



## PUBLIC DISCLOSURE

June 20, 2017

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Thomasville National Bank  
Charter Number 22883

301 North Broad Street, Thomasville, GA 31792

Office of the Comptroller of the Currency

Three Ravinia Drive, Suite 1950, Atlanta, GA 30346

**NOTE:** 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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

Thomasville National Bank (TNB) has a **satisfactory** record of meeting community credit needs. We based this assessment on the following:

- The average loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs and exceeds the standards for satisfactory performance.
- The majority of the bank's loans are inside its AA and meets the standards for satisfactory performance.
- The penetration of loans to businesses of different sizes is reasonable and meets the standards for satisfactory performance.
- The geographic distribution of loans reflects a reasonable dispersion within the AA and meets the standards for satisfactory performance.
- TNB's community development (CD) performance demonstrates an adequate responsiveness to the needs of the AA through community development loans, qualified investments, and community development services.

## **Scope of Examination**

This performance evaluation is an assessment of TNB's ability to meet the credit needs of the communities in which it operates. TNB was evaluated under the Intermediate Small Bank examination procedures, which include a lending test and a community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its assessment areas (AAs) through lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and community development services.

The evaluation period for this assessment was April 2014 to June 2017. The bank's lending strategy and product offerings did not significantly change since the last CRA examination, therefore, the loan sampling encompassed the last two calendar years and year-to-date 2017.

TNB delineates two assessment areas (AA) for CRA purposes, Thomas County and St Simons Island. We conducted a full scope review of the Thomas County AA. A majority of the bank's lending, deposit and community development activity is in this AA.

TNB's primary loan products are home and business loans. The bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). The HMDA data was tested and found to be reliable. Therefore, the bank's home loan performance was evaluated using HMDA

data. To evaluate the bank’s business lending performance, we selected a sample of 20 business loans originated from January 2015 to June 2017.

## Description of Institution

TNB is an intrastate bank wholly owned by Thomasville Bancshares, Inc., a one-bank holding company. Both the bank and holding company are headquartered at 301 North Broad Street in Thomasville, GA. As of March 31, 2017, TNB reported assets of \$779 million and Tier One Capital of \$66 million. In addition to the main office, TNB operates two full service branches. One located at 1320 Remington Avenue in Thomasville, GA, and one in Saint Simons Island, GA. The main office and the branch in Thomasville are located in middle-income nonmetropolitan distressed or underserved geographies. These locations have ATMs that do not take deposits. The Saint Simons Island branch does not have an ATM. All three offices provide a night depository for deposits after business hours. No branches have been opened or closed since the last CRA examination. There have not been any significant changes to TNB’s corporate structure, including merger or acquisition activities, since the last CRA examination.

TNB offers a full range of deposit, loan and asset management products and services. Residential mortgage and business lending are the bank’s primary loan products. As of March 31, 2017, TNB reported net loans of \$663 million and a net loans and leases to total assets ratio of 85 percent. The chart below illustrates that the bank’s home and business loans represent the largest portions of the loan portfolio in both dollars and number of loans.

Loan Portfolio Summary by Loan Product March 31, 2017		
Loan Type	% by Dollars of Loans Originated/Purchased during Evaluation Period	% by Number of Loans Originated/Purchased during Evaluation Period
Home Loans	29.70%	34.68%
Consumer Loans	3.45%	31.42%
Business Loans	57.46%	31.16%
Farm Loans	9.39%	2.77%
Total	100.00%	100.00%

There are no legal or financial impediments to TNB’s ability to meet the credit or CD needs of its AAs. The previous CRA evaluation dated April 21, 2014 rated the bank's performance as “Satisfactory”.

## Description of Assessment Area – Thomas County

The AA consists of all census tracts (CTs) located in Thomas County, GA. The AA comprises eleven CTs with one low-, eight middle- and two upper-income geographic characteristics. The middle-income geographies are designated as distressed or underserved non-metropolitan middle-income CTs. Thomas County is a non-MSA. The AA meets the technical requirements of

the Act and does not arbitrarily exclude low-or moderate-income census tracts. The table below summarizes certain demographics for the AA:

<b>Demographic and Economic Characteristics of Thomas County AA</b>	
<b>Population</b>	
Total Population	44,740
Number of Families	11,528
Number of Households	17,399
<b>Geographies</b>	
Number of Census Tracts	11
% Low-Income Census Tracts	9.09%
% Moderate-Income Census Tracts	0.00%
% Middle-Income Census Tracts	72.73%
% Upper-Income Census Tracts	18.18%
<b>Median Family Income (MFI)</b>	
2010 Weighted Average MFI for AA	\$44,940
2017 HUD-Updated Weighted Average MFI	\$45,300
<b>Economic Indicators</b>	
2010 Unemployment Rate	5.41%
2010 Median Housing Value	\$140,896
% Households Below Poverty Level	22.63%

*Source: 2010 U.S. Census data and HUD updated income data.*

Thomas County is located in south central Georgia. It is known for big oak trees, prosperous agriculture and thriving industries. Thomasville is the county seat and the largest city in the county. The city is located 45 miles west of Valdosta, GA and 35 miles northeast of Tallahassee, FL. The area around Thomasville is known as the “Red Hills Region” with extremely fertile soil. Vegetation consists of tall stands of long-leaf pines, live oaks, dogwood, azalea and wisteria. The Nature Conservancy designated the Red Hills Region as one of the “Last Great Places” in the US. It contains the largest concentration of undeveloped plantation lands in the U.S. and is considered a premier hunting destination for bob-white quail. The Office of Management and Budget designates Thomasville as a Micropolitan Statistical Area, a growing population center removed from larger cities that draws workers and shoppers from a wide local area. Thomasville’s historic downtown offers unique retail shops, antiques, specialty stores and restaurants. The city’s Main Street Program encouraged the rehabilitation of several downtown buildings and incited new businesses.

According to the 2010 US Census, the county had 44,720 residents. The median household income in the county was \$35,946 and the median family income was \$46,670. Approximately 23 percent of the population live below the poverty line. According to U.S. Bureau of Labor Statistics, as of May 2017, the county’s unemployment rate was at 5.7 percent.

The largest employers in Thomas County include Flowers Foods, Archbold Memorial Hospital, Cleaver-Brooks and Hurst Boiler.

In conducting this assessment of the bank’s performance, we contacted a government agency in the Thomas County AA which provides affordable housing for low- and moderate-income families. The contact noted a need for banks to participate in affordable housing and financial literacy programs.

## Description of Assessment Area – St. Simons Island

The AA consists of four upper-income census tracts located on St. Simons Island in Glynn County, GA. Glynn County is part of the Brunswick, GA Metropolitan Statistical Area (MSA). St. Simons Island is the largest of the four barrier islands, known as the Golden Isles of Georgia. The island is a popular tourist destination known for its beaches, water sports, boating and fishing, golf, nature trails, historical landmarks, shopping, restaurants and nightlife. Many residents are part-time with vacation or second homes, which are either single family dwellings or condominiums. According to the 2010 US census, St. Simons’ permanent population was 14,720. The median household income was \$79,075 and the median family income was \$107,902. Approximately 4.5 percent of the population live below the poverty line.

The AA meets the technical requirements of the Act and does not arbitrarily exclude low-or moderate-income census tracts. The table below summarizes certain demographics for the AA:

<b>Demographic and Economic Characteristics of St Simons AA</b>	
<b>Population</b>	
Total Population	14,720
Number of Families	4,321
Number of Households	6,749
<b>Geographies</b>	
Number of Census Tracts	4
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	0.00%
% Middle-Income Census Tracts	0.00%
% Upper-Income Census Tracts	100.00%
<b>Median Family Income (MFI)</b>	
2010 Weighted Average MFI for AA	\$57,734
2017 HUD-Updated Weighted Average MFI	\$49,700
<b>Economic Indicators</b>	
2010 Unemployment Rate	1.58%
2010 Median Housing Value	\$463,990
% Households Below Poverty Level	4.45%

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Loan-to-Deposit Ratio

The bank's average loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. TNB's loan-to-deposit ratio averaged 97.42 percent over the thirteen quarters since the last CRA evaluation.

While TNB has several competitors, none are considered similarly-situated in terms of asset size, loan portfolio composition, and business strategy. TNB's primary loan products are business and residential loans. At \$779 million in total assets, TNB is significantly larger than the one other bank headquartered in Thomasville. TNB is the largest bank in the Thomas County AA with two of three locations, including the main office, in Thomasville, GA. TNB's business strategy includes fiduciary products and services, which is not offered by other financial institutions in the AA.

Using the March 31, 2017, Uniform Bank Performance Report (UBPR), the bank's loan-to-deposit ratio was compared to the peer group defined in the UBPR. This peer group consisted of 1,220 banks with total assets between \$300 million and \$1 billion. TNB's average loan-to-deposits ratio of 98.15 percent was above the peer group average of 80.37 percent.

#### Lending in Assessment Area

TNB originated a majority of its loans to borrowers located inside its AA and meets the standard for reasonable performance. Seventy percent of the bank's lending by number of loans and 52 percent of the dollar volume is within the AA.

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
All Loans	1748	69.81	756	30.19	2506	289,490	51.70	270,490	48.30	559,910

Source: Bank reported originations and purchases during evaluation period.

#### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans made to individuals and families of different income levels and business of different sizes reflects a reasonable penetration and meets the standard for satisfactory performance.

*Thomas County AA*

Residential loans originated to low-income borrowers are lower than the percentage of low-income families within the AA. This is reasonable considering 23 percent of families live below the poverty line and 33 percent of occupied housing units are rental properties. One of the credit needs identified in this area was affordable housing.

<b>Borrower Distribution of Residential Real Estate Loans in Non MSA AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	23.29	2.22	15.22	4.44	18.47	11.11	43.02	48.89
Improvement	23.29	0.00	15.22	0.00	18.47	25.00	43.02	0.00
Refinance	23.29	6.59	15.22	8.20	18.47	9.84	43.02	42.62

*Source: Data reported under HMDA; U.S. Census data. N/A Home Purchase 33.33%, Home Improvement 75.00% and Refinance 32.79%.*

Lending to businesses of different sizes reflects a reasonable penetration and meets the standards for satisfactory performance. Per Dunn and Bradstreet data, 80 percent of businesses within the AA report annual revenues of less than \$1 million. The bank originated 60 percent of the number of loans to businesses with annual revenues less than \$1 million and 40 percent to businesses with annual revenues exceeding \$1 million. The bank originated 76 percent of the loan volume by dollars to businesses with revenues exceeding \$1 million as these companies qualify for higher loan amounts.

<b>Borrower Distribution of Loans to Businesses in Non MSA AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	80.63	6.51	12.86	100%
% of Bank Loans in AA by #	60.00	40.00	0.00	100%
% of Bank Loans in AA by \$	23.30	76.70	0.00	100%

*Conclusions for Areas Receiving Limited-Scope Reviews*

Based on the limited-scope review, the lending performance for borrowers of different income levels and businesses of different sizes in the St. Simons Island, Glynn County, Brunswick AA is consistent with the bank’s overall performance.

**Geographic Distribution of Loans**

TNB’s geographic loan distribution meets the standard for satisfactory performance. Small business and residential mortgage lending reflects a reasonable dispersion throughout the AA.

*Thomas County AA*

The percentage of distribution of residential loans in the AA is lower than the percentage of owner-occupied housing units in low-income CTs. Only three percent of owner-occupied housing units are located in low-income geographies and there is only one low-income geography in the AA. The eight middle-income geographies in the AA are considered distressed or underserved CTs. The percentage of loans in these CTs is higher than the percentage of owner-occupied homes in the AA.

<b>Geographic Distribution of Residential Real Estate Loans in Non MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	2.83	0.00	0.00	13.33	76.07	82.22	21.10	4.44
Improvement	2.83	0.00	0.00	0.00	76.07	100.00	21.10	0.00
Refinance	2.83	0.00	0.00	19.67	76.07	67.21	21.10	13.11

*Source: Data reported under HMDA; U.S. Census data.*

The geographic distribution of small business loans in middle-income CTs is less than the percentage of small businesses in this area. The one low-income CT is located in the far northeast corner of Thomas County and is not convenient to the bank’s offices in Thomasville.

<b>Geographic Distribution of Loans to Businesses in Non MSA AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	1.44	0.00	0.00	0.00	88.07	65.00	10.49	35.00

*Source: Loan sample; D & B data.*

*Conclusions for Areas Receiving Limited-Scope Reviews*

Based on the limited-scope review, the lending performance for loan distribution of small business loans and residential mortgage loans in the geography of St. Simons Island is consistent with the bank’s overall performance.

**Responses to Complaints**

TNB has not received any CRA related consumer complaints since the prior CRA examination.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the community development test is rated "Satisfactory".

The bank's community development (CD) performance reflects adequate responsiveness to CD needs within the combined AAs. The Thomas County AA reflected adequate responsiveness to CD needs. The St. Simons AA reflected poor responsiveness to the CD needs. CD opportunities are limited in this residential community and seaside resort. However, this conclusion is not significant and did not change the conclusion for the combined AA. The bank conducts CD activities through a mix of CD loans, investments, and services. The availability of bank products has a positive impact on the overall community development rating. The branch distribution is adequate. More detail on the level of activity within each of the three components of the CD Test is provided below.

### **Number and Amount of Community Development Loans**

TNB originated fourteen CD loans totaling approximately \$5.7 million during the evaluation period, all in the Thomas County AA. TNB's performance in this area, with consideration given to the available opportunities, reflects adequate responsiveness to community's needs. However, the bank did not originate any loans that meet the definition of community development in the St. Simons Island AA and therefore reflected a poor responsiveness for CD Loans in the St. Simons AA.

### **Number and Amount of Qualified Investments**

During this evaluation period, TNB's qualified investments in the Thomas County AA included donations to fourteen organizations totaling \$826,399. The level of investments reflects adequate responsiveness to the communities' needs. All funds are specifically targeted to benefit low- or moderate-income individuals within this AA.

During this evaluation period, TNB's qualified investments in the St. Simons Island AA included donations to two organizations totaling \$82,622. The level of investments reflects adequate responsiveness to the communities' needs. All funds are specifically targeted to benefit low- or moderate-income individuals within this AA.

### **Extent to Which the Bank Provides Community Development Services**

TNB's CD services within the combined AAs include the bank's products, services, and branch locations that may provide assistance or community services to low- or moderate-income individuals. In addition to their full-service branch and ATM locations, TNB also offers Internet banking and telephone banking for added availability to the bank's products. Branch and ATM delivery systems include three full-service branch locations and two ATMs. The branch in the St. Simons Island AA does not have an ATM. The table below provides a summary of TNB's branch and ATM distribution.

Distribution of Bank Offices and ATMs by Census Tract - Combined AAs						
Census Tract Income	Level Tracts in AAs		Full Service Offices		Automated Teller Machines*	
	#	%	#	%	#	%
Low	1	06.67	0	00.00	0	00.00
Moderate	0	00.00	0	00.00	0	00.00
Middle	8	53.33	2	66.67	2	100.00
Upper	6	40.0	1	33.33	0	00.00
<b>Total</b>	15	100.00	3	100.0%	2**	100.00

Source: 2010 U.S. Census Data; \*No ATMs accept deposits; \*\*Includes - ATMs contiguous to banking locations.

Although the bank does not have any branches in low- or moderate-income CTs, the middle-income CTs in which the branches and ATMs are located are classified “Distressed Due to Poverty.”

TNB employees provided adequate responsiveness to CD services by participating in organizations that benefit low- to moderate-income individuals, promote economic development, or provide affordable housing. During the evaluation period, bank employees provided their financial services expertise to several different CD organizations within the AAs. Examples of TNB’s CD services are listed below.

- Board Member - TEAM 2000 (economic development program Thomas County).
- Board Member - Thomasville Downtown Development Authority.
- Board Member - United Way of Thomas County
- Board Member - Main Street Advisory Board, Thomasville.
- Board Member - City of Thomasville Payroll Development Authority (economic development program).
- Board Member - Thomasville-Thomas County Chamber of Commerce.
- Board Member - Thomasville Landmarks

In addition to the above, bank officers serve in leadership positions in at least eleven additional organizations in the AAs, but the purposes of these organizations do not meet the definition of community development.

### **Responsiveness to Community Development Needs**

Based upon TNB’s overall record within the combined AA’s, a rating of Satisfactory was assigned for the CD Test. The rating was based upon TNB’s adequate responsiveness in the level of CD lending, investments, and services during the evaluation period.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s lending

performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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.

**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, which 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).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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