

# **PUBLIC DISCLOSURE**

October 6, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Flat Branch Bank  
Certificate Number: 15751

803 Wollard Boulevard  
Richmond, Missouri 64085

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

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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

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## INSTITUTION RATING

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

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

The bank's Community Reinvestment Act (CRA) performance under the applicable criteria supports the overall rating. The following points summarize this performance.

- The loan-to-deposit ratio is reasonable given the institution's size and financial condition, as well as the assessment areas' credit needs.
- The bank made a majority of the reviewed loans in its assessment areas.
- The geographic distribution of the reviewed loans reflects reasonable dispersion throughout the Ray County Assessment Area.
- The distribution of borrowers reflects excellent penetration among farms and businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Flat Branch Bank is a full-service financial institution headquartered in Richmond, Missouri. The institution was formerly The State Bank, Richmond, Missouri. The bank's name change occurred shortly after it was acquired by State Holding Inc., Richmond, Missouri, a one-bank holding company, in February 2024. The change in ownership also resulted in the institution becoming affiliated with Flat Branch Mortgage, Inc., a large independent mortgage lender based in Columbia, Missouri doing business as Flat Branch Home Loans. The State Bank received a Satisfactory rating at its prior FDIC CRA evaluation dated August 31, 2020, using Interagency Small Institution Examination Procedures.

Aside from the main office in Richmond, the bank has a branch in Columbia, Missouri, which opened in March 2025. The Columbia branch is in a low-income census tract in Boone County. There have been no other changes to bank offices since the previous evaluation.

The institution offers a wide variety of loan products including commercial, residential, agricultural, and consumer loans. Deposit services include checking accounts, savings accounts, and certificates of deposits. Alternative banking services include online banking, mobile banking, and two ATMs. The Columbia branch's ATM accepts deposits.

Prior to the 2024 ownership change, the bank’s lending focus included agriculture, commercial, and residential loans in the Richmond area. After the ownership change, the bank’s loan origination activity became more focused on commercial lending, particularly in the Columbia market. Additionally, the bank began purchasing a considerable number of home mortgage loans secured by homes throughout Missouri through its new affiliate relationship with Flat Branch Home Loans.

According to the June 30, 2025 Reports of Condition and Income, the bank reported total assets of \$94.1 million, total deposits of \$84.0 million, and total loans of \$37.3 million. The following table illustrates the loan portfolio composition as of June 30, 2025, based on dollar volume.

<b>Loan Portfolio Distribution as of June 30, 2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	3,486	9.4
Secured by Farmland	2,007	5.4
Secured by 1-4 Family Residential Properties	23,382	62.7
Secured by Multifamily (5 or more) Residential Properties	80	0.2
Secured by Non-farm Non-Residential Properties	576	1.5
<b>Total Real Estate Loans</b>	<b>29,531</b>	<b>79.2</b>
Commercial and Industrial Loans	6,152	16.5
Agricultural Production and Other Loans to Farmers	635	1.7
Consumer Loans	915	2.5
Other Loans	36	0.1
Lease Financing Receivables (net of unearned income)	-	-
Less: Unearned Income	-	-
<b>Total Loans</b>	<b>37,269</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

### **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Flat Branch Bank currently has two designated assessment areas, which will be referred to as the Ray County Assessment Area and the Boone County Assessment Area in this performance evaluation.

The Ray County Assessment Area includes all census tracts in Ray County. Ray County is part of the Kansas City, Missouri-Kansas Metropolitan Statistical Area (MSA). The Richmond office is in the moderate-income census tract in this assessment area. This assessment area has not changed since the previous evaluation.

The Boone County Assessment Area includes all census tracts in Boone County. Boone County is part of the Columbia, Missouri, MSA. This is a newly designated assessment area that was established after the Columbia branch opened earlier this year. The new Columbia branch is in a low-income census tract in this assessment area.

Examiners will focus this evaluation primarily on performance in the Ray County Assessment Area since it was the bank’s sole assessment area for most of the evaluation period. Examiners did not specifically evaluate the bank’s performance in the Boone County Assessment Area due to the recent opening of the Columbia branch, and the limited time the assessment area has been in existence. The following shows demographic and economic information from the 2020 U.S. Census and 2024 D&B data for the Ray County Assessment Area.

**Economic and Demographic Data**

The Ray County Assessment Area includes six census tracts, including one moderate-income tract and five middle-income tracts. The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Ray County Assessment Area</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Geographies (Census Tracts)	6	0.0	16.7	83.3	0.0
Population by Geography	23,158	0.0	14.2	85.8	0.0
Housing Units by Geography	10,106	0.0	15.0	85.0	0.0
Owner-Occupied Units by Geography	6,821	0.0	9.4	90.6	0.0
Occupied Rental Units by Geography	1,945	0.0	29.9	70.1	0.0
Vacant Units by Geography	1,340	0.0	21.8	78.2	0.0
Businesses by Geography	1,786	0.0	15.5	84.6	0.0
Farms by Geography	161	0.0	9.3	90.7	0.0
Family Distribution by Income Level	6,321	21.4	22.3	27.2	29.2
Household Distribution by Income Level	8,766	27.5	15.8	20.0	36.6
Median Family Income - 28140 Kansas City, Missouri-Kansas MSA		\$86,562	Median Housing Value		\$138,349
Families Below Poverty Level		9.3%	Median Gross Rent		\$735
<i>Source: 2020 Census and 2024 D&amp;B Data 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 and farms at 20.3 percent; followed by construction at 10.8 percent; other services at 9.7 percent; and agriculture, forestry, fishing, and hunting businesses at 8.3 percent. The data also indicates that area businesses are generally small with 73.8 percent having 4 or fewer employees, and 94.9 percent operating from a single location.

**Competition**

The Ray County Assessment Area has significant competition for financial services given the limited population base. According to June 30, 2025 FDIC Deposit Market Share data, there are seven institutions with an office in the assessment area. Flat Branch Bank ranked third with 16.5

percent of the deposit market share. Flat Branch Bank also faces competition from non-bank lenders operating in the area.

### **Community Contact**

To help gain insight into the area economy, demographic trends, business environment, and credit needs within the local community, examiners interview individuals who are familiar with the area. This section includes observations made by a community representative familiar with Ray County.

The individual indicated that economic conditions in the area are slowing down overall. Major employers include manufacturing, retail, and agriculture businesses, and local school districts are also significant employers in the area. In the agriculture sector, crop producers are currently facing considerable economic pressure, including increasing costs and tariff uncertainties. Livestock producers are doing better because of record high cattle prices, though the long-term drought has caused a beef shortage. Small businesses in the area are not slow and are holding steady according to the contact. The individual stated that there is a shortage of affordable housing, especially for those looking to rent. The contact indicated that agriculture lending is the primary credit need in the area, particularly small farm loans. However, the individual believes the issues facing the agriculture economy are giving banks pause in extending credit to local farmers.

### **Credit Needs**

Examiners determined that small farm, small business, and home mortgage loans are all primary credit needs in this assessment area based on information from bank management, the community contact, and demographic and economic data.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated August 31, 2020, to the current evaluation dated October 6, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance.

### **Activities Reviewed**

Examiners reviewed small farm, small business, and home mortgage loans to evaluate the bank's lending performance for this evaluation. The loan products reviewed were selected based on the bank's lending activity and business focus during the evaluation period. Since the bank's business focus changed during the evaluation period, examiners reviewed all small farm, small business, and home mortgage loans originated or purchased in 2023 and 2024 to assess performance. Lending activity in 2023 is considered reasonably representative of the bank's lending prior to the ownership change, while lending activity in 2024 incorporates the change in business focus after the ownership change.

According to bank records, the bank originated 20 small farm loans totaling \$1.6 million in 2023, and 19 small farm loans totaling \$1.5 million in 2024. The bank originated 10 small business

loans totaling \$303,000 in 2023, and 28 small business loans totaling \$2.4 million in 2024. The bank originated 5 home mortgage loans totaling \$595,000 in 2023, and 17 home mortgage loans totaling \$3.8 million in 2024. Additionally, the bank purchased 25 home mortgage loans totaling \$4.7 million from its affiliated mortgage lender in 2024.

For the Lending Test, examiners reviewed the entire universe of 2023 and 2024 small farm, small business, and home mortgage loans to evaluate the Assessment Area Concentration criterion. The bank's performance in 2023 received more weight when drawing overall conclusions for this criterion, since it was reflective of the bank's lending for the majority of the evaluation period. Loans originated or purchased in both of the bank's delineated assessment areas were considered within the assessment areas when evaluating the Assessment Area Concentration criterion. For the Geographic Distribution and Borrower Profile criteria, examiners reviewed all small farm and small business loans inside the Ray County Assessment Area. The small farm loan category accounted for the majority of loans in this assessment area; therefore, it received more weight when drawing overall conclusions. There were not enough home mortgage loans originated or purchased in the Ray County Assessment Area to conduct a meaningful analysis for the Geographic Distribution and Borrower Profile criteria. Since the Columbia branch was just opened earlier this year, the bank's performance was not evaluated in the Boone County Assessment Area under the Geographic Distribution or Borrower Profile criteria.

The 2024 D&B data provided a standard of comparison for the bank's small farm and small business lending performance. Throughout this evaluation, examiners placed greater weight on the number of loans, as opposed to the dollar volume, as the number of loans is considered a better indicator of the number of farms and businesses served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Flat Branch Bank demonstrated satisfactory performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Geographic Distribution criteria supports this conclusion. Although the bank's performance under the Borrower Profile criterion was excellent, it did not elevate the overall conclusion.

#### **Loan-to-Deposit Ratio**

The loan-to-deposit ratio is reasonable given the institution's size and financial condition, as well as the credit needs in the area. The bank's loan volume dropped \$5.5 million from September 30, 2020, to March 31, 2024, partly due to the terms of the bank sale, while deposits grew slightly during this time period. As a result, the bank's loan-to-deposit ratio declined from 50.7 percent on September 30, 2020, to 32.2 percent on March 31, 2024. Subsequently, both loan volume and deposits have grown substantially. By June 30, 2025, the bank's loan volume grew by \$25.3 million, and deposits grew by \$48.2 million. As a result, the bank's loan-to-deposit ratio on June 30, 2025, increased to 43.9 percent.

Performance for this criterion is primarily evaluated by comparing the average of the bank’s loan-to-deposit ratios for 20 quarters since the previous evaluation to the average loan-to-deposit ratios of similarly situated banks for the same time period. Examiners selected the similarly situated institutions based on their asset size, geographic location, and product mix. As detailed in the following table, the bank’s average net loan-to-deposit ratio is somewhat lower than the similarly situated institutions’ ratios. However, the bank’s loan-to-deposit ratio is still reasonable, particularly given the recent upward trend and loan growth.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of June 30, 2025 (\$000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>Flat Branch Bank, Richmond, Missouri</b>	<b>94,085</b>	<b>37.1</b>
Carroll County Trust Company of Carrollton, Missouri	206,611	42.3
The Hamilton Bank, Hamilton, Missouri	110,896	49.9

*Source: Reports of Condition and Income 9/30/2020 through 6/30/2025*

### **Assessment Area Concentration**

Overall, a majority of the loans reviewed by number and dollar volume were within the assessment areas. Further, several of the loans reviewed were within the assessment areas in 2023. However, it is noted that a substantial portion of the home mortgage loans were outside the assessment areas by number and dollar volume in 2024. The loans outside the assessment areas were primarily loans purchased by the bank from its affiliated mortgage lender. See the following table for details.

<b>Lending Inside and Outside of the Assessment Areas</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000)</b>				<b>Total \$(000)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
<b>Home Mortgage</b>										
2023	5	100.0	0	0.0	5	595	100.0	0	0.0	595
2024	15	35.7	27	64.3	42	2,898	34.0	5,621	66.0	8,519
<b>Subtotal</b>	<b>20</b>	<b>42.6</b>	<b>27</b>	<b>57.4</b>	<b>47</b>	<b>3,493</b>	<b>38.3</b>	<b>5,621</b>	<b>61.7</b>	<b>9,114</b>
<b>Small Business</b>										
2023	8	80.0	2	20.0	10	248	81.8	55	18.2	303
2024	18	64.3	10	35.7	28	1,636	66.9	809	33.1	2,445
<b>Subtotal</b>	<b>26</b>	<b>68.4</b>	<b>12</b>	<b>31.6</b>	<b>38</b>	<b>1,884</b>	<b>68.6</b>	<b>864</b>	<b>31.4</b>	<b>2,748</b>
<b>Small Farm</b>										
2023	19	95.0	1	5.0	20	1,561	96.9	50	3.1	1,611
2024	18	94.7	1	5.3	19	1,453	96.7	50	3.3	1,503
<b>Subtotal</b>	<b>37</b>	<b>94.9</b>	<b>2</b>	<b>5.1</b>	<b>39</b>	<b>3,014</b>	<b>96.8</b>	<b>100</b>	<b>3.2</b>	<b>3,114</b>
<b>Total</b>	<b>83</b>	<b>66.9</b>	<b>41</b>	<b>33.1</b>	<b>124</b>	<b>8,391</b>	<b>56.0</b>	<b>6,585</b>	<b>44.0</b>	<b>14,976</b>

*Source: Bank Data*

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Ray County Assessment Area. The bank’s reasonable performance in both loan categories reviewed supports this conclusion. For this criterion, examiner focused on the percentage of loans in the moderate-income census tract as the assessment area does not include any low-income census tracts.

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the Ray County Assessment Area. As the following table shows, the bank did not make any small farm loans in the moderate-income tract in 2024, and the bank’s percentage of lending in the moderate-income tract was somewhat lower than the corresponding demographic data in 2023. However, the bank’s lending is considered reasonable as the moderate-income tract is primarily in the southern portion of the city of Richmond, so the number of farms in this tract is very limited. Specifically, the 2024 D&B data indicated there were only 15 farms in this census tract.

<b>Geographic Distribution of Small Farm Loans Ray County Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate					
2023	12.3	1	5.3	5	0.3
2024	9.3	0	0.0	0	0.0
Middle					
2023	87.7	18	94.7	1,556	99.7
2024	90.7	18	100.0	1,453	100.0
<b>Total</b>					
<b>2023</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>1,561</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>1,453</b>	<b>100.0</b>

*Source: 2023 and 2024 D&B Data, Bank Data*

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the Ray County Assessment Area. For both years reviewed, the bank’s lending performance in the moderate-income census tract is similar to the percentage of assessment area businesses in that tract. See the following table for details.

Geographic Distribution of Small Business Loans Ray County Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2023	18.5	2	25.0	37	14.9
2024	15.5	1	12.5	484	61.8
Middle					
2023	81.5	6	75.0	211	85.1
2024	84.6	7	87.5	299	38.2
<b>Total</b>					
<b>2023</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>248</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>783</b>	<b>100.0</b>
<i>Source: 2023 and 2024 D&amp;B Data, Bank Data Due to rounding, totals may not equal 100.0%.</i>					

**Borrower Profile**

The distribution of borrowers reflects excellent penetration in the Ray County Assessment Area. The bank’s excellent performance in both loan categories reviewed supports this conclusion. For this criterion, examiners focused on the percentage of small farm and small business loans to operations with gross annual revenues of \$1 million or less.

***Small Farm Loans***

The distribution of loans to farms of different revenue sizes is excellent. In 2023 and 2024, all 37 small farm loans reviewed in the Ray County Assessment Area were extended to operations with revenues of \$1 million or less. This exceeds D&B demographic data for both years, which indicates 99.4 percent of assessment area farms were in this same revenue category.

***Small Business Loans***

The distribution of loans to businesses of different revenue sizes is excellent. In 2023 and 2024, all 16 small business loans reviewed in the Ray County Assessment Area were extended to operations with revenues of \$1 million or less. This exceeds D&B demographic data, which indicates 91.7 percent of assessment area businesses were in this same revenue category in 2023, and 92.4 percent of assessment area businesses were in this same revenue category in 2024.

**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 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.