

PUBLIC DISCLOSURE

March 8, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Roosevelt Savings Bank
Certificate Number: 29170

11-15 Cooke Avenue
Carteret, New Jersey 07008

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

350 Fifth Avenue, Suite 1200
New York, New York 10118

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	3
SCOPE OF EVALUATION	7
CONCLUSIONS ON PERFORMANCE CRITERIA.....	8
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	11
APPENDICES	12
SMALL BANK PERFORMANCE CRITERIA.....	12
GLOSSARY	13

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 following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are outside the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Background

United Roosevelt Savings Bank (URSB) is a full-service commercial bank headquartered in Carteret, Middlesex County, New Jersey. The bank continues to operate under a mutual holding company (MHC) structure where United Roosevelt Bancorp (URB), a one-bank holding company also located in Carteret, wholly owns USB and United Roosevelt, MHC maintains full ownership of URB. USB continues to have one non-banking related subsidiary. USB received a “Satisfactory” rating at the previous FDIC Performance Evaluation, dated June 19, 2017, based on Interagency Small Bank CRA Examination Procedures.

Operations

USB operates one full-service branch with one automated teller machine (ATM). The bank offers a variety of loan products including home mortgage, commercial, and consumer loans, primarily focusing on residential real estate lending. The bank also offers a variety of deposit products including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, telephone banking, and electronic bill pay. USB is also a member of the Allpoint ATM network, which features surcharge-free ATM transactions for accountholders. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation.

Ability and Capacity

Assets totaled \$249.5 million as of December 31, 2022, and included total loans of \$176.9 million and securities totaling \$33.6 million. The following table illustrates the composition of the bank’s loan portfolio.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,736	1.0
Secured by 1-4 Family Residential Properties	90,188	51.0
Secured by Multifamily (5 or more) Residential Properties	18,264	10.3
Secured by Nonfarm Nonresidential Properties	32,026	18.1
Total Real Estate Loans	142,214	80.4
Commercial and Industrial Loans	32,616	18.4
Consumer Loans	98	0.1
Other Loans	2,001	1.1
Total Loans	176,929	100.0
<i>Source Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. URSB designates a single assessment area encompassing all of Middlesex County (192 census tracts) and Monmouth County (155 census tracts) in NJ. The assessment area counties are contiguous and located within Metropolitan Division (MD) 35154 (New Brunswick-Lakewood, NJ). MD 35154 is part of the larger Metropolitan Statistical Area (MSA) 35620 (New York-Newark-Jersey City, NY-NJ-PA).

Effective December 2022, the United States (U.S.) Census Bureau released updated American Community Survey (ACS) data based on the 2020 U.S. Census. The assessment area delineation did not change since the previous evaluation; however, the number and distribution of census tracts in the assessment area changed because of the 2020 U.S. Census. The assessment area's 347 census tracts reflect the following income designations according to 2020 U.S. Census data:

- 25 low-income,
- 53 moderate-income,
- 149 middle-income,
- 115 upper-income, and
- 5 tracts with no income designation.

Economic and Demographic Data

The following table illustrates select demographic characteristics for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	347	7.2	15.3	42.9	33.1	1.4
Population by Geography	1,506,777	7.0	15.6	42.1	35.1	0.2
Housing Units by Geography	564,738	6.3	16.3	43.1	33.8	0.5
Owner-Occupied Units by Geography	360,495	2.1	11.8	43.1	42.7	0.3
Occupied Rental Units by Geography	165,711	15.6	25.4	43.1	15.1	0.7
Vacant Units by Geography	38,532	6.4	19.5	42.3	30.5	1.3
Businesses by Geography	198,480	5.5	13.7	40.2	39.7	0.9
Farms by Geography	3,696	6.0	11.4	38.1	44.0	0.5
Family Distribution by Income Level	371,608	20.3	16.3	21.1	42.4	0.0
Household Distribution by Income Level	526,206	23.5	14.8	17.5	44.2	0.0
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ		\$113,495	Median Housing Value			\$407,604
Families Below Poverty Level		5.5%	Median Gross Rent			\$1,481
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 do not have an income classification.						

The Geographic Distribution criterion compares the bank's record of home mortgage lending to the distribution of owner-occupied housing units. The assessment area contains 564,738 housing units, of which 63.8 percent are owner-occupied, 29.3 percent are occupied rental units, and 6.8 percent are vacant. The number of owner-occupied housing units provides an indication of the opportunity institutions have to originate 1-4 family residential mortgage loans. Only 2.1 percent of owner-occupied housing units in the assessment area are located in low-income census tracts. This indicates a limited opportunity to originate residential mortgage loans in these geographies.

The Borrower Profile criterion for home mortgage lending considers the percentage of assessment area low- and moderate-income families. As shown in the preceding table, 20.3 percent of the assessment area's families are low-income. Additionally, 7.5 percent of families have incomes below the poverty level. In 2022, a low-income family in the assessment area would not have an income greater than \$64,150. It may be difficult for low-income families to qualify for a home mortgage loan or support a monthly mortgage payment, especially given the assessment area's median housing value of \$407,604. This data supports the challenges lenders face in originating home mortgage loans to low-income borrowers.

Examiners used the FFIEC-updated median family income data to analyze the bank's home mortgage lending under the Borrower Profile criterion. The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
New Brunswick-Lakewood, NJ Median Family Income (35154)				
2022 (\$128,300)	<\$64,150	\$64,150 to <\$102,640	\$102,640 to <\$153,960	≥\$153,960
<i>Source FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics show that unemployment rates at the county, state, and national levels spiked during the COVID-19 pandemic in 2020. In 2021 and 2022, unemployment rates decreased to pre-pandemic levels or lower. County unemployment rates were comparable to the state and national averages. The following table presents annual unemployment rates for the assessment area counties as well as the state and national levels since 2020.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Middlesex County	8.5	5.7	3.2
Monmouth County	8.6	5.5	3.1
State of New Jersey	9.5	6.4	3.9
National Average	8.1	5.4	3.6
<i>Source Bureau of Labor Statistics. County rates not seasonally adjusted.</i>			

The Geographic Distribution criterion also compares the bank's small business lending to the distribution of area businesses, with a focus on lending in the low- and moderate-income census tracts. As shown in the table above, only 5.5 percent of the area's businesses are in low-income tracts, and 13.7 percent are in moderate-income census tracts. This data demonstrates fewer small business lending opportunities in low- and moderate-income census tracts than in middle- and upper-income census tracts.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business loans to the distribution of businesses by Gross Annual Revenue (GAR) level. According to 2022 D&B business demographic data, there are 198,480 non-farm businesses operating within the assessment area. The following reflects the GARs for these businesses.

- 91.0 percent have \$1.0 million or less;
- 3.5 percent have over \$1.0 million; and
- 5.5 percent have unknown revenues.

Service industries represent the largest portion of businesses (33.3 percent), followed by non-classifiable establishments (29.1 percent); retail trade (10.1 percent); and finance, insurance, and real estate (7.8 percent). In addition, 57.1 percent of area businesses have four or fewer employees, and 93.6 percent operate from a single location. This data highlights significant opportunities for lending to small businesses in the assessment area.

Competition

The assessment area reflects a highly competitive market for financial services. According to 2022 FDIC Deposit Market Share data, 43 institutions operated 437 branches in the assessment area. Of these institutions, URSB ranked 27th with a deposit market share of 0.2 percent.

URSB is not required to report home mortgage lending data. Since the bank does not report its data, the home mortgage loan analysis does not include aggregate data comparisons. The aggregate data, however, provides insight on the level of demand for home mortgage loans in the assessment area. According to 2021 aggregate lending data, 610 institutions reported 82,041 home mortgage loans in the assessment area. The five most prominent small business lenders, Rocket Mortgage, Wells Fargo Bank, N.A.; LoanDepot.com, LLC; JP Morgan Chase Bank N.A.; and Newrez LLC captured 24.6 percent of the total market share. This data indicates a high degree of competition for home mortgage loans.

URSB is not required to report small business lending data. Since the bank does not report its data, the small business loan analysis does not include aggregate data comparisons. The aggregate data, however, provides insight on the level of demand for small business loans in the assessment area. According to 2021 aggregate lending data, 211 institutions reported 60,748 small business loans in the assessment area. The five most prominent small business lenders, American Express; JP Morgan Chase Bank N.A.; Bank of America N.A.; Wells Fargo Bank, N.A.; and TD Bank N.A. captured 58.4 percent of the total market share. This data indicates significant competition for small business loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what types of credit opportunities are available.

Examiners reviewed a recent contact with the Director of Housing at an affordable housing organization that operates in Ocean, Mercer, and Monmouth County. This organization promotes and provides affordable housing initiatives, social services, and homeless shelters for low- and moderate-income families. The contact stated that affordable housing continues to represent a primary need for low- and moderate-income families in the area. The contact explained that home and rental prices increased significantly after the COVID-19 pandemic. The contact identified opportunities for financial institutions to provide affordable mortgage products that enable low- and moderate-income individuals and families to achieve homeownership.

Credit Needs

Considering the information from the community contact, bank management, and demographic and economic data, examiners determined that rising housing prices present a barrier to homeownership for low- and moderate-income borrowers in the assessment area. Economic and demographic data support the need for affordable residential lending products for low- and moderate-income families.

Furthermore, there is a need for financial education and technical assistance, particularly for entrepreneurs and small business owners. The significant percentage of businesses with GARs of \$1.0 million or less and the large number of businesses with four or fewer employees supports this conclusion.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 19, 2017, to the current evaluation dated March 8, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate URSB's CRA performance. These procedures include the Lending Test. Please refer to the Appendices for a complete description of this test.

Activities Reviewed

URSB's major product lines, considering its business strategy and the number and dollar volume of loans originated during the evaluation period, are home mortgage and small business loans. No other loan types, such as small farm or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not present these products. Examiners assigned equal weight to home mortgage and small business lending performance when arriving at the overall rating and conclusions.

URSB originated 92 home mortgage loans totaling \$28.1 million in 2022. While URSB was exempt from reporting its home mortgage data in 2022, it did collect geographic location data for its loans. Therefore, examiners analyzed the full universe of home mortgage loans originated in 2022 under the Assessment Area Concentration and Geographic Distribution performance factors. As the bank did not collect income data for home mortgage borrowers, examiners used data obtained from a sample of home mortgage loans for the Borrower Profile analysis. Examiners used 2020 U.S. Census data for comparison purposes.

In 2022, the bank originated 163 small business loans totaling \$22.9 million. Although URSB is not required to report small business loan data, it did collect geographic location data. Given the availability of this data, examiners analyzed the full universe of small business loans originated in 2022 under the Assessment Area Concentration and Geographic Distribution performance factors. As the bank did not collect revenue information for its small business loans, examiners used data obtained from a sample of small business loans in 2022 for the Borrower Profile analysis. Examiners reviewed D&B demographic data for comparison purposes.

While this evaluation presents both the number and dollar volume of loans; examiners emphasized performance by number of loans, as it is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

URSB demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Geographic Distribution, and Borrower Profile criterion support the Lending Test rating.

Loan-to-Deposit Ratio

The Loan-to-Deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. URSB's LTD ratio, calculated from Call Report data, averaged 95.0 percent over the past 22 calendar quarters since the previous evaluation, dated June 30, 2017, to September 30, 2022. The LTD ratio ranged from a low of 78.8 percent as of March 31, 2022, to a high of 104.3 percent as of March 31, 2020.

As shown in the following table, the bank's average net LTD ratio is comparable to those of similarly situated institutions. Examiners selected these institutions based on asset size, geographic location, and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 9/30/2022 (\$000s)	Average Net LTD Ratio (%)
Brunswick Bank & Trust	381,555	95.5
Freehold Savings Bank	292,739	72.0
Schuyler Savings Bank	128,407	88.1
United Roosevelt Savings Bank	221,017	95.0
<i>Source Reports of Condition and Income 6/30/2017 - 9/30/2022</i>		

Assessment Area Concentration

A majority of loans are outside the institution's assessment area. By number and dollar volume, URSB made a majority of its home mortgage loans inside the assessment area and a significant majority of its small business loans outside the assessment area. The bank's low level of small business lending in the assessment area is the result of out-of-area commercial real estate loan purchases and industrial loan participations. The bank's in-area home mortgage and small business lending percentages improved since the last evaluation when 65.9 percent of home mortgage and 3.6 percent of small business loans originated inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage 2022	65	70.7	27	29.3	92	15,412	54.9	12,647	45.1	28,059
Small Business 2022	16	9.8	147	90.2	163	3,771	16.4	19,159	83.6	22,930
Total	81	31.8	174	68.2	255	19,183	37.6	31,806	62.4	50,989
Source Bank Data. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's home mortgage and small business lending performance support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In 2022, the bank did not make any home mortgage loans in low-income census tracts. However, only 2.1 percent of owner-occupied housing units are located in low-income census tracts, thus demonstrating limited opportunity to originate loans in these census tracts. URSB's home mortgage lending in moderate-income tracts exceeded demographic data. Overall, these comparisons reflect reasonable performance. The following table shows the distribution of home mortgage loans by census tract income level.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	2.1	0	0.0	0	0.0
Moderate	11.8	11	16.9	1,432	9.3
Middle	43.1	19	29.2	5,842	37.9
Upper	42.7	35	53.8	8,138	52.8
NA	0.3	0	0.0	0	0.0
Total	100.0	65	99.9	15,412	100.0
<i>Source 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2022, the bank did not originate any small business loans in low-income census tracts. However, only 5.5 percent of businesses are located in low-income census tracts, thus demonstrating limited opportunity to originate loans in these census tracts. URSB's small business lending in moderate-income tracts significantly exceeded demographic data. Overall, these comparisons reflect reasonable performance. The following table illustrates the distribution of small business loans by census tract income level.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	5.5	0	0.0	0	0.0
Moderate	13.7	7	43.7	1,115	29.6
Middle	40.2	1	6.2	350	9.3
Upper	39.7	8	50.0	2,306	61.1
NA	0.9	0	0.0	0	0.0
Total	100.0	16	99.9	3,771	100.0
<i>Source 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of sampled loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's home mortgage and small business lending performance support this conclusion.

Home Mortgage Loans

The distribution of sampled home mortgage loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels. URSB did not originate any of the sampled home mortgage loans to low-income borrowers. In 2022, a low-income family in the assessment area would not have an income greater than \$64,150. Therefore, it would likely be difficult for low-income families to qualify for a home mortgage loan or support a monthly mortgage payment, especially given that the assessment area's median housing value is \$407,604. In addition, 5.5 percent of assessment area families have incomes below the poverty level, which further limits opportunities to lend to low-income families. Conversely, the bank's home mortgage lending to moderate-income borrowers exceeded demographic data in 2022. Considering both comparisons, the bank's overall performance is reasonable. The following table reflects the distribution of home mortgage loans within the assessment area for 2022.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	20.3	0	0.0	0	0.0
Moderate	16.3	5	17.2	464	7.0
Middle	21.1	5	17.2	716	10.7
Upper	42.4	5	17.2	1,388	20.7
Income Not Available	0.0	14	48.3	4,125	61.6
Total	100.1	29	99.9	6,693	100.0
<i>Source 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The distribution of sampled small business loans reflects reasonable penetration among businesses of different sizes. In 2022, the bank's lending to businesses with GARs of \$1.0 million or less was comparable to demographic data, reflecting reasonable performance. The following table reflects the distribution of small business loans by revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	91.0	8	88.9	1,575	96.7
> \$1,000,000	3.5	1	11.1	53	3.3
Revenue Not Available	5.5	0	0.0	0	0.0
Total	100.0	9	100.0	1,628	100.0
<i>Source 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

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 illegal credit practices; therefore, this consideration did not affect the institutions CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

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