

PUBLIC DISCLOSURE

February 25, 2002

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

TIOGA STATE BANK

ONE MAIN STREET

SPENCER, NEW YORK 14883

FEDERAL RESERVE BANK OF NEW YORK

**33 LIBERTY STREET
NEW YORK, N.Y. 10045**

NOTE: 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's CRA Rating	BB1
Description of Institution	BB1
Description of the Bank's Assessment Areas	BB1
Conclusions With Respect to Performance Criteria.....	BB2
Loan-to-deposit Ratio.....	BB2
Lending in the Assessment Areas	BB2
Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes	BB3
Geographic Distribution of Loans.....	BB5
Response to Complaints	BB5
Metropolitan Area (Full Review) MSA 0960 (Binghamton, NY).....	BB6
Description of Assessment Area	BB6
Conclusions With Respect to Performance Criteria.....	BB7
Metropolitan Area (Full Review) MSA 2335 (Elmira, NY).....	BB8
Description of Assessment Area	BB8
Conclusions With Respect to Performance Criteria.....	BB9
Non-Metropolitan Area (Full Review) Schuyler and Tompkins Counties	BB10
Description of Assessment Area	BB10
Conclusions With Respect to Performance Criteria.....	BB10
Exhibits	
Exhibit 1-- Distribution of Loans in Assessment Area by Borrower Income Levels	BB3
Exhibit 2 -- Distribution of Loans in Assessment Area by Size of Business.....	BB4
Appendices	
CRA Appendix A: Glossary.....	BB12
CRA Appendix B: Map of Assessment Area.....	BB15

INSTITUTION'S CRA RATING: Tioga State Bank is rated "SATISFACTORY."

For the examination period of January 1, 1998, through November 30, 2001, the satisfactory performance of Tioga State Bank ("Tioga") with regard to the Community Reinvestment Act ("CRA") is based on the following performance criteria:

- a reasonable loan-to-deposit ratio;
- a substantial majority of loans in the assessment areas;
- an excellent distribution of loans to borrowers of different income levels, including low- and moderate-income ("LMI") individuals and businesses of different sizes; and
- a reasonable geographic distribution of loans in the assessment areas.

DESCRIPTION OF INSTITUTION

Tioga is a retail commercial bank wholly owned by TSB Services Inc., a one-bank holding company. The bank operates seven branches in the western portion of upstate New York, including a main office in the village of Spencer, two branches in the village of Owego, one branch in the village of Waverly, and one branch in each of the towns of Candor, Van Etten and Newfield. Each branch has a 24-hour automated teller machine ("ATM") connected to a nationwide ATM electronic network.

Tioga offers a variety of commercial and consumer products. As of September 30, 2001, the bank's total assets were \$160.7 million with total loans of \$92.5 million. Most of the loans (\$72.3 million or 78 percent) are real estate-related, including \$55.6 million in residential mortgage loans (60 percent of all loans). Consumer loans total \$11.9 million (or 13 percent of all loans), and commercial and industrial loans total \$8.3 million (or 9 percent of all loans).

There are no financial or legal impediments preventing Tioga from servicing the credit needs of consumers and small businesses in its assessment areas.

DESCRIPTION OF THE BANK'S ASSESSMENT AREAS

Tioga's assessment areas are rural in nature and include parts of two metropolitan statistical areas, MSA 0960 (Binghamton, NY) and MSA 2335 (Elmira, NY), as well as part of a non-metropolitan statistical area with portions of Schuyler and Tompkins Counties.

A map illustrating the bank's assessment areas is on page BB15.

PERFORMANCE CONTEXT

The demographic and economic information noted in this performance evaluation was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census, 1990, the U.S. Department of Labor, U.S. Department of Housing and Urban Development ("HUD"), and the New York State Department of Labor.

The assessment areas consist of 11 census tracts and 3 block numbering areas ("BNAs") in Tioga, Chumung, Schuyler and Tompkins Counties. Of the 14 geographies in the bank's assessment areas, none are classified as low-income tracts, 2 (14 percent) are moderate-income, 9 (64 percent) are middle-income, and 3 (22 percent) are upper-income tracts.

The assessment areas' population totals 75,030. Thirty-seven percent of the families are LMI, 26 percent are middle-income, and 37 percent are upper-income. There are 21,408 owner-occupied housing units in the assessment areas. The 1990 median housing value for the assessment areas is \$62,289, and the gross median rent is \$390. Of the 2,135 non-farm business establishments in the assessment areas, 1,870 have gross annual revenues ("GAR") of \$1 million or less.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The "satisfactory" rating is based on an assessment of Tioga's core performance criteria. For the performance levels relating to lending, income and geographic distribution, a sample of 475 loans originated during the review period of January 1, 2000, to November 30, 2001, was analyzed. The sample includes 153 HMDA-related loans, 183 consumer loans and 139 business loans.

Loan-to-deposit Ratio

Tioga's loan-to-deposit ratio was reasonable given the bank's size, financial condition and the credit needs of its assessment areas. Based on information in its *Consolidated Report of Condition and Income*, the bank's average of loan-to-deposit ratios for the ends of the last four quarters (each commencing September 30, 2001) was 67 percent. This ratio is slightly lower than the average of 73 percent for similarly sized banks in the region. As of September 30, 2001, Tioga had a slightly lower ratio (73 percent) of net loans and leases to deposits in relation to its national peer group average of 78 percent.

Lending in the Assessment Area

Tioga originated most of its loans in its assessment areas. Of the total number of loans sampled, 86 percent was extended in the bank's assessment areas. Of the real estate-related loans, 86 percent were made in the bank's assessment areas. In addition, 81 percent of the commercial loans and 91 percent of the consumer loans were made in the bank's assessment areas.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Overall, Tioga's record of lending to borrowers of different income levels, including LMI individuals and businesses of different sizes, was excellent given the demographics of its assessment areas. An analysis of the lending distribution in each loan category follows:

EXHIBIT 1			
Distribution of Loans in Assessment Area			
By Income Level of Borrower			
January 1, 2000 - November 30, 2001			
	HMDA-RELATED	CONSUMER	TOTAL
LOW-INCOME:			
Less than 50% of Median Income			
Number	16	44	60
Percentage	12%	27%	20%
Amount (\$)	\$272,000	\$248,219	\$520,219
Percentage	5%	15%	7%
MODERATE-INCOME:			
At least 50% & less than 80% of Median Income			
Number	24	31	55
Percentage	18%	19%	19%
Amount (\$)	\$705,000	\$245,660	\$950,660
Percentage	12%	15%	13%
MIDDLE-INCOME:			
At least 80% & less than 120% of Median Income			
Number	33	36	69
Percentage	25%	22%	24%
Amount (\$)	\$1,319,000	\$468,726	\$1,787,726
Percentage	23%	29%	24%
UPPER-INCOME:			
120% or more of Median Income			
Number	57	52	109
Percentage	44%	32%	37%
Amount (\$)	\$3,462,000	\$657,887	4,119,887
Percentage	60%	41%	56%

EXHIBIT 2 Distribution of Loans in Assessment Areas By Size of Business January 1, 2000 - November 30, 2001 SMALL BUSINESS LENDING SUMMARY					
Number of loans to businesses	Number of loans to <u>small</u> businesses*	% of loans to <u>small</u> businesses*	\$ amount of loans to businesses	\$ amount of loans to <u>small</u> businesses*	% of \$ amount of loans to <u>small</u> businesses*
112	102	91%	\$4,324,986	\$2,793,324	65%

HMDA-related Loans

The bank had a reasonable level of HMDA-related lending to borrowers of different income levels. Exhibit 1 shows that loans to LMI borrowers totaled 30 percent of the loans sampled, while LMI families represent 37 percent of all families in the assessment areas. Loans to low- and moderate-income borrowers totaled 12 percent and 18 percent of the loans sampled, respectively. The ratio of lending to low-income families adequately reflects demographics of the assessment areas indicating that 18 percent of all families are low-income. The ratio of lending to moderate-income families is comparable to the demographics of the assessment areas, in which 18 percent of families are of moderate income.

Consumer Loans

The bank's consumer lending to borrowers of different income levels was excellent. Exhibit 1 on page BB3 shows that loans to LMI borrowers totaled 46 percent of the loans sampled, while LMI families represent 37 percent of all families in the assessment areas. Loans to low- and moderate-income borrowers totaled 27 percent and 19 percent of the loans sampled, respectively. These ratios compare favorably with the demographics of the assessment areas where 18 percent of all families are of low income and 18 percent of families are of moderate income.

Business Loans

The bank's level of lending to businesses with revenues of \$1 million or less was excellent. Exhibit 2 shows that 91 percent of the loans sampled were made to such businesses. This ratio compares favorably with the percentage (88 percent) of non-farm business establishments in Tioga's assessment areas with GAR of \$1 million or less.

* Businesses with gross annual revenues of \$1 million or less.

Approximately 91 percent of total small business loans originated by Tioga during the examination period were for amounts less than or equal to \$100 thousand. The average loan size was \$22 thousand, an amount that would meet the credit needs of smaller businesses.

Geographic Distribution of Loans

Overall, Tioga's geographic distribution of loans is considered reasonable given the demographics of the bank's assessment areas. An analysis of the distribution of lending for each loan category follows:

HMDA-related Loans

The geographic distribution of the bank's HMDA-related lending was excellent. Of the HMDA-related loans originated in the bank's assessment area and included in the sample, 15 percent were originated in moderate-income census tracts. In comparison, 11 percent of owner-occupied housing units in the assessment area are located in moderate-income census tracts.

Consumer Loans

The geographic distribution of the bank's consumer loans was reasonable. Of the sampled consumer loans originated in the bank's assessment areas, 9 percent were originated in moderate-income census tracts. In comparison, 12 percent of the assessment areas' population and households reside in moderate-income census tracts.

Business Loans

The geographic distribution of business loans was poor. Of the business loans originated in the bank's assessment areas and included in the sample, 6 percent were originated in moderate-income census tracts. This ratio is less than favorable compared with the number of non-farm business establishments located in moderate-income census tracts, which total 13 percent of the non-farm business establishments in the assessment areas.

Response to Complaints

Tioga received no complaints relating to the bank's CRA performance, and no complaints have been filed with the Federal Reserve Bank of New York since the previous examination.

Tioga is in compliance with the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act.

MSA 0960 (BINGHAMTON, NY)

DESCRIPTION OF THE ASSESSMENT AREA

Demographic Characteristics

According to the 1990 Census, the population in the assessment area portion of MSA 0960 (Binghamton, NY) is 52,337, representing 20 percent of the MSA population. The 1990 median family income for the assessment area is \$36,666. The HUD estimated 2001 median family income for MSA 0960 (Binghamton, NY) is \$44,700. There are 14,461 households that are classified as families in the assessment area. Of the total number of families, 19 percent are low-income, 18 percent moderate-income, 26 percent middle-income, and 37 percent are upper-income. Seven percent of the families in the assessment area have incomes below the poverty level.

Housing Characteristics

The assessment area contains 20,254 housing units of which 73.3 percent are owner-occupied. This is higher than the owner-occupied housing rates of 63.2 percent for the MSA and 48 percent for New York State. Within LMI census tracts, 65 percent of the housing units are owner-occupied. Based on the 1990 Census, the median housing values are \$63,527 for the assessment area and \$77,775 for the MSA. The median housing age in the MSA is 40 years, and in the assessment area, 32 years, based on the 1990 Census data.

Labor, Employment and Economic Characteristics

According to the winter 2002 edition of *The Regional Economy of Upstate New York*, published by the Federal Reserve Bank of New York (Buffalo Branch), Binghamton does not have a particularly diverse economy. Workers for the most part are concentrated in the computer and electronics industries. More specifically, Tioga County's manufacturing work force is focused on high tech industries such as aerospace, electronic systems and equipment, and complex multi-layer printed circuit boards. The major corporations in Tioga County include IBM, Lockheed Martin Federal Systems, Felchar Manufacturing and Endicott-Johnson.

In addition, according to the summer 2000 edition of *The Regional Economy of Upstate New York*, Binghamton experienced modest job losses in the manufacturing and government sectors. However, this was more than offset by a hefty 19 percent gain in the finance, insurance and real estate sectors, coupled with sizable increases in service, retail and construction jobs.

Of the 1,540 non-farm business establishments in the assessment area, 1,352 have GAR of \$1 million or less. There are 267 small business establishments in moderate-income census tracts, which are in Tioga's assessment area.

According to the New York State Department of Labor, the unemployment rate in MSA 0960 (Binghamton, NY) is 5.4 percent as of December 2001, which represents an increase from the

3.3 percent unemployment rate in December 2000. The New York State jobless rate is 5.5 percent as of December 2001.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN MSA 0960 (BINGHAMTON, NY)

Tioga's overall record of lending in the portion of its assessment area within the Binghamton MSA was reasonable. An analysis of lending to borrowers of different income levels and to businesses of different sizes for each major loan category follows:

HMDA-related Loans

The distribution of HMDA-related loans among individuals of different income levels was reasonable. HMDA-related loan originations to LMI borrowers totaled 31 percent of the HMDA-related loans sampled in this part of the bank's assessment area. This ratio adequately reflects the demographics of the assessment area indicating that 37 percent of the families are LMI.

Consumer Loans

The level of consumer loan originations to individuals of different income levels was excellent. Of the sample, 48 percent were made to LMI borrowers. This ratio compares favorably with the assessment area demographics showing 37 percent of the families are LMI.

Business Loans

Lending to businesses with revenues of \$1 million or less was excellent. Of the business loans sampled, 91 percent were made to businesses with GAR of \$1 million or less. This ratio compares favorably with the demographics of the assessment area where 88 percent of the non-farm business establishments have GAR of \$1 million or less.

An analysis of the geographic distribution of lending for each major loan category follows:

HMDA-related Loans

The bank's distribution of HMDA-related loans in the moderate-income census tracts was excellent. Twenty percent of the HMDA-related loans were made in moderate-income census tracts. This ratio compares favorably with the demographics of the assessment area where 16 percent of the owner-occupied housing units are located in the moderate-income census tracts.

Consumer Loans

The level of consumer lending to households in the moderate-income census tracts was reasonable. Twelve percent of consumer loans were extended to households in moderate-income

census tracts while households in the moderate-income tracts represent 18 percent of the assessment area.

Business Loans

Business lending in the moderate-income census tracts was poor. Eight percent of the business loans were made to businesses located in moderate-income census tracts. This ratio compares unfavorably with the 17 percent of non-farm business establishments are located in these moderate-income census tracts.

MSA 2335 (ELMIRA, NY)

DESCRIPTION OF THE ASSESSMENT AREA

Demographic Characteristics

According to the 1990 Census, the population in the assessment area portion of MSA 2335 (Elmira, NY) is 7,590, representing 8 percent of the MSA population. The 1990 median family income for the assessment area is \$28,741. The HUD estimated 2001 median family income for MSA 2335 (Elmira, NY) is \$43,200. There are 2,120 households that are classified as families in the assessment area. Of the total number of families, 18 percent are low-income, 24 percent are moderate-income, 28 percent are middle-income, and 30 percent are upper-income. Seven percent of the families in the assessment area have incomes below the poverty level. There are no LMI census tracts in the assessment portion of the MSA.

Housing Characteristics

The assessment area contains 2,970 housing units, and 77 percent of them are owner-occupied. This rate is higher than the MSA's owner-occupied housing rate of 64.6 percent and the New York State rate of 48 percent. Based on the 1990 Census, the median housing value is \$44,794 for the assessment area and \$53,104 for the MSA. The median age of housing in the MSA is 56 years, and 25 years for the assessment area, based on the 1990 Census data.

According to the New York State Association of Realtors, Inc., the selling price of a home in the Elmira area averaged \$81,633 as of November 2001.

Labor, Employment and Economic Characteristics

According to the New York State Department of Labor, the current unemployment rate in MSA 2335 (Elmira, NY) as of December 2001 is 6.6 percent, which increased from the December 2000 rate of 4.1 percent. The New York State jobless rate is 5.5 percent as of December 2001.

Chemung County has a broad range of diversified businesses. Some of the major manufacturing firms include Anchor Glass Container Corporation, Corning Incorporated, Cutler-Hammer, and Toshiba Display Devices. The job classifications employing the majority of the Chemung

County workforce as of 2000 follow: 29.8 percent of workers were employed in the services sector, 22.6 percent in wholesale and retail trade, 20 percent employed in the manufacturing sector, 17.3 percent are employed by government, and 11 percent work in construction, finance, insurance, real estate, transportation and public utilities.

Of the 149 non-farm business establishments in the assessment area, 136 have GAR of \$1 million or less.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN MSA 2335 (ELMIRA, NY)

Tioga's overall record of lending in the portion of its assessment area within the Elmira MSA was excellent. An analysis of the lending to borrowers of different income levels and to businesses and farms of different sizes for each major loan category follows:

HMDA-related Loans

Tioga had a reasonable distribution of HMDA-related loans among individuals of different income levels. HMDA-related loans to LMI borrowers totaled 29 percent of the HMDA-related loans sampled in this part of the bank's assessment area. This ratio adequately reflects the demographics of the assessment area with 42 percent of the families LMI.

Consumer Loans

Consumer loan origination to individuals of different income levels was excellent. Of the sample, 50 percent were made to LMI borrowers. This ratio favorably reflects the demographics of the assessment area showing that 42 percent of the families are LMI.

Business Loans

Lending to businesses with revenues of \$1 million or less was excellent. Of the business loans sampled, 100 percent were made to businesses with GAR of \$1 million or less. This ratio compares favorably with the demographics of the assessment area where 91 percent of the non-farm business establishments have GAR of \$1 million or less.

An analysis of the geographic distribution of HMDA-related, consumer and business loans shows that Tioga is lending throughout the Elmira MSA portion of the assessment area in each loan category. The Elmira portion of the assessment area does not have any LMI census tracts.

NON-MSA TOMPKINS AND SCHUYLER COUNTIES

DESCRIPTION OF THE ASSESSMENT AREA

Demographic Characteristics

According to the 1990 Census, the population in the assessment area portion of Tompkins and Schuyler Counties is 15,103. The 1990 median family income for the assessment area is \$33,436. The HUD estimated 2001 median family income for the non-metropolitan portion of New York State is \$41,400. There are 4,092 households that are classified as families in the assessment area. Of the total number of families, 15.9 percent of the families are low-income, 17.1 percent are moderate-income, 24.9 percent are middle-income, and 42.1 percent are upper-income. Six percent of the families in the assessment area have incomes below the poverty level. There are no LMI geographies in this assessment area.

Housing Characteristics

The assessment area contains 6,067 housing units of which 71 percent are owner-occupied. This is higher than the rate of 54.5 percent for the MSA and the New York State rate of 48 percent. Based on the 1990 Census, the median housing value is \$68,201 for the assessment area and \$65,620 for the MSA. The median housing age is 42 years in the combined counties, and 30 years for the assessment area portion, based on the 1990 Census data.

According to the New York State Association of Realtors, the average selling price of a home in Tompkins County was \$114,824 as of November 2001.

Labor, Employment and Economic Characteristics

According to the New York State Department of Labor, the unemployment rate in Tompkins County is 3.3 percent as of December 2001, an increase from 2.5 percent the year before but lower than the state rate of 5.5 percent as of December 2001.

The unemployment rate in Schuyler County as of December 2001 is 8.7 percent, which increased since the December 2000 rate of 5.9 percent and exceeded the New York State rate of 5.5 percent as of December 2001.

There are 446 non-farm business establishments in the assessment area, and 382 of them have GAR of \$1 million or less.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN NON-MSA TOMPKINS AND SCHUYLER COUNTIES

Tioga's overall record of lending in the non-MSA portion of its assessment area was excellent. An analysis of lending to borrowers of different income levels and to businesses of different sizes for each major loan category follows:

HMDA-related Loans

The distribution of HMDA-related loans among individuals of different income levels was excellent. HMDA-related loan originations to LMI borrowers totaled 33 percent of the HMDA-related loans sampled in this part of the bank's assessment area. This ratio reflects the assessment area demographics, which indicate that 33 percent of the families are LMI.

Consumer Loans

The consumer loan originations to individuals of different income levels was excellent. Of the sample, 32 percent were made to LMI borrowers. This ratio is comparable with the demographics of the assessment area, which indicate that 33 percent of the families are LMI.

Business Loans

Lending to businesses with revenues of \$1 million or less was excellent. Of the business loans sampled, 88 percent were made to businesses with GAR of \$1 million or less. This ratio compares favorably with the demographics of the assessment area where 86 percent of the non-farm business establishments have GAR of \$1 million or less.

An analysis of the geographic distribution of HMDA-related, consumer, and business loans shows that the Tioga is lending throughout the non-MSA portion of the assessment area in each loan category. The non-MSA portion of the assessment area has no LMI geographies.

CRA APPENDIX A

GLOSSARY

Block numbering area (“BNA”): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census tract: 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 statistical 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.

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 criteria are analyzed considering performance context and quantitative factors (e.g., geographic distribution and borrower distribution).

Geography: A census tract or a block numbering area 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 income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

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

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.

Metropolitan area (“MA”): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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

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.

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”) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in “loans to small farms” as defined in the instructions for preparation of the 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.

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

CRA APPENDIX B

INSERT MAP OF ASSESSMENT AREA HERE