1,638	19.9
Moderate	18.1	8	21.1	2,784	33.8
Middle	26.5	7	18.4	1,099	13.3
Upper	45.4	17	44.7	2,722	33.0
Not Available	1.5	0	0.0	0	0.0
Totals	**100.0**	**38**	**100.0**	**8,243**	**100.0**
Source: 2018 D&B Data and Bank Records. *Due to rounding, totals may not equal 100.0 percent.*					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area.

During 2017, home mortgage lending in low-income census tracts was comparable to aggregate performance but below demographics. Home mortgage lending in the moderate-income census tracts was significantly below demographics but below aggregate lending. Similar performance is noted in 2018.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2017	6.4	2.1	4	1.5	482	0.8
2018	6.4	--	4	1.8	783	1.6
Moderate						
2017	17.7	10.0	18	6.9	5,906	9.4
2018	17.7	--	13	6.0	1,653	3.3
Middle						
2017	28.9	27.9	70	26.7	11,430	18.3
2018	28.9	--	58	26.6	9,438	18.9
Upper						
2017	47.0	59.9	170	64.9	44,781	71.5
2018	47.0	--	143	65.6	38,133	76.2
Totals						
2017	**100.0**	**100.0**	**262**	**100.0**	**62,599**	**100.0**
2018	**100.0**	**--**	**218**	**100.0**	**50,007**	**100.0**

Source: 2015 ACS Census; 2017 and 2018 HMDA Data, and 2017 HMDA Aggregate Data.
"--" data not available.
Due to rounding, percentages may not add to 100.0 percent.

Borrower Profile

The distribution of borrowers reflects a poor penetration among business of different sizes and individuals of different income levels in the assessment area. The poor penetration to businesses of different sizes and reasonable penetration to individuals of different income levels supports this conclusion. Examiners focused of the percentage by number of small business loans to businesses with gross annual revenues of $1 million or less and the percentage by number of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

Small business lending reflects poor penetration of loans to businesses with gross annual revenues of $1 million or less. Lending to small businesses is substantially below the demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	80.1	13	34.2	1,809	22.0
>$1,000,000	7.4	23	60.5	6,161	74.7
Revenue Not Available	12.5	2	5.3	273	3.3
Totals	**100.0**	**38**	**100.0**	**8,243**	**100.0**
Source: 2018 D&B Data and Bank Records.					

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable.

In 2017, lending to low-income borrowers was substantially below demographics; however, performance mirrored aggregate lending. Lending to moderate-income borrowers was above demographics and aggregate data. Performance in 2018 was similar to 2017. Families below the poverty level stood at 12.7 percent. Given the median housing value of $172,247, a low-income individual which earns less than $35,000 per year may have difficulty qualifying for a mortgage loan. When this is considered, the bank's lending to low-income borrowers is more comparable to demographics.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2017	23.0	5.0	13	5.0	1,241	2.0
2018	23.0	--	14	6.4	1,405	2.8
Moderate						
2017	15.0	15.8	49	18.7	6,515	10.4
2018	15.0	--	41	18.8	6,128	12.3
Middle						
2017	17.6	18.9	54	20.6	10,229	16.3
2018	17.6	--	45	20.6	9,086	18.2
Upper						
2017	44.4	40.6	134	51.1	36,799	58.8
2018	44.4	--	105	48.2	28,437	56.9
Not Available						
2017	0.0	19.8	12	4.6	7,815	12.5
2018	0.0	--	13	6.0	4,951	9.8
Totals						
2017	**100.0**	**100.0**	**262**	**100.0**	**62,599**	**100.0**
2018	**100.0**	**--**	**218**	**100.0**	**50,007**	**100.0**

Source: 2015 ACS Census; 2017 and 2018 HMDA Data; and 2017 HMDA Aggregate Data.
"--" data not available.
Due to rounding, totals may not equal 100.0 percent.

Response to Complaints

The bank did not receive any CRA-related complaints since, the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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

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

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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: 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.