



## PUBLIC DISCLOSURE

January 29, 2024

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pathward, National Association  
Charter Number 25195

5501 South Broadband Lane  
Sioux Falls, SD 57108

Office of the Comptroller of the Currency

400 7th St. SW  
Washington, DC 20219

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, and should not 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**

Overall CRA Rating .....3  
Description of Institution .....4  
Scope of the Evaluation .....6  
Discriminatory or Other Illegal Credit Practices Review .....8  
State Rating.....9  
    State of South Dakota .....9  
Appendix A: Scope of Examination .....A-1  
Appendix B: Summary of State Ratings.....B-1  
Appendix C: Definitions and Common Abbreviations .....C-1

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

### CONCLUSIONS:

The bank substantially achieves its plan goals for a satisfactory rating.

- The bank's community development (CD) donations in the assessment area (AA) exceeded the established goal for outstanding performance in 2021, 2022, and 2023.
- The bank's CD investments and loans in the AA exceeded the goal for outstanding performance in 2021 and 2023 and met the goal for satisfactory performance in 2022.
- The bank's CD services in the AA exceeded the goal for outstanding performance in 2021, as set forth in its Strategic Plan for the 2021-2023 evaluation period. The bank did not meet the established goal for satisfactory performance in 2022 and 2023.
- The bank's CD investments and loans in the broader statewide regional area (BSRA) exceeded the goal for outstanding performance in 2021, 2022, and 2023.

## Description of Institution

Pathward, National Association (Pathward) is a \$7.9 billion national bank headquartered in Sioux Falls, South Dakota (SD). Pathward is wholly owned by Pathward Financial, Inc. (PFI), which is also headquartered in Sioux Falls, SD. PFI is publicly traded on the NASDAQ exchange under the ticker symbol "CASH". On July 13, 2022, the bank changed its name from MetaBank to Pathward.

Pathward has no branches and owns no deposit-taking automated teller machines (ATMs). The bank did not open or close any branches during the evaluation period, and there was no merger or acquisition activity that affected the bank's CRA activities during the evaluation period. In February 2020, prior to the current evaluation period, the bank sold its retail community bank division consisting of all branch locations and associated deposits, and a portion of the community bank loans. The bank elected to be evaluated under a CRA Strategic Plan beginning in 2021. The bank established performance goals associated with its AA and a BSRA.

The bank's AA is based on its main office and consists of the Sioux Falls Metropolitan Statistical Area (MSA), which includes Minnehaha, Lincoln, McCook, and Turner counties within the state of SD. Based on 2020 U.S. Census data, the AA population is approximately 277,000. The AA is comprised of 64 census tracts (CTs), of which two are low-income and 16 are moderate-income CTs. There is significant banking competition within the AA with 41 deposit-taking institutions operating in the market based on the June 30, 2023 FDIC Deposit Market Share Report. Community contacts indicated affordable housing and financial literacy as primary needs within the AA. The bank's BSRA is the West North Central region, which includes the states of South Dakota, Iowa, Minnesota, Nebraska, North Dakota, Kansas, and Missouri. The BSRA has a population of about 21 million and consists of 5,843 CTs, of which 4.5 percent are low-income and 19.5 percent are moderate-income.

Pathward's strategic focus is to provide innovative financial solutions to consumers and businesses in underserved niche markets. Pathward's business lines include banking as a service (BaaS) and commercial finance (CF). The BaaS segment focuses on offering payments, card issuing, consumer credit, and tax solutions nationwide. Specific BaaS products and activities include prepaid cards, consumer demand deposit accounts, personal loans, tax refund advance loans, tax refund transfer solutions, ATM sponsorship, Automated Clearing House (ACH) processing, and merchant acquiring. The CF segment offers various lending products nationwide that assist businesses of all sizes and industries that are often unable to access traditional financing solutions. Specific CF products include asset-based lending, factoring, equipment finance, insurance premium finance, government guaranteed lending, and other types of lending.

The bank made notable efforts to serve those impacted by the COVID-19 pandemic. Pathward distributed \$24.2 billion of stimulus funds through prepaid cards to consumers across the nation as part of the federal Economic Impact Payments program. This included \$16.5 million to recipients with no bank account on file with the Internal Revenue Service and may be connected to the underserved or unbanked population. Pathward also participated in the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) lending during the pandemic. The bank originated PPP loans totaling approximately \$312 million to over 700 businesses across much of the country.

In 2021, Pathward implemented its Community Impact Program. The program encourages bank employees to support local communities where they live and work. Key aspects of the program include

paid time off for volunteering, and bank contributions to an employee's nonprofit of choice when an employee logs volunteer hours at a qualified organization. During 2021-2023, bank employees served 5,729 hours at nonprofits as part of the bank's volunteer time off program, and the bank contributed nearly \$20 thousand to CD nonprofits as an incentive for employee volunteerism.

As of December 31, 2023, the bank's net loans total \$4.4 billion and represent 56.1 percent of total assets. By dollar volume, the loan portfolio is comprised of 91.8 percent commercial loans and 8.2 percent consumer loans. The loan portfolio does not include any home mortgage loans or agriculture loans. Total deposits equal \$6.9 billion, and tier one capital is \$608.0 million, as of December 31, 2023.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AA. Pathward (as MetaBank) received an Outstanding rating at the prior CRA examination dated February 3, 2020, which covered the period January 1, 2016 to December 31, 2018.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period is January 1, 2021 through December 31, 2023.<sup>1</sup> Pathward's evaluation goals are set forth in a CRA Strategic Plan that was approved by the Office of the Comptroller of the Currency (OCC) on December 21, 2020, and covers calendar years 2021, 2022, and 2023. The bank's performance was assessed pursuant to the OCC's CRA Strategic Plan Examination Procedures.

The bank defined its goals with consideration of its business model and the needs and opportunities in its AA and BSRA. The approved CRA Strategic Plan established four specific goals with measurable requirements for Outstanding and Satisfactory performance:

- Goal 1: CD Investments and Loans in the AA
- Goal 2: CD Donations in the AA
- Goal 3: CD Services in the AA
- Goal 4: CD Investments and Loans in the BSRA

The annual goal for CD investments and loans in the AA is based on the dollar amount of the purchased investments or originated loans made during the respective year. Additionally, the final year (2023) goal allows for the inclusion of prior period investments based on the book value outstanding as of December 31, 2023, the final day of the current evaluation period. Prior period investments are those that were made before the current evaluation period, i.e., prior to 2021. The annual goal for CD donations is based on donations funded during the respective year. The annual goal for CD services is based on the number of hours per full-time employee (FTE), using the number of FTEs within the AA as of the prior calendar year end to establish the FTE count. The annual goal for CD investments and loans in the BSRA is stated as a percentage of the bank's tier one capital as of the prior calendar year end. The final year (2023) BSRA investment and loan goal allows for the inclusion of prior period investments based on book value outstanding as of December 31, 2023.

The OCC evaluated the bank's submitted CD activities and determined which ones qualified based on the CRA Rules that were in effect at the time the CD activities occurred. During the evaluation period, the CRA rules changed, with the 2020 CRA Rule applicable for 2021 and the 2021 CRA Rule applicable for 2022 and 2023. Pathward's CRA Strategic Plan was based on the 2020 CRA Rule, and bank management did not opt to amend the plan because of the 2020 Rule rescission. A key difference between the rules is that the 2020 Rule had a broader definition of CD services and did not require volunteerism to be a provision of financial services.

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<sup>1</sup> The approved CRA Strategic Plan and this evaluation do not include the bank's performance in 2019 and 2020. This is because the bank was subject to Large Bank CRA procedures during that timeframe, and a Large Bank CRA evaluation would not accurately reflect Pathward's revised strategic focus. Also, retail lending activity in the AA was limited following the community bank division sale in February 2020 and would not provide meaningful analysis. Further, adjusting the evaluation period accounted for the change in evaluation type from Large Bank to Strategic Plan and avoided a hybrid evaluation.

### **Selection of Areas for Full-Scope Review**

This evaluation includes a full-scope review of the bank's performance in meeting the established CRA Strategic Plan goals within the bank's AA and the BSRA.

### **Ratings**

The bank's overall rating is based on the performance as agreed upon in the strategic planning application process.

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

Pursuant to 12 CFR 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 Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution 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.



## State Rating

### State of South Dakota

**CRA Rating for the State of South Dakota: Satisfactory**

#### CONCLUSIONS WITH RESPECT TO PERFORMANCE IN SOUTH DAKOTA:

The bank substantially achieves its plan goals for a satisfactory rating within the state of South Dakota.

#### DISCUSSION OF PERFORMANCE IN THE SIOUX FALLS ASSESSMENT AREA AND BROADER STATEWIDE REGIONAL AREA:

##### CD Investment and Loans in the AA

Strategic Plan Goal and Actual Performance				
Goal	Year	Established Goals (in \$000s)		Actual Performance (in \$000s)
		Satisfactory	Outstanding	
CD Investments and Loans in the AA	2021	\$2,000	\$3,000	\$3,416
	2022	\$2,000	\$3,000	\$2,198
	2023*	\$4,000	\$5,000	\$6,985

*\*2023 includes the book value of prior period investments that remain outstanding as of December 31, 2023. Prior period investments are those that were made prior to 2021.*

Pathward exceeded the CD investments and loans in the AA goal for outstanding performance in two of the three years within the evaluation period and met the satisfactory performance goal in the other year. In 2021, the bank made eight qualified CD investments totaling \$3.4 million, which exceeded the \$3.0 million benchmark for outstanding performance. CD investments in 2021 supported affordable housing and essential community facilities. In 2022, the bank made five qualified CD investments totaling \$2.2 million, which exceeded the \$2.0 million benchmark for satisfactory performance but did not meet the \$3.0 million benchmark for outstanding performance. CD investments in 2022 supported affordable housing. In 2023, the bank made 14 new qualified CD investments totaling \$4.1 million and retained seven prior period CD investments with balances of \$2.9 million outstanding. Aggregate CD investments for 2023 totaled nearly \$7.0 million, which significantly exceeded the \$5.0 million benchmark for outstanding performance. CD investments in 2023 supported affordable housing.

Summaries of notable qualified CD investments benefiting the AA are listed below.

- \$1.6 million investment during 2021 in a mortgage-backed security (MBS) comprised of mortgages to low- and moderate-income (LMI) borrowers within the Sioux Falls AA. The investment supported affordable housing for LMI people.
- \$1.2 million of Sioux Falls school district bonds in 2021 to finance the construction of two new school buildings and various smaller projects at other facilities within the district. The investment supported essential community facilities that partially serve LMI people. The bank's qualified investment is a portion of the full investment allocated based on LMI impact.
- \$771 thousand investment during 2022 in a MBS comprised of mortgages to LMI borrowers in the AA, which supported affordable housing.

- \$1.1 million investment during 2023 in a MBS comprised exclusively of mortgages to moderate-income borrowers in the AA, which supported affordable housing.

**CD Donations in the AA**

<b>Strategic Plan Goal and Actual Performance</b>				
<b>Goal</b>	<b>Year</b>	<b>Established Goals</b>		<b>Actual Performance</b>
		<b>Satisfactory</b>	<b>Outstanding</b>	
CD Donations in the AA	2021	\$50,000	\$60,000	\$149,900
	2022	\$60,000	\$70,000	\$172,400
	2023	\$70,000	\$80,000	\$224,132

Pathward exceeded the CD donation goal for outstanding performance during each year of the evaluation period. In 2021, the bank made 13 qualified CD donations totaling \$149,900, which significantly exceeded the \$60,000 goal for outstanding performance. Donations in 2021 supported community services for LMI individuals in the bank’s AA, and to a lesser extent affordable housing and financial literacy. In 2022, the bank made nine qualified donations totaling \$172,400, which significantly exceeded the \$70,000 goal for outstanding performance. Donations in 2022 supported affordable housing and community services for LMI individuals in the AA. In 2023, the bank made 15 qualified donations totaling \$224,132, which significantly exceeded the \$80,000 goal for outstanding performance. Donations in 2023 supported community services for LMI individuals and affordable housing in the AA.

Summaries of notable CD donations benefiting the AA are listed below.

- Two donations in 2021 totaling \$33,500 to promote financial literacy in Sioux Falls schools.
- A \$50,000 donation in 2022 to build a tiny home community in Sioux Falls, which provides affordable housing and outreach assistance to veterans, whom are primarily LMI.
- Two donations during 2022 and 2023 totaling \$150,000 to build new homes for LMI families.
- Two donations during 2021 and 2023 totaling nearly \$85,000 to provide funding for various nonprofits and programs offering community services to primarily LMI individuals.

**CD Services in the AA**

<b>Strategic Plan Goal and Actual Performance</b>					
<b>Goal</b>	<b>Year</b>	<b>Established Goals</b>		<b>Actual Performance</b>	
		<b>Hours per FTE*</b>		<b>Hours</b>	<b>Hours per FTE</b>
		<b>Satisfactory</b>	<b>Outstanding</b>		
CD Services in the AA	2021	1.0	1.25	750	1.59
	2022	1.0	1.25	367	0.88
	2023	1.0	1.25	351	0.94

\*FTE count is based on the number of full-time employees in the Sioux Falls AA as of the prior calendar year end.

Pathward exceeded the CD service goal for outstanding performance in 2021. Pathward did not meet the goals for satisfactory performance in 2022 or 2023.

In 2021, bank employees provided 750 hours of CD services to qualified organizations serving the AA. There were 471 FTEs in the AA as of the prior year end (December 31, 2020), which resulted in an average of 1.59 CD service hours per FTE. This figure exceeded the bank's outstanding performance goal of 1.25 hours per FTE.

In 2022, bank employees provided 367 hours of CD services to qualified organizations serving the AA. There were 418 FTEs in the AA as of the prior year end (December 31, 2021), which resulted in an average of 0.88 service hours per FTE. This did not meet the bank's goal of one hour per FTE for satisfactory performance. Pathward employees did provide an additional 197 service hours at a qualified CD organization; however, the activities cannot be included in the performance results because they do not meet the "provision of financial services" requirement under the 2021 CRA Rule.

In 2023, bank employees provided 351 hours of CD services to qualified organizations serving the AA. There were 373 FTEs in the AA as of the prior year end (December 31, 2022), which resulted in an average of 0.94 service hours per FTE. This did not meet the bank's goal of one service hour per FTE for satisfactory performance. Similar to the above, Pathward employees provided an additional 207 service hours at qualified CD organizations; however, the activities cannot be included in the performance results because they do not meet the "provision of financial services" requirement under the applicable CRA Rule.

Summaries of notable qualified CD services are listed below.

- In 2021, bank employees volunteered 181 hours assisting with a backpack program, food box packing, and food sorting efforts in Sioux Falls. These programs provide food for primarily LMI children and families in the Sioux Falls area.
- Bank employees volunteered 66 hours during the evaluation period teaching financial literacy to students in Sioux Falls schools. The impacted schools predominately serve children on the free and reduced lunch program, which is a proxy for LMI.
- A bank employee served 80 hours during the evaluation period assisting in the selection of LMI families for new affordable homes in Sioux Falls.

**CD Investment and Loans in the BSRA**

<b>Strategic Plan Goal and Actual Performance</b>					
<b>Goal</b>	<b>Year</b>	<b>Established Goals as a Percent of Tier 1 Capital*</b>		<b>Actual Performance</b>	
		<b>Satisfactory</b>	<b>Outstanding</b>	<b>\$ (000s)</b>	<b>% of Capital</b>
CD Investments and Loans in the BSRA	2021	8%	10%	\$54,566	10.4%
	2022	8%	10%	\$66,337	11.7%
	2023**	11%	13%	\$82,138	14.8%

\* Based on dollar amount of qualified investments and loans as a percentage of tier one capital, using the tier one capital reported in the call report as of December 31 of the prior year.

\*\*2023 includes the book value of prior period investments that remain outstanding as of December 31, 2023. Prior period investments are those that were made prior to 2021.

Pathward exceeded the CD investment and loans in the BSRA goal for outstanding performance in all three years of the evaluation period. In 2021, the bank made 20 qualified CD investments totaling \$54.6 million, which represented 10.4 percent of tier one capital and exceeded the ten percent of tier one capital benchmark for outstanding performance. CD investments in 2021 supported affordable housing and essential community facilities. In 2022, the bank made 12 qualified CD investments and one CD loan totaling \$66.3 million, which represented 11.7 percent of tier one capital and exceeded the ten percent of tier one capital benchmark for outstanding performance. CD investments and loans in 2022 supported affordable housing and economic development throughout various states in the bank's BSRA. In 2023, the bank made eight new qualified CD investments totaling \$19.3 million and retained 27 prior period CD investments with outstanding balances of \$62.8 million. Aggregate CD investments for 2023 totaled \$82.1 million and represented 14.8 percent of tier one capital, which exceeded the 13.0 percent of tier one capital benchmark for outstanding performance. New CD investments in 2023 supported affordable housing, and outstanding prior period investments supported affordable housing and, to a lesser extent, community services for LMI and economic development.

Pathward's practice is to retain CD investments until the investments mature or are called. This results in a significant volume of investments that remain on the balance sheet for several years and provide a long-term CD impact. For context, Pathward's total outstanding CD investments in the BSRA represented 33.4 percent of capital, as of December 31, 2023.

Summaries of notable qualified CD investments benefiting the BSRA are listed below.

- Investments in a BSRA state housing finance agency totaling \$25.5 million in 2021, \$34.5 million in 2022, and \$2.1 million in 2023. The bonds provided the agency with funding to continue its programs of purchasing mortgages primarily made to LMI borrowers. The investments support affordable housing for LMI people in Minnesota.
- A \$5 million equity investment in 2022 in a certified Community Development Financial Institution (CDFI) that specializes in single family home mortgage lending across much of the United States. The bank's investment in the CDFI was targeted to promote affordable housing in the bank's AA and BSRA.
- Bond purchases of \$312 thousand in a school district in the BSRA to fund renovations to the elementary and high school buildings. The schools are essential community facilities, which are in and serve a distressed and underserved middle-income census tract.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, loan products considered, and affiliate activities that were reviewed. The table also reflects the MSAs and non-MSAs that received comprehensive examination review.

<b>Time Period Reviewed:</b>	01/01/2021 – 12/31/2023	
<b>Bank Products Reviewed:</b>	Community development loans, investments, and services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not applicable	Not applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Other Information</b>	
<b>State of South Dakota</b>		
Sioux Falls MSA	<i>Counties of Minnehaha, Lincoln, Turner, and McCook.</i>	
<b>Broader Statewide Regional Area</b>		
West North Central Region	<i>States of South Dakota, Iowa, Minnesota, Nebraska, North Dakota, Kansas, and Missouri.</i>	

# Appendix B: Summary of State Ratings

State Name	State Rating
South Dakota	Satisfactory

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) 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, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. Census tracts ideally contain about 4,000 people and 1,600 housing units.

**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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

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



**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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 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.

**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) 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.