

PUBLIC DISCLOSURE

January 6, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Enterprise Bank of South Carolina
Certificate Number: 11539

13497 Broxton Bridge Road
Ehrhardt, South Carolina 29081

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

10 10th Street NE, Suite 900
Atlanta, Georgia 30309-3849

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 RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of loans are within the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution has not received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

DESCRIPTION OF INSTITUTION

Background

Enterprise Bank of South Carolina (Enterprise Bank) is a state chartered, commercial, nonmember community bank headquartered in Ehrhardt, Bamberg County, South Carolina. The bank is independently owned with no holding company, subsidiaries, or affiliates. There has been no change in control of the bank or its business strategy since the previous evaluation. Enterprise Bank received a “Satisfactory” rating at its previous FDIC CRA performance evaluation, dated September 30, 2021, based on Federal Financial Institutions Examination Council’s (FFIEC) Interagency Intermediate Small Institution Examination Procedures.

Operations

Enterprise Bank operates 12 full-service banking offices in 6 counties throughout South Carolina. The bank operates the main office in Ehrhardt (Bamberg County), one branch each in Bamberg (Bamberg County), Barnwell (Barnwell County), Blackville (Barnwell County), Cottageville (Colleton County), Denmark (Bamberg County), Edisto Island (Charleston County), Ridgeville (Dorchester County), Springfield (Orangeburg County), and Williston (Barnwell County), and two branches in Walterboro (Colleton County), South Carolina. The bank has not opened or closed any branch offices since the previous evaluation and has not participated in any merger or acquisition activity.

Enterprise Bank offers a variety of loan and deposit products to help meet the needs of businesses and individuals within its assessment areas. Commercial loan products offered include real estate and construction loans, lines of credit, and various unsecured and secured installment loans. Consumer loan products include real estate loans, automobile loans, secured and unsecured installment loans, and lines-of-credit. Additionally, the bank offers consumers long-term mortgage options through third-party mortgage broker relationships. Enterprise Bank assisted in facilitating six home mortgage loan totaling \$3.2 million since the previous evaluation.

Deposit products offered for commercial and consumer customers include checking, savings, money market accounts, certificates of deposit, and individual retirement accounts. Retail banking services are available through alternative delivery systems such as online banking, bill pay, telephone banking, and mobile banking with mobile check deposit options. In addition, depository automated teller machines (ATM) are located at 10 of the 12 offices. Springfield and Walterboro offices do not have ATMs. The bank’s website, www.ebsc.bank, provides details on bank products and services and allows transfers between accounts and third parties.

Ability and Capacity

As of the September 30, 2024, Consolidated Reports of Condition and Income (Call Report), Enterprise Bank had total assets of \$459.2 million, total loans of \$252.9 million, total deposits of \$442.7 million, and total securities of \$156.5 million. As shown in the following table, commercial loans (loans secured by non-farm, non-residential properties and commercial and industrial loans) represent the largest portion of the loan portfolio at 43.5 percent, followed by home mortgage (loans

secured by 1-4 family residential properties) at 36.7 percent. Loans originated and serviced by third-party lenders are not reflected in the bank’s loan portfolio.

Loan Portfolio Distribution as of 9/30//2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	10,695	4.2
Secured by Farmland	19,492	7.7
Secured by 1-4 Family Residential Properties	92,784	36.7
Secured by Multifamily (5 or more) Residential Properties	8	0.0
Secured by Nonfarm Nonresidential Properties	74,405	29.4
Total Real Estate Loans	197,384	78.1
Commercial and Industrial Loans	35,702	14.1
Agricultural Production and Other Loans to Farmers	3,391	1.3
Consumer Loans	15,145	6.0
Obligations of State and Political Subdivisions in the U.S.	970	0.4
Other Loans	260	0.1
Total Loans	252,852	100.0
<i>Source: Call Report</i>		

Examiners did not identify any financial, legal, or other impediments that effect the bank’s ability to meet credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. Enterprise Bank continues to delineate two assessment areas in South Carolina. This first assessment area is the Non-Metropolitan Statistical Area (Non-MSA) of South Carolina, which includes four counties where the bank has branches and portions of two counties, Aiken and Allendale, where the bank does not have a branch but originates loans. Aiken County is part of the Augusta-Richmond County Georgia-South Carolina MSA; however, the assessment area includes one census tract that is contiguous to Orangeburg County, a Non-MSA county. This assessment area also includes portions of Allendale County, which is contiguous to Bamberg and Barnwell counties. The second assessment area is part of the Charleston-North Charleston, South Carolina MSA (Charleston MSA). The assessment areas are delineated based on the locations of bank offices and the expectation of attracting and retaining a customer base within the areas surrounding those offices.

Although the assessment areas remained the same since the previous evaluation, the demographic composition of the assessment areas changed due to the 2020 U.S. Census data released by the FFIEC in April 2022. The 2020 U.S. Census data updated the 2015 American Community Survey (ACS) based on information collected from 2015 through 2020. As a result, there were income classification and census tract changes, which affected the bank’s assessment area. Examiners analyzed 2023 CRA performance based on 2020 U.S. Census data. The following tables provide a description of the assessment areas, including geographies and income levels, based on the 2015 ACS (used at the previous evaluation) and 2020 U.S. Census data (used at the current evaluation).

The following tables represent the changes in geographies and income classifications since the previous evaluation.

Description of Assessment Area Geographies – 2015 ACS Data						
Assessment Area	Low-Income	Moderate-Income	Middle-Income	Upper-Income	NA*	Total
Non-MSA	-	3	17	2	-	22
Charleston	-	1	1	-	-	2
Total	-	4	18	2	-	24

Source: 2015 ACS Data.

Description of Assessment Area Geographies – 2020 U.S. Census Data						
Assessment Area	Low-Income	Moderate-Income	Middle-Income	Upper-Income	NA*	Total
Non-MSA	-	9	18	3	3	33
Charleston	-	-	2	-	-	2
Total	-	9	20	3	3	35

Source: 2020 U.S. Census Data. () The NA category consists of geographies not assigned an income classification.*

The bank’s assessment areas do not arbitrarily exclude any low- or moderate-income geographies that the bank would reasonably be expected to serve. Refer to the *Description of Institution’s Operations* in each assessment area section of this performance evaluation for additional information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated September 30, 2021, to the current evaluation dated January 6, 2025. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate Enterprise Bank’s CRA performance. As described in the Appendices, these procedures include the *Lending Test* and the *Community Development Test*. An institution may not receive an overall Satisfactory rating unless both tests receive at least a Satisfactory rating.

Examiners evaluated the bank’s lending data, deposit activity, and number of branches to determine relative weighting of the rated areas in the overall conclusions. Examiners gave primary weight to the Non-MSA Assessment Area in assigning the overall rating and conclusions, since the Non-MSA Assessment Area accounts for a significant majority of the lending, deposit activity, and number of branches. Examiners reviewed the Charleston MSA Assessment Area using limited-scope procedures as this assessment area was reviewed using full-scope procedures during the previous evaluation. The following table details the bank’s loans, deposits, and branches by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans*		Deposits		Bank Offices	
	\$(000s)	%	\$(000s)	%	#	%
Non-MSA	46,275	97.7	395,947	88.8	10	83.3
Charleston MSA	1,073	2.3	49,732	11.2	2	16.7
Total	47,348	100.0	445,679	100.0	12	100.0

Source: HMDA Data, Bank Data, and FDIC Summary of Deposits as of June 30, 2024. Due to rounding, totals may not equal 100.0 percent.
*Includes 2021, 2022, and 2023 home mortgage and 2023 small business loans analyzed.

Activities Reviewed

Examiners determined the bank’s major product lines are home mortgage and small business loans. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm loans or consumer loans, represent a major product line. The bank’s records indicate the product mix has remained relatively stable since the previous evaluation.

Enterprise Bank is subject to the Home Mortgage Disclosure Act (HMDA) reporting requirements. Examiners considered all home mortgage loans reported on the bank’s 2021, 2022, and 2023 HMDA Loan Application Registers as part of the lending test. The bank originated 164 loans in 2021 totaling \$21.6 million, 151 loans in 2022 totaling \$20.5 million, and 114 loans in 2023 totaling \$20.7 million. Examiners did not identify trends from 2021 to 2023 that would materially affect conclusions. Therefore, only 2023 HMDA loan performance is presented, as it is the most recent calendar year with available aggregate HMDA data. In addition to aggregate HMDA data, the 2020 U.S. Census demographic data (owner-occupied housing units by geography and the distribution of families by income level) provided a standard of comparison for home mortgage loans.

The CRA evaluation also includes an analysis of small business loans originated from January 1, 2023, through December 31, 2023. Examiners reviewed the universe of 211 small business loans totaling \$26.9 million to evaluate *Assessment Area Concentration* and only the 150 small business loans totaling 17.7 million originated inside the assessment area to evaluate the *Geographic Distribution*. Of the 150 small business loans originated in the assessment areas, examiners selected a sample of 47 loans totaling \$4.0 million to evaluate the *Borrower Profile* analyses since all income was not readily available. Dun & Bradstreet (D&B) data for 2022 provided a standard of comparison for the small business loans.

Considering the number of small business loans versus home mortgage loans, examiners gave more weight to small business loans in the Lending Test analysis. For both loan products reviewed, the *Geographic Distribution* and *Borrower Profile* discussions focus only on loans originated inside the bank’s assessment areas. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans, as the number of loans is a better indicator of individuals and businesses served.

For the Community Development Test, examiners reviewed information provided by bank management on community development loans, qualified investments, and community development services from September 30, 2021, to December 31, 2024. Qualified investments include new investments and donations, as well as prior period-qualified investments still held by the bank

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Enterprise Bank demonstrated satisfactory performance under the Lending Test. The reasonable net loan-to-deposit ratio, majority of lending within the assessment areas, and reasonable geographic distribution and borrower profile performance supports this conclusion. In addition, there were no CRA-related complaints received since the previous evaluation.

Loan-to-Deposit Ratio

Enterprise Bank's average net loan-to-deposit (NLTD) ratio is reasonable given its size, financial condition, and credit needs of the assessment areas. The bank's NLTD ratio averaged 55.2 percent over the 13 calendar quarters since the previous evaluation, from September 30, 2021, through September 30, 2024. During this period, the bank's quarterly NLTD ratio ranged from a low of 52.4 percent as of March 31, 2022, to a high of 58.2 percent as of December 31, 2023.

A bank's average NLTD ratio is compared to similarly situated. Examiners identified two similarly situated institutions based on asset size, banking structure, portfolio composition, and geographic location. Examiners compared the bank's average NLTD ratio to these institutions to evaluate the bank's performance for the same period. As detailed in the following table, Enterprise Bank's average NLTD ratio over the previous 13 calendar quarters exceeds the similarly situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2024 (\$000s)	Average Net LTD Ratio (%)
Enterprise Bank	459,189	55.2
Similarly Situated Institution #1	389,165	24.1
Similarly Situated Institution #2	597,414	39.1
<i>Source: Call Reports as of 9/30/2024</i>		

Assessment Area Concentration

Enterprise Bank originated a majority of home mortgage loans, by number, and a majority of small business loans, by number and dollar amount, inside the assessment areas. The following table details lending inside and outside of the assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans (\$000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$
Home Mortgage										
2021	104	63.4	60	36.6	164	12,232	56.6	9,362	43.4	21,594
2022	42	27.8	109	72.2	151	4,638	22.6	15,893	77.4	20,531
2023	77	67.5	37	32.5	114	12,807	61.9	7,900	38.1	20,707
Subtotal	223	52.0	206	48.0	429	29,677	47.2	31,155	52.8	62,832
Small Business										
2023	150	71.1	61	28.9	211	17,671	65.7	9,227	34.3	26,898

Source: 2021, 2022, and 2023 HMDA Reported Data and Bank Data.

Home Mortgage Lending Activity in Assessment Areas				
Assessment Area	#	%	\$(000s)	%
Non-MSA	213	95.5	28,750	96.9
Charleston MSA	10	4.5	927	3.1
Total Mortgage Loans	223	100.0	29,677	100.0

Source: 2021, 2022, and 2023 HMDA Reported Data.

Small Business Lending Activity in Assessment Areas				
Assessment Area	#	%	\$(000s)	%
Non-MSA	147	98.0	17,524	99.2
Charleston MSA	3	2.0	147	0.8
Total Small Business Loans	150	100.0	17,671	100.0

Source: Small Business Bank Records from January 1, 2023, through December 31, 2023.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Reasonable performance in the Non-MSA Assessment Areas supports this conclusion. The Charleston MSA Assessment does not contain any low- or moderate-income tracts; therefore, this performance criterion was not evaluated. Refer to the *Geographic Distribution* section within each assessment area for further details.

Borrower Profile

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Reasonable performance in both assessment areas supports this conclusion. Refer to the *Borrower Profile* section within each assessment area for further details.

Response to Complaints

The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this criterion did not affect the *Lending Test* rating.

COMMUNITY DEVELOPMENT TEST

Enterprise Bank's Community Development Test is rated Satisfactory. Overall, the bank has demonstrated an adequate responsiveness to the community development needs of the institution-wide assessment area through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in arriving at this conclusion. Most of the bank's community development loans, qualified investments, and community development services were in the Non-MSA Assessment Area.

Community Development Loans

During the evaluation period, the bank originated, renewed, or refinanced 13 community development loans totaling \$10.8 million. This represents an increase in the number of community development loans since the previous evaluation when the bank originated five loans totaling \$8.9 million. Based on dollar volume, the bank's community development lending activity represents 4.3 percent of total loans and 2.4 percent of total assets as of September 30, 2024, compared to 3.9 percent of total loans and 1.4 percent of total assets during the previous evaluation. The bank originated all community development loans in the Non-MSA Assessment Area.

The community development loans supported community services, revitalized and stabilized, and promoted small business economic development in moderate- and distressed middle-income census tracts. The bank's community development lending performance exceeded Similarly Situated Institution # 1 and is consistent with Similarly Situated Institution #2. The bank demonstrates adequate responsiveness to the opportunities for community development lending. Refer to the *Community Development Test* section of the Non-MSA Assessment Area for further details.

Qualified Investments

During the evaluation period, Enterprise Bank made 19 qualified investments and donations, totaling \$3.6 million. This level of investment activity equates to 0.8 percent of total assets and 2.3 percent of total securities as of September 30, 2024. The bank's performance decreased by number and increased by dollar amount from the previous evaluation when the bank made 42 qualified investments totaling \$2.8 million, which represented 0.6 percent of total assets and 2.0 percent of total securities.

Enterprise Bank's qualified investments demonstrated adequate responsiveness to opportunities for qualified investments. The bank's qualified investments primarily supported affordable housing. Qualified investments include two investments, totaling \$585,865, in the broader statewide area. The bank made similar investments during the previous evaluation. Donations are primarily to organizations that offer community services to low- and moderate-income individuals and families. The bank's performance exceeds Similarly Situated Institution #1 and lags Similarly Situated Institution #2. The bank demonstrates adequate responsiveness to the opportunities for qualified investments. The following tables detail community development qualified investments and including donations by purpose, assessment area, and year during the evaluation period.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA	-	-	10	2	-	-	2	250	12	252
Charleston MSA	4	2,276	1	500	-	-	-	-	5	2,776
Statewide	2	586	-	-	-	-	-	-	2	586
Total*	6	2,862	11	502	-	-	2	250	19	3,614
<i>Source: Bank Data</i>										

Community Development Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2021 (Partial)	-	-	-	-	-	-	-	-	-	-
2022	5	2,862	-	-	-	-	2	250	7	3,112
2023	-	-	1	500	-	-	-	-	1	500
2024	-	-	-	-	-	-	-	-	-	-
Subtotal	5	2,862	1	500	-	-	2	250	8	3,612
Qualified Grants & Donations	1	1	10	2	-	-	-	-	11	2
Total	6	2,862	11	502	-	-	2	250	19	3,614
<i>Source: Bank Data</i>										

Below are details of the statewide investments benefiting the institution-wide assessment area:

- In 2022, the bank made two investments totaling \$411,842 and \$174,023 in the South Carolina State Housing Finance and Development Authority (South Carolina Housing Authority) Mortgage Revenue Bonds. South Carolina Housing Authority is a state agency that finances and supports affordable housing in South Carolina, which includes the bank’s assessment areas. The agency’s mission is to create affordable housing opportunities for the citizens of South Carolina, so they can live in safe, decent, and affordable housing.

Refer to the *Community Development Test* section of each assessment area for further details of qualified investments.

Community Development Services

During the evaluation period, bank representatives provided 24 instances of financial expertise or technical assistance to various organizations within the bank-wide assessment area. The level of community development services provided by the bank decreased since the previous evaluation when bank employees conducted 43 instances of financial services. Of the 24 instances of community development services benefitted, 23 benefitted the Non-MSA Assessment Area and one benefitted the Charleston MSA Assessment Area. The bank’s performance was consistent with both similarly situated institutions. Although responsive, community development services are not

particularly innovative. The following tables detail the community development services activity by assessment area, year, and purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
Non-MSA	-	16	7	-	23
Charleston MSA	-	1	-	-	1
Total	-	17	7	-	24
<i>Source: Bank Data</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
2021 (Partial)	-	1	-	-	1
2022	-	3	1	-	4
2023	-	4	1	-	5
2024	-	9	5	-	14
Total	-	17	7	-	24
<i>Source: Bank Data</i>					

Refer to the *Community Development Test* section of each assessment area for further details of community development services.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON- MSA ASSESSMENT AREA

The Non-MSA Assessment Area consist of Bamberg and Barnwell counties in their entireties and portions of Aiken, Allendale, Colleton, and Orangeburg counties. The bank operates 10, or 83.3 percent, of its branch offices in the Non-MSA Assessment Area. The assessment area accounts for 97.7 percent of total loans and 88.8 percent of total deposits when considering the institution-wide assessment areas. The following table summarizes further details.

Assessment Area	Counties in Assessment Area	# of Census Tracts 2020 U.S. Census	# of Branches
Non-MSA	Aiken	1	-
	Allendale	1	-
	Bamberg	6	3
	Barnwell	8	3
	Colleton	13	3
	Orangeburg	4	1
Total		33	10

Source: 2020 U.S. Census Data and Bank Data

Economic and Demographic Data

The following table details select demographic information from the 2020 U.S. Census and 2023 D&B data for the Non-MSA Assessment Area, which has no low-income census tracts.

Demographic Information of the Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	-	27.3	54.5	9.1	9.1
Population by Geography	83,045	-	24.7	64.1	7.2	4.0
Housing Units by Geography	43,755	-	24.7	64.3	6.6	4.5
Owner-Occupied Units by Geography	24,571	-	24.2	62.6	8.7	4.5
Occupied Rental Units by Geography	8,332	-	30.8	61.4	3.2	4.6
Vacant Units by Geography	10,852	-	21.0	70.1	4.4	4.5
Businesses by Geography	8,945	-	22.8	69.5	4.0	3.7
Farms by Geography	580	-	25.0	62.6	6.9	5.5
Family Distribution by Income Level	20,402	23.3	20.4	18.3	38.0	-
Household Distribution by Income Level	32,903	26.0	18.2	16.7	39.2	-
Median Family Income Non-MSAs – South Carolina		\$53,588	Median Housing Value Median Gross Rent Families Below Poverty Level			\$99,011 \$667 16.2%

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

The following table presents the FFIEC’s 2023 Median Family Income (MFI) ranges for low-, moderate-, middle-, and upper-income categories in the South Carolina Non-MSA. Examiners used the MFI data to analyze the bank’s home mortgage lending under the *Borrower Profile* criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
South Carolina Non-MSA Median Family Income (99999)				
2023 (\$65,200)	<\$32,600	\$32,600 to <\$52,160	\$52,160 to <\$78,240	≥\$78,240
<i>Source: FFIEC</i>				

According to the 2023 D&B data, there were 8,945 non-farm businesses operating within the Non-MSA Assessment Area. Gross annual revenues for these businesses are:

- 90.0 percent have \$1 million or less,
- 1.9 percent have more than \$1 million, and
- 8.1 percent have unknown revenues.

Service industries represent the largest portion of businesses (29.5 percent), followed by non-classifiable establishments (25.8 percent); retail trade (9.8 percent); transportation, communication (9.4 percent); finance, insurance and real estate (6.8 percent); agriculture, forestry, and fishing (6.1 percent); construction (5.8 percent), and various other sectors make up the remaining percentages. Of the total businesses and farms operating in the assessment area, 61.4 percent have four or fewer employees and 92.8 percent operate from a single location.

According to the Bureau of Labor Statistics, the unemployment rate declined throughout the evaluation period. Except for Aiken County, unemployment rates for counties in the assessment area were higher than both state and national rates, during the evaluation period. The following table reflects the average annual unemployment rates and trends for the Non-MSA Assessment Area by county, state, and the nation.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Aiken	3.4	3.1	3.0
Allendale	7.5	5.6	5.3
Bamberg	7.2	5.4	5.3
Barnwell	6.3	4.6	4.3
Colleton	4.3	3.5	3.1
Orangeburg	6.8	5.0	4.4
South Carolina	3.9	3.2	3.0
National Average	5.4	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is a highly competitive market for financial services. According to the *FDIC June 30, 2024, Summary of Deposits Report*, 21 financial institutions operate 70 offices in the assessment area. Of the institutions, Enterprise Bank ranked 6th with a deposit market share of 6.9 percent. The top five financial institutions accounted for 68.4 percent of the deposit market share.

There is a high level of competition for home mortgage loans among the banks, credit unions, and non-depository mortgage lenders in the Non-MSA Assessment Area. In 2023, 197 institutions reported 1,185 residential mortgage originations totaling \$234.8 million in this assessment area. Of these lenders, Enterprise Bank ranked 1st with a market share of 6.1 percent. The remaining top four institutions accounted for 19.1 percent market share.

Enterprise Bank is not required to collect or report its small business loan data and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. However, aggregate reported data reflects the level of demand for small business loans and is relevant to understand the level of competition in the bank's assessment area. According to 2022 Peer Small Business Data, 86 institutions reported 5,624 small business loans totaling \$169.8 million in the assessment area, indicating a very high degree of competition for this product. The top five institutions account for 55.4 percent of the small business market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying area credit and community development needs. This information helps identify whether local financial institutions are responsive to these needs and helps identify credit and community development opportunities available.

Examiners contacted a non-profit organization serving Barnwell and Allendale counties. The organization advocates for its local business and industry members to identify common needs, goals, and education opportunities. The organization primarily represents local businesses and offers various programs that serve the community such as business accelerant, computer coding, and leadership development programs. The contact stated the area has a mixture of elderly, low-to moderate-income families, and young professionals within the area. In addition, the contact stated that most employment in the area is local and the major places of employment are the Savannah River Site, Befesa Recycling Plant, and Swiss Krono Floor Manufacturing.

The contact mentioned that the organization primarily banks with Enterprise Bank, but that other financial institutions also support their organization. Competition between financial institutions is not a major factor in meeting the needs of the community. The contact stated that any support from financial institutions is welcomed to assist with events and programs provided to the community.

Credit and Community Development Needs and Opportunities

Considering information from demographic and economic data, as well as community contact information, examiners determined that small business loans and affordable housing represent primary credit needs and opportunities within the assessment area. Although unemployment rates are improving, middle-income census tracts in the assessment area are distressed due to poverty and unemployment. The significant percentage of businesses with gross annual revenues of \$1 million or less (90.0 percent) and the large number of businesses with four or fewer employees (61.4 percent) further support these conclusions. Additionally, affordable housing represents a need given the challenges with availability of housing and the percentage of low- and moderate-income families (43.7 percent) and households (44.2 percent) in the assessment area.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN
NON-MSA ASSESSMENT AREA**

LENDING TEST

Enterprise Bank’s lending performance in the Non-MSA Assessment Area reflects reasonable performance. The bank’s geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. There are no low-income census tracts in the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Small business lending in moderate-income census tracts exceeded demographic data. The following table reflects the distribution of small business loans within the assessment area.

Geographic Distribution of Small Business Loans – Non-MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	22.8	42	28.6	6,298	35.9
Middle	69.5	94	63.9	10,721	61.2
Upper	4.0	8	5.4	375	2.1
Not Available	3.7	3	2.0	130	0.7
Total	100.0	147	100.0	17,524	100.0

Source: 2023 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank’s performance in moderate-income census tracts was comparable to aggregate data and demographic data. The following table reflects the distribution of home mortgage loans within the assessment area.

Geographic Distribution of Home Mortgage Loans – Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	24.2	26.1	16	22.2	1,849	14.7
Middle	62.6	63.4	48	66.7	9,592	76.4
Upper	8.7	6.4	7	9.7	1,087	8.7
Not Available	4.5	4.1	1	1.4	25	0.2
Total	100.0	100.0	72	100.0	12,553	100.0

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

Small Business Loans

The distribution of borrowers reflects reasonable penetration of businesses of different sizes. As reflected in the following table, lending to businesses with gross annual revenues of \$1 million or less was below demographic data but is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category – Non-MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	90.0	30	68.2	2,534	66.1
> \$1,000,000	1.9	12	27.3	1,279	33.3
Revenue Not Available	8.1	2	4.5	23	0.6
Total	100.0	44	100.0	3,836	100.0

Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Home mortgage lending to low-income borrowers slightly exceeded aggregate data but was significantly below demographic data. Home mortgage lending to moderate-income borrowers was below aggregate and demographic data but is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level – Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.3	3.3	3	4.2	221	1.8
Moderate	20.4	13.9	7	9.7	539	4.3
Middle	18.3	22.8	10	13.9	1,098	8.7
Upper	38.0	40.8	36	50.0	8,073	64.3
Not Available	-	19.2	16	22.2	2,622	20.9
Totals	100.0	100.0	72	100.0	12,553	100.0

Source: 2020 U.S. Census Data; Bank Data, 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates adequate responsiveness to the assessment area’s community development needs through community development loans, qualified investments, and community development services.

Community Development Loans

The bank originated, renewed, or refinanced all its community development loans in the Non-MSA Assessment Area. The following table details the community development lending activity by year and purpose for this assessment area.

Community Development Lending										
Rated Area by Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	-	-	-	-	-	-	-	-	-	-
2022	-	-	1	332	1	1,379	3	2,315	5	4,026
2023	-	-	2	172	-	-	-	-	2	172
2024	-	-	3	525	1	2,550	2	3,574	6	6,649
Total	-	-	6	1,029	2	3,929	5	5,889	13	10,847

Source: Bank Data

Notable examples of the community development loans originated in this assessment area during the review period include:

- In 2024, the bank originated a loan totaling \$500,000 to purchase two new trucks for a municipality’s fire department that provides public safety services to low- and moderate-income individuals and families throughout the assessment area.
- In 2022, the bank originated an SBA 7(a) loan totaling \$1.4 million to provide working capital to a long-haul trucking and maintenance service company, which maintained jobs that benefited low- and moderate-income individuals and promoted economic development.

- In 2022, the bank originated a loan totaling \$1.2 million for the purchase of a supermarket/grocery store located in a distressed middle-income census tract. This loan helps revitalize and stabilize the area by creating jobs and attracting new businesses to and retaining existing businesses in the area.

Qualified Investments

Enterprise Bank made two qualified investments and 10 donations totaling \$251,600. This represents 63.2 percent by number and 7.0 percent by dollar volume of institution-wide investments and donations. The level of qualified investments and donations declined since the previous evaluation when qualified investments totaled \$829,290, representing 88.4 percent by number and 21.8 percent by dollar volume of institution-wide investments and donations.

Investments and donations support community services targeted to low- and moderate-income individuals and those that revitalize or stabilize moderate- and distressed middle-income census tracts. In addition, this assessment area benefitted from investments made in the broader statewide area that includes the Non-MSA Assessment Area, as noted in the institution-wide *Community Development Test* section. Below are examples of qualified investments and donations benefitting the Non-MSA Assessment Area.

- In 2022, the bank purchased two general obligation bonds totaling \$250,000 used to fund improvements to facilities, roads, water and sewage infrastructure in Bamberg County. The bond supports revitalization and stabilization of distressed middle-income census tracts by attracting and retaining businesses and/or residents.
- In 2023, the bank donated \$300 to a municipality in Bamberg County, located in a distressed middle-income census tract. The donation supported public safety expenses, which provide key services to low- and moderate-income individuals in the county.
- In 2024, the bank donated \$150 to a non-profit organization that provided community services targeted to low- and moderate-income individuals. The organization operates a soup kitchen in Bamberg County.

Community Development Services

Bank employees conducted 23 instances of community services that benefited the Non-MSA Assessment Area. This represents 95.8 percent of the total qualified service activities during the review period. The number of qualified community services declined since the previous evaluation when the bank conducted 43 instances representing 100.0 percent of qualified services institution-wide. Community development services provided promoted community service and economic development. The following table details the community development services benefiting the Non-MSA Assessment Area by year.

Community Development Services by Year					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
2021 (Partial)	-	1	-	-	1
2022	-	3	1	-	4
2023	-	4	1	-	5
2024	-	8	5	-	13
Total	-	16	7	-	23
<i>Source: Bank Data</i>					

Below are notable examples of community development services benefitting the Non-MSA Assessment Area:

- From 2022 to 2024, a bank employee served on the Board of a non-profit organization that acts as a clearing house for funding to a pool of agencies and organizations providing key community services. The employee provides financial leadership and advisory in budgeting and fund raising to the non-profit, which benefits Barnwell and Allendale counties.
- In 2024, three bank employees provided financial advisory to an organization active in supporting growth of small businesses and job creation including low- and moderate-income jobs in Colleton County. The service provided benefited economic development in assessment area.
- From 2021 to 2024, a bank employee continued to serve on the Board of a school district where 61.6 to 100.0 percent of the students attending schools in the district receive free/reduced lunches. The employee provides financial advisory to the district located in Barnwell County.

CHARLESTON MSA ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHARLESTON ASSESSMENT AREA

The Charleston MSA Assessment Area consist of one census tract in Charleston County and one census tract in Dorchester County. Both census tracts are middle-income tracts. Charleston and Dorchester Counties comprise two of the three counties in the Charleston-North Charleston South Carolina MSA. The bank operates two, or 16.7 percent, of its branch offices in the Charleston MSA Assessment Area. The assessment area accounts for 2.3 percent of total loans and 11.2 percent of total deposits.

Economic and Demographic Data

The following table details select demographic information from the 2020 U.S. Census and 2023 D&B data for the Charleston MSA Assessment Area, which has no low- or moderate-income census tracts.

Demographic Information of the Charleston MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	-	-	100.0	-	-
Population by Geography	8,251	-	-	100.0	-	-
Housing Units by Geography	3,219	-	-	100.0	-	-
Owner-Occupied Units by Geography	2,171	-	-	100.0	-	-
Occupied Rental Units by Geography	416	-	-	100.0	-	-
Vacant Units by Geography	632	-	-	100.0	-	-
Businesses by Geography	973	-	-	100.0	-	-
Farms by Geography	68	-	-	100.0	-	-
Family Distribution by Income Level	2,000	24.2	22.6	26.0	27.2	-
Household Distribution by Income Level	2,587	27.9	19.3	18.8	34.0	-
Median Family Income MSA - 16700 Charleston-North Charleston, SC MSA		\$82,122	Median Housing Value Median Gross Rent Families Below Poverty Level			\$235,854 \$1,010 4.4%
<i>Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The following table presents the FFIEC’s 2023 MFI ranges for low-, moderate-, middle-, and upper-income categories in the Charleston MSA Assessment Area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Charleston-North Charleston, SC MSA Median Family Income (16700)				
2023 (\$101,300)	<\$50,650	\$50,650 to <\$81,040	\$81,040 to <\$121,560	≥\$121,560
<i>Source: FFIEC</i>				

According to the 2023 D&B data, there were 973 non-farm businesses operating within the Charleston MSA Assessment Area. Gross annual revenues for these businesses are:

- 93.2 percent have \$1 million or less,
- 1.9 percent have more than \$1 million, and
- 4.9 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses (28.3 percent), followed by services (27.6 percent); finance, insurance and real estate (8.4 percent); construction (8.4 percent); transportation, communication (7.6 percent); agriculture, forestry, and fishing (6.5 percent); and various other sectors make up the remaining percentages. Of the total businesses and farms operating in the assessment area, 62.0 percent have four or fewer employees and 96.6 percent operate from a single location. Top area employers in the Charleston MSA Assessment Area include the Joint Base Charleston, Charleston County Schools, Dorchester County Schools, Boeing, and Roper St. Francis Healthcare

According to the Bureau of Labor Statistics, the unemployment rate declined throughout the evaluation period. The unemployment rates for both counties were below the state and national rates during the evaluation period. The following table reflects the average annual unemployment rates and trends for the county, state, and the nation.

Unemployment Rates			
Area	2021	2022	2023
	%	%	%
Charleston	3.6	2.7	2.4
Dorchester	3.6	2.9	2.5
South Carolina	3.9	3.2	3.0
National Average	5.4	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>			

CONCLUSIONS ON PERFORMANCE CRITERIA IN CHARLESTON MSA ASSESSMENT AREA

LENDING TEST

Enterprise Bank's lending performance in the Charleston MSA Assessment Area is consistent with the lending performance in the Non-MSA Assessment Area reviewed using full-scope examination procedures for the *Borrower Profile* criterion. This assessment area does not include any low- and moderate-income geographies, and a review of the *Geographic Distribution* criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated. Refer to the *Appendices* for further details.

COMMUNITY DEVELOPMENT TEST

Enterprise Bank's community development performance in the Charleston MSA Assessment Area is below the community development performance in the Non-MSA Assessment Area reviewed using full-scope examination procedures; however, it does not change the overall conclusion. Refer to the *Appendices* for further details.

APPENDICES

LIMITED-SCOPE PERFORMANCE TABLES

Lending Test

Geographic Distribution of Small Business Loans – Charleston MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Middle	100.0	3	100.0	146,670	100.0
Total	100.0	3	100.0	146,670	100.0

Source: 2023 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%

Geographic Distribution of Home Mortgage Loans – Charleston MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Middle	100.0	100.0	5	100.0	255	100.0
Total	100.0	100.0	5	100.0	255	100.0

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data,

Distribution of Small Business Loans by Gross Annual Revenue Category – Charleston MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	93.2	3	100.0	147	100.0
> \$1,000,000	1.9	-	-	-	-
Revenue Not Available	4.9	-	-	-	-
Total	100.0	3	100.0	147	100.0

Source: 2023 D&B Data; Bank Data.

Distribution of Home Mortgage Loans by Borrower Income Level – Charleston MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	24.2	7.0	2	40.0	159	62.4
Moderate	22.6	15.6	-	-	-	-
Middle	26.0	26.6	3	60.0	96	37.6
Upper	27.2	32.2	-	-	-	-
Not Available	-	18.6	-	-	-	-
Totals	100.0	100.0	5	100.0	255	100.0

Source: 2020 U.S. Census Data; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

COMMUNITY DEVELOPMENT TEST

Community Development Loans

There were no community development loans originated, which benefited the Charleston MSA Assessment Area during the evaluation period.

Community Development Investments

The bank community development loans originated, which benefited the Charleston MSA Assessment Area during the evaluation period.

Community Development Qualified Investments by Year – Charleston MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2021 (Partial)	-	-	-	-	-	-	-	-	-	-
2022	3	2,275	-	-	-	-	-	-	3	2,275
2023	-	-	1	500	-	-	-	-	1	500
2024	-	-	-	-	-	-	-	-	-	-
Subtotal	3	2,275	1	500	-	-	-	-	4	2,775
Qualified Grants & Donations	1	1	-	-	-	-	-	-	1	1
Total	4	2,276	1	500	-	-	-	-	5	2,776
<i>Source: Bank Data</i>										

Community Development Services

The bank provided one instance of community development service during the evaluation period. A bank employee serves on the finance committee of a non-profit agency that provides home repairs and heat/cold relief programs for low- and moderate households and individuals in the assessment area.

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.