

PUBLIC DISCLOSURE

December 4, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dysart State Bank
Certificate Number: 17441

301 Main Street
Dysart, Iowa 52224

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.....	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
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. Dysart State Bank (DSB)'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance:

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The institution made a majority of its small farm, home mortgage, and small business loans inside the assessment area.
- The geographic distribution of borrowers was not reviewed, as the assessment area has no low- or moderate-income geographies and an analysis would not yield meaningful results.
- The distribution of borrowers reflects a reasonable penetration among farms and businesses of different revenue sizes and individuals of varying 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

DSB's sole location is in Dysart, Iowa. The institution is wholly owned by Dysart Bancshares, Incorporated, of Dysart, Iowa. There are no other affiliates and no subsidiaries. The institution received a rating of "Satisfactory" at the previous FDIC CRA evaluation dated November 1, 2017, based on Interagency Small Institution Examination Procedures. DSB did not open or close any branch offices, and no merger or acquisition activity has occurred since the previous CRA evaluation.

The institution offers a variety of lending products and services, including agricultural, commercial, home mortgage, and consumer loans. The primary focus is on agricultural lending. DSB participated in the Small Business Administration's Paycheck Protection Program (PPP) during the review period. The PPP provided financial aid to agricultural and commercial businesses impacted by the COVID-19 pandemic.

DSB offers deposit-related products, including checking, savings, certificates of deposit, and retirement accounts. Alternative banking products and services include debit cards, direct deposit, online and mobile banking, electronic statements, and a night depository. The institution does not own or operate any automated teller machines.

As of September 30, 2023, total assets were approximately \$17.1 million, an increase of 18.4 percent since the September 30, 2017, Consolidated Reports of Condition and Income (Call Report). Total Loans were approximately \$8.9 million, representing a 1.0 percent increase, and total deposits were approximately \$14.4 million, representing a 21.0 percent increase during the same timeframe. Management stated that the rise in total assets and total loans was due mainly to normal organic growth, fueled by a surge in residential real estate refinancings and purchases. The rise in total deposits was due to several factors, primarily the influx of cash payments made to businesses and individuals as a result of the COVID-19 pandemic, as well as higher agricultural commodity prices.

The current loan portfolio distribution is illustrated in the following table. Agricultural lending represents 34.9 percent of the total loan portfolio, a decrease of 20.3 percent from the previous evaluation; residential real estate represents 53.1 percent, an increase of 17.9 percent. Commercial lending represent 6.1 percent of the portfolio, remaining nearly constant from the previous evaluation with only a 1.3 percent increase. Management stated that the decrease in agricultural lending was due mainly to the sharp increase in agricultural cash reserves caused by SBA PPP and other disaster or stimulus payments, and the increase in residential real estate lending was the result of consumer reaction to the interest rate environment. The institution does not offer secondary market lending options for longer-termed residential real estate loans.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	288	3.2
Secured by Farmland	1,223	13.7
Secured by 1-4 Family Residential Properties	4,731	53.1
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	326	3.7
Total Real Estate Loans	6,568	73.7
Commercial and Industrial Loans	213	2.4
Agricultural Production and Other Loans to Farmers	1,890	21.2
Consumer Loans	229	2.6
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	11	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
Total Loans	8,911	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet 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. DSB has defined its assessment area to be Tama County census tract 2901 and Benton County census tract 9602. Benton County is in the Cedar Rapids, Iowa Metropolitan Statistical Area (MSA), while Tama County is in a nonmetropolitan area. The boundaries for these census tracts and the assessment area as a whole have not changed since the previous evaluation. The institution’s sole office is located in Tama County census tract 2901.

Economic and Demographic Data

According to the 2020 U.S. Census, the assessment area is comprised of one middle- and one upper-income census tracts. The following table illustrates select demographic characteristics of this assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	0.0	50.0	50.0	0.0
Population by Geography	6,004	0.0	0.0	53.0	47.0	0.0
Housing Units by Geography	2,661	0.0	0.0	49.5	50.5	0.0
Owner-Occupied Units by Geography	1,997	0.0	0.0	49.5	50.5	0.0
Occupied Rental Units by Geography	480	0.0	0.0	54.8	45.2	0.0
Vacant Units by Geography	184	0.0	0.0	35.3	64.7	0.0
Businesses by Geography	778	0.0	0.0	52.1	47.9	0.0
Farms by Geography	229	0.0	0.0	58.5	41.5	0.0
Family Distribution by Income Level	1,733	17.5	18.8	26.4	37.3	0.0
Household Distribution by Income Level	2,477	21.5	12.2	19.9	46.4	0.0
Median Family Income - Cedar Rapids, Iowa MSA		\$85,854	Median Housing Value			\$161,853
Median Family Income - Nonmetropolitan Iowa		\$71,763	Median Gross Rent			\$766
			Families Below Poverty Level			6.2%
<i>Source: 2020 U.S. Census and 2023 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%</i>						

According to 2022 D&B Data, service industries represent the largest portion of business and farm operations in the assessment area at 25.9 percent; followed by agriculture, forestry, and fishing at 22.7 percent; and non-classifiable establishments at 19.0 percent. In addition, 73.1 percent of assessment area farms and businesses have less than five employees, and 95.4 percent operate from one location.

The 2022 and 2023 FFIEC-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Cedar Rapids, Iowa MSA and for Nonmetropolitan Iowa are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cedar Rapids, Iowa MSA Median Family Income				
2022 (\$89,200)	<\$44,600	\$44,600 to <\$71,360	\$71,360 to <\$107,040	≥\$107,040
2023 (\$96,300)	<\$48,150	\$48,150 to <\$77,040	\$77,040 to <\$115,560	≥\$115,560
Nonmetropolitan Iowa Median Family Income				
2022 (\$78,900)	<\$39,450	\$39,450 to <\$63,120	\$63,120 to <\$94,680	≥\$94,680
2023 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
<i>Source: FFIEC</i>				

Competition

The assessment area is very competitive regarding the market for financial services. Deposit Market Share Reports as of June 30, 2022, reflect 17 insured institutions operating from 24 locations within Benton and Iowa counties. These institutions range from small community banks to larger financial institutions operating branch locations in the area. DSB ranks 15th with 1.4 percent deposit market share in the area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify credit needs. This information helps determine whether local financial institutions are responsive to community credit needs and provides context regarding available opportunities for area financial institutions. In conjunction with this evaluation, examiners reviewed a community contact interview with an individual possessing specific knowledge of the economic conditions of the assessment area. Examiners focused on the contact’s observations regarding agricultural activities, given the institution’s business focus.

The contact stated that the agricultural economy of the area is strong. The combination of rising commodity prices and government assistance through the PPP and other support programs prior to, and during the review period have significantly improved farmers’ cash flows, thus reducing the need for credit to a low level. The contact stated that farmers have been paying down their current liabilities and funding current needs with cash, for the most part. Access to ready cash has caused inflation with regard to crop inputs and machinery. Supply chain issues have caused new equipment shortages, and used machinery has become very expensive. The contact stated that, at the current time, there is very little demand for short- and mid-term lending, and that most long-term lending is for land. The contact also stated that most businesses in the assessment area are tied directly to agriculture in some way. Lenders in the area are very responsive to agricultural credit needs and specialty lenders have indicated that they would like to lend more, but the demonstrated need is low.

Credit Needs

Based on information from the community contact, economic and demographic data, and bank management, examiners determined that agricultural, home mortgage, and small business loans represent the primary credit needs for the assessment area, though the demonstrated demand for agricultural loans is currently lower than normal.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated November 1, 2017, to the current evaluation date. Examiners used Interagency Small Institution Examination Procedures to evaluate the institution's CRA performance. These procedures include a Lending Test, details of which are described in the Appendices.

Activities Reviewed

Examiners determined that the major product lines of the institution are small farm, home mortgage, and, to a lesser extent, small business loans. This conclusion considered the bank's business focus, the number and dollar volume of loans originated during the evaluation period, and a review of Call Report data. Given the portfolio composition and the institution's lending focus, small farm and home mortgage lending were given greater weight in this evaluation.

Due to the extremely low volume of loan information available for calendar year 2022, a 12-month review was conducted for small farm, home mortgage, and small business loans originated, renewed, or extended from September 19, 2022, through September 18, 2023. Specifically, for the Assessment Area Concentration performance criterion, examiners analyzed 40 small farm loans totaling approximately \$6.1 million, 47 home mortgage loans totaling approximately \$5.1 million, and 15 small business loans totaling approximately \$624,000. For the Borrower Profile performance criterion, examiners analyzed all small farm, home mortgage, and small business loans that were originated, renewed, or extended inside the assessment area boundaries during the review period. This included 35 small farm loans totaling approximately \$5.6 million, 33 home mortgage loans totaling approximately \$3.3 million, and 13 small business loans totaling approximately \$415,000. Management agreed that the loan activity reviewed was representative of the institution's performance during the evaluation period.

When arriving at small farm and small business conclusions, 2022 D&B data provided the most recent available standard of comparison; 2023 D&B data was not yet available at the time of this evaluation. For home mortgage conclusions, 2020 U.S. Census data provided the most recent standard of comparison. Examiners obtained the data necessary for this evaluation from the automated loan download, bank records, individual customer loan files, and interviews with bank management.

Examiners reviewed the number and dollar volume of small farm, home mortgage, and small business loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of farms, individuals, and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

DSB demonstrated satisfactory performance under the Lending Test. The institution’s reasonable Loan-to-Deposit, Assessment Area Concentration, and Borrower Profile performance supports this conclusion.

Loan-to-Deposit Ratio

DSB’s loan-to-deposit ratio is reasonable, given the institution’s size, financial condition, credit needs of the assessment area, and other pertinent information. The net loan-to-deposit ratio averaged 61.0 percent over the past 24 quarters from December 31, 2017, to September 30, 2023. The institution’s net loan-to-deposit ratio was 49.1 percent at the previous CRA evaluation. The ratio ranged from a low of 42.6 percent on June 30, 2022, to a high of 74.2 percent on March 31, 2018. The institution’s lending performance was compared to that of three similarly-situated institutions operating near DSB’s assessment area with similarities in lending focus or asset size. DSB’s average net loan-to-deposit ratio compared favorably with these institutions, as reflected in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
DSB, Dysart, Iowa	17,138	61.0
Atkins Savings Bank & Trust, Atkins, Iowa	136,040	72.3
Benton County State Bank, Blairstown, Iowa	51,913	98.9
The Watkins Savings Bank, Watkins, Iowa	75,741	45.3
<i>Source: Reports of Condition and Income 12/31/2017 – 9/30/2023</i>		

Assessment Area Concentration

The institution made a majority of its small farm, home mortgage, and small business loans, by number and dollar amount, within the assessment area. Overall, this concentration demonstrates the bank’s willingness to meet the credit needs of the assessment area. See the following table for details.

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	35	87.5	5	12.5	40	5,619	92.6	450	7.4	6,069
Home Mortgage	33	70.2	14	29.8	47	3,329	65.3	1,770	34.7	5,099
Small Business	13	86.7	2	13.3	15	415	66.5	209	33.5	624
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans was not reviewed, as the assessment area has no low- or moderate-income geographies and an analysis would not yield meaningful results.

Borrower Profile

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

Small Farm Loans

The distribution of small farm loans to entities of differing revenues is reasonable. As demonstrated in the table below, DSB’s lending to small farms with gross annual revenues equal to, or under \$1 million closely resembles that of comparative benchmark data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	99.6	35	100.0	5,619	100.0
>\$1,000,000	0.0	0	0.0	0	0.0
Revenue Not Available	0.4	0	0.0	0	0.0
Total	100.0	35	100.0	5,619	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The distribution of home mortgage loans to borrowers of differing incomes is reasonable. As demonstrated in the table below, the institution’s lending to low-income borrowers is excellent, given DSB’s performance against benchmark data. The institution’s performance regarding moderate-income borrowers is comparable to benchmark data, and is, therefore, reasonable. Overall, DSB’s performance in this area is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	17.5	10	30.3	718	21.6
Moderate	18.8	7	21.2	760	22.8
Middle	26.4	10	30.3	1,244	37.4
Upper	37.3	2	6.1	461	13.8
Not Available	0.0	4	12.1	146	4.4
Total	100.0	33	100.0	3,329	100.0
<i>Source: 2020 U.S. Census; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans to entities of differing revenues is reasonable. As demonstrated in the table below, DSB's lending to small businesses with gross annual revenues equal to, or under \$1 million is comparable to comparative benchmark data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	92.3	13	100.0	415	100.0
>\$1,000,000	1.5	0	0.0	0	0.0
Revenue Not Available	6.2	0	0.0	0	0.0
Total	100.0	13	100.0	415	100.0

*Source: 2023 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%*

Response to Complaints

The institution did not receive any CRA-related complaints since the prior 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 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.