

PUBLIC DISCLOSURE

May 4, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Metz Banking Company
Certificate Number: 1945

123 North Osage Boulevard
Nevada, Missouri 64772

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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 bank's Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans reviewed were made within the institution's assessment area.
- The assessment area consists solely of middle- and upper-income geographies; therefore, an analysis of the geographic distribution was not performed.
- The distribution of borrowers reflects an overall reasonable penetration among farms and businesses of different sizes and individuals of different income levels and in the assessment area, considering pertinent performance context information and other relevant factors.
- The institution has not received any CRA-related complaints since the previous CRA evaluation performed as of April 21, 2014; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Metz Banking Company is a full-service commercial bank headquartered in Nevada, Missouri, with \$74.6 million in total assets as of December 31, 2019. The bank’s ownership structure remains unchanged since the prior evaluation. The bank has no lending affiliates. A “Satisfactory” rating was assigned at the April 21, 2014, FDIC Performance Evaluation, which utilized Small Bank Evaluation Procedures.

In addition to the main office in Nevada, Missouri, the bank continues to operate a branch office in Metz, Missouri. The Metz facility is a limited-service facility that only accepts deposits and loan payments. No branches have opened or closed since the previous CRA evaluation. The bank also operates one cash-dispensing automated teller machine that is located at the main office.

Examiners used 2015 American Community Survey (ACS) data to determine the income designations for each census tract where the bank has office locations. The main office in Nevada and the branch office in Metz are both located in middle-income census tracts.

The bank offers lending products that tie to its business focus of agricultural, commercial, and home mortgage lending. In addition, the bank offers consumer loans. Home loan products include adjustable rate mortgages, balloon mortgage loans, mobile home loans, and construction loans. Deposit products include checking accounts, savings accounts, money market accounts, certificates of deposit, and individual retirement accounts. The bank offers alternative banking products and services such as debit cards, online banking, and electronic statements. Banking hours are convenient for the assessment area.

As of December 31, 2019, the Call Report shows total assets of \$74.6 million, total loans of \$50.4 million, and total deposits of \$65.3 million. The following table details the loan portfolio.

Loan Portfolio Distribution as of 12/31/2019		
Loan Category	\$(000s)	%
Construction and Land Development	136	0.3
Secured by Farmland	16,793	33.3
Secured by 1-4 Family Residential Properties	9,695	19.2
Secured by Multifamily (5 or more) Residential Properties	1,113	2.2
Secured by Nonfarm Nonresidential Properties	11,717	23.2
Total Real Estate Loans	39,454	78.2
Commercial and Industrial Loans	5,624	11.1
Agricultural Loans	4,483	8.9
Consumer Loans	863	1.7
Other Loans	35	0.1
Less: Unearned Income	0	0.0
Total Loans	50,459	100.0
<i>Source: Reports of Condition and Income, Due to rounding, totals may not equal 100.0</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Metz Banking Company has established one assessment area that consists of the entirety of Vernon County in west-central Missouri; this area includes a total of six census tracts (9501 through 9506). The main office is located in middle-income CT 9504, while the Metz branch is located in middle-income CT 9502.

Economic and Demographic Data

Based on 2015 ACS data, the assessment area consists of five middle-income census tracts and one upper-income census tract; there are no low- or moderate-income census tracts. The assessment area has not changed since the previous evaluation; however, the income designations for three census tracts have changed. Specifically, census tracts 9501 and 9504 changed from moderate-income to middle-income, while census tract 9505 changed from middle-income to upper-income. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	83.3	16.7	0.0
Population by Geography	20,878	0.0	0.0	85.4	14.6	0.0
Housing Units by Geography	9,477	0.0	0.0	86.2	13.8	0.0
Owner-Occupied Units by Geography	5,412	0.0	0.0	79.9	20.1	0.0
Occupied Rental Units by Geography	2,628	0.0	0.0	96.8	3.2	0.0
Vacant Units by Geography	1,437	0.0	0.0	90.7	9.3	0.0
Businesses by Geography	1,240	0.0	0.0	89.8	10.2	0.0
Farms by Geography	121	0.0	0.0	79.3	20.7	0.0
Family Distribution by Income Level	5,468	19.4	17.3	23.3	40.0	0.0
Household Distribution by Income Level	8,040	20.1	18.0	18.3	43.6	0.0
Median Family Income - Nonmetropolitan MO		\$48,341	Median Housing Value			\$101,755
			Median Gross Rent			\$618
			Families Below Poverty Level			11.7%
<i>Source: 2015 ACS Census and 2019 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>						

Services Industries represents the largest portion of businesses and farms in the assessment area at 32.8 percent; followed by Non-Classifiable Establishments at 16.7 percent; Retail Trade at 13.2 percent; Agriculture, Forestry, and Fishing at 8.9 percent; and Finance, Insurance, and Real Estate

at 6.5 percent. In addition, 61.9 percent of area businesses have four or fewer employees and 85.8 percent operate from a single location. Management indicated the largest employers in the assessment area include 3M, Nevada Regional Medical Center, Nevada R-5 School District, Murphy Family Ventures, Heartland Behavioral Health Service, and Walmart.

The 2019 FFIEC-updated median family income figure for the nonmetropolitan portion of Missouri (\$52,400) was used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Nonmetropolitan MO Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$52,400)	<\$26,200	\$26,200 to <\$41,920	\$41,920 to <\$62,880	≥\$62,880
<i>Source: FFIEC</i>				

According to the U.S. Bureau of Labor Statistics, the unemployment rate for Missouri, as of December 2019, was 3.4 percent. The unemployment rate for Vernon County was 3.5 percent, as of the same time frame.

Competition

The assessment area is a relatively competitive market for financial services. According to FDIC Deposit Market Share data, as of June 30, 2019, there were seven financial institutions operating eight offices within Vernon County. Of these institutions, Metz Banking Company ranked 1st with 20.4 percent of the deposit market share.

The bank is not required to collect and report information regarding its home mortgage, small business, or small farm loans, and it has not elected to do so. However, this data provides an indicator of loan demand and is considered in the performance context. The 2018 home mortgage aggregate lending data shows 98 institutions reported 572 home mortgage loans in the assessment area, which indicates moderate demand for this product. Additionally, the 2018 small business aggregate lending data shows 38 institutions reported 332 small business loans in the assessment area, which indicates moderate demand for this product. Lastly, the 2018 small farm aggregate lending data shows 13 institutions reported 105 small farm loans in the assessment area, which indicates moderate demand for this product.

Management indicated the bank’s primary competitors include the local financial institutions operating in Nevada. These competing institutions include the First National Bank of Nevada, Arvest Bank, Community National Bank and Trust, U.S. Bank, and Great Southern Bank.

Community Contact

Examiners conducted a community contact with a representative from a local business operating in the assessment area. Community contact interviews are used to obtain a profile of the local communities, identify community development opportunities and general credit needs, and assess opportunities for participation by local financial institutions.

The community contact focused on Nevada, Missouri, and the greater Vernon County area. The individual indicated the local economy has been stable; however, the individual was unsure regarding what potential negative impact the corona virus pandemic could present for local businesses. The contact noted the area's largest employers as being 3M, the Nevada Regional Medical Center, Walmart, local government, and local school districts. The individual expressed that credits needs are likely highest in the areas of mortgage and agricultural lending. The contact stated that financial institutions are meeting area banking and credit needs. The contact expressed a favorable opinion regarding Metz Banking Company, indicating the institution is an active residential, agricultural, and commercial lender. No adverse information was shared regarding the lending performance of any local financial institutions.

Credit Needs

According to management, the overall economic conditions in the assessment area are stable. Development opportunities are limited, but the bank did note that Peerless Products, a window manufacturer based in southeast Kansas, recently opened a warehouse and research and development facility in Nevada. This opening has created some new jobs and future expansion is anticipated. The residential market has been stable, but new home construction remains limited. The agricultural and commercial loan demand has also been stable. The bank continues to finance farm and business loans with existing customers, but is also seeking input from city and county officials regarding community development and other economic opportunities that might foster more growth. The agricultural market is mainly comprised of beef cattle and crop farmers. Management reiterated the assessment area includes a competitive banking environment of local and regional banks.

Considering economic and demographic data along with information from bank management and the community contact, the primary credit needs in the assessment area are agricultural, home mortgage, and small business lending.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated April 21, 2014, to the current evaluation dated May 4, 2020. Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. Please refer to the *Small Bank Performance Criteria* section in the Appendices for a summary of the Lending Test.

Activities Reviewed

Based on the December 31, 2019, Call Report, the bank's primary loan products by dollar volume are agricultural, commercial, and residential real estate loans, which represent 42.2 percent, 34.3 percent, and 19.2 percent of loans, respectively. These are the loan products emphasized by the bank's business strategy. As a result, examiners reviewed small farm, small business, and home mortgage loans to evaluate the bank's CRA performance. Construction and land development and consumer lending do not constitute a significant portion of the overall lending efforts, so these loan products were not reviewed.

Examiners reviewed small farm, small business, and home mortgage loans originated or renewed

from January 1, 2019, to December 31, 2019. Management indicated that a review of lending activity from this time frame should be representative of the bank's performance since the previous evaluation. For the Assessment Area Concentration analysis, examiners reviewed all 2019 small farm, small business, and home mortgage loan originations and renewals. Specifically, 79 small farm loans totaling \$5,609,090; 80 small business loans totaling \$5,893,373; and 38 residential real estate loans totaling \$4,184,535 were reviewed. For the Borrower Profile analysis, examiners reviewed a sample of the aforementioned 2019 small farm and small business loans, and all of the residential real estate loans that are located within the assessment area. Specifically, the Borrower Profile review was comprised of 41 small farms loans totaling \$3,447,103; 36 small business loans totaling \$2,167,821; and 32 residential real estate loans totaling \$3,137,775. Examiners utilized 2019 D&B data to evaluate small farm and small business lending performance and 2015 ACS data to evaluate home mortgage lending performance.

Examiners analyzed lending performance by both number and dollar volume of loans. However, the performance by number of loans is emphasized in the Borrower Profile analysis, as it is generally a better indicator of the efforts to serve small farms, small businesses, and low- and moderate-income individuals throughout the assessment area. Small farm lending and small business lending were weighted more heavily than home mortgage lending when drawing conclusions relative to the bank's performance as these two types of loans represent the lending focus of the bank.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, Metz Banking Company demonstrated satisfactory performance under the Lending Test. Lending performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criterion supports this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of its assessment area. The bank's net loan-to-deposit ratio averaged 78.5 percent over the previous 23 calendar quarters from June 30, 2014, to December 31, 2019. The ratio has been generally consistent throughout the review period, and ranged from a low of 75 percent as of September 30, 2019, to a high of 82 percent as of March 31, 2016.

When available and relevant, the performance of similarly situated lenders serves as an additional method of assessing the adequacy of an institution's average loan-to-deposit ratio. Similarly situated lenders are defined as financial institutions located in or near the bank's assessment area and are comparable to the subject institution based on asset size, branching structure, markets served, product offerings, and/or loan portfolio composition. As shown in the following table, Metz Banking Company's average net loan-to-deposit ratio compares higher than the one identified similarly situated institution. Considering all internal and external factors, the bank's ratio of 78.5 percent is reasonable.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2019 (\$000s)	Average Net LTD Ratio (%)
<i>Metz Banking Company</i>	74,600	78.5
The First National Bank of Nevada	98,459	60.3

Source: Reports of Condition and Income 06/30/14 through 12/31/19

Assessment Area Concentration

As shown in the following table, the bank originated a majority of small farm, small business, and home mortgage loans within its assessment area.

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		
	#	%	#	%		\$	%	\$	%	
Small Farm	76	96.2	3	3.8	79	5,488	97.8	121	2.2	5,609
Small Business	71	88.8	9	11.2	80	5,471	92.8	422	7.2	5,893
Home Mortgage	32	84.2	6	15.8	38	3,138	75.0	1,047	25.0	4,185
Total	179	90.9	18	9.1	197	14,097	89.9	1,590	10.1	15,687

*Evaluation Period: 1/1/2019 - 12/31/2019; SOURCE: Bank Data
Due to rounding, totals may not equal 100.0*

Geographic Distribution

The assessment areas consist solely of middle- and upper-income geographies. Therefore, the bank’s record of geographically distributing its loans throughout the assessment area would not yield meaningful conclusions. As such, examiners did not review the bank’s record of geographically distributing its loans throughout the assessment area.

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among small farms of different sizes and an excellent penetration regarding small businesses of different revenues sizes. In addition, the distribution of borrowers reflects a reasonable penetration relative to individuals of different income levels. As a result, the bank’s overall performance under this criterion is reasonable. Particular focus was given to the dispersion of small farm and small business loans to farms and businesses with gross annual revenues (GARs) of \$1 million or less and home mortgage loans to low- and moderate-income borrowers.

Small Farm Loans

Overall, the distribution of borrowers reflects a reasonable penetration among small farms of different sizes. As shown in the following table, 38 of the sampled loans totaling \$2,056,000 were made to farms with GARs of \$1 million or less. The bank’s lending percentage of 92.7 percent to farms with GARs of \$1 million or less compared slightly lower than the demographic data of 98.4 percent; however, this performance is considered reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category

Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	38	92.7	2,056	59.6
>1,000,000	0.8	3	7.3	1,391	40.4
Revenue Not Available	0.8	0	0.0	0	0.0
Total	100.0	41	100.0	3,447	100.0

*Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data
Due to rounding, totals may not equal 100.0*

Small Business Loans

Overall, the distribution of borrowers reflects excellent penetration among small businesses of different sizes. As shown in the following table, 35 of the sampled loans totaling \$2,137,000 were made to businesses with GARs of \$1 million or less. The bank’s lending percentage of 97.2 percent compared significantly higher than the demographic data of 79.6 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category

Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	79.6	35	97.2	2,137	98.6
>1,000,000	4.5	1	2.8	31	1.4
Revenue Not Available	15.9	0	0.0	0	0.0
Total	100.0	36	100.0	2,168	100.0

*Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data
Due to rounding, totals may not equal 100.0*

Home Mortgage Loans

Overall, the distribution of home mortgage loans reflects a reasonable penetration to individuals of different income levels, including low- and moderate-income individuals. The bank’s home mortgage lending percentages to low-income borrowers (21.9 percent) is slightly higher in comparison to the demographic data (19.4 percent). In addition, the bank’s lending percentage to moderate-income borrowers (12.5 percent) compares slightly lower than the demographic information (17.3 percent). Nonetheless, the bank’s overall performance is considered reasonable. The following table reflects the distribution of the home mortgage loans reviewed by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	19.4	7	21.9	180	5.7
Moderate	17.3	4	12.5	314	10.0
Middle	23.3	6	18.8	370	11.8
Upper	40.0	15	46.8	2,274	72.5
Not Available	0.0	0	0.0	0	0.0
Total	100.0	32	100.0	3,138	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2019 Bank Data, Due to rounding, totals may not equal 100.0</i>					

Response to Complaints

Metz Banking Company has not received any CRA-related complaints since the previous CRA evaluation dated April 21, 2014; therefore, this criterion did not affect the institution's overall CRA rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

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 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;
- 4) The geographic distribution of the bank's loans; 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).

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).

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.

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.

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.