PUBLIC DISCLOSURE

January 24, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Builders Bank
Certificate #34613

225 West Wacker Drive, Suite 2000
Chicago, Illinois 60606

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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.

TABLE OF CONTENTS

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of ***Builders Bank, Chicago, Illinois,*** *prepared by the* ***Federal Deposit Insurance Corporation****, the institution's supervisory agency, as of* ***January 24, 2011****. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Needs To Improve.
Builders Bank has been designated as a Wholesale Institution for CRA evaluation purposes. Consistent with this designation, the bank's CRA performance will continue to be evaluated under the criteria of the Community Development Test. This test exclusively assesses the institution's record of meeting the credit needs of its assessment area through a review of its community development lending, investment, and service initiatives. An overview of each test is presented below:

- The institution has few, if any, community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors.
- The institution does not use innovative or complex qualified investments, community development loans, or community development services.
- The institution exhibits poor responsiveness to credit and community economic development needs in its assessment area.

SCOPE OF EXAMINATION

Builders Bank's request for a designation as a wholesale institution was approved on September 5, 2007, due to the fact that the institution is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, or offering these products to the general public, except on an exception basis. Refer to Appendix B for definitions of various community development terms used throughout this document. The evaluation period reviewed is from December 11, 2007 through January 4, 2011.

To assist the FDIC examiner in conducting the CRA evaluation, community contact interviews, were conducted with a representatives in the assessment area and not affiliated with the bank, during the examination. These organizations expressed the need for additional small businesses financing in the bank's market area. Information obtained from this community contact interview was used to set the scope of this CRA evaluation.

DESCRIPTION OF INSTITUTION

Builders Bank is a $338 million state-chartered commercial bank. The institution is a wholly-owned subsidiary of Builders Financial Corporation, a one-bank holding company. Currently, the bank operates in Cook County from a corporate office and two branch facilities in downtown Chicago, Illinois. All of these facilities are located in upper-income geographies, and retail products and services are not offered at the corporate office. In addition, the institution maintains two loan production offices (LPO) outside of its assessment area in Garden City, New York and Los Angeles, California. Since the previous evaluation, dated December 10, 2007, the bank closed 3 LPOs in Bathesda, Maryland, San Francisco and Newport Beach, California.

While the institution offers a traditional array of business and more limited consumer deposit product offerings, the bank's deposit building efforts have primarily focused on certificates of deposit (representing 93 percent of the deposit base), including the use of brokered deposits (representing 23 percent of total deposits). The bank continues to elect to not compete for transactional accounts (which represent less than 4 percent of the deposit base) due to competitive and other considerations, as well as the fact that it allows the bank to avoid a capital-intensive branch network typically required for attracting these types of deposits.

The institution is primarily a commercial real estate lender with a particular focus on short-term construction financing. Since its inception in 1997, Builders Bank's business model is highly focused on service to middle-market commercial real estate developers. As such, the bank does not engage in the types of lending activities that are evaluated in the context of a traditional CRA evaluation. More specifically, the institution does not originate home mortgage, small business, small farm, or consumer loans in the normal course of its business. Consistent with the institution's aforementioned lending focus, 59 percent of the bank's lending is concentrated in construction and land development financing. The other portfolio segments with significant size are commercial real estate and multifamily loan financing. Commercial real estate credit offered is typically in amounts of $2 million to $6 million. As a result, these credits typically do not qualify as small business financing. The size of the bank's multifamily lending portfolio largely results from a small number of very large credits originated during the review period as a customer accommodation, or through construction-permanent financing. Since these credits do not represent a significant portion of the institution's lending revenue and Builder's Bank is not presented to the public as a multifamily or small business lender, the bank is not deemed to be in the business of originating home mortgage, small business or small farm loans that would typically be evaluated under a CRA retail lending test.
As of September 30, 2010, the bank maintained $338 million in assets, $189 million in net loans, and $311 million in total deposits; yielding a loan-to-deposit ratio of 61 percent and a loan-to-asset ratio of 56 percent. Table A further details the bank's loan composition.

Table A – Loan Distribution as of 9/30/2010		
Loan Type	***Dollar Amount (000s)***	***Percent of Total Loans***
Construction and Land Development	$115,071	59%
1-4 Family Residential	$7,033	4%
Multifamily (5 or more) Residential	$36,451	19%
Commercial Real Estate	$35,749	18%
Total Real Estate Loans	**$194,304**	**100%**
Consumer	$3	--
Total Loans	**$194,307**	**100%**

SOURCE: Report of Condition

Builder's Bank continues to originate very little lending locally, in the Chicago metropolitan area, due to management's strategic focus in its LPO markets that are deemed more attractive for the bank's business lines, and less competitive than the Chicago market. As a result, the LPO locations in New York and California are as integral as the bank's branch network in serving its customers.

The institution operates in a highly competitive banking market that included 2,281 offices and 189 banks within its assessment area as of June 30, 2010. Builder's Bank was last evaluated under the CRA Wholesale Bank evaluation procedures on December 10, 2007. The institution received a "Satisfactory" performance rating.

DESCRIPTION OF THE ASSESSMENT AREA

Builders Bank's assessment area consists of the three Illinois counties of Cook, Lake, and DuPage. These counties are located in a contiguous area that represents a portion of the Chicago-Kenosha-Gary Metropolitan Statistical Area (MSA). Since LPO's are not considered branch offices for CRA purposes (as they do not accept deposits and offer full branch office services) no assessment area is designated in the states of California and New York. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low-to-moderate income or minority neighborhoods.

Unless otherwise noted, all demographic data in the evaluation is based on the 2000 U.S. Census information. The institution's assessment area consists of 1,641 geographies, of which 237 (approximately 15 percent) are low-income census tracts; 433 (26 percent) are moderate-income census tracts; 532 (approximately 32 percent) are middle-income census tracts; and 423 (26 percent) are upper-income census tracts. There 16 tracts (representing 1 percent of the total) that have not received an income designation due to the lack of population in these geographies.

Business Demographics

Economically, the assessment area maintains a sound commercial base. According to the 2010 D&B business demographic data, there are 498,758 non-farm businesses in the assessment area. Of these, 92 percent of reporting businesses have annual revenues equal to or less than $1 million. Furthermore, 3 percent of businesses maintained at least 50 employees, while 66 percent of companies employed less than 5 people. Assessment area businesses are predominantly service industry firms (46 percent), followed by retail trade (14 percent). Only 4 percent of the assessment area's businesses are located in low-income geographies, while 16 percent are located in moderate-income geographies.

Housing Demographics

As demonstrated by the information below, the bank's assessment area shows a stark contrast in the demographics among the different census tract income levels. In general, housing stock in the lower income segments tend to exhibit disproportionately lower levels of owner occupancy, older homes, and lower property values and rents. These characteristics provide some insight into the demand for affordable housing in these communities. This fact was considered when evaluating the institution's community development lending opportunities.

According to the 2000 U.S. Census information, the assessment area maintains relatively diverse housing stock. More specifically, 45 percent of the housing units are categorized as single family, while 2-4 unit and multifamily (five or more units) properties represent 25 and 30 percent of the units, respectively. Owner-occupancy levels within the Cook-DuPage-Lake county assessment area of 59 percent lie below the Chicago-Naperville-Joliet Metropolitan Division (MD) and Lake County-Kenosha County-IL-WI MD levels of 60 and 72 percent, respectively. Conversely, the level of rental housing located within the assessment area, at 36 percent, is higher than the corresponding Chicago and Lake County MD levels of 34 and 23 percent. Affordable housing is needed in the area, as the assessment area's low- and moderate-income families total 22 percent and 18 percent, respectively. Additionally, families living below the poverty level represent 9 percent of the total families within the assessment area.

The 2000 median family income (MFI) of the assessment area was $64,068, which was approximately 15 percent above the State of Illinois 2000 MFI of $55,545. In addition, the median housing value of the assessment area, at $190,773 is 49 percent above the State of Illinois value of $127,800. The relatively significant gap between the MFI and median housing value of the assessment area further demonstrate the need for affordable housing in the assessment area, as achieving home ownership can be a challenge for low- and moderate-income families. Refer to Table B for additional information regarding selected housing demographics in low-, moderate-, middle-, and upper-income segments of the institution's assessment area.

Table B - Selected Housing Characteristics by Income Category of the Geography

Table B - Selected Housing Characteristics by Income Category of the Geography									
Geographic Income Category	***Percentage***						***Median***		
	Census Tracts	***House-holds***	***Housing Units***	***Owner-Occupied***	***Rental Units***	***Vacant Units***	***Age***	***Home Value***	***Gross Rent***
Low	15%	8%	8%	3%	15%	23%	51 yrs	$98,274	$460
Moderate	26%	24%	24%	17%	35%	32%	48 yrs	$113,994	$601
Middle	32%	38%	38%	43%	31%	25%	37 yrs	$151,265	$731
Upper	26%	30%	30%	37%	20%	20%	30 yrs	$268,139	$938
Total or Median	***100%****	***100%***	***100%***	***100%***	***100%***	***100%***	***36 yrs***	***$190,773***	***$684***

*Source: 2000 U.S. Census. *1 percent of the tracts are considered 'NA'. Note: Columns may not add to 100% due to rounding*

Economic Conditions

Table C presents some key demographic data for the assessment area's counties compared to the State of Illinois and the United States.

Table C – Select County Demographics				
	2009 Unemployment Rate	**2007 Per Capita Personal Income**	**2009 Employment Growth**	**Housing Permits (2009)**
United States	9.5%	$38,615	-3.8%	572,232
State of Illinois	10.6%	$41,012	-4.9%	10,912
Cook County	10.8%	$45,230	-4.8%	2,028
DuPage County	8.6%	$55,371	-4.8%	595
Lake County	10.8%	$56,456	-5.4%	508

Source: Bureau of Labor Statistics, Bureau of Census, and Bureau of Economic Analysis

The unemployment indicators support a challenging economy, with an economic recession officially commencing in December, 2007 and having a continuing effect through a significant portion of the review period. Though the housing and employment markets have seen a degree of recent stabilization, unemployment rates in each of the three counties that comprise the bank's designated assessment area have climbed significantly during the review period. From 2007 to 2009, the unemployment rate in Cook County, Illinois rose from 5.2 percent to 10.8 percent, in Lake County from 5.1 percent to 10.8 percent and in DuPage County from 3.9 percent to 8.6 percent. Each county in the assessment area experienced greater unemployment and negative employment growth, consistent with that in the state of Illinois and in the country.

Additionally, significant stress and softening in commercial and residential real estate markets have hampered financial institution's abilities to originate real estate loans. Based on declining housing values, larger down payment requirements have become fairly standard. The real estate softening is evidenced by housing permit declines within the assessment area. More specifically, from 2007 to 2009, housing permits fell 88 percent in Cook County, 69 percent in DuPage County and 78 percent in Lake County, Illinois.

Furthermore, the increased unemployment rates have contributed to increased mortgage delinquencies and home foreclosures, which have added downward pressure on home prices. As an example, according to the Mortgage Bankers of America, mortgage delinquencies as a percentage of all home mortgage loans were approximately 5 percent for the State of Illinois in 2007. However, this has more than doubled to 11 percent through 2009. Similarly, foreclosures initiated as a percentage of all home mortgage loans was approximately 2 percent in the State of Illinois in 2007, and this figure nearly tripled to 5.5 percent through 2009. This challenging economic environment has impacted real estate lending opportunities in both commercial and residential markets.

CONCLUSIONS WITH RESPECT TO PERFORMANCE

Wholesale institutions are evaluated on the basis of their performance under the following criteria:

- Community development lending, qualified investments, or community development services;
- Use of innovative or complex qualified investments, community development loans, or community development services and the extent to which investments are not routinely provided by private investors;
- Responsiveness to community credit and development needs.

<u>Community development lending, investments, or services</u>
Opportunities for community development lending, investments, and services are available based upon an analysis of demographic information, the CRA public evaluations of area institutions, and community contact information. More specifically, the assessment area maintains solid concentrations of low- and moderate-income households at 41 percent, in aggregate, while family concentrations within that income segment were similar at 40 percent. Further, according to the most recent D&B data, 92 percent of the businesses in the assessment area maintain revenue below $1 million.

Community Development Loans
The institution has effectuated few, if any, community development loans relative to its strategic focus and opportunities, demonstrating a poor level of performance. As it has focused its lending activities outside of the Chicago metropolitan market, the institution has relied exclusively on investments in a local Small Business Administration (SBA) loan fund to satisfy its responsibility under this performance criterion. During the previous evaluation, the bank

invested $5 million in this fund, with 26 loans totaling approximately $3.5 million backed by local community development lending. The bank's $5 million investment represented 1.04 percent of assets and 1.23 percent of net loans. The institution has gradually eliminated this investment throughout the current evaluation review period. Though the bank is no longer currently invested, previously invested funds effectuated 19 community development loans totaling $2.8 million in the assessment area since the previous evaluation.

According to the SBA, loan fund's goal is to,

> *Promote permanent job creation, retention and improvement in low- or moderate-income areas or for low- and moderate-income persons who are employed by small business by creating greater financial liquidity and a lower cost of capital within the SBA Section 7(a) loan secondary market.*

The loans purchased in the fund are specifically pursued by fund managers to qualify as community development under the CRA. While not considered an innovative or complex qualified lending initiative, the loan fund is responsive to commercial credit needs within the bank's assessment area. However, particularly considering that the institution is no longer invested in the fund, the overall level of community development lending is considered poor.

Community Development Investments

The institution has few community development investments, which exhibits a poor responsiveness to the credit and community economic needs of the assessment area. Since the previous evaluation on December 10, 2007, the level of qualified investment activity has fallen 73 percent from $4.9 million to $1.3 million. This has largely resulted from the elimination of a $4.7 million investment in a pooled CRA equity fund in January, 2008, immediately following the previous CRA evaluation.

Overall, the bank funded two qualified investments and has made three donations in the aggregate amount of $1,311,507. This volume represents 0.4 percent of assets, 2.7 percent of total investments, and 5.4 percent of equity capital as of September 30, 2010. The institution has an additional $989,493 in unfunded commitments to a local community development organization as well. However, with these commitments considered, the bank's qualified totals as a percentage of assets, investments and capital remain poor at 0.7 percent, 5.1 percent and 10.4 percent, respectively. The bank's community development initiatives are detailed below.

- The institution committed $2 million to a Chicago-based community development corporation's affordable apartment lending program. The program offers financing for rental housing that was affordable to families with income that did not exceed 60 percent of the median for the area. As of the date of this evaluation, $955,395 had been funded, while the bank's highest level of investment during the review period was $1,010,506.84 as of March 31, 2010.

- The institution maintains a $247,500 Certificate of Deposit with a minority-owned community development financial institution in its assessment area. This investment was opened on December 30, 2010, immediately prior to the start of the current evaluation.

- The institution made 10 Donations in the aggregate amount of $53,500 to organizations or initiatives that carry a community development purpose. These donations focused on local affordable housing and economic development initiatives.

Current Evaluation	$	% of Assets	% of Investments	% of Equity
CDFI Certificate of Deposit	$247,500	.07%	.52%	1.03%
10 Donations	$53,500	.02%	.11%	.22%
CDC Investment	$1,010,507	.30%	2.11%	4.21%
Total	***$1,311,507***	***.39%***	***2.74%***	***5.46%***
Previous Evaluation	$	% of Assets	% of Investments	% of Equity
CRA Pooled Fund	$4,700,000	.98%	8.07%	8.15%
3 Donations	$33,840	.01%	.06%	.06%
CDC Investment	$159,657	.03%	.27%	.28%
Total	***$4,893,497***	***1.02%***	***8.40%***	***8.49%***

Qualitatively, none of the investments made by the institution are considered innovative or complex, although some of the projects and loans supporting these investments are of this variety. Overall, the institution has a poor level of qualified investment activity in its assessment area.

Community Development Services

Builders Bank continues to provide few community development services relative to its size and resources. This is deemed to be a poor level of service activity. While four services qualified during the previous evaluation, only three services qualified during the current evaluation period, as follows:

- A bank director serves on the Board of an organization that provides job training and employment opportunities for low-income people in Chicago within the context of a non-profit organic agriculture business that focuses on supporting the formerly incarcerated or homeless. This service was active prior to the previous evaluation.
- Six bank employees provided technical and financial expertise support during seven separate events held by a local community group to reach out to low- and moderate-income neighborhoods to help troubled borrowers obtain loan modifications. Loan modification and foreclosure assistance has been cited by recent community contacts as an emerging need in the assessment area. This service was implemented beginning in June, 2010.
- Seven bank employees were involved in providing a financial literacy education class to elementary school children at a school that predominantly serves children from low-income families. This service was implemented in December, 2010.

The overall level of community development service activities reflects poor performance. The institution continues to exhibit poor responsiveness to credit and community economic needs in its assessment area as these service activities largely occurred in the second half of 2010.

Innovative or Complex Community Development Investments, Loans, or Services
Finally, none of the service activities provided by the institution are deemed to be innovative or complex. As noted in the text above, the bank rarely uses innovative or complex service initiatives to meet the credit needs of the assessment area. These types of products and services would be those that are not routinely offered by other financial institutions or private investors.

Given the bank's assessment area, the Chicago-Kenosha-Gary Metropolitan Statistical Area (MSA), and the recent economic downturn - the need for innovative or complex community development programs is evident. Community contact interviews conducted during the examination also indicate the need for small business financing and affordable housing loans as well. The bank's lack of innovative or complex community development loans, investments or services demonstrates a poor use of these initiatives.

Responsiveness to Community Credit and Development Needs.
Builders Bank's performance exhibits poor responsiveness to the community development needs of the assessment area through community development loans, qualified investments, and community development services, considering the institution's capacity and the need for community development in the institution's assessment area.

Specific community development opportunities were confirmed through a review of the public evaluations of several area banks and contacts with a number of community organizations. Needs in the community cited by local contacts included affordable housing, micro business loans, and initial business start-up capital. As the bank's market resides in the metropolitan Chicago area, numerous additional investment and service opportunities exist with respect to initiatives that operate throughout the larger metropolitan area, including the bank's assessment area. Within the City of Chicago alone, there are over 170 Tax Increment Financing (TIF) districts, which offer favorable tax treatment to areas designated by the government to support investment in the area. Additionally, the Department of Housing and Urban Development (HUD) has designated portions of the Chicago area as Empowerment Zones and Urban Renewal Communities, which also attract tax and other incentives for investment in these communities. As detailed within this Public Disclosure document, numerous community and developmental opportunities and needs exist throughout the bank's defined assessment area. Builders Bank has demonstrated a poor level of responsiveness to these credit and developmental needs, given their available capacity to perform and the opportunities defined within this market area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No substantive violations of the anti-discrimination laws or other significant illegal credit practices were identified at this evaluation.

APPENDIX A

SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED	12/11/2007 TO 1/24/2011	
FINANCIAL INSTITUTION Builders Bank, Chicago, IL		**PRODUCTS REVIEWED** Community Development Lending, Community Development Investments Community Development Services
AFFILIATE	**AFFILIATE RELATIONSHIP**	**PRODUCTS REVIEWED**
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Cook, DuPage, and Lake Counties in the Chicago-Kenosha-Gary IL-WI-IN Metropolitan Statistical Area	Full-scope onsite review	NA	None

APPENDIX B - GLOSSARY

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

Census tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Census tracts average about 4,000 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: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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 (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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**.**

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 Suburban rating. If an institution maintains domestic branches in more than one Suburban, the institution will receive a rating for each Suburban in which those branches are located. If an institution maintains domestic branches in two or more state 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.

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.