

PUBLIC DISCLOSURE

October 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Iowa Savings Bank
Certificate Number: 14690

510 West U.S. Highway 30
Carroll, Iowa 51401

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	2
DESCRIPTION OF ASSESSMENT AREA.....	3
SCOPE OF EVALUATION.....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	9
APPENDICES	10
SMALL BANK PERFORMANCE CRITERIA.....	10
GLOSSARY.....	11

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

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The institution made a majority of its small farm, small business, and home mortgage loans inside the assessment area.
- A geographic distribution analysis was not performed as there are no low- or moderate-income geographies in the assessment area.
- The distribution of borrowers reflects a reasonable penetration of lending among farms and businesses of different revenue sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Iowa Savings Bank is wholly owned by one-bank holding company Community Grain Company, of Carroll, Iowa, and has no other affiliates. The institution operates from its main office in Carroll, Iowa, and three branch locations in nearby towns that include Coon Rapids, Glidden, and Lake City. There have been no mergers, acquisitions, branch openings, or branch closings since the previous evaluation. The institution received a Satisfactory rating at the previous FDIC CRA Performance Evaluation dated March 16, 2020, based on Small Institution Examination Procedures.

Iowa Savings Bank offers various loan products, including agricultural, commercial, residential, and consumer loans. Agricultural lending continues to be the bank's primary focus. Iowa Savings Bank also offers special financing alternatives through the Farm Service Agency and Small Business Administration. These programs are generally designed to assist small farm operations and small businesses that may not qualify for loans through conventional financing methods. Further, Iowa Savings Bank participated in the Small Business Administration's Paycheck Protection Program in 2020 and 2021. This program provided financial assistance to farms and businesses adversely affected by the Coronavirus pandemic. Additionally, the institution facilitates access to long-term, fixed-rate home mortgage loans through the secondary market, including Veterans Affairs, Federal Housing Administration, Rural Development, and first-time homebuyer programs.

The institution continues to offer a number of deposit-related retail products that include checking, savings, Health Savings Account, Education Savings Account, and certificate of deposit accounts. Alternative banking products or services include online and mobile banking, bill pay, remote deposit capture, electronic statements, night deposit facilities, debit cards, and four ATMs located in each branch.

Total assets were approximately \$259.9 million as of June 30, 2023, representing a 27.1 percent increase since the December 31, 2019, Consolidated Reports of Condition and Income (Call Report). Total deposits equaled approximately \$234.7 million, representing a 29.6 percent increase, and total loans were approximately \$177.1 million, representing a 21.1 percent increase during the same timeframe. Portfolio concentrations have remained generally consistent over the period reviewed. The following table illustrates the composition of the loan portfolio as of June 30, 2023.

Loan Portfolio Distribution as of 6/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	12,188	6.9
Secured by Farmland	45,382	25.6
Secured by 1-4 Family Residential Properties	17,254	9.7
Secured by Multifamily (5 or more) Residential Properties	4,072	2.3
Secured by Nonfarm Nonresidential Properties	24,002	13.6
Total Real Estate Loans	102,898	58.1
Commercial and Industrial Loans	41,008	23.2
Agricultural Production and Other Loans to Farmers	29,841	16.8
Consumer Loans	1,566	0.9
Obligations of State and Political Subdivisions in the U.S.	1,694	1.0
Other Loans	61	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
Total Loans	177,068	100.0
<i>Source: Call Report</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Iowa Savings Bank has designated one contiguous assessment area in western Iowa, which includes all six census tracts (CTs) of Carroll County, one CT in southwest Calhoun County, one CT in western Greene County, one CT in western Guthrie County, and one CT in northern Audubon County. All census tracts are located in nonmetropolitan Iowa, with the exception of the census tract in Guthrie County, which is part of the Des Moines-West Des Moines, Iowa metropolitan statistical area (MSA). No branches are currently located in the MSA and the bank’s assessment area does not extend substantially beyond the MSA boundary. The assessment area boundaries have not changed since the prior CRA evaluation. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area is comprised of nine middle-income and one upper-income CTs. A comparison of 2015 American Community Survey data, which was used at the prior evaluation, reflects the transition between income categories for one tract in Carroll County. CT 9603 in Carroll County changed from middle to upper income. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	10	0.0	0.0	90.0	10.0
Population by Geography	28,809	0.0	0.0	78.3	21.7
Housing Units by Geography	13,502	0.0	0.0	79.0	21.0
Owner-Occupied Units by Geography	9,419	0.0	0.0	78.5	21.5
Occupied Rental Units by Geography	2,756	0.0	0.0	75.8	24.2
Vacant Units by Geography	1,327	0.0	0.0	89.4	10.6
Businesses by Geography	3,922	0.0	0.0	85.5	14.5
Farms by Geography	823	0.0	0.0	92.6	7.4
Family Distribution by Income Level	7,844	18.2	18.8	20.8	42.3
Household Distribution by Income Level	12,175	21.6	17.3	17.7	43.4
Median Family Income - Des Moines-West Des Moines, Iowa MSA		\$89,538	Median Housing Value		\$128,494
Median Family Income - Iowa Nonmetropolitan		\$71,763	Median Gross Rent		\$614
			Families Below Poverty Level		5.4%

*Source: 2020 U.S. Census and 2022 D&B Data.
Due to rounding, totals may not equal 100.0%.*

According to 2022 D&B data, service industries represent the largest portion of agricultural and commercial operations in the assessment area at 25.9 percent by number; followed by non-classifiable establishments at 21.2 percent; and agriculture, forestry, & fishing at 17.3 percent. Additionally, 65.8 percent of assessment area farms and businesses have four or fewer employees, and 92.5 percent operate from a single location.

The 2022 FFIEC-estimated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The following table details the low-, moderate-, middle-, and upper-income categories levels for the Des Moines-West Des Moines, Iowa MSA and nonmetropolitan area of Iowa.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Des Moines-West Des Moines, Iowa MSA Median Family Income				
2022 (\$98,100)	<\$49,050	\$49,050 to <\$78,480	\$78,480 to <\$117,720	≥\$117,720
Iowa Nonmetropolitan Median Family Income				
2022 (\$78,900)	<\$39,450	\$39,450 to <\$63,120	\$63,120 to <\$94,680	≥\$94,680

Source: FFIEC

Competition

The assessment area is considered highly competitive with regard to the market for financial services. The FDIC Deposit Market Share Report as of June 30, 2023, reflects 23 financial

institutions operating from 49 locations within the counties that comprise the assessment area. These institutions range in size from small community banks to larger financial institutions with branch locations in the assessment area. Iowa Savings Bank tied for 4th with a 7.6 percent deposit market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying community credit needs. This information helps to determine whether local financial institutions are responsive to identified credit needs and provides context regarding available opportunities for area financial institutions. Examiners referenced a recently conducted interview from a community-based educational organization that serves the assessment area.

The representative is primarily involved in agriculture and indicated that the economy is stable. Due to increasing commodity prices and government assistance through economic stimulus and relief funds, farmers have been able to reduce their debts and have limited borrowing needs. However, the high cost of land, which currently exceeds \$12,000 per acre, is unaffordable for many small farmers. Only larger farm operations can afford such prices, resulting in a decline of the number of new small farms. Beginning farmers who lack capital for land, equipment, and input costs face significant challenges. However, the contact mentioned that there are opportunities for institutions to collaborate with the Farm Service Agency in providing loans for beginning farmers, and these opportunities are currently being utilized.

Although not an expert in the housing market, the contact emphasized the pressing need for affordable housing credit and available housing stock. Homes in good condition sell rapidly. While the contact believes that credit needs are being addressed, there are still opportunities for additional banks to partner with the Farm Service Agency and support initiatives aimed at promoting affordable housing.

Credit Needs

Considering information from the community contact, bank management, as well as demographic and economic data, examiners determined that small farm, small business, and home mortgage loans are primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 16, 2020, to the current evaluation date. Examiners used Interagency Small Institution Examination Procedures to evaluate Iowa Savings Bank's CRA performance. These procedures include a Lending Test, which is further described in the Appendices.

Activities Reviewed

Examiners determined that the institution's major product lines are agricultural, commercial, and residential real estate lending. This conclusion considered the bank's business strategy, loan portfolio distribution, and the number and dollar volume of loans originated or renewed during the evaluation period. Therefore, small farm, small business, and home mortgage lending was reviewed

at the current evaluation. In consideration of the aforementioned factors, examiners provided greater weight to small farm lending conclusions, followed by small business lending and home mortgage lending.

The universe of loans reviewed included all small farm, small business, and home mortgage loans originated or renewed during calendar year 2022. Management agreed that the loan activity reviewed was representative of the institution’s performance throughout the evaluation period. For the Assessment Area Concentration performance criterion, examiners reviewed the entire universe of loans. For the Borrower Profile performance criterion, examiners analyzed a sample of small farm, small business, and home mortgage loans originated or renewed inside the assessment area. The following table provides product universes and the sample of loans reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Farm	200	30,414	55	8,106
Small Business	160	35,313	51	9,583
Home Mortgage	76	7,340	41	2,798

Source: Bank Data from 1/1/2022 through 12/31/2022.

For small farm and small business conclusions, 2022 D&B data provided a standard of comparison. When arriving at home mortgage conclusions, examiners compared Iowa Savings Bank’s lending performance to 2020 U.S. Census data. Examiners obtained the data necessary for this evaluation from institution loan data, individual customer loan files, interviews with bank management, and other reported data. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans as it is generally a better indicator of the number of farms, businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Iowa Savings Bank demonstrated reasonable performance under the Lending Test. Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance supports this conclusion.

Loan-to-Deposit Ratio

Iowa Savings Bank’s loan-to-deposit ratio is reasonable, given the institution’s size, financial condition, and assessment area credit needs. The bank’s net loan-to-deposit ratio, calculated from Call Report data, averaged 70.7 percent over the past 14 quarter-ends from March 31, 2020, through June 30, 2023. The net loan-to-deposit ratio ranged from a high of 78.0 percent as of March 31, 2020, to a low of 61.3 percent as of March 31, 2022. The most recent loan-to-deposit ratio reported as of June 30, 2023, was 74.6 percent. While net loans have steadily increased over the period, total deposits grew at a slightly faster rate.

Examiners compared Iowa Savings Bank’s average net loan-to-deposit ratio to three similarly-situated institutions to help evaluate performance. Comparable institution were selected based on their size, geographic location, and lending focus. As shown in the following table, Iowa Savings

Bank’s maintained a ratio that is in line with the comparable institutions. Comparable institutions experienced similar deposit growth and fluctuations in loan volume during the review period.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
Iowa Savings Bank, Carroll, Iowa	259,873	70.7
Home State Bank, Jefferson, Iowa	397,302	88.2
Heartland Bank, Somers, Iowa	234,710	95.7
Templeton Savings Bank, Templeton, Iowa	160,775	68.1
<i>Source: Call Reports 3/31/2020 – 6/30/2023</i>		

The institution also originates mortgage loans that are subsequently sold through secondary market relationships; these loans are not included in the institution’s loan-to-deposit ratio. Iowa Savings Bank reported originating and selling 274 loans totaling approximately \$44.8 million on the secondary market from March 16, 2020, to June 29, 2023. While the sale of secondary market loans does not influence the average net loan-to-deposit ratio, this activity provides liquidity to originate additional home mortgage loans. Secondary market lending is responsive to the assessment area credit needs by providing long-term home mortgage financing.

Assessment Area Concentration

Iowa Savings Bank extended a majority of the small farm, small business, and home mortgage loans, by number and dollar volume, in the assessment area. This concentration demonstrates the bank’s willingness to meet the credit needs of the assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	125	62.5	75	37.5	200	18,490	60.8	11,924	39.2	30,414
Small Business	100	62.5	60	37.5	160	20,057	56.8	15,256	43.2	35,313
Home Mortgage	63	82.9	13	17.1	76	5,866	79.9	1,474	20.1	7,340
<i>Source: 1/1/2022 - 12/31/2022 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 various income levels. This conclusion is supported by reasonable

performance in all three loan products reviewed. Examiners focused on the percentage, by number of small farm and small business loans, to entities generating gross annual revenues of \$1 million or less. They also focused on the percentage, by number of home mortgage loans, to low- and moderate-income borrowers.

Small Farm Loans

The institution’s lending performance to small farm borrowers is reasonable when considering performance context factors. As shown in the following table, the bank’s lending to farms with gross annual revenues of \$1 million or less is below the demographic data; however, further review showed an anomaly in the sample. Specifically, the 12 loans with revenues greater than \$1 million were made to six different borrowers; whereas the 43 loans made to entities with revenues equal to or less than \$1 million were granted to 31 different borrowers. Furthermore, 2017 U.S. Census of Agriculture data reveals that 53.0 percent of agricultural producers in the counties that comprise the assessment area are “hobby farms,” which list their principal occupation as “other than farming.” The same data shows that 46.6 percent of farm operations had no interest expense, indicating that a significant portion of producers in the area have no borrowing need. Lastly, the Iowa Savings Bank offers Farm Service Agency beginning farmer loans to meet assessment area credit needs. Overall, the institution’s small farm lending performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.7	43	78.2	4,455	55.0
>\$1,000,000	0.9	12	21.8	3,651	45.0
Revenue Not Available	0.5	0	0.0	0	0.0
Total	100.0	55	100.0	8,106	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The institution’s lending performance to small businesses is reasonable when considering performance context factors. The following table shows that 87.1 percent of businesses in the assessment area have gross annual revenues equal to or less than \$1 million, and the loans reviewed showed that 68.6 percent of the sample were in this revenue category. Examiners noted that there are several borrowers in the higher revenue category that have multiple loans, which skews results. Additionally, seven of the 16 sampled loans to high revenue borrowers were in loan amounts of \$250,000 or less, further supporting the bank’s willingness to make small dollar loans. Most notably, Iowa Savings Bank’s performance was measured against reported CRA aggregated data for 2021 to assess the actual demand for small business lending in the assessment area. Aggregate data showed that 64.0 percent of business loans in the assessment area counties were originated to businesses with gross annual revenue at or below \$1 million, which is slightly below the Iowa Savings Bank’s performance of 68.6 percent. Overall, the institution’s small business lending performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	87.1	35	68.6	3,013	31.4
>\$1,000,000	3.9	16	31.4	6,570	68.6
Revenue Not Available	9.0	0	0.0	0	0.0
Total	100.0	51	100.0	9,583	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The institution's lending performance to low- and moderate-income home mortgage borrowers is reasonable when considering performance context factors. As shown in the following table, Iowa Savings Bank's lending falls below U.S. Census data. As detailed in the demographic table, 5.4 percent of assessment area families are below the poverty level. These individuals would most likely have difficulty making a down payment or meeting underwriting criteria to purchase a home. The community contact indicated a scarcity of available housing, resulting in inflated home prices and excluding many individuals with lower to moderate incomes due to affordability. To counteract market trends and meet the credit needs of its assessment area, Iowa Savings Bank participates in several secondary market and government-guaranteed loan programs targeted to low- and moderate-income borrowers, as well as first-time homebuyers. Overall, the institution's home mortgage lending performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	18.2	6	14.6	274	9.8
Moderate	18.8	5	12.2	243	8.7
Middle	20.8	14	34.1	923	33.0
Upper	42.3	16	39.0	1,358	48.5
Not Available	0.0	0	0.0	0	0.0
Total	100.0	41	100.0	2,798	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The 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.