

## Locations and Geographies

Citizens Bank & Trust Co. has one facility:

102 Main Street South  
Hutchinson, MN 55350

Additionally, the Bank has a full-service branch facility at:

1390 Highway 15 South  
Hutchinson, MN 55350

The Bank serves a single contiguous area defined on the attached maps. The area includes Census Tracts in McLeod, Renville and Meeker counties.

Specifically, the Census Tracts included are as follows:

McLeod	9501, 9502, 9503, 9504, 9505, 9506, 9507
Meeker	5601, 5602, 5603, 5604, 5605
Renville	7901

## **PROFILE OF SERVICES/PRODUCTS**

### **Office Hours**

Monday through Friday - 9:00am – 4:00 pm

### **Drive-Thru Hours**

Monday through Friday – 8:00 am – 5:00 pm

Saturday – 9:00 am – 12:00 pm

### **Loan Products**

Citizens Bank & Trust Co. offers a full array of consumer, commercial and agricultural lending products including:

- Agricultural operating, equipment, livestock and real estate loans
- Commercial operating, equipment and real estate loans
- Residential 1<sup>st</sup> Mortgage loans to purchase or for construction (in-house and secondary market options)
- Home Equity loans or lines of credit
- Vehicle (including recreational equipment) purchase loans
- Personal loans
- Checking Account Overdraft line of credit
- Credit Cards

### **Deposit Products**

Citizens Bank & Trust Co. offers the following personal, business and non-profit deposit products:

- Checking accounts
- Savings accounts
- Direct Deposit
- ATM/Check Card
- Certificates of Deposit
- IRA's-Roth and Traditional
- Safe Deposit Boxes

### **Other Services**

- Merchant Services
- ACH Origination
- Wire Transfers
- Online Banking
- Mobile Banking

## **LOAN TO DEPOSIT RATIO 2024**

<b>March 31, 2024</b>	<b>55.69%</b>
<b>June 30, 2024</b>	<b>57.59%</b>
<b>September 30, 2024</b>	<b>60.01%</b>

## **LOAN TO DEPOSIT RATIO**

**2023**

<b>March 31, 2023</b>	<b>50.89%</b>
<b>June 30, 2023</b>	<b>54.32%</b>
<b>September 30, 2023</b>	<b>54.97%</b>
<b>December 31, 2023</b>	<b>56.63%</b>

# **PUBLIC DISCLOSURE**

January 12, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens Bank & Trust Co.  
Certificate Number: 10218

102 Main Street South  
Hutchinson, Minnesota 55350

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

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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

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## INSTITUTION RATING

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

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

Citizens Bank & Trust Co.'s satisfactory Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of the small business, small farm, and home mortgage loans reviewed were located inside the assessment area.
- The assessment area is comprised of middle- and upper-income census tracts. Therefore, a review of geographic distribution would not provide a meaningful analysis and this criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes, and individuals of different 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

Citizens Bank & Trust Co. (Citizens Bank), headquartered in Hutchinson, Minnesota, is wholly owned by Citizens Bancshares of Hutchinson, Inc., a one-bank holding company also located in Hutchinson, Minnesota. In addition to its main office, the bank operates two limited-service drive thru detached facilities in Hutchinson, Minnesota. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated February 16, 2016, based on Interagency Small Institution Procedures.

Citizens Bank's primary business focus is commercial lending, followed by agricultural and home mortgage lending. The bank also offers a variety of consumer loan products, designed to meet the needs of communities served. Additionally, the bank provides long-term mortgage financing options through a secondary market referral arrangement, and participates in commercial and agricultural loan programs through the Small Business Administration (SBA), Federal Agricultural Mortgage Corporation, Farm Service Agency, United States Department of Agriculture Rural Development, and Farmers Home Administration. Further, the bank participated in the SBA Paycheck Protection Program (PPP), originating 654 loans totaling approximately \$41.9 million in 2020 and 2021.

The institution provides a variety of deposit services including checking, savings, money market, certificates of deposit, and individual retirement accounts. In addition to traditional banking services, customers have access to surcharge free and deposit-taking ATMs; online, mobile, and telephone banking; and electronic bill pay and periodic statements.

As of September 30, 2021, assets totaled approximately \$334.3 million; loans totaled \$154.4 million; and deposits totaled \$310.7 million. The loan portfolio distribution is detailed in the following table.

<b>Loan Portfolio Distribution as of September 30, 2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	0	0.0
Secured by Farmland	11,804	7.7
Secured by 1-4 Family Residential Properties	59,032	38.2
Secured by Multifamily (5 or more) Residential Properties	170	0.1
Secured by Nonfarm Nonresidential Properties	38,507	24.9
<b>Total Real Estate Loans</b>	<b>109,513</b>	<b>70.9</b>
Commercial and Industrial Loans	26,062	16.9
Agricultural Production and Other Loans to Farmers	13,177	8.5
Consumer Loans	2,887	1.9
Other Loans	2,806	1.8
<b>Total Loans</b>	<b>154,445</b>	<b>100.0</b>
<i>Source: Report of Condition and Income</i>		



Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet its assessment area needs.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Citizens Bank designated a single assessment area that includes all of McLeod County and portions of Meeker and Renville counties, located in the non-metropolitan areas of Minnesota.

### Economic and Demographic Data

According to the 2015 American Community Survey (ACS) data, the assessment area includes 12 middle-income census tracts, and 1 upper-income census tract. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	0.0	92.3	7.7	0.0
Population by Geography	58,992	0.0	0.0	92.8	7.2	0.0
Housing Units by Geography	26,366	0.0	0.0	93.6	6.4	0.0
Owner-Occupied Units by Geography	18,617	0.0	0.0	92.7	7.3	0.0
Occupied Rental Units by Geography	5,285	0.0	0.0	95.4	4.6	0.0
Vacant Units by Geography	2,464	0.0	0.0	96.5	3.5	0.0
Businesses by Geography	4,812	0.0	0.0	92.7	7.3	0.0
Farms by Geography	659	0.0	0.0	87.1	12.9	0.0
Family Distribution by Income Level	16,199	15.8	16.8	24.6	42.8	0.0
Household Distribution by Income Level	23,902	19.1	15.0	19.8	46.0	0.0
Median Family Income Non-MSA-MN		\$63,045	Median Housing Value			\$154,181
			Median Gross Rent			\$686
			Families Below Poverty Level			5.8%

*Source: 2015 ACS and 2021 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\* The NA category consists of geographies that have not been assigned an income classification.*

D&B data for 2021 indicates that service industries represent the largest portion of businesses in the assessment area at 32.6 percent; followed by agriculture, forestry, and fishing (12.1 percent); non-classifiable establishments (11.6 percent); and construction (10.0 percent). In addition, 69.4 percent of area businesses have 4 or fewer employees, and 89.1 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>MN Non-MSA Median Family Income (99999)</b>				
2021 (\$72,400)	<\$36,200	\$36,200 to <\$57,920	\$57,920 to <\$86,880	≥\$86,880
<i>Source: FFIEC</i>				

### **Competition**

The assessment area is a competitive market for credit products and financial services. According to Consolidated Reports of Condition and Income (Reports of Condition) data filed by financial institutions, there were 13 financial institutions operating 24 branch locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Citizens Bank is ranked 9<sup>th</sup> with a 15.2 percent deposit market share.

Although Citizens Bank is not required to report HMDA data, examiners confirmed the high level of competition for home mortgage loans by reviewing the 2020 aggregate lending data from HMDA reporters. This data indicates that 215 lenders reported 2,757 originated or purchased home mortgage loans in the assessment area.

The bank is not required to report CRA data. Examiners confirmed the moderate level of competition for small business loans by reviewing the 2020 aggregate lending data from CRA reporters. This data indicates that 56 lenders reported 1,358 small business loans totaling \$89.1 million inside the assessment area.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this performance evaluation, examiners conducted one community contact interview with a representative from a community and economic development entity that serves the assessment area.

The contact stated that the pandemic and low unemployment rates created challenges for small businesses in the area. Specifically, business operations were limited by shutdowns and a workforce that was experiencing housing, childcare, and broadband limitations. The contact also noted that workforce development is a need in the area to assist employers in being more creative to attract employees.

The contact also stated there is a shortage of housing availability in the area and an increasing trend of home values and market rents. The housing market is competitive and many homes are selling

for above asking price, resulting in fewer affordable housing options for lower-income families who may have difficulty qualifying for mortgage loans.

According to the contact, some local crop farmers have been considering growing hemp as a method to diversify crop options. However, they have expressed concerns that financing may be a challenge due to regulatory requirements and state statutes. Overall, the contact stated that financial institutions have been responsive to the credit needs of the assessment area.

**Credit Needs**

Examiners reviewed information from the community contact, bank management, and demographic and economic data to determine assessment area needs and opportunities. Examiners concluded that home mortgage and small business lending represent the primary credit needs of the assessment area.

**SCOPE OF EVALUATION**

**General Information**

This evaluation covers the period from the previous evaluation dated February 16, 2016, to the current evaluation dated January 12, 2022. Examiners used Interagency Small Institution Examination Procedures to evaluate Citizens 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.

**Activities Reviewed**

Examiners determined that the bank’s major product lines are small business, small farm, and home mortgage loans. This conclusion considered discussion with management regarding the bank’s business strategy, review of bank data of the number and dollar volume of loans originated during the evaluation period, and a review of the Report of Condition. Small business and small farm lending performance received the most weight when deriving overall conclusions, based on loan volumes and lending focus.

Bank data and discussions with bank management indicate that the lending focus in 2021 was generally consistent with the rest of the evaluation period. Therefore, examiners reviewed all outstanding small business, small farm, and home mortgage loans originated or renewed in 2021. D&B data for 2021 provided a standard of comparison for the bank’s small business and small farm lending performance. The 2015 ACS data provided a standard of comparison for the bank’s home mortgage lending performance.

Examiners reviewed the entire universe of outstanding loans to evaluate the Assessment Area Concentration criterion. A sample of loans originated or renewed inside the assessment area was further reviewed to evaluate the Borrower Profile criterion. The table below provides information on the number and dollar volume of loan products reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business	128	27,165	47	11,196
Small Farm	116	14,346	41	4,501
Home Mortgage	56	13,409	30	6,153
<i>Source: Bank Data</i>				

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

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Citizens Bank demonstrated satisfactory performance under the Lending Test. The bank's performance under the entire evaluated criterion supports this conclusion.

### Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area. The bank's ratio, calculated from Report of Condition data, averaged 68.3 percent over the past 23 calendar quarters from March 31, 2016, to September 30, 2021. The ratio ranged from a low of 48.7 percent as of September 30, 2021, to a high of 75.7 percent as of December 31, 2019. Overall, the bank reasonably compares to the similarly situated institutions, as illustrated in the following table. Examiners selected comparable institutions based on asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 09/30/2021 (\$000s)	Average Net LTD Ratio (%)
Center National Bank, Litchfield, MN	243,141	60.1
<b>Citizens Bank and Trust Company, Hutchinson, MN</b>	<b>334,316</b>	<b>68.3</b>
Home State Bank, Litchfield, MN	201,288	65.6
<i>Source: Reports of Condition and Income 03/31/2016 – 09/30/2021</i>		

**Assessment Area Concentration**

Citizens Bank originated a substantial majority of small business, small farm, and home mortgage loans within the assessment area, as illustrated in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	\$(000s)
Small Business	111	86.7	17	13.3	128	22,816	84.0	4,349	16.0	27,165
Small Farm	100	86.2	16	13.8	116	11,694	81.5	2,652	18.5	14,346
Home Mortgage	50	89.3	6	10.7	56	11,389	84.9	2,020	15.1	13,409

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

**Geographic Distribution**

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

**Borrower Profile**

The bank’s lending performance demonstrates reasonable penetration among businesses and farms of different revenue sizes and individuals of different income levels. Although small business lending performance reflects poor penetration, small farm and home mortgage lending performance were both reasonable. Both small business and small farm products received equal weight; therefore, the reasonable home mortgage lending performance contributed to the overall conclusion.

***Small Business Loans***

The distribution of sampled small business loans reflects poor penetration of loans to businesses with gross annual revenues of \$1 million or less. The bank’s record of lending to small business significantly lags demographic data, as illustrated in the table below. According to bank management, the bank operates in a moderately competitive market, which is supported by 2020 aggregate data. Additionally, bank management stated that businesses received grants or low interest government loans, reducing the need for traditional small business loans. Further, the bank worked with the SBA to provide PPP loans, illustrating a willingness to extend loans to businesses of all sizes, including small businesses. While these factors provide context for the bank’s level of lending to small businesses, the bank’s performance is considered poor.

<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	83.1	22	46.8	3,050	27.2
>\$1,000,000	5.4	25	53.2	8,146	72.8
Revenue Not Available	11.6	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>11,196</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

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

The distribution of sampled small farm loans reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. The bank's record of lending to small farms is comparable to demographic data, as illustrated in the table below.

<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	97.6	40	97.6	4,001	88.9
>\$1,000,000	1.5	1	2.4	500	11.1
Revenue Not Available	0.9	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>4,501</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, Bank Data</i>					

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

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. The bank's performance lags demographic data, as illustrated in the table below. However, bank management and the community contact stated housing in the area is limited, especially affordable housing. In addition, housing values continue to increase, making it more difficult for lower-income families to qualify for mortgage loans. Further, home mortgage lending is a secondary focus of the bank and there is a lot of competition in the area for home mortgage loans. Based on these reasons the level of lending to both low- and moderate-income borrowers demonstrates reasonable performance.

<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	15.8	2	6.7	99	1.6
Moderate	16.8	4	13.3	451	7.3
Middle	24.6	4	13.3	504	8.2
Upper	42.8	20	66.7	5,099	82.9
Not Available	0.0	0	0	0	0
<b>Total</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>6,153</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data*

**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**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).



## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.