



**PUBLIC DISCLOSURE**

**October 12, 2021**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Sandy Spring Bank**

**Onley, Maryland**

**Federal Reserve Bank of Richmond  
Richmond, Virginia**

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.

**PUBLIC DISCLOSURE**

October 12, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Sandy Spring Bank

506922

17801 Georgia Avenue

Olney, Maryland 20832

**Federal Reserve Bank of Richmond  
P. O. Box 27622  
Richmond, Virginia 23261**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal financial supervisory agency concerning the safety and soundness of this financial institution.

**TABLE OF CONTENTS**

	Page
Institution Rating	
Institution’s CRA Rating .....	2
Table of Performance Test Ratings.....	2
Summary of Major Factors Supporting Rating.....	2
Institution	
Description of Institution .....	3
Scope of Examination .....	4
Description of Washington-Baltimore-Arlington, DC-MD-VA Assessment Area.....	4
Conclusions With Respect to Performance Tests .....	8
CRA Appendices	
CRA Appendix A: New Branch Offices.....	17
CRA Appendix B: Branch Closures .....	18
CRA Appendix C: Glossary.....	19

**INSTITUTION RATING**

**INSTITUTION'S CRA RATING:** Sandy Spring Bank is rated "SATISFACTORY."

The following table indicates the performance level of Sandy Spring Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>SANDY SPRING BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution's rating include:

- Lending activity overall is consistent with the bank's capacity and helps meet identified community credit needs within a highly competitive market and is considered good.
- A substantial majority of the institution's reported Home Mortgage Disclosure Act (HMDA) and small business loans were originated within the bank's assessment area.
- The bank's geographic lending distribution performance ranges from good to excellent by loan product and year. Overall, the bank's geographic distribution performance is good.
- The bank's borrower lending distribution performance ranges from poor to good by loan product and year and is considered adequate overall.
- The bank exhibits a good record of serving the credit needs of low-income individuals and geographies as well as very small businesses.
- The bank extended a relatively high level of community development lending during the evaluation period and made use of flexible lending practices in serving assessment area credit needs.
- The bank maintains a significant level of qualified community development investments that demonstrate good responsiveness to local credit and community development needs.

- Delivery systems and branch locations are accessible to all segments of the bank’s assessment area, and bank employees support a relatively high level of organizations that provide community development services in its market area.
- The bank’s opening and closing of branch locations did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income areas and/or individuals.
- Banking services do not vary in a way that inconveniences the bank’s assessment area, particularly to low- and moderate-income areas and/or people.
- During the evaluation period, the bank provided a relatively high level of qualified community development services given its capacity and available opportunities within the assessment area.
- There have been no complaints regarding the bank’s Community Reinvestment Act (CRA) performance since its previous evaluation.
- The rating was not influenced by evidence of discrimination.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Sandy Spring Bank (SSB) is headquartered in Olney, Maryland, and is a wholly owned subsidiary of Sandy Spring Bancorp, Incorporated, a single bank holding company also headquartered in Olney, Maryland. The bank has three non-bank subsidiaries: Sandy Spring Insurance Company, which offers traditional insurance products; SSB Wealth Management and West Financial Services Incorporated, which offers wealth management services.

SSB currently operates 58 branch offices within its assessment area. Since its previous CRA evaluation in May 2017, the bank acquired WashingtonFirst on March 15, 2018, and Revere Bank on April 14, 2020. As a result of these acquisitions, SSB acquired 22 branch offices causing the composition of the bank’s single assessment area to expand. Appendix A contains a listing of the acquired branches. In addition, the bank opened one new branch office and closed 19 branch offices. Appendix B contains a listing of the closed branches.

As of June 30, 2021, the bank held total assets of approximately \$12.9 billion, of which 77.8% were net loans and 11.1% were securities, while deposits totaled approximately \$11 billion. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purpose. The composition of the loan portfolio (using gross loans) as of June 30, 2021, is depicted in the following table.

### Composition of Loan Portfolio

Loan Type	6/30/2021	
	\$(000s)	%
Secured by 1-4 Family dwellings	1,977,854	19.5
Multifamily	438,375	4.3
Construction and Development	1,409,563	13.9
Commercial & Industrial/ NonFarm NonResidential	6,212,452	61.1
Consumer Loans and Credit Cards	29,474	0.3
Agricultural Loans/ Farmland	23,018	0.2
All Other	72,861	0.7
<b>Total</b>	<b>10,163,597</b>	<b>100.0</b>

As reflected in the preceding table, commercial and industrial loans and those secured by one- to four-family dwellings represent the largest categories of loans extended within the bank's portfolio. While the bank offers other loans, the dollar volume of such lending is relatively small in comparison to its primary lending business lines and was not further considered in the evaluation of the lending performance, as doing so would not yield meaningful information for rating bank performance.

SSB's previous CRA rating, dated May 15, 2017, was Outstanding. Based on its financial capacity, there are no significant limitations on the bank's ability to meet the credit needs within the communities it serves. Furthermore, no known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

## **SCOPE OF EXAMINATION**

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. Consistent with these procedures, HMDA loans reported by the institution from January 1, 2018, through December 31, 2020, and small business lending activity reported from January 1, 2018, through December 31, 2019 were reviewed. Since the bank did not originate any small farm loans during the evaluation period, such loans are not included in the analysis.

Qualified community development loans that were originated or renewed from May 15, 2017, the date of the most recent CRA evaluation, through the evaluation date are considered for this evaluation. All qualified community development services provided since the previous evaluation, and all qualified investments made during the same period, and those outstanding as of the evaluation, regardless of when made, were also considered.

To help determine the availability of community development opportunities in the assessment area, the CRA public evaluations of financial institutions operating in the assessment area were reviewed. Additionally, members of the community were contacted to discern information about local economic conditions, local credit needs, performance of banks in the assessment area, as well as potential community development opportunities.

While the bank has reported its 2020 CRA/small business data, that data is not included in this analysis because the 2020 aggregate data is not yet available. Because aggregate data captures lending done under the same business and market conditions, aggregate data from 2020 is an important performance context factor needed to evaluate the bank's lending performance, especially since the pandemic occurred during most of 2020.

## **DESCRIPTION OF WASHINGTON-BALTIMORE-ARLINGTON, DC-MD-VA ASSESSMENT AREA**

SSB's assessment area is located within the Washington-Baltimore-Arlington, DC-MD-VA combined statistical area (CSA) and includes two partial metropolitan statistical areas (MSA): the Baltimore-Columbia-Towson, MD MSA and the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. The Washington-Arlington-Alexandria, DC-VA-MD-WV MSA is comprised of two metropolitan divisions; the bank takes all of the Frederick-Gaithersburg-Rockville, MD metropolitan division and a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division. Since the previous evaluation, the Silver Spring-Frederick-Rockville, MD metropolitan division has been renamed the Frederick-Gaithersburg-Rockville, MD metropolitan division due to revisions made by the Office of Management and Budget (OMB) to the delineations of metropolitan statistical areas and metropolitan divisions which was effective for data collected as of January 1, 2019. The assessment area includes whole cities and counties, and as of June 30, 2021, SSB ranked 9th of 82 financial institutions in local deposit market share having 2.5% of the assessment area's available Federal Deposit Insurance Corporation (FDIC) insured deposits (credit union deposits are not reflected in the deposit market share). The following table reflects the composition of the bank's assessment area.

Assessment Area Name	City/County	State	Census
			Tracts
Washington-Baltimore-Arlington, DC-MD-VA Assessment Area	Anne Arundel County	MD	All
	Baltimore City*	MD	All
	Baltimore County*	MD	All
	Carroll County	MD	All
	Frederick County	MD	All
	Howard County	MD	All
	Montgomery County	MD	All
	Prince George's County	MD	All
	Alexandria City	VA	All
	Arlington County	VA	All
	Fairfax City	VA	All
	Fairfax County	VA	All
	Falls Church City	VA	All
	Loudoun County	VA	All
	Manassas City*	VA	All
	Manassas Park City*	VA	All
	Prince William County*	VA	All
Washington, D.C.	DC	All	

\*Manassas City, Manassas Park City, and Prince William County, VA were added to the assessment area on 3/15/2018 due to the acquisition of WashingtonFirst. Baltimore City and Baltimore County, MD were added to the assessment area on 4/14/2020 due to the Revere Bank acquisition.

Since the previous CRA evaluation, the bank acquired 22 branch offices, opened one branch office and closed 19 branch offices as reflected in the tables in Appendices A and B. As previously noted, the acquisitions and associated branching activity expanded SSB's single assessment area as noted in the above table.

According to 2015 ACS data, the assessment area has a population of approximately 7.7 million and a median housing value of \$356,073. The owner-occupancy rate for the assessment area (58%) is higher than the rate in the District of Columbia (37.2%), but slightly lower than the rates for the State of Maryland (60.1%) and the Commonwealth of Virginia (59.2%). The owner-occupancy rate for the assessment area is also lower than the rates in the Baltimore-Columbia-Towson, MD MSA (60%) and the Frederick-Gaithersburg-Rockville, MD metropolitan division (64.6%), but equal to the rate in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (58%).

Within the assessment area, 6.5% of families are considered below the poverty level, which is lower than the percentage in both the State of Maryland (7%) and the Commonwealth of Virginia (8.2%) and significantly lower than the percentage in the District of Columbia (14.3%). The assessment area's family poverty level percentage is also lower than the percentage in the Baltimore-Columbia-Towson, MD MSA (7.6%), but is higher than the percentages in both the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (6.1%) and in the Frederick-Gaithersburg-Rockville, MD metropolitan division (4.6%). The following table provides HUD adjusted median family income information for the bank's MSA and metropolitan divisions.

Assessment Area	2018	2019	2020
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$114,900	\$114,700	\$118,700
Baltimore-Columbia-Towson, MD	\$94,900	\$101,000	\$104,000
Frederick-Gaithersburg-Rockville, MD	–	\$123,600	\$124,400
Silver Spring-Frederick-Rockville, MD	\$118,700	–	–

The following table provides pertinent assessment area demographic data.

**Assessment Area Demographics**

<b>Washington-Baltimore, Arlington, VA-DC, MD</b> <i>(Based on 2015 ACS Data and 2020 D&amp;B Information)</i>								
<b>Income Categories*</b>	<b>Tract Distribution</b>		<b>Families by Tract</b>		<b>Families &lt; Poverty as a % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low	211	11.7	155,420	8.6	36,851	23.7	400,686	22.2
Moderate	398	22.0	368,147	20.4	35,922	9.8	298,759	16.5
Middle	576	31.9	600,976	33.3	28,404	4.7	356,568	19.7
Upper	592	32.8	678,372	37.5	14,410	2.1	750,736	41.6
NA	28	1.6	3,834	0.2	909	23.7		
<b>Total</b>	<b>1,805</b>	<b>100.0</b>	<b>1,806,749</b>	<b>100.0</b>	<b>116,496</b>	<b>6.4</b>	<b>1,806,749</b>	<b>100.0</b>
	<b>Owner Occupied Units by Tract</b>		<b>Households</b>					
			<b>HHs by Tract</b>		<b>HHs &lt; Poverty by Tract</b>		<b>HHs by HH Income</b>	
	#	%	#	%	#	%	#	%
Low	78,645	4.5	267,660	9.6	65,585	24.5	663,003	23.7
Moderate	300,124	17.1	601,797	21.5	71,707	11.9	448,500	16.0
Middle	623,424	35.6	941,739	33.7	63,309	6.7	504,790	18.0
Upper	748,850	42.7	976,397	34.9	41,050	4.2	1,182,189	42.3
NA	2,237	0.1	10,889	0.3	2,433	22.3		
<b>Total</b>	<b>1,753,280</b>	<b>100.0</b>	<b>2,798,482</b>	<b>100.0</b>	<b>244,084</b>	<b>8.7</b>	<b>2,798,482</b>	<b>100.0</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract and Revenue Size</b>					
			<b>Less than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>	
	#	%	#	%	#	%	#	%
Low	21,618	5.1	19,976	5.1	1,490	4.4	152	4.6
Moderate	74,583	17.5	68,032	17.5	6,075	18.0	476	14.5
Middle	144,805	34.0	131,817	33.9	11,972	35.6	1,016	31.0
Upper	181,909	42.7	166,674	42.9	13,786	41.0	1,449	44.3
NA	2,743	0.7	2,226	0.6	337	1.0	180	5.6
<b>Total</b>	<b>425,658</b>	<b>100.0</b>	<b>388,725</b>	<b>100.0</b>	<b>33,660</b>	<b>100.0</b>	<b>3,273</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			91.3		7.9		0.8

\*NA-Tracts without household or family income as applicable

SSB's assessment area is predominately urban and provides a large number and variety of local employment opportunities. The bank operates in one of the strongest, most diversified economies in the nation. Leading sources of employment in the assessment area are government, aerospace and defense, information technology, healthcare, financial services, energy, manufacturing, and travel. Recent unemployment rates are presented in the following table.



<b>Unemployment Rate Trend</b>				
<b>Geographic Area</b>	<b>Oct 2018</b>	<b>Oct 2019</b>	<b>Oct 2020</b>	<b>Oct 2021</b>
Anne Arundel County, MD	3%	2.7%	5.2%	4.2%
Baltimore City, MD	5%	4.8%	8.7%	6.8%
Baltimore County, MD	3.6%	3.4%	6.3%	4.9%
Carroll County, MD	2.9%	2.5%	4.2%	3.7%
Frederick County, MD	3.2%	2.9%	5.4%	4.2%
Howard County, MD	2.8%	2.5%	4.8%	3.8%
Montgomery County, MD	2.9%	2.7%	6.5%	4.5%
Prince George's County, MD	3.7%	3.5%	8.8%	6.3%
<b>Maryland</b>	3.5%	3.2%	6.5%	5.0%
Alexandria City, VA	2.1%	1.8%	6.2%	2.4%
Arlington County, VA	1.9%	1.7%	4.6%	1.9%
Fairfax City, VA	2.1%	1.9%	5%	2.4%
Fairfax County, VA	2.3%	2.0%	5.6%	2.4%
Falls Church City, VA	2.0%	1.8%	3.7%	1.8%
Loudoun County, VA	2.3%	2%	4.8%	2.2%
Manassas City, VA	2.3%	2.1%	6.1%	2.9%
Manassas Park City, VA	2.3%	2.1%	6.5%	2.7%
Prince William County, VA	2.5%	2.2%	6.1%	2.9%
<b>Commonwealth of Virginia</b>	2.7%	2.4%	5.7%	3%
<b>District of Columbia</b>	5.4%	5%	8.2%	5.5%
<b>Baltimore-Columbia-Towson, MD MSA</b>	3.5%	3.3%	6.0%	4.8%
<b>Washington-Arlington-Alexandria DC-VA-MD-WV Metropolitan Division</b>	3.1%	2.8%	6.5%	3.7%

Prior to the COVID-19 pandemic and subsequent economic shut down, the assessment area was experiencing very low and stable unemployment rates. With the exception of the District of Columbia and Baltimore City, Baltimore County, and Prince George’s County, Maryland, assessment area county and city unemployment rates are generally lower when compared to respective statewide unemployment rates. While current unemployment rates have not returned to pre-pandemic levels, the downward trend indicates that labor conditions within the bank’s assessment area may be improving.

Local affordable housing officials were contacted recently to discuss local housing conditions and community credit needs. The contacts indicated that area unemployment rates have significantly improved since the declaration of the worldwide pandemic. They also noted that the supply of affordable housing remains stagnant, while demand continues to remain high. The contacts suggested that affordable housing developers would benefit from flexible financing options from financial institutions: however, they acknowledged that area financial institutions are reasonably meeting local credit needs.

Discussions with the community contacts and reviews of the performance evaluations of other financial institutions having a local presence indicate that community development opportunities are reasonably available within the bank's assessment area when considering performance context factors. Despite a highly competitive market, the institution faces no significant constraints relative to its size or business strategy in making community development loans, investments, or supporting community service activities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Ratings for the lending, investment, and service test are assigned to the institution based on performance within the assessment area. Following the FFIEC's procedures, lending test performance accounts for half of the overall rating, while the investment and services test are equally weighted and each account for one-quarter of the overall rating.

### LENDING TEST

When evaluating the bank's performance, relevant area demographic data from the 2015 American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. Additionally, aggregate HMDA and CRA small business loan data reported from 2018 and 2019, as well as 2020 HMDA, is considered when evaluating the bank's performance. Aggregate small business lending data from 2020 cannot be considered in this evaluation because the data is not currently available. Aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA loan data within the bank's assessment area. Because SSB is required to report HMDA and CRA loan data, its lending is included in the aggregate data. Throughout the analysis of lending, loans without a reported income (in the case of borrower distribution) and loans where the reported geographic information is incomplete (in the case of geographic distribution) are excluded from both bank loan totals and comparative aggregate lending totals. Dun & Bradstreet (D&B) demographic data from 2018 and 2019 are also considered when evaluating the bank's performance.

While HMDA loan data from calendar years 2018 through 2020 and small business loans from 2018 and 2019 were fully analyzed and considered in the evaluation, only bank and aggregate data from 2020 HMDA and 2019 CRA are presented in the assessment area analysis tables. In instances where the 2018 and 2019 HMDA and 2018 CRA performance varies significantly from the performance noted during 2020 HMDA and 2019 CRA, such variances and the corresponding impact on the overall performance are discussed.

Within SSB's assessment area, a high level of small business lending activity was reported by specialized lenders, who often originate or purchase small business loans in the form of credit cards. The loans, however, tend to be much smaller in size than traditional small business bank loans, and a substantial majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate the percentage of aggregate lending to businesses with annual revenues of \$1 million or less. These factors were considered as an aspect of performance context when evaluating the level and distribution of small business lending.

While the bank is an active commercial lender, it extended a larger volume of residential mortgage loans than small business loans within its assessment area during the review period. The bank originated approximately \$2.1 billion in HMDA loans and \$585.5 million in small business loans during 2018 and 2019. Accordingly, the bank's residential mortgage lending performance was generally given more weight when considering the bank's combined product performance. Additionally, when determining the overall performance of a product, greater weight is generally given to the year with the larger dollar volume for that product. For SSB's HMDA lending, greater weight is given to its 2020 performance as, within the assessment area, the bank originated \$2.1 billion in loans compared to \$1.1 billion and \$957.7 million in 2019 and 2018, respectively. On the other hand, slightly greater weight is given to the bank's 2018 small business lending, as \$299.5 million in loans were extended compared to \$286 million in 2019. As previously noted, the bank did not extend any small farm loans during the evaluation period.

The institution's overall lending performance within the assessment area is considered to be satisfactory. This conclusion is based on an evaluation of the bank's lending activity, geographic and borrower distribution performances, and the level of community development lending, while taking into account the bank's strategy, area demographic data, and aggregate loan data.

The geographic and borrower distribution performance of HMDA loans focused on performance for Home Purchase, Home Improvement, Refinancing, and Multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

**Lending Activity:**

Combined lending activity from 2018, 2019, and 2020 based on the bank’s loan data reviewed during this evaluation is detailed in the following table.

**Summary of Lending Activity**

Loan Type	#	%	\$(000)	% of \$
Home Improvement	1,383	6.45	197,596	3.07
Home Purchase	5,713	26.65	2,359,445	36.61
Multi-Family Housing	43	0.20	156,010	2.42
Refinancing	4,610	21.50	1,957,312	30.37
Loan Purpose Not Applicable	20	0.09	4,631	0.07
Other Purpose Closed-End	49	0.23	8,565	0.13
Other Purpose LOC	460	2.15	71,015	1.10
<b>Total HMDA related</b>	<b>12,278</b>	<b>57</b>	<b>4,754,574</b>	<b>74</b>
Small Business	9,162	42.73	1,690,491	26.23
<b>TOTAL LOANS</b>	<b>21,440</b>	<b>100</b>	<b>6,445,065</b>	<b>100</b>

The total number and dollar volume of loans, as can be seen in the above table, were considered in arriving at a lending activity conclusion. The bank offers a broad range of products and services to meet the credit needs of its assessment area. Residential mortgage lending is the bank’s primary lending product with 74% of the lending activity by dollar volume during the evaluation period, the majority of which is home purchase and refinance lending. Additionally, the bank participated in the Paycheck Protection Program (PPP) which is designed to help businesses keep their workforce employed during the coronavirus (COVID-19) crisis. SSB originated 8,574 PPP loans totaling \$1.6 billion. More specifically, the bank originated 345 loans for \$618.3 million as part of the PPP for loans with amounts greater than \$1 million.

Information about the bank’s loan-to-deposit ratio, changes in loans and deposits, and its market share and rankings can also provide additional context regarding the bank’s lending activity and its capacity. As of June 30, 2021, SSB’s loan-to-deposit ratio equaled 91.7%. SSB’s loan-to-deposit ratio averaged 103.3% during the 17-quarter period ending during the same time period. Since June 30, 2017, the bank’s assets, loans, and deposits have increased by 145.4%, 145.2%, and 181.3%, respectively.

The following table provides information regarding SSB’s lending activity according to aggregate HMDA and CRA/small business data during the evaluation period. Aggregate data for CRA/small business data is not available for 2020, therefore, it is excluded from the table. SSB’s comparatively high market share rankings indicate that the bank is an active lender within its assessment area.

Year	HMDA			CRA/Small business		
	Market Share	Rank	Number of Lenders	Market Share	Rank	Number of Lenders
2018	1.20%	19 <sup>th</sup>	821	0.70%	16 <sup>th</sup>	219
2019	1.10%	22 <sup>nd</sup>	816	0.70%	16 <sup>th</sup>	239
2020	0.90%	27 <sup>th</sup>	925	-	-	-

Overall, the bank's lending reflects good responsiveness to area credit needs.

*Assessment Area Concentration:*

Loan data includes all bank originations and purchases of HMDA and small business lending from January 1, 2018, through December 31, 2020. The data does not include large commercial loans (loan amounts in excess of \$1 million) or any other loan type not specified.

**Comparison of Credit Extended Inside and Outside of Assessment Area(s)**

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	4,856	85.0	2,082,855	88.3	857	15.0	276,590	11.7
Home Improvement	1,310	94.7	187,250	94.8	73	5.3	10,346	5.2
Refinancing	4,160	90.2	1,806,766	92.3	450	9.8	150,546	7.7
Multi-Family Housing	32	74.4	132,609	85.0	11	25.6	23,401	15.0
Loan Purpose Not Applicable	20	100.0	4,631	100.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	45	91.8	8,370	97.7	4	8.2	195	2.3
Other Purpose LOC	432	93.9	65,135	91.7	28	6.1	5,880	8.3
<b>Total HMDA related</b>	<b>10,855</b>	<b>88.4</b>	<b>4,292,247</b>	<b>90.2</b>	<b>1,423</b>	<b>11.6</b>	<b>466,958</b>	<b>9.8</b>
Small Business	8,590	93.8	1,553,620	91.9	572	6.2	136,871	8.1
<b>TOTAL LOANS</b>	<b>19,445</b>	<b>90.7</b>	<b>5,845,867</b>	<b>90.6</b>	<b>1,995</b>	<b>9.3</b>	<b>603,829</b>	<b>9.4</b>

As illustrated in the preceding table, a substantial majority of the number (90.7%) and dollar amount (90.6%) of the HMDA and CRA loans were made in the bank's assessment area. Overall, the institution's level of lending within the assessment area is considered highly responsive to community credit needs.

**Geographic Distribution:**

Geographic distribution performance for both HMDA and small business loans is considered good.

**Distribution of HMDA Loans by Income Level of Census Tract**

Washington-Baltimore, Arlington, VA-DC, MD (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(1,718)				Home Purchase (163,443)			
Low	107	6.2	38,738	5.0	7,567	4.6	2,387,106	3.5
Moderate	355	20.7	104,132	13.4	28,511	17.5	8,691,895	12.7
Middle	518	30.2	192,643	24.8	60,746	37.2	22,498,333	32.8
Upper	738	42.9	441,105	56.8	66,284	40.7	35,092,632	51.0
	(2,820)				Refinance (363,990)			
Low	85	3.0	31,727	2.6	9,403	2.6	2,942,928	2.1
Moderate	272	9.6	89,393	7.5	40,906	11.2	11,739,613	8.3
Middle	875	31.0	310,553	25.9	121,587	33.4	40,862,979	29.0
Upper	1,588	56.4	766,058	64.0	192,094	52.8	85,527,429	60.6
	(513)				Home Improvement (11,330)			
Low	12	2.3	1,224	1.6	272	2.4	35,829	2.3
Moderate	40	7.8	5,053	6.4	1,126	9.9	118,953	7.6
Middle	145	28.3	16,993	21.6	3,319	29.3	372,335	23.7
Upper	316	61.6	55,519	70.4	6,613	58.4	1,045,732	66.4
	(12)				Multi-Family (534)			
Low	6	50.0	15,429	26.0	147	27.5	1,961,950	25.3
Moderate	1	8.3	504	0.8	128	24.0	1,773,408	22.8
Middle	4	33.3	31,188	52.6	153	28.7	2,818,143	36.3
Upper	1	8.4	12,200	20.6	106	19.8	1,210,840	15.6
	HMDA Totals							
Low	210	4.1	87,118	4.1	17,389	3.2	7,327,813	3.3
Moderate	668	13.2	199,082	9.4	70,671	13.1	22,323,869	10.2
Middle	1,542	30.4	551,377	26.0	185,805	34.4	66,551,790	30.3
Upper	2,643	52.0	1,274,882	60.1	265,097	49.1	122,876,633	56.0
NA*	16	0.3	7,337	0.4	936	0.2	431,512	0.2
<b>Total</b>	<b>5,079</b>	<b>100.0</b>	<b>2,119,796</b>	<b>100.0</b>	<b>539,898</b>	<b>100.0</b>	<b>219,511,617</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

Refinance loans were extended most frequently by the bank and aggregate reporters during 2020, with home purchase lending extended second most frequently. SSB's home purchase performance is considered excellent, while its refinance and multifamily loan performances are considered good and home improvement lending is considered adequate relative to the aggregate.

When considering the bank's overall performance during 2020, lending in low-income census tracts (4.1%) lags the proportion of owner-occupied housing units located in such areas (4.5%), but exceeds the aggregate lending levels (3.2%) and is considered excellent. The bank's lending in moderate-income census tracts (13.2%) also lags the proportion of owner-occupied housing units in such areas (17.1%) and approximates the aggregate lending levels (13.1%) and is considered good. SSB's overall 2020 performance is considered good.

During 2019, SSB originated 2,806 loans totaling \$1.1 billion. Of these loans, 225 (8%) totaling \$104.9 million (9.3%) were originated in low-income census tracts, which exceeds both the proportion of owner-occupied housing units in such areas (3.2%) and the aggregate lending level (3.6%). SSB's lending in moderate-income census tracts equaled 477 loans (17%) totaling \$133.4 million (11.8%), which also exceeds the aggregate lending level (13.7%) and the proportion of owner-occupied units (14.2%) located in such areas. The bank's overall 2019 performance is considered excellent and 2018 performance is similar.

On a combined basis when considering the significantly greater dollar volume of lending during 2020 and the relative strength of performance in each year, SSB's overall HMDA geographic distribution performance is considered good.

**Distribution of Small Business Loans by Income Level of Census Tract**

Washington-Baltimore-Arlington, VA-DC,MD (2019)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	33	2.8	8,527	3.0	6,078	3.5	162,883	3.0
Moderate	222	18.6	51,671	18.1	26,647	15.5	808,385	15.1
Middle	468	39.2	100,419	35.1	57,101	33.3	1,847,119	34.5
Upper	467	39.1	124,826	43.6	80,997	47.2	2,510,633	46.9
NA*	3	0.3	601	0.2	616	0.5	23,276	0.5
<b>Total</b>	<b>1,193</b>	<b>100.0</b>	<b>286,044</b>	<b>100.0</b>	<b>171,439</b>	<b>100.0</b>	<b>5,352,296</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable  
Loans where the geographic location is unknown are excluded from this table.

D&B data from 2019 indicates that 4.1% of businesses are located in low-income census tracts and 15.8% are in moderate-income census tracts. The bank's level of small business lending in low-income census tracts (2.8%) lags both the percentage of businesses located in such areas and the aggregate lending level (3.5%) and is considered to be adequate. SSB's lending to businesses in moderate-income census tracts (18.6%) exceeds both the percentage of businesses located in such areas and the aggregate level (15.5%) and is considered excellent. Overall, the bank's performance is considered good. SSB's performance during 2018 is similar.

**Distribution by Borrower Income and Revenue Size of the Business:**

The bank's borrower distribution performance for both HMDA and small business lending is considered adequate overall.

**Distribution of HMDA Loans by Income Level of Borrower**

Washington-Baltimore, Arlington, VA-DC, MD (2020)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>HMDA Totals</b>								
Low	265	5.6	49,430	2.6	29,627	6.9	6,263,519	3.8
Moderate	842	17.7	226,766	11.7	85,930	20.1	24,476,954	14.7
Middle	1,132	23.8	395,322	20.5	114,504	26.7	40,948,982	24.6
Upper	2,508	52.9	1,258,845	65.2	198,126	46.3	94,937,971	56.9
<b>Total</b>	<b>4,747</b>	<b>100.0</b>	<b>1,930,363</b>	<b>100.0</b>	<b>428,187</b>	<b>100.0</b>	<b>166,627,426</b>	<b>100.0</b>
Unknown	332		189,433		111,711		52,884,191	

Percentages (%) are calculated on all loans where incomes are known

During 2020, SSB's lending to low-income borrowers (5.6%) lagged both the aggregate lending level (6.9%) and the percentage of low-income families (22.2%) in the assessment area. The bank's lending to moderate-income borrowers (17.7%) also lagged the aggregate lending level (20.1%), but exceeded the percentage of moderate-income families (16.5%) in the assessment area. Overall, the HMDA distribution reflects adequate penetration among borrowers of different income levels.

During 2019, the bank reported 2,650 HMDA loans totaling \$1 billion, for which borrower incomes were known. Of the originations, 221 loans (8.3%) totaling \$33.6 million (3.3%) were extended to low-income borrowers, while 616 loans (23.2%) totaling \$149.1 million (14.7%) were extended to moderate-income borrowers. Bank performance exceeded both aggregate lending levels to low-income (7.8%) and moderate-income borrowers (21.2%). While the bank's lending performance lagged the percentage of low-income families in the assessment area (20.3%), it exceeded the percentage of moderate-income families (15.9%). Overall, the bank's borrower distribution performance for 2019 is considered good and 2018 is similar.

Overall, SSB's HMDA performance is considered adequate and reflects greater weight afforded to 2020 lending given its higher dollar volume of lending.

**Distribution of Lending by Loan Amount and Size of Business**

Washington-Baltimore-Arlington, VA-DC,MD (2019)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	402	33.7	86,668	30.3	85,073	49.3	1,716,563	31.9
Over \$1 Million	791	66.3	199,376	69.7	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size								
\$100,000 or less	577	48.4	26,458	9.2	164,122	95.2	2,352,791	43.8
\$100,001-\$250,000	229	19.2	42,324	14.8	4,130	2.4	717,206	13.3
\$250,001-\$1 Million	387	32.4	217,262	76.0	4,180	2.4	2,303,002	42.9
<b>Total</b>	<b>1,193</b>	<b>100.0</b>	<b>286,044</b>	<b>100.0</b>	<b>172,432</b>	<b>100.0</b>	<b>5,372,999</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

D&B data indicates that 91% of all local businesses have revenues that do not exceed \$1 million per year. During 2019, 49.3% of aggregate reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. After excluding large credit card lenders, 57.3% of reported small business loans were to businesses having revenues of \$1 million or less. SSB's level of lending to businesses having revenues of \$1 million or less (33.7%) is considered poor.

In 2018, the bank reported 1,191 small business loans totaling \$299.5 million within the assessment area. Of this total, 405 loans (34%) totaling \$90.9 million (30.4%) were extended to businesses having revenues of \$1 million or less. D&B data from 2018 indicates that 90.5% of all local businesses have revenues that do not exceed \$1 million per year, and during 2018, 48% of aggregate reported small business loans were to businesses with annual revenues of \$1 million or less. The remaining loans were to businesses that either had revenues exceeding \$1 million or had unknown revenues. After excluding large credit card lenders, 55.7% of reported small business loans, were to businesses having revenues of \$1 million or less. SSB's level of lending to businesses having revenues of \$1 million or less during 2018 is considered adequate.

Overall, the bank's small business lending performance is considered adequate based upon the relative performance and slightly greater dollar volume of lending during 2018.

**Community Development Lending:**

Discussions with individuals knowledgeable of the local market area and reviews of performance evaluations of other financial institutions having a local presence indicate community development opportunities are readily available within this assessment area. Additionally, the bank faces no constraints which would inhibit it from providing community development loans consistent with its capacity and available opportunities.

During the evaluation period, SSB originated 49 qualified community development loans totaling \$118 million within the assessment area. In general, the loans were to organizations and borrowers that provide affordable housing and social services targeted to low- and moderate-income individuals. SSB makes a relatively high level of qualified community development loans, when considering the bank's capacity and available opportunities.

## INVESTMENT TEST

As of June 30, 2021, SSB reported approximately \$12.9 billion in total assets and held approximately \$1.4 billion in securities. As of the date of the evaluation, SSB held approximately \$38.3 million in qualified investments. In addition to those investments, the bank contributed \$465,617 in qualified donations to a variety of local organizations providing services for affordable housing and low- and moderate-income residents.

Qualified community development investments include the following:

- Twelve pools of mortgage-backed securities issued by Fannie Mae totaling approximately \$29.1 million. The mortgage loans were made to low- and moderate-income borrowers within the bank's assessment area.
- Three pools of mortgage-backed loans issued by Ginnie Mae totaling approximately \$1.7 million. The mortgage loans were made to low- and moderate-income borrowers within the bank's assessment area.
- Two pools of mortgage-backed loans totaling \$3.5 million issued by Federal Home Loan Mortgage Corporation (FHLMC). The mortgage loans were made to low- and moderate-income borrowers or areas within the bank's assessment area.
- Seven housing bonds issued by the Virginia Housing Development Authority (VHDA) totaling approximately \$4 million benefits the statewide area, including the bank's assessment area. The VHDA promotes affordable housing by financing single and multi-family mortgages for low- and moderate-income individuals throughout the Commonwealth of Virginia.

Market data gathered from a variety of resources suggest that reasonable opportunities for qualified investments exist in the assessment area. Given the investment opportunities in the assessment area, the institution's level of responding to community development needs through investment activities is considered to be high satisfactory.

## SERVICE TEST

SSB's performance for the service test is rated high satisfactory. Systems for delivering retail-banking services appear effective and are accessible to all portions of the assessment area. In addition, bank employees provide a relatively high level of community development services.

### Retail Services:

Delivery systems are accessible to all portions of the assessment area. Automated teller machines (ATMs), mobile banking, and internet banking are available, giving bank customer's 24-hour access to their accounts. The bank also offers many services with no or minimal service charges such as free mobile and internet banking, free bill pay, free account alerts, no ATM fees, and free checking accounts.

The institution currently operates 58 full-service branches within its assessment area, of which two (3.4%) are located in low-income tracts and 11 (19%) are located in moderate-income tracts. The distribution is adequate when considering 9.6% and 21.5% of the assessment area's households reside in low- and moderate-income areas, respectively.

As previously discussed, SSB acquired WashingtonFirst (3/15/2018) and Revere Bank (4/14/2020) since its previous CRA evaluation in May 2017. Through these acquisitions, SSB acquired 22 branch offices, one located in a low-income census tract, four in moderate-income census tracts, eight in middle-income census tracts, and nine in upper-income census tracts. The composition of the bank's assessment area expanded as a result of these branch acquisitions. The bank also opened one branch (Beltsville) in a moderate-income census tract in July 2019. In addition, the bank closed 19 branches in the assessment area (none in low-income tracts, four in moderate-income tracts, nine in middle-income tracts, and six in upper-income tracts). The bank posted and mailed appropriate customer notices and notified all state and federal agencies in accordance with regulatory requirements. No public comments were received as a result of the branch closings.

SSB's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income (LMI) geographies and/or LMI individuals.



## Community Development Services:

Opportunities for community development are available throughout the bank's assessment area, and the bank has the capacity to participate in such activities. As such, the bank was a leader in supporting community development service activities within its assessment area during the evaluation period. Bank employees primarily provided financial expertise by serving on the board of directors for community development organizations or offering financial literacy education to members of the local community. Examples of organizations that SSB and its employees supported during the evaluation period include the following:

### Affordable Housing

- City First Homes
- Coalition Homes
- DC Housing Authority
- Eastside Community Development Corporation
- Harbel Housing Partnership
- Housing and Community Initiatives, Inc.
- Kairos Development, LLC
- Loudoun Habitat for Humanity
- Marshall Heights Community Development Organization
- Montgomery Housing Partnership
- St. Ambrose Housing Aid Center

### Community Services

- Anne Arundel County Mental Health Agency
- Anne Arundel Literacy Council
- Anne Arundel Workforce Development
- Boys Hope Girls Hope of Baltimore
- City First Enterprises
- Druid Heights Community Development Corporation
- Greater Washington Urban League
- Institute for Creative Community Initiatives
- Langton Green
- Latino Economic Development Center
- Making Change
- Marquis Foundation
- Montgomery County Students Automotive Trades Foundation, Inc.
- On Our Own of Montgomery County, Inc.
- Project Jumpstart
- Rebuilding Together Howard County
- Rotary Club of Frederick
- TAP Foundation
- United Way of Central Maryland
- Women at Real Risk

Additionally, the bank launched a financial literacy campaign utilizing EverFi's learning platform where employees visited 13 local schools, a majority of whose students are from low- and moderate-income families, to teach financial management. EverFi is a financial education program based on state and national standards that prepares students to make informed financial decisions throughout their lifetime.

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary examination and enforcement authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws, including Sandy Spring Bank. The Federal Reserve, however, retains authority to enforce compliance with the bank's CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation from May 15, 2017, to October 12, 2021, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance.

**CRA APPENDIX A**  
**NEW BRANCH OFFICES**

The following table presents new branch offices for SSB since the previous CRA evaluation. All but one of the new offices occurred due to the acquisition of WashingtonFirst (3/15/2018) and Revere Bank (4/14/2020).

New Branch Offices							
Date	Branch Name	Address	City	State	Zip	Acquired Opened	2020 Income Level
April 2020	New York Avenue	647 New York Avenue	Washington	DC	20001	Acquired	Low
January 2018	19 <sup>th</sup> Street	1146 19th Street, NW	Washington	DC	20036	Acquired	Moderate
July 2019	Beltsville	10985 Baltimore Avenue	Beltsville	MD	20705	Opened	Moderate
January 2018	Connecticut Avenue	1025 Connecticut Avenue, NW	Washington	DC	20036	Acquired	Moderate
April 2020	Laurel	319 Main Street	Laurel	MD	20707	Acquired	Moderate
January 2018	Oxon Hill	6089 Oxon Hill Road	Oxon Hill	MD	20745	Acquired	Moderate
January 2018	Ballston	4501 North Fairfax Drive	Arlington	VA	22203	Acquired	Middle
January 2018	Fair Lakes	12735 Shoppes Lane	Fairfax	VA	22033	Acquired	Middle
April 2020	Gaither Road	2101 Gaither Road	Rockville	MD	20850	Acquired	Middle
January 2018	Greenbelt	6329 Greenbelt Road	College Park	MD	20740	Acquired	Middle
January 2018	Herndon	13081 Worldgate Drive	Herndon	VA	20170	Acquired	Middle
January 2018	Manassas Park	9113 Manassas Drive	Manassas	VA	20111	Acquired	Middle
January 2018	Reston	11636 Plaza America Drive	Reston	VA	20190	Acquired	Middle
January 2018	Shady Grove	14941 Shady Grove Road	Rockville	MD	20850	Acquired	Middle
January 2018	Alexandria	115 N. Washington Street	Alexandria	VA	22314	Acquired	Upper
April 2020	Ellicott City	6031 University Boulevard	Ellicott City	MD	21043	Acquired	Upper
January 2018	Great Falls	9851 Georgetown Pike	Great Falls	VA	22066	Acquired	Upper
April 2020	Maplewood	9707 Old Georgetown Road	Bethesda	MD	20814	Acquired	Upper
January 2018	McLean	1356 Chain Bridge Road	McLean	VA	22101	Acquired	Upper
January 2018	Potomac	9812 Falls Road	Potomac	MD	20854	Acquired	Upper
April 2020	Severna Park	8529 Veterans Highway	Millersville	MD	21108	Acquired	Upper
April 2020	Towson	502 Washington Avenue	Towson	MD	21204	Acquired	Upper
January 2018	Tysons Corner	2095 Chain Bridge Road	Vienna	VA	22182	Acquired	Upper

**CRA APPENDIX B**  
**BRANCH CLOSURES**

The following table presents branch closures for the bank since the previous CRA evaluation.

<b>Branch Closings</b>						
<b>Date</b>	<b>Branch Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>2020 Income Level</b>
May 2021	East Gude	1601 East Gude Drive	Rockville	MD	20850	Moderate
August 2020	Gaithersburg	820 West Diamond Avenue	Gaithersburg	MD	20706	Moderate
August 2020	Silver Spring	8602 Colesville Road	Silver Spring	MD	20910	Moderate
June 2017	Silver Spring	8677 Georgia Avenue	Silver Spring	MD	20910	Moderate
April 2018	Annandale	7023 Little River Turnpike	Annandale	VA	22003	Middle
May 2021	Chantilly	14231 Willard Road	Chantilly	VA	20151	Middle
April 2018	Fairfax	10777 Main Street	Fairfax	VA	22030	Middle
August 2020	Frederick	18 West Patrick Street	Frederick	MD	21701	Middle
July 2019	Lanham	4451 Parliament Place	Lanham	MD	20706	Middle
November 2017	Linthicum	504 South Camp Meade Road	Linthicum Heights	MD	21090	Middle
November 2017	Odenton	8759 Piney Orchard Parkway	Odenton	MD	21113	Middle
August 2020	Rockville	414 Hungerford Drive	Rockville	MD	20850	Middle
May 2021	Sterling	46901 Cedar Lake Plaza	Sterling	VA	20164	Middle
April 2018	Arlington	550 North Quincy Street	Arlington	VA	22203	Upper
August 2020	Bethesda	7700 Old Georgetown Road	Bethesda	MD	20814	Upper
April 2018	Bethesda	7708 Woodmont Avenue	Bethesda	MD	20814	Upper
August 2020	Millersville	8310 Veterans Highway	Millersville	MD	21108	Upper
April 2018	Potomac	9822 Falls Road	Potomac	MD	20854	Upper
April 2018	Vienna	414 Maple Avenue East	Vienna	VA	22180	Upper

## CRA APPENDIX C

### GLOSSARY

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

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

**Community development:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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

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

**Limited-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

**Middle-income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

**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.