

PUBLIC DISCLOSURE

September 16, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Eagle Bank
RSSD# 759045

1040 East Lake Street
Hanover Park, IL 60133

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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BANK'S CRA RATING

First Eagle Bank is rated: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

First Eagle Bank provides credit consistent with its size, location, and the local economic conditions within the assessment area. The bank's loan-to-deposit ratio is reasonable when compared to its national peer group and local competitors. A majority of the bank's loans are originated in its delineated assessment area. The geographic distribution of loans reflects a reasonable dispersion among geographies of different income levels, and the distribution of loans among borrowers of different income levels and businesses of different sizes is also reasonable.

The bank's performance in meeting the needs of its assessment area through community development loans, investments, and services is outstanding considering the institution's financial capacity and the demographics of the assessment area.

There were no Community Reinvestment Act (CRA) related complaints received by the bank or this Reserve Bank since the previous evaluation.

SCOPE OF EXAMINATION

A review of lending activities, using the Federal Financial Institutions Examinations Council's Intermediate-Small Bank Examination Procedures, was conducted to evaluate the bank's level of performance under the CRA. The bank's lending performance was based on a review of small business and home mortgage lending during the period beginning January 1, 2011 and ending December 31, 2012. Community development loans, qualified investments, and community development services made from September 13, 2011 through September 16, 2013, were analyzed to evaluate performance under the community development test.

For purposes of this review, demographic information and loans originated in 2011 were analyzed with 2000 Census data. Demographic information or loans originated in 2012 were analyzed based on 2010 Census data. Additionally, the analyses for both borrower and geographic distributions only included 2011 aggregate data, given 2012 aggregate data was not available at the time of this evaluation.

Performance within the designated assessment area was evaluated based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – An eight quarter average loan-to-deposit ratio, from September 30, 2011 to June 30, 2013, was calculated for the bank and compared to its national peer and a sample of local competitors.

- ***Lending in the Assessment Area*** – The bank’s HMDA-reportable and small business loans originated from January 1, 2011 through December 31, 2012 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable and small business loans originated within the assessment area, from January 1, 2011 through December 31, 2012, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank’s HMDA-reportable and small business loans originated within the assessment area were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither First Eagle Bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from September 13, 2011 through September 16, 2013 were reviewed. Considerations included the capacity, need, and availability of such opportunities within the assessment area.

DESCRIPTION OF INSTITUTION

First Eagle Bank is a subsidiary of First Eagle Bancshares, Inc., a one-bank holding company located in Hanover Park, Illinois. As of June 30, 2013, the bank’s total assets were approximately \$400 million. The bank established a network of two full-service branch locations and two automated teller machines (ATMs) throughout one assessment area in the state of Illinois. The bank’s main office is located in Hanover Park, Illinois, approximately 40 miles west of Chicago, Illinois with its second office located in the City of Chicago. Since the previous CRA evaluation, the bank has not opened or closed any branches or ATMs, nor has it undergone any mergers.

First Eagle Bank provides a variety of deposit and loan products and services to help meet the banking needs of individuals, families, and businesses in the community it serves. The bank is primarily a commercial lender; however, a full range of retail banking services is available.

While a majority of the loan portfolio is composed of 1-4 family and multi-family residential, the bank is primarily focused on lending to small and medium sized businesses. Additionally, non-farm, non-residential real estate and commercial and industrial loans comprised 36.3 percent of the bank’s loan portfolio as of June 30, 2013.

Table 1			
Composition of Loan Portfolio as of 06/30/2013			
(000's)			
Category	Type	\$	%
Real Estate Secured	1-4 Family and Multi-Family Residential	109,466	46.2
	Farmland	0	0.0
	Non-farm, Non-residential	80,419	34.0
	Total Real Estate Secured	189,885	80.2
Agricultural	Agricultural	0	0.0
Commercial	Commercial and Industrial	5,456	2.3
Consumer	Loans to Individuals	212	0.1
Other		41,092	17.4
Total		236,645	100.0

As of June 30, 2012, First Eagle ranked 70th out of 162 FDIC-insured financial institutions operating in the assessment area, with a 0.1 percent market share of FDIC-insured deposits. By comparison, the three institutions with the largest market share were JP Morgan Chase., 24.6 percent, BMO Harris Bank, 11.6 percent, and Bank of America, 8.5 percent.

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities, and First Eagle Bank was rated Outstanding under the CRA at its previous evaluation conducted on September 12, 2011.

ASSESSMENT AREA

The bank's assessment area is located in the Chicago-Joliet-Naperville, Illinois Metropolitan Division (MD) #16975 and includes portions of Cook and DuPage counties. Additionally, the assessment area has not changed, other than Census related demographic modifications, which were minimal and did not impact the bank's lending approach. Based on 2000 Census data the assessment area consisted of 875 census tracts, 107 of which were low-income tracts, 207 were moderate-income tracts, 281 were middle-income, and 272 were upper-income tracts. Eight tracts were unclassified. Based on 2010 Census data the assessment area consisted of 917 census tracts, 106 of which are low-income tracts, 193 are moderate-income tracts, 292 are middle-income tracts, and 325 are upper-income tracts, while one census tract is unclassified.

The following tables present a comparison of the bank's branch and ATM locations to relevant demographic characteristics in the assessment area.

Table 2 Distribution of Branches and ATMs in the Assessment Area 2000 Census						
Tract Income Level	Number of Branches	Percentage of Branches	Number on ATMs	Percentage of ATMs	Percentage of Total Families	Percentage of Businesses
Low-Income	0	0.0	0	0.0	20.8	3.1
Moderate-Income	0	0.0	0	0.0	17.5	14.0
Middle-Income	1	50.0	1	50.0	21.2	34.6
Upper-Income	1	50.0	1	50.0	40.5	48.0
Unknown	0	0.0	0	0.0	0.0	0.2
Total	2	100.0	2	100.0	100.0	100.0
<i>Note: Percentages may not total to 100.0 percent due to rounding.</i>						

Table 3 Distribution of Branches and ATMs in the Assessment Area 2010 Census						
Tract Income Level	Number of Branches	Percentage of Branches	Number on ATMs	Percentage of ATMs	Percentage of Total Families	Percentage of Businesses
Low-Income	0	0.0	0	0.0	22.8	4.5
Moderate-Income	0	0.0	0	0.0	16.5	14.7
Middle-Income	1	50.0	1	50.0	18.4	30.4
Upper-Income	1	50.0	1	50.0	42.2	50.2
Unknown	0	0.0	0	0.0	0.0	0.0
Total	2	100.0	2	100.0	100.0	100.0
<i>Note: Percentages may not total to 100.0 percent due to rounding.</i>						

In 2011, low-income census tracts were comprised of 58,233 families, representing 6.4 percent of all families in the assessment area. Moderate-income census tracts were home to 202,242 families, representing 22.3 percent of all families in the assessment area. In addition, low-income census tracts contained 35.2 percent of families living in poverty compared to 8.1 percent of all families in the assessment area. Moderate-income census tracts contain 15.4 percent of families living in poverty within the assessment area. Additionally, there were 1,506,991 housing units in the assessment area, of which 6.3 percent were located in low-income census tracts. Further, 20.4 and 34.1 percent of the housing units in the low- and moderate-income census tract were owner occupied, respectively. This data suggests opportunities for home ownership in this area.

In 2012, low-income census tracts are comprised of 68,144 families, representing 7.8 percent of all families in the assessment area. Moderate-income census tracts are home to 186,267 families, representing 21.3 percent of all families in the assessment area. In addition, low-income census tracts contained 33.0 percent of families living in poverty compared to 9.3 percent of all families in the assessment area. Moderate-income census tracts contain 15.5 percent of families living in poverty within the assessment area. Based on assessment area demographics, there are 1,576,018 housing units in the assessment area, of which 8.4 percent were located in low-income census

tracts. Furthermore, 24.2 and 42.1 percent of the housing units in the low- and moderate-income census tract were owner occupied, respectively. As with 2011 assessment area demographics, this data suggests opportunities for home ownership in this area.

The relevant Census demographic data were compared to the applicable loan periods and is provided in the tables below.

Table 4								
Assessment Area Demographics (2011)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	107	12.2	58,233	6.4	20,506	35.2	188,703	20.8
Moderate-income	207	23.7	202,242	22.3	31,094	15.4	158,371	17.5
Middle-income	281	32.1	348,025	38.4	16,035	4.6	192,244	21.2
Upper-income	272	31.1	297,568	32.8	6,062	2.0	366,750	40.5
Unknown-income	8	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	875	100.0	906,068	100.0	73,697	8.1	906,068	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	95,408	19,497	2.3	20.4	64,037	67.1	11,874	12.4
Moderate-income	336,484	114,718	13.8	34.1	199,639	59.3	22,127	6.6
Middle-income	559,871	351,684	42.3	62.8	189,766	33.9	18,421	3.3
Upper-income	515,215	344,948	41.5	67.0	150,162	29.1	20,105	3.9
Unknown-income	13	7	0.0	53.8	6	46.2	0	0.0
Total Assessment Area	1,506,991	830,854	100.0	55.1	603,610	40.1	72,527	4.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	6,923	3.1	6,080	3.1	493	2.6	350	4.2
Moderate-income	31,037	14.0	27,109	14.0	2,429	12.6	1,499	17.8
Middle-income	76,686	34.6	66,953	34.6	6,869	35.5	2,864	34.0
Upper-income	106,348	48.0	93,200	48.1	9,454	48.9	3,694	43.8
Unknown-income	460	0.2	350	0.2	85	0.4	25	0.3
Total Assessment Area	221,454	100.0	193,692	100.0	19,330	100.0	8,432	100.0
	Percentage of Total Businesses:			87.5		8.7		3.8

Note: Percentages may not total to 100.0 percent due to rounding.

Table 5 Assessment Area Demographics (2012)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	106	11.6	68,144	7.8	22,483	33.0	199,281	22.8
Moderate-income	193	21.0	186,267	21.3	28,793	15.5	143,898	16.5
Middle-income	292	31.8	306,493	35.1	20,618	6.7	160,958	18.4
Upper-income	325	35.4	311,618	35.7	9,589	3.1	368,385	42.2
Unknown-income	1	0.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	917	100.0	872,522	100.0	81,483	9.3	872,522	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	132,433	32,037	3.7	24.2	76,153	57.5	24,243	18.3
Moderate-income	326,844	137,704	15.8	42.1	151,905	46.5	37,235	11.4
Middle-income	530,098	320,431	36.8	60.4	169,936	32.1	39,731	7.5
Upper-income	586,643	380,281	43.7	64.8	158,720	27.1	47,642	8.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	1,576,018	870,453	100.0	55.2	556,714	35.3	148,851	9.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	9,011	4.5	7,784	4.5	713	4.0	514	6.4
Moderate-income	29,366	14.7	25,031	14.4	2,917	16.5	1,418	17.7
Middle-income	60,509	30.4	52,936	30.5	5,191	29.3	2,382	29.8
Upper-income	100,164	50.2	87,656	50.5	8,840	49.9	3,668	45.9
Unknown-income	287	0.1	226	0.1	46	0.3	15	0.2
Total Assessment Area	199,337	100.0	173,633	100.0	17,707	100.0	7,997	100.0
	Percentage of Total Businesses:			87.1		8.9		4.0

Note: Percentages may not total to 100.0 percent due to rounding.

Population Characteristics

As presented in the following table, the population for both counties in the assessment area remained relatively stable since 2000, according to 2010 U.S. Census Bureau data. DuPage County

experienced a small increase in population of 1.4 percent while Cook County experienced a small decrease in population of 3.4 percent. Total population increases in the state of Illinois (the State) are higher than both counties, but not substantially, which indicates a slow growth trend for a majority of the State.

Table 6			
Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Assessment Area	N/A	3,770,612	N/A
State of Illinois	12,419,293	12,830,632	3.3%
Cook County, IL	5,376,741	5,194,675	-3.4%
DuPage County, IL	904,161	916,924	1.4%
<i>Source: 2000—U.S. Census Bureau: Decennial Census 2010—U.S. Census Bureau: Annual Population Estimates OR 2010—U.S. Census Bureau: Decennial Census</i>			

Income Characteristics

Median family income in Cook County was below that of the State, while DuPage County was above the State level, according to 2000 Census data information and the U.S. Census Bureau's American Community Survey estimates. However, both counties and the State experienced substantial increases in median family income from 2000 to 2010, indicating similar growth occurred in a majority of counties in the State over the same timeframe.

Table 7			
Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income	2006-2010 Median Family Income	Percentage Change
Assessment Area	N/A	73,664	N/A
State of Illinois	55,545	68,236	22.8%
Cook County, IL	53,784	65,039	20.9%
DuPage County, IL	79,314	92,423	16.5%
<i>Source: 2000—U.S. Census Bureau: Decennial Census 2006-2010—U.S. Census Bureau: American Community Survey</i>			

Bankruptcy Characteristics

Total bankruptcy filings in Cook and DuPage counties decreased since 2010; however, rates remain high in both as Cook County ranks 4th out of 102 counties in Illinois, while DuPage County ranks 16th. These bankruptcy filing rates are partially explained by the unemployment levels present in both counties, with further details on the unemployment rate provided in Table 9.

Housing Characteristics

The table below illustrates recent housing trends within the counties comprising the assessment area and the State. The median housing and gross rent values for both counties is greater when compared to the State, which is attributed to the higher cost of living in these areas. Additionally, the median housing and gross rent values for the counties and the State increased considerably from 2000 to 2010.

A common method to measure housing affordability is to use the affordability ratio. The ratio is defined in Appendix B of this evaluation. A higher ratio indicates more affordable housing. Based on 2006 – 2010 Census data estimates, housing affordability in Cook (.20) and DuPage (.24) counties is generally less affordable when compared to the State (.28) as a whole.

Table 8 Housing Costs Change 2000 and 2010				
Location	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Assessment Area	N/A	318,507	N/A	943
State of Illinois	127,800	202,500	605	834
Cook County, IL	154,300	265,800	648	900
DuPage County, IL	187,600	316,900	837	1,008

Source: 2000—U.S. Census Bureau: Decennial Census
2000-2010—U.S. Census Bureau: American Community Survey

Employment Conditions

Unemployment rates for the counties comprising the bank’s assessment area, state of Illinois, and nation indicate a weak, but recovering job market. Regional unemployment rates generally increased in 2009 and 2010, with considerable job losses occurring these years. However, data available through 2012 indicates employment conditions are improving. Cook County consistently had the highest unemployment rate of all geographies, while the unemployment rate in DuPage County was consistently the lowest.

Table 9 Unemployment Rates				
Region	2009	2010	2011	2012
United States	9.3%	9.6%	8.9%	8.1%
State of Illinois	10.0%	10.3%	9.8%	8.9%
Cook County, IL	10.3%	10.5%	10.4%	9.3%
DuPage County, IL	8.4%	8.3%	8.0%	7.3%

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

According to the data in the table below, the bank’s assessment area has a diverse employment base with multiple industries represented, including insurance agencies, universities, and general

medical and surgical hospitals. The largest employers in the assessment area are presented in the table below.

Table 10		
Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Allstate Insurance CO	13,000	Insurance Agencies & Brokerages
University of Illinois Chicago	11,515	Colleges, Universities & Professional Schools
Allstate Corp	10,000	Insurance Agencies & Brokerages
University of Chicago	8,534	Colleges, Universities & Professional Schools
Johnston R Bowman Health Ctr	8,000	General Medical & Surgical Hospitals
Loyola University Hospital	8,000	General Medical & Surgical Hospitals
John H Stroger Jr Hospital	6,000	General Medical & Surgical Hospitals
Northern Trust CO	6,000	Commercial Banking
Sears Holding Corp	6,000	Department Stores

Source: American's Labor MARKET Information System (ALMIS)

In addition to the preceding information, two community representatives were contacted to help determine the credit and other banking needs of the assessment area. Representatives indicated there is a growing need for loans to small businesses. Representatives also stated although there are many financial institutions in the area, opportunities to target low- and-moderate-income individuals are still present. Other identified community needs were outreach through financial educational activities to make business owners aware of available financing options.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Eagle Bank's performance relative to the lending test is rated Satisfactory based on a reasonable loan-to-deposit (LTD) ratio, a majority of its lending occurring in the assessment area, a reasonable dispersion of its loans throughout the assessment area, and a reasonable penetration of loans among individuals of different income levels and businesses of different sizes. First Eagle Bank is primarily a commercial lender and does not aggressively market home mortgage loans. As a result, greater emphasis was placed on small business lending for this review.

Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is reasonable given its size, financial condition, and assessment area credit needs. First Eagle Bank's average LTD ratio is 66.1 percent and is generally comparable to its national peer group and local competitors. The table below includes the eight quarter average LTD ratio for the bank, its national peer group, and a sample of local competitors.

Table 11	
Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%) Eight Quarter Average
First Eagle Bank	66.1
National Peer Group 3*	73.9
Competitors	
Albany B&TC N.A.	73.7
American Chartered Bank	75.8
First Bank of Highland Park	88.0
Lakeside Bank	93.5
South Central Bank	70.1
<i>*Insured commercial banks with assets between \$300 million and \$1 billion.</i>	

Assessment Area Concentration

A majority of HMDA-reportable and small business loans were originated in the bank's assessment area during the review period. First Eagle Bank originated 78.3 percent of its total loans, by number, and 80.3 percent, by dollar volume, inside its assessment area. HMDA-reportable loans had the highest percentage of loans originated in the assessment area (79.6 percent), closely followed by total small business loans, at 77.7 percent. The following table provides a breakdown, by product, of the loans originated inside the assessment area from January 1, 2011 through December 31, 2012.

Table 12								
Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase	15	78.9	7,240	84.6	4	21.1	1,320	15.4
Refinanced Loans	7	87.5	6,618	91.4	1	12.5	625	8.6
Home	1	33.3	300	71.4	2	66.7	120	28.6
Multi-Family	16	84.2	20,260	90.9	3	15.8	2,020	9.1
Total HMDA-	39	79.6	34,418	89.4	10	20.4	4,085	10.6
Total Small	80	77.7	23,977	70.1	23	22.3	10,227	29.9
Total Loans	119	78.3	58,395	80.3	33	21.7	14,312	19.7
<i>Note: Percentages may not add to 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

Overall, the bank's record of lending demonstrates a reasonable distribution of loans in its assessment area. No unexplained or conspicuous gaps in lending activity were identified.

HMDA-Reportable Loans

Geographic distribution of HMDA-reportable loans is reasonable. In 2011, the bank originated 5.9 percent, by number, of HMDA-reportable loans in low-income census tracts and 17.6 percent in moderate-income census tracts. The bank outperformed aggregate lending levels, which originated 2.4 and 11.4 percent, by number, respectively. When compared to assessment area demographics, the bank originated loans at a level above the percentage of owner-occupied housing units located in low- and moderate-income census tracts (2.3 and 13.8 percent). Home purchase loans represent the majority of the lending in 2011 (58.8 percent), followed by multi-family (29.4 percent) and then refinances (11.8 percent).

The bank's HMDA-reportable lending activity was similar in 2012. In 2012 the bank originated 13.6 percent, by number, of HMDA-reportable loans in low-income census tracts and 18.2 percent in moderate-income census tracts. When compared to assessment area demographics, the bank originated loans at a level greater than the percentage of owner-occupied housing units located in low- and moderate-income census tracts (3.7 and 15.8 percent). Multi-family loans represent the majority of the lending in 2012 (50.0 percent), followed by home-purchases (22.7 percent) and refinances (22.7 percent).

Table 13							
Home Mortgage Lending, 2011							
Geographic Distribution							
(000s)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders (Peer)		Owner-Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	2.9	2.6	2.3
Moderate	1	10.0	350	7.1	14.2	12.2	13.8
Middle	1	10.0	413	8.4	37.4	28.7	42.3
Upper	8	80.0	4,175	84.5	45.4	56.5	41.5
Unknown	0	0.0	0	0.0	0.1	0.1	0.0
Total	10	100.0	4,938	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	2.0	1.9	
Moderate	0	0.0	0	0.0	10.1	9.3	
Middle	1	50.0	47	2.2	31.6	25.3	
Upper	1	50.0	2,080	97.8	56.3	63.4	
Unknown	0	0.0	0	0.0	0.1	0.1	
Total	2	100.0	2,127	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	9.4	2.0	
Moderate	0	0.0	0	0.0	12.6	8.5	
Middle	0	0.0	0	0.0	32.4	28.7	
Upper	0	0.0	0	0.0	45.5	60.8	
Unknown	0	0.0	0	0.0	0.1	0.0	
Total	0	0.0	0	0.0	100.0	100.0	
Multifamily Loans							
Low	1	20.0	613	11.7	7.4	6.3	
Moderate	2	40.0	1,775	33.9	31.8	19.1	
Middle	1	20.0	425	8.1	35.7	32.4	
Upper	1	20.0	2,425	46.3	25.1	42.2	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	5	100.0	5,238	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	1	5.9	613	5.0	2.4	2.3	
Moderate	3	17.6	2,125	17.3	11.4	10.4	
Middle	3	17.6	885	7.2	33.2	26.5	
Upper	10	58.8	8,680	70.6	53.0	60.7	
Unknown	0	0.0	0	0.0	0.1	0.1	
Total	17	100.0	12,303	100.0	100.0	100.0	

Note: Percentages may not add to 100.0 percent due to rounding.

Table 14							
Home Mortgage Lending, 2012							
Geographic Distribution							
(000s)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders (Peer)		Owner-Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	N/A	N/A	3.7
Moderate	1	20.0	305	13.2	N/A	N/A	15.8
Middle	1	20.0	272	11.8	N/A	N/A	36.8
Upper	3	60.0	1,725	74.9	N/A	N/A	43.7
Unknown	0	0.0	0	0.0	N/A	N/A	0.0
Total	5	100.0	2,302	100.0	N/A	N/A	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	1	20.0	36	0.8	N/A	N/A	
Upper	4	80.0	4,455	99.2	N/A	N/A	
Unknown	0	0.0	0	0.0	N/A	N/A	
Total	5	100.0	4,491	100.0	N/A	N/A	
Home Improvement Loans							
Low	1	100.0	300	100.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	0	0.0	0	0.0	N/A	N/A	
Upper	0	0.0	0	0.0	N/A	N/A	
Unknown	0	0.0	0	0.0	N/A	N/A	
Total	1	100.0	300	100.0	N/A	N/A	
Multifamily Loans							
Low	2	18.2	1,025	6.8	N/A	N/A	
Moderate	3	27.3	6,515	43.4	N/A	N/A	
Middle	5	45.5	6,732	44.8	N/A	N/A	
Upper	1	9.1	750	5.0	N/A	N/A	
Unknown	0	0.0	0	0.0	N/A	N/A	
Total	11	100.0	15,022	100.0	N/A	N/A	
Total Home Mortgage Loans							
Low	3	13.6	1,325	6.0	N/A	N/A	
Moderate	4	18.2	6,820	30.8	N/A	N/A	
Middle	7	31.8	7,040	31.8	N/A	N/A	
Upper	8	36.4	6,930	31.3	N/A	N/A	
Unknown	0	0.0	0	0.0	N/A	N/A	
Total	22	100.0	22,115	100.0	N/A	N/A	

Note: Percentages may not add to 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans is reasonable. In 2011, the bank originated 2.5 percent and 7.5 percent, by number, of its small business loans in low- and moderate-income

census tracts. The record of lending is consistent with demographics; 3.1 and 14.0 percent of businesses in the assessment area are located in low- and moderate-income census tract, respectively. In 2012, the bank originated 2.5 and 20.0 percent of its small business loans in low- and moderate-income census tracts, respectively. In particular, small business lending within moderate-income census tracts experienced much higher activity since 2011, as loans made within tracts of this designation nearly tripled. According to area demographics, 4.5 and 14.7 percent of businesses in the assessment area are located in low- and moderate-income census tracts, respectively. Lending at these levels indicates the bank is serving small businesses in its assessment area.

Table 15					
Small Business Lending, 2011					
Geographic Distribution					
(000s)					
Census Tract Income Level	Bank Loans				Businesses by Census Tract Income Level
	#	%	\$	%	%
Low	1	2.5	788	7.0	3.1
Moderate	3	7.5	883	7.9	14.0
Middle	17	42.5	5,218	46.5	34.6
Upper	19	47.5	4,339	38.6	48.0
Unknown	0	0.0	0	0.0	0.2
Total	40	100.0	11,228	100.0	100.0

Note: Percentages may not add to 100.0 percent due to rounding.

Table 16					
Small Business Lending, 2012					
Geographic Distribution					
(000s)					
Census Tract Income Level	Bank Loans				Businesses by Census Tract Income Level
	#	%	\$	%	%
Low	1	2.5	50	0.4	4.5
Moderate	8	20.0	2,171	17.0	14.7
Middle	11	27.5	3,231	25.3	30.4
Upper	20	50.0	7,297	57.2	50.2
Unknown	0	0.0	0	0.0	0.1
Total	40	100.0	12,749	100.0	100.0

Note: Percentages may not add to 100.0 percent due to rounding.

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

The distribution of borrowers reflects reasonable penetration among borrowers of different income designations, including low- and moderate-income borrowers, and businesses of different sizes.

HMDA-Reportable Loans

Borrower distribution of HMDA-reportable loans is reasonable. In 2011, the bank originated 5.9 percent, by number, of HMDA-reportable loans to low-income and 0.0 percent, to moderate-income borrowers. Performance was comparable to aggregate lending levels for low-income borrowers, which originated 5.2 percent of HMDA-reportable loans to this designation. However, aggregate lending levels (12.1 percent) exceeded the bank's performance (0.0 percent) to moderate-income borrowers. Performance to low- and moderate- income borrowers was below assessment area demographics, as 20.8 and 17.5 percent of the families in the assessment area are low- and moderate-income. In 2012, the bank did not originate any loans to low- and moderate-income borrowers. Despite the differential between aggregate lending levels and the bank, it is noted the bank does not aggressively market or originate home mortgage loans and is meeting assessment area needs.

Table 17							
Home Mortgage Lending, 2011							
Borrower Distribution							
(000s)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	8.0	3.3	20.8
Moderate	0	0.0	0	0.0	19.3	11.6	17.5
Middle	0	0.0	0	0.0	20.3	16.5	21.2
Upper	5	50.0	3,385	68.6	40.8	57.6	40.5
Unknown	5	50.0	1,553	31.4	11.7	11.0	0.0
Total	10	100.0	4,938	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	1	50.0	47	2.2	4.2	2.2	
Moderate	0	0.0	0	0.0	9.5	5.7	
Middle	0	0.0	0	0.0	17.3	13.1	
Upper	1	50.0	2,080	97.8	52.3	64.0	
Unknown	0	0.0	0	0.0	16.6	15.1	
Total	2	100.0	2,127	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	9.7	2.5	
Moderate	0	0.0	0	0.0	17.9	9.8	
Middle	0	0.0	0	0.0	21.2	16.3	
Upper	0	0.0	0	0.0	41.9	58.8	
Unknown	0	0.0	0	0.0	9.3	12.7	
Total	0	0.0	0	0.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	5	100.0	5,238	100.0	100.0	100.0	
Total	5	100.0	5,238	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	1	5.9	47	0.4	5.2	2.3	
Moderate	0	0.0	0	0.0	12.1	6.9	
Middle	0	0.0	0	0.0	18.0	13.3	
Upper	6	35.3	5,465	44.4	48.7	59.5	
Unknown	10	58.8	6,791	55.2	15.9	18.0	
Total	17	100.0	12,303	100.0	100.0	100.0	

Note: Percentages may not add to 100.0 percent due to rounding.

Table 18							
Home Mortgage Lending, 2012							
Borrower Distribution							
(000s)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	N/A	N/A	22.8
Moderate	0	0.0	0	0.0	N/A	N/A	16.5
Middle	0	0.0	0	0.0	N/A	N/A	18.4
Upper	0	0.0	0	0.0	N/A	N/A	42.2
Unknown	5	100.0	2,302	100.0	N/A	N/A	0.0
Total	5	100.0	2,302	100.0	N/A	N/A	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	0	0.0	0	0.0	N/A	N/A	
Upper	2	40.0	836	18.6	N/A	N/A	
Unknown	3	60.0	3,655	81.4	N/A	N/A	
Total	5	100.0	4,491	100.0	N/A	N/A	
Home Improvement Loans							
Low	0	0.0	0	0.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	0	0.0	0	0.0	N/A	N/A	
Upper	0	0.0	0	0.0	N/A	N/A	
Unknown	1	100.0	300	100.0	N/A	N/A	
Total	1	100.0	300	100.0	N/A	N/A	
Multifamily Loans							
Low	0	0.0	0	0.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	0	0.0	0	0.0	N/A	N/A	
Upper	0	0.0	0	0.0	N/A	N/A	
Unknown	11	100.0	15,022	100.0	N/A	N/A	
Total	11	100.0	15,022	100.0	N/A	N/A	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	N/A	N/A	
Moderate	0	0.0	0	0.0	N/A	N/A	
Middle	0	0.0	0	0.0	N/A	N/A	
Upper	2	9.1	836	3.8	N/A	N/A	
Unknown	20	90.9	21,279	96.2	N/A	N/A	
Total	22	100.0	22,115	100.0	N/A	N/A	

Note: Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Borrower distribution of small business loans is reasonable. According to area demographics (2011), 87.5 percent of businesses in the assessment area had annual revenues of \$1 million or less.

In 2011, the bank originated 62.5 percent, by number, of its small business lending to businesses with annual revenues of \$1 million or less. Further, of the 40 small business loans under \$1 million by loan size, 15 (37.5 percent) were under \$100,000. In 2012, the bank's small business lending activity was similar. According to area demographics, 87.1 percent of businesses in the assessment area had annual revenues of \$1 million or less. The bank originated 70.0 percent, by number, of its small business lending to businesses with annual revenues of \$1 million or less. Further, of the 40 small business loans under \$1 million by loan size, 14 (35.0 percent) were under \$100,000. Loan size is a reasonable indicator of the size of the business borrower. Emphasis is placed on loans in amounts of \$100,000 or less, because the category of lending is considered most likely to benefit smaller businesses. Through its small business lending efforts, the bank is meeting the credit needs of its assessment area.

Table 19						
Small Business Loan Distribution, 2011						
By Revenue and Loan Size						
(000s)						
Category	Bank Loans				Businesses By Annual Revenues	
	#	%	\$	%	# %	
By Revenue						
\$1 Million or Less	25	62.5	6,477	57.7	87.5	
Over \$1 Million	14	35.0	4,696	41.8	8.7	
Not Known	1	2.5	55	0.5	3.8	
Total	40	100.0	11,228	100.0	100.0	
By Loan Size						
\$100,000 or less	15	37.5	939	8.4		
\$101,000 - \$250,000	9	22.5	1,443	12.9		
\$251,000 - \$1 Million	16	40.0	8,846	78.8		
Total	40	100.0	11,228	100.0		
By Loan Size and Revenue \$1 Million or Less						
\$100,000 or less	9	36.0	504	7.8		
\$101,000 - \$250,000	7	28.0	1,183	18.3		
\$251,000 - \$1 Million	9	36.0	4,790	74.0		
Total	25	100.0	6,477	100.0		

Note: Percentages may not add to 100.0 percent due to rounding.

Table 20						
Small Business Loan Distribution, 2012						
By Revenue and Loan Size						
(000s)						
Category	Bank Loans				Businesses By Annual Revenues	
	#	%	\$	%	# %	
By Revenue						
\$1 Million or Less	28	70.0	10,210	80.1	87.1	
Over \$1 Million	10	25.0	2,458	19.3	8.9	
Not Known	2	5.0	81	0.6	4.0	
Total	40	100.0	12,749	100.0	100.0	
By Loan Size						
\$100,000 or less	14	35.0	745	5.8		
\$101,000 - \$250,000	10	25.0	1,688	13.2		
\$251,000 - \$1 Million	16	40.0	10,316	80.9		
Total	40	100.0	12,749	100.0		
By Loan Size and Revenue \$1 Million or Less						
\$100,000 or less	8	28.6	364	3.6		
\$101,000 - \$250,000	7	25.0	1,230	12.0		
\$251,000 - \$1 Million	13	46.4	8,616	84.4		
Total	28	100.0	10,210	100.0		

Note: Percentages may not add to 100.0 percent due to rounding.

COMMUNITY DEVELOPMENT TEST

First Eagles Bank’s performance relative to the community development test is Outstanding. The bank demonstrates excellent responsiveness to the community development needs of its assessment area.

Community Development Lending

During the evaluation period, the bank originated or renewed a total of 60 loans to 48 different organizations engaged in community development activities. The totals represent significant increases, both in the number of loans and total dollar volume, since the previous evaluation period.

Table 21 Qualified Community Development Loans September 13, 2011 through September 16, 2013										
Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total \$
41	29,400	2	260	10	5,645	7	4,328	60	39,633	100.0

The bank originated 41 loans to 36 entities and private developers engaged in creating or maintaining affordable housing developments, totaling \$29,399,904. Based on assessment area demographics, housing was identified as a need in the communities where First Eagle Bank operates. Ten loans totaling \$5,644,779 were originated to various non-profit organizations and private entities that stimulated revitalization and stability within low- and moderate-income communities. Furthermore, seven loans totaling \$4,327,675 were originated to organizations that provide services to low- and moderate-income individuals.

First Eagle Bank maintained its status as a Community Development Financial Institution (CDFI). A CDFI is a specialized financial institution that works in market niches that are underserved by traditional financial institutions and provides a unique range of financial products and services in economically-distressed target markets. Additionally, the bank developed a CDFI strategic plan for how it will utilize CDFI funds with a vision and goal of increasing its investment, lending, and services to reach low- and moderate- income individuals and distressed communities. Objectives include increased partnerships with other CDFIs, increased opportunities for knowledge building, and expanding services that impact low- and moderate-income individuals and small businesses. As a CDFI, the bank continued to achieve its primary mission to promote development throughout its assessment area and exemplifies First Eagle Bank’s commitment to increasing outreach efforts to low- and moderate-income communities.

Community Development Investments

First Eagle Bank made three qualified investments during the evaluation period, totaling \$2,158,991. In addition, the bank maintained 11 prior period qualified investments with a current balance of \$5,068,073. The following table presents the bank’s qualified investment activity by purpose.

Table 22 Qualified Community Development Investments by Type September 13, 2011 through September 16, 2013									
	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total	#	\$ (000s)
Affordable Housing	4	2,703	1	1,159	5	3,862	53.4	0	0
Economic Development	5	1,241	1	100	6	1,341	18.6	0	0
Revitalization and Stabilization	0	0	1	900	1	900	12.5	0	0
Community Services	2	1,124	0	0	2	1,124	15.6	0	0
Total	11	5,068	3	2,159	14	7,227	100.0	0	0

In 2012, the bank invested in a Fannie Mae mortgage-backed security. The investment pool consisted of six residential mortgage loans for single-family, multifamily, and condominium affordable housing, totaling \$1,158,776. All loans included in the pool are made to low- or moderate-income individuals located in the bank’s assessment area.

Moreover, the bank also invested in a municipal bond totaling \$900,000 within a school district that has a high percentage of low- and moderate-income students based on the “free and reduced” lunch program. The municipal bond provided community development opportunities for revitalization and stability to the municipality.

During the evaluation period, the bank made 37 qualified grants and donations to 22 different organizations, totaling \$100,215. The grants and donations were made to organizations engaged in activities promoting affordable housing, community services, and economic development in the bank’s assessment area.

Community Development Services

During the evaluation period bank employees or officers participated with 17 different organizations that provide affordable housing, community service, and economic development activities in the bank’s assessment area.

Table 23							
Qualified Community Development Services							
September 13, 2011 through September 16, 2013							
Affordable Housing		Community Services		Economic Development		Total	
#	Hours	#	Hours	#	Hours	#	Hours
7	123	24	822.5	6	174	37	1,119.5

The employees and officers participated in activities that were directly related to the provision of banking, small business, housing, and financial services (37 total). Bank representatives served in various capacities such as board directors and committee members. The degree of involvement by the bank was made evident as representatives noted First Eagle Bank as highly involved with community initiatives and also highlighted their efforts in contributing their financial expertise to various organizations.

Additionally, the bank provides the following banking services to help meet the needs of its community:

SBA Loan program

The program's mission is to help develop small businesses. The program not only helps to supply credit to small businesses, but simultaneously assists banks with risk mitigation, liquidity management, and regulatory compliance. First Eagle Bank participates in the SBA 504, the Standard 7(a), and the SBA Express loan programs.

FHA Loan Program

First Eagle Bank is approved to be a Title II FHA supervised loan correspondent. A Title II loan is a FHA-insured 1st-mortgage that a borrower can use to help purchase a home as a primary residence.

Credit Builder Loan Program

The Credit Builder loan program is a combination low-interest loan and savings initiative that helps an individual establish a good payment history in order to build or improve credit performance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	<ul style="list-style-type: none"> HMDA-reportable and small business loans originated from January 1, 2011 to December 31, 2012. Community Development activities from September 13, 2011 through September 16, 2013. 		
FINANCIAL INSTITUTION First Eagle Bank			PRODUCTS REVIEWED HMDA-reportable loans Small business loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	None		None
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Portions of the Chicago-Joliet-Naperville MD #16975	Full scope	1201 W. Madison Street, Chicago, IL	None

APPENDIX B – Glossary

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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

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

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

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

HUD Metro Fair Market Rent Area (HFMR): Is a geographic area developed by the Department of Housing and Urban Development (HUD) that often is comparable to the Office of Management and Budget (OMB) metropolitan areas. HFMR is the level of geography that is used for all HUD Fair Market Rent (FMR) and Median Family Income (MFI) Data. A HFMR represents the area in which rental housing is in direct competition and may not always correspond to metropolitan divisions. Non-metropolitan area data is released for individual counties.

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 lenders in the MSA/assessment area.

Median Income: The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) 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 it and half below it.

Metropolitan Area: 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. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (**MMSA**). Performance within each MMSA is analyzed separately as a full-scope review and receives its own ratings under the Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

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.

Small loans to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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