



**NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION**

One State Street
New York, NY 10004

**PUBLIC SUMMARY
OFF-SITE EVALUATION**

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2002

Institution: Amerasia Bank
41-06 Main Street
Flushing, NY 11355

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an off-site evaluation of the Community Reinvestment Act (“CRA”) performance of Amerasia Bank (“Amerasia”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2002.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Amerasia Bank is rated "2," indicating a satisfactory record of helping to meet community credit needs. This rating reflects the following:

- **Loan-to-Deposit ("LTD") Ratio and other Lending-Related Activities:** The bank's LTD ratio is reasonable given the bank's size, financial condition, competitive lending environment, and assessment area credit needs. Amerasia's average LTD ratio for the ten quarters ending December 31, 2002 was 64.6%, well below the national peer average of 77.2%.

Enhancing the availability of credit in its assessment area, Amerasia provided community development loans totaling almost \$2.1 million within the assessment area during this evaluation period, including \$1.3 million outstanding from the prior evaluation.

- **Assessment Area Lending:** The bank originated a substantial majority of its small business loans in the assessment area. In 2001, Amerasia made 87.9% by number and 92.0% by dollar volume of its loans in the assessment area. The bank's ratios increased in 2002 to 92.1% and 96.5%, respectively.
- **Geographic Distribution of Lending:** The bank's geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2001, the bank extended 31.0% by number and 33.2% by dollar volume of small business loans in LMI census tracts, well below 49.8% and 53.4%, respectively, for the customized peer group. In 2002, the bank's LMI penetration rate increased slightly to 31.4% by number but declined to 29.6% by dollar volume. The 2002 peer average data was not available for purposes of this evaluation.
- **Borrower Distribution of Lending:** The bank's distribution of loans shows reasonable penetration among businesses of different sizes. In 2001, Amerasia made 79.3% by number and 73.7% by dollar volume of its small business loans to small businesses with annual revenues of \$1 million or less, compared with 80.1% and 81.6%, respectively, for the peer group. In 2002, the bank's small business penetration rates declined to 74.3% and 62.2%, respectively. The 2002 peer average data was not available.

In 2001, the bank originated 58.6% by number and 19.4% by dollar volume of its small business loans in the assessment area in amounts of \$100 thousand or less, well above 28.0% and 7.5%, respectively, for the peer group. Amerasia's small loan rates declined in 2002 to 54.3% and 14.1%, respectively. The peer average data was not available for comparison.

- Neither Amerasia nor the New York State Banking Department has received any complaints with respect to the bank's CRA performance.

This “off-site” evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile:

Chartered as a commercial bank by the New York State Banking Department on February 16, 1988, Amerasia Bank commenced operations on June 20, 1988. Amerasia Bank is a member of the Federal Deposit Insurance Corporation ("FDIC"), and was established to provide full banking services to customers in Queens County and the metropolitan New York area. The bank operates at one location in Flushing, Queens. Amerasia continues to focus on assisting the commercial development of the Chinese/Taiwanese-American immigrant community in the northern section of Queens County, through commercial and residential real estate, and commercial and industrial lending.

On December 31, 2002, Amerasia reported total assets of almost \$133.5 million, with net loans accounting for \$88.4 million or 66.2% of total assets. On the same date, total deposits were \$118.8 million, resulting in a loan-to-deposit ("LTD") ratio of 74.4%.

On June 30, 2002, ranked by total deposits, Amerasia was the 29th largest bank amongst 47 deposit-taking institutions in Queens County, with 0.4% of the deposit market share. In its assessment area, the bank ranked 73rd with .04% of the deposit market share amongst 113 deposit-taking institutions.

The bank offers a wide variety of lending products including 1-4 family residential mortgages, commercial mortgages, multifamily mortgages, construction loans, commercial and industrial loans and consumer loans.

The following table illustrates the bank's loan portfolio as of December 31, 2002 and December 31, 2001, according to the FDIC Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
LOAN TYPE	12/31/2002		12/31/2001	
	\$000	%	\$000	%
1-4 Family Residential Mortgage Loans	11,123	12.4	8,553	11.7
Construction Loans	7,382	8.2	4,288	5.9
Commercial Mortgage Loans	52,994	59.1	41,398	56.6
Multifamily Mortgage Loans	10,230	11.4	11,859	16.2
Commercial & Industrial Loans	7,547	8.4	6,235	8.5
Consumer Loans	233	0.3	365	0.5
Farmland Loans	225	0.3	245	0.3
Other Loans	0	0.0	153	0.2
Total Gross Loans	89,734	100.0	73,096	100.0

As of December 31, 2002, the bank's gross loan portfolio total was \$89.7 million. Amerasia is primarily a real estate lender, with real estate-related loans accounting for \$81.9 million (91.3%) of the loan portfolio on the same date, reflecting the bank's business focus. The loan portfolio was comprised primarily of commercial mortgage loans (59.1%), 1-4 family residential mortgage loans (12.4%) and multifamily mortgage loans (11.4%).

Amerasia was rated "2" at the June 30, 2000 CRA evaluation by the New York State Banking Department, indicating a satisfactory record of helping to meet community credit needs.

Examiners noted no legal or financial impediments that adversely impact the institution's ability to meet the credit needs of its assessment area.

Assessment Area:

The assessment area includes Queens, New York (Manhattan) and Kings Counties, in their entireties. The three counties are part of metropolitan statistical area ("MSA") 5600 (New York).

Excluding 47 zero-income census tracts, there are 1,713 census tracts in the assessment area, of which 184 (10.7%) are low-income, 352 (20.6%) are moderate-income, 666 (38.9%) are middle-income and 511 (29.8%) are upper-income tracts.

According to the 1990 U.S. Census, 5.7 million persons resided within the assessment area, of which 771.3 thousand (13.4%)¹ were over the age of 65 and 1.1 million (19.3%) were under the age of 16.

There were almost 1.4 million families in the assessment area, of which 360.7 thousand (26.4%) were low-income, 222.9 thousand (16.3%) were moderate-income, 258.1 thousand (18.9%) were middle-income and 522.6 thousand (38.3%) were upper-income. Of the 583.5 thousand LMI families (representing 42.7% of all families), 316.9 thousand (54.3%) lived in LMI census tracts. These families accounted for 65.4% of all the families (484.3 thousand) that lived in LMI tracts.

There were almost 2.3 million households in the area, of which 721.4 thousand (31.9%) lived in LMI tracts. A little over 376.1 thousand (16.6%) households had incomes below the poverty level and 263.8 thousand (11.7%) received public assistance.

There were 2.4 million housing units in the assessment area, of which 853.6 thousand (35.4%) were 1 to 4 family units, and 1.5 million (63.0%) were multi-family units. Approximately 649.9 thousand (27.0%) were owner-occupied, 1.6 million (67.0%) were renter-occupied, and 154.0 thousand (6.4%) were vacant and/or boarded up. In 1990, the median home value in the assessment area was \$196.7 thousand and the median age of the units was 42 years.

¹ Please note that while percentages pertaining to demographic data are based on exact numbers, absolute numbers have been rounded to the nearest decimal point for purposes of inclusion in this report.

The LMI census tracts within the assessment area contained 766.3 thousand housing units, of which 191.9 thousand (25.0%) were 1 to 4 family units, and 561.9 thousand (73.3%) were multi family units. Approximately 85.9 thousand (11.2%) units were owner- occupied, 635 thousand (82.8%) were renter-occupied and 120.2 thousand (15.7%) were vacant or boarded up.

Based on estimates by the U.S. Department of Housing and Urban Development (“HUD”), the weighted average of MSA/non-MSA median family income for the assessment area increased to \$62.8 thousand in 2002, from \$37.5 thousand reported at the 1990 Census.

According to the U.S. Department of Commerce - Bureau of Economic Analysis, the largest industries in 2000 for MSA 5600 were services, which provided 32.1% of the MSA's earnings; finance, insurance, and real estate (32.0% of earnings); and state and local government (9.0% of earnings). In 1990, the largest industries were services (33.4% of earnings); finance, insurance, and real estate (19.5% of earnings); and state and local government (12.2% of earnings). In 2000, the largest industries in Kings County were services (39.5% of earnings); finance, insurance, and real estate (12.0% of earnings); and transportation and public utilities (8.1% of earnings). In New York County, the largest industries in 2000 were finance, insurance and real estate (40.1% of earnings); services (30.9% of earnings); and state and local government (9.0% of earnings). In Queens County, the largest industries in 2000 were services (29.8% of earnings); transportation and public utilities (18.2% of earnings) and construction (12.3% of earnings).

According to the New York Department of Labor, the average unemployment rates for Queens County were 6.5% in 2002 and 4.9% in 2001, compared with 6.1% and 4.9%, respectively, for New York State. The average unemployment rates for New York County were 8.2% in 2002 and 6.4% 2001. For Kings County, the rates were 8.6% and 6.7%, respectively.

Based on the location of the bank's branches and lending patterns, the bank's assessment area delineation is in conformance with the CRA regulation. There is no evidence that the bank arbitrarily excluded LMI areas.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

As a small bank, Amerasia's performance for the years 2001 and 2002 was evaluated under the small bank performance criteria, which include the following: (1) Loan-to-Deposit Ratio and other Lending-Related Activities; (2) Proportion of Lending in the Assessment Area; (3) Geographic Distribution of Lending; (4) Distribution of Lending according to Borrower Characteristics, and (5) Action Taken in Response to Written Complaints Regarding CRA.

Since the bank is not a Home Mortgage Disclosure Act ("HMDA") reporter, this evaluation focused primarily on Amerasia's small business lending. As a small bank, Amerasia is not required to report government monitoring information on its business loans. Accordingly, the review utilized loan information obtained directly from the bank.

The bank's lending performance for 2001 was compared to the performance of a customized peer group during the same period. Peer banks used in this evaluation include The Chinese American Bank and Cathay Bank, which operate in similar areas. Peer data for 2002 was not available for purposes of this evaluation. The demographic data referred to in this report was obtained from the 1990 U.S. Census, with updated median income figures furnished by the U.S. Department of Housing and Urban Development.

- **Loan-to-Deposit Analysis and other Lending-Related Activities: "Satisfactory"**

LTD Analysis: The bank's loan-to-deposit ("LTD") ratio is reasonable given the bank's size, financial condition, competitive lending environment, and assessment area credit needs. Based on the Uniform Bank Performance Report ("UBPR"), the bank's average LTD ratio for the ten quarters ending December 31, 2002 was 64.6%, well below the national peer average of 77.2%.

On December 31, 2002, the bank reported total net loans and domestic deposits of \$88.4 million and \$118.8 million, respectively, resulting in a LTD ratio of 74.4%.

Community Development Lending: To help meet the credit needs of its assessment area, Amerasia provided the following community development loans totaling almost \$2.1 million, including \$1.3 million outstanding from the prior evaluation:

Red Apple Child Development Corporation – ("RACD") In October 2001, the bank extended a \$780 thousand, five-year mortgage loan to a borrower, to purchase a property used by its affiliate, RACD, to provide childcare in an LMI neighborhood.

133-32 41st Road Corp. – In June 99, the bank extended a \$1.5 million, seven year mortgage loan to Road Corp., which provides half- and full-day program to 120 children between the ages of two and six. The loan has an outstanding balance of \$1.3 million as of December 31, 2002.

- **Proportion of Lending Within Assessment Area: “Outstanding”**

The bank originated a substantial majority of its small business loans in the assessment area. In 2001, the bank made 33 small business loans totaling \$5.0 million, of which 29 (87.9%) loans totaling \$4.6 million (92.0%) were in the assessment area. In 2002, originations increased to 38 loans totaling \$5.8 million, of which 35 (92.1%) loans totaling \$5.6 million (96.5%) were within the assessment area. Based on these figures, Amerasia’s proportion of lending within the assessment area increased between 2001 and 2002 by 20.7% based on the number and 21.7% based on the dollar volume of loans originated.

- **Geographic Distribution of Lending: “Satisfactory”**

The bank’s geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2001, Amerasia extended nine (31.0%) of its small business loans totaling \$1.5 million (33.2%) in LMI census tracts, well below 49.8% and 53.4%, respectively, for the peer group. In 2002, the bank made 11 (31.4%) small business loans totaling \$1.7 million (29.6%) in LMI geographies. While reflecting a small increase in the number and dollar volume of loans, the data indicate a percentage decrease in LMI area penetration.

The following table shows distribution of small business loans by geography income level:

Distribution of Small Business Loans By Geography Income Level								
Geography	2001				2002			
	#	#%	\$000's	\$%	#	#%	\$000's	\$%
Low	0	0.0%	-	0.0%	-	0.0%	-	0.0%
Moderate	9	31.0%	1,519	33.2%	11	31.4%	1,654	29.6%
Middle	10	34.5%	1,468	32.1%	10	28.6%	1,898	34.0%
Upper	10	34.5%	1,585	34.7%	14	40.0%	2,031	36.4%
Total	29	100.0%	4,572	100.0%	35	100.0%	5,583	100.0%

- **Borrower Distribution of Lending: “Satisfactory”**

Amerasia’s distribution of loans shows reasonable penetration among businesses of different sizes. In 2001, of the 29 small business loans totaling \$4.6 million originated by Amerasia within the assessment area, 23 (79.3%) loans totaling \$3.4 million (73.7%) were made to small businesses with annual revenues of \$1 million or less, compared to 80.1% by number and 81.6% by dollar volume for the peer group. In 2002, the bank made 35 small business loans for \$5.6 million within the assessment area, of which 26 (74.3%) loans for \$3.5 million (62.2%) were made to small businesses with annual revenues of \$1 million or less. While reflecting a small increase in the number and dollar volume of loans extended to small businesses, the data indicate a percentage decrease in small business penetration.

The following table shows the distribution of small business loans based on borrowers’ revenue:

DISTRIBUTION OF SMALL BUSINESS LOANS BY REVENUE SIZE								
Revenue size \$000's	2001				2002			
	#	#%	\$000's	\$%	#	#%	\$000's	\$%
≤\$1000	23	79.3%	3,368	73.7%	26	74.3%	3,473	62.2%
>\$1,000	6	20.7%	1,204	26.3%	9	25.7%	2,110	37.8%
Total	29	100.0%	4,572	100.0%	35	100.0%	5,583	100.0%

The table below shows that in 2001, 17 (58.6%) of the bank's assessment area loans totaling \$885 thousand (19.4%) were in amounts of \$100 thousand or less, well above 28.0% and 7.5%, respectively for the peer group. In 2002, Amerasia made 19 (54.3%) small business loans totaling \$788 thousand (14.1%) in amounts of \$100 thousand or less.

The following table shows distribution of small business loans by loan size:

Distribution of Small Business Loans By Loan Size								
Loan Size (\$000's)	2001				2002			
	#	#%	\$000's	\$%	#	#%	\$000's	\$%
≤\$100	17	58.6%	885	19.4%	19	54.3%	788	14.1%
> \$100 ≤\$250	4	13.8%	723	15.8%	9	25.7%	1,325	23.7%
> \$250 ≤\$1,000	8	27.6%	2,964	64.8%	7	20.0%	3,470	62.2%
Total	29	100.0%	4,572	100.0%	35	100.0%	5,583	100.0%

- **Action Taken In Response to Written Complaints With Respect to CRA**

Neither the bank nor the New York State Banking Department has received written complaints with respect to the bank's CRA performance.

- **Services**

Bank personnel provide services to various community organizations, including:

Chinese American Bankers Association – The Chairman of the bank is a member.

Flushing Chamber of Commerce and Business Association – The bank's Compliance Officer serves on the board.

Taiwan Merchant Association of Greater New York – A loan officer serves on the board.

- **Discrimination or Other Illegal Practices**

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

Examiners noted no practices that were intended to discourage applications for the types of

credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance report indicates satisfactory adherence to anti-discrimination or other applicable laws and regulations.

- **Process Factors**

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

The bank's directors, officers, and employees maintain contact with various community organizations that serve the assessment area. In addition, bank staff participates in local community meetings, seminars, and events related to the credit needs of various communities. The bank has reserved a portion of its premises for use in connection with community service activities.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

The bank uses local newspapers published in English, Chinese and Korean to advertise its credit services. In addition, Amerasia purchases airtime from Chinese language radio and cable television stations as part of its marketing effort. Loan department staff are in contact with local merchants, promoting the bank's credit products.

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The board reviews the bank's CRA policy annually. In addition, Amerasia conducts a self-assessment of CRA performance factors and presents these to the board at least annually.

- **Other Factors**

Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

None noted.

GLOSSARY

Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of

- ❖ advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans to LMI geographies or borrowers.

Small Business Loans

Loans to businesses with original amounts of \$1 million or less.