

PUBLIC DISCLOSURE

February 15, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Prism Bank
Certificate Number: 5994

2610 South Division Street
Guthrie, Oklahoma 73044

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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 **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 neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA's credit needs.
- A majority of loans are in the institution's AA.
- The geographic distribution of loans reflects excellent penetration throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels (including low and moderate income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Prism Bank, formerly known as Oklahoma State Bank, maintains its headquarters in Guthrie, Oklahoma. Town and County Bancshares, Inc., located in Norman, Oklahoma, wholly owns the bank. The bank received a Satisfactory rating at its March 19, 2018, FDIC Performance Evaluation based on Small Bank Procedures.

Prism Bank functions as a retail bank and operates three full-service offices located in central Oklahoma. Since the prior evaluation, the bank converted its loan production office (LPO) in Edmond to a full-service branch on December 30, 2019. The Mulhall branch closed on February 1, 2024, but the ATM remains operational. These branching changes did not impact any low- or moderate-income census tracts. In addition, Prism Bank opened a LPO in Oklahoma City on September 14, 2020. The bank did not participate in any merger or acquisition activity since the previous evaluation.

Prism Bank offers standard loan products including commercial, home mortgage, agricultural, and consumer loans, primarily focusing on home mortgage and commercial lending. The bank provides a variety of deposit products including checking, savings, and certificate of deposit accounts. Alternative delivery systems include internet and mobile banking and four bank-owned ATMs. All locations maintain office hours typical for the industry and areas served, and the bank offers extended drive-thru hours at the Guthrie and Norman branches.

As of the December 31, 2023, Reports of Condition and Income, Prism Bank reported total assets of \$303.1 million, total loans of \$256.5 million, and total deposits of \$264.8 million. Since the prior evaluation, total assets increased by 100.2 percent, total loans increased by 95.5 percent, and total deposits increased by 100.5 percent. The changes in office locations and senior management as well as an expansion to the bank's business model contributed to the growth during the evaluation period. The following table illustrates the outstanding loan portfolio as of December 31, 2023, reflecting a distribution supportive of the institution's business focus, with home mortgage and commercial loans representing the largest categories of the loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	12,551	4.9
Secured by Farmland	3,498	1.4
Secured by 1-4 Family Residential Properties	108,294	42.2
Secured by Multifamily (5 or more) Residential Properties	4,641	1.8
Secured by Nonfarm Nonresidential Properties	91,896	35.8
Total Real Estate Loans	220,880	86.1
Commercial and Industrial Loans	32,288	12.6
Agricultural Production and Other Loans to Farmers	658	0.3
Consumer Loans	2,197	0.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	458	0.2
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	256,481	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet its AA's credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. Prism Bank designated one AA consisting of all of Logan, Oklahoma, and Cleveland counties. These counties represent three of the seven counties comprising the Oklahoma City Metropolitan Statistical Area (MSA). The AA meets the technical requirements of the CRA.

Economic and Demographic Data

Based on the 2020 U.S. Census Data, the bank's Oklahoma City MSA AA contains 350 census tracts with the following income designations: 28 low-, 95 moderate-, 114 middle-, and 94 upper-income census tracts, as well as 19 census tracts without an income designation. The following table provides additional demographic and economic data for the bank's Oklahoma City MSA AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	350	8.0	27.1	32.6	26.9	5.4
Population by Geography	1,141,375	6.7	24.9	35.5	31.0	1.9
Housing Units by Geography	475,056	7.0	26.9	36.4	28.8	1.7
Owner-Occupied Units by Geography	264,359	4.2	20.1	37.3	37.4	1.1
Occupied Rental Units by Geography	165,159	10.3	35.5	36.0	15.7	2.5
Vacant Units by Geography	45,538	11.3	34.8	33.0	18.4	2.6
Businesses by Geography	171,959	5.0	22.9	32.1	37.3	2.6
Farms by Geography	4,634	3.8	21.3	32.2	41.5	1.2
Family Distribution by Income Level	268,421	22.1	17.7	20.0	40.2	0.0
Household Distribution by Income Level	429,518	24.6	16.9	18.3	40.2	0.0
Median Family Income – Oklahoma City, OK MSA		\$75,170	Median Housing Value Median Gross Rent Families Below Poverty Level			\$165,761 \$912 10.3%

Source: 2020 U.S. Census Data and 2022 D&B Data. Due to rounding, totals may not equal 100.0.
 (*) The NA category consists of geographies that have not been assigned an income classification.

According to Moody's Analytics, the Oklahoma City MSA's largest employers included Tinker Air Force Base, University of Oklahoma, and Integris Health. The following table shows the annual unemployment rates for counties within the AA, State of Oklahoma, and nationwide for the evaluation period. The trend shows generally steady rates in all areas with the exception of a spike in 2020 due to the nationwide COVID-19 pandemic.

Unemployment Rates					
Area	2018	2019	2020	2021	2022
	%	%	%	%	%
Logan County	2.9	2.7	5.3	3.4	2.7
Oklahoma County	3.2	3.0	6.6	4.2	2.9
Cleveland County	2.8	2.7	5.7	3.4	2.5
State of Oklahoma	3.3	3.1	6.3	4.0	3.0
National Average	3.9	3.7	8.1	5.4	3.6

Source: Bureau of Labor Statistics.

Examiners used the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on 2022 FFIEC-updated median family income of \$84,900 for the Oklahoma City MSA.

Median Family Income Ranges – Oklahoma City MSA				
Median Family Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$84,900)	<\$42,450	\$42,450 to <\$67,920	\$67,920 to <\$101,880	≥\$101,880
<i>Source: FFIEC.</i>				

Competition

The AA reflects a fairly low level of competition for financial services, based on its population. According the FDIC Deposit Market Share data as of June 30, 2023, 65 financial institutions operate 311 full-service offices in the AA. Of these institutions, Prism Bank ranked 32nd with a 0.5 percent deposit market share. However, several other financial institutions operate throughout the entire Oklahoma City MSA, which further heightens the competition level in the greater metro area.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community needs. This information helps determine financial institutions’ responsiveness to these needs and indicates available credit opportunities.

Examiners utilized an existing contact with a representative of an economic development organization located in the AA. The contact stated the primary credit needs of the area include home mortgage loans and small business loans. The influx of new residents in the area creates new businesses, and as a result, builders face challenges in order to meet housing demand. The contact expressed that local financial institutions continue to extend credit to creditworthy individuals. Overall, the contact felt that financial institutions demonstrate community involvement and responsiveness to the credit needs of the area.

Credit Needs

Considering information obtained from the community contact, demographic data, and bank management, examiners determined that home mortgage and small business loans represent the primary credit needs of the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 19, 2018, to the current evaluation dated February 15, 2024. To assess performance, examiners applied Small Institution Procedures, which include the Lending Test. The appendix lists the test’s criteria.

Activities Reviewed

For the Lending Test, CRA Small Bank Procedures require examiners to determine the bank’s major product lines for review. Initially, examiners may select from among the same loan

categories used for CRA Large Bank Evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the bank's lending activity for 2022.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	6,695	6.6	10	2.4
Secured by Farmland	670	0.7	3	0.7
Secured by 1-4 Family Residential Properties	46,083	45.4	295	69.6
Multi-Family (5 or more) Residential Properties	2,175	2.1	1	0.2
Commercial Real Estate Loans	34,354	33.8	42	9.9
Commercial and Industrial Loans	10,661	10.5	31	7.3
Agricultural Loans	45	0.0	1	0.2
Consumer Loans	753	0.7	35	8.3
Other Loans	157	0.2	6	1.4
Total Loans	101,593	100.0	424	100.0
<i>Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>				

Considering the dollar volume and number of loans originated during 2022, as well as the products commonly reviewed for CRA, examiners determined the major product lines consists of home mortgage and commercial lending. This evaluation does not include a review of small farm or consumer loans since they do not reflect major product lines, when considering both number and dollar volume, and would not materially affect any conclusions or the rating.

For the Lending Test, this evaluation includes a review of home mortgage and small business loans originated or purchased in 2022, which represents the most recent completed calendar year of available data. 2020 U.S. Census Data provided a standard of comparison for home mortgage loans, and 2022 D&B data provided a standard comparison for small business loans.

This evaluation considers the following home mortgage loans for the noted performance factors:

- Assessment Area Concentration – universe of 296 home mortgage loans totaling approximately \$48.3 million;
- Geographic Distribution – universe of 236 home mortgage loans totaling approximately \$39.0 million originated in the bank's AA; and
- Borrower Profile – sample of 51 home mortgage loans totaling approximately \$7.6 million from the universe of home mortgage loans originated inside the AA.

Additionally, this evaluation considers the following small business loans for the noted performance factors:

- Assessment Area Concentration – universe of 64 small business loans totaling approximately \$13.5 million;
- Geographic Distribution – universe of 49 small business loans totaling approximately \$8.6 million originated in the bank's AA; and
- Borrower Profile – sample of 36 small business loans totaling \$6.8 million taken from the universe of small business loans originated inside the AA.

Examiners considered the universe of loans reviewed when determining loan product weighting. The following table shows that home mortgage loans comprise a majority of the loan products reviewed by both dollar volume and number. Therefore, home mortgage loans received more weight when arriving at conclusions.

Loan Products Reviewed				
Loan Category	Universe			
	#	%	\$(000s)	%
Home Mortgage	296	82.2	48,258	78.2
Small Business	64	17.8	13,460	21.8
Total Loans	360	100.0	61,718	100.0
<i>Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>				

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans when arriving at conclusions for individual performance factors because the number of loans better indicates the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Prism Bank demonstrated outstanding performance under the Lending Test. Excellent records regarding borrower profile and geographic distribution primarily support this conclusion. The bank also originated a majority of loans inside the AA and demonstrated a reasonable record regarding the LTD ratio.

Loan-to-Deposit Ratio

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report Data, averaged 93.3 percent over the past 24 calendar quarters from March 31, 2018 to December 31, 2023. This reflects an increase from the 90.4 percent average net LTD ratio reported as the previous evaluation. The ratio ranged from a low of 84.4 percent as of June 30, 2021, to a high of 101.0 percent as of September 30, 2022. Management largely funded the significant loan growth noted previously with short-term non-core funding sources, which offsets the otherwise high average, net LTD ratio.

Examiners identified three comparable institutions operating in similar areas, with comparable asset sizes and lending emphases. As illustrated in the following table, Prism Bank's average net LTD ratio reflects similar performance compared to the other institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Prism Bank, Guthrie, OK	303,067	93.3
First Enterprise Bank, Oklahoma City, OK	193,685	87.9
Watermark Bank, Oklahoma City, OK	313,859	97.2
Citizens Bank of Edmond, Edmond, OK	383,726	93.6
<i>Source: Reports of Condition and Income 3/31/2018 - 12/31/2023.</i>		

Assessment Area Concentration

A majority of loans are inside the AA. The following table shows that Prism Bank originated a majority of its home mortgage and small business loans, by number and dollar volume, inside the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	236	79.7	60	20.3	296	38,950	80.7	9,308	19.3	48,258
Small Business	49	76.6	15	23.4	64	8,582	63.8	4,878	36.2	13,460
Source: 2022 Bank Data.										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the AA. An excellent record regarding home mortgage loans outweighs a reasonable record regarding small business loans to support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. Excellent performance in low- and moderate-income census tracts supports this conclusion. The following table shows Prism Bank's level of lending in low-income census tracts exceeds demographic data by 8.9 percentage points, which reflects excellent penetration considering the low percentage of owner-occupied housing units located in those census tracts. In moderate-income census tracts, the bank's performance substantially exceeds demographic data by 26.9 percentage points, also evidencing excellent performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	4.2	31	13.1	3,845	9.9
Moderate	20.1	111	47.0	14,889	38.2
Middle	37.3	55	23.3	8,576	22.0
Upper	37.4	35	14.8	10,760	27.6
Not Available	1.1	4	1.7	880	2.3
Total	100.0	236	100.0	38,950	100.0
<i>Source: 2020 U.S. Census Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. Reasonable performance in low- and moderate-income census tracts supports this conclusion. The following table shows the bank's level of lending in low-income census tracts falls slightly below demographic data by 3.0 percentage points and reflects reasonable performance. In moderate-income census tracts, Prism Bank's lending exceeds demographic data by 7.7 percentage points, which remains within a reasonable range.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	5.0	1	2.0	626	3.9
Moderate	22.9	15	30.6	3,148	38.0
Middle	32.1	19	38.8	2,063	24.9
Upper	37.3	13	26.5	2,688	32.5
Not Available	2.6	1	2.0	57	0.7
Total	100.0	49	100.0	8,582	100.0
<i>Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels (including low and moderate income) and businesses of different sizes. Excellent records regarding home mortgage and small business lending support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among individuals of different income levels. An excellent record to moderate-income borrowers sufficiently outweighs an adequate record to low-income borrowers to support this conclusion. The following table shows the bank's lending to low-income borrowers reflects a comparable level to the demographic data, evidencing reasonable performance. Prism Bank's level of lending to moderate-income borrowers far exceeds demographic data by 23.5 percentage points, which reflects excellent performance.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	22.1	11	21.6	1,451	19.1
Moderate	17.7	21	41.2	3,022	39.9
Middle	20.0	4	7.8	632	8.3
Upper	40.2	15	29.4	2,477	32.7
Income Not Available	0.0	0	0.0	0	0.0
Total	100.0	51	100.0	7,582	100.0
<i>Source: 2020 U.S. Census Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Small Business Loans

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among businesses of different sizes. Examiners focused on the bank's level of lending to businesses with gross annual revenue of \$1 million or less when arriving at this conclusion. The following table shows the bank originated more than nine out of every ten small business loans to businesses with gross annual revenue of \$1 million or less, which reflects excellent performance. The data also shows the bank originated more than six out of every ten small business loans in the smallest revenue category, which further supports excellent performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	72.5	23	63.9	3,862	57.2
\$100,000 - \$249,999	13.7	4	11.1	417	6.2
\$250,000 - \$499,999	3.3	6	16.7	962	14.2
\$500,000 - \$1,000,000	1.8	2	5.6	1,496	22.1
Subtotal ≤ \$1,000,000	91.3	35	97.3	6,737	99.7
> \$1,000,000	2.5	1	2.8	20	0.3
Revenue Not Available	6.1	0	0.0	0	0.0
Total	100.0	36	100.0	6,757	100.0
<i>Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.</i>					

Response to Complaints

The institution did not receive 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 the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.