

PUBLIC DISCLOSURE

August 18, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Kendall Bank
Certificate Number: 8110

11225 College Boulevard
Overland Park, Kansas 66210

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

1100 Walnut St, 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.

TABLE OF CONTENTS

INSTITUTION RATING.....	1
DESCRIPTION OF INSTITUTION.....	1
DESCRIPTION OF ASSESSMENT AREAS	2
SCOPE OF EVALUATION.....	3
CONCLUSIONS ON PERFORMANCE CRITERIA	4
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	5
KANSAS CITY ASSESSMENT AREA – Full-Scope Review.....	6
JEFFERSON COUNTY ASSESSMENT AREA – Full-Scope Review.....	9
APPENDICES.....	12
SMALL BANK PERFORMANCE CRITERIA.....	12
GLOSSARY	13

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 Lending Test supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of small business loans reviewed are located in the assessment areas.
- The geographic distribution of loans reflects poor dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes.
- The institution has not received any complaints relating to its CRA performance since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

On January 31, 2025, The State Bank of Spring Hill merged with Kendall Bank. Although The State Bank of Spring Hill is the surviving institution, the bank's name changed to Kendall Bank. Kendall Bank is headquartered in Overland Park, Kansas, and is wholly owned by Northeast Kansas Bancshares, Inc., Overland Park, Kansas. The institution received a Needs to Improve rating at its previous FDIC Performance Evaluation, dated July 11, 2023, based on Interagency Small Institution Examination Procedures.

Prior to the merger in January 2025, The Spring Hill State Bank had one office located in Spring Hill, Kansas, and Kendall Bank had three offices located in Valley Falls, Nortonville, and Overland Park, Kansas. No offices were closed after the merger as the bank continues to operate all four of these offices.

Kendall Bank offers traditional loan products including commercial, agricultural, and consumer loans. Commercial lending continues to be the institution's primary focus. The bank's deposit products include checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, mobile deposit, electronic bill pay, and three ATMs.

Since the merger, Kendall Bank added an ATM and hired a loan officer for the Spring Hill branch office to improve lending in the area. Additionally, Kendall Bank implemented its suite of commercial products, including Small Business Administration loans, which were not offered at the Spring Hill branch office prior to the merger. These changes have resulted in increased lending for the Spring Hill area. Specifically, prior to the merger, The State Bank of Spring Hill originated a total of 20 loans in 2024. Since the merger on January 31, 2025 until June 30, 2025, Kendall Bank originated 20 loans from the Spring Hill branch office. Lastly, Kendall Bank has been improving the deposit product offerings and systems, and it has implemented new software to improve the online banking experience for customers.

According to the June 30, 2025 Reports of Condition and Income, Kendall Bank reported total assets of \$210.2 million, total deposits of \$185.7 million, and total loans of \$168.6 million. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of 6/30/2025		
Loan Category	\$(000s)	%
Construction and Land Development	12,892	7.6
Secured by Farmland	1,136	0.7
Secured by 1-4 Family Residential Properties	14,896	8.8
Secured by Multifamily (5 or more) Residential Properties	2,724	1.6
Secured by Nonfarm Nonresidential Properties	85,468	50.7
Total Real Estate Loans	117,116	69.5
Commercial and Industrial Loans	46,508	27.6
Agricultural Loans	231	0.1
Consumer Loans	330	0.2
Other Loans	4,377	2.6
Less: Unearned Income	-	-
Total Loans	168,562	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 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. Prior to the merger, The State Bank of Spring Hill operated one assessment area, which included portions of Johnson and Miami counties in Kansas. Both of these counties are located in the Kansas City, Missouri-Kansas Metropolitan Statistical Area (MSA). Also, prior to the merger, Kendall Bank operated two assessment areas, including an assessment area in Johnson County, Kansas within the Kansas City, Missouri-Kansas MSA, and an assessment area in Jefferson County, Kansas within the Topeka, Kansas MSA.

Currently, Kendall Bank operates two assessment areas that will be referred to as the Kansas City Assessment Area and Jefferson County Assessment Area in this evaluation. The Kansas City Assessment was expanded to include the entirety of Jackson County in Missouri, and the entirety of Johnson and Miami counties in Kansas, which are all part of the Kansas City, Missouri-Kansas MSA. The Jefferson County Assessment Area continues to include the entirety of Jefferson County, Kansas, which is part of the Topeka, Kansas MSA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 11, 2023, to the current evaluation dated August 18, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank’s CRA performance. These procedures focus on the bank’s performance under the Lending Test as outlined in the Small Bank Performance Criteria Appendix.

Examiners used full-scope examination procedures to assess the performance in each assessment area due to the bank’s operations in both areas. To assess overall performance, examiners placed the most weight on the bank’s performance in the Kansas City Assessment Area since the majority of the bank’s lending and deposit activity occurred in this area. The following table provides a breakdown of loans, deposits, and branches by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Kansas City	132,553	99.0	146,536	77.9	2	50.0
Jefferson County	1,295	1.0	41,558	22.1	2	50.0
Total	133,848	100.0	188,094	100.0	4	100.0

Source: Bank Data

Activities Reviewed

Kendall Bank’s primary lending focus is commercial lending. This conclusion considered the bank’s business strategy; the volume of loans originated, renewed, extended, or purchased during the evaluation period; and data from Reports of Condition and Income. Examiners did not review home mortgage or small farm loans as these are not major product lines for the bank, and they contribute minimally to the overall loan portfolio.

Examiners analyzed small business loans originated, renewed, extended, or purchased between January 1, 2024, to June 30, 2025, for both The State Bank of Spring Hill and Kendall Bank. This timeframe was considered representative of the bank’s current lending activity. The total universe of small business loans included 32 loans totaling \$11.0 million in 2024, and 20 loans totaling \$5.9 million in 2025.

For the Lending Test, examiners evaluated all small business loans for the Assessment Area Concentration criterion. For the Geographic Distribution and Borrower Profile criteria, examiners evaluated all small business loans made within the assessment areas. Examiners used 2024 D&B data as a standard of comparison for the bank’s 2024 small business lending performance. While both the number and dollar volume of loans are presented in the tables throughout this evaluation, examiners emphasized performance by the number of loans as it is a better indicator of the number of businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, Kendall Bank demonstrated reasonable performance under the Lending Test. The bank’s performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria supports this conclusion.

Loan-to-Deposit Ratio

Kendall Bank’s average net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and the credit needs of the assessment areas. The bank’s average net loan-to-deposit ratio is 37.3 percent for the past 8 quarters from September 30, 2023, to June 30, 2025. Prior to the merger, the ratio ranged between the 17.4 to 23.3 percent. However, after the merger, the ratio jumped to 87.0 percent on the March 31, 2025, and 89.3 percent on the June 30, 2025.

Examiners compared Kendall Bank’s average net loan-to-deposit ratio to two similarly situated institutions, which were selected based on their asset size, geographic location, and product mix. These institutions had average net loan-to-deposit ratios of 83.9 and 80.5 percent, which are higher than Kendall Bank’s average ratio. However, due to the significant improvement in the loan-to-deposit ratio since the previous evaluation, the bank’s performance is reasonable.

Assessment Area Concentration

As shown in the following table, a majority of the bank’s small business loans reviewed by number and dollar volume, are located within the assessment areas. 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 Business										
2024	22	68.8	10	31.2	32	8,251	74.8	2,776	25.2	11,027
2025	14	70.0	6	30.0	20	4,303	73.3	1,564	26.7	5,867
Total	36	69.2	16	30.8	52	12,554	74.3	4,340	25.7	16,894
<i>Source: Bank Data, as reported. Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

The geographic distribution of loans reflects poor dispersion throughout the assessment areas. This conclusion is supported by the bank's performance within the Kansas City Assessment Area. For this criterion, examiners focused on the percentage of lending in low- and moderate-income census tracts. The Jefferson County Assessment Area does not contain any low- or moderate-income census tracts; therefore, review of the Geographic Distribution criterion would not result in meaningful conclusions and was not evaluated for that assessment area.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank's reasonable performance within the Kansas City Assessment Area supports this conclusion, which received the most weight. While the bank's lending performance in the Jefferson County Assessment Area was very limited, it did not impact the overall conclusion. For this criterion, examiners focused on the percentage of lending to 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 evidence of discriminatory or other illegal credit practices.

KANSAS CITY ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KANSAS CITY ASSESSMENT AREA

The Kansas City Assessment Area includes the entirety of Johnson and Miami counties in Kansas, and Jackson County in Missouri, which are all located within the Kansas City, Missouri-Kansas MSA. The main office in Overland Park, Kansas, and the branch office in Spring Hill, Kansas are in this assessment area. The Overland Park main office is in an upper-income census tract, and the Spring Hill branch office is in a middle-income census tract.

Economic and Demographic Data

The assessment area includes 389 census tracts, of which 40 are low-income, 86 are moderate-income, 130 are middle-income, 118 are upper-income, and 15 have not been assigned an income classification. 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)	389	10.3	22.1	33.4	30.3	3.9
Population by Geography	1,361,258	7.2	21.7	36.0	34.3	0.9
Housing Units by Geography	584,444	8.3	22.9	36.5	31.1	1.1
Owner-Occupied Units by Geography	341,903	4.3	18.0	38.1	39.1	0.5
Occupied Rental Units by Geography	196,228	13.1	29.1	35.9	20.2	1.8
Vacant Units by Geography	46,313	17.9	33.1	27.4	18.7	3.0
Businesses by Geography	188,746	6.7	19.9	33.6	37.3	2.6
Farms by Geography	1,887	2.3	10.8	43.0	42.6	1.3
Family Distribution by Income Level	335,003	19.0	16.6	21.1	43.3	0.0
Household Distribution by Income Level	538,131	23.3	15.7	17.7	43.2	0.0
Median Family Income - Kansas City, Missouri-Kansas MSA		\$86,562	Median Housing Value			\$ 216,745
Families Below Poverty Level		6.6%	Median Gross Rent			\$1,029
<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 the non-classifiable establishments represent the largest portion of businesses at 23.2 percent; followed by professional, scientific, and technical services 11.3 percent; and other services at 12.8 percent. The data also indicates that area businesses are generally small with 68.1 percent having 4 or fewer employees, and 93.9 percent operating from a single location.

Competition

The bank operates in a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there are 118 institutions operating 420 offices within the bank's assessment area. Kendall Bank ranked 72nd with 0.1 percent of the market share.

A relatively competitive environment exists for business lending in the assessment area. The 2023 CRA aggregate small business lending, the most recent data available, reflects 774 lenders originated or purchased 32,170 small business loans within the assessment area. Kendall Bank is not required to collect or report CRA small business data and is not included in the previous numbers, but the data is presented to evidence local demand.

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 those needs. It also identifies what credit opportunities are available.

For this evaluation, examiners contacted an individual actively serving the Spring Hill, Kansas area. The contact indicated that a large portion of people that live in the area commute for work. The contact noted that the local school district is one of the fastest growing school districts in the Kansas City, Missouri-Kansas MSA; therefore, residential areas are growing rapidly. Per the contact, the Spring Hill area does not have a lot of vacant commercial space; therefore, a small business would need to construct a new building, which has become very costly.

The contact discussed Kendall Bank specifically, and they knew about the merger with The State Bank of Spring Hill. The contact indicated that they did not know of a lot of individuals that had a lending relationship with the bank. However, the contact noted that the bank has made significant efforts post-merger to become involved in the community by supporting the Chamber of Commerce, supporting new initiatives, and attempting to establish relationships with community groups. Additionally, the contact commented that the bank is attempting to update its systems, like the mobile banking system, to make services more accessible to the public.

Lastly, the contact stated that the primary credit needs for the area are residential lending and gap financing for small businesses. The contact indicated that banks are not typically the first option when trying to obtain financing for commercial lending.

Credit Needs

Home mortgage and small business loans are the primary credit needs in the assessment area based on the information from bank management, the community contact, and economic and demographic data.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE KANSAS CITY ASSESSMENT AREA

LENDING TEST

Kendall Bank demonstrated reasonable performance under the Lending Test in the Kansas City Assessment Area. The bank’s Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of small business loans reflects poor dispersion. The bank’s 2024 lending performance in low- and moderate-income areas is significantly below demographic data. As shown in the following table, no loans were originated in the low-income areas, and only one loan was originated in the moderate-income areas for both years. The majority of the low- and moderate-income census tracts are located within Jackson County, Missouri. Examiners noted that the bank’s offices are a considerable distance from these census tracts, and that competition is significant in the area. However, although the bank’s lending is increasing on the Missouri side, the bank’s lending activity mostly extends into the middle- and upper-income census areas in the eastern Kansas City area, which is beyond the assessment area’s low- and moderate-income census tracts. Considering this information, the bank’s performance is considered poor.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2024	6.7	0	0.0	0	0.0
2025	--	0	0.0	0	0.0
Moderate					
2024	19.9	1	4.8	116	1.4
2025	--	1	8.3	415	11.3
Middle					
2024	33.6	4	19.1	1,282	15.6
2025	--	6	50.0	754	20.5
Upper					
2024	37.3	13	61.9	5,494	66.9
2025	--	4	33.3	1,764	47.9
NA					
2024	2.6	3	14.3	1,324	16.1
2025	--	1	8.3	750	20.4
Total					
2024	100.0	21	100.0	8,216	100.0
2025	--	12	100.0	3,683	100.0

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

Borrower Profile

Kendall Bank’s lending performance demonstrates reasonable penetration among businesses of different revenue sizes. The following table indicates that the bank’s 2024 lending performance to businesses with revenues of \$1 million or less is lower than demographic data in this revenue category. However, the bank’s level of small business lending is comparable to lending patterns of

other financial institutions operating in this area. Specifically, examiners reviewed a recent CRA performance evaluation for one comparable institution (by asset size) operating in the Kansas City, Missouri-Kansas MSA. Kendall Bank’s percentage of lending to businesses with revenues of \$1 million or less was comparable to the lending percentage of the comparable bank, which was 61.5 percent.

Additionally, as a measure of demand, aggregate lending was considered but not directly compared to the bank’s performance. In 2022 and 2023, the most recent data available, aggregate lenders originated 51.3 and 52.9 percent, respectively, of their small business loans to operations with revenues of \$1 million or less, which is an average of 52.1 percent. Kendall Bank’s lending performance is in line with aggregate lending data. Given this information, the bank’s performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2024	90.9	11	52.4	4,296	52.3
2025	--	7	58.3	1,949	52.9
> \$1,000,000					
2024	2.5	10	47.6	3,920	47.7
2025	--	5	41.7	1,734	47.1
Revenue Not Available					
2024	6.6	0	0.0	0	0.0
2025	--	0	0.0	0	0.0
Total					
2024	100.0	21	100.0	8,216	100.0
2025	--	12	100.0	3,683	100.0

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

JEFFERSON COUNTY ASSESSMENT AREA – Full-Scope Review

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

The Jefferson County Assessment Area includes the entirety of Jefferson County, Kansas, which is located in the Topeka, Kansas MSA. The Valley Falls and Nortonville branch offices are in this assessment area, and they are both in middle-income census tracts.

Economic and Demographic Data

The assessment area includes four census tracts, of which three are middle-income and one is upper-income. 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)	4	0.0	0.0	75.0	25.0	0.0
Population by Geography	18,368	0.0	0.0	67.2	32.8	0.0
Housing Units by Geography	8,419	0.0	0.0	73.0	27.0	0.0
Owner-Occupied Units by Geography	6,514	0.0	0.0	69.3	30.7	0.0
Occupied Rental Units by Geography	1,105	0.0	0.0	82.4	17.7	0.0
Vacant Units by Geography	800	0.0	0.0	90.6	9.4	0.0
Businesses by Geography	1,145	0.0	0.0	70.6	29.4	0.0
Farms by Geography	119	0.0	0.0	77.3	22.7	0.0
Family Distribution by Income Level	5,469	13.3	17.5	24.7	44.6	0.0
Household Distribution by Income Level	7,619	17.7	13.9	20.3	48.1	0.0
Median Family Income MSA - Topeka, KS MSA		\$75,758	Median Housing Value			\$ 164,062
Families Below Poverty Level		3.6%	Median Gross Rent			\$770
<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 the non-classifiable establishments represent the largest portion of businesses at 15.8 percent, followed by construction at 10.7 percent, and other services at 9.7 percent. The data also indicates that area businesses are generally small with 73.9 percent having 4 or fewer employees, and 90.4 percent operating from a single location.

Competition

The bank operates in a moderately competitive market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there are 5 institutions operating 8 offices within the bank’s assessment area. Kendall Bank ranked 4th with 14.3 percent of the deposit market share.

Community Contact

For this evaluation, examiners contacted one individual actively serving the Jefferson County, Kansas area. This contact provides governmental services to the area’s residents, and resources to local farms and businesses. The contact indicated that a large portion (roughly 80.0 percent) of the working population commutes out of the county for work, with the eastern half of the county working in the Kansas City, Missouri-Kansas MSA, and the western half of the county working in the Topeka, Kansas MSA.

The contact stated that the small business community is service-oriented as many of them are restaurants. The retail businesses are generally located closer to Topeka, Kansas. The contact mentioned Kendall Bank as one of the primary lenders in the county, and that all the community banks in the area are well-involved. Lastly, the contact stated that the credit needs for the area are agricultural lending, residential lending, financing for distressed properties, and gap financing for small businesses.

Credit Needs

Lending for distressed properties and small business loans are the primary credit needs in the assessment area based on information from bank management, the community contact, and economic and demographic data.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE JEFFERSON COUNTY ASSESSMENT AREA

LENDING TEST

Kendall Bank demonstrated less than reasonable performance under the Lending Test in the Jefferson County Assessment Area due to the overall lack of lending in the area. Specifically, the bank made only one small business loan in 2024, and two small business loans in 2025. For overall lending in 2025, the bank made a total of ten loans in the Jefferson County Assessment Area.

Examiners determined there are lending opportunities in the Jefferson County Assessment Area. There are several businesses located in the assessment area based on demographic data, and only a moderate level of competition based on deposit market share data. Additionally, the bank operates two branch offices to serve the lending needs of the assessment area, and the community contact indicated there are various credit needs in the area. However, while 22.1 percent of the bank's deposits are from this assessment area, only 1.0 percent of the loans are in this assessment area. Given this information, the performance is less than reasonable as the bank is not adequately meeting the credit needs of the area.

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.