

PUBLIC DISCLOSURE

March 4, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Crocker
Certificate Number: 1937

200 Ichord Avenue
Waynesville, Missouri 65583

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 **Needs to Improve**.

An institution in this group needs to improve its overall 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 following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the bank's home mortgage and small business loans were made in the assessment area.
- The geographic distribution of loans was not evaluated, as the bank's assessment area does not contain low- or moderate-income areas.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Bank of Crocker is a full-service commercial bank headquartered in Waynesville, Missouri. In addition to its main office in Waynesville, Missouri, the bank operates three additional full-service offices in Crocker, Richland, and Saint Robert. All four of Bank of Crocker’s offices are within Pulaski County, Missouri. Deposit-taking ATMs are located at each office. Five additional non-deposit-taking ATMs are located in Richland (two ATMs) and Waynesville (three ATMs). One ATM was added in Richland, Missouri, at the Swedeborg Gas N More. No changes in branching structure have occurred since the previous CRA evaluation. A Satisfactory CRA rating was assigned at the April 9, 2018, FDIC Performance Evaluation, which utilized Federal Financial Institution Examination Council (FFIEC) Small Institution Examination Procedures.

Bank of Crocker continues to focus on residential real estate, commercial, and consumer lending. The bank offers a full range of loan products and a variety of deposit products and services, including checking, savings, money market, and certificates of deposit. Alternative banking services include internet banking.

As of December 31, 2023, the institution reported total assets of \$145.0 million, total loans of \$43.7 million, and total deposits of \$133.1 million. The following table illustrates the bank’s loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	3,205	7.3
Secured by Farmland	1,867	4.3
Secured by 1-4 Family Residential Properties	13,603	31.1
Secured by Multifamily (5 or more) Residential Properties	1,659	3.8
Secured by Nonfarm Nonresidential Properties	15,294	35.0
Total Real Estate Loans	35,628	81.5
Commercial and Industrial Loans	4,158	9.5
Agricultural Production and Other Loans to Farmers	1,028	2.4
Consumer Loans	2,920	6.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	43,734	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define one or more assessment areas within which examiners will evaluate its CRA performance. Bank of Crocker has designated one assessment area in south-central Missouri that consists of Pulaski County. Although the boundaries of the assessment area have not changed since the previous CRA evaluation, the updated 2020 U.S. Census data has increased the number of census tracts in the county from 9 to 13 tracts; this is due to census tracts splitting into multiple tracts as a result of an increase in population. Based on 2020 U.S. Census data, the assessment area contains no low- or moderate-income census tracts, seven middle-income census tracts, five upper-income census tracts, and one census tract with no income designation. The census tract with no income designation encompasses the Fort Leonard Wood military base.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area using 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	0.0	53.8	38.5	7.7
Population by Geography	53,955	0.0	0.0	52.8	43.5	3.7
Housing Units by Geography	19,137	0.0	0.0	49.2	48.3	2.5
Owner-Occupied Units by Geography	7,877	0.0	0.0	52.2	47.8	0.0
Occupied Rental Units by Geography	7,184	0.0	0.0	48.8	46.5	4.7
Vacant Units by Geography	4,076	0.0	0.0	44.0	52.4	3.6
Business by Geography	4,412	0.0	0.0	52.0	46.9	1.1
Farms by Geography	155	0.0	0.0	53.5	45.8	0.6
Family Distribution by Income Level	10,381	16.4	12.9	20.2	50.4	0.0
Household Distribution by Income Level	15,061	16.8	10.2	19.7	53.3	0.0
Median Family Income Non-MSAs - MO		\$56,957	Median Housing Value			\$140,292
Families Below Poverty Level		12.0%	Median Gross Rent			\$1,040

*Source: 2020 U.S. Census
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.*

Examiners utilized the FFIEC-updated median family incomes for the nonmetropolitan portions of Missouri to analyze home mortgage lending performance under the Borrower Profile criterion. The following table presents the low-, moderate-, middle, and upper-income categories.

Median Family Income Ranges				
Median Family Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$63,500)	<\$31,750	\$31,750 to <\$50,800	\$50,800 to <\$76,200	≥\$76,200

Source: FFIEC

Competition

The assessment area is a moderately competitive market for credit products and financial services. According to FDIC Deposit Market Share data, 9 financial institutions operated 16 offices in the assessment area as of June 30, 2023. Bank of Crocker ranked 2nd with 21.5 percent of the deposit market share. Institutions within the assessment area range from small community banks to large regional financial institutions.

The institution is not required to collect or report small business or home mortgage loan data. However, aggregate lending data reflects the level of demand and competition for small business and home mortgage loans within the assessment area. Aggregate home mortgage lending data for 2022, which is the most recent data available, shows that 140 lenders originated 1,851 home mortgage loans in the assessment area. Similarly, aggregate small business lending data for 2022 shows that 33 lenders originated 617 small business loans in the assessment area. This level of activity indicates a moderate level of competition for both small business and home mortgage loans.

Community Contact

Examiners conduct community contact interviews with third parties active in the assessment area to assist in identifying credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners conducted two community contact interviews with individuals that represent economic development organizations familiar with Pulaski County.

According to the first contact, the local economy is stable and primarily centered around the Fort Leonard Wood military base. They further indicated the base is slightly decreasing in size and that this has impacted local businesses. The hospitality and restaurant industries are primarily impacted by the military base, as many out-of-area people attend weekly graduations from military training. New small businesses opened in recent years, but margins with operating the businesses have shrank. However, the contact indicates business opportunities exist, which includes a need for entertainment-related and retail businesses. The real estate market is experiencing high turnover, as homes sell quickly in the area. The contact indicated there is a need for 1-4 family housing stock. Applicants are highly likely to shop around in search for the lowest rate, which increases the competitiveness in residential lending. Although there are lenders that focus on serving military personnel, the contact believes military applicants are willing to get financing from local banks. There is a sufficient amount of rental opportunities. Lastly, the contact indicated that financial institutions in the area are actively involved in the community.

According to the second contact, the local economy has done well and is heavily reliant on the Fort Leonard Wood military base. The majority of local businesses are hospitality or restaurant businesses, many of them being large national or regional brands. However, there are smaller, local businesses operating in the area. The contact indicated that the area could benefit from a wider variety of restaurant options, which presents an opportunity for involvement by local financial institutions. There is also a need for new construction housing due to a shortage of existing housing. Many of the houses sell quickly, as military personnel from the base are looking to buy homes in the area. Lastly, the contact indicated that financial institutions in the area are actively involved in the community.

Credit Needs

Considering information from bank management, the community contact, and demographic and economic data, small business and home mortgage lending represent the primary credit needs in the assessment area. Opportunity exists for originating such loans, as indicated by the percentage of small businesses and owner-occupied housing units in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated April 9, 2018, to the current evaluation dated March 4, 2024. Examiners used FFIEC Interagency Small Institution Examination Procedures to evaluate Bank of Crocker's CRA performance. Please refer to the *Small Bank Performance Criteria* section in the Appendices for a summary of the criteria evaluated under the Lending Test.

Activities Reviewed

Examiners considered the institution's business strategy, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period when determining which products to evaluate. As a result, examiners reviewed both home mortgage and small business loans to evaluate CRA performance. Home mortgage and small business loans were weighted equally when drawing overall conclusions, as these products comprise a similar portion of the outstanding loan portfolio. Agricultural lending is not a major product line for the bank and comprises a small portion of the loan portfolio; therefore, small farm loans were not reviewed.

The evaluation considered all home mortgage and small business loans originated in 2023. Management indicated that a review of lending activity during this timeframe would yield a representative analysis of lending performance throughout the evaluation period. Examiners reviewed the entire universe of home mortgage and small business loans for the Assessment Area Concentration analysis, which consisted of 45 home mortgage loans totaling \$8.1 million and 32 small business loans totaling \$4.8 million. Examiners did not review the Geographic Distribution criterion, as the bank's assessment area does not contain low- or moderate-income areas. Examiners reviewed the entire universe of home mortgage and small business loans within the bank's assessment area for the Borrower Profile analysis, which consisted of 31 home mortgage loans totaling \$5.1 million and 21 small business loans totaling \$3.6 million. Examiners compared home mortgage lending performance to 2020 U.S. Census data and small business lending performance to 2023 D&B data.

Examiners analyzed lending performance by both number and dollar volume of loans. However, examiners emphasized the performance by the number of loans for the Borrower Profile analysis, as it is generally a better indicator of the number of businesses and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank of Crocker demonstrated poor performance under the Lending Test. The bank’s less than reasonable loan-to-deposit (LTD) ratio primarily supports this conclusion.

Loan-to-Deposit Ratio

Overall, Bank of Crocker’s LTD ratio is less than reasonable given the institution’s size, financial condition, and assessment area credit needs. The institution’s net LTD ratio, calculated from Reports of Condition and Income data, averaged 39.9 percent over the past 23 quarters from June 30, 2018, through December 31, 2023. The net LTD ratio ranged from a high of 52.8 percent, as of September 30, 2018, to a low of 30.5 percent, as of March 31, 2023. Overall, the net LTD ratio has consistently trended downward throughout the review period, declining from 50.6 percent on June 30, 2018, to 32.4 percent on December 31, 2023. Further, this consistent decline in the net LTD ratio has continued from the prior evaluation in which the net LTD ratio decreased from 70.5 percent on March 31, 2012, to 51.7 percent on March 31, 2018.

As of the current evaluation date of March 4, 2024, the net LTD ratio has slightly increased to 33.1 percent, with net loans totaling \$42.5 million and deposits totaling \$128.5 million. Additionally, unfunded commitments, as of March 4, 2024, totaled \$7.8 million.

During the review period, net loans have declined from \$57.3 million to \$43.1 million or 24.8 percent, while deposits increased from \$113.3 million to \$133.1 million or 14.8 percent. The securities portfolio increased from \$41.3 million to \$68.8 million or 66.7 percent during the same period. The bank started selling loans on the secondary market in 2019. Specifically, the bank sold 4 loans totaling \$981,000 in 2023; 8 loans totaling \$957,000 in 2022; 5 loans totaling \$658,000 in 2021; 10 loans totaling \$1.2 million in 2020; and 6 loans totaling \$496,000 in 2019. Additionally, the bank originated 51 loans totaling \$3.9 million in 2020 and 174 loans totaling \$1.7 million in 2021 under the Small Business Administration’s Paycheck Protection Program. These loans assisted small farms and small businesses struggling with the impact of the Coronavirus pandemic. Lastly, unfunded commitments, as of December 31, 2023, totaled \$6.6 million.

As shown in the following table, Bank of Crocker’s ratio is substantially lower than that of a comparable institution ratio. Examiners identified the comparable institution based on asset size, market served, product offerings, and loan portfolio composition.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Bank of Crocker, Waynesville, Missouri	144,992	39.9
Security Bank of Pulaski County, Saint Robert, Missouri	144,990	67.7

Source: Reports of Condition and Income 06/30/2018 – 12/31/2023

Regulatory personnel also compared Bank of Crocker to all three small banks that operate within Pulaski County. The net LTD ratios for these institutions ranged from 60.0 percent to 78.9 percent. Bank of Crocker’s net LTD ratio is substantially lower. During the review timeframe, net loans for the three institutions increased by 8.1 percent, 24.1 percent, and 45.1 percent, while Bank of Crocker’s net loans have decreased by 24.8 percent.

As previously discussed, the first community contact indicated the local economy has been stable. In addition, the aggregate lending data levels indicate small business and home mortgage loans are in moderate demand. Management primarily attributes the low net LTD ratio to the current highly competitive market for the lowest interest rates, which makes it difficult for the institution to compete. While this factor has affected the loan volume, the LTD ratio is less than reasonable given the bank’s capacity to lend and the opportunities available within the assessment area.

Assessment Area Concentration

As illustrated in the following table, Bank of Crocker originated a majority of home mortgage and small business loans within its assessment area. However, the bank’s performance in this criterion did not outweigh the poor performance in the LTD ratio criterion.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage	31	68.9	14	31.1	45	5,067	62.4	3,051	37.6	8,118
Small Business	21	65.6	11	34.4	32	3,600	75.4	1,172	24.6	4,772

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of loans was not evaluated, as the bank’s assessment area does not contain low- or moderate-income areas.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes in the assessment area. However, the bank’s performance in this criterion did not outweigh the poor performance in the LTD ratio criterion].

Home Mortgage

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals. Although the percentage of loans to low-income individuals is below demographic data, the percentage of loans to moderate-income individuals equals demographic data. Further, a large number of loans within the universe were for business purposes and fell within the Income Not Available category. When only considering loans that were for consumer purposes, the bank’s performance is more comparable to

demographic data, as 12.5 percent and 25.0 percent of loans were extended to low- and moderate-income borrowers, respectively.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	16.4	2	6.5	63	1.2
Moderate	12.9	4	12.9	297	5.9
Middle	20.2	4	12.9	339	6.7
Upper	50.4	6	19.4	628	12.4
Income Not Available	0.0	15	48.4	3,740	73.8
Total	100.0	31	100.0	5,067	100.0

Source: 2020 U.S. Census; Bank Data

Small Business

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. The percentage of loans to businesses with gross annual revenues of \$1 million or less trails demographic data by 15.3 percent. However, 2022 aggregate small business lending data indicates one credit card lender originated 41.3 percent of all small business loans in the assessment area, indicating a reliance on credit card lending to finance business activities. Further, the aggregate data indicates 43.4 percent of reported small business loans were made to business with gross annual revenues of \$1 million or less. Considering this information, the bank’s performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	91.5	16	76.2	1,649	45.8
> \$1,000,000	1.2	5	23.8	1,951	54.2
Revenue Not Available	7.3	0	0.0	0	0.0
Total	100.0	21	100.0	3,600	100.0

Source: 2023 D&B Data; Bank Data

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor 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 the Equal Credit Opportunity Act. Examiners did not identify any evidence of 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.