

PUBLIC DISCLOSURE

July 14, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Farmers State Bank of Blue Mound
Certificate Number: 17629

205 South Fifth Street
Blue Mound, Kansas 66010

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 satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and the credit needs of the assessment areas.
- The bank originated a majority of its small farm and small business loans within the assessment areas.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable 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

The Farmers State Bank of Blue Mound is headquartered in Blue Mound, Kansas, and operates in east central Kansas. Dale Sprague Enterprises, Inc., a one-bank holding company also in Blue Mound, wholly owns the bank. The institution does not have any other affiliates or subsidiaries. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated July 15, 2019, based on Interagency Small Institution Examination Procedures.

In addition to its main office, The Farmers State Bank of Blue Mound operates two full-service branches, which are located in Pleasanton and Garnett. All locations have drive-up facilities. There have been no branch openings or closings, and no merger or acquisition activities have occurred since the previous evaluation.

The bank offers traditional loan products including agricultural, commercial, and consumer loans, with a primary focus on agricultural lending. The bank provides a variety of deposit products including checking, savings, money market deposit accounts, and certificates of deposit. The bank also offers internet banking.

The Farmers State Bank of Blue Mound’s March 31, 2025 Reports of Condition and Income reflected total assets of \$57.6 million, total deposits of \$48.9 million, and total loans of \$35.4 million. The loan portfolio is illustrated in the following table.

| Loan Portfolio Distribution as of 03/31/25 | | |
|---|-----------------|--------------|
| Loan Category | \$(000s) | % |
| Construction and Land Development | 0 | 0.0 |
| Secured by Farmland | 15,664 | 44.3 |
| Secured by 1-4 Family Residential Properties | 1,938 | 5.5 |
| Secured by Multifamily (5 or more) Residential Properties | 0 | 0.0 |
| Secured by Nonfarm Nonresidential Properties | 2,819 | 8.0 |
| Total Real Estate Loans | 20,421 | 57.7 |
| Commercial and Industrial Loans | 2,570 | 7.3 |
| Agricultural Loans | 9,543 | 27.0 |
| Consumer Loans | 2,831 | 8.0 |
| Other Loans | 0 | 0.0 |
| Less: Unearned Income | 0 | 0.0 |
| Total Loans | 35,365 | 100.0 |
| <i>Source: Reports of Condition and Income</i> | | |

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

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. The Farmers State Bank of Blue Mound designated two assessment areas, which will be referred to as the Linn County Assessment Area and the Anderson County Assessment Area in this evaluation. Detailed information regarding each assessment area is provided in subsequent sections.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 15, 2019, to the current evaluation dated July 14, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank’s CRA performance.

Examiners conducted full-scope reviews of the Linn County and Anderson County Assessment Areas due to the bank’s operations in both areas. Examiners placed equal weight on the assessment areas because of the bank’s lending activity in each area.

Activities Reviewed

Examiners reviewed small farm and small business loans to evaluate the institution's lending performance for this evaluation. Examiners selected these loan products based on the bank's business focus, loan portfolio distribution, and the number and dollar volume of loans originated or renewed during the evaluation period. Small farm lending received more weight than small business lending when drawing conclusions, as agricultural lending comprises the majority of the institution's loan portfolio. Home mortgage lending was not reviewed as it represents a limited portion of the bank's loan portfolio.

For all loan categories reviewed, examiners focused on loans originated or renewed in 2024, as bank management indicated that the 2024 lending patterns are representative of bank's lending activities during the entire review period. The 2024 bank records showed 110 small farm loans totaling \$5.0 million, and 25 small business loans totaling \$2.4 million.

For the Lending Test, examiners reviewed all of the above loans to evaluate the Assessment Area Concentration criterion. Additionally, all loans originated inside the assessment areas were further reviewed to evaluate the Geographic Distribution and Borrower Profile criteria.

The 2024 D&B data provided a standard of comparison for the bank's small farm and small business lending performance. Additionally, although both the number and dollar volume of loans were analyzed, examiners emphasized performance by the number of loans, because it is a better indicator of the number of farms and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Farmers State Bank of Blue Mound demonstrated satisfactory performance under the Lending Test. This conclusion is supported by the bank's satisfactory or better performance in the evaluated criteria.

Loan-to-Deposit Ratio

The Farmers State Bank of Blue Mound's loan-to-deposit ratio is more than reasonable considering the institution's size, financial condition, and the assessment areas' credit needs. The bank's net loan-to-deposit ratio averaged 71.6 percent over the past 23 quarters. The ratio ranged from a high of 91.0 percent on June 30, 2020, to a low of 53.9 percent on June 30, 2022. As shown in the following table, the bank's average loan-to-deposit ratio for the evaluation period is the highest when compared to other comparable institutions. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

| Loan-to-Deposit Ratio Comparison | | |
|--|--|---|
| Bank | Total Assets as of 12/31/2023 (\$000s) | Average Net Loan-to-Deposit Ratio (%) |
| The Farmers State Bank of Blue Mound, Blue Mound, Kansas | 57,608 | 71.6 |
| Union State Bank, Olsburg, Kansas | 40,486 | 45.0 |
| Bank of Greeley, Greeley, Kansas | 49,411 | 53.2 |
| The City State Bank, Fort Scott, Kansas | 54,033 | 37.9 |
| <i>Source: Reports of Condition and Income 9/30/2019 – 3/31/2025</i> | | |

Assessment Area Concentration

A majority of the small farm and small business loans by number volume are located within the assessment areas. However, a majority of the small farm and small business loans by dollar volume are located outside of the assessment areas. This was attributed to two small business loans with larger dollar volumes made outside of the area. See the following table for details.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|-----------------|-------------|-----------|-------------|------------|--------------------------------|-------------|--------------|-------------|---------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000) | | | | Total \$(000) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Farm | 70 | 63.6 | 40 | 36.4 | 110 | 2,608 | 52.2 | 2,387 | 47.8 | 4,995 |
| Small Business | 19 | 76.0 | 6 | 24.0 | 25 | 1,034 | 42.5 | 1,399 | 57.5 | 2,433 |
| Total | 89 | 65.9 | 46 | 34.1 | 135 | 3,642 | 49.0 | 3,786 | 51.0 | 7,428 |
| <i>Source: Bank Data. Due to rounding, totals may not equal 100.0%.</i> | | | | | | | | | | |

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Linn County Assessment Area. For this criterion, examiners focused on the bank's lending performance in low- and moderate-income census tracts. The Anderson County Assessment Area was not reviewed under this criterion as it did not have any low- or moderate-income census tracts.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes. This conclusion is consistent with the bank's performance in each of the assessment areas. For this criterion, examiners focused on the bank's lending performance to farms and businesses with gross annual revenues of \$1 million or less.

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.

LINN COUNTY ASSESSMENT AREA– Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE LINN COUNTY ASSESSMENT AREA

The Linn County Assessment Area is comprised of the entirety of Linn County. The Blue Mound and Pleasanton offices are both located in a moderate-income census tract in southern Linn County, which is part of the Kansas City, Missouri-Kansas Metropolitan Statistical Area (MSA).

Economic and Demographic Data

The Linn County Assessment Area contains two moderate-income census tracts, and one middle-income census tract. The following table illustrates select demographic characteristics and income designations for the geographies, according to the 2020 U.S. Census.

| Demographic Information of the Linn County Assessment Area | | | | | |
|--|----------|-----------------------|----------------------------|--------------------------|-------------------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # |
| Geographies (Census Tracts) | 3 | 0.0 | 66.7 | 33.3 | 0.0 |
| Population by Geography | 9,591 | 0.0 | 71.0 | 29.0 | 0.0 |
| Housing Units by Geography | 5,614 | 0.0 | 74.3 | 25.7 | 0.0 |
| Owner-Occupied Units by Geography | 3,577 | 0.00 | 71.4 | 28.6 | 0.0 |
| Occupied Rental Units by Geography | 932 | 0.0 | 94.7 | 5.3 | 0.0 |
| Vacant Units by Geography | 1,105 | 0.0 | 66.5 | 33.5 | 0.0 |
| Businesses by Geography | 770 | 0.0 | 74.4 | 25.6 | 0.0 |
| Farms by Geography | 109 | 0.0 | 61.5 | 38.5 | 0.0 |
| Family Distribution by Income Level | 3,145 | 33.7 | 19.8 | 21.6 | 25.0 |
| Household Distribution by Income Level | 4,509 | 35.5 | 18.9 | 16.5 | 29.1 |
| Median Family Income - Kansas City, Missouri-Kansas MSA | | \$86,562 | Median Housing Value | | \$108,061 |
| Families Below Poverty Level | | 12.7% | Median Gross Rent | | \$664 |
| <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> | | | | | |

According to 2024 D&B data, the other services industry represents the largest portion of businesses at 14.3 percent; followed by non-classifiable establishments at 12.1 percent; and agriculture, forestry, and fishing at 11.6 percent. The data also indicates that many area businesses are relatively small, with 78.9 percent having four or fewer employees, and 89.9 percent operating from a single location.

Competition

The competition for financial services in the area is moderate. According to the June 30, 2024 FDIC Deposit Market Share data, there are six banks operating eight offices in the assessment area. The Farmers State Bank of Blue Mound ranked second with 14.4 percent of the market's deposits.

Community Contact

As part of the evaluation process, examiners contact third parties in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information helps determine whether local financial institutions are responsive to community credit needs and what credit opportunities are available.

Examiners relied on an existing contact who is a member of the community familiar with the economic conditions in the assessment area. According to the contact, agricultural, commercial, and home mortgage loans are the primary credit needs. The contact stated that the economy is relatively stable, and individuals are either able to find work within the assessment area or can commute to the Kansas City metropolitan area for employment. Additionally, the contact stated that local financial institutions are engaged with area communities and are willing to provide loans to qualified individuals.

Credit Needs

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

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LINN COUNTY ASSESSMENT AREA

LENDING TEST

The Farmers State Bank of Blue Mound demonstrates satisfactory performance under the Lending Test in the Linn County Assessment Area. The bank's performance under the Geographic Distribution and Borrower Profile supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's excellent small farm and small business lending performance supports this conclusion. For this criterion, examiners focused on the bank's percentage of lending in the assessment area's moderate-income census tracts, as there are no low-income census tracts in the area.

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's level of lending in the moderate-income census tracts exceeds the demographic data.

| Geographic Distribution of Small Farm Loans | | | | | |
|---|-------------------|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Farms | # | % | \$(000s) | % |
| Moderate | 62.8 | 23 | 88.5 | 842 | 86.9 |
| Middle | 37.2 | 3 | 11.5 | 127 | 13.1 |
| Total | 100.0 | 26 | 100.0 | 969 | 100.0 |
| <i>Source: 2024 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.</i> | | | | | |

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. All 11 small business loans were originated in moderate-income census tracts. This performance exceeds demographic data, which indicates 75.5 percent of small businesses are in moderate-income census tracts.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. This conclusion is supported by the bank’s excellent small farm and reasonable small business lending performance. Although the bank’s small farm lending demonstrated excellent penetration, it did not elevate the overall conclusion.

Small Farm Loans

The distribution of small farm loans reflects excellent penetration to farms with revenues of \$1 million or less. All 26 small farm loans were originated to operations with revenues of \$1 million or less. This exceeds demographic data, which indicates that 96.5 percent of assessment area farms are in the same revenue category.

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with revenues of \$1 million or less. As shown in the following table, the bank’s level of lending to businesses with revenues of \$1 million or less is commensurate to demographic data in this same revenue category.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| <=\$1,000,000 | 85.1 | 10 | 90.9 | 338 | 94.7 |
| >\$1,000,000 | 2.1 | 1 | 9.1 | 19 | 5.3 |
| Revenue Not Available | 12.8 | 0 | 0.0 | 0 | 0.0 |
| Totals | 100.0 | 11 | 100.0 | 357 | 100.0 |
| <i>Source: 2024 D&B Data, 2024 Bank Data</i> | | | | | |

ANDERSON COUNTY ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ANDERSON COUNTY ASSESSMENT AREA

The Anderson County Assessment Area is comprised of the entirety of Anderson County. The Garnett branch is in northcentral Anderson County, which is part of the nonmetropolitan area of Kansas.

Economic and Demographic Data

The Anderson County Assessment Area contains two middle-income census tracts. The following table illustrates select demographic characteristics and income designations for geographies in the assessment area, according to the 2020 U.S. Census.

| Demographic Information of the Anderson County Assessment Area | | | | | |
|--|----------|-----------------------|----------------------------|--------------------------|-------------------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # |
| Geographies (Census Tracts) | 2 | 0.0 | 0.0 | 100.0 | 0.0 |
| Population by Geography | 7,836 | 0.0 | 0.0 | 100.0 | 0.0 |
| Housing Units by Geography | 3,751 | 0.0 | 0.0 | 100.0 | 0.0 |
| Owner-Occupied Units by Geography | 2,284 | 0.0 | 0.0 | 100.0 | 0.0 |
| Occupied Rental Units by Geography | 870 | 0.0 | 0.0 | 100.0 | 0.0 |
| Vacant Units by Geography | 597 | 0.0 | 0.0 | 100.0 | 0.0 |
| Businesses by Geography | 595 | 0.0 | 0.0 | 100.0 | 0.0 |
| Farms by Geography | 105 | 0.0 | 0.0 | 100.0 | 0.0 |
| Family Distribution by Income Level | 2,194 | 26.0 | 9.5 | 24.8 | 39.7 |
| Household Distribution by Income Level | 3,154 | 29.5 | 12.9 | 13.6 | 43.9 |
| Median Family Income - Nonmetropolitan Kansas | | \$65,183 | Median Housing Value | | \$101,337 |
| Families Below Poverty Level | | 11.4% | Median Gross Rent | | \$672 |
| <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> | | | | | |

According to 2024 D&B data, the agriculture, forestry, and fishing industry represents the largest portion of the businesses in the assessment area at 15.0 percent; followed by non-classifiable establishments at 12.6 percent; and other services at 10.1 percent. In addition, 73.9 percent of area businesses have four or fewer employees, and 88.1 percent operate from a single location.

Competition

The competition for financial services in the area is moderate. According to the FDIC Deposit Market Share data as of June 30, 2024, there were five financial institutions that operated nine full-service branches within the assessment area. The Farmers State Bank of Blue Mound is ranked 4th with a 5.4 percent deposit market share.

Credit Needs

Examiners identify the credit needs of the assessment area based on information from bank management and demographic and economic data. Based on this information, examiners determined that small farm and small business loans are the primary credit needs in the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ANDERSON COUNTY ASSESSMENT AREA

LENDING TEST

The bank demonstrates satisfactory performance under the Lending Test in the Anderson County Assessment Area. The Borrower Profile performance supports this conclusion.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. This conclusion is supported by the bank’s reasonable small farm and small business lending performance.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration to farms with revenues of \$1 million or less. As shown in the following table, the bank’s level of lending to farms with revenues of \$1 million or less is commensurate with demographic data in this revenue category.

| Distribution of Small Farm Loans by Gross Annual Revenue Category | | | | | |
|---|--------------|-----------|--------------|--------------|--------------|
| Gross Revenue Level | % of Farms | # | % | \$(000s) | % |
| <= \$1,000,000 | 98.1 | 43 | 97.7 | 1,562 | 95.3 |
| > \$1,000,000 | 1.9 | 1 | 2.3 | 77 | 4.7 |
| Revenue Not Available | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 44 | 100.0 | 1,639 | 100.0 |

Source: 2024 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with revenues of \$1 million or less. As shown in the following table, the bank’s level of lending to businesses with revenues of \$1 million or less is commensurate with demographic data in this revenue category.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|---|-----------------|----------|--------------|------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| <= \$1,000,000 | 81.7 | 6 | 75.0 | 245 | 36.2 |
| > \$1,000,000 | 4.7 | 2 | 25.0 | 432 | 63.8 |
| Revenue Not Available | 13.6 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 8 | 100.0 | 677 | 100.0 |

Source: 2024 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

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 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 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 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.