

PUBLIC DISCLOSURE

November 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Medallion Bank
Certificate Number: 57449

1100 E 6600 S
Salt Lake City, Utah 84121

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

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San Francisco, California 94105

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

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREA.....	2
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	7
GLOSSARY	8

INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Outstanding**

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

Medallion Bank (MB) operated under an FDIC-approved Community Reinvestment Act (CRA) Strategic Plan (Plan) during the evaluation period. The evaluation covers Plan years 2020, 2021, and 2022, from April 1, 2020 to March 31, 2023. MB has not received any complaints related to its CRA performance. The following factors support the overall CRA rating.

- Combined new community development (CD) lending and new qualified investments exceeded the bank's established minimum goals for “Outstanding” performance in the Plan years.
- Combined cumulative CD lending and qualified investments exceeded the bank's established minimum goals for “Outstanding” performance in the Plan years.
- CD service hours exceeded the bank's established minimum goals for “Outstanding” performance in Plan years 2021 and 2022, but did not meet its established minimum goal for “Satisfactory” in Plan year 2020.

DESCRIPTION OF INSTITUTION

MB is a state-chartered industrial bank located in Salt Lake City, Utah. MB is wholly-owned by Medallion Financial Corporation (MFC), a one-bank holding company. MB operates a single office located in Salt Lake City, Utah. MB received an “Outstanding” rating at its previous FDIC CRA Performance Evaluation dated January 11, 2021, following Interagency Strategic Plan Examination Procedures.

The bank specializes in offering consumer loans for the purchase of recreation products and home improvement projects. MB originates loan products through third-party lending relationships, dealers and independent contractors nationwide. MB does not have any traditional banking services, including branches, tellers, or automated teller machines. The bank does not directly market loans to consumers. MB’s deposits are obtained through brokers and internet listing services. No merger activity occurred, and no branches were opened or closed since the previous evaluation.

As of the September 30, 2023 Consolidated Report of Condition and Income (Call Report), MB reported total assets of \$2.3 billion, total loans of \$2.1 billion, and total deposits of \$1.9 billion. The table below illustrates MB’s loan product distribution as of September 30, 2023.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	-	-
Secured by Farmland	-	-
Secured by 1-4 Family Residential Properties	-	-
Secured by Multi-family (5 or more) Residential Properties	-	-
Secured by Nonfarm Non-Residential Properties	1,701	0.1
Total Real Estate Loans	1,701	0.1
Commercial and Industrial Loans	1,295	0.1
Agricultural Production and Other Loans to Farmers	-	-
Consumer Loans	-	-
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	2,098,789	99.9
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	2,101,785	100.0
<i>Source: Reports of Condition and Income. Due to rounding totals may not equal 100.0 percent.</i>		

There are no legal, financial, or other impediments that would limit MB's ability to meet the credit needs of its delineated AA.

DESCRIPTION OF ASSESSMENT AREA

MB has defined its AA as the entirety of Salt Lake County, which is part of the Salt Lake City, Utah Metropolitan Statistical Area (MSA) #41620. The AA remains unchanged since the previous evaluation. The bank's AA meets the technical requirements of the CRA regulation and does not reflect any illegal discrimination or arbitrary exclusion of LMI areas.

Economic and Demographic Data

Based on 2020 U.S. Census data, the AA consist of 251 CTs, of which, 5 low-income, 56 moderate-income, 115 middle-income, 71 upper-income CTs, and 4 no income available. The following table illustrates relevant demographic information of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	251	2.0	22.3	45.8	28.3	1.6
Population by Geography	1,185,238	2.0	22.4	46.4	28.6	0.6
Housing Units by Geography	404,550	1.8	24.2	46.3	27.7	0.1
Owner-Occupied Units by Geography	258,905	0.7	17.9	47.6	33.9	0.0
Occupied Rental Units by Geography	124,419	4.0	36.4	44.6	14.7	0.2
Vacant Units by Geography	21,226	3.4	29.1	39.8	27.7	0.0
Businesses by Geography	173,813	2.1	16.3	44.7	35.9	0.9
Farms by Geography	2,530	1.6	18.0	44.4	35.6	0.4
Family Distribution by Income Level	265,385	17.8	19.1	23.4	39.7	0.0
Household Distribution by Income Level	383,324	21.1	17.3	20.4	41.2	0.0
Median Family Income MSA - 41620 Salt Lake City, UT MSA		\$90,360	Median Housing Value			\$347,355
			Median Gross Rent			\$1,178
			Families Below Poverty Level			5.6%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The following table details unemployment trends in the AA in comparison with the state and national unemployment levels.

Unemployment Rates				
Area	September 2020	September 2021	September 2022	September 2023
	%	%	%	%
Salt Lake City MSA	4.8	2.2	2.1	2.6
State of Utah	4.3	2.1	2.1	2.6
National Average	7.9	4.8	3.5	3.8
<i>Source: Bureau of Labor Statistics</i>				

Data available from Moody's Analytics as of July 2023 indicates that Salt Lake City's economic outlook is optimistic despite weaknesses in finance and housing. The labor market has cooled, with net hiring slowing to a snail's pace since late spring. Weakness is broad-based, with goods producers and service providers backtracking, and only strong gains in the public sector forestalling significant job losses. The housing market correction will not abate in the near term. With higher mortgage rates, the most overheated markets are suffering price declines and Salt Lake County is no exception. After contracting for the first time in a decade in the third quarter of 2022, house prices backtracked through the first half of 2023. The correction will persist as mortgage rates remain elevated and demand wanes.

Competition

The AA is highly competitive for financial services. Salt Lake County contains several industrial banks along with large national and regional financial institutions. According to the June 30, 2023 FDIC Deposit Market Share Report, 47 financial institutions operated 203 offices within the AA. Of these institutions, MB ranked 21st with approximately 0.2 percent market share. The four most prominent institutions with the highest deposit market shares accounted for 65.7 percent of total market share.

Community Contact

As part of the evaluation process, examiners reviewed a recent community contact with a nonprofit organization that primarily serves LMI families, elderly, and minorities to obtain affordable housing throughout the state of Utah. According to the contact, inflation and the difficult economic conditions have created a high level of demand for affordable housing as rents have risen at a rapid pace. Also, the contact expressed the primary need for LMI families and individuals is access to more low-income units and LMI families have to commute great distances since housing is more affordable outside of the city limits. The majority of higher paying jobs are located in Salt Lake City. The contact indicated that there are opportunities for local banks to participate in down payment and loan assistance. Additionally, the contact also indicated that financial institutions could offer more financial literacy courses, less stringent requirements for prospective applicants, and offer small dollar loan programs. Overall, the contact stated that financial institutions need to do better in making more resources available to LMI families and individuals.

Credit and Community Development Needs and Opportunities

Based on economic data and information from the community contact, examiners determined that affordable housing represents the primary credit and CD need in the AA. In addition, there are opportunities in the AA for providing financial assistance to small businesses.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated January 11, 2021, to the current evaluation dated November 27, 2023. Examiners used the Interagency Procedures for Institutions with Strategic Plans to evaluate MB's CRA performance. MB operated under one four year FDIC-approved Plan during the evaluation period. The Plan is in effect from April 1, 2020 through March 31, 2024.

Activities Reviewed

Examiners reviewed MB's records and documentation of CD loans, qualified investments, and CD services. The plan sets forth measureable goals in the following areas:

- New CD loans and qualified investments,
- Cumulative CD loans and qualified investments, and
- CD services.

This CRA Evaluation compares the bank's performance for three full years to the measurable goals in the Plan. Examiners excluded the bank's 2023 performance, as it did not represent a full plan cycle under the Plan. Examiners relied upon records provided by MB, performance context provided by the institution, Moody's Analytics, the 2020 U.S. Census data and D&B demographic data, and information provided through a community contact. Examiners also considered current economic environment, credit and CD opportunities, and the bank's financial resources and constraints.

CONCLUSIONS ON PERFORMANCE CRITERIA

MB's CRA performance under the Plan reflects outstanding performance in helping to meet the credit needs in its AA in a manner consistent with its resources and capabilities. The following information details the goals delineated in the Plan compared to the bank's actual performance from April 1, 2020 to March 31, 2023, for Plan years 2020, 2021, and 2022.

CD Lending and Investments

The bank established two measureable goals for CD loans and qualified investments (including grants and donations). The first measureable goal is for new CD loans and qualified investments divided by the average assets for the four quarters within the Plan year. The bank's average assets is calculated by using line 9 of Schedule RC-K (Quarterly Averages) in the Call Report for the bank's four quarters in that Plan year. MB exceeded the minimum goals for outstanding performance for each Plan year. The following tables shows MB's actual performance compared to each measurable goal.

New CD Loans and Investments, Grants and Donations					
Plan Year	Bank Established Goals		Bank Performance		
	<i>Satisfactory (%)</i>	<i>Outstanding (%)</i>	Loans and Investments Total (000s)	Average Assets* (000s)	Actual Performance (%)
2020	0.40	0.60	\$8,488	\$1,297,462	0.65
2021	0.40	0.60	\$10,765	\$1,472,093	0.73
2022	0.40	0.60	\$13,108	\$1,849,295	0.71

Source: Bank Data and Plan.
**Quarterly Average Assets RC-K for the current Plan year.*

The second measurable goal is the total cumulative amount of CD loans and qualified investments plus any prior period CD investments that are still outstanding at year-end for the Plan year, divided by the average assets for the four quarters within the Plan year. MB exceeded the minimum goals for outstanding performance each Plan year. The following table shows MB's performance compared to each measurable goal.

New CD Lending and New/Prior Period Qualified Investments					
Plan Year	Bank Established Goals		Bank Performance		
	Satisfactory (%)	Outstanding (%)	Loans and Investments Total (000s)	Average Assets* (000s)	Actual Performance (%)
2020	1.3	1.75	\$26,230	\$1,297,462	2.00
2021	1.3	1.75	\$26,716	\$1,472,093	1.81
2022	1.3	1.75	\$33,037	\$1,849,295	1.79

Source: Bank Data and Plan.
**Quarterly Average Assets RC-K for the current Plan year.*

The following are notable examples of CD loan, investments, and grants provided by MB during the evaluation period:

- MB originated a \$3.0 million loan in Plan years 2020 and 2021, and a \$5.0 million loan in Plan year 2022 to a non-profit affordable housing organization serving the AA.
- MB invested \$3.0 million in Plan year 2020, \$2.2 million in Plan year 2021, and \$5.0 million in Plan year 2022 in an organization that supports funding mortgage loans at reasonable interest rates to help provide affordable housing for low- and moderate-income individuals.
- MB donated \$10,000 in Plan year 2021, and \$12,000 in Plan year 2022 to a non-profit organization that provides funding to entrepreneurs in startup and existing businesses and business training for underserved members of the community.
- Prior period investments include Utah Housing bonds that are secured by a majority of mortgages to LMI borrowers totaling \$7.9 million in Plan year 2020, \$5.1 million in Plan year 2021, and \$3.8 million in 2022.

Community Development Services

MB established a goal of five CD service hours per full-time employee (FTE) for satisfactory and six hours per FTE for outstanding performance for each Plan year. The Plan states that the annual service hours criterion is calculated by the total number of qualified hours divided by the average number of FTE. MB exceeded the minimum goals established under the Plan for an “Outstanding” performance during Plan years 2021 and 2022. MB did not meet the minimum goal for a “Satisfactory” rating in Plan year 2020, as service hours were impacted due to unanticipated constraints caused by the pandemic which greatly reduced the bank’s ability to provide CD services. The following table shows MB’s actual performance compared to the goals established in the Plan.

Community Development Service Hours					
Plan	Bank Established Goals		Bank Performance		
	Satisfactory	Outstanding	Service Hours	FTEs	Actual Performance (hours per FTE)
2020	5 hours per FTE	6 hours per FTE	178	62	2.87
2021	5 hours per FTE	6 hours per FTE	440.5	61	7.22
2022	5 hours per FTE	6 hours per FTE	521	65	8.01

Source: Bank Data and Plan

The following are examples of CD service hours provided by MB’s employees during the evaluation period:

- Service hours include a total of 643.5 hours teaching financial education to LMI students in schools where the majority of students are eligible for free- or reduced-priced lunch.
- Service hours include a total of 176 service hours using their financial expertise at a non-profit organization that rehabs and builds homes for low/moderate income homeowners.
- Service hours include a total of 157.75 hours at a non-profit organization teaching low-income women, primarily single mothers, how to earn a living wage.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping community credit needs was identified.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.