

PUBLIC DISCLOSURE

November 3, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Security State Bank of Hibbing
Certificate Number: 10175

701 East Howard Street
Hibbing, Minnesota 55746

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

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

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

Security State Bank of Hibbing's Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and credit needs in the assessment area.
- Security State Bank of Hibbing originated a majority of its small business and home mortgage loans within the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects poor penetration among businesses of different revenue sizes and borrowers of different income levels.
- Security State Bank of Hibbing has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Security State Bank of Hibbing is headquartered in Hibbing, Minnesota, where it operates its sole office. The bank is wholly owned by Security Financial Services, Inc., a one-bank holding company, also in Hibbing, Minnesota. There were no branch openings, mergers, or acquisitions during the evaluation period. Security State Bank of Hibbing received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated January 13, 2020, based on Interagency Small Institution Examination Procedures.

Security State Bank of Hibbing offers a variety of commercial, home mortgage, and consumer loan products designed to meet the needs of the communities it serves. Commercial loans continue to represent the bank’s primary business line, followed by home mortgage loans. Additionally, the bank provides a variety of deposit products and alternative banking services for both commercial and consumer customers. Deposit products include checking, savings, money market, health savings accounts, individual retirement accounts, and certificates of deposit. Alternative banking services include internet, mobile, and telephone banking, electronic bill pay, and one bank-owned and operated automated teller machine (ATM), as well as surcharge-free access to any ATM affiliated with the MoneyPass Network.

The June 30, 2025, Consolidated Reports of Condition and Income (Reports of Condition) reflect assets totaling \$150.5 million, loans totaling \$91.5 million, and deposits totaling \$135.7 million. The bank’s loan portfolio distribution is illustrated in the following table.

Loan Portfolio Distribution as of June 30, 2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	8,994	9.8
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	25,091	27.4
Secured by Multifamily (5 or more) Residential Properties	439	0.5
Secured by Nonfarm Nonresidential Properties	22,179	24.2
Total Real Estate Loans	56,703	61.9
Commercial and Industrial Loans	29,970	32.7
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	3,255	3.6
Other Loans	1,616	1.8
Total Loans	91,544	100.0
<i>Source: Reports of Condition</i>		

Examiners did not identify any legal, financial, 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 each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Security State Bank of Hibbing designated one assessment area that includes portions of St. Louis County. Specifically, the partial county includes census tracts 121.00, 122.00, 123.00, 124.00, 125.00, 126.00, 127.00, 128.00, 130.00, 131.00, 132.00, 133.00, 134.00, 135.00, 151.00, 152.00, 155.01, 155.02, and 155.03. The assessment area is part of the Duluth, Minnesota-Wisconsin Metropolitan Statistical Area (MSA). The assessment area delineation remains the same as the prior CRA evaluation.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area is comprised of 1 low-, 5 moderate-, 12 middle-, and 1 upper-income geographies. The sole office is located in an upper-income census tract. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area								
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #		
Geographies (Census Tracts)	19	5.3	26.3	63.2	5.3	0.0		
Population by Geography	52,590	4.6	28.2	62.4	4.8	0.0		
Housing Units by Geography	32,283	4.6	24.7	66.4	4.3	0.0		
Owner-Occupied Units by Geography	17,542	2.2	26.0	67.4	4.5	0.0		
Occupied Rental Units by Geography	6,324	13.0	39.6	41.8	5.6	0.0		
Vacant Units by Geography	8,417	3.2	10.8	83.0	3.0	0.0		
Businesses by Geography	4,793	7.6	22.0	61.9	8.5	0.0		
Farms by Geography	75	0.0	6.7	90.7	2.7	0.0		
Family Distribution by Income Level	13,505	23.8	19.0	23.9	33.3	0.0		
Household Distribution by Income Level	23,866	29.8	16.0	18.0	36.2	0.0		
Median Family Income - Duluth, Minnesota-Wisconsin MSA	\$77,539	Median Housing Value				\$ 136,372		
		Median Gross Rent				\$626		
					Families Below Poverty Level		10.6%	
<i>Source: 2020 Census and 2024 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>								

The 2024 D&B data indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 16.8 percent; followed by other services (except public administration) at 11.3 percent; retail trade at 8.7 percent; construction at 7.8 percent; and health care and social assistance at 7.4 percent. Additionally, 69.7 percent of area businesses have four or fewer employees, and 86.0 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC) provides updated median family income levels that are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Duluth, Minnesota-Wisconsin MSA are presented in the following table.

Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper >= 120%
2024	\$94,700	< \$47,350	\$47,350 to < \$75,760	\$75,760 to < \$113,640	>= \$113,640
<i>Source: FFIEC</i>					

Competition

The bank’s assessment area is very competitive for financial services. According to 2025 FDIC Deposit Market Share data, 20 financial institutions operate 64 offices within St. Louis County. Security State Bank of Hibbing ranks 8th with 2.9 percent of the deposit market share.

The bank is not required to collect or report small business CRA loan data and has elected not to do so. Therefore, examiners did not compare the bank’s small business lending performance to aggregate CRA data within this evaluation. However, the aggregate CRA data provides an indication of the level of demand for small business loans and the level of competition within the assessment area. According to 2023 aggregate CRA data (the most recent available), 62 reporters collectively reported 2,602 small business loans within the assessment area. These figures do not include a high number of loans originated by smaller or mid-sized institutions, such as Security State Bank of Hibbing, that are not required to report small business lending data but that operate within the assessment area. The overall volume of small business lending reflects a highly competitive market.

Security State Bank of Hibbing also faces competition for home mortgage loans from financial institutions and mortgage companies originating or purchasing loans within the assessment area. According to 2023 aggregate Home Mortgage Disclosure Act (HMDA) data, which is the most recent year that market share data was available, 125 HMDA data reporters collectively reported 953 home mortgage loans within the assessment area. Security State Bank of Hibbing ranked 22nd with 1.4 percent of the HMDA market share by number. The top lenders consisted of large banks and mortgage companies. The overall volume of home mortgage lending reflects a competitive market.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners reviewed a recently conducted contact discussion with a representative of an economic development organization that serves a portion of the assessment area.

The contact mentioned the economy has generally been good; however, there has been uncertainty in recent years due to a downturn in tourism and economic concerns. Moderate winters have

stunted tourism which is an economic driver in the area. The cancellation of seasonal events have affected local hotels, resorts, and businesses that rely on the additional tourism in the area. Furthermore, a few businesses were looking to open facilities in the area, however the businesses decided to reside in a different state due to complex permit processes in Minnesota. Lastly, coal-fired generation and the timber industry are facing challenges. The local coal power plant is set to be decommissioned and the timber industry is also dealing with permit hardships and weather conditions. The area struggles to retain or attract young people due to limited opportunities for this demographic. In addition, the housing market has increased to the point where it has priced a lot of first-time buyers and low-to-moderate income individuals out of the market to purchase homes.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business and home mortgage lending represent the primary needs and opportunities for lending within the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated January 13, 2020, to the current evaluation dated November 3, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance under the Lending Test, as detailed in the Appendices.

Activities Reviewed

Examiners determined the bank's major product lines are commercial and home mortgage lending. This conclusion considered discussions with management regarding the bank's business strategy, the number and dollar volume of loans originated during the evaluation period, and Reports of Condition data. Further, examiners attributed more weight to small business products when deriving overall conclusions. Examiners did not review agricultural lending because there is no activity reflected in the loan portfolio.

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small business and home mortgage loans originated or renewed in 2024, as this period was considered representative of the bank's performance during the entire evaluation period. D&B data for 2024 provided a standard of comparison for small business performance and the 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance.

For the Assessment Area Concentration analysis, examiners reviewed all small business and home mortgage loans originated or renewed in 2024. For the Geographic Distribution and Borrower Profile analyses, all loans made inside the assessment area were reviewed. The following table details the loan universes and volume of loans reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business	88	14,047	66	9,385
Home Mortgage	18	2,929	10	1,123
<i>Source: Bank Data</i>				

While both the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, because the number of loans is a better indicator of the number of businesses and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Security State Bank of Hibbing demonstrated overall reasonable performance under the Lending Test. The balance of the bank’s reasonable Loan-to-Deposit Ratio and Assessment Area Concentration performance, excellent Geographic Distribution performance, and poor Borrower Profile performance supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and credit needs of the assessment area. The bank’s net loan-to-deposit ratio, calculated from Reports of Condition data, averaged 54.5 percent over the past 22 calendar quarters from March 31, 2020, to June 30, 2025. The ratio ranged from a low of 38.1 percent as of December 31, 2021, to a high of 66.3 percent as of June 30, 2025.

The bank’s lending activities included 201 Paycheck Protection Program loans totaling approximately \$23.5 million in 2021 as well as 108 secondary market loans totaling \$17.3 million which demonstrates the bank’s willingness to lend. Management also noted the average balances on deposit accounts have decreased due to higher cost of living resulting from a post COVID economy. The bank’s net loan-to-deposit ratio has steadily increased since its low point in 2021 and is slightly higher than the previous examination. Furthermore, the bank’s overall loan portfolio grew 21.8 percent, whereas deposits only increased by 1.5 percent.

When available and relevant, the performance of similarly-situated lenders serves as an additional method of assessing an institution’s average net loan-to-deposit ratio. Similarly-situated lenders are defined as financial institutions located in or near the assessment area and are comparable to the subject institution based on asset size, market served, product offerings, loan portfolio composition, and/or branching structure. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Security State Bank of Hibbing’s average net loan-to-deposit ratio is less than all of the comparable financial institutions, as shown in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/25 \$(000s)	Average Net Loan-to-Deposit Ratio (%)
Northern State Bank of Virginia Virginia, Minnesota	99,123	71.6
Security State Bank of Hibbing Hibbing, Minnesota	150,501	54.5
The Miners National Bank of Eveleth Eveleth, Minnesota	89,105	71.6
Western National Bank Duluth, Minnesota	124,876	72.8
<i>Source: Reports of Condition 3/31/2020 through 6/30/2025</i>		

Assessment Area Concentration

Security State Bank of Hibbing originated a majority of its small business and home mortgage loans within its assessment area, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	66	75.0	22	25.0	88	9,385	66.8	4,662	33.2	14,047
Home Mortgage	10	55.6	8	44.4	18	1,123	38.3	1,806	61.7	2,929
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

The geographic distribution of loans reflects overall excellent dispersion throughout the assessment area. The bank's excellent small business lending performance, which carries more weight in the analysis, primarily supports this conclusion. Examiners focused on the percentage of loans made in low- and moderate-income census tracts.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. Security State Bank of Hibbing's lending performance in low- and moderate-income census tracts exceeds demographic data. The bank's performance is illustrated in the following table.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	7.6	6	9.1	454	4.8
Moderate	22.0	21	31.8	2,581	27.5
Middle	61.9	35	53.0	6,259	66.7
Upper	8.5	4	6.1	91	1.0
Total	100.0	66	100.0	9,385	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Security State Bank of Hibbing’s lending performance in low- and moderate-income census tracts is comparable to demographic data. The bank’s performance is illustrated in the following table.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner Occupied Housing Units	#	%	\$(000s)	%
Low	2.2	0	0.0	0	0.0
Moderate	26.0	3	30.0	399	35.5
Middle	67.4	3	30.0	350	31.2
Upper	4.5	4	40.0	374	33.3
Total	100.0	10	100.0	1,123	100.0
<i>Source: 2020 Census Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of borrowers reflects overall poor penetration among businesses of different revenue sizes and borrowers of different income levels. The bank’s poor small business lending performance primarily supports this conclusion. As noted previously, small business lending performance carries more weight when forming conclusions. Examiners focused on the percentage of loans to businesses with gross annual revenues of \$1 million or less and on the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

The distribution of small business loans reflects poor lending penetration among businesses with gross annual revenues of \$1 million or less. As illustrated in the following table, the bank’s lending performance to businesses with gross annual revenues of \$1 million or less significantly lags demographic data. According to bank management and verified by examiners, there is significant competition for small business loans in the assessment area, which is supported by 2023 CRA aggregate data. Management provided some context for the poor performance. Specifically, competing financial institutions are heavily involved in Small Business Administration lending

programs, which the bank currently does not have the expertise in place to compete with these financial institutions. Management also stated that many business customers are now exceeding revenues of \$1 million as the current economic environment is driving up revenues. Although competition is significant, the bank’s performance is poor when considering demographic and CRA aggregate data indicating there are opportunities and demand in the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	81.5	29	44.0	1,419	15.1
>\$1,000,000	4.4	37	56.0	7,966	84.9
Revenue Not Available	14.0	0	0.0	0	0
Total	100.0	66	100.0	9,385	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable when considering several factors. As shown in the following table, a limited volume of loans were originated to individuals of different income levels. Specifically, the bank did not originate any loans to low-income borrowers and originated only two loans to moderate-income borrowers. The vast majority of home mortgage loans were made to businesses, not to natural persons; therefore, skewing the percentages. In addition, it is difficult for borrowers in the low- and moderate-income categories to obtain a home mortgage loan given the price and availability of lower value homes. The community contact confirmed the housing stock for low- to moderate-income individuals is non-existent, therefore these individuals are experiencing difficulty in finding starter homes in which they can meet qualification standards. Further, 10.6 percent of families in the assessment area live below the poverty level, which indicates potential applicants may struggle with savings for down payments, closing costs, and home maintenance expenses. When considering these factors, the distribution of home mortgage lending to individuals of different income levels is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	23.8	0	0.0	0	0.0
Moderate	19.0	2	20.0	113	10.1
Middle	23.9	1	10.0	208	18.5
Upper	33.3	1	10.0	95	8.5
Not Available	0.0	6	60.0	707	62.9
Totals	100.0	10	100.0	1,123	100.0
<i>Source: 2020 Census Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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.