

# **PUBLIC DISCLOSURE**

February 1, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Farmers Savings Bank  
Certificate Number: 18284

10 Highway Avenue Northwest  
Fostoria, Iowa 51340

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.

Farmers Savings Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the small farm, small business, and home mortgage loans reviewed were inside the assessment area.
- The assessment area consists entirely of middle- and upper-income census tracts; therefore, the geographic distribution criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

### **Background**

Farmers Savings Bank is headquartered in Fostoria, Iowa, and is owned by Fostoria Bankshares, Inc., a one-bank holding company located in Fostoria, Iowa. Farmers Savings Bank does not have any affiliates or subsidiaries that are relevant to the CRA evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated March 30, 2015, using Interagency Small Institution Examination procedures.

### **Operations**

In addition to its main office in Fostoria, Farmers Savings Bank operates a full-service branch in Milford, Iowa. No branches have opened or closed, and no mergers or acquisitions have occurred since the previous CRA evaluation. The bank offers a variety of loan products, including agricultural, commercial, consumer, and home mortgage loans, with no primary emphasis on any one loan product. The institution also provides a variety of deposit products, including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services offered to consumers include internet and mobile banking, and one automated teller machine located at the Milford, Iowa branch. Alternative banking services such as remote deposit capture, direct deposit payroll, and Automated Clearing House processing are offered to commercial customers.

### **Ability and Capacity**

Assets total approximately \$145.8 million, according to the December 31, 2020 Consolidated Reports of Condition and Income (Call Report). As of the same date, loans totaled \$102.3 million and deposits totaled \$112.4 million. The loan portfolio is illustrated in the following table.

<b>Loan Portfolio Distribution as of 12/31/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	3,241	3.2
Secured by Farmland	17,980	17.6
Secured by 1-4 Family Residential Properties	28,569	27.9
Secured by Multifamily (5 or more) Residential Properties	455	0.4
Secured by Nonfarm Nonresidential Properties	19,879	19.4
<b>Total Real Estate Loans</b>	<b>70,124</b>	<b>68.5</b>
Commercial and Industrial Loans	11,663	11.4
Agricultural Production and Other Loans to Farmers	17,364	17.0
Consumer Loans	3,088	3.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	90	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>102,329</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Farmers Savings Bank designated a single assessment area within the nonmetropolitan area of Iowa. The assessment area is comprised of Clay and Dickinson counties. According to the 2015 American Community Survey (ACS), the area consists of five middle-income and four upper-income census tracts. The following sections discuss economic and demographic information for the assessment area.

### Economic and Demographic Data

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)	9	0.0	0.0	55.6	44.4	0.0
Population by Geography	33,504	0.0	0.0	62.4	37.6	0.0
Housing Units by Geography	21,156	0.0	0.0	62.4	37.6	0.0
Owner-Occupied Units by Geography	11,214	0.0	0.0	60.3	39.7	0.0
Occupied Rental Units by Geography	3,736	0.0	0.0	67.6	32.4	0.0
Vacant Units by Geography	6,206	0.0	0.0	63.2	36.8	0.0
Businesses by Geography	3,481	0.0	0.0	62.1	37.9	0.0
Farms by Geography	453	0.0	0.0	51.4	48.6	0.0
Family Distribution by Income Level	9,706	14.9	16.0	24.2	44.9	0.0
Household Distribution by Income Level	14,950	21.5	14.8	18.5	45.2	0.0
Median Family Income – Nonmetropolitan Iowa		\$61,681	Median Housing Value			\$167,629
			Median Gross Rent			\$622
			Families Below Poverty Level			5.7%

*Source: 2015 ACS and 2019 D&B Data. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%*

Minimal demographic changes in the assessment area have occurred since the previous CRA evaluation. Data from the 2015 ACS reveals the assessment area population increased by 170 residents since the 2010 U.S. Census and the number of total housing units increased by 418. The assessment area does have a considerable volume of non-owner occupied housing units, mostly attributed to seasonal residents that own vacation homes near Lake Okoboji.

The assessment area is partially dependent on agriculture, with 11.5 percent of the businesses operating in this industry according to 2019 D&B data. According to the 2017 Census of

Agriculture, 52.3 percent of products sold in Clay and Dickinson counties were livestock, while 47.7 percent were crops. Consolidation continues to occur in the agricultural sector, leading to fewer operators having larger operations.

Service industry businesses comprise 35.2 percent of businesses in the assessment area. Area businesses, like the farms, are also predominantly small operations; with 87.6 percent of the farms and businesses operating from a single location, and 67.7 percent employing less than five employees, according to 2019 D&B data.

Employment opportunities remain prevalent within or near the assessment area and account for the historically low local unemployment levels during the vast majority of the evaluation period. Except for a period during 2020 where unemployment rates rose significantly as a result of the COVID-19 pandemic, unemployment levels remained low throughout the assessment area. Data from the U.S. Bureau of Labor Statistics reveals that as of October 2020, unemployment rates had fallen to levels experienced prior to the pandemic, and were 2.4 percent and 3.0 percent for Clay and Dickinson counties, respectively.

### **Competition**

The level of competition in the assessment area for financial products and services is above average. According to the FDIC Deposit Market Share data as of June 2019, 13 financial institutions operated 24 branches in the assessment area. Of these institutions, Farmers Savings Bank ranked 6<sup>th</sup> with 5.7 percent of the deposit market share. Agricultural financing competition also comes from non-bank entities with options for operating, machinery, and land loans. Auto financing competition also exists from national lenders and credit unions. Home mortgage competition exists with credit unions, national lenders, and local financial institutions.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available.

Examiners reviewed a recently conducted community contact with a member of a local community development organization. The contact served areas including Clay and Dickinson counties. The contact noted that a majority of the area's wealth comes from the agricultural economy, which has been negatively impacted by low commodity prices in recent years. Manufacturing has remained strong and was not significantly impacted by the pandemic, and retail businesses are slowly rebounding from losses absorbed during the pandemic. Housing stock in most of the communities is limited, and Storm Lake has the worst housing stock, as it has limited multi-family units and most properties for sale are dilapidated. The contact stated local organizations are working with the City of Storm Lake to address this problem. Lastly, the contact stated that it is difficult to attract new businesses due to limited work force availability. The contact identified agricultural, business, and home mortgage lending as the area's greatest credit needs. Finally, the contact indicated that financial institutions have been responsive and meet the assessment area's credit needs.

**Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural, commercial, and home mortgage loans are the primary credit needs in the assessment area.

**SCOPE OF EVALUATION**

**General Information**

This evaluation covers the period from the prior evaluation dated March 30, 2015, to the current evaluation dated February 1, 2021. Examiners used the Interagency Small Institution Examination Procedures, which includes a Lending Test to evaluate Farmers Savings Bank’s CRA performance. Refer to the Appendices later in the evaluation for a description of the criteria used to evaluate the bank’s performance under the Lending Test.

**Activities Reviewed**

Examiners determined the bank’s major product lines are small farm, small business, and home mortgage loans. This conclusion considered the bank’s business strategy, local area’s credit needs, and the number and dollar volume of loans originated during the evaluation period. Further, bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Examiners reviewed small farm, small business, and home mortgage loans to complete the Lending Test. These products received equal weight throughout the evaluation. The universes and loan samples were selected from loans originated from January 1, 2019, through December 31, 2019, as this time period was representative of the bank’s lending activities during the evaluation period.

Examiners reviewed all small farm, small business, and home mortgage loans originated in 2019 to assess the bank’s performance under the Assessment Area Concentration criterion. Examiners then reviewed a sample of these loans that were extended to farms, businesses, or individuals located inside the assessment area to evaluate the bank’s record of lending under the Borrower Profile criterion. For comparison purposes, 2019 D&B data was used for small farm and small business lending, and 2015 ACS data was used for home mortgage lending. The following table depicts the universes and samples for each loan product reviewed.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Sample</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	139	17,505	50	7,147
Small Business	185	14,791	54	7,303
Home Mortgage	86	12,177	39	4,747
<i>Source: Bank Data</i>				

While 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

Farmers Savings Bank demonstrated reasonable performance under the Lending Test. The Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance primarily 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. The bank's loan-to-deposit ratio, calculated from Call Report data, averaged 100.9 percent over the past 23 quarters from March 31, 2015, to September 30, 2020. The ratio has generally increased throughout the evaluation period, and reached a high of 113.7 percent on June 30, 2018. Further, Farmers Savings Bank's ratio exceeds the comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2020 \$(000s)</b>	<b>Average Net Loan- to-Deposit Ratio (%)</b>
<b>Farmers Savings Bank, Fostoria, Iowa</b>	<b>144,274</b>	<b>100.9</b>
United Community Bank, Milford, Iowa	223,827	100.6
Savings Bank, Primghar, Iowa	222,534	92.8
Community State Bank, Spencer, Iowa	228,538	68.7
The State Bank, Spirit Lake, Iowa	74,283	69.0
<i>Source: Reports of Condition and Income 3/31/2015 through 9/30/2020</i>		

### Assessment Area Concentration

Overall, the bank made a majority of its small farm, small business, and home mortgage loans, by number and dollar volume, within its assessment area. See the following table.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Small Farm	111	79.9	28	20.1	139	15,179	86.7	2,326	13.3	17,505
Small Business	168	90.8	17	9.2	185	14,205	96.0	586	4.0	14,791
Home Mortgage	71	82.6	15	17.4	86	9,570	78.6	2,607	21.4	12,177
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

**Geographic Distribution**

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

**Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels. The bank’s reasonable performance for all products reviewed supports this conclusion. Examiners focused on the percentage by number of small farm and small business loans to agricultural and business operations with gross annual revenues of \$1 million or less, as well as on the percentage of home mortgage loans to low- and moderate-income borrowers.

***Small Farm Lending***

The distribution of borrowers reflects reasonable penetration among farms of different sizes. The bank’s record of lending to farms with gross annual revenues of less than or equal to \$1 million reveals a reasonable volume of loans by number and dollar volume extended to this group of farms. Although this volume is lower than the demographic composition of the assessment area, the bank’s performance is considered reasonable based on its reasonable level of lending. The following table provides details.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	96.9	43	86.0	5,310	74.3
>1,000,000	1.8	7	14.0	1,837	25.7
Revenue Not Available	1.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>7,147</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

***Small Business Lending***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank’s record of lending to businesses with gross annual revenues of less than or equal to \$1 million is substantially similar to demographic data, indicating reasonable performance. The following table provides details.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	81.5	46	85.2	5,857	80.2
>1,000,000	6.0	8	14.8	1,446	19.8
Revenue Not Available	12.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>7,303</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

### ***Home Mortgage Lending***

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Although the bank's record of lending to low and moderate-income borrowers lags demographic data, additional information was considered. The bank originated a considerable volume of home mortgage loans to commercial borrowers to finance rental properties, where income was not reported. As depicted below, 38.5 percent of the number of loans and 46.5 percent of the dollar volume of loans were reported to such borrowers. Based on this information, the bank's performance is considered reasonable. The following table provides details.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	14.9	2	5.1	97	2.0
Moderate	16.0	2	5.1	100	2.1
Middle	24.2	13	33.3	1,530	32.2
Upper	44.9	7	17.9	812	17.1
Not Available	0.0	15	38.5	2,208	46.5
<b>Total</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>4,747</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data Due to rounding, totals may not equal 100.0%</i>					

### **Response to Complaints**

Farmers Savings Bank 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**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit need; 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 geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

**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.