

PUBLIC DISCLOSURE

March 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

RG Bank, A Savings and Loan Association
Certificate Number: 28315

901 1st Avenue
Monte Vista, Colorado 81144

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

1601 Bryan Street, Suite 1410
Dallas, Texas 75201

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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit (LTD) ratio is reasonable given the institution’s size, financial condition, and AA’s credit needs.
- A majority of loans are inside the institution’s AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

RG Bank, A Savings and Loan Association (RGB), previously known as Rio Grande Savings and Loan Association, headquartered in Monte Vista, Colorado began operations in 1905. RGB, a mutual savings association, operates three locations in southwestern Colorado located in Monte Vista, Alamosa, and Pagosa Springs. RGB received a “Satisfactory” rating at its prior FDIC CRA Performance Evaluation dated March 2, 2015, based on Small Institution Procedures.

The institution offers a full line of loan products including home mortgage, commercial, agricultural, and consumer loans. The institution continues to primarily focus on home mortgage loans; however, the increase in commercial and agricultural lending over the evaluation period contributed to some diversification in the institution’s loan portfolio. RGB also offers a variety of deposit products and services such as checking, savings, certificates of deposit, and individual retirement accounts. Alternative banking services include online banking, bill pay, mobile banking, mobile check deposit, person to person payments, and debit cards. The institution maintains office hours typical for the industry and area served, including drive up and automatic teller machine services at all three banking locations. The institution did not open or close any branches nor did the institution participate in any merger or acquisition activity during the evaluation period.

The December 31, 2020, Reports of Condition and Income shows total assets of \$129.5 million, total loans of \$90.3 million, and total deposits of \$116.5 million. Net loans and leases constitute the largest portion of total assets. Since the previous evaluation, on average per year, total assets increased 6.2 percent, net loans increased 5.6 percent, and total deposits increased 6.6 percent.

The following table reflects the outstanding loan mix by dollar volume as of December 31, 2020. Consistent with the bank’s primary business strategy, home mortgage loans constitute the largest category of total loans outstanding.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	2,253	2.5
Secured by Farmland	7,800	8.6
Secured by 1-4 Family Residential Properties	58,670	65.0
Secured by Multifamily (5 or more) Residential Properties	2,018	2.2
Secured by Nonfarm Nonresidential Properties	11,987	13.3
Total Real Estate Loans	82,728	91.6
Commercial and Industrial Loans	2,469	2.7
Agricultural Production and Other Loans to Farmers	2,933	3.2
Consumer Loans	2,200	2.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	90,330	100.0
<i>Source: Reports of Condition and Income.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution’s ability to meet its AA’s credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. RGB designated one Non-Metropolitan Statistical Area (Non-MSA) AA which includes a total of 11 census tracts comprised of the following counties: Alamosa, Archuleta, and Rio Grande in southwestern Colorado. The AA’s 11 census tracts reflect the following income designations according to 2015 American Community Survey (ACS) data: three moderate- and eight middle-income census tracts. While no physical changes occurred to the institution’s AA, the demographics of the AA changed since the prior evaluation as a result of the 2015 ACS.

Economic and Demographic Data

The 2015 ACS data revealed a population increase of 677 in the Non-MSA AA since the 2010 U.S. Census. D&B data for 2020 also revealed the number of businesses increased by 106 from the 2014 D&B data. The following table details additional demographic data for the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	27.3	72.7	0.0	0.0
Population by Geography	40,188	0.0	29.7	70.3	0.0	0.0
Housing Units by Geography	22,170	0.0	23.4	76.6	0.0	0.0
Owner-Occupied Units by Geography	10,291	0.0	23.9	76.1	0.0	0.0
Occupied Rental Units by Geography	5,592	0.0	33.1	66.9	0.0	0.0
Vacant Units by Geography	6,287	0.0	14.1	85.9	0.0	0.0
Businesses by Geography	4,361	0.0	20.9	79.1	0.0	0.0
Farms by Geography	323	0.0	12.4	87.6	0.0	0.0
Family Distribution by Income Level	10,314	27.2	19.4	21.3	32.2	0.0
Household Distribution by Income Level	15,883	32.4	17.0	17.5	33.2	0.0
Median Family Income - CO Non-MSA	\$60,701		Median Housing Value			\$197,121
			Median Gross Rent			\$710
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS data and 2020 D&B Data. Due to rounding, totals may not equal 100.0.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the Region 9 Economic Development District of SW Colorado, the largest employers in Archuleta County include the Upper San Juan Hospital District, Archuleta County School District 50 JT, Walmart, Archuleta County government, and Visiting Angels of the Southwest. According to the SDO Employment data, the largest employers in Alamosa County include the San Luis Valley Medical Center and Adams State University. Finally, from the Upper Rio Grande Economic Development, the largest employers in Rio Grande County include the Rio Grande Hospital, Mountain King Potatoes, Monte Vista Cooperative, Idaho Pacific Colorado Corporation, and the San Luis Valley Rural Electric Co-op.

Data from the Bureau of Labor Statistics reported the following unemployment rates for the counties in the AA as of December 2020: Alamosa County at 8.4 percent, Archuleta County at 7.7 percent, and Rio Grande County at 8.5 percent. The State of Colorado reported an unemployment rate of 7.3 percent as of the same time frame.

Examiners utilized the 2020 FFIEC median family income (MFI) level to analyze home mortgage loans under the borrower profile criterion. The following table presents the income categories based on the 2020 FFIEC updated MFI for the Non-MSA of Colorado.

Median Family Income Ranges – Colorado Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$71,000)	<\$35,500	\$35,500 to <\$56,800	\$56,800 to <\$85,200	≥\$85,200
<i>Source: FFIEC.</i>				

Information obtained from Realtor.com as of February 2021, reveals that Rio Grande and Alamosa counties contain affordable homes listed for sale; however, Archuleta County does not. It further states that year-over-year, the median list price of homes decreased 26.3 percent in Rio Grande County, 82.5 percent in Alamosa County, and 12.8 percent in Archuleta County. According to City-Data.com, single family new house construction building permits for 2019 ranged on average from \$204,400 to \$224,800 for the AA. In terms of the geographic distribution criteria, examiners utilize the percent of owner-occupied housing units in the AA as a means of comparison. As reflected in the demographic data table, only 46.4 percent of the AA's 22,170 housing units represent owner-occupied units.

Competition

The AA reflects a high level of competition for financial services. According to FDIC Deposit Market Share Data as of June 30, 2020, 12 financial institutions operate 22 full-service branches within the AA. Of these institutions, RGB, headquartered in Rio Grande County, ranked 4th with a 7.6 percent deposit market share. The two largest stakeholders in the deposit market share for the AA consist of Alamosa State Bank and San Luis Valley Federal Bank, both headquartered in Alamosa County. These competitors hold 19.5 and 18.7 percent, respectively, of the AA's deposits.

Community Contacts

As part of the evaluation process, examiners consider information from third parties active in the AA to assist in identifying credit and community needs. This information helps determine financial institutions' responsiveness to these needs and shows available credit opportunities.

Examiners reviewed an existing community contact with a housing and community development agency that serves a large area, including the AA. According to the contact, Colorado is experiencing some recovery in terms of unemployment. Colorado continues to experience net migration, and a strong demand exists for down payment assistance. New construction cannot keep up with the demand, which leads to a shortage of affordable housing. In particular, with COVID-19, a strong demand exists for business lending, particularly small businesses in rural areas. The contact believes financial institutions meet the area's credit needs.

Examiners also reviewed another contact from an economic development organization with knowledge of the AA. The contact commented that generally the AA contains one of the poorest areas in Colorado. The contact opined that housing and access to business credit represent the two biggest credit needs for the area.

Credit Needs

Information from the community contacts along with demographic and economic information confirm that home mortgage, especially for affordable housing, and commercial lending, including small businesses, represent primary credit needs of the area. In 2020, the COVID-19 pandemic also increased the need for financial institutions to work with affected customers and communities through loan modifications, small dollar loans, and loans to aid in job retention.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated March 2, 2015, to the current evaluation dated March 8, 2021. Examiners used Small Institution Procedures to evaluate RGB's CRA performance. These procedures include the Lending Test, detailed in the appendix.

Activities Reviewed

Examiners determined that home mortgage lending represents the institution's primary business focus. Commercial lending, although notable lower, represents the next largest lending category. Examiners drew this conclusion based on discussions with bank management, a review of Reports of Condition and Income data, and the number and dollar volume of loans originated during the review period. As such examiners reviewed the institution's home mortgage and small business lending activity to assess the institution's performance. Agricultural loans do not represent a major product line and would not provide meaningful analysis or materially impact any conclusions or the rating. Therefore, this evaluation does not include a review of small farm loans.

Examiner's evaluated the entire universe of 75 home mortgage loans totaling \$11.5 million and all 34 small business loans totaling \$4.5 million originated between January 1, 2020, through December 31, 2020, to assess the AA concentration performance criterion. The evaluation of the geographic distribution criterion included a review of 54 home mortgage loans totaling \$7.8 million and 34 small business loans totaling \$4.5 million originated inside the AA. Finally, examiners selected a sample of 36 home mortgage loans totaling \$4.7 million and analyzed all 34 small business loans totaling \$4.5 million originated inside the AA to evaluate borrower profile criterion. The 2015 ACS data served as a standard of comparison for home mortgage loans, and the 2020 D&B Data served as a standard of comparison for small business loans.

Home mortgage loans received more weight when drawing conclusions since they comprise a greater volume, by both number and dollar amount, among the universes of the products reviewed. While this evaluation presents both the number and dollar volume of loans, examiners emphasize performance by number of loans because the number of loans better indicates the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

RGB demonstrated satisfactory performance under the Lending Test. Reasonable records regarding borrower profile, geographic distribution, and the LTD ratio as well as a majority of loans inside the AA support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and AA’s credit needs. The LTD ratio, calculated from Call Report data, averaged 84.5 percent over the past 24 calendar quarters from March 31, 2015, to December 31, 2020. The ratio ranged from a low of 75.6 percent as of December 31, 2015, to a high of 94.6 percent as of December 31, 2018. Overall, the LTD ratio generally fluctuated over the evaluation period; however, it reflects a downward trend since December 31, 2019.

The following table includes three similarly situated institutions that operate in southern Colorado and reflect similar lending mix. RGB reported the highest net, LTD ratio among comparable institutions. San Luis Valley Federal Bank operates within the institution’s AA and represents the most similar bank in lending portfolio composition; however, its total assets rise notable higher than RGB’s. The other two institutions reflect more similar asset sizes and similar lending portfolio composition; however, they are both located outside of RGB’s AA.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2020 (\$000s)	Average Net LTD Ratio (%)
RG Bank, A Savings and Loan Association, Monte Vista, Colorado	129,515	84.5
Century Savings and Loan Association, Trinidad, Colorado	99,484	33.1
San Luis Valley Federal Bank, Alamosa, Colorado	332,596	75.4
The First National Bank in Trinidad, Trinidad, Colorado	247,457	49.0

Source: Reports of Condition and Income 03/31/2015 - 12/31/2020.

Assessment Area Concentration

As displayed in the following table, a majority of loans are located in RGB’s AA. A majority of home mortgage loans, by both number and dollar, outweighs the substantial majority of small business loans, by both number and dollar, to support this conclusion.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	54	72.0	21	28.0	75	7,803	67.6	3,746	32.4	11,549
Small Business	34	100.0	0	0.0	34	4,482	100.0	0	0.0	4,482
Total	88	80.7	21	19.3	109	12,285	76.6	3,746	23.4	16,031

*Source: 2020 Bank Data.
Due to rounding, totals may not equal 100.0.*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Examiners focused on the percentage by number of loans in moderate-income census tracts when arriving at conclusions for this performance factor since the AA does not contain any low-income census tracts. The reasonable dispersion of home mortgage loans outweighs the excellent dispersion of small business loans to support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The following table displays that the institution’s lending falls only slightly below the percent of owner-occupied housing units in moderate-income census tracts, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	23.9	12	22.2	1,033	13.2
Middle	76.1	42	77.8	6,770	86.8
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Total	100.0	54	100.0	7,803	100.0
<i>Source: 2015 ACS data; 2020 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. The following table shows RGB’s lending exceeds comparable 2020 D&B data by nearly 30 percentage points in moderate-income census tracts, reflecting an excellent level.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	20.9	17	50.0	1,395	31.1
Middle	79.1	17	50.0	3,087	68.9
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	34	100.0	4,482	100.0
<i>Source: 2020 D&B Data; 2020 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners focused on lending to low- and moderate-income individuals and to businesses with gross annual revenue of \$1 million or less when arriving at this conclusion. Reasonable records for both home mortgage and small business loans support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals. As seen in the following table, RGB's lending level falls 13.3 percentage points below comparable demographic data to low-income families, and typically reflects poor performance. However, demographic data reports that low-income families in the AA have a MFI below \$35,500. Many of these families would not likely qualify for a mortgage loan under conventional underwriting standards in consideration of their income relative to the cost of housing. Additionally, 14.3 percent of AA's families report incomes below the poverty level. Upon consideration of these additional performance context factors, the bank's lending to low-income borrower evidences reasonable performance. The table also shows the institution's level of lending to moderate-income borrowers rises slightly above comparable demographic data, reflecting reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	27.2	5	13.9	395	8.3
Moderate	19.4	8	22.2	800	16.9
Middle	21.3	7	19.4	1,199	25.3
Upper	32.2	14	38.9	2,216	46.7
Not Available	0.0	2	5.6	136	2.9
Total	100.0	36	100	4,746	100.0
<i>Source: 2015 ACS data; 2020 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As seen in the following table, RGB's level of lending nearly eight out of every ten small business loans to businesses with gross annual revenue of \$1 million or less evidences reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	87.5	27	79.4	2,949	65.8
>1,000,000	3.3	5	14.7	1,369	30.5
Revenue Not Available	9.2	2	5.9	164	3.7
Total	100.0	34	100.0	4,482	100.0
<i>Source: 2020 D&B Data; 2020 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Response to Complaints

RGB did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the CRA rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution’s 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.