

# **PUBLIC DISCLOSURE**

February 9, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

State Bank of Odell  
Certificate Number: 10644

215 Main Street  
Odell, Nebraska 68415

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREA.....	2
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	8
APPENDICES .....	9
SMALL BANK PERFORMANCE CRITERIA.....	9
GLOSSARY.....	10

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the loans reviewed were located inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects excellent penetration among farms of different sizes.
- The bank did not receive any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation. As a result, examiners did not evaluate the bank's record of responding to CRA-related complaints.

## DESCRIPTION OF INSTITUTION

State Bank of Odell is a community financial institution headquartered in Odell, Nebraska and operates one additional branch in Diller, Nebraska. The bank is owned by S. & S. Investment Company, Odell, Nebraska, a one-bank holding company. The bank has an affiliated insurance agency, which operates on bank premises; however, the agency does not provide any lending services to consider for this evaluation. The FDIC assigned a CRA rating of "Satisfactory" at the February 8, 2016 Performance Evaluation, where examiners used Interagency Small Institution Examination Procedures.

The bank offers traditional credit products including agricultural, commercial, and consumer loans. Agricultural lending continues to be the bank's primary focus. The bank does not offer consumer mortgage loans due complex disclosure requirements. In 2020 and 2021, the bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) originating 85 loans totaling \$1.4 million. The bank also offers a variety of deposit products including checking, savings, and certificate of deposit accounts. Alternative banking services include internet banking, mobile banking, and automated teller machines.

The institution's September 30, 2021 Consolidated Report of Condition and Income reflected total assets of \$32.7 million, total loans of \$8.8 million, and total deposits of \$30 million. The bank's loan portfolio decreased significantly since the previous evaluation. Overall, total loans declined by approximately \$5.8 million, representing a 39.6 percent reduction. Agricultural and consumer loans accounted for the largest declines. The following table reflects the bank's loan portfolio composition.

<b>Loan Portfolio Distribution as of 9/30/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	0	0.0
Secured by Farmland	1,069	12.1
Secured by 1-4 Family Residential Properties	450	5.1
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	336	3.8
<b>Total Real Estate Loans</b>	<b>1,855</b>	<b>21.0</b>
Commercial and Industrial Loans	673	7.6
Agricultural Production and Other Loans to Farmers	3,807	43.1
Consumer Loans	2,207	25.0
Obligations of State and Political Subdivisions in the U.S.	265	3.0
Other Loans	21	0.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>8,828</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

State Bank of Odell has a legal lending limit of approximately \$422,000, which somewhat restricts its lending ability. This prevents the bank from accommodating large loan requests, affecting its ability to remain competitive in the agricultural and commercial credit markets, as many farms and non-farm businesses have greater financing needs. Examiners did not identify any other impediments that affect the bank's ability to meet the assessment area's 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. State Bank of Odell has one assessment area that includes six census tracts in Gage County (9647, 9648, 9649, 9650, 9651, and 9652) and all of Jefferson County. The assessment area is located in a nonmetropolitan area in the southeastern part of Nebraska. The assessment area contains one moderate-income census tract located in Jefferson County, according to the 2015 American Community Survey (ACS). The bank's Odell headquarters is in upper-income Census Tract 9647 in Gage County, while the Diller branch is in middle-income Census Tract 9636 in Jefferson County. The bank expanded the assessment area since the previous evaluation to include an additional four census tracts in Gage County (9648, 9649, 9650, 9651) that comprise the city of Beatrice and two additional census tracts in Jefferson County (9637, 9638) that comprise the city of Fairbury.

### **Economic and Demographic Data**

The following table provides select demographic data for 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	11.1	77.8	11.1	0.0
Population by Geography	26,567	0.0	5.4	81.0	13.6	0.0
Housing Units by Geography	13,221	0.0	6.7	81.7	11.6	0.0
Owner-Occupied Units by Geography	8,242	0.0	4.8	80.5	14.7	0.0
Occupied Rental Units by Geography	3,348	0.0	9.6	84.8	5.6	0.0
Vacant Units by Geography	1,631	0.0	10.5	81.6	7.9	0.0
Businesses by Geography	2,117	0.0	7.5	78.7	13.8	0.0
Farms by Geography	397	0.0	1.5	69.3	29.2	0.0
Family Distribution by Income Level	7,268	18.8	19.1	25.2	36.8	0.0
Household Distribution by Income Level	11,590	25.3	18.1	19.0	37.6	0.0
Median Family Income Non-MSAs - Nebraska	\$61,457	Median Housing Value				\$93,648
		Median Gross Rent				\$595
		Families Below Poverty Level				7.1%

*Source: 2015 ACS and 2021 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 assessment area is primarily rural in nature. The three largest communities in the assessment area are Beatrice (12,459), Fairbury (3,942), and Wymore (1,457). Economic conditions are highly dependent on agricultural production as evidenced by 2017 Census of Agriculture data. Farming operations within Gage and Jefferson counties reported total commodity sales in excess of \$499 million. Overall, the assessment area experienced a trend of smaller farm operations consolidating into larger farm operations since the previous evaluation. According to 2021 D&B data, as well as 2017 Census of Agriculture data, the number of farms in the assessment area declined, while the number of farming acres and the average size of farms increased. Farms with gross annual revenues of \$1 million or less represent 98.2 percent of farms located in the assessment area.

The assessment area also supports a number of non-farm businesses. According to 2021 D&B data, the three largest business segments, by number, are services (33.1 percent), agriculture, forestry, and fishing (15.8 percent) and retail trade (12.7 percent). The majority of businesses are small with 85 percent operating from a single location, 68.4 percent employing four or less employees, and 76.9 percent having gross annual revenue of \$1 million or less.

In early 2020, the COVID-19 pandemic began to spread across the nation resulting in numerous business closings. As a result, unemployment increased throughout the assessment area peaking to a high in April 2020 at 5.6 percent. Unemployment has since declined to more normalized levels, which has helped stabilize the economy. As of November 2021, the unemployment rate for the assessment area was 1.0 percent, which compared closely to the state of Nebraska at 1.2 percent.

### **Competition**

The assessment area is highly competitive for financial services. According to 2021 FDIC Deposit Market Share data, 14 financial institutions operated 26 offices within the assessment area. Of these institutions, State Bank of Odell ranked 10th with a deposit market share of 2.9 percent of total assessment area deposits. Additionally, Farm Credit Services, farm cooperatives, and implement dealers provide significant competition for agricultural loans.

### **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 an existing community contact with a representative of an economic development organization. The representative stated that agriculture plays a major role in the local economy. Agriculture was very strong in the past year with heavy rainfall resulting in strong corn and wheat harvests. The contact indicated there are also some large employers in the area that are integral to the local economy. Most of the local businesses made it through the COVID-19 pandemic, but some smaller businesses are still struggling. The contact indicated that area businesses are having difficulties finding employees to hire.

The representative stated that there is a housing shortage in the area, but developers have said in the past that it is not feasible to build new homes because of the cost. The housing shortage has added to the employee shortage, because potential employees from out of the area often have difficulty finding housing. The contact felt that it would be difficult for low-income families to afford to buy a home in the area, so those families are most likely renters.

The contact stated that agriculture, business, and mortgage loans are all primary credit needs in the area. Overall, the individual felt that the local banks were active in the community and were doing a good job of 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 agricultural, small business, and home mortgage loans are all primary credit needs in the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation, dated February 8, 2016, to the current evaluation, dated February 9, 2022. Examiners used Interagency Small Institution Examination Procedures to conduct the evaluation, which includes a Lending Test. Refer to the Appendices for a description of this test.

### **Activities Reviewed**

Small farm loans represent State Bank of Odell's primary business line and are central to its overall

business strategy. Therefore, examiners selected this product to review based on the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. While commercial and consumer loans represent a notable percentage of the loan portfolio, primarily due to the decline in agricultural loans, these loan products do not represent major product lines for the bank. Additionally, bank management indicated that SBA PPP loans do not reflect customary lending activity throughout the evaluation period. As such, examiners did not review these products, since they would not provide material support for conclusions or the rating.

Examiners selected calendar year 2021 as the review period. Bank management indicated this review period was an accurate representation of the institution’s lending activity throughout the evaluation period for small farm loans. As a result, examiners did not review any additional years of data. 2021 D&B data provided a standard of comparison for the small farm loans reviewed.

For the Assessment Area Concentration analysis, examiners reviewed all small farm loans originated or purchased during the review period. For the Geographic Distribution analysis, examiners reviewed all small farm loans located inside the assessment area. For the Borrower Profile analysis, examiners reviewed a sample of small farm loans located inside the assessment area. The table below provides details on the loans reviewed.

<b>Loan Products Reviewed</b>						
<b>Loan Category</b>	<b>Assessment Area Concentration</b>		<b>Geographic Distribution</b>		<b>Borrower Profile</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	220	5,615	183	5,244	55	1,637
<i>Source: Bank Data</i>						

Examiners weighted the number and dollar volume of loans equally when conducting the Assessment Area Concentration analysis. Conversely, examiners weighted the number of loans more heavily than the dollar volume of loans when conducting the Geographic Distribution and Borrower Profile analyses. This is because the number of loans is a better indicator of the small farms served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

State Bank of Odell demonstrated satisfactory performance under the Lending Test. Less than reasonable performance under the Loan-to-Deposit Ratio criterion, reasonable performance under the Assessment Area Concentration and Geographic Distribution criteria, and excellent performance under the Borrower Profile criterion support this conclusion.

### **Loan-to-Deposit Ratio**

State Bank of Odell’s net loan-to-deposit ratio is less than reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s net loan-to-deposit ratio, calculated from Consolidated Report of Condition and Income data, averaged 48.1 percent over the past 23

quarters from March 31, 2016, to September 30, 2021. This ratio represents a decrease since the previous evaluation when it averaged 57.9 percent.

The ratio remained relatively consistent from March 31, 2016, to September 30, 2019, and has since trended downward with the most recent quarter-end ratio at 28.8 percent as of September 30, 2021. Diminished agricultural loan demand in conjunction with increasing deposits from government stimulus payments have resulted in the lower loan-to-deposit ratio. Although the bank’s lending has declined, the bank has demonstrated willingness to lend with its participation in the SBA PPP program. The bank originated 85 SBA PPP loans totaling approximately \$1.4 million, which is not reflected in the current loan-to-deposit ratio, as the SBA has forgiven such loans.

Examiners compared State Bank of Odell’s average net loan-to-deposit ratio to four other similarly-situated financial institutions to evaluate the bank’s performance. The institutions were selected based on their asset size, geographic location, and lending focus. As shown in the following table, State Bank of Odell’s average net loan-to-deposit ratio is less than the similarly-situated institutions.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2021 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>State Bank of Odell, Odell, Nebraska</b>	<b>32,691</b>	<b>48.1</b>
Citizens State Bank, Carleton, Nebraska	27,394	105.0
Generations Bank, Exeter, Nebraska	43,127	85.1
First National Bank in Frankfort, Frankfort, Kansas	57,846	53.8
Adams State Bank, Adams, Nebraska	59,824	89.6

*Source: Reports of Condition and Income 3/31/2016 – 9/30/2021*

Bank management cited competition from other financial institutions and Farm Credit Services and a strong agricultural economy as factors that limited agricultural loan demand. In addition, management noted that increased deposit balances due to government stimulus payments, not offering consumer mortgage lending, and the bank’s lending limit as factors contributing to the downward trend in the loan-to-deposit ratio. Despite these factors, the bank’s loan-to-deposit ratio is less than reasonable.

**Assessment Area Concentration**

A majority of small farm loans reviewed were located inside the assessment area. The following table provides details.

<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	183	83.2	37	16.8	220	5,244	93.4	371	6.6	5,615

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

**Geographic Distribution**

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. Although the bank did not originate any small farm loans in the assessment area’s only moderate-income census tract, the opportunity to make small farm loans in this area is limited. This census tract is located in Jefferson County in the community of Fairbury. There are only six farming operations in the census tract, which represents 1.5 percent of all the farms in the assessment area. Additionally, there are five other financial institutions located in Jefferson County, which further limits the bank’s potential for making small farm loans in this census tract. Given the limited opportunity to lend to small farms in this area, the geographic distribution of small farm loans is considered reasonable. The following table provides details.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.0	0	0.0	0	0.0
Moderate	1.5	0	0.0	0	0.0
Middle	69.3	49	26.8	1,123	21.4
Upper	29.2	134	73.2	4,121	78.6
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>183</b>	<b>100.0</b>	<b>5,244</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

**Borrower Profile**

The distribution of borrowers reflects excellent penetration among farms of different sizes in the assessment area. Examiners focused on the percentage of loans to farms with gross annual revenues of \$1 million or less. Specifically, all small farms loans reviewed were to farmers with gross annual revenue of \$1 million or less, exceeding the comparable demographic data. 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	98.2	55	100.0	1,637	100.0
>\$1,000,000	1.5	0	0.0	0	0.0
Revenue Not Available	0.3	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>1,637</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

**Response to Complaints**

The institution has not received any complaints regarding its CRA performance since the previous evaluation. As a result, this criterion did not affect the Lending Test 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 needs.

## 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.