

PUBLIC DISCLOSURE

November 30, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chelsea Bank
RSSD # 170976

360 Broadway
Chelsea, MA 02150

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210

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

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INSTITUTION'S CRA RATING: Chelsea Bank¹ is rated "**Satisfactory.**"

Chelsea Bank (Chelsea or the bank) demonstrates reasonable responsiveness to the credit needs of its assessment area based on the following findings:

- Chelsea Bank extended a majority of its loans within its assessment area.
- The distribution of residential loans by borrower income was appropriate compared to assessment area demographics and competing lenders in the assessment area.
- Given Chelsea Bank's asset size, competition, and market area, its loan to deposit ratio was good. The bank's average loan-to-deposit ratio of 94.3 percent indicates that the bank is responsive in meeting local credit needs.
- The geographic distribution of residential loans is reflective of the composition of the assessment area and is considered adequate.

Scope of Evaluation

Chelsea Bank's Community Reinvestment Act (CRA) performance analysis was based on CRA activities conducted within its assessment area using the Small Bank CRA Examination Procedures. These procedures evaluate the bank's efforts in meeting the credit needs of its assessment area under the following five-part test: loan-to-deposit ratio, lending in the assessment area, lending to borrowers of different incomes, geographic distribution of loans, and record of taking action in response to consumer complaints. Analysis of the bank's lending performance focused on residential loans originated between January 1, 2005 and September 30, 2009. Analysis was performed using Home Mortgage Disclosure Act (HMDA) data for years 2005-2008. Data for 2009 was obtained directly from the bank.

As of September 30, 2009, residential lending represented the most significant portion of the bank's loan portfolio accounting for 83.4 percent of dollar volume. Therefore, the examination focused on residential lending. Commercial real estate loans are the only commercial loan product originated by the bank and they represent 10.1 percent of the portfolio. Commercial loans were not considered as they only comprise a small percentage of the portfolio, and the bank deems itself primarily a residential lender. Similarly, consumer loans were not reviewed as they comprise only 1.0 percent of the bank's loan portfolio. Analysis of the bank's CRA efforts incorporated 19 quarters from January 1, 2005 through September 30, 2009 and represents the period since the prior examination.

Performance Context

DESCRIPTION OF INSTITUTION

Chelsea Bank is a mutual community bank headquartered in Chelsea, Massachusetts. The bank was incorporated in 1885, and its sole office is located at 360 Broadway, Chelsea. This site is located in Suffolk County in the Boston-Quincy MSA. Chelsea Bank joined the Federal Reserve Bank of Boston (FRBB) as a state member on May 15, 2008. As such, this is the bank's first CRA examination conducted by the FRBB. Chelsea has not opened or closed any offices during the CRA evaluation period.

¹ Chelsea-Provident Co-operative Bank legally changed its name to Chelsea Bank during the examination.

The bank operates in a diverse, urban community that includes a large Hispanic population. Given the neighborhood composition, the bank employs fourteen bi-lingual employees to accommodate its customers' needs. In addition, Chelsea Bank collaborates with several organizations to provide financial literacy training in both English and Spanish. The bank provides suitable access to its products and services and maintains Saturday hours to meet with the banking needs of the community. The main office is equipped with a deposit taking automated teller machine (ATM). In addition, the bank offers internet and telephone banking which are both available 24 hours, seven days a week. Telephone banking permits customers to check account balances, transfer funds, make loan payments and retrieve deposit rate information. Internet banking provides customer access to review loan balances, transfer funds between accounts and pay bills. Chelsea Bank also provides services to its business customers. Products and services include: commercial real estate loans, business checking and payment processing.

As of September 30, 2009, the bank's assets totaled \$47.2 million with total deposits of \$39.6 million and net loans and leases of \$38.3 million. Total assets increased 4.1 percent since September 30, 2008, partly due to the significant net loan growth of 11.1 percent during the same time frame. The loan growth is mainly attributed to a residential mortgage refinance boom in early 2009.

Chelsea Bank sells its conforming fixed rate mortgages to Freddie Mac and Massachusetts Housing Finance Agency and retains the servicing. In years 2007 through 2009, the bank sold 152 loans to Freddie Mac totaling \$41,427, 298 and 28 loans to Massachusetts Housing Finance Agency in the amount of \$4,836,845. The bank has also issued 21 loan modifications which have placed struggling borrowers into a better financial position.

A detailed breakdown of Chelsea Bank's loan portfolio as of September 30, 2009 appears in the following table.

Type of Loans	\$(000)	% Total
Construction Loans		
1-4 Family Residential Construction	1,741	4.5
Other Construction Loans & Dev.	0	0
1-4 Family		
a. First Mortgages	22,106	57.4
b. Home Equity Lines	3,774	9.8
c. Junior Liens (Second Mortgages)	2,138	5.5
Multifamily residential properties	4,138	10.7
Nonfarm non-residential properties	3,898	10.1
Commercial Loans		
a. Commercial & Industrial Loans	0	0
b. Agricultural	0	0
Consumer Loans		
a. Other revolving credit plans	449	1.2
c. Other consumer Loans	414	1.1
All Other loans	0	0.0
Gross Loans	38,522	100.0

Source: September 30, 2009 FFIEC Report of Condition

The bank's assessment area is comprised of three cities and one town that are located in three different counties. Chelsea Bank operates in a competitive environment in Suffolk, Middlesex and Essex Counties where several local and regional banks maintain a major presence. Management identified its main competitors as Metropolitan Credit Union, TD Bank North, Winter Hill Bank FSB, as well as several local mortgage companies.

According to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, there are 15 institutions and 42 branches competing in the bank's market. Chelsea is an independent community bank operating in a market with multi-regional, national and statewide institutions. As of June 30, 2009, Chelsea Bank ranked thirteenth for deposit market share within its assessment area, with 1.55 percent of the market share. Although Chelsea did not place at the top of the list, its performance is strong considering its asset size and business model. RBS Citizens, NA placed first with 16.06 percent of the market share, Eastern Bank was second with 15.82 percent, Eagle Bank ranked third with 11.80 percent and East Boston Savings Bank was fourth with 9.78 percent.

There are no legal or financial impediments that would hinder the bank's ability to meet the credit needs of its assessment area. Community Reinvestment Act (CRA) examinations were conducted by the Massachusetts Division of Banks (DOB) on February 4, 2003 and the FDIC on November 22, 2004. Both examinations resulted in an overall "Outstanding" rating.

DESCRIPTION OF INSTITUTION'S ASSESSMENT AREA

The Community Reinvestment Act requires a financial institution to identify an assessment area (AA) within which the FRBB evaluates the bank's record of helping to meet the credit needs of the community. Chelsea defines its assessment area as the cities of Chelsea, Everett, and Revere and the town of Saugus. The cities of Chelsea and Revere are located in the Boston-Quincy Metropolitan Statistical Area (MSA); the city of Everett is located in the Cambridge-Newton-Framingham MSA and the town of Saugus is located in the Essex MSA. The bank's assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income census tracts. While the assessment area has not changed since the last examination, the MSA designations have been altered. At the previous examination in 2004, the assessment area was located entirely in the Boston MSA.

Demographic Data by Census Tract

The bank's assessment area is comprised of 25 census tracts. The census tracts are distributed as follows: 2 or 8 percent are low-income, 15 or 60 percent are moderate-income, and 8 or 32 percent are middle-income. There are no upper-income census tracts located within the assessment area. The following table provides additional demographic information for the bank's assessment area.

Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	8.0	2,209	6.1	622	28.2	12,167	33.5
Moderate-income	15	60.0	23,809	65.6	2,953	12.4	7,786	21.5
Middle-income	8	32.0	10,270	28.3	526	5.1	8,070	22.2
Upper-income	0	0.0	0	0.0	0	0.0	8,265	22.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	25	100.0	32,288	100.0	4,101	11.3	36,288	100.0
	Housing Units by Tract	HOUSING TYPES BY TRACT						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,088	726	2.6	23.5	2,214	71.7	148	4.8
Moderate-income	38,697	15,714	57.1	40.6	21,825	56.4	1,158	3.0
Middle-income	16,710	11,069	40.2	66.2	5,161	30.9	480	2.9
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.00	0	0.0	0	0.0
Total Assessment Area	58,495	27,509	100.0	47.0	29,200	49.9	1,786	3.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	487	10.2	374	8.9	99	24.1	14	8.4
Moderate-income	2,796	58.4	2,471	58.7	220	53.5	105	62.9
Middle-income	1,507	31.5	1,367	32.5	92	22.4	48	28.7
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	4,790	100.0	4,212	100.0	411	100.0	167	100.0
	Percentage of Total Businesses:			87.9		8.6		3.5
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1	10.0	0	0	1	33.3	0	0
Moderate-income	4	40.0	3	42.9	1	33.3	0	0
Middle-income	5	50.0	4	57.1	1	33.3	0	0
Upper-income	0	0.0	0	0.0	0	0.0	0	0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	10	100.0	7	100.0	3	100.0	0	0.0
	Percentage of Total Farms:			70.0		30.0		0.0

Economic, Population & Income Characteristics

The bank's assessment area consists of densely populated urban cities and towns that are in close proximity to Boston. Chelsea, Revere and Everett border Boston and Saugus is located thirteen miles north of Boston; all are contiguous. The major employers in and around the assessment area are manufacturing and wholesale trading as well as state and city employers. As of November 2009, the unemployment rate for Chelsea (9.2) and Everett (8.9) are both higher than the State of Massachusetts' rate of 8.8. Revere (8.6) and Saugus (8.4) fall slightly below the state rate.

According to the 2000 census data, there are 56,548 households represented in the assessment area and they are distributed among the census tracts as follows: 34.94 percent are low-income, 19.41 percent are moderate-income, 19.01 percent are middle-income and 26.64 percent are upper-income. An additional 14.36 percent of households live below the poverty level.

In terms of racial composition, the assessment area consists of 71.5 percent Whites and 28.5 percent minorities. The three largest minority groups are Hispanic-17.29 percent, Black-4.07 percent and Asian-3.78 percent respectively.

According to 2000 census information, there are 36,288 families in the assessment area. Of these, 12,167 or 33.5 percent are low-income and 7,786 or 21.5 are moderate-income. Middle-income families compose 22.2 percent of the population while 22.8 percent of families are upper-income and 11.3 percent live below the poverty level. The Department of Housing and Urban Development's (HUD) estimated 2005, 2006, 2007, 2008 and 2009 median family income (MFI) for the bank's MSA in the AA is detailed in the table below.

Median Family Income (\$)				
Year	Massachusetts	Boston-Quincy MSA	Cambridge-Newton-Framingham MSA	Essex/Peabody MSA
2005	\$70,450	\$76,400	\$89,350	\$76,700
2006	\$71,700	\$77,700	\$90,900	\$78,200
2007	\$71,700	\$76,900	\$88,900	\$77,200
2008	\$74,000	\$79,500	\$93,000	\$78,800
2009	\$77,600	\$83,900	\$97,100	\$83,600

As evidenced in the table above, the family median income for the three MSAs in the assessment area are greater than the median income in Massachusetts. While the data depicted in the table is accurate, it is not a fair representation of the cities and towns in the bank's assessment area. The median family income for the assessment area is \$48,073 which is a realistic reflection of Chelsea's market area.

Housing Characteristics

Based on 2000 census information, the assessment area includes 58,495 housing units with a median housing value of \$181,783. Rental units account for 49.9 percent of the total housing stock whereas 47.0 percent are owner-occupied and 3.1 percent are vacant. The majority of housing consists of 2-4 units at 43.6 percent and dwellings with 1 unit comprise 33.5 percent of the housing units. These figures suggest that rental units are in higher demand than home

purchases in the assessment area. They also indicate that it may be more difficult for the bank to extend residential loans within the assessment area.

Community Contact

An interview was conducted with a non-profit organization dedicated to providing affordable housing and creating healthy neighborhoods and communities. The organization purchases foreclosed properties and substandard housing and subsequently redevelops the buildings into affordable housing and rental units. In addition, the non-profit organization provides financial literacy training and financial support groups for the local community.

According to the organization, the community needs small dollar loans and savings accounts with small minimum balance requirements. Overall, the contact had positive comments regarding the bank's level of responsiveness to needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The following details the bank's efforts with regard to the small bank performance criteria.

Comparison of Credit Extended Inside and Outside of the Assessment Area

This performance criterion evaluates the concentration of HMDA-reportable loans originated by the bank within its designated assessment area.

Based on the level of performance, Chelsea Bank's lending within the assessment area meets the standard for satisfactory performance. The following table represents the number and dollar volume of all HMDA reportable loans originated both inside and outside the bank's assessment area for 2005, 2006, 2007, 2008 and the first three quarters of 2009.

<i>Lending Inside and Outside the Assessment Area</i>								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Loans	207	56.4	\$38,193	50.7	160	43.6	\$37,083	49.3

* Source – HMDA-reportable loans 2005, 2006, 2007 and 2008
First three quarters of 2009-Bank Loan Application Register (LAR)

As indicated above, the majority of loans were originated within the bank's assessment area. Chelsea Bank originated 207 loans totaling \$38.2 million within its assessment area during the period under review. By number and dollar amount, this represented 56.4 percent and 50.7 percent of total loans, respectively.

Lending to Borrowers of Different Incomes

This performance criterion focuses on the bank's level of lending to borrowers with different incomes. As such, more emphasis is placed on this criterion. Chelsea Bank's distribution of

residential lending within its assessment area to borrowers of different incomes is reasonable and meets the standard for satisfactory performance.

The table below provides residential loan distribution based on the borrower's income in comparison to the income distribution of households in the assessment area. During the examination period, the bank originated 33.8 percent of loans to LMI individuals. Of these, 8.7 percent were originated to low-income borrowers and 25.1 percent were made to moderate-income borrowers.

In 2008 the bank originated 4.4 percent of its HMDA reportable loans to low-income borrowers; this was slightly below the aggregate's lending of 6.5 percent for the same time period. Chelsea's lending to moderate-income borrowers of 22.2 percent was also below the aggregate's performance of 27.1 percent. While the bank's percentage of loans distributed to LMI borrowers was below the aggregate, it is still considered reasonable. Please refer to the table below.

Residential Loan Distribution by Borrower Income										
Year	Low		Moderate		Middle		Upper		Unknown	
% of Total Household	%		%		%		%		%	
	34.9		19.4		19.0		26.6		-	
2008 Aggregate Data	6.5		27.1		29.1		19.5		17.8	
	#	%	#	%	#	%	#	%	#	%
2005	9	17	16	30.2	18	34.0	9	17.0	1	1.9
2006	3	7.7	13	33.3	12	30.8	8	20.5	3	7.7
2007	1	3.7	4	14.8	9	33.3	11	40.7	2	7.4
2008	2	4.4	10	22.2	18	40.0	12	26.7	3	6.7
2009	3	7.0	9	20.9	9	20.9	20	46.5	2	4.5
Total	18	8.7	52	25.1	66	31.9	60	29.0	11	5.3

Source: 2005 – 2008 HMDA data; 2009 Bank LAR

Geographic Distribution of Loans

This performance criterion focuses on the bank's lending penetration within the assessment area among geographies of various income levels. Based on 2000 census data, the assessment area is comprised of 25 census tracts; this includes 2 low-income census tracts and 15 moderate-income census tracts where testing efforts are concentrated.

Residential Loan Distribution by Tract Income						
Year	Low		Moderate		Middle	
	%		%		%	
% of Owner-Occupied Housing Units	2.6		57.1		40.2	
2008 Aggregate Data	4.2		59.9		35.9	
	#	%	#	%	#	%
2005	13	24.5	24	45.3	16	30.2
2006	10	25.6	17	43.6	12	30.8
2007	1	3.7	10	37.0	16	59.3
2008	9	20.0	20	44.4	16	35.6
2009	2	4.7	13	30.2	28	65.1
Total	35	16.9	84	40.6	88	42.5

Source: 2005 – 2008 HMDA data; 2009 Bank LAR

Of the 207 loans made within the assessment area during the examination period, 35 or 16.9 percent were originated in low-income tracts and 84 or 40.6 percent were originated in moderate-income tracts. In 2008, the bank exceeded the aggregate by originating 20 percent of its loans in low-income tracts compared to 4.2 percent of the aggregate. Chelsea originated 44.4 percent of its loans in moderate-income tracts for 2008 compared to the aggregate performance of 59.9 percent. Overall, the bank's lending within the census tracts is good.

Loan to Deposit Ratio

One measure of a bank's responsiveness to meeting credit needs is the loan-to-deposit (LTD) ratio. This calculation indicates what percentage of a bank's deposits is converted into credit for the community. The bank's average net LTD of 94.3 percent exceeds that of its competitors. This conclusion is based on the bank's asset size, financial condition, and the credit needs of its assessment area.

The LTD ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits. The calculation incorporated twenty quarters (representing the period since the prior examination) of the bank's net loans to total deposit figures as reflected in the bank's quarterly Consolidated Reports of Condition and Income (Call Reports). The quarters reviewed included the periods from December 31, 2004 through September 30, 2009.

For comparison, the average net LTD ratios of local competitors were also analyzed over the same time period. The table below shows these results.

Loan-to-Deposit Ratios			
Institution	Total Assets* (000,000)	Average Loan-To-Deposit Ratio** (multiple quarters)	Net Loan-To-Deposit Ratio * (latest quarter)
Chelsea-Provident	\$47.2	94.3%	96.7%
Metropolitan Credit Union	\$768.3	88.2%	87.9%
Winter Hill Bank, FSB	\$261.5	80.4%	74.0%
Meeting House Co-op	\$62.1	92.1%	76.9%
Abington Bank	\$91.1	71.3%	71.6%

* As of 09/30/09

** From 12/31/04 through 09/30/09

Analysis of the above figures indicates that the LTD ratios for Chelsea Provident are greater than the local competitors. The bank's performance evidences the bank's commitment to lend within its assessment area and its borrowings from the Federal Home Loan Bank. In addition, the bank is more likely to lend within its assessment area as it operates out of one branch while the comparable banks have multiple locations and larger asset sizes. The bank's LTD ratio is considered strong.

Response to Complaints

The bank has not received any CRA related complaints since the previous examination.

Compliance with Fair Lending Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified during the examination.

Appendix 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.

Block numbering area ("BNA"): A statistical subdivision of a county for grouping and numbering blocks in nonmetropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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: 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.

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 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 or a block numbering area delineated by the U.S. 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 data such as race,

gender and income of applications, amount of loan requested, and 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 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"): Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA") or consolidated metropolitan statistical area ("CMSA") as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 Call Report. These loans have original amounts of \$500 thousand 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.