

# **PUBLIC DISCLOSURE**

January 13, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

West Iowa Bank  
Certificate Number: 9105

319 South Broadway Avenue  
West Bend, Iowa 50597

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA.....	3
SCOPE OF EVALUATION.....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	10
APPENDICES .....	11
SMALL BANK PERFORMANCE CRITERIA.....	11
GLOSSARY.....	12

## INSTITUTION RATING

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

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

West Iowa Bank's satisfactory Community Reinvestment Act (CRA) performance supports the rating. The following points summarize the bank's lending performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a substantial majority of its loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

West Iowa Bank operates from its main office in West Bend, Iowa, and branch offices in Algona, Bode, Fenton, and Laurens. The bank is wholly owned by one-bank holding company West Bend Bancorp., West Bend, Iowa. There are no lending affiliates or subsidiaries. West Iowa Bank received a rating of Satisfactory at the February 19, 2019, FDIC Performance Evaluation based on Interagency Small Bank Procedures.

West Iowa Bank offers various loan products and services, including commercial, agricultural, home mortgage, and consumer. The primary lending focus is on agricultural loans, followed by commercial and home mortgage loans. The bank participates in the Farm Service Agency Beginning Farmer program and participated in the Small Business Administration Paycheck Protection Program to assist business and agricultural entities during the COVID-19 pandemic. The bank refers long-term, fixed-rate home mortgage loans to the secondary market. Deposit products include checking, savings, money market accounts, certificates of deposit, individual retirement accounts, and health savings accounts. Alternative bank services include online and mobile banking, and cash-dispensing automated teller machines are located at the Algona and Laurens locations and at the Cenex Convenience Store in West Bend.

According to the September 30, 2024, Consolidated Reports of Condition and Income (Call Report), West Iowa Bank reported total assets of \$173.5 million, total loans of \$92.5 million, and total deposits of \$138.8 million. The loan portfolio concentrations remained generally consistent over the review period. Total loans increased 5.9 percent, total assets increased 22.8 percent, and total deposits increased 18.4 percent since the prior evaluation. Management attributed the increases to interest rate changes and increases in inflation and participations. Increases also occurred from referral business and the influx of pandemic-related stimulus funds. The following table illustrates the composition of the loan portfolio.

<b>Loan Portfolio Distribution as of 9/30/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	951	1.0
Secured by Farmland	26,743	28.9
1-4 Family Residential	12,893	13.9
Multi-family (5 or more) Residential	642	0.7
Commercial Real Estate	11,003	11.9
<b>Total Real Estate Loans</b>	<b>52,232</b>	<b>56.4</b>
Commercial and Industrial	6,318	6.9
Agricultural	20,998	22.7
Consumer	1,117	1.2
Other	11,862	12.8
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>92,527</b>	<b>100.0</b>
<i>Source: Call Report</i>		

There are no financial, legal, or other impediments that would limit the bank's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. West Iowa Bank designated one assessment area in northern Iowa, consisting of the full counties of Humboldt, Kossuth, Palo Alto, and Pocahontas in nonmetropolitan Iowa. The assessment area's boundaries have not changed since the prior evaluation, but two census tract income level designations changed. Census tract 9504 in Kossuth County changed from middle to moderate income and census tract 9601 in Palo Alto County changed from middle to upper income.

### **Economic and Demographic Data**

According to 2020 U.S. Census data, the assessment area consists of 17 census tracts, of which one is moderate income, 15 are middle income, and one is upper income. This represents a change from the 2015 American Community Survey, when the assessment area was comprised of 17 middle-income census tracts. 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 #	NA* % of #
Geographies (Census Tracts)	17	0.0	5.9	88.2	5.9	0.0
Population by Geography	40,499	0.0	6.4	88.9	4.7	0.0
Housing Units by Geography	20,518	0.0	7.2	88.8	4.0	0.0
Owner-Occupied Units by Geography	13,223	0.0	5.9	90.2	3.9	0.0
Occupied Rental Units by Geography	4,386	0.0	13.2	83.9	2.9	0.0
Vacant Units by Geography	2,909	0.0	4.4	89.6	6.0	0.0
Businesses by Geography	5,818	0.0	9.9	84.0	6.1	0.0
Farms by Geography	1,396	0.0	3.6	87.2	9.2	0.0
Family Distribution by Income Level	10,639	18.7	19.0	22.6	39.7	0.0
Household Distribution by Income Level	17,609	23.5	16.1	19.7	40.6	0.0
Median Family Income - Nonmetropolitan Iowa	\$71,763	Median Housing Value				\$106,261
		Median Gross Rent				\$641
		Families Below Poverty Level				6.5%

*Source: 2020 U.S. 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 100.0%*

According to 2020 U.S. Census data, service industries represent the largest portion of farms and business operations, by number, at 25.3 percent; followed by agriculture, forestry, and fishing at 19.4 percent; and non-classifiable establishments at 18.1 percent. In addition, 69.1 percent of assessment area farms and businesses have less than five employees and 91.6 percent operate from one location.

The FFIEC-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for nonmetropolitan Iowa are presented in the next table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$86,700)	<\$43,350	\$43,350 to <\$69,360	\$69,360 to <\$104,040	≥\$104,040

*Source: FFIEC*

### **Competition**

The assessment area is very competitive regarding the market for financial services. According to June 30, 2024, FDIC Deposit Market Share data, 18 banks operate 41 offices within the assessment area. These institutions range from small community banks to larger financial institutions operating branch locations. West Iowa Bank ranked 5<sup>th</sup> with 7.3 percent of the deposit market share.

Management indicated they also experience competition from Farm Credit Services and implement dealers.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify credit needs. This information helps determine whether local financial institutions are responsive to these needs and shows credit opportunities that are available. Examiners referenced two previously conducted interviews. One was with an agricultural representative and the second was with an economic development organization, both of which were familiar with the assessment area.

The agricultural representative stated the agricultural economy is stable and crop yields have been on pace to break even in 2024. Additionally, farmers have been well-capitalized and hesitant to borrow money or make equipment purchases due to high interest rates and inflation. Many older farmers have continued to work because of more advanced technologies, but there has been an increase in new young farmers in the past year. The representative stated that small businesses have struggled to find employees, and that there are housing shortages, particularly affordable housing, preventing business expansion. The contact identified affordable housing, small business loans, and agricultural loans to young farmers as the area's primary credit needs. The representative also noted that banks in the area have been responsive to credit needs and aggressive in marketing.

The economic development organization detailed how the COVID-19 pandemic hurt retail and small businesses in the area, although some businesses have rebounded. The representative stated workforce shortages exist and are compounded by factors like low unemployment rates, lack of daycare options, and a migration of the younger population away to larger cities. The contact also indicated that farmers in the area have limited borrowing needs.

### **Credit Needs**

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small farm, small business, and home mortgage loans are primary credit needs of the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated February 19, 2019, to the current evaluation dated January 13, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate West Iowa Bank's CRA performance. These procedures include a Lending Test, which is further described in the Appendices.

### **Activities Reviewed**

Examiners determined the bank's major product lines are small farm, small business, and home mortgage loans. This conclusion was based on the bank's business strategy, bank records regarding the number and dollar volume of loans originated during the evaluation period, and review of Call Report data. Given the portfolio composition and the bank's primary lending focus, small farm lending received the greatest weight when drawing conclusions, followed by small business and home mortgage loans.

Examiners reviewed bank records of small farm, small business, and home mortgage loans originated between January 1, 2024, and December 31, 2024. Management agreed that this timeframe is representative of lending activities throughout the review period. For the Assessment Area Concentration criterion, examiners analyzed 92 small farm loans totaling approximately \$12.0 million, 40 small business loans totaling approximately \$3.7 million, and 17 home mortgage loans totaling approximately \$2.1 million that were originated during 2024. For the Geographic Distribution criterion, all small farm, small business, and home mortgage loans originated within the assessment area were reviewed. For the Borrower Profile criterion, samples of 46 small farm loans totaling approximately \$5.3 million and 34 small business loans totaling approximately \$3.3 million that were originated within the assessment area were selected for review. Due to the lower volume, all home mortgage loans originated within the assessment area were reviewed for the Borrower Profile analysis.

The standard of comparison for small farm and small business lending was 2024 D&B data, and home mortgage lending was compared to 2020 U.S. Census data. Examiners reviewed the number and dollar amount of small farm, small business, and home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of farms, businesses, and individuals served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

West Iowa Bank demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Geographic Distribution, and Borrower Profile criteria primarily supports this conclusion.

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

West Iowa Bank's loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs. The net loan-to-deposit ratio averaged 72.0 percent over the past 23 quarters, from March 31, 2019, to September 30, 2024. This represents a slight decrease since the prior evaluation, when the average ratio was 72.5 percent. The ratio ranged from a low of 56.0 percent on June 30, 2022, to a high of 89.2 percent on March 31, 2020. The bank's average net loan-to-deposit ratio was compared to that of four similarly-situated institutions operating in or near West Iowa Bank's assessment area with similarities in lending focus and asset size. The trend in West Iowa Bank's loan-to-deposit ratio over the review period was similar to the trends noted for the comparable banks. See the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 09/30/2024 \$(000s)	Average Net Loan-to- Deposit Ratio (%)
<b>West Iowa Bank, West Bend, Iowa</b>	<b>173,544</b>	<b>72.0</b>
Farmers State Bank, Algona, Iowa	145,976	76.0
Security State Bank, Algona, Iowa	121,403	77.2
First Community Bank, Newell, Iowa	115,525	64.5
Pocahontas State Bank, Pocahontas, Iowa	122,918	45.1
<i>Source: Reports of Condition and Income 03/31/2019 through 09/30/2024</i>		

### **Assessment Area Concentration**

West Iowa Bank extended a substantial majority of small farm, small business, and home mortgage loans, by number and dollar amount, inside its assessment area. See the next table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	92	84.4	17	15.6	109	12,028	86.8	1,837	13.2	13,865
Small Business	40	90.9	4	9.1	44	3,662	95.8	161	4.2	3,823
Home Mortgage	17	100.0	0	0.0	17	2,093	100.0	0	0.0	2,093
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

West Iowa Bank’s geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s reasonable performance under all three loan products reviewed supports this conclusion. Examiners focused on the percentage of loans in the sole moderate-income census tract, which is located in the City of Algona. There are no loan officers at the Algona branch; rather loan officers from other branches service this community by appointment, as needed. The assessment area does not include any low-income census tracts.

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

The geographic distribution of small farm lending reflects reasonable dispersion when considering other factors. The bank did not originate any small farm loans in the moderate-income area. D&B data shows only 3.6 percent of farm operations are in the moderate-income census tract, limiting opportunities for originating farm loans.

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

The geographic distribution of small business lending reflects reasonable dispersion. As shown in the following table, West Iowa Bank’s level of small business lending in the moderate-income area

is slightly below D&B data. The community contact stated that businesses in the area are experiencing workplace shortages.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	9.9	1	2.5	20	0.5
Middle	84.0	26	65.0	2,764	75.5
Upper	6.1	13	32.5	878	24.0
<b>Totals</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>3,662</b>	<b>100.0</b>

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

### ***Home Mortgage Loans***

The geographic distribution of home mortgage lending reflects reasonable dispersion when considering other factors. The bank did not originate any home mortgage loans in the moderate-income area. Demographic data shows 5.9 percent of home mortgage loans are in the moderate-income census tract. However, the 2020 U.S. Census data shows that nearly half of the housing units in this moderate-income census tract are non-owner occupied, as 39.1 percent are rentals and 8.6 percent are vacant. The community contact stated a housing shortage exists in the area, particularly for affordable housing. Management added that the current high-interest rate environment and increase in the price of housing limits the demand for home loans.

### **Borrower Profile**

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different incomes. West Iowa Bank’s reasonable lending performance in all three loan products reviewed supports this conclusion. Examiners focused on the percentage, by number, of small farm and small business loans with gross annual revenues of \$1 million or less, and on the percentage, by number, of home mortgage loans to low- and moderate - income borrowers.

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

West Iowa Bank’s distribution of borrowers reflects reasonable penetration among farms of different revenue sizes when considering additional factors. As shown in the following table, the bank’s lending performance to operations with revenues of \$1 million or less is lower than corresponding D&B data. However, the 2022 U.S. Census of Agriculture shows that 48.4 percent of assessment area farms list a primary occupation outside of farming and 23.1 percent are considered hobby farms that generate under \$2,500 in gross annual revenues. The same report shows that 52.3 percent of farms had no interest expense. This data supports that a significant proportion of operators have limited or no borrowing needs. Further, both the community contact and management indicated that farmers have done well in recent years and have limited borrowing needs.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.5	36	78.3	3,616	67.9
>\$1,000,000	0.7	10	21.7	1,713	32.1
Revenue Not Available	0.8	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>5,329</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

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

The distribution of small business loans to operations of various revenues is reasonable when considering other factors. As shown in the following table, West Iowa Bank’s lending performance to businesses with revenues of \$1 million or less is similar to D&B data. The community contact stated that businesses in the area were still experiencing workforce shortages. Management provided the additional context that small businesses are borrowing less and mostly self-capitalized.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	86.3	28	82.4	1,994	60.9
>\$1,000,000	3.3	6	17.6	1,280	39.1
Revenue Not Available	10.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>3,274</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

### ***Home Mortgage Loans***

West Iowa Bank’s lending performance to low- and moderate-income borrowers is reasonable when considering other factors. As shown in the following table, the bank’s level of lending to low- and moderate-income borrowers falls below demographic data. However, the community contact also indicated that a lack of affordable housing has reduced demand for home loans in the area. Management added that the current high-interest rate environment and increase in price of homes also limits the demand for home loans.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	18.7	2	11.8	158	7.5
Moderate	19.0	2	11.8	144	6.9
Middle	22.6	5	29.4	559	26.7
Upper	39.7	8	47.1	1,232	58.9
<b>Total</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>2,093</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

**Response to Complaints**

The institution has not received any CRA-related complaints since the prior 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.