

# **PUBLIC DISCLOSURE**

November 7, 2016

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Apple Creek Banking Company  
RSSD: 213912

P.O. Box 237  
Apple Creek, Ohio 44606

Federal Reserve Bank of Cleveland  
P.O. Box 6387  
Cleveland, OH 44101-1387

**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: This institution is rated “Satisfactory”**

The major factors and criteria contribution to this rating include:

- The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs;
- A majority of loans and other lending-related activities are inside the assessment area;
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income);
- The distribution of loans to businesses reflects a reasonable penetration among businesses of different sizes given the demographics of the assessment areas; and,
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA evaluation conducted September 4, 2012 resulted in a “Satisfactory” performance rating.

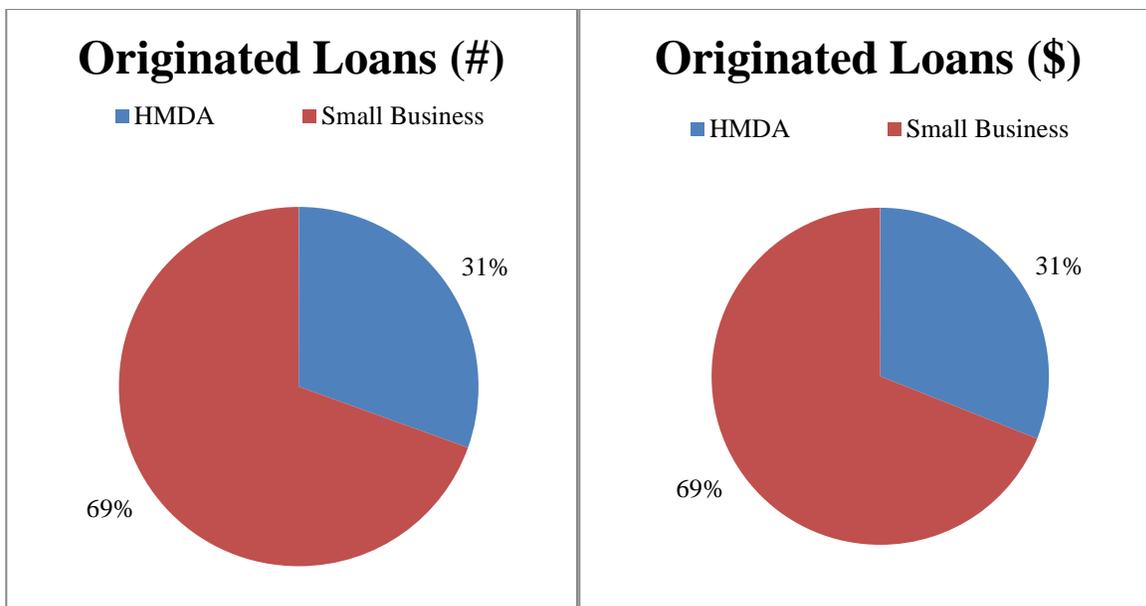
### SCOPE OF EXAMINATION

The Apple Creek Banking Company (Apple Creek) Community Reinvestment Act (CRA) performance was evaluated using the interagency small bank procedures under Regulation BB.

Apple Creek was evaluated based on lending data from January 1, 2015 through December 31, 2015. The loan products evaluated included commercial and residential mortgage loans.

The following table and pie charts illustrate the volume of loans originated during the evaluation period.

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
HMDA	112	13,086
Small Business	255	29,085
<b>Total</b>	<b>367</b>	<b>42,171</b>



Small business lending received greater weight than HMDA lending in this analysis, as it was based on total volume by number and dollar amount and the composition of the loan portfolio.

Borrower distribution under the lending test received greater weight than the geographic distribution given the limited number of low- and moderate-income census tracts. There is only one low-income census tract and three moderate-income census tracts. There are no distressed or underserved middle-income census tracts.

Given the majority of lending volume occurred in the nonmetropolitan Ohio assessment area that

encompasses all of Wayne County, that assessment area received a full scope review. A limited scope review was conducted for the two adjoining metropolitan statistical areas (MSAs) of Canton-Massillon 15940 and Akron 10420. Therefore, the non-MSA assessment area received greater weight than the Canton-Massillon and Akron assessment areas.

In some cases, information for originated loans could not be provided by the bank. Therefore, the loan volumes used for borrower distribution are based on a sample of originated loans and are lower than the number of originated loans listed above.

The size and financial condition of the institution, lending opportunities within the assessment area, and competition with other institutions were also considered in the bank's performance context.

## DESCRIPTION OF INSTITUTION

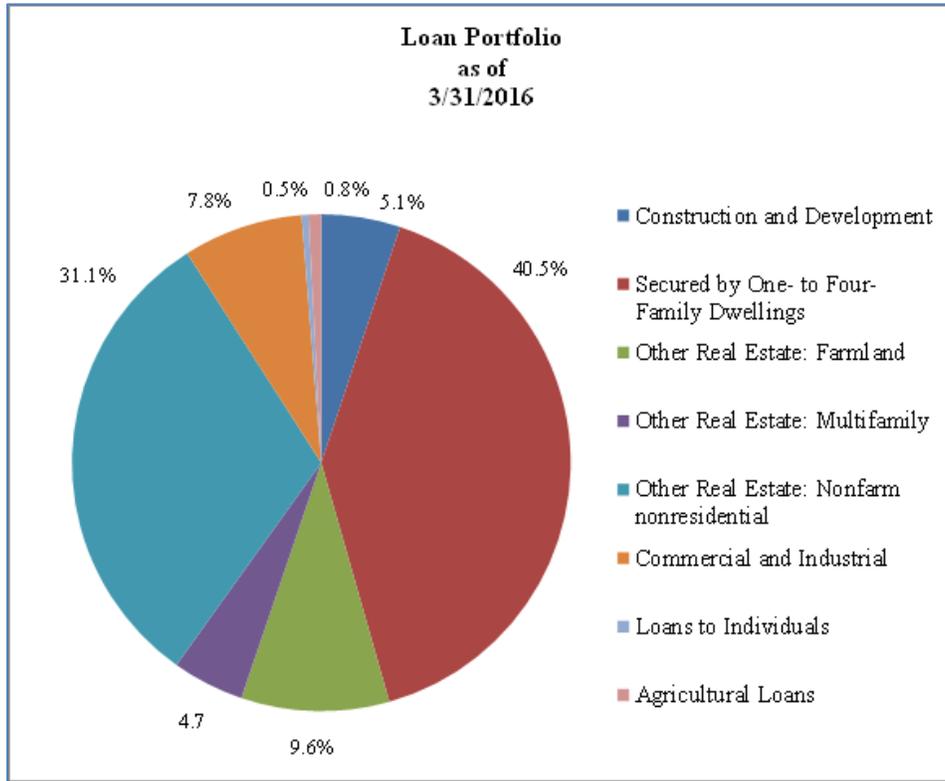
Apple Creek is a state member bank and is the sole subsidiary of Apple Creek Banc Corporation. As of September 30, 2016, Apple Creek reported \$106.2 million in total assets, an increase of \$34.6 million (32.6%) since the previous CRA evaluation on September 2, 2012. The majority of this growth occurred in the loan portfolio.

The bank operates six branch offices. The main office and three branches are located in Wayne County, with two branches in middle-income census tracts and one in an upper-income census tract. There are two branches in Stark County, both of which are in middle-income census tracts, and one branch in Summit County. Apple Creek has no ATMs and has not opened or closed any bank branches since the previous CRA evaluation.

Apple Creek is a full-service retail bank offering business and consumer deposit accounts and commercial, agricultural, residential mortgage, and consumer loans. As of June 30, 2016, Apple Creek had \$88.4 million in net loans, an increase of \$7.9 since December 31, 2014. The following chart represents the bank's loan portfolio as of June 30, 2016.

<b>COMPOSITION OF LOAN PORTFOLIO</b>						
Loan Type	6/30/2016		12/31/2015		12/31/2014	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	4,524	5.1%	3,256	3.9%	2,799	3.5%
Secured by One- to Four- Family	35,775	40.5%	35,544	42.4%	33,791	42.0%
Other Real Estate: Farmland	8,486	9.6%	8,006	9.5%	8,158	10.1%
Other Real Estate: Multifamily	4,124	4.7%	4,256	5.1%	3,727	4.6%
Other Real Estate: Nonfarm nonresidential	27,473	31.1%	26,221	31.3%	26,094	32.4%
Commercial and Industrial	6,874	7.8%	5,702	6.8%	5,010	6.2%
Loans to Individuals	404	0.5%	398	0.5%	438	0.5%
Agricultural Loans	716	0.8%	469	0.6%	439	0.5%
<i>Total</i>	<i>\$88,376</i>	<i>100.00%</i>	<i>\$83,852</i>	<i>100.00%</i>	<i>\$80,456</i>	<i>100.00%</i>

\* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.



There are no legal or financial constraints preventing Apple Creek from meeting the credit needs of its assessment area consistent with its asset size, business strategy, resources, and local economy.

## DESCRIPTION OF ASSESSMENT AREA

Apple Creek has three assessment areas within Ohio for CRA purposes: Nonmetropolitan Ohio consists of the entirety of Wayne County; the Akron, OH MSA is comprised of portions of southwest Summit County; and the Canton-Massillon OH MSA includes portions of northwest and southwest Stark County.

Apple Creek's CRA delineated footprint consists of 43 census tracts, specifically, one low-, three moderate-, thirty middle-, and nine upper-income census tracts. There were no unknown tracts. The bank's main office and two branches are in Nonmetropolitan Ohio. The main office and four branches are located in middle-income census tracts. One branch is located in an upper-income census tract. None of the Nonmetropolitan Ohio middle-income tracts are designated as distressed or underserved.

Summit County has the largest population of all counties in the assessment area, with Akron as the county seat. According to the 2010 U.S. Census Bureau Report, the population in Summit County was 541,612. The Akron, OH MSA includes Summit County and has a unique characteristic that could impact its level of lending, as the majority of Summit County is urban land use. Competition is high, as several major regional banks operate in this area. Only a small portion of Summit County is included in Apple Creek's delineated assessment area. Therefore, the majority of its population does not reside within reasonable proximity to Apple Creek's branch office.

Stark County is urban and its county seat is Canton. Stark County has a population of 375,586, according to the 2010 U.S. Census. The Canton Massillon, OH MSA includes the unique characteristic in that the county land use is developed, which could impact its level of lending and provision of services extended through the assessment area.

Nonmetropolitan Ohio includes the entirety of Wayne County, with Wooster as the county seat. According to the 2010 U.S. Census Bureau Report, the population in Wayne County was 114,501. Nonmetropolitan Ohio's county land use is mainly cropland, which could impact its level of lending in the assessment area.

As of June 30, 2016, the Federal Deposit Insurance Corporation (FDIC) reported 29 insured financial institutions operating within Stark, Summit, and Wayne Counties. The FDIC's market share report indicates that Apple Creek ranked 19<sup>th</sup>, holding 0.53% of the market share of deposits.<sup>1</sup> The following table illustrates the deposit market share for the top 20 financial institutions in the counties.

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<sup>1</sup> <http://www2.fdic.gov/sod/sodMarketBank.asp>

*Market: Stark, Summit, Wayne Counties*

#	Financial Institution	Deposit Market Share
1	Firstmerit Bank, National Association	40.0%
2	JPMorgan Chase Bank, National Association	12.1%
3	PNC Bank, National Association	11.9%
4	The Huntington National Bank	10.2%
5	KeyBank National Association	8.1%
6	Citizens Bank, National Association	5.7%
7	Fifth Third Bank	4.2%
8	Third Federal Savings and Loan Association of Cleveland	2.4%
9	New York Community Bank	2.2%
10	The Farmers National Bank of Canfield	2.0%
11	U.S. Bank National Association	1.5%
12	Wayne Savings Community Bank	1.3%
13	Premier Bank & Trust	1.1%
14	Consumers National Bank	0.9%
15	Westfield Bank, FSB.	0.8%
16	Northwest Bank	0.6%
17	The Commercial and Savings Bank of Millersburg, Ohio	0.6%
18	CFBank	0.6%
19	The Apple Creek Banking Company	0.5%
20	Peoples Bank	0.5%

**Community Contacts**

Two community contact interviews were conducted in the Non-metropolitan Ohio assessment area to provide additional information regarding the credit needs and context to the demographic and economic conditions of the local community. One contact was with an economic development organization in Wayne County that promotes the economic development of Wayne County. According to the community contact, many of the large and small primary employers are in a growth mode in Wayne County. A diverse manufacturing and agriculture business climate promotes a strong business environment. Recently, major project announcements have contributed to wage growth in Wayne County.

The second contact was with a foundation to meet the philanthropic needs of Wayne County, including the providing of college scholarships for residents of Wayne County. According to the contact, business conditions are good and driven by a diverse agriculture and small manufacturing economy. Wayne County has a number of financial institutions and they generally provide credit to businesses and individuals. The lack of affordable housing to low-income families remains a need in Wayne County.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Lending Test

Apple Creek's performance under the lending test is considered satisfactory. The bank made a majority of its loans inside its assessment area. The geographic and borrower distributions of lending are reasonable.

### *Loan-to-Deposit Ratio*

A financial institution's loan-to-deposit (LTD) ratio compares the institution's aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution's lending volume relative to its capacity to lend and is derived by adding the quarterly LTD ratios and dividing the total by the number of quarters.

The following table illustrates Apple Creek's quarterly LTD ratios and average for 17 quarters since the previous evaluation, along with the LTD ratios and averages for three local peer institutions and the custom peer group. The custom peer group represents the average LTD ratios and overall average for the three local peer institutions.

Apple Creek Loan-to-Deposit Ratios					
AS OF DATE	APPLE CREEK BKG CO	BANK OF MAGNOLIA CO	FARMERS ST BK	LIBERTY BK NA	CUSTOM PEER
June 30, 2016	79.42	45.22	73.25	97.06	71.84
March 31, 2016	79.69	46.10	74.81	91.34	70.75
December 31, 2015	76.71	47.43	72.17	97.30	72.30
September 30, 2015	80.44	48.73	77.39	93.57	73.23
June 30, 2015	76.56	51.38	79.37	91.47	74.07
March 31, 2015	73.63	48.04	79.16	93.83	73.68
December 31, 2014	78.24	50.83	78.13	92.64	73.87
September 30, 2014	79.80	49.94	78.13	97.01	75.03
June 30, 2014	80.08	50.50	74.21	92.60	72.44
March 31, 2014	80.16	50.88	75.30	88.07	71.42
December 31, 2013	74.86	52.58	76.55	85.89	71.67
September 30, 2013	78.09	51.89	77.43	87.51	72.28
June 30, 2013	77.75	54.40	79.41	88.06	73.96
March 31, 2013	76.37	51.86	79.87	88.23	73.32
December 31, 2012	74.91	51.47	79.89	86.82	72.73
September 30, 2012	79.73	50.16	82.65	89.69	74.17
June 30, 2012	76.49	51.98	76.72	90.61	73.10
<b>Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation</b>	<b>77.82</b>	<b>50.20</b>	<b>77.32</b>	<b>91.28</b>	<b>72.93</b>

Apple Creek's LTD ratio is reasonable given its size, financial condition, and assessment area credit needs. The bank has averaged 77.8% over the past 17 quarters of operations and is above the custom peer group average ratio of 72.9%.

**Lending in the Assessment Area**

Apple Creek’s residential mortgage lending and small business lending were analyzed to determine the volume of lending within and outside of the assessment area. The following table shows that for the combined residential mortgage lending and small business lending, 79.6% of the loan volume and 67.5% by dollar amount were made inside the assessment area.

**Lending Inside and Outside the Assessment Area**

Exam: Apple Creek 2016 Final

Loan Type - Description	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
CV - Home Purchase - Conventional	53	70.7	5,147	75.6	22	29.3	1,659	24.4	75	6,806
HI - Home Improvement	3	60.0	608	47.8	2	40.0	663	52.2	5	1,271
MF - Multi-Family Housing	2	50.0	559	28.5	2	50.0	1,403	71.5	4	1,962
RF - Refinancing	22	78.6	2,169	71.2	6	21.4	878	28.8	28	3,047
<b>Total HMDA related</b>	<b>80</b>	<b>71.4</b>	<b>8,483</b>	<b>64.8</b>	<b>32</b>	<b>28.6</b>	<b>4,603</b>	<b>35.2</b>	<b>112</b>	<b>13,086</b>
SB - Small Business	212	83.1	19,979	68.7	43	16.9	9,107	31.3	255	29,085
<b>Total Small Bus. related</b>	<b>212</b>	<b>83.1</b>	<b>19,979</b>	<b>68.7</b>	<b>43</b>	<b>16.9</b>	<b>9,107</b>	<b>31.3</b>	<b>255</b>	<b>29,085</b>
<b>TOTAL LOANS</b>	<b>292</b>	<b>79.6</b>	<b>28,462</b>	<b>67.5</b>	<b>75</b>	<b>20.4</b>	<b>13,710</b>	<b>32.5</b>	<b>367</b>	<b>42,171</b>

A majority of the bank’s loans by both volume and dollar amount were made inside the assessment area.

**Borrower Distribution of Lending**

The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different revenue sizes. Small business lending was considered good and HMDA lending was also considered good. Refer to the borrower distribution discussion under the non-metropolitan assessment area section of this report.

### **Geographic Distribution of Lending**

The geographic distribution of loans reflects a reasonable dispersion. The dispersion of loans among different tract income categories is good. Small business lending was considered poor and HMDA lending was considered excellent. There were no significant gaps in lending noted. Refer to the geographic distribution discussion under the non-metropolitan assessment area section of this report.

### **Response to Consumer Complaints**

No CRA-related complaints were filed against Apple Creek during this evaluation period.

### **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 during this evaluation period.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE  
NONMETROPOLITAN OHIO ASSESSMENT AREA**  
*(Full-scope Review)*

Nonmetropolitan Ohio encompasses the entirety of Wayne County, which is located in the northeast quadrant of Ohio. Wooster is the largest city with population of 26,121, according to the 2010 U.S. Census, followed by smaller villages and townships, including Apple Creek, with a population approximately one-fourth of Wooster's. This assessment area is comprised of 32 census tracts, of which one is low- (3.1%), three are moderate- (9.4%), 20 are middle- (62.5%), and eight are upper-income (25%). None of the middle-income tracts are designated by the FFIEC as distressed or underserved. The main office is located in Apple Creek and two additional banking branches are located in Wooster. The main office and a branch in Wooster are located in middle-income tracts and the other Wooster branch is located in an upper-income tract.

As of June 30, 2016, the Federal Deposit Insurance Corporation (FDIC) reported 49 insured financial institutions operating within Wayne County. The FDIC's market share report indicates that Apple Creek ranked seventh, holding 4.2% of the market share of deposits.<sup>2</sup> The following table illustrates deposit market share for the top ten financial institutions in Wayne County.

#	Financial Institution	Deposit Market Share
1	PNC Bank, National Association	27.8%
2	The Farmers National Bank of Canfield	17.5%
3	Firstmerit Bank, National Association	17.2%
4	Wayne Savings Community Bank	12.8%
5	JPMorgan Chase Bank, National Association	6.2%
6	The Commercial and Savings Bank of Millersburg, Ohio	5.8%
7	The Apple Creek Banking Company	4.2%
8	Farmers State Bank	3.0%
9	Westfield Bank, FSB	2.3%
10	U.S. Bank National Association	1.6%

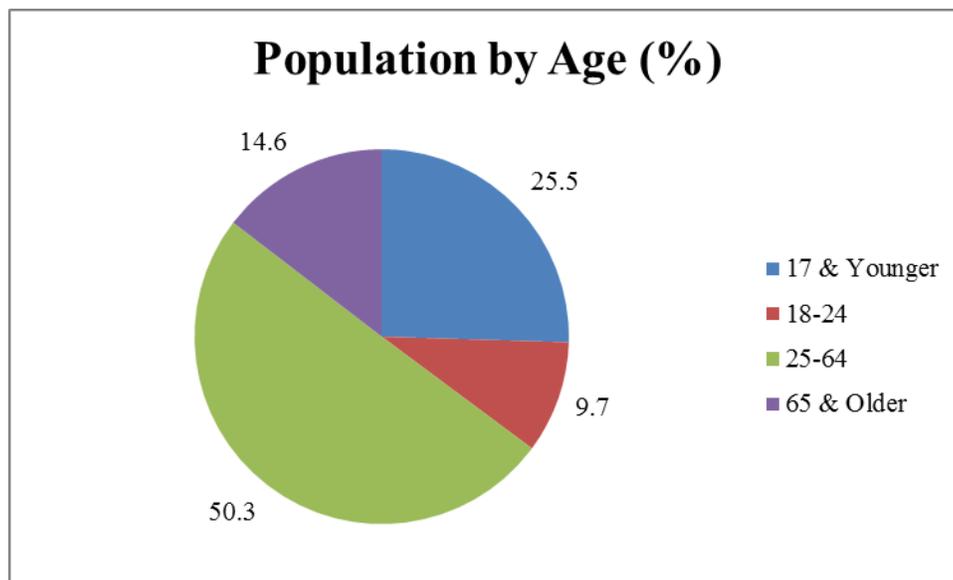
Large and regional banking branches account for 38.8% of the banking branches and possess 51.2% of deposits and deposit market share given strong competition from local community banks.

<sup>2</sup> <http://www2.fdic.gov/sod/sodMarketBank.asp>

### **Population Characteristics**

The 2010 U.S. Census Bureau reported the total population in the assessment area (entirety of Wayne County) as 114,520. According to the Ohio Department of Development, the population for Wayne County is expected to approximately remain at this level over the next 30 years. Approximately 1.1% of the population resides in the one low-income tract, 7.4% resides in the three moderate-income census tracts, 64.2% resides in the 20 middle-income census tracts, and 27.3% resides in the eight upper-income census tracts.

The population age distribution for Wayne County is as follows:



As depicted in the chart, approximately 60.0% of the population is between the ages of 18 and 64, the prime ages when individuals are in need of loans. Also, one-fourth of the population is under the age of 18, the legal age to enter into a contract.

According to the U.S. Census Bureau, the 2015 estimated population in Wayne County is 116,063,<sup>3</sup> an increase of 1.3% since 2010.

### **Income Characteristics**

According to the U.S. Department of Housing and Urban Development (HUD), the 2010 median family income levels for the assessment area was \$59,699, which was similar to Ohio at \$59,680. The 2015 estimated median family income levels for Nonmetropolitan Ohio are detailed in the following table.<sup>4</sup>

<sup>3</sup> American Fact Finder; <http://factfinder2.census.gov>

<sup>4</sup> <http://www.huduserorg/portal/datasets/il/il13/index.html>

**Borrower Income Levels  
 Ohio State Non-Metro**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
<b>2015</b>	<b>\$56,900</b>	0 - \$28,449	\$28,450 - \$45,519	\$45,520 - \$68,279	\$68,280 - & above

According to the 2010 U.S. Census data, the assessment area contains 42,395 households, of which 30,246 were designated as families. Of these families, 15.0% were low-, 15.9% were moderate-, 22.4% were middle-, and 46.7% were upper-income.

In the assessment area, 7.8% of families were below the poverty level, which was lower than the statewide family poverty rate of 10.3%. Of the families living below the poverty level, 1.3% reside in low-, 17.4% reside in moderate-, 64.3% reside in middle-, and 17.0% reside in upper-income census tracts. Poverty rates have risen uniformly for Wayne County and Ohio by about 2.5%.

According to the 2014 data from the Economic Research Service of the United States Department of Agriculture (USDA),<sup>5</sup> household poverty rates for Wayne County were as follows:

County	2013 Poverty Rate	2014 Poverty Rate	Change
Wayne County	13.1%	13.9%	6.1%
<b>Ohio</b>	<b>15.9%</b>	<b>15.8%</b>	<b>-0.6%</b>
<b>United States</b>	<b>15.8%</b>	<b>15.5%</b>	<b>-1.9%</b>

14.9% of Wayne County’s population was in poverty, which was higher than the 2013 poverty rate of 13.1%, but were lower than the statewide and national rates. Although Wayne County’s poverty rates are lower than those for Ohio and the U.S., low-and moderate-income people in this area could still encounter difficulty obtaining bank loans due to insufficient financial resources.

**Labor, Employment, and Economic Characteristics**

According to the Ohio Office of Research,<sup>6</sup> the primary economic activity is agricultural, with 50.3% of the land used for cropland and 17.7% used for pasture. Forest comprises 16.8% of land usage and urban developed usage comprises 13.3%. Factoring in the amount of land dedicated for agricultural purposes and the amount of land covered by forest, the remaining amount of land available for business usage and residential properties is limited.

<sup>5</sup> <https://data.ers.usda.gov/reports.aspx?ID=14843>

<sup>6</sup> [http://www.development.ohio.gov/reports/reports\\_countytrends\\_map.htm](http://www.development.ohio.gov/reports/reports_countytrends_map.htm)

According to 2015 Dun & Bradstreet data, there are 5,608 small business and small farms within the assessment area. The major business activities are service-providing businesses such as trade, transportation, and utilities (25.3%) and professional and business services (15.9%), followed by goods-producing businesses such as construction (12.5%) and manufacturing (11.1%) businesses. The majority of businesses (91.2%) have revenues of less than \$1 million annually.<sup>7</sup>

The following are the major employers: Buehler Food Markets Inc., College of Wooster, Will-Burt Co, Frito-Lay Inc., Wooster Brush Co, JLG Industries, Wooster City Schools, JM Smucker Co, Wooster Community Hospital, LuK Inc., and Worthington Ind/Artiflex Manufacturing.<sup>8</sup>

Unemployment in Wayne County is lower than the Ohio and national average. The following table shows the unemployment rates for Wayne County compared to the state of Ohio and national rates in 2014 and 2015.

**Unemployment Rates  
 Apple Creek - Non Metro OH**

Area	Years - Annualized	
	2014	2015
Wayne Co.	3.9	3.8
<b>Ohio</b>	<b>4.9</b>	<b>4.6</b>
<b>National</b>	<b>5.4</b>	<b>4.8</b>

Not Seasonally Adjusted, Data Extracted on October 24, 2016

**Housing Characteristics**

According to the 2010 U.S. Census Bureau data, the assessment area contained 45,696 housing units, of which 70.2% were owner-occupied, 22.6% were rentals, and 7.2% were vacant. Single family one-to-four units (including single family mobile home units of 3.9%) comprised 93.2% of the housing units and five or more units comprised 6.8% of the housing units. Owner-occupied housing units within census tracts were as follows: 19.2% in low-; 44.2% in moderate-; 73.1% in middle-; and 72.1% in upper-income census tracts. Wayne County (70.2%) has a higher percentage of owner-occupied units than Ohio (61.7%). These numbers indicate that most of the demand for home mortgage lending would be in middle-and upper-income tracts.

The median age of the housing stock in the assessment area was 39 years, with 26.5% of the stock built before 1950. In comparison, the median statewide age is 44 years. The median age of the housing stock in the low-income census tract was 40 years, 61 years in moderate-, 38 years in middle-, and 37 years in upper-income census tracts. As the housing stock ages, especially in the moderate-income census tract, the need and opportunity for home improvement lending will likely increase.

<sup>7</sup> [http://www.development.ohio.gov/reports/reports\\_countytrends\\_map.htm](http://www.development.ohio.gov/reports/reports_countytrends_map.htm)

<sup>8</sup> [http://www.development.ohio.gov/reports/reports\\_countytrends\\_map.htm](http://www.development.ohio.gov/reports/reports_countytrends_map.htm)

The median housing value was \$136,809 and the affordability ratio was 35.3%; the affordability ratio is derived by dividing the median household income by the median housing value. A larger ratio indicates that housing is more affordable. The affordability of housing stock is comparable to the state affordability ratio of 34.7%. Further, based on the estimated 2015 median family income for Nonmetropolitan Ohio (\$56,900), about 29.4% of the homes valued up to \$104,285 in the assessment area would be considered affordable for low-income individuals and approximately 65.1% of the homes valued up to \$166,857 would be considered affordable for moderate-income individuals. These percentages were calculated assuming a housing expense ratio equal to 28.0% of gross income for a 4.0% fixed-rate, 30-year loan.

According to RealtyTrac, one in every 1,696 housing units in Wayne County was in foreclosure in September 2016.<sup>9</sup> This was lower than Ohio’s ratio of one in every 987 housing units and slightly less than the national ratio of one every 1,398 housing units.

County	Medium Home Cost	Housing Appreciation	Cost of Living as a Percent of the National Average
Wayne	121,100	-0.7%	88.5%
<b>Ohio</b>	<b>112,400</b>	<b>0.5%</b>	<b>88.2%</b>

According to Sperling’s Best Places<sup>10</sup> and as shown in the above table, the median home cost in Wayne County was \$121,100, which represents an appreciation of -0.7% since the prior year. Compared to the rest of the country, the cost of living in Wayne County is 88.5% lower than the U.S. average. Housing in Wayne County is less affordable than Ohio and the cost of living in Wayne County is comparable to Ohio.

The median gross rent in the assessment area was \$626, with 60.0% of rents being less than \$700 a month, according to the 2010 U.S. Census. Additionally, 38.3% of renters had rent costs greater than 30.0% of the median family income within the assessment area, indicating that rents were more affordable for low- and moderate-income borrowers in the bank’s assessment area as compared to Ohio’s 45.7%.

The following table further illustrates the demographics of the Nonmetropolitan Ohio assessment area.

<sup>9</sup> [www.realtytrac.com](http://www.realtytrac.com)

<sup>10</sup> <http://bestplaces.net>

## Combined Demographics Report

Assessment Area(s): Non Metro Ohio 2015

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.1	49	0.2	30	61.2	4,512	14.9
Moderate-income	3	9.4	2,140	7.1	411	19.2	4,821	15.9
Middle-income	20	62.5	19,726	65.2	1,520	7.7	6,785	22.4
Upper-income	8	25	8,331	27.5	403	4.8	14,128	46.7
Unknown-income	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>32</b>	<b>100.0</b>	<b>30,246</b>	<b>100.0</b>	<b>2,364</b>	<b>7.8</b>	<b>30,246</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	99	19	0.1	19.2	50	50.5	30	30.3
Moderate-income	3,988	1,764	5.5	44.2	1,665	41.8	559	14
Middle-income	28,271	20,670	64.4	73.1	5,777	20.4	1,824	6.5
Upper-income	13,338	9,619	30	72.1	2,831	21.2	888	6.7
Unknown-income	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>45,696</b>	<b>32,072</b>	<b>100.0</b>	<b>70.2</b>	<b>10,323</b>	<b>22.6</b>	<b>3,301</b>	<b>7.2</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	7	0.1	3	0.1	4	1	0	0
Moderate-income	440	8.7	380	8.2	54	13.5	6	12.8
Middle-income	3,042	60.1	2,782	60.3	225	56.3	35	74.5
Upper-income	1,569	31	1,446	31.4	117	29.3	6	12.8
Unknown-income	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>5,058</b>	<b>100.0</b>	<b>4,611</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.2</b>		<b>7.9</b>		<b>.9</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0	0	0	0	0	0	0
Moderate-income	6	1.1	6	1.1	0	0	0	0
Middle-income	385	70	377	69.7	8	88.9	0	0
Upper-income	159	28.9	158	29.2	1	11.1	0	0
Unknown-income	0	0	0	0	0	0	0	0
<b>Total Assessment Area</b>	<b>550</b>	<b>100.0</b>	<b>541</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
<b>Percentage of Total Farms:</b>				<b>98.4</b>		<b>1.6</b>		<b>.0</b>

2015 FFIEC Census Data and 2015 D&B Information

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA FOR THE NON-METROPOLITAN OHIO ASSESSMENT AREA

Lending performance in Nonmetropolitan Ohio is considered to be reasonable. The borrower and geographic distribution of lending are also considered reasonable.

Details of the bank's small business and HMDA lending can be found in the tables in Appendix B.

### **Borrower Distribution of Lending**

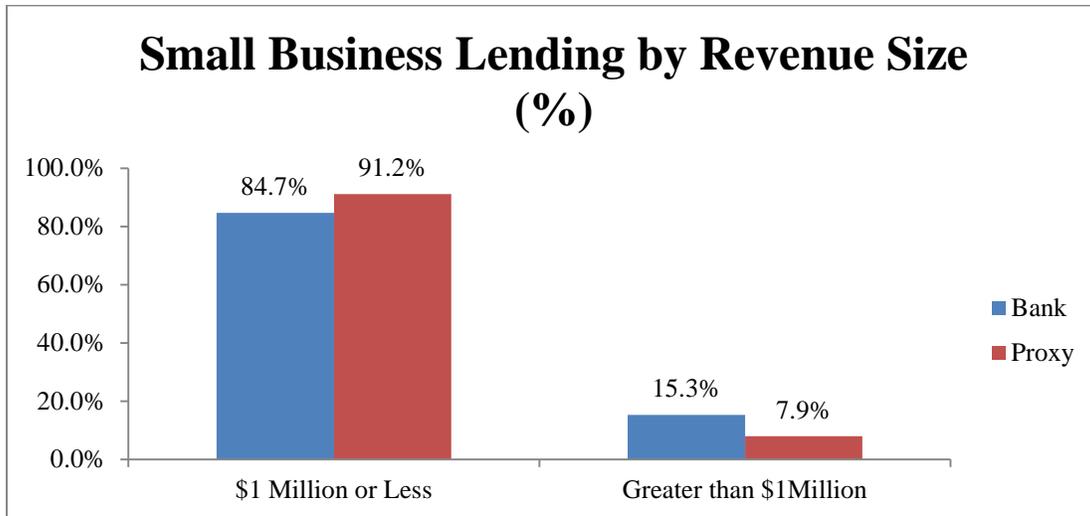
Apple Creek's lending to borrowers of different income levels and lending to businesses of different revenue sizes is considered reasonable. The borrower distribution of small business loans and residential lending is good.

#### ***Small Business Lending***

Small businesses are defined as those with gross revenues of less than or equal to \$1 million. Apple Creek's distribution of lending to businesses of different revenue sizes reflects a good distribution of lending. The business demographic data for this assessment area discloses that there are 5,058 businesses, of which 91.2% are small businesses with annual revenues of \$1 million or less. During the evaluation period, Apple Creek originated 166 loans to small businesses (84.7%) and 30 loans to businesses with revenues greater than \$1 million (15.3 %).

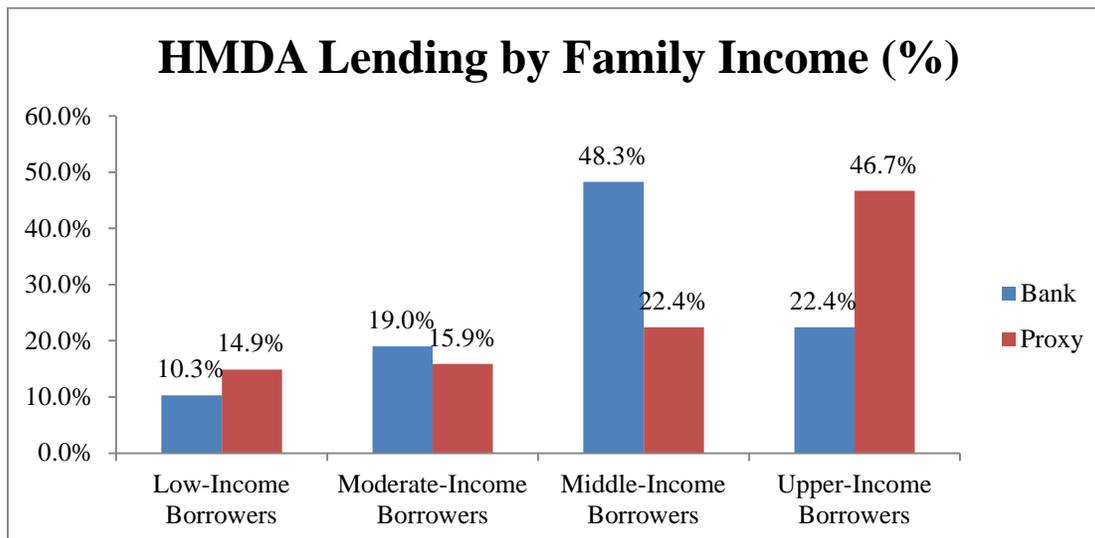
The 166 loans to small businesses totaled \$6.9 million, which is 82.3% of total business lending by dollar volume during the evaluation period. The 30 loans to businesses with revenues exceeding \$1 million totaled \$3.3 million for 17.7% of the business lending volume. Of the 166 loans to small businesses, 132 loans (79.5%) were extended in the amounts of \$100,000 or less. Because smaller-size loans are commensurate with the borrowing needs of smaller businesses, Apple Creek's level of lending activity demonstrates that such credit needs are being met.

The following chart depicts Apple Creek's percentage of lending to businesses by revenue size compared to the percentage of businesses by revenue size within the assessment area.



### *Residential Mortgage Lending*

As shown in the following graph, Apple Creek’s borrower distribution of lending reflects a good distribution of lending to borrowers of different income levels. Apple Creek has three banking branches to serve Wayne County and there are 12 other financial institutions with an additional 46 banking branches competing for loans.



Mortgage lending to low-income borrowers was less than the proxy percentage of low-income families within the assessment area. Lending to low-income borrowers is considered good, considering that 7.8% of families within the assessment area are below the poverty level. Lending to moderate-income families exceeded the proxy percentage of moderate-income families within the assessment area. For middle-income families, mortgage lending exceeded the proxy percentage of middle-income families within the assessment area. For upper-income families, mortgage lending was less than the proxy percentage of upper-income families within the assessment area.

**Geographic Distribution of Lending**

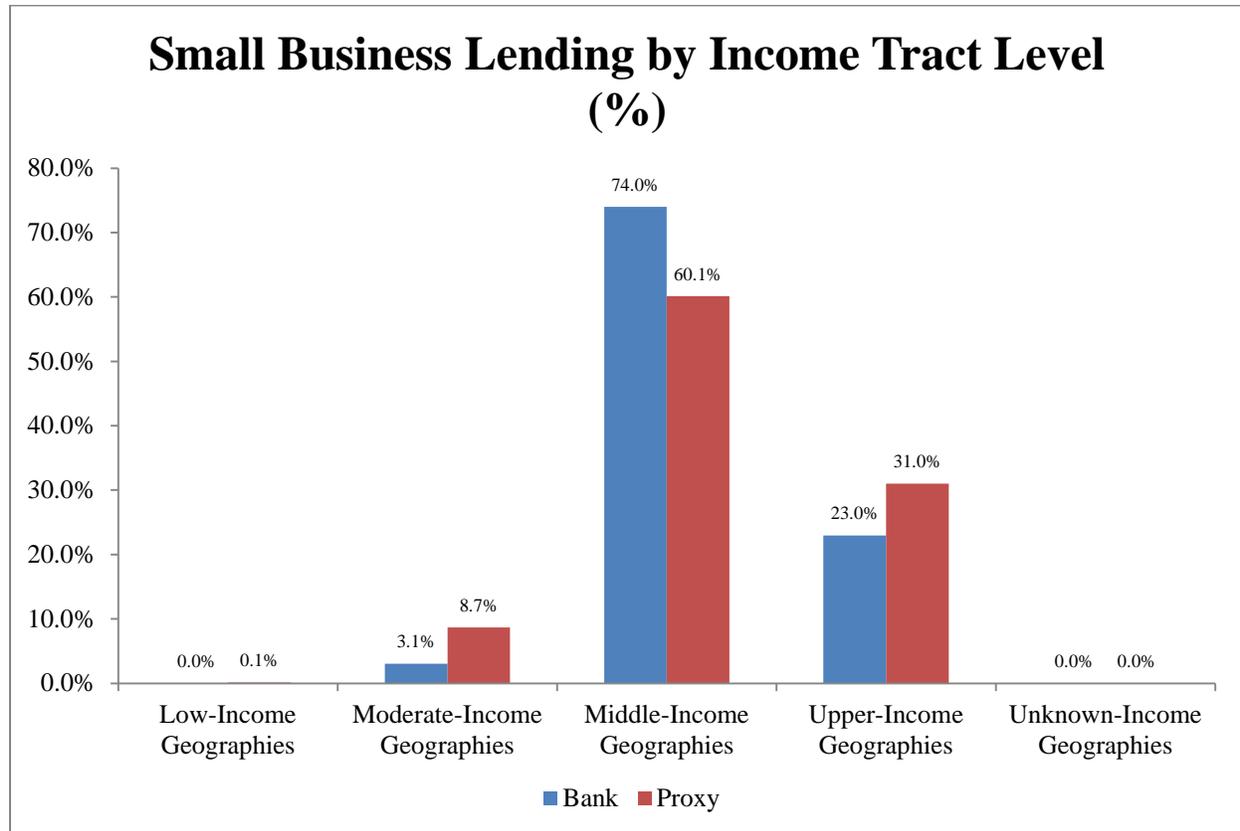
The geographic distribution in this assessment area is reasonable due to Apple Creek’s excellent performance for HMDA, but poor performance for small business lending. There were no significant gaps in lending noted. Apple Creek made loans in 27 out of 32 of its tracts. The following chart depicts the total loans originated by each tract income level and the number and percentages of census tracts with no lending activity.

<b>Total Loan Types Originated in Assessment Area by Tract Income Level</b>					
<b>Geographies</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Middle-Income</b>	<b>Upper-Income</b>	<b>Total</b>
# (%) of Tracts in Assessment Area	1 (3.1%)	3 (9.4%)	20 (62.5%)	0	32 (100%)
# (%) of Total Originated Loans	0	17 (6.3%)	183 (67.8%)	70 (25.9%)	270 (100%)
# (%) of Tracts with Lending	0	2 (7.4%)	17 (63.0%)	8 (29.6%)	27 (100%)
# (%) of Tracts without Lending	1 (20%)	1 (20%)	3 (60%)	0	5 (100%)

***Small Business Lending***

Small business loans typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. Small business lending analyzed in this evaluation does not include loans secured by residential real estate. Apple Creek originated 196 small business loans, which comprised of zero loans in low-, six loans in moderate-, 145 loans in middle-, and 45 loans were made to upper-income census tracts. Apple Creek’s performance was compared to the number of businesses within the assessment area (proxy).

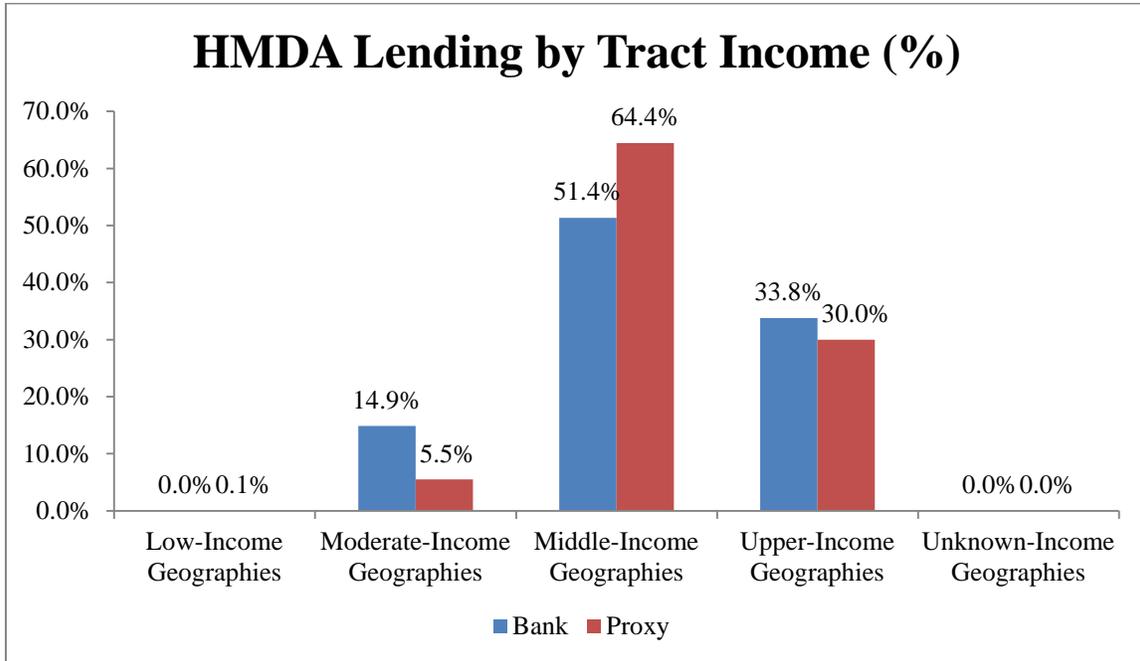
As shown in the following graph, Apple Creek’s performance was less than the proxy relative to lending in moderate-income tracts. The bank made a higher percentage of small business loans in the middle-income tracts than the proxy, while small business lending to upper-income tracts was less than the proxy. Due to the bank’s performance in the moderate-income tracts, the geographic distribution of small business lending is poor. However, it is acknowledged that one of the two moderate-income census tracts located in Wooster is largely comprised of the Ohio Agricultural Research and Development Center and that the third moderate-income census tract, located in Orrville, is not located in close proximity to any of the bank’s branches. Further, it is acknowledged that loans for rental properties are included in the analysis of HMDA lending and assist in meeting the needs of business customers.



### ***Residential Mortgage Lending***

Apple Creek originated 74 HMDA loans, which comprised of zero loans in low-, 11 loans in moderate-, 38 in middle-, and 25 loans in upper-income census tracts. Apple Creek’s performance was compared to the number of owner-occupied housing units in the assessment area (proxy). Poverty levels, lack of affordability, and general economic conditions in the assessment area were also considered as part of this evaluation.

As shown in the following graph, Apple Creek’s performance was greater than the proxy relative to lending in moderate-income tracts. The bank made a lower percentage of HMDA loans in the middle-income tracts than the proxy, while HMDA lending to upper-income tracts was greater than the proxy. Due to the bank’s performance in the moderate-income tracts and the high percentage of families below poverty (19.2%) living in moderate-income tracts, the geographic distribution of residential loans is excellent.



**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN  
CANTON-MASSILLON, OHIO MSA 15940  
(Limited-scope Review)**

The Canton-Massillon MSA is comprised of Carroll and Stark Counties. However, due to Apple Creek's branching strategy, only seven census tracts of the 80 in Stark County were included in the assessment area. Six of the seven census tracts are middle-income (85.7%) and one is upper-income (14.3%) and are located along the western edge of the county bordering Wayne County. As of the 2010 U.S. Census, the population of the seven census tracts is 32,608, which represents approximately 8.7% of the population of Stark County (375,736). Based on Ohio's Department of Development, Stark County's population is projected to decline by approximately 3.9% by 2030.

Apple Creek operates two full-service branches located in the middle-income census tracts in the communities of Beach City and Canal Fulton. Five financial institutions insured by the FDIC operate eight banking branches within the seven census tract assessment area. Based on the FDIC's deposit market share report as of June 30, 2016, Apple Creek ranked 15<sup>th</sup> with 0.3% deposit market share.<sup>11</sup> The Canton-Massillon, Ohio MSA deposit market share is controlled by The Huntington National Bank with 25.2% of the market and FirstMerit Bank, National Association and JP Morgan Chase Bank, National Association with 24.8% and 13.2% of the deposits, respectively.

The banking competition for the assessment area is dominated by large regional bank branches. As such, Apple Creek has to compete against large financial institutions that have evolved extensive network and support systems to deliver and service a large array of financial products and services.

Between January 1, 2015 and December 31, Apple Creek originated 14 small business loans and 6 HMDA loans in this assessment area. Overall, volume represents 5.5% and 5.4%, respectively, of total small business and HMDA loans originated during 2015.

Facts and data reviewed, including performance and demographic information, can be found in the core tables accompanying this report.

The following table shows the demographics for this assessment area using 2010 U.S. Census data.

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<sup>11</sup> <http://www2.fdic.gov/sod/sodMarketBank.asp>

## Combined Demographics Report

Assessment Area(s): Canton Massillon OHMSA 2015

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0	0	0	0	0	1,338	14.9	
Moderate-income	0	0	0	0	0	0	1,643	18.3	
Middle-income	6	85.7	7,871	87.6	518	6.6	2,429	27	
Upper-income	1	14.3	1,118	12.4	17	1.5	3,579	39.8	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>7</b>	<b>100.0</b>	<b>8,989</b>	<b>100.0</b>	<b>535</b>	<b>6.0</b>	<b>8,989</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>							
		<b>Owner-Occupied</b>				<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%	
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	11,334	84.97	86.2	75	2,353	20.8	484	4.3	
Upper-income	1,681	13.63	13.8	81.1	227	13.5	91	5.4	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>13,015</b>	<b>9,860</b>	<b>100.0</b>	<b>75.8</b>	<b>2,580</b>	<b>19.8</b>	<b>575</b>	<b>4.4</b>	
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>				<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	1,023	86.2	958	85.8	55	94.8	10	76.9	
Upper-income	164	13.8	158	14.2	3	5.2	3	23.1	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>1,187</b>	<b>100.0</b>	<b>1,116</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>			<b>94.0</b>		<b>4.9</b>		<b>1.1</b>		
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>				<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	58	73.4	58	73.4	0	0	0	0	
Upper-income	21	26.6	21	26.6	0	0	0	0	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>79</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	<b>0</b>	<b>.0</b>	
<b>Percentage of Total Farms:</b>			<b>100.0</b>		<b>.0</b>		<b>.0</b>		

2015 FFIEC Census Data and 2015 D&B Information

**CONCLUSION WITH RESPECT TO PERFORMANCE TEST IN CANTON-  
MASSILLON, OHIO MSA 15940**

**Lending Test**

Apple Creek's lending performance has a reasonable distribution of loans to borrowers of different income/revenue levels. The geographic distribution of lending is also reasonable.

Lending levels in the Canton-Massillon, OH MSA are consistent with Apple Creek's overall lending performance.

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN  
AKRON, OHIO MSA 10420**  
(Limited-scope Review)

The Akron MSA is comprised of portions of southwest Summit County. Apple Creek has designated four of the 131 Summit County census tracts as part of the assessment area. They are all middle-income census tracts and are located along the southwestern edge of the county bordering Wayne County. As of the 2010 U.S. Census, the population of the four census tracts was 15,578, which represents approximately 2.9% of the population of Summit County (541,612). Based on Ohio's Department of Development, Summit County's population is projected to decrease by approximately 2.4% by 2030.

Apple Creek operates one full-service branch located in the community of Clinton. There are nine financial institutions insured by the FDIC operating 20 banking branches within the assessment area. Apple Creek ranked 20<sup>th</sup> out of 21 banks with a 0.1% deposit market share based on the FDIC's deposit market share report as of June 30, 2016.<sup>12</sup> The following table illustrates deposit market share by financial institution within the assessment area.

Between January 1, 2015 and December 31, 2015, Apple Creek did not originate any HMDA loans and originated two small business loans. Overall, this small volume represents only .8% of small business loans originated during the entire evaluation period.

The banking competition for the assessment area is dominated by large regional bank banking branches. As such, Apple Creek has to compete against large financial institutions that have evolved extensive network and support systems to deliver and service a large array of financial products and services.

Facts and data reviewed, including performance and demographic information, can be found in the core tables accompanying this report.

The following table shows the demographics for this assessment area using 2010 U.S. Census data.

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<sup>12</sup> <http://www2.fdic.gov/sod/sodMarketBank.asp>

## Combined Demographics Report

Assessment Area(s): Akron OH MSA 2015

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0	0	0	0	0	658	14.1	
Moderate-income	0	0	0	0	0	0	892	19.1	
Middle-income	4	100	4,681	100	196	4.2	1,151	24.6	
Upper-income	0	0	0	0	0	0	1,980	42.3	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>4</b>	<b>100.0</b>	<b>4,681</b>	<b>100.0</b>	<b>196</b>	<b>4.2</b>	<b>4,681</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>							
		<b>Owner-Occupied</b>				<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%	
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	6,557	5,506	100	84	633	9.7	418	6.4	
Upper-income	0	0	0	0	0	0	0	0	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>6,557</b>	<b>5,506</b>	<b>100.0</b>	<b>84.0</b>	<b>633</b>	<b>9.7</b>	<b>418</b>	<b>6.4</b>	
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>				<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	658	100	634	100	22	100	2	100	
Upper-income	0	0	0	0	0	0	0	0	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>658</b>	<b>100.0</b>	<b>634</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>				<b>96.4</b>		<b>3.3</b>		<b>.3</b>	
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>				<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0	
Moderate-income	0	0	0	0	0	0	0	0	
Middle-income	13	100	13	100	0	0	0	0	
Upper-income	0	0	0	0	0	0	0	0	
Unknown-income	0	0	0	0	0	0	0	0	
<b>Total Assessment Area</b>	<b>13</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	<b>0</b>	<b>.0</b>	
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>.0</b>		<b>.0</b>	

2015 FFIEC Census Data and 2015 D&B Information

**CONCLUSION WITH RESPECT TO PERFORMANCE TEST IN  
AKRON, OHIO MSA 10420**

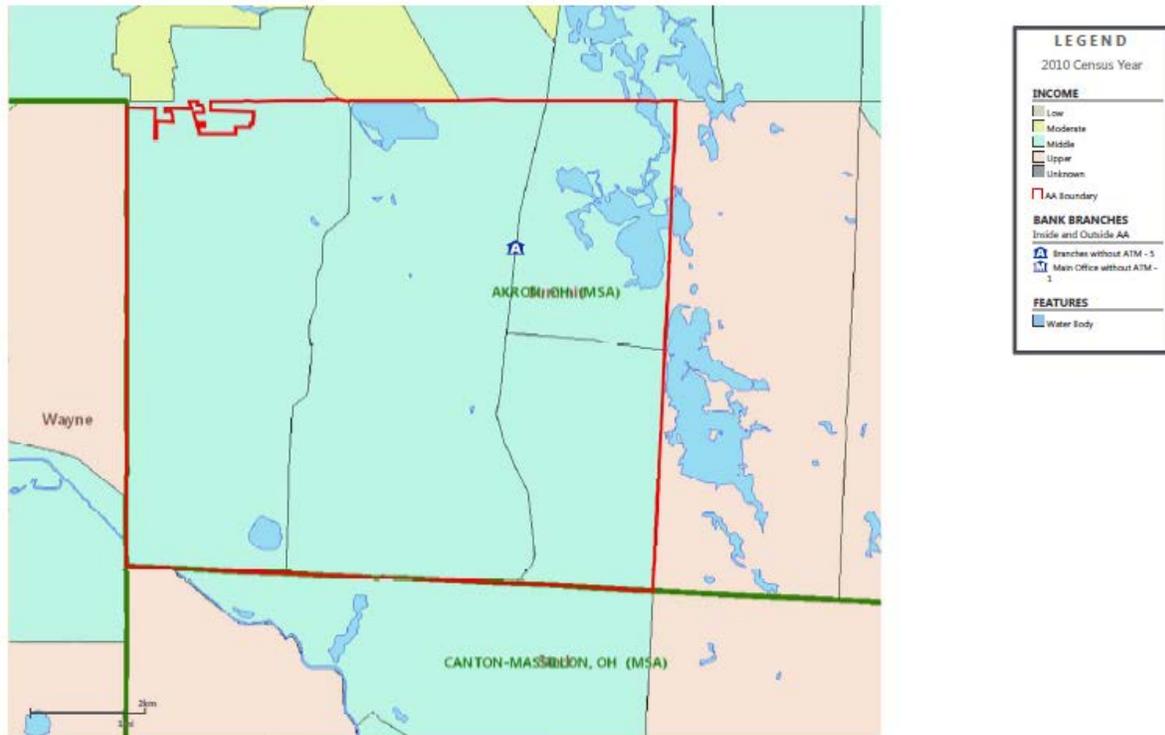
**Lending Test**

Lending levels in the Akron MSA are consistent with Apple Creek's overall lending performance.

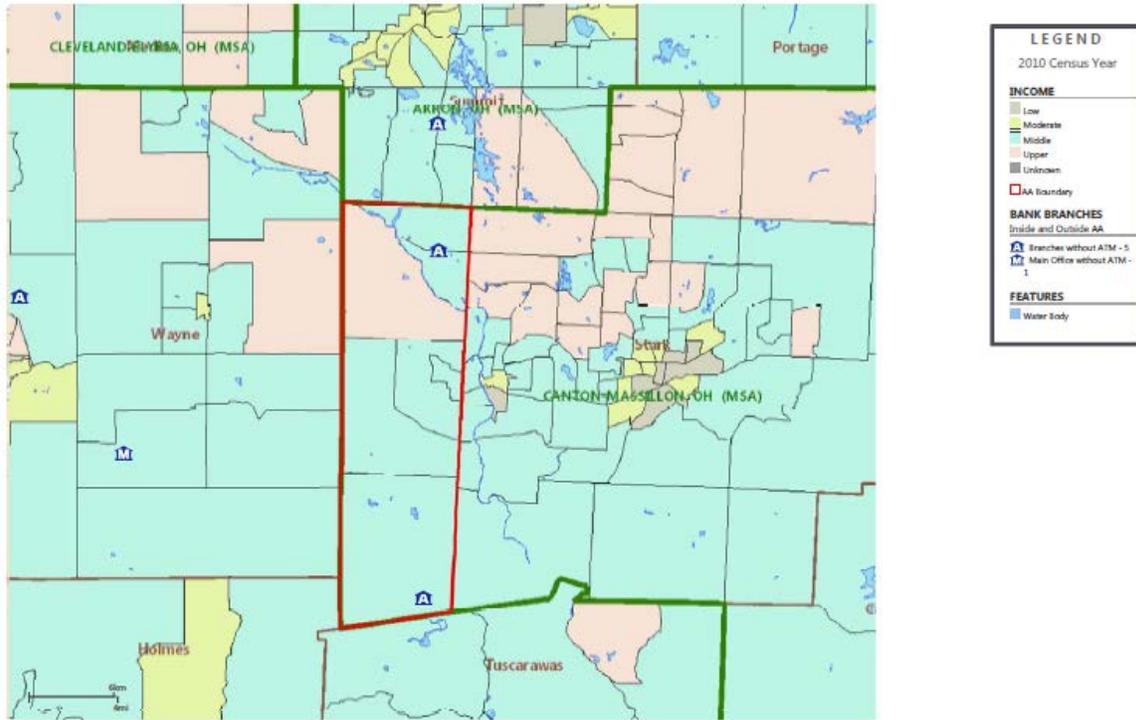
## APPENDIX A

### ASSESSMENT AREA MAPS

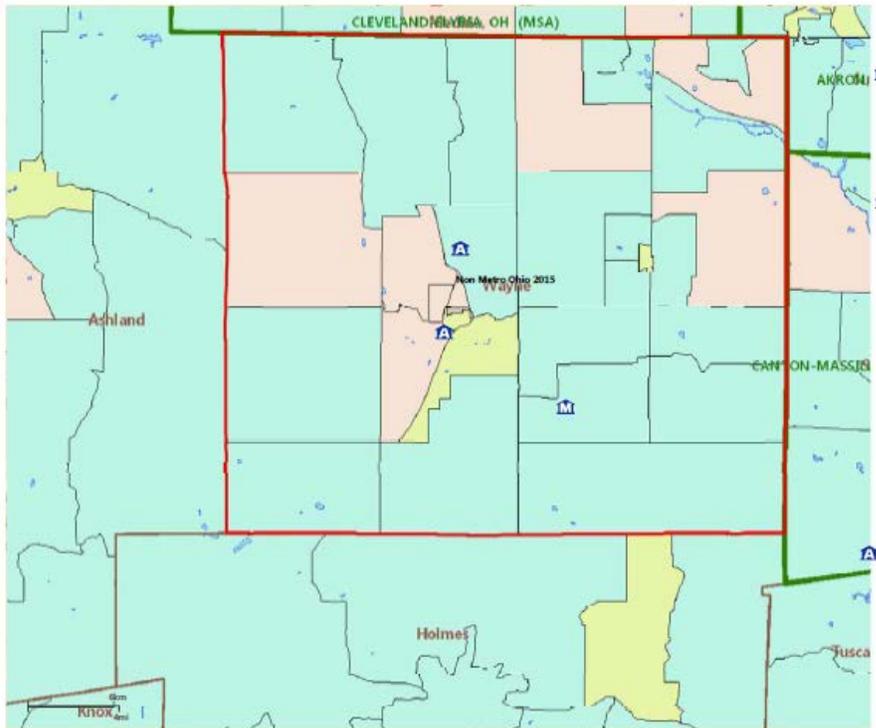
Assessment Area: Akron MSA



Assessment Area: Canton-Massillon MSA



Assessment Area: Non Metro Ohio



**LEGEND**  
 2010 Census Year

**INCOME**

- Low
- Moderate
- Middle
- Upper
- Unknown

AA boundary

**LOANS: by Type**  
 Inside and Outside AA - 367

- CV - 75
- MF - 4
- RF - 2B
- SF - 2SS

**BANK BRANCHES**  
 Inside and Outside AA

- Branches without ATM - 5
- Main Office without ATM - 3

**FEATURES**

- Water Body

**APPENDIX B**  
**LENDING TABLES**

**HMDA Loan Distribution Table**

Exam: Apple Creek 2016 Final

Assessment Area/Group :Non Metro Ohio 2015

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	3	5.9%	299	6.0%
Moderate	7	13.7%	565	11.3%	9	17.6%	795	16.0%
Low/Moderate Total	7	13.7%	565	11.3%	12	23.5%	1,094	22.0%
Middle	25	49.0%	2,662	53.4%	19	37.3%	1,884	37.8%
Upper	19	37.3%	1,754	35.2%	7	13.7%	742	14.9%
Unknown	0	0.0%	0	0.0%	13	25.5%	1,261	25.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	51	100.0%	4,981	100.0%	51	100.0%	4,981	100.0%
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	3	15.8%	150	8.8%
Moderate	4	21.1%	273	16.0%	1	5.3%	127	7.5%
Low/Moderate Total	4	21.1%	273	16.0%	4	21.1%	277	16.3%
Middle	10	52.6%	1,069	62.7%	7	36.8%	717	42.1%
Upper	5	26.3%	362	21.2%	6	31.6%	589	34.6%
Unknown	0	0.0%	0	0.0%	2	10.5%	121	7.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	1,704	100.0%	19	100.0%	1,704	100.0%
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	33.3%	88	14.5%
Low/Moderate Total	0	0.0%	0	0.0%	1	33.3%	88	14.5%
Middle	2	66.7%	356	58.6%	2	66.7%	520	85.5%
Upper	1	33.3%	252	41.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	608	100.0%	3	100.0%	608	100.0%
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	450	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	450	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	450	100.0%	1	100.0%	450	100.0%
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	6	8.1%	449	5.8%
Moderate	11	14.9%	838	10.8%	11	14.9%	1,010	13.0%
Low/Moderate Total	11	14.9%	838	10.8%	17	23.0%	1,459	18.8%
Middle	38	51.4%	4,537	58.6%	28	37.8%	3,121	40.3%
Upper	25	33.8%	2,368	30.6%	13	17.6%	1,331	17.2%
Unknown	0	0.0%	0	0.0%	16	21.6%	1,832	23.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	74	100.0%	7,743	100.0%	74	100.0%	7,743	100.0%

\*Information based on 2010 ACS data

**HMDA Loan Distribution Table**

Exam: Apple Creek 2016 Final

Assessment Area/Group :Akron OH MSA 2015

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>HMDA Totals</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%

\*Information based on 2010 ACS data

### HMDA Loan Distribution Table

Exam: Apple Creek 2016 Final

Assessment Area/Group :Canton Massillon OH MSA 2015

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	50.0%	73	44.0%	1	50.0%	93	56.0%
Upper	1	50.0%	93	56.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	50.0%	73	44.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	166	100.0%	2	100.0%	166	100.0%
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	33.3%	122	26.2%
Low/Moderate Total	0	0.0%	0	0.0%	1	33.3%	122	26.2%
Middle	1	33.3%	122	26.2%	0	0.0%	0	0.0%
Upper	2	66.7%	343	73.8%	2	66.7%	343	73.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	465	100.0%	3	100.0%	465	100.0%
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	109	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	109	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	109	100.0%	1	100.0%	109	100.0%
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	1	16.7%	122	16.5%
Low/Moderate Total	0	0.0%	0	0.0%	1	16.7%	122	16.5%
Middle	3	50.0%	304	41.1%	1	16.7%	93	12.6%
Upper	3	50.0%	436	58.9%	2	33.3%	343	46.4%
Unknown	0	0.0%	0	0.0%	2	33.3%	182	24.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	6	100.0%	740	100.0%	6	100.0%	740	100.0%

\*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: Apple Creek 2016 Final

Assessment Area/Group: Non Metro Ohio 2015

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>By Tract Income</b>												
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	6	3.1%	718	3.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	6	3.1%	718	3.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	145	74.0%	13,397	71.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	45	23.0%	4,662	24.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	196	100.0%	18,778	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Revenue</b>												
Total \$1 Million or Less	166	84.7%	15,445	82.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	30	15.3%	3,333	17.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	196	100.0%	18,778	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Loan Size</b>												
\$100,000 or less	153	78.1%	6,855	36.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	27	13.8%	4,480	23.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	7.7%	6,215	33.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	0.5%	1,228	6.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	196	100.0%	18,778	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Loan Size and Revenue \$1 Million or Less</b>												
\$100,000 or less	132	79.5%	5,767	37.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	21	12.7%	3,371	21.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	12	7.2%	5,080	32.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	0.6%	1,228	8.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	166	100.0%	15,445	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

\*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: Apple Creek 2016 Final

Assessment Area/Group: Akron OH MSA 2015

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>By Tract Income</b>												
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Revenue</b>												
Total \$1 Million or Less	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Loan Size</b>												
\$100,000 or less	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>By Loan Size and Revenue \$1 Million or Less</b>												
\$100,000 or less	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	60	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

\*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: Apple Creek 2016 Final

Assessment Area/Group: Canton Massillon OH MSA 2015

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>											
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	4	28.6%	252	22.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	10	71.4%	889	77.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	1,142	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>By Revenue</b>											
Total \$1 Million or Less	14	100.0%	1,142	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	1,142	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>By Loan Size</b>											
\$100,000 or less	9	64.3%	259	22.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	4	28.6%	580	50.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	1	7.1%	303	26.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	1,142	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	<b>By Loan Size and Revenue \$1 Million or Less</b>											
\$100,000 or less	9	64.3%	259	22.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	4	28.6%	580	50.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	1	7.1%	303	26.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	1,142	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

\*Information based on 2010 ACS data

## APPENDIX C

### GLOSSARY OF TERMS

**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 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.

**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 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 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.