

PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Riley State Bank of Riley, Kansas
Certificate Number: 16120

201 South Broadway Street
Riley, Kansas 66531

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 areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas.
- A majority of small farm, small business, and home mortgage loans reviewed were within the assessment areas.
- The geographic distribution of loans was not evaluated since the assessment areas do not contain any low- or moderate-income census tracts.
- The distribution of borrowers reflects a reasonable penetration of lending among farms and businesses of different sizes and individuals of different income levels.
- The institution has not received any complaints relating to its Community Reinvestment Act (CRA) performance since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

The Riley State Bank of Riley, Kansas (RSB) is a full-service community bank headquartered in Riley, Kansas. Riley County Bancshares, Inc., a one-bank holding company also located in Riley, wholly owns the bank. RSB received a Satisfactory rating under the Interagency Small Institution Examination Procedures at the prior FDIC performance evaluation dated March 12, 2018.

The bank continues to operate from the main office in Riley and branches in Leonardville, Longford, and Wakefield, Kansas. The Riley and Leonardville locations are in Riley County, and the Longford and Wakefield locations are in Clay County. RSB has not opened or closed any branches since the previous evaluation.

RSB offers agricultural, commercial, home mortgage, and consumer loans, although agricultural lending remains the institution's primary focus. The institution offers government guaranteed loans through the Farm Service Agency. The bank also originated loans under the Small Business Administration's Paycheck Protection Program (PPP), which was established in 2020 to provide relief financing to small businesses during the Coronavirus Disease 2019 pandemic. The bank originated 92 PPP loans totaling \$1.8 million in 2020, and 300 PPP loans totaling \$4.0 million in 2021.

The bank provides a variety of deposit services including checking, savings, and money market deposit accounts, as well as certificates of deposit. Alternative banking services include internet banking, mobile banking, and bank-owned ATMs.

According to the December 31, 2023 Reports of Condition and Income, the bank reported total assets of \$112.4 million, total deposits of \$97.1 million, and total loans of \$72.2 million. The following table illustrates the noted loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	587	0.8
Secured by Farmland	14,878	20.6
Secured by 1-4 Family Residential Properties	8,541	11.8
Secured by Multifamily (5 or more) Residential Properties	122	0.2
Secured by Nonfarm Nonresidential Properties	1,797	2.5
Total Real Estate Loans	25,925	35.9
Commercial and Industrial Loans	12,151	16.8
Agricultural Production and Other Loans to Farmers	30,169	41.8
Consumer Loans	3,742	5.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	84	0.1
Lease Financing Receivable (net of unearned income)	121	0.2
Less: Unearned Income	0	0.0
Total Loans	72,192	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 the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. RSB designated two assessment areas in Kansas. This evaluation refers to the two areas as the Manhattan Metropolitan Statistical Area (MSA) Assessment Area, and the Nonmetropolitan Assessment Area. There have been no changes to the assessment areas since the previous evaluation. According to the 2020 U.S. Census data, the Manhattan MSA Assessment Area is comprised of one census tract in northern Riley County, which is part of the Manhattan, Kansas MSA. The Nonmetropolitan Assessment Area is comprised of both census tracts in Clay County, which is part of the nonmetropolitan area of Kansas. For further information on the Manhattan MSA and Nonmetropolitan Assessment Areas, refer to the corresponding sections of this evaluation.

SCOPE OF EVALUATION

General Information

Examiners conducted this CRA evaluation using the Interagency Small Institution Examination Procedures. The evaluation covers the period from the prior evaluation dated March 12, 2018, to the current evaluation dated February 5, 2024. Examiners completed full-scope reviews for each assessment area based on the bank's lending activities and office locations in both areas. The Manhattan MSA Assessment Area received the greater weight in the overall evaluation because it accounts for the majority of loan originations and deposits.

Activities Reviewed

Examiners reviewed small farm, small business, and home mortgage loans for this evaluation. Examiners selected these products based on the bank's business strategy, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period. Since agricultural lending is the institution's primary lending focus, the small farm loan category received the most weight when determining overall conclusions for this evaluation.

For all three loan categories reviewed, examiners focused on loans originated, extended, and renewed in 2023 since management indicated that lending patterns in 2023 were generally representative of the entire review period. The 2023 loan activity showed 300 small farm loans totaling \$21.3 million, 186 small business loans totaling \$10.5 million, and 35 home mortgage loans totaling \$3.6 million.

For the Lending Test, examiners reviewed all of these loans to evaluate the Assessment Area Concentration criterion. A review of the Geographic Distribution criterion was not completed since there are no low- or moderate-income census tracts in either assessment area. For the Borrower Profile criterion, examiners reviewed samples of small farm and small business loans, and all home mortgage loans made in both assessment areas. The Borrower Profile review included 105 small farm loans totaling \$7.3 million, 80 small business loans totaling \$5.1 million, and 26 home mortgage loans totaling \$2.6 million. The 2023 D&B data provided a standard of comparison for the bank's small farm and small business lending performance, and the 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

RSB demonstrates satisfactory performance under the Lending Test. The lending performance in all evaluated criteria supports this conclusion. Information on the bank's overall performance is detailed in this section. Refer to subsequent corresponding sections of this evaluation for detailed information by assessment area.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and the credit needs of the assessment areas. The bank’s performance was evaluated based on the average of the 24 quarterly loan-to-deposit ratios since the previous evaluation. The bank’s average loan-to-deposit ratio of 72.0 percent compares reasonably to similarly situated banks, which were selected based on their asset size, geographic location, and lending focus. See the following table for details.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
The Riley State Bank of Riley, Riley, Kansas	112,429	72.0
Elk State Bank, Clyde, Kansas	132,244	70.0
First National Bank in Frankfort, Frankfort, Kansas	59,473	50.3
<i>Source: Reports of Condition and Income 3/31/2018-12/31/2023</i>		

Assessment Area Concentration

RSB originated a majority of small farm, small business, and home mortgage loans within its assessment areas. See the following table for details of the distribution of the bank’s lending inside and outside of the assessment areas.

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	263	87.7	37	12.3	300	18,675	87.6	2,636	12.4	21,311
Small Business	110	59.1	76	40.9	186	7,468	70.9	3,064	29.1	10,532
Home Mortgage	26	74.3	9	25.7	35	2,636	72.3	1,010	27.7	3,646
<i>Source: Bank Data</i>										

Geographic Distribution

The assessment areas do not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. Overall, the bank’s lending performance is consistent for both assessment areas. Examiners focused on the bank’s lending performance to farms and businesses with gross annual revenues of \$1 million or less and to low- and moderate-income individuals. A complete discussion of the bank’s borrower profile performance can be found in the assessment area sections of this evaluation.

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

MANHATTAN MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MANHATTAN MSA ASSESSMENT AREA

The Manhattan MSA Assessment Area is comprised of census tract 13.02 in Riley County. The assessment area is part of the Manhattan, Kansas MSA. The following sections detail demographic and economic information from the 2020 U.S. Census, and 2023 D&B data for the assessment area.

Economic and Demographic Data

The assessment area is comprised of one upper-income census tract. 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)	1	0.0	0.0	0.0	100.0	0.0
Population by Geography	4,950	0.0	0.0	0.0	100.0	0.0
Housing Units by Geography	2,801	0.0	0.0	0.0	100.0	0.0
Owner-Occupied Units by Geography	2,087	0.0	0.0	0.0	100.0	0.0
Occupied Rental Units by Geography	239	0.0	0.0	0.0	100.0	0.0
Vacant Units by Geography	475	0.0	0.0	0.0	100.0	0.0
Businesses by Geography	520	0.0	0.0	0.0	100.0	0.0
Farms by Geography	95	0.0	0.0	0.0	100.0	0.0
Family Distribution by Income Level	1,737	5.0	16.3	22.5	56.3	0.0
Household Distribution by Income Level	2,326	9.8	12.3	18.2	59.7	0.0
Median Family Income MSA - 31740 Manhattan, Kansas MSA		\$70,357	Median Housing Value			\$186,500
			Median Gross Rent			\$980
			Families Below Poverty Level			0.6%

*Source: 2020 U.S. Census and 2023 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.*

According to 2023 D&B data, services represent the largest portion of businesses in the assessment area at 28.8 percent; followed by non-classifiable establishments at 18.0 percent; and agriculture, forestry, and fishing at 15.5 percent. Most of these operations are small, with 70.9 percent of the businesses having four or fewer employees, and 94.0 percent operating from one location.

The following table presents the 2023 Federal Financial Institutions Examination Council (FFIEC) estimated median family income levels for the Manhattan, Kansas MSA. These income levels are used to analyze home mortgage loans under the Borrower Profile criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000

Source: FFIEC

Competition

The market for financial services in the area is competitive. According to the June 30, 2023 FDIC Deposit Market Share data, 16 banks operate 27 offices in Riley County. Of these institutions, RSB ranks 8th with a deposit market share of 2.6 percent.

Community Contact

Examiners typically contact community members or other third parties in the assessment area to 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 in determining whether local financial institutions are responsive to those needs.

For this evaluation, examiners conducted a community contact with a person knowledgeable of the area's agricultural economy. According to the contact, agricultural loans are the primary credit need. The contact stated the economy is stable; however, land values continue to rise making farm expansion more difficult. Additionally, farm input costs have risen, grain prices have been falling, and cattle prices are increasing. The contact stated that banks are willing to lend money to farmers through a variety of government programs, such as Federal joint and guaranteed financing and Kansas Development Finance Authority bonds for beginning farmers. The contact stated that community credit needs are being met.

Credit Needs

Based on information from the community contact and bank management, as well as demographics and economic data, examiners determined small farm, small business, and home mortgage loans represent the area's primary credit needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MANHATTAN MSA ASSESSMENT AREA

LENDING TEST

RSB demonstrates reasonable performance in this assessment area. The lending performance under the Borrower Profile criterion supports this conclusion.

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration. This conclusion is supported by the bank's reasonable performance in the small farm and small business lending categories. While the home mortgage lending performance was poor, examiners put little weight on this lending category based on the bank's business focus and limited lending activity in the area.

Small Farm Loans

The borrower distribution for small farm loans is reasonable. The bank's lending performance to farms with revenues of \$1 million or less is in line with demographic data in this revenue category. See the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.8	48	87.3	3,838	81.3
>\$1,000,000	2.1	7	12.7	884	18.7
Revenue Not Available	1.1	0	0.0	0	0.0
Total	100.0	55	100.0	4,722	100.0

Source: 2023 D&B Data, Bank Data

Small Business Loans

The borrower distribution for small business loans is reasonable. The bank's lending performance to businesses with revenues of \$1 million or less is slightly above demographic data in this revenue category. See the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	88.8	39	97.5	2,380	96.7
>\$1,000,000	3.5	1	2.5	80	3.3
Revenue Not Available	7.7	0	0.0	0	0.0
Total	100.0	40	100.0	2,460	100.0

Source: 2023 D&B Data, Bank Data

Home Mortgage Loans

The distribution of home mortgage loans is poor. The bank originated only one home mortgage loan to low-income borrowers, and no home mortgage loans to moderate-income borrowers. However, examiners put little weight on home mortgage lending in drawing overall conclusions based on the bank's lending focus and limited home mortgage lending activity in the assessment area. See the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	5.0	1	8.3	30	2.4
Moderate	16.3	0	0.0	0	0.0
Middle	22.5	1	8.3	84	6.6
Upper	56.3	8	66.7	911	71.5
Not Available	0.0	2	16.7	249	19.6
Total	100.0	12	100.0	1,274	100.0

Source: 2020 U.S. Census, Bank Data
Due to rounding, totals may not equal 100.0%.

NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area is comprised of Clay County. The following sections detail demographic and economic information for the assessment area from the 2020 U.S. Census and 2023 D&B data.

Economic and Demographic Data

The assessment area is comprised of two middle-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	100.0	0.0	0.0
Population by Geography	8,117	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	4,097	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,695	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,046	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	356	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	843	0.0	0.0	100.0	0.0	0.0
Farms by Geography	179	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,373	13.1	21.2	28.9	36.8	0.0
Household Distribution by Income Level	3,741	23.4	19.7	17.2	39.7	0.0
Median Family Income Non-MSAs - Kansas		\$65,467	Median Housing Value			\$116,360
			Median Gross Rent			\$620
			Families Below Poverty Level			5.6%

*Source: 2020 U.S. Census and 2023 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.*

According to 2023 D&B data, services represent the largest portion of businesses in the assessment area at 27.8 percent; followed by agriculture, forestry, and fishing at 17.5 percent; and non-classifiable establishments at 16.1 percent. Most of these operations are small, with 66.9 percent of the businesses having four or fewer employees, and 86.2 percent operating from one location.

The following table presents 2023 FFIEC estimated median family income levels for the nonmetropolitan area of Kansas. These income levels are used to analyze home mortgage loans under the Borrower Profile criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
<i>Source: FFIEC</i>				

Competition

The market for financial services in the area is moderately competitive. According to the June 30, 2023 FDIC Deposit Market Share data, 5 banks operate 8 offices in the assessment area. Of these institutions, RSB ranks 4th with a deposit market share of 10.7 percent.

Credit Needs

Based on information from bank management, as well as demographics and economic data, examiners determined small farm, small business, and home mortgage loans represent the area’s primary credit needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN ASSESSMENT AREA

LENDING TEST

RSB demonstrates reasonable performance in this assessment area. The lending performance under the Borrower Profile criterion supports this conclusion.

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration. This conclusion is supported by the bank’s reasonable performance in the small farm and small business lending categories. While the home mortgage lending performance was excellent, examiners put little weight on this lending category based on the bank’s business focus and limited lending activity in the area.

Small Farm Loans

The borrower distribution for small farm loans is reasonable. The bank’s lending performance to farms with revenues of \$1 million or less is in line with demographic data in this revenue category. See the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.6	45	90.0	1,924	74.0
>\$1,000,000	2.2	5	10.0	677	26.0
Revenue Not Available	1.1	0	0.0	0	0.0
Total	100.0	50	100.0	2,601	100.0
<i>Source: 2023 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.</i>					

Small Business Loans

The borrower distribution for small business loans is reasonable. The bank's lending performance to businesses with revenues of \$1 million or less is slightly above demographic data in this revenue category. See the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	80.0	37	92.5	1,205	45.4
>\$1,000,000	4.3	3	7.5	1,450	54.6
Revenue Not Available	15.8	0	0.0	0	0.0
Total	100.0	40	100.0	2,655	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 is excellent. The bank's lending performance to both low- and moderate-income borrowers is higher than the corresponding demographic data. However, examiners put little weight on home mortgage lending in drawing overall conclusions based on the bank's lending focus and limited home mortgage lending activity in the assessment area. See the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	13.1	3	21.4	205	15.1
Moderate	21.2	4	28.6	635	46.6
Middle	28.9	3	21.4	190	13.9
Upper	36.8	4	28.6	332	24.4
Not Available	0.0	0	0.0	0	0.0
Total	100.0	14	100.0	1,362	100.0
<i>Source: 2020 U.S. Census, Bank Data</i>					

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 institution'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 institution 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.