

PUBLIC DISCLOSURE

June 7, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Security First Bank of North Dakota
Certificate Number: 11519

700 Ash Avenue
New Salem, North Dakota 58563

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.

Security First Bank of North Dakota's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance:

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm, small business, and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Security First Bank of North Dakota is wholly owned by Oliver Bancorporation, Inc, a one-bank holding company located in Center, North Dakota. Security First Bank of North Dakota received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 18, 2015, based on Interagency Small Institution Examination Procedures.

Security First Bank of North Dakota operates from its main office in New Salem along with branch locations in Almont, Bismarck, Center, and Mandan. All offices are located within the Bismarck, ND Metropolitan Statistical Area (MSA) in southwestern North Dakota. The bank offers a variety of loan products, including commercial, agricultural, home mortgage, and consumer loans. Bank management stated the bank's primary lending focus continues to be commercial lending followed by agricultural lending. In addition to conventional lending, Security First Bank of North Dakota participates in various government-sponsored loan programs including those offered by the Farm Service Agency, Small Business Administration, and the North Dakota Housing Finance Agency. These programs are designed to assist small businesses, small farmers, and individuals that may not qualify for loans through conventional financing methods. In 2020, the bank originated 163 loans

totaling \$8.1 million through the Small Business Administration’s Paycheck Protection Program, which assisted small businesses struggling with the impact of the Coronavirus pandemic. The bank also collaborates with the Lewis & Clark Regional Development Council, which works with both economic development and affordable housing projects within the assessment area. In addition, the bank originates and sells home mortgage loans on the secondary market to allow customers access to various types of mortgage products not offered by the bank. Security First Bank of North Dakota provides a variety of traditional deposit services, including checking, savings, and certificates of deposit accounts. Finally, alternative banking services include internet and mobile banking, bill pay, electronic periodic statements, and ATMs.

As of March 31, 2021, Security First Bank of North Dakota reported total assets of \$220.3 million, total loans of \$167.2 million, and total deposits of \$189.4 million; the table below illustrates the loan portfolio.

Loan Portfolio Distribution as of 3/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	13,840	8.3
Secured by Farmland	19,839	11.9
Secured by 1-4 Family Residential Properties	12,639	7.6
Secured by Multifamily (5 or more) Residential Properties	9,724	5.8
Secured by Nonfarm Nonresidential Properties	51,435	30.7
Total Real Estate Loans	107,477	64.3
Commercial and Industrial Loans	17,883	10.7
Agricultural Production and Other Loans to Farmers	32,100	19.2
Consumer Loans	6,309	3.8
Obligations of State and Political Subdivisions in the U.S.	1,330	0.7
Other Loans	1,768	1.1
Lease Financing Receivable (net of unearned income)	331	0.2
Less: Unearned Income	0	0.0
Total Loans	167,198	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

Security First Bank of North Dakota has designated a single assessment area. The assessment area, which remains unchanged since the previous evaluation, is comprised of all of Burleigh, Morton, and Oliver counties located in southwest North Dakota. These counties comprise the Bismarck, ND MSA. Per 2015 American Community Survey (ACS) data, the assessment area consists of 4 moderate-, 19 middle-, and 2 upper-income census tracts.

Economic and Demographic Data

Bank management stated that the overall economy is doing well despite the recent COVID-19 pandemic. Few businesses have felt any lingering effects from the pandemic and many actually benefited from the government payments and loans. Major employers in the area include state and local government, health care, the energy industry (coal and oil), and the local school districts. Bank management stated that housing market in Bismarck and Mandan is strong with an average existing home costing \$250,000 to \$300,000 and that these typically sell within a few days. Affordable housing is somewhat more available in the towns of New Salem and Center. The increased cost of materials has also influenced the affordable housing market by limiting the individuals who are able to build and by driving up the price of existing housing stock. The following table illustrates select demographic data on the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	0.0	16.0	76.0	8.0	0.0
Population by Geography	119,027	0.0	13.6	78.9	7.6	0.0
Housing Units by Geography	52,959	0.0	15.5	78.6	5.9	0.0
Owner-Occupied Units by Geography	35,846	0.0	12.0	79.7	8.3	0.0
Occupied Rental Units by Geography	14,315	0.0	23.3	76.0	0.7	0.0
Vacant Units by Geography	2,798	0.0	20.1	77.3	2.7	0.0
Businesses by Geography	12,260	0.0	19.9	71.3	8.8	0.0
Farms by Geography	697	0.0	14.9	77.3	7.7	0.0
Family Distribution by Income Level	31,651	18.0	18.9	25.0	38.2	0.0
Household Distribution by Income Level	50,161	22.0	17.6	19.2	41.2	0.0
Median Family Income MSA - 13900 Bismarck, ND MSA		\$80,768	Median Housing Value			\$189,166
			Median Gross Rent			\$735
			Families Below Poverty Level			5.0%

*Source: 2015 ACS and 2020 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 table below presents the 2020 FFIEC-estimated median family income levels for the Bismarck, ND MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Bismarck, ND MSA Median Family Income (13900)				
2020 (\$92,500)	<\$46,250	\$46,250 to <\$74,000	\$74,000 to <\$111,000	≥\$111,000

Source: FFIEC

Competition

Security First Bank of North Dakota operates in a relatively competitive market. Per 2020 FDIC Deposit Market Share data, 19 financial institutions operate 59 offices within the assessment area. Of these institutions, Security First Bank of North Dakota ranked eleventh with 3.3 percent of the deposit market.

Community Contacts

Examiners reviewed a previously conducted community contact interview with a representative of an organization active in community development activities in the assessment area. The contact stated that the area economy is managing well despite the challenges of the Covid-19 pandemic. Per the contact, the government sector is the primary employer in the area, followed by the healthcare and energy industries. The population is generally younger and continues to grow with younger people returning to the area for employment opportunities. The contact stated that commercial and home mortgage lending are the primary credit needs. They also mentioned that homes sell quickly and there is a need for more affordable housing. Finally, the contact stated that the market is very competitive and that their organization works primarily with community banks in the area, including Security First Bank of North Dakota. The contact stated that local financial institutions are meeting the credit needs of the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that commercial lending represents the primary credit need in the assessment area. Agricultural lending and home mortgage lending are secondary credit needs in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 18, 2015, to the current evaluation dated June 7, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate Security First Bank of North Dakota's CRA performance.

Activities Reviewed

Bank records indicated that the lending focus and product mix generally remained consistent throughout the evaluation period despite the COVID-19 pandemic. As noted earlier, the bank's primary lending focus is commercial lending, followed by agricultural and home mortgage lending. Therefore, examiners reviewed all available small farm and small business loans originated, renewed, or extended in 2020 for the Assessment Area Concentration and Geographic Distribution criteria. Specifically, examiners reviewed 153 small business loans totaling \$31.4 million and 193 small farm loans totaling \$19.1 million. For the Borrower Profile criterion, examiners selected a sample of 47 small business totaling \$11.3 million and a sample of 51 small farm loans totaling \$4.5 million. The analysis did not include loans originated, renewed, or extended and subsequently paid off during the evaluation period, as this information was not readily available. D&B data for 2020 provided a standard of comparison for small business and small farm lending.

Additionally, examiners considered all home mortgage loans reported on the bank’s 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers for the Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria. In 2019, the bank’s HMDA Loan Application Register contained 116 loans totaling \$27.2 million and in 2020 it contained 292 loans totaling \$76.7 million. Aggregate lending data for 2019 and 2015 ACS data were used as comparisons for home mortgage loans. However, examiners placed greater weight on the comparisons to aggregate lending data since this is typically a better indication of market conditions and the loan demand in the assessment area. Examiners did not identify any trends between 2019 and 2020 HMDA data that materially affected conclusions; therefore, only 2019 data is presented for the geographic distribution and borrower profile analyses.

The bank’s small business lending performance was given more weight in the overall conclusions since commercial lending is the bank’s lending focus and is the primary credit need in the assessment area. While both the 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 farms, businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Security First Bank of North Dakota demonstrated satisfactory performance under the Lending Test. The Assessment Area Concentration, Geographic Distribution, and Borrower Profile performance support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. As shown in the table below, Security First Bank of North Dakota’s net loan-to-deposit ratio exceeded that of comparable institutions during the review period. Comparable institutions were selected based on their asset size, branching structure, geographic location, and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 3/31/2021 (\$000s)	Average Net LTD Ratio (%)
Security First Bank of North Dakota, New Salem, North Dakota	220,319	99.1
The Union Bank, Beulah, North Dakota	259,502	77.6
Kirkwood Bank, Bismarck, North Dakota	321,578	73.2
Union State Bank of Hazen, Hazen, North Dakota	219,989	61.0
<i>Source: Reports of Condition and Income 6/30/2015-3/31/2021</i>		

Assessment Area Concentration

As detailed in the table below, Security First Bank of North Dakota originated a majority of its small business, small farm, and home mortgage loans within the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2019	101	87.1	15	12.9	116	22,163	81.6	5,012	18.4	27,174
2020	255	87.3	37	12.7	292	62,644	81.7	14,072	18.3	76,716
Small Business	122	79.7	31	20.3	153	24,043	76.5	7,376	23.5	31,419
Small Farm	172	89.1	21	10.9	193	16,484	86.3	2,616	13.7	19,100
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion. Examiners focused on the bank’s lending in low- and moderate-income geographies. This conclusion is primarily supported by the reasonable performance in small business lending. However, the reasonable home mortgage and excellent small farm lending performance were also considered.

Small Business

The geographic distribution of small business loans, shown in the following table, reflects reasonable dispersion throughout the assessment area as bank performance is generally in line with comparable demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	19.9	14	11.5	5,214	21.7
Middle	71.3	96	78.7	15,005	62.4
Upper	8.8	12	9.8	3,824	15.9
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	122	100.0	24,043	100.0
<i>Source: 2020 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans, shown in the table below, reflects excellent dispersion throughout the assessment area. More specifically, the bank's lending in the moderate-income census tracts exceeds comparable D&B data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	14.9	60	34.9	6,570	39.9
Middle	77.3	111	64.5	9,453	57.3
Upper	7.7	1	0.6	461	2.8
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	172	100.0	16,484	100.0
<i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The following table demonstrates the geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area compared to aggregate data. Bank performance is generally comparable to aggregate data in moderate-income geographies.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	12.0	7.1	4	4.0	375	1.7
Middle	79.7	77.6	77	76.2	15,838	71.5
Upper	8.3	15.2	20	19.8	5,949	26.8
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	101	100.0	22,163	100.0
<i>Source: 2015 ACS; 2019 HMDA Data, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels. The review focused on the percentage of small farm and small business loans to farms and businesses with gross annual revenues of \$1 million or less and the percentage of home mortgage loans to low- and moderate-income borrowers. This conclusion is supported by reasonable performance in small business, small farm, and home mortgage lending.

Small Business

As shown in the following table, the distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less when compared to D&B data. Bank performance is generally in line with comparable data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	83.5	34	72.3	6,759	59.8
>\$1,000,000	4.7	12	25.5	4,255	37.7
Revenue Not Available	11.8	1	2.1	280	2.5
Total	100.0	47	100.0	11,294	100.0
<i>Source: 2020 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

As shown in the following table, the distribution of borrowers reflects reasonable penetration among farms with gross annual revenues of \$1 million or less when compared to D&B data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.6	49	96.1	4,157	92.0
>\$1,000,000	1.3	2	3.9	360	8.0
Revenue Not Available	1.1	0	0.0	0	0.0
Total	100.0	51	100.0	4,517	100.0
<i>Source: 2020 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The following table shows that the distribution of borrowers reflects reasonable penetration among individuals of different incomes levels, including low-and moderate-income borrowers, compared to aggregate data. While somewhat lower than aggregate data for moderate-income borrowers, lending to low- and moderate- income borrowers is still considered reasonable given the higher cost of an average home. As previously mentioned, the average home is in the \$250,000-\$300,000 range and rising due to increase cost of construction. Further, these homes are selling very quickly as the competition for affordable single homes is high. These factors are making it more difficult for low- and moderate-income families to purchase homes. Therefore, bank performance is considered reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.0	8.1	11	10.9	1,051	4.7
Moderate	18.9	20.5	14	13.9	2,213	10.0
Middle	25.0	22.8	23	22.8	4,506	20.3
Upper	38.2	34.8	45	44.6	12,624	57.0
Not Available	0.0	13.9	8	7.9	1,769	8.0
Totals	100.0	100.0	101	100.0	22,163	100.0
<i>Source: 2015 ACS; 2019 HMDA Data, 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the 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.

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.