



101 E Main St  
P.O. Box 245  
Baltic, OH 43804  
  
(330) 897-6401

# Community Reinvestment Public File

## **Distribution of Branches**

Baltic State Bank has 4 full-service facilities within its assessment area. Baltic State Bank has an ATM at each facility. The ATMs at 401 E Main Street, Sugarcreek, OH branch, 33919 SR 643, Baltic, OH branch and 200 N Kirk Street, West Lafayette, OH branch all have the ability to take check and cash deposits 24 hours a day.

<b>Branch/ATM Address</b>	<b>Drive Up Facility Yes/No</b>	<b>ATM's</b>	<b>Census Tracts &amp; Income</b>
401 E Main Street Sugarcreek, OH 44681	Yes	Drive Up (24hr accessible) Accepts deposits	0213.00 Middle
33919 SR 643 Baltic, OH 43804	No	Walk Up (24hr accessible) Accepts deposits	9610.00 Middle
200 N Kirk Street West Lafayette, OH 43845	Yes	Drive Up (24hr accessible) Accepts deposits	9618.00 Middle

## **Available Loan and Deposit Products**

### Baltic State Bank Loan Services

- Residential Mortgage Loans for 1 – 4 dwelling units
- Home Equity Loans and Lines of Credit
- Automobile Loans
- Farm Loans

### Baltic State Bank Deposit Services

- Checking Accounts
- Savings Accounts
- IRA / Time Deposit Accounts
- Health Savings Accounts

## **Branches Opened and/or Closed**

The West Lafayette office opened in October 2025.

## **Delivery Systems**

Baltic State Bank offers the ability to perform banking functions through various channels. Some or all of these channels are widely available to all customers. Traditional avenues (in office visits) are enhanced by Baltic State Bank's generous hours of operation. Teller services are available 40+ hours per week at most locations.

Personal computer-based banking services as well as mobile application banking services are also offered at no charge to our customers. Baltic State Bank's Online Banking service allows customers to retrieve balances, transfer funds, print statements, access account histories, and utilize online bill payment services. Mobile banking apps allow for all of that functionality as well as for making check deposits via a mobile phone camera.

In addition, Baltic State Bank maintains a website that provides online banking access, bank information including product and service descriptions, employment opportunities, bank news and information regarding our locations and services.

### ***Hours of Operation***

<b>Facility</b>	<b>Lobby Hours</b>	<b>Drive-thru Hours</b>
101 E. Main Street Baltic, OH 43804	8:30 am – 4:00 pm M-Th 8:30 am – 5:00 pm Fri 8:30 am – 12:00 pm Sat	8:30 am – 4:00 pm M-Th 8:30 am – 5:30 pm Fri 8:30 am – 12:00 pm Sat
401 E Main Street Sugar creek, OH 44681	8:30 am – 4:00 pm M-Th 8:30 am – 5:00 pm Fri 8:30 am – 12:00 pm Sat	8:30 am – 4:00 pm M-Th 8:30 am – 5:30 pm Fri 8:30 am – 12:00 pm Sat
33919 SR 643 Baltic, OH 43804	8:30 am – 4:00 pm M-Th 8:30 am – 5:00 pm Fri 8:30 am – 12:00 pm Sat	N/A
200 N Kirk Street West Lafayette, OH 43845	8:30 am – 4:00 pm M-Th 8:30 am – 5:00 pm Fri 8:30 am – 12:00 pm Sat	8:30 am – 4:00 pm M-Th 8:30 am – 5:30 pm Fri 8:30 am – 12:00 pm Sat

### ***Internet Banking/Mobile Banking***

- Access to bank by Internet
- Open New Accounts – Personal Checking/Savings/TD/HSA
- Account balance information – deposit and loan accounts
- Funds transfer and loan payments
- Account transaction histories, statements and tax forms
- Bill Payment
- No charge for services

### ***Bank by Mail***

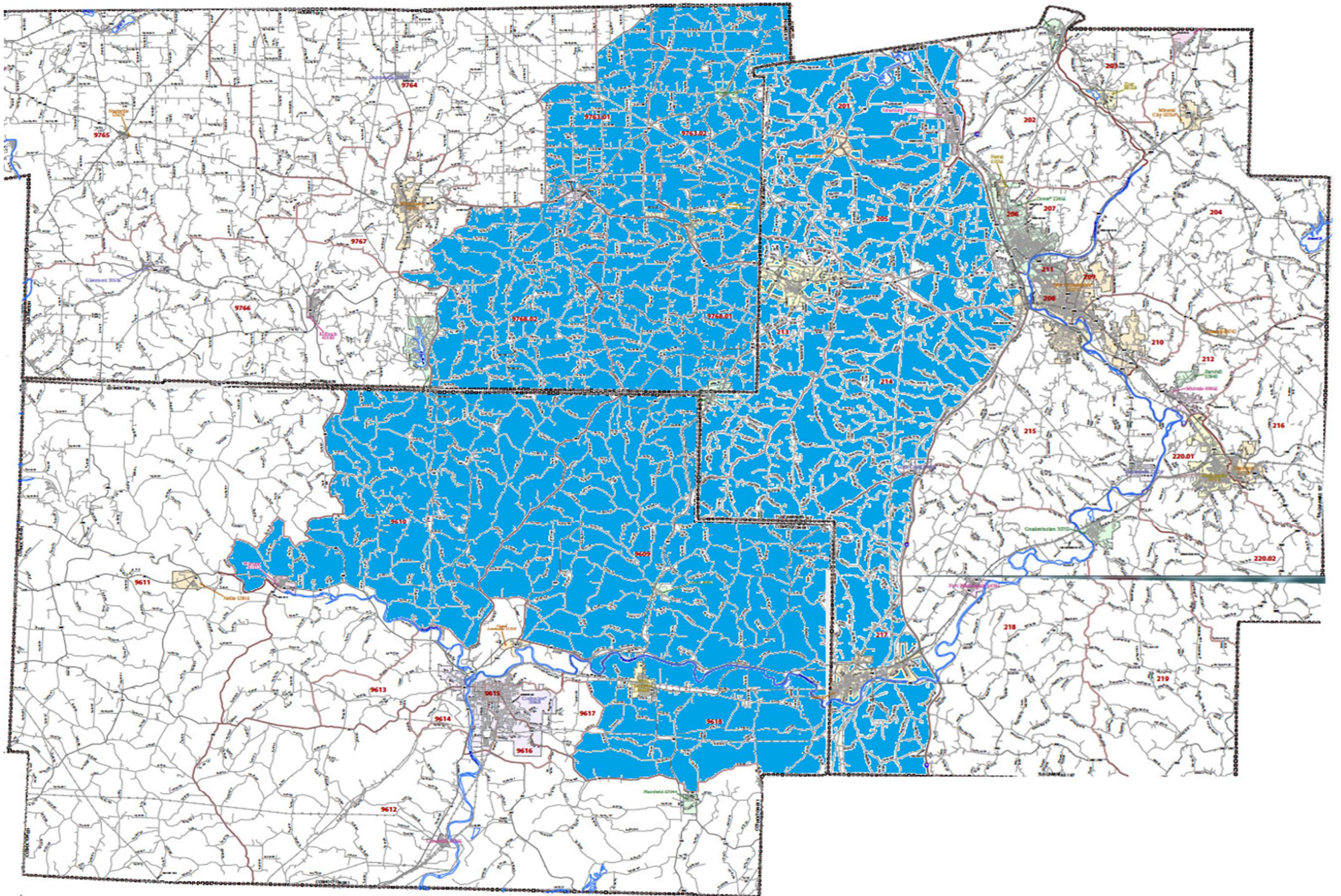
- Complementary self-addressed envelopes provided to customers at no charge
- 24-hour night depository at all facilities for after-hour transactions

## Loan to Deposit Ratio

<b>Month</b>	<b>Loan to Deposit Ratio</b>
Apr-26	88%
Mar-26	84%
Feb-26	86%
Jan-26	84%
Dec-25	82%
Nov-25	87%
Oct-25	89%
Sep-25	89%
Aug-25	91%
Jul-25	93%
Jun-25	89%
May-25	88%
Apr-25	91%
Mar-25	90%
Feb-25	89%
Jan-25	86%
Dec-24	86%
Nov-24	91%
Oct-24	91%
Sep-24	90%
Aug-24	93%
Jul-24	93%
Jun-24	93%
May-24	90%
Apr-24	90%
Mar-24	89%
Feb-24	91%
Jan-24	87%
Dec-23	84%
Nov-23	88%
Oct-23	87%
Sep-23	85%
Aug-23	84%
Jul-23	84%
Jun-23	84%
May-23	84%
Apr-23	85%
Mar-23	83%
Feb-23	80%
Jan-23	75%
Dec-22	85%
Nov-22	91%
Oct-22	87%
Sep-22	89%
Aug-22	88%

Jul-22	86%
Jun-22	86%
May-22	85%
Apr-22	85%
Mar-22	83%
Feb-22	85%
Jan-22	81%
Dec-21	78%
Nov-21	80%
Oct-21	80%
Sep-21	82%
Aug-21	78%
Jul-21	81%
Jun-21	79%
May-21	79%

# MAP



# **PUBLIC DISCLOSURE**

March 15, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Baltic State Bank  
Certificate Number: 17759

101 East Main Street  
Baltic, OH 43804

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

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

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.....	1
DESCRIPTION OF ASSESSMENT AREA.....	3
SCOPE OF EVALUATION .....	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	9
APPENDICES.....	10
SMALL BANK PERFORMANCE CRITERIA.....	10
GLOSSARY .....	11

## 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 bank's satisfactory performance under the Small Bank 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 performance.

- The loan-to-deposit ratio (LTD) is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a substantial majority of its home mortgage, small business, and small farm loans in the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among borrowers of different income levels and businesses and farms of different sizes.
- The institution's AA does not include any low- or moderate-income census tracts; therefore, examiners did not analyze this criterion or consider it in the overall conclusions.
- The institution did not receive any CRA related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

The Baltic State Bank (BSB) is a \$94.8 million, full-service community bank headquartered in Baltic, Ohio. Baltic is a village in Coshocton, Holmes, and Tuscarawas counties. The bank is a wholly owned subsidiary of Bancorp of Baltic Inc., a one-bank holding company also headquartered in Baltic, Ohio. BSB does not have any subsidiary or affiliate relationships.

The bank received a rating of Satisfactory at its previous FDIC CRA Performance Evaluation, also based on the Interagency Small Institution Examination Procedures, dated March 16, 2015. BSB has not engaged in any merger or acquisition activities since the previous performance evaluation.

In addition to the Main Office, the bank operates two full service branches in Baltic, Ohio (Tuscarawas County) and Sugarcreek, Ohio (Coshocton County). There are cash dispensing automated teller machines (ATMs) at each location. The Sugarcreek branch has the only deposit-taking ATM. The bank relocated its Sugarcreek branch 0.8 miles in May 2017 to a location more favorable to the transportation of its Amish customers. In addition, BSB removed one ATM from a general store in 2019 due to minimal usage and another ATM at its Sugarcreek branch in 2020 to

expand its drive-thru lanes. The bank also relocated the walk-up ATM at the Sugarcreek branch in 2020 for better accessibility.

Office Locations				
Address	City	County	ATM	Census Tract Income Level
101 East Main Street	Baltic	Tuscarawas	Yes	Middle
401 E Main Street	Sugarcreek	Tuscarawas	Yes	Middle
33919 State Route 643	Baltic	Coshocton	Yes	Middle
<i>Source: Bank Records</i>				

The bank stopped offering its numerous checking accounts and converted the account types to its “YOU CHOOSE” checking product in June 2019. BSB also offers online banking with bill pay, mobile banking and deposits, and automated transfers. BSB offers home mortgage, commercial, farm, and consumer installment loans, as well as home equity and consumer lines of credit. The bank’s primary lending focus is residential real estate lending.

BSB began offering a financial literacy program in 2020 entitled Banzai Plus. The program provides financial literacy and materials to residents within the AA and adjacent areas. The bank provides free access to the program to the public through its website. In addition, eight schools used the program and provided education to over 320 students during the evaluation period.

As of the December 31, 2020 Call Report, the bank’s assets totaled approximately \$94.8 million with total loans of \$62.4 million and total deposits of \$88.1 million. The following table illustrates the bank’s loan portfolio.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	2,462	3.9
Secured by Farmland	13,292	21.3
Secured by 1-4 Family Residential Properties	32,947	52.8
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	5,449	8.7
<b>Total Real Estate Loans</b>	<b>54,150</b>	<b>86.7</b>
Commercial and Industrial Loans	4,976	8.0
Agricultural Production and Other Loans to Farmers	663	1.1
Consumer Loans	2,256	3.6
Obligations of State and Political Subdivisions in the U.S.	338	0.5
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>62,383</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%</i>		

Examiners did not identify any financial constraints or legal impediments that would preclude the bank from reasonably meeting the credit needs of the AA.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. BSB maintains a single, contiguous AA that includes five census tracts in Tuscarawas County, four census tracts in Holmes County, and three census tracts in Coshocton County. None of these counties is located in a metropolitan statistical area (MSA). The AA has not changed since the previous evaluation.

The AA conforms to the CRA regulatory requirements. It consists of contiguous, whole geographies where the bank has its offices and operates, does not reflect illegal discrimination and does not arbitrarily exclude any low- or moderate-income geographies.

### **Economic and Demographic Data**

The bank's AA consists of 12 middle-income census tracts. The following table shows select demographic characteristics of the AA:

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	12	0.0	0.0	100.0	0.0	0.0
Population by Geography	57,969	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	20,551	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	14,646	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	4,323	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,582	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	3,331	0.0	0.0	100.0	0.0	0.0
Farms by Geography	284	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	14,611	15.7	20.7	24.2	39.4	0.0
Household Distribution by Income Level	18,969	18.0	16.8	19.4	45.8	0.0
Median Family Income Non-MSAs - OH	\$55,785		Median Housing Value			\$140,863
			Median Gross Rent			\$599
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS and 2020 D&amp;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.</i>						

The geographic distribution criterion compares the bank's home mortgage lending to the distribution of owner-occupied housing units in the AA. There are 20,551 housing units in the AA, of which 71.3 percent are owner-occupied, 21.0 percent are rental units, and 7.7 percent are vacant.

According to 2020 D&B data, there were 3,331 non-farm businesses within the AA. Approximately 83.8 percent have gross annual revenues (GARs) of \$1 million or less, 7.2 percent

have GARs over \$1 million, and 9.0 percent have unknown revenues. Examiners utilize GAR levels to analyze the bank’s small business lending in the Borrower Profile criterion.

According to 2020 D&B data, there were 284 farm businesses with the AA. Approximately 97.9 percent have GARs of \$1 million or less, 1.4 percent have GARs over \$1 million, and 0.7 percent have unknown revenues. Examiners utilize GAR levels to analyze the bank’s small farm lending in the Borrower Profile criterion.

D&B data from 2020 shows that the largest industries in the AA are services (28.2 percent), retail trade (14.4 percent), non-classified establishments (11.7 percent), and construction (11.2 percent). Major employers in the AA include Gerber and Sons, Inc. (a local feed mill), Provia (door and window manufacturing), Flex Technologies (extruded PVC tubing manufacturer), and Garaway Local School District (Baltic Elementary).

Unemployment data obtained from the US Bureau of Labor Statistics, as illustrated in the following table, shows variances in unemployment within Coshocton County, Holmes County, and Tuscarawas County. In all three counties, unemployment rates decreased annually from 2016 to 2019, but increased significantly in 2020. Nationwide, State, and AA unemployment rates increased significantly in 2020 due to the Covid-19 pandemic.

<b>Unemployment Rates</b>						
<b>Area</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Coshocton	6.4	7.1	6.8	6.2	5.9	10.8
Holmes	3.4	3.6	3.6	3.3	3.0	3.9
Tuscarawas	5.4	5.8	5.1	4.6	4.3	7.6
State	5.0	5.1	5.0	4.5	4.2	8.2
National	5.3	4.9	4.4	3.9	3.7	8.1

*Source: Bureau of Labor Statistics*

Examiners use the FFIEC-adjusted median family income to analyze home mortgage loans under the Borrower Profile criterion. The following table shows the low-, moderate-, middle-, and upper-income categories for the AA during the evaluation period.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>OH NA Median Family Income (99999)</b>				
2020 (\$63,400)	<\$31,700	\$31,700 to <\$50,720	\$50,720 to <\$76,080	≥\$76,080

*Source: FFIEC*

## **Competition**

There is a high amount of competition for financial services within the AA. According to FDIC Deposit Market Share data as of June 30, 2020, 11 financial institutions operate 24 offices in the AA with total deposits of \$909.8 million. Of these institutions, BSB ranked sixth with 6.9 percent

deposit market share. The top five institutions accounted for 81.0 percent of the deposit market share.

There is a high level of competition in the AA for home mortgage lending from credit unions and regional and national banks. BSB is not required to collect or report data under the Home Mortgage Disclosure Act (HMDA). Therefore, analysis of home mortgage loans does not include comparisons to aggregate HMDA data. However, aggregate data is nonetheless useful in determining the level of demand for home mortgage loans. In 2020, 98 lenders originated or purchased 851 home mortgage loans in the AA. The top five lenders accounted for 53.0 percent of the home mortgage lending market share.

There is a high level of competition in the AA for small business lending. BSB is not required to collect or report small business loan data. As such, analysis of small business loans does not include comparisons to aggregate data. However, aggregate data is useful in identifying the level of demand for small business loans. In 2020, 63 lenders originated 2,506 small business loans in the AA. The top five lenders accounted for 57.4 percent of the total originations.

There is a moderate level of competition in the AA for small farm lending. BSB is not required to collect or report small farm loan data. As such, analysis of small farm loans does not include comparisons to aggregate data. However, aggregate data is useful in identifying the level of demand for small farm loans. In 2020, 15 lenders originated 175 small farm loans in the AA. The top five lenders account for 77.7 percent of the total originations.

### **Community Contact(s)**

As part of the evaluation process, examiners contacted a local real estate agency in the AA to discuss the area's credit needs. This information helps examiners identify local credit needs and help assess local financial institutions' performance in meeting those needs.

According to the contact, overall economic conditions are adequate. Low inventory in the AA results in homes selling quickly and above the asking prices. There is however, adequate availability of affordable housing.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that opportunities exist for home mortgage lending, small business lending, and financial literacy.

## **SCOPE OF EVALUATION**

### **General Information**

The evaluation period covers the period from the last evaluation as of March 16, 2015, to the current evaluation dated March 15, 2021. Examiners used Interagency Small Institution Examination Procedures to evaluate BSB's CRA performance.

Examiners used full-scope procedures to evaluate the bank's CRA performance. The bank does not have any affiliates that perform lending activities.

### **Activities Reviewed**

Examiners determined that the bank's main product lines are home mortgage, small business, and small farm loans. This conclusion considered the bank's business strategy, loan portfolio distribution, and the number and dollar volume of loans originated during the evaluation period.

The loan portfolio is primarily composed of residential real estate loans (52.8 percent), commercial loans (16.7 percent), and farm loans (21.3 percent). No other loan types, such as consumer loans, represent a major product line. The bank's record of originating residential real estate loans contributed more weight in the overall conclusions considering the number and dollar volume of loans originated during the evaluation period.

The bank's lending focus and product mix remained consistent throughout the evaluation period. Therefore, examiners presented only the most recent full calendar year's data (2020) for each product line in this evaluation.

Examiners used the bank's records to identify and analyze all home mortgage, small business, and small farm loans originated in 2020. In 2020, BSB originated 97 home mortgage loans totaling \$11.7 million, 55 small business loans totaling \$4.8 million, and 23 small farm loans totaling \$1.1 million.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Overall, the bank's performance reflects reasonable responsiveness to the credit needs within the AA, based primarily on the LTD Ratio, AA Concentration, and Borrower Profile criteria.

### **Loan-to-Deposit Ratio**

The average LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The bank's average net LTD ratio is 90.2 percent, calculated from the past 24 calendar quarters since the prior performance evaluation. The ratio ranged from a low of 70.3 percent as of December 31, 2020, to a high of 102.5 percent as of March 31, 2019. The bank had an average net LTD ratio of

77.8 percent at the previous CRA evaluation. Since that time, total loans and total deposits significantly increased, at a consistent rate. As shown in the following table, the bank’s ratio is in the middle of the range of four similarly-situated institutions, which examiners identified based on size, geographic location, and loan portfolio.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 12/31/2020 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Baltic State Bank</b>	<b>94,790</b>	<b>90.2</b>
Similarly-Situated Institution 1	89,262	55.0
Similarly-Situated Institution 2	93,119	123.4
Similarly-Situated Institution 3	104,214	109.5
Similarly-Situated Institution 4	107,034	84.7

*Source: Reports of Condition and Income 12/31/2014 through 12/31/2020*

### **Assessment Area Concentration**

As shown in the following table, the bank made a substantial majority of its home mortgage, small business, and small farm loans by number and dollar volume within the AA.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage	80	82.4	17	17.6	97	9,489	81.1	2,207	18.9	11,696
Small Business	52	94.5	3	5.5	55	4,585	96.0	190	4.0	4,775
Small Farm	22	95.7	1	4.3	23	1,122	98.8	14	1.2	1,136

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

Overall, the distribution of home mortgage, small business, and small farm loans reflects reasonable penetration among borrowers of different income levels and businesses and farms of different sizes. This conclusion is primarily based on home mortgage lending performance.

#### ***Home Mortgage Loans***

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. As shown in the following table, the bank’s lending to low-income borrowers was significantly below the percentage of low-income families in the AA. However, approximately 9.2 percent of families in the AA have incomes below the poverty level. Families with incomes at that level are unlikely to qualify for and/or service debt in amounts necessary to finance homes in the AA, particularly given the median housing value of \$140,863. The bank’s lending to moderate-income borrowers exceeded the percentage of families.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	15.7	2	2.5	230	2.4
Moderate	20.7	19	23.8	2,313	24.4
Middle	24.2	27	33.8	3,257	34.3
Upper	39.4	30	37.5	3,609	38.0
Income Not Available	0.0	2	2.5	80	0.8
<b>Totals</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>	<b>9,489</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

### ***Small Business Loans***

The distribution of lending, given the demographics of the AA, reflects excellent penetration among businesses of different sizes. As illustrated in the following table, the bank's lending to businesses with GARs of \$1 million or less significantly exceeded the percentage of businesses.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	83.8	49	94.2	3,933	85.8
>\$1,000,000	7.2	3	5.8	652	14.2
Revenue Not Available	9.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>4,585</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

### ***Small Farm Loans***

The distribution of small farm lending, given the demographics of the AA, reflects excellent penetration among farms of different sizes. Approximately 97.9 percent of the farms in the AA have GARs of \$1 million or less. In 2020, all 22 of the bank's small farm loans, totaling \$1.1 million, were to farms in this category.

### **Geographic Distribution**

As noted earlier, the bank's AA does not include any low- or moderate-income census tracts; therefore, examiners did not evaluate this criterion, and it did not affect the rating.

### **Response to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not affect the rating.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No violations of the substantive provisions of the anti-discriminatory laws and regulations or other illegal credit practices were identified during the evaluation.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

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

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The 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.