Office of the
Comptroller of the Currency
Washington, DC 20219

LIMITED PURPOSE BANK

PUBLIC DISCLOSURE

August 24, 2020

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Capital One Bank (USA), National Association
Charter Number: 24828

4851 Cox Road
Glen Allen, VA 23060

Office of the Comptroller of the Currency

Large Bank Supervision
Constitution Center
400 7th Street S.W.
Mail Stop 8W-1
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, 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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The major factors that support this rating include:

- The institution demonstrates a high level of community development (CD) loans, CD services, and qualified investment activity, particularly investments that are not routinely provided by private investors.
- The institution demonstrates extensive use of innovative or complex qualified investments, CD loans, or CD services.
- The institution exhibits excellent responsiveness to credit and CD needs in its assessment area (AA).

Description of Institution

Capital One Bank (USA), National Association (COBNA), headquartered in Glen Allen, Virginia, is a wholly owned subsidiary of Capital One Financial Corporation (COF), a $390.4 billion multi-bank holding company headquartered in McLean, Virginia. In addition to COBNA, COF owns Capital One, National Association (CONA). As of December 31, 2019, COBNA held total assets of $124.6 billion. COBNA is engaged exclusively in credit card operations and is one of the leading issuers of credit cards in the United States. The bank offers credit cards for both consumers and small businesses.

COBNA also issues credit cards outside of the United States through Capital One (Europe) plc (COEP), an indirect subsidiary of COBNA organized and located in the United Kingdom, and through a branch of COBNA in Canada. These foreign subsidiaries do not have a significant impact on the bank's capacity for meeting CD needs in the United States.

The bank has only one office and is designated as a limited purpose bank for CRA evaluation purposes, based on its overall business strategy, primary focus, and product offerings. The Federal Reserve Bank of Richmond initially designated COBNA as a limited purpose institution for CRA evaluation purposes in April 1996. In February 2008, the bank was designated as a limited purpose institution by the OCC, just prior to its March 1, 2008 conversion to a national bank charter.

Table 1: Financial Information (000s)

	Year-end 2017	**Year-end 2018**	**Year-end 2019**	**Average for Evaluation Period**
Tier 1 Capital	$14,790,811	$16,378,398	$17,883,266	$16,350,825
Total Income	$17,314,378	$18,999,957	$19,896,646	$18,736,994
Net Operating Income	$3,006,538	$4,027,340	$4,168,505	$3,734,138
Total Assets	$119,555,891	$120,417,879	$124,626,681	$121,533,484
Pass Through Receivables /Managed Assets	$90,144,771	$92,103,959	$96,756,106	$93,001,612

Source: Consolidated Report of Condition and Income and bank reported data.

CD activities are originated by COBNA, its subsidiaries, and affiliates. The following legal vehicles provided affiliate CD activities throughout the review period:

- Capital One, N.A. (CD loans)
- Capital One Multifamily Finance, LLC (CD loans)
- Capital One NMTC Manager, Inc. (CD loans)
- Capital One Municipal Funding, Inc. (CD loans)
- COCRF Investor 29, 76, 80-81, 83-85, 87-89, 92-99, 102-109, 113, 115-119, 120-125, 127-128, 130-131, 133-135, 138-139, 142, 144, 146-147, 149, 151-155, 157-159, 160, 162-163, 165-166, 169, 176, LLC (CD loans)
- Capital One Community Development Corp. (CD investments)
- Capital One, N.A. LIHTC, Inc. (CD investments)
- Capital One Foundation, Inc. (CD grants)

There were no mergers or acquisitions by the bank during the evaluation period. There are no known legal, financial, or other factors impeding the bank's ability to help meet the CD needs of its AA.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, the OCC reviewed CD activities from January 1, 2017 through December 31, 2019. The OCC reviewed the level and nature of qualified investments, CD lending, and CD services. At the bank's request, we also considered qualified investments, CD lending, and CD services provided by its affiliates. At the prior examination dated July 24, 2017, the OCC rated the bank Outstanding.

For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single assessment area. Similarly, bank delineated non-MSA assessment areas within the same state are combined and evaluated as a single area.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

The bank has adequately addressed the needs of its AA, and therefore, outside of AA qualified investments, CD loans, and services were considered in evaluating its performance.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC found evidence of a violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. §45(a)(1) related to the bank's sales practices for small business credit cards from January 2015 through December 2016. The bank provided remediation to 2,135 negatively impacted customers. Additionally, the bank provided remediation to 6,728 customers for whom the bank was unable to confirm any impact. Remediation totaled $1.10 million. Management has taken appropriate corrective actions to strengthen controls over the bank's sales practices and implemented strict oversight to prevent future violations.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which the institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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 that occurred during the evaluation period are addressed in this performance evaluation.

State Rating

State of Virginia

CRA Rating for Virginia: Outstanding

The major factors that support this rating include:

- The institution demonstrates a high level of CD loans, CD services, and qualified investment activity in the state of Virginia, particularly investments that are not routinely provided by private investors.

- The institution demonstrates extensive use of innovative or complex qualified investments, CD loans, or CD services in the state of Virginia.

- The institution exhibits excellent responsiveness to credit and CD needs in the state of Virginia.

Description of Assessment Area

COBNA has designated all of Henrico County, Goochland County, Chesterfield County, Hanover County, the city of Colonial Heights, and the city of Richmond as its AA. These contiguous areas are part of the Richmond, Virginia MSA and located in east-central Virginia. The bank's AA meets legal requirements and does not exclude any low- or moderate-income (LMI) areas.

The AA includes a mix of urban living within the city of Richmond and suburban living in the surrounding areas. According to Moody's Analytics, dated December 2019, Richmond's economy is in the late expansion stage of the business cycle and trails the United States and the South. Healthcare, finance, and government are supporting the economy. The Richmond area has a talented workforce, high living standards, lower business costs, and higher housing affordability than Washington, D.C., which attracts firms and households to the area. The leading employment sectors are professional and business services, government, education, and health services. The largest employers are Capital One Financial Corp., Fort Lee, VCU Health System, HCA, Inc., Bon Secours Richmond Health System, and Walmart, Inc. The Richmond housing market is improving thanks to lower mortgage rates and appreciating housing values.

According to the Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for Richmond, VA was 4.5 percent as of January 2017, declining to 2.5 percent as of December 2019. The national non-seasonally adjusted unemployment rate was 5.1 percent as of January 2017, declining to 3.4 percent as of December 2019.

There were 415,194 housing units in the AA. According to the 2015 Census, owner occupied housing units accounted for 59.3 percent and vacant housing units accounted for 8.2 percent of total housing units. The median housing value in 2019 was $229,947 and median family income was $75,183.

According to the FDIC deposit market share data, published June 30, 2019, COBNA had the largest deposit market share in the AA at 67.3 percent. The bank operates in a highly competitive environment with 25 other FDIC-insured institutions operating 252 branches in the AA. Four of the country's largest financial institutions, Bank of America, NA., Wells Fargo Bank, NA, SunTrust, and BB&T, operate 129 of these branches.

The following table provides a summary of the AA statistics based on the 2015 Census data:

Table 2: Virginia Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	234	12.0%	22.2%	33.3%	31.6%
Families	242,946	19.9%*	17.4%*	19.9%*	42.8%*
Businesses	96,579	5.8%**	20.3%**	32.5%**	41.0%**

Source: Demographic Data - 2015 American Community Survey, 2019 Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract.

As part of the CRA evaluation, the OCC reviewed information from two community contacts in the Richmond MSA to determine local economic conditions and community needs. These contacts included representatives of organizations that focus on affordable housing, community development, and social services. According to the contacts, the community is changing and growing rapidly. The region is attracting new people into the area and new private capital is impacting the price of housing and changing the economic status of the community. Increasing gentrification and outside investors are driving prices up and changing the demographics of many communities, many of whom do not support affordable housing in their neighborhood. A fair number of the area residents live below the poverty level.

The contacts identified the following needs in the AA:

- Affordable housing for LMI individuals and families;
- Affordable rental units, as the inventory of those units fails to keep pace with the need;
- Down payment assistance and grants for first-time homebuyers;
- Post home purchase education programs to reduce delinquencies and sustain homeownership;
- Greater support for nonprofit organizations, including grants and equity investments, to help them build capacity; and
- Support for programs and initiatives that will help people increase income and move out of poverty.

The presence of 25 financial institutions, including the four prominent banks listed above, creates significant competition for the level of available CD opportunities. The bank is also challenged by the fact that it maintains only one office, only engages in credit card operations, and does not originate commercial loans, unlike the major competitors which have large retail branch presences and offer both consumer and commercial loans. Based on COBNA's business model, the bank has less capacity and resources to conduct CD activities compared to the much larger retail institutions operating within the AA.

COBNA's CD strategy is to target opportunities first within its AA, then in a broader statewide or regional area that includes the AA, and finally nationally. As a limited purpose institution, COBNA does not originate CD loans. However, CD loans from affiliated institutions have been considered in this evaluation. COBNA has considerable expertise in low-income housing tax credit (LIHTC) transactions and has a large portfolio of prior-period investments in addition to new investments in

LIHTC projects in the AA. The bank evaluates all LIHTC opportunities in the AA, including those available in the secondary market, and invests in those projects that meet its standards.

Conclusions About Performance

Summary

COBNA provided a high level of CD qualified investments, grants, loans, and services, when considering its capacity and opportunities, and the highly competitive CD environment in the AA. Of the $9.9 billion in qualified CD loans, investments, and grants originated or outstanding at the end of the evaluation period, $1.5 billion benefited the bank's AA. COBNA and affiliate employees provided 26,785 hours of qualifying CD services to over 43 organizations and programs in the AA and 6,558 hours of service to over 50 organizations outside the AA.

COBNA demonstrates extensive use of complex qualified CD investments and loans. The bank has numerous LIHTC investments, many of which require close coordination among state and local government agencies, nonprofit organizations, other investors, and the bank. These investments illustrate the bank's leadership in complex transactions. COBNA also engages extensively in New Markets Tax Credit (NMTC) transactions to support the revitalization/stabilization of LMI geographies. These NMTC transactions are complex due to the involvement of multiple parties and multiple layers of intricate financing, as well as the many regulatory and reporting requirements to maintain compliance for a seven-year period. COBNA provided $858 million in NMTC financing during the evaluation period, including $120 million that benefited the AA.

COBNA's qualified CD investments, grants, loans, and services exhibited excellent responsiveness to the credit and CD needs of the AA, especially affordable housing and financial literacy education. CD loans and investments made during the current evaluation period created 70,377 units of affordable housing for LMI families, including 11,323 units within the bank's AA.

Qualified Investments

COBNA originated 33 qualified investments totaling $203.2 million and 243 grants totaling $6.5 million during the current evaluation period that benefited the bank's AA or the broader statewide or regional area (BSRA) that includes the bank's AA. Additionally, $323.5 million in investments made in prior evaluation periods remained outstanding at the end of the current evaluation period and provide continuing benefit to the AA. The majority of the investments and grants focused on providing affordable housing, which is highly responsive to the identified need for affordable housing within the AA. Investments and grants were particularly responsive to the need for pre-development funding to get affordable housing projects off the ground in the AA. Because the bank was responsive to the CD needs within the AA, the OCC also considered $233.1 million in current period and $424.3 million in prior period investments and grants that were made outside the bank's AA.

Table 3a: Qualified Investment Activity (000s)

	Benefits AA**	Outside AA	Totals
Originated Investments	$203,228	$221,777	$425,005
Originated Grants	$6,483	$11,336	$17,819
Prior-Period Investments that Remain Outstanding	$323,467	$424,315	$747,782
Total Qualified Investments	$533,178	$657,428	$1,190,605
Unfunded Commitments*	$0	$0	$0

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4a: Qualified Investment Percentages

	Benefits AA (%)*	Outside AA (%)
Total Investments/Average Tier 1 Capital	3.3%	4.0%
Total Investments/Average Total Income	2.8%	3.5%
Total Investments/Average Pass-Through Receivables	0.6%	0.7%

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The bank holds many equity investments in funds that invest in LIHTC developments. These transactions are considered complex and provide new or rehabilitated affordable housing units, typically multifamily housing. In all cases, restrictions are in place to ensure that LMI households benefit from the affordable units. For non-proprietary investment funds, COBNA is one of many investors. For proprietary investment funds, COBNA is the sole investor. Proprietary LIHTC investments are part of a larger transaction that typically includes debt financing provided by a COBNA affiliate and require the bank to manage all aspects of the transaction, including collaborating with government entities providing subsidies or other financers. The multi-investor funds generally involve multiple properties with several layers of financing. The LIHTC investments made during the current evaluation period created 4,610 affordable housing units in the bank's AA.

The following are examples of COBNA's most significant qualified investments and grants:

- An investment of $19.2 million in LIHTC equity across two investment funds were made to construct 175 multifamily housing units, including 130 family units and 45 senior units, in the Church Hill section of Richmond, a low-income historic area. The 175 units, which encompass three properties, are set aside for LMI households. There are HUD Section 8 rental subsidies for 35 of the family units and all senior units.

- An investment of $2 million in LIHTC equity was made to support the construction of a new 60-unit affordable housing development in the AA. Thirty units are set aside for low-income families, and the other 30 are for LMI families. Fourteen units have HUD Section 8 rental subsidies.

- An investment of $1.5 million in LIHTC equity was made to support the construction of a new 152-unit affordable housing development in the AA. All units are set aside for LMI seniors. The location of the development is among the parcels recommended for redevelopment in the Chamberlayne/Virginia Union University Neighborhood Plan adopted by the city of Richmond.

- An investment of $11.2 million in LIHTC equity was made in a fund comprised of 10 affordable housing properties in Virginia that will have 495 units for LMI households. COBNA's investment was allocated across all 10 properties. Five of the properties will have rental subsidies for all units, and three are in nonmetropolitan areas. For example, one property, an acquisition and rehabilitation of an historic building in a small town, will have 32 units for LMI seniors. All units in this property will benefit from rental subsidies from the United States Department of Agriculture (USDA) Rural Development, and five units are accessible to the disabled.

- An investment of $12.2 million in LIHTC equity was made and allocated to the rehabilitation of four affordable housing properties in Virginia with a total of 198 units. All units are set aside for low-income households. One development (40 units) is for seniors, and the others are for families. Each property is in a nonmetropolitan area, and 181 (91%) of the units benefit from rental subsidies from the USDA Rural Development. These were tenant-in-place rehabilitations, avoiding the need to relocate residents while improvements were made.

- Grants totaling $300,000 were provided to support a nonprofit organization that offers high school students from LMI families in the metropolitan Richmond area with tools and experiences to help them prepare for college.

CD Lending

COBNA has only one office and, as a designated limited-purpose bank for CRA evaluation purposes, is engaged exclusively in credit card operations for consumers and small businesses. Given the nature of the institution and its limited purpose designation, COBNA relies on CD loans originated by affiliates. During the evaluation period, COBNA extended 96 CD loans totaling $1.3 billion that benefitted the AA or the BSRA. Approximately 79 percent of the dollar volume of lending in the AA focused on affordable housing and 11 percent on economic development. Because the bank was responsive to the CD needs in the AA, the OCC also considered $7.4 billion in CD loans made outside the AA. The bank's overall level of CD lending is high at $8.7 billion, or 53.4% of average tier 1 capital. In addition, the bank originated 16 commercial leases outside the bank's AA for a total of $53.8 million that have qualified CD purposes and were given positive consideration.

Table 5a: CD Lending Percentages

	Benefits AA (%)*	Outside AA (%)
Total CD Lending/Average Tier 1 Capital	8.0%	45.3%

Total CD Lending/Average Total Income	7.0%	39.6%
Total CD Lending/Average Pass-Through Receivables	1.4%	8.0%

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following are examples of COBNA's most significant CD lending:

- A loan of $9.7 million to finance an affordable housing development located in a moderate-income geography in Richmond. The LIHTC property contains 132 residential units and all are rented to low-income tenants.

- A $13.5 million bridge loan to provide a tax credit fund with the cash needed to fund investments in multiple LIHTC properties prior to receiving equity investments from investors. Additionally, the bank invested $3 million in LIHTC equity which was allocated to improving a Richmond property in the fund. The Richmond project involved a mix of new construction and adaptive reuse of a 47-unit single room occupancy (SRO) property into an 80-unit SRO. All units are set aside for low-income applicants, and 67 of the units benefit from HUD Section 8 rental subsidies.

- A loan of $25.8 million to help develop a neighborhood retail center in a low-income geography in Richmond. This loan, which involved NMTCs, was responsive to the AA needs.

- A loan of $4.5 million to finance the development of the first commercial-scale solar project on rural land of the Navajo Nation, which covers parts of Arizona, New Mexico, and Utah. This loan also involved NMTCs.

- Five loans totaling $75 million in Puerto Rico in response to disaster recovery needs following Hurricane Maria. These loans included $15.3 million to renovate medical facilities and $7.7 million to support the operations of a children's charity.

- A loan of $11.2 million to support revitalization/stabilization of a moderate-income geography by providing bond financing to an Industrial Development Authority on behalf of a county in northern Virginia.

CD Services

COBNA and affiliate employee activities are highly responsive to the CD needs both inside and outside of the AA. Employees are involved on boards and committees of primarily affordable housing and community service organizations, often serving in leadership roles, delivering financial literacy education, and providing technical expertise and other financial services. Twenty-four bank associates held board of director or committee positions for 24 CD organizations in the AA, and their services were provided primarily to community service and affordable housing organizations. Additionally, COBNA associates provided 25,111 hours of service to 43 CD organizations and programs that benefit LMI individuals, families, and communities in the AA. COBNA and affiliate employees provided 6,558 hours of service to organizations outside the AA.

Table 6a: CD Service Activities

CD Service	Benefits AA*	Outside AA
Community Services	25,932	6,359
Economic Development	577	86
Affordable Housing	264	110
Revitalization/Stabilization	12	3
Total Community Development Service Hours	26,785	6,558

*. * CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.*

The following are examples of COBNA's most significant CD services:

- A bank executive served on the board of directors of a Richmond organization that helps prepare local LMI high school students for college and careers. In addition, bank employees provided 8,572 hours of financial education for students served by the organization, consistent with the organization's strategy to equip students with comprehensive tools and knowledge. The bank also provided grants to the organization.

- Bank technology employees provided 8,684 hours of pro bono computer coding instruction to middle- and high-school students primarily from LMI families in the AA. This service ("Capital One Coders") helps prepare students for choosing college majors and STEM (Science, Technology, Engineering, and Mathematics) careers, and was provided through programs with local schools and other community organizations.

- Bank employees provided 4,513 hours of financial education for students in the AA through an organization. These activities benefited students primarily from LMI families. The programs provide real world financial education to students to help them develop personal money management skills, acquire personal finance knowledge, and prepare for the financial decisions and challenges faced in adulthood. The bank also provided $182,500 in grants to the organization.

- Three bank employees, including two executives, served at varying times on the board of directors of a Richmond nonprofit organization that helps LMI homeowners by improving the condition and safety of their homes and revitalizing their neighborhoods. The bank has a longstanding relationship with, and provided grants to, the organization.

- Two bank employees served on the board of a Richmond-area organization that helps homeless families and individuals to secure and maintain a home. It provides various tools for ending homelessness including emergency and transitional shelters and permanent supportive housing. These employees devoted 909 hours of service on the organization's board during the evaluation period. The bank also provided grant funding to the organization.

Appendix A: Summary of MMSA and State Ratings

RATINGS Capital One Bank (USA), National Association	
Overall Bank:	**Overall Bank Rating**
Capital One Bank (USA), National Association	Outstanding
State	**State Rating**
Virginia	Outstanding

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be 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 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.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 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**.**

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 CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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 1 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.