

PUBLIC DISCLOSURE

April 2, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Pataskala Banking Company
Certificate Number: 9440

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Pataskala, Ohio 43062

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREA.....	2
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	10
APPENDICES	11
SMALL INSTITUTION PERFORMANCE CRITERIA	11
GLOSSARY.....	12

INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities. The following points summarize the institution’s Community Reinvestment Act (CRA) performance:

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and AA credit needs.
- A majority of home mortgage loans and home equity lines of credit (HELOCs) are in the institution’s AA.
- The geographic distribution of home mortgage loans and HELOCs reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels.
- The institution did not receive any CRA related complaints since the last evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

The Pataskala Banking Company (PBC) is headquartered in Pataskala, Ohio. The institution received a “Satisfactory” rating at its previous FDIC Performance Evaluation, dated March 5, 2018, based on the Interagency Small Institution Examination Procedures.

PBC operates both a main office and a full-service branch in Pataskala, Ohio, within Licking County. In August 2021, the institution closed the Summit branch located in a middle-income census tract (CT) in Reynoldsburg, Ohio. The institution did not participate in any merger or acquisition activities since the previous evaluation.

The institution offers a variety of banking products and services, including deposit and lending products. Deposit products include checking, savings, certificate of deposit, and money market accounts. The institution also offers alternative banking services to include online and mobile banking, and electronic bill pay. In addition, the institution has a deposit taking automated teller machine at each branch location. PBC’s primary lending focus is home mortgage, HELOCs, and consumer loans. In addition, PBC offers commercial and small business loans.

As of the December 31, 2023, Reports of Condition and Income (Call Report), PBC reported total assets of \$38.4 million, total loans of \$22.6 million, and total securities of \$10.9 million. Deposits totaled \$36.0 million. The following table illustrates the institution's loan portfolio distribution.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,707	7.5
Secured by Farmland	462	2.0
Secured by 1-4 Family Residential Properties	14,219	62.9
Secured by Nonfarm Nonresidential Properties	4,143	18.3
Total Real Estate Loans	20,531	90.7
Commercial and Industrial Loans	721	3.2
Agricultural Production and Other Loans to Farmers	44	.2
Consumer Loans	1,279	5.7
Other	42	.2
Total Loans	22,617	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet its AA 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. PBC designated a single AA, consisting of the entirety of Licking County, Ohio. The AA is in conformance with CRA requirements as it consists of whole, contiguous CTs and does not arbitrarily exclude LMI CTs.

Economic and Demographic Data

The current evaluation uses the 2020 U.S. Census data to assess performance. The AA includes 46 CTs with the following income designations: two low-, 10 moderate-, 21 middle-, and 13 upper-income CTs.

PBCs designated AA has expanded since the previous evaluation to include the entirety of Licking County, Ohio. The following table illustrates relevant demographic information for the AA.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	46	4.3	21.7	45.7	28.3
Population by Geography	178,519	4.3	21.4	47.2	27.1
Housing Units by Geography	71,034	5.0	24.7	46.7	23.6
Owner-Occupied Units by Geography	46,764	2.1	18.6	50.4	28.9
Occupied Rental Units by Geography	17,702	11.7	37.1	38.1	13.1
Vacant Units by Geography	6,568	7.0	35.4	43.0	14.6
Businesses by Geography	19,648	5.4	17.7	46.8	30.2
Farms by Geography	998	1.4	14.1	57.6	26.9
Family Distribution by Income Level	45,293	20.1	19.4	21.9	38.5
Household Distribution by Income Level	64,466	23.0	16.3	18.3	42.4
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Median Housing Value		\$180,952
Families Below Poverty Level		6.8%	Median Gross Rent		\$867

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%.

The Geographic Distribution criterion compares the institution's home mortgage loans and HELOCs to the distribution of owner-occupied housing units in the AA. According to U.S. Census data, the AA contains 71,034 housing units. Of those, 65.8 percent are owner-occupied, 24.9 percent are rental-occupied, and 9.2 percent are vacant. The volume of rental-occupied and vacant units suggest a slightly limited opportunity to originate home mortgage loans and HELOCs in the AA.

Examiners used the FFIEC-updated median family income (MFI) ranges to analyze home mortgage loans and HELOCs under the Borrower Profile criterion. The following table outlines the income ranges within the AA.

MFI Ranges				
MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$95,600)	<\$47,800	\$47,800 to <\$76,480	\$76,480 to <\$114,720	≥\$114,720
2023 (\$100,900)	<\$50,450	\$50,450 to <\$80,720	\$80,720 to <\$121,080	≥\$121,080

Source: FFIEC

Examiners considered unemployment data when evaluating the institution's ability to lend within the AA. Data obtained from the U.S. Bureau of Labor and Statistics indicates unemployment rates decreased in Licking County over the past three years from 4.1 percent in 2021 to 3.1 percent in 2023. This is better than the state and national levels, and indicates the potential for higher consumer borrowing capacity.

Competition

According to the FDIC Deposit Market Share data as of June 30, 2023, 40 financial institutions operated 40 branches within Licking County resulting in a moderately competitive market for banking services. Of 40 institutions, PBC ranked eighth with 1.0 percent of the deposit market share. The top two institutions accounted for 61.6 percent of the deposit market share. The institution is not required to report home mortgage data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include a direct comparison against aggregate data. However, aggregate data reflects the level of demand for home mortgage loans. The 2022 aggregate mortgage data revealed that 343 lenders reported 10,717 home mortgage loans in the AA, the most recent year for which aggregate is available. The top five lenders accounted for 25.8 percent of the market share, indicating a moderately competitive market.

The institution is not required to report HELOC data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include a direct comparison against aggregate data. However, aggregate data reflects the level of demand for HELOCs. The 2022 aggregate mortgage data revealed that 70 lenders reported 2,331 HELOCs in the AA. The top five lenders accounted for 61.7 percent of the market share, indicating a highly competitive market.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying community and credit needs. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to the AA's credit needs. For this evaluation, examiners conducted an interview with a local economic development organization within the AA.

The community contact indicated the primary credit needs are affordable single-and multi-family housing for families. In addition, due to the limited housing stock within the AA, HELOCs for consumers to improve and maintain their properties are also a need. The contact was not aware of any discriminatory practices.

Credit Needs

Considering information from the community contact, institution management, and demographic and economic data, examiners determined home mortgage loans and HELOCs represent the primary credit needs within the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the last evaluation dated March 5, 2018 to the current evaluation, dated April 2, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate the institutions CRA performance. The Appendix discusses the small institution performance criteria.

Activities Reviewed

Examiners determined home mortgage loans and HELOCs represent the institutions primary product lines. Examiners considered the institution's business strategy, the number and dollar

volume of loans originated during the evaluation period, loan portfolio composition, and AA credit needs. Examiners weighted home mortgage loans greater than HELOCs, considering the overall loan portfolio composition, and dollar volume of activity. No other loan types, such as small business, small farm, or consumer loans represent a major product line; therefore, examiners did not analyze those products, as they would not provide material support for conclusions or ratings.

Examiners analyzed the universe of home mortgage loans originated between January 1, 2022, and December 31, 2023. The institution originated 30 home mortgage loans totaling \$4.1 million in 2022, and 20 home mortgage loans totaling approximately \$3.6 million in 2023. The 2020 U.S. Census data provided a standard of comparison in analyzing the bank's home mortgage lending.

Examiners analyzed the universe of HELOCs originated between January 1, 2022, and December 31, 2023. The institution originated 15 home HELOCs totaling \$1.2 million in 2022, and 8 HELOCs totaling approximately \$775,000 in 2023. The 2020 U.S. Census data provided a standard of comparison in analyzing the bank's record of originating HELOCs.

Examiners analyzed and presented both the number and dollar volume of home mortgage loans and HELOCs. However, examiners emphasized performance relative to the number of loans originated, as this is a better indicator of the number of individuals served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners only evaluated loans extended within the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, the institution demonstrated satisfactory performance under the Lending Test. Reasonable performance under the Geographic Distribution and Borrower Profile criteria primarily supports this conclusion.

Loan-to-Deposit Ratio

The net LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The LTD ratio, calculated from Call Report data, averaged 58.1 percent over the last 24 calendar quarters from March 31, 2018, to December 31, 2023. The ratio ranged from a high of 66.8 percent as of September 30, 2018, to a low of 46.4 percent as of December 31, 2021. As shown in the following table, the bank's average LTD ratio trails all but one similarly-situated institution, but is nonetheless reasonable. Examiners selected comparable institutions based on their asset size, geographic location, and loan portfolio distribution.

LTD Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
PBC	38,446	58.1
Similarly-Situated Institution #1	53,757	12.4
Similarly-Situated Institution #2	50,995	86.3
Similarly-Situated Institution #3	42,160	83.7
Similarly-Situated Institution #4	37,159	87.1

Source: Reports of Condition and Income 03/31/2018 – 12/31/2023

Assessment Area Concentration

Overall, PBC originated a majority of home mortgage loans and HELOCs, by number and dollar volume, with the AA, with the exception of total dollars for HELOCs in 2023. The following table illustrates the lending activity both inside and outside of the AA.

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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	19	63.3	11	36.7	30	2,384	58.5	1,689	41.5	4,073
2023	12	60.0	8	40.0	20	2,035	56.5	1,565	43.5	3,600
Subtotal	31	62.0	19	38.0	50	4,419	57.6	3,254	42.4	7,673
HELOC										
2022	12	80.0	3	20.0	15	1,025	88.7	131	11.3	1,156
2023	5	62.5	3	37.5	8	205	26.5	570	73.5	775
Subtotal	17	73.9	6	26.1	23	1,230	63.7	701	36.3	1,931

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

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AA. The reasonable performance of home mortgages loans and HELOCs support this conclusion. Although the bank's lending volume is low, the bank's home mortgage and HELOC lending exceeded owner-occupied housing units in moderate-income CTs in most years. The bank did not lend in low-income CTs in most years given the two low-income CTs are not in close proximity to PBC's two offices that are located in the southwest corner of the AA. The two low-income CTs are located in the central part of the AA in Newark, Ohio where there are several institutions closer to Newark to serve these customers. Given these factors, examiners considered this performance reasonable. See the following tables for details.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The bank's performance in LMI areas exceeded the demographic data with the exception of

2022 lending in low-income CTs where there were no loans originated. See the following table for details.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2022	2.1	0	0	0	0
2023	2.1	3	25.0	340	16.7
Moderate					
2022	18.6	5	26.3	519	21.8
2023	18.6	3	25.0	281	13.8
Middle					
2022	50.4	9	47.4	1,494	62.6
2023	50.4	2	16.7	663	32.6
Upper					
2022	28.9	5	26.3	372	15.6
2023	28.9	4	33.3	750	36.9
Totals					
2022	100.0	19	100.0	2,384	100.0
2023	100.0	12	100.0	2,035	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

HELOCs

Overall, the geographic distribution of HELOCs reflects reasonable dispersion throughout the AA. While the bank made no loans in low-income CTs, the bank’s lending in moderate-income CTs slightly trailed the demographic in 2022 and exceeded the demographic in 2023. As previously stated, the two low-income CTs are not in close proximity to the bank’s offices. See the following table for details.

Geographic Distribution of HELOCs					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2022	2.1	0	0	0	0
2023	2.1	0	0	0	0
Moderate					
2022	18.6	2	16.7	300	29.3
2023	18.6	2	40.0	90	43.9
Middle					
2022	50.4	6	50.0	205	20.0
2023	50.4	3	60.0	115	56.1
Upper					
2022	28.9	4	33.3	520	50.7
2023	28.9	0	0	0	0
Totals					
2022	100.0	12	100.0	1,025	100.0
2023	100.0	5	100.0	205	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels. The institution’s HELOC performance supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is poor. The institution only originated home mortgage loans to low-income borrowers in 2022. For moderate-income borrowers, the institution’s performance was significantly less than demographic data in 2022 and 2023.

According to demographic data, 6.8 percent of families in the AA are living below the poverty line. Due to their limited financial resources, families with low incomes, including those below the poverty line are unlikely to qualify for home mortgage loans, limiting the opportunity to lend to those borrowers. The median housing value in the AA is \$180,952.

See the following table for details. The not available income category includes all residential real estate non-owner occupied loans originated in 2022 and 2023 in which qualifying borrower income is not analyzed for borrower profile purposes.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2022	20.1	3	15.8	360	15.1
2023	20.1	0	0	0	0
Moderate					
2022	19.4	1	5.3	188	7.9
2023	19.4	1	8.3	18	1.0
Middle					
2022	21.9	2	10.5	423	17.7
2023	21.9	2	16.7	384	18.9
Upper					
2022	38.5	2	10.5	24	1.0
2023	38.5	3	25.0	1,012	49.6
Not Available					
2022	0.0	11	57.9	1,389	58.3
2023	0.0	6	50.0	621	30.5
Totals					
2022	100.0	19	100.0	2,384	100.0
2023	100.0	12	100.0	2,035	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

HELOCs

The bank's HELOC originations to LMI borrowers slightly trailed the demographics in 2022 and are greater than or equal to the demographics in 2023. Although the bank's overall lending volume is low, examiners consider this performance reasonable given the bank's size and highly competitive housing market. See the following table for details.

Distribution of HELOCs by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2022	20.1	2	16.7	75	7.3
2023	20.1	2	40.0	90	43.9
Moderate					
2022	19.4	2	16.7	75	7.3
2023	19.4	1	20.0	40	19.5
Middle					
2022	21.9	3	25.0	125	12.2
2023	21.9	2	40.0	75	36.6
Upper					
2022	38.5	5	41.6	750	73.2
2023	38.5	0	0	0	0
Totals					
2022	100.0	12	100.0	1,025	100.0
2023	100.0	5	100.0	205	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

PBC did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the bank's CRA rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and Equal Credit Opportunity Act, and did not identify any evidence of discriminatory or other illegal credit practice.

APPENDICES

SMALL INSTITUTION PERFORMANCE CRITERIA

Lending Test

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

- 1) The institution'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 institution's assessment area(s);
- 3) The geographic distribution of the institution'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 institution'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.