

PUBLIC DISCLOSURE

December 4, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community State Bank
Certificate Number: 19749

1414 West 11th Street
Coffeyville, Kansas 67337

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

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

The 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.
- A majority of the loans reviewed were located in the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects a reasonable penetration among businesses and farms of different revenue sizes and individuals of different income levels.
- The institution did not received any complaints relating to its CRA performance since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Community State Bank is a full-service financial institution operating from its sole office in Coffeyville, Kansas. Since the prior evaluation, Community State Bank closed two branch offices that were part of a bank acquisition in 2013. Specifically, the bank closed one branch office in 2018, and the other branch office in 2020. Both offices were located in a low-income census tract. The bank closed the branch offices because of continued declining transaction activity, and both branch offices were located within 1.5 miles of the main office, which is in a moderate-income census tract. The bank continues to maintain a drive-up ATM at one of the closed branch offices, and it also has two other drive-up ATMs that are located in moderate-income census tracts. Due to these factors, the branch closures resulted in minimal impact on low- and moderate-income census tracts in the assessment area. The institution has not been involved in any mergers or acquisitions since the prior evaluation.

The bank is owned by Coffeyville Bancorp, Inc., a one-bank holding company located in Coffeyville, Kansas. The bank received a Satisfactory rating under the Interagency Small Institution Examination Procedures at its prior FDIC Performance Evaluation dated December 4, 2017.

Community State Bank offers commercial, agricultural, home mortgage, and consumer loans. Bank management indicates that commercial lending continues to be the bank's primary business focus. The bank also participated in the Small Business Administration's Payment Protection Program, which was established in 2020 to provide financial relief to small businesses during the Coronavirus Disease 2019 (COVID-19) pandemic.

The bank offers a variety of deposit products, including checking, savings, money market accounts, and certificates of deposit. Alternative banking services include online banking, mobile banking, and bank-owned ATMs.

According to the September 30, 2023 Reports of Condition and Income, the bank reported total assets of \$176.7 million, total loans of \$80.3 million, and total deposits of \$158.9 million. Commercial lending continues to represent the largest percentage of the bank's loan portfolio. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of September 30, 2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	5,564	6.9
Secured by Farmland	10,824	13.5
Secured by 1-4 Family Residential Properties	7,727	9.6
Secured by Multifamily (5 or more) Residential Properties	547	0.7
Secured by Nonfarm Nonresidential Properties	39,452	49.1
Total Real Estate Loans	64,114	79.8
Commercial and Industrial Loans	8,505	10.6
Agricultural Production and Other Loans to Farmers	3,139	3.9
Consumer Loans	3,070	3.8
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	1,500	1.9
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	80,328	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 assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

Community State Bank continues to designate one assessment area that includes portions of southeast Kansas, and northeast Oklahoma. The assessment area includes five census tracts in Montgomery County, Kansas, and one census tract in Nowata County, Oklahoma. All census tracts are located in nonmetropolitan geographies. Although the footprint of the assessment area has not changed since the prior evaluation, the release of 2020 U.S. Census Data resulted in some census tract changes.

Specifically, the assessment area contained seven census tracts at the prior evaluation; however, currently the assessment area contains six census tracts as two census tracts were merged together.

Economic and Demographic Data

According to 2020 U.S. Census Data, the assessment area includes one low-, two moderate-, and three middle-income census tracts. The following table provides demographic information for the bank's assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	16.7	33.3	50.0	0.0	0.0
Population by Geography	16,348	11.6	26.8	61.5	0.0	0.0
Housing Units by Geography	8,519	11.5	30.9	57.6	0.0	0.0
Owner-Occupied Units by Geography	4,861	7.3	24.2	68.5	0.0	0.0
Occupied Rental Units by Geography	2,110	24.2	34.0	41.8	0.0	0.0
Vacant Units by Geography	1,548	7.3	47.9	44.8	0.0	0.0
Businesses by Geography	937	18.6	29.0	52.4	0.0	0.0
Farms by Geography	62	3.2	11.3	85.5	0.0	0.0
Family Distribution by Income Level	4,345	25.8	18.4	19.1	36.8	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income Non-MSAs - KS		\$65,467	Median Housing Value			\$83,254
Median Family Income Non-MSAs - OK		\$58,565	Median Gross Rent			\$639
			Families Below Poverty Level			12.8%

*Source: 2020 U.S. Census and 2022 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 2022 D&B data indicates that service industries represent the largest portion of businesses in the assessment area at 34.3 percent; followed by retail trade at 13.5 percent; finance, insurance, and real estate at 6.9 percent; and agriculture, forestry, and fishing at 6.2 percent. The data also indicates that 86.4 percent of area businesses have nine or fewer employees, and 82.9 percent operate from a single location.

The 2022 Federal Financial Institutions Examination Council’s (FFIEC)-estimated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the nonmetropolitan areas of Kansas and Oklahoma 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%
Kansas Median Family Income				
2022 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
Oklahoma Median Family Income				
2022 (\$64,700)	<\$32,350	\$32,350 to <\$51,760	\$51,760 to <\$77,640	≥\$77,640
<i>Source: FFIEC</i>				

Competition

Community State Bank operates in a moderately competitive environment. According to June 30, 2023 FDIC Deposit Market Share data, there are 10 banks operating 21 offices in Montgomery County in Kansas, and Nowata County in Oklahoma, which contains the bank's assessment area. Community State Bank ranked second with approximately 18.4 percent of the deposit market share. In addition to the banks reflected in the FDIC Deposit Market Share data, the bank also faces competition from credit unions, Farm Credit, and internet lending sources.

Community Contacts

Examiners contact third parties active in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information not only helps in identifying credit needs and opportunities, but also assists in determining whether local financial institutions are responsive to those needs.

Examiners reviewed information from two recent community contact interviews that were conducted with a local business owner and a representative of an economic development organization. The contacts indicate the economic condition in the area has declined since the start of the COVID-19 pandemic, but there are signs of positive conditions in the future. Montgomery County's population is aging; however, there are indications of college students who are coming back to the area for job opportunities that are closer to family. Local employers are starting to succeed in attracting younger talent. Also, new industry and the expansion of existing industry in the area is creating new jobs, but there continues to be a need for additional affordable housing. The contacts also indicated that overall financial institutions have been meeting the credit needs of the community, and one contact stated Community State Bank has been very receptive when contacted regarding business credit.

Credit Needs

Examiners identify the credit needs of the assessment area based on information from the community contacts, bank management, and demographic and economic data. Based on this information, examiners determined business lending is the primary credit need.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 4, 2017, to the current evaluation dated December 4, 2023. Examiners conducted this CRA evaluation using Interagency Small Institution Examination Procedures.

Activities Reviewed

Examiners reviewed small business, home mortgage, and small farm loans to evaluate the bank's performance. These products were selected based on the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. As noted above, the loan portfolio is comprised largely of commercial-related loans, and commercial lending is the bank's primary business focus. Therefore, the bank's small business lending performance received the greatest weight when determining overall conclusions.

For all three loan categories, examiners focused on loans made in 2022. Bank management confirmed the loan activity for 2022 is reasonably representative of the overall lending patterns throughout the evaluation period. In 2022, bank records show a universe of 49 small business loans totaling \$9.1 million, 33 home mortgage loans totaling \$4.2 million, and 21 small farm loans totaling \$1.5 million. For the Lending Test, examiners reviewed all of these loans to evaluate the Assessment Area Concentration criterion. Additionally, all loans originated within the bank's assessment area were further evaluated for the Geographic Distribution and Borrower Profile criteria, which consisted of 22 small business loans totaling \$3.8 million, 23 home mortgage loans totaling \$3.0 million, and 9 small farm loans totaling 500 thousand.

The 2022 D&B data provided the standard of comparison for the bank's small business and small farm lending performance, and the 2020 U.S. census data provided the standard of comparison for the bank's home mortgage lending performance. Although both the number and dollar volume of loans are included in the tables throughout this evaluation, examiners emphasized performance by number of loans because it is a better indicator of the number of businesses, individuals, and farms served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Community State Bank demonstrates satisfactory performance under the Lending Test. The bank's overall Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile performance support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's performance is based on the average net loan-to-deposit ratio since the previous evaluation (24 quarters). As shown in the following table, the bank's average net loan-to-deposit ratio of 55.2 percent is generally comparable to similarly situated institutions. Examiners selected the similarly situated institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 09/30/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
Community State Bank, Coffeyville, Kansas	176,667	55.2
FirstOak Bank, Independence, Kansas	233,420	84.4
Elevate Bank, NA, Sedan, Kansas	56,914	51.1
Commercial Bank, Parsons, Kansas	352,888	46.9

Source: Reports of Condition and Income 12/31/2017 - 09/30/2023

Assessment Area Concentration

Overall, the bank originated a majority of small business, home mortgage, and small farm loans by total number volume inside the assessment area. By total dollar volume, the bank originated a slight majority of small business, home mortgage, and small farm loans outside of the assessment area; however, as previously mentioned, examiners emphasized performance by number of loans. The following table presents a breakdown of the lending inside and outside of the assessment area.

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 Business	22	44.9	27	55.1	49	3,777	41.5	5,335	58.5	9,112
Home Mortgage	23	69.7	10	30.3	33	3,041	71.8	1,195	28.2	4,236
Small Farm	9	42.9	12	57.1	21	511	35.1	946	64.9	1,457
Total	54	52.4	49	47.6	103	7,329	49.5	7,476	50.5	14,805

Source: Bank Data

Geographic Distribution

Overall, the geographic distribution of loans reflects excellent dispersion throughout the assessment area. For this criterion, examiners focused on the percentage of loans in low- and moderate-income census tracts in the assessment area. Although the bank's home mortgage and small farm lending performance is reasonable, the excellent small business lending performance was the driver for this conclusion as it is the bank's major business focus.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's percentage of small business lending in the low-income census tract is almost double the percentage of businesses in this census tract, and the bank's lending in moderate-income census tracts is reasonably comparable to the percentage of businesses in the moderate-income census tracts.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	18.6	8	36.4	1,577	41.8
Moderate	29.0	5	22.7	1,616	42.8
Middle	52.4	9	40.9	584	15.5
Totals	100.0	22	100	3,777	100.0
<i>Source: 2022 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The borrower distribution of home mortgage loans is reasonable. As shown in the following table, the bank's percentage of lending in low- and moderate-income census tracts is reasonably comparable to demographic data.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	7.3	1	4.3	48	1.6
Moderate	24.2	5	21.7	720	23.7
Middle	68.5	17	73.9	2,273	74.7
Total	100.0	23	100.0	3,041	100.0
<i>Source: 2020 U.S. Census, Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion. As shown in the following table, the bank did not extend any small farm loans in the low-income census tract. However, there is limited opportunity for small farm lending in this tract as demographic data indicated a total of only two farms in the entire census tract. The bank's lending in the moderate-income census tracts is comparable to demographic data. Given the bank's overall performance in low- and moderate-income census tracts, the geographic distribution of small farm loans is reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	3.2	0	0.0	0	0
Moderate	11.3	1	11.1	45	8.8
Middle	85.5	8	88.9	466	91.2
Totals	100.0	9	100.0	511	100.0

Source: 2022 D&B Data, Bank Data

Borrower Profile

The distribution of borrowers reflects a reasonable penetration of lending to businesses and farms of different revenue sizes and among individuals of different income levels. For this criterion, examiners focused on the percentage of small business and small farm loans to operations with gross annual revenues of \$1 million or less, and the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

The borrower distribution of small business loans is reasonable. As shown in the following table, although the bank's level of lending to businesses with revenues of \$1 million or less somewhat lags demographic data in this revenue category, it is considered reasonably comparable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	77.6	14	63.6	1,178	31.2
>\$1,000,000	5.7	8	36.4	2,599	68.8
Revenue Not Available	16.8	--	--	--	--
Total	100.0	22	100.0	3,777	100.0

Source: 2022 D&B Data, Bank Data
Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The borrower distribution for home mortgage loans is reasonable. As shown in the following table, the bank's lending to low-income borrowers is below demographic data. However, it is important to consider that 12.8 percent of low-income families generate incomes below the poverty level. These families likely face significant difficulties qualifying for traditional home mortgage loans.

Additionally, the bank's lending to moderate-income borrowers is comparable to demographic data. Considering these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	25.8	2	8.7	33	1.1
Moderate	18.4	4	17.4	149	4.9
Middle	19.1	2	8.7	132	4.3
Upper	36.8	13	56.5	2,015	66.3
Not Available	0.0	2	8.7	712	23.4
Total	100.0	23	100.0	3,041	100.0
<i>Source: 2020 U.S. Census, Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of loans to farms of different sizes is reasonable. As shown in the following table, the bank's level of lending to farms with revenues of \$1 million or less is comparable to demographic data in this revenue category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	9	100.0	511	100.0
>\$1,000,000	0.0	0	0.0	0	0
Revenue Not Available	1.6	0	0.0	0	0
Total	100.0	9	100.0	511	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with 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.