

PUBLIC DISCLOSURE

October 7, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Bank of Trenton
Certificate Number: 18889

104 East Broadway
Trenton, IL 62293

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

TABLE OF CONTENTS

Institution Rating	1
Scope of Evaluation	2
Description of Institution	3
Description of Assessment Area	4
Conclusions on Performance Criteria	7
Discriminatory or Other Illegal Credit Practices Review	10
Glossary	11

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 areas (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize Community Bank of Trenton's (CBT) Lending Test performance:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and AA credit needs.
- The institution made a majority of its home mortgage and small business loans in the AA.
- The AA does not include any low- or moderate-income geographies. The review of geographic distribution would not result in any meaningful conclusions; therefore, this criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and business of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 8, 2013 to the current evaluation dated October 7, 2019. Examiners used the Interagency Small Institution CRA Examination Procedures, which include a Lending Test, to evaluate CBT's performance. The Lending Test performance is evaluated according to the following criteria: loan-to-deposit ratio (LTD), AA concentration, geographic distribution, borrower profile, and response to CRA-related complaints.

Loan Products Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business. The bank's record of originating small business and home mortgage loans was given equal weight in the overall conclusions. Examiners considered the bank's business strategy and the number and dollar amount of loans originated during the evaluation period. Furthermore, no other loan types, such as small farm or consumer loans, represent a major product line or provide material support for the conclusions or rating. Bank records indicated that the lending focus and product offering remained consistent throughout the evaluation period

This evaluation considered all home mortgage loans reported on the bank's 2016, 2017, and 2018 Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR). The bank reported 66 loans totaling \$6.3 million for 2016, 56 loans totaling \$5.1 million for 2017, and 74 loans totaling \$10.3 million for 2018. This evaluation presents home mortgage lending information for 2016, 2017, and 2018, as 2017 was not considered representative on its own. The 2016 performance was compared to 2010 U.S. Census data and the 2017 and 2018 performance was compared to 2015 American Community Survey (ACS) Census data.

In addition, this evaluation considered all small business loans originated in 2018. This was considered representative of the bank's performance during the entire evaluation period. For 2018, the bank originated 61 small business loans totaling \$6.6 million. Examiners reviewed all 42 small business loans originated in the assessment area during the calendar year for the borrower profile criterion. Dun & Bradstreet (D&B) data for 2018 provided a standard of comparison for all small business loans.

Examiners reviewed the number and dollar amount of home mortgage and small business loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of borrowers served.

DESCRIPTION OF INSTITUTION

Background

CBT is a wholly-owned subsidiary of CBT Bancorp, Inc., a one-bank holding company. CBT's sole location is located in the city of Trenton, located in Clinton County, Illinois. The bank does not have any subsidiaries or affiliates. The institution received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated October 8, 2013, based on Interagency Small Institution CRA Examination Procedures.

Operations

CBT's lending products are typical for an institution of its size and resources. These products include home mortgage, commercial, agriculture, and consumer loans, primarily focusing on home mortgage and commercial. The bank offers longer-term (up to 30 years) fixed rate mortgages via loan sales to the secondary market. CBT's deposit products include regular checking, savings, money-market deposit accounts, and certificates of deposit for different terms. Alternative banking services include internet and mobile banking. The bank operates one automated teller machine, located on the bank premises. No branches were opened or closed, and no merger or acquisition activities occurred since the previous evaluation.

Ability and Capacity

Assets totaled \$82.8 million as of June 30, 2019, which included total loans of \$60.2 million and securities totaling \$11.8 million. The loan portfolio is illustrated in the following table. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

Loan Portfolio Distribution as of 6/30/2019		
Loan Category	\$(000s)	%
Construction and Land Development	2,714	4.5
Secured by Farmland	6,953	11.6
1-4 Family Residential	26,297	43.7
Multi-family (5 or more) Residential	358	0.6
Commercial Real Estate	12,468	20.
Total Real Estate Loans	48,790	81.1
Commercial and Industrial	6,193	10.3
Agricultural	1,781	2.9
Consumer	3,437	5.7
Other	13	<0.1
Less: Unearned Income	18	<0.1
Total Loans	60,232	100.00
<i>Source: Reports of Income and Condition. Due to rounding, totals may not equal 100.0.</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. CBT's AA consists of 11 census tracts located in southwestern Illinois and is part of the St. Louis, MO-IL Metropolitan Statistical Area (MSA). The census tracts include: 5 in western Clinton County, 4 in southeast Madison County, and 2 in northeast St. Clair County. The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

According to the 2015 American Community Survey (ACS), the 11 census tracts include five upper- and six middle-income tracts. Per the 2010 U.S. Census Data, the AA consisted of two upper- and nine middle-income tracts. Select demographics of the AA are depicted in the following table.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	54.5	45.5	0.0
Population by Geography	57,664	0.0	0.0	67.7	32.3	0.0
Housing Units by Geography	23,179	0.0	0.0	68.8	31.2	0.0
Owner-Occupied Units by Geography	16,712	0.0	0.0	65.9	34.1	0.0
Occupied Rental Units by Geography	4,619	0.0	0.0	78.6	21.4	0.0
Vacant Units by Geography	1,848	0.0	0.0	71.0	29.0	0.0
Businesses by Geography	2,849	0.0	0.0	71.4	28.6	0.0
Farms by Geography	341	0.0	0.0	49.6	50.4	0.0
Family Distribution by Income Level	15,691	12.3	15.6	23.3	48.9	0.0
Household Distribution by Income Level	21,331	15.2	14.8	16.3	53.7	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$156,426
			Median Gross Rent			\$811
			Families Below Poverty Level			4.9%
<small>Sources: 2015 ACS Census and 2018 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.</small>						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenues (GAR). Service industries represent the largest portion of businesses in the AA at 35.5 percent; followed by retail trade (13.8 percent), agriculture, forestry, and fishing (10.7 percent), and construction (9.1 percent). In addition, 65.7 percent of AA businesses have four or fewer employees and 86.5 percent operate from a single location.

The 2017 FFIEC-updated median family income levels are used to analyze home mortgage loans

under the borrower profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2017 (\$74,300)	<\$37,150	\$37,150 to <\$59,440	\$59,440 to <\$89,160	≥\$89,160
<i>Source: FFIEC</i>				

There are 23,179 housing units in the AA. Of these, 72.1 percent are owner-occupied, 19.9 percent are occupied rental units, and 8.0 percent are vacant.

Data obtained from the U.S. Bureau of Labor and Statistics indicates that the July 2019 unemployment rate was 4.2 percent statewide. As depicted in the table below, most of the counties included within the bank’s AA have lower or similar unemployment rates to the state and national averages. St. Clair County, where the bank only takes two census tracts, is the highest.

Unemployment Rates	
County or Area	July 2019 Percentages
Clinton County	3.0
Madison County	4.1
St. Clair County	4.7
State of Illinois	4.2
National Average	4.0
<i>Source: Bureau of Labor Statistics; Not Seasonally Adjusted</i>	

Competition

The AA is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2018, there were 17 financial institutions that operated 32 full-service branches within this AA. Of these institutions, CBT ranked ninth with a 4.3 percent deposit market share.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in the AA. In 2017, 147 lenders reported 1,068 residential mortgage loans originated. CBT ranked 12th out of this group with a market share of 1.9 percent. The five most prominent home mortgage lenders accounted for 37.6 percent of the total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It may also reveal what credit and community development opportunities are available.

Examiners contacted a representative from the city of Breese, Illinois, one of the economic hubs for Clinton County. The contact noted the area’s economic conditions are stable with an

optimistic outlook. There is a need for new housing in the AA and developers are planning to add a few new subdivisions.

The contact identified the AA as a predominately agricultural based economy but with a significant level of opportunity for lending to small businesses. The community has established economic zones for new business development in the downtown area, the hospital is expanding, and there are several thriving businesses in addition to a strong school district in the area. The contact was not aware of any discriminatory practices by area financial institutions.

CONCLUSIONS ON PERFORMANCE CRITERIA

CBT demonstrated reasonable performance overall. Performance under the loan-to-deposit ratio, AA concentration, and borrower profile performance support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and AA credit needs. The bank’s LTD ratio, calculated from Call Report data, averaged 83.2 percent over the past 23 calendar quarters from December 31, 2013 to June 30, 2019. The ratio showed an increasing trend from a low of 75.0 percent as of March 31, 2014, to a high of 91.1 percent as of September 30, 2017, and then a stable trend downward to the current ratio of 88.6 percent. Home mortgage loans sold on the secondary market are not reflected in the LTD ratio. CBT has maintained a ratio above comparable institutions, which were selected based on their lending focus, geographic location, and asset size. The following table details comparable institutions.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of 6/30/19 \$(000s)	Average Net LTD Ratio (%)
Community Bank of Trenton	82,824	83.2
Similarly-Situated Institution #1	65,975	47.5
Similarly-Situated Institution #2	87,416	59.1
Similarly-Situated Institution #3	390,452	72.5
<i>Source: Call Reports 12/31/13 through 6/30/19.</i>		

Assessment Area Concentration

All home mortgage loans originated in 2016, 2017, and 2018 and all small business loans originated in 2018 were analyzed to determine the portion of loans extended inside and outside the AA. CBT originated a majority, by number and dollar volume, of its home mortgage and small business loans within its assessment area, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	41	62.1	25	37.9	66	4,006	63.6	2,288	36.4	6,294
2017	29	51.8	27	48.2	56	2,827	55.2	2,294	44.8	5,121
2018	54	73.0	20	27.0	74	6,654	64.9	3,605	35.1	10,259
Small Business*										
2018	42	68.9	19	31.1	61	4,889	73.8	1,732	26.2	6,621
<i>Sources: 2016 to 2018 Bank HMDA LAR data; *2018 Bank data.</i>										

Geographic Distribution

Because the bank's AA contains only middle- and upper-income census tracts, the review of geographic distribution would not result in any meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. This conclusion is supported by the reasonable performance in the home mortgage and small business lending categories. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with GARs of \$1 million or less. Only loans made inside the AA are included in the analyses.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners focused on the comparison to aggregate data for 2016 and 2017. For 2018, examiners focused on the comparison to the percent of families in the assessment area (demographic), as aggregate data is not yet available.

The following table shows that the bank's home mortgage lending to low-income borrowers exceeded aggregate data in 2016. While the bank's performance was below aggregate in 2017, lending performance in 2018 increased and was substantially closer to the demographic. As previously noted, 4.9 percent of the AA's families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. In 2017, 145 loans to low-income borrowers were originated in the AA, by all HMDA reporters. While the top lender originated 27 of those loans, the next highest lender originated only eight. CBT ranked ninth, which is higher than the bank's overall mortgage loan market share ranking of 12th.

CBT's 2016 and 2018 home mortgage lending to moderate-income borrowers compares reasonably with aggregate performance or the demographic, as applicable. Performance in 2017 was significantly lower than aggregate. CBT ranked 14th out of the aggregate of lenders with two loans in 2017, and competition was greater. The top three lenders in this category originated 57, 21, and 18 loans respectively.

The bank saw the end of a wave of refinances in 2017 and the following year the bank started offering Mortgage Partnership Finance loans through the Federal Home Loan Bank. Considering the overall trend in the bank's performance and competition in the bank's AA, the distribution of borrowers reflects reasonable performance overall.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	13.8	4.8	3	7.3	225	5.6
2017	12.3	7.8	1	3.5	154	5.4
2018	12.3	--	5	9.3	382	5.7
Moderate						
2016	16.9	15.7	6	14.6	390	9.7
2017	15.6	16.9	2	6.9	212	7.5
2018	15.6	--	8	14.8	651	9.8
Middle						
2016	24.3	22.8	4	9.8	237	5.9
2017	23.3	24.8	6	20.7	627	22.2
2018	23.3	--	11	20.4	1,303	19.6
Upper						
2016	45.0	38.0	14	34.1	1,707	42.6
2017	48.9	32.8	17	58.6	1,538	54.4
2018	48.9	--	21	38.9	3,694	55.5
Not Available						
2016	0.0	18.6	14	34.1	1,447	36.1
2017	0.0	17.7	3	10.3	296	10.5
2018	0.0	--	9	16.7	624	9.4
Totals						
2016	100.0	100.0	41	100.0	4,006	100.0
2017	100.0	100.0	29	100.0	2,827	100.0
2018	100.0	--	54	100.0	6,654	100.0
<i>Sources: 2010 U.S. Census & 2015 ACS Census; 2016 & 2017 HMDA Aggregate Data; 2016 to 2018 Bank HMDA LAR data.</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that 64.3 percent of loans were originated to business with GARs of \$1 million or less. This number compares reasonably to the percent of business in this revenue category, especially when considering that 5 small business loans made to businesses with GAR over \$1 million were made to the same 2 businesses. This level of lending reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2018	78.6	27	64.3	2,394	49.0
>1,000,000					
2018	7.7	12	28.6	2,349	48.0
Revenue Not Available					
2018	13.8	3	7.1	146	3.0
Totals					
2018	100.0	42	100	4,889	100
<i>Sources: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data.</i>					

Response to Complaints

No written complaints regarding the bank's CRA performance were received within the evaluation period; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal practices; therefore, this consideration did not affect the overall CRA rating.

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.

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.

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.

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).

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

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 (for example, geographic distribution, borrower profile, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

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

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

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 (for example, 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.

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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.

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 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.

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.