

PUBLIC DISCLOSURE

January 27, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank and Trust Company
Certificate Number: 14247

400 Central Avenue East
Hampton, Iowa 50441

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.

United Bank and Trust Company's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test 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 majority of its loans inside the assessment area.
- The geographic distribution of loans reflects excellent 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

United Bank and Trust Company operates from its main office in Hampton, Iowa, and branch offices in Alden, Dows, and Sheffield, Iowa. The bank is wholly owned by J.E. Coonley Company, Hampton, Iowa, a one-bank holding company. The bank has no other affiliates or subsidiaries. The bank received a rating of Satisfactory at the March 18, 2019, FDIC Performance Evaluation based on Interagency Small Bank Procedures.

United Bank and Trust Company offers various loan products and services, including agricultural, commercial, home mortgage, and consumer. The primary lending focus is on agricultural loans, followed by commercial and home mortgage loans. The bank participates in the beginning farmer loans through Farm Service Agency and Iowa Agricultural Development Authority and offers U.S. Department of Agriculture Rural Development loans. In addition, the bank participated in the Small Business Administration’s Paycheck Protection Program to assist business and agricultural entities during the COVID-19 pandemic. Deposit products include checking, savings, certificates of deposit, individual retirement accounts, and health savings accounts. Alternative bank services include online and mobile banking, and cash-dispensing ATMs at all the bank’s branches.

According to the September 30, 2024, Consolidated Reports of Condition and Income (Call Report), United Bank and Trust Company reported total assets of \$200.1 million, total loans of \$114.6 million, and total deposits of \$174.1 million. The loan portfolio concentrations remained generally consistent over the review period. Total loans increased 21.1 percent, total assets increased 24.3 percent, and total deposits increased 29.0 percent since the prior evaluation. Management stated that the increases are attributed to organic growth, pandemic-related stimulus funds, and inflation. The following table illustrates the composition of the loan portfolio.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$(000s)	%
Construction and Land Development	19	<0.1
Secured by Farmland	36,052	31.5
1-4 Family Residential	22,112	19.3
Multi-family (5 or more) Residential	161	0.1
Commercial Real Estate	8,760	7.7
Total Real Estate Loans	67,104	58.6
Commercial and Industrial	9,422	8.2
Agricultural	31,847	27.8
Consumer	5,576	4.9
Other	604	0.5
Less: Unearned Income	(0)	(0.0)
Total Loans	114,553	100.0
<i>Source: Reports of Condition and Income</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. United Bank and Trust Company has one assessment area in north central Iowa. The assessment area consists of all census tracts (CTs) in Franklin County, and parts of Butler (CT 702), Cerro Gordo (CT 9510), Floyd (CT 4803), Hamilton (CTs 9601 and 9602), Hardin (CT 4804), and Wright (CT 6804) counties. The assessment area had no changes in boundaries since the prior evaluation, but two CT income level designations changed. CT 3602 in Franklin County changed from middle to moderate income and CT 9602 in Hamilton County changed from middle to upper income.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area consists of ten CTs, of which one is moderate income, eight 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 ten middle-income CTs. 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)	10	0.0	10.0	80.0	10.0	0.0
Population by Geography	26,204	0.0	17.4	69.5	13.1	0.0
Housing Units by Geography	12,643	0.0	17.1	71.9	11.0	0.0
Owner-Occupied Units by Geography	8,404	0.0	15.2	72.4	12.4	0.0
Occupied Rental Units by Geography	2,621	0.0	21.1	71.0	7.8	0.0
Vacant Units by Geography	1,618	0.0	20.1	71.1	8.8	0.0
Businesses by Geography	3,473	0.0	16.4	70.5	13.1	0.0
Farms by Geography	955	0.0	5.7	79.3	15.1	0.0
Family Distribution by Income Level	7,378	18.5	21.2	22.5	37.9	0.0
Household Distribution by Income Level	11,025	19.7	17.8	20.3	42.2	0.0
Median Family Income – Nonmetropolitan Iowa	\$71,763	Median Housing Value				\$99,592
		Median Gross Rent				\$634
		Families Below Poverty Level				8.5%

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 24.3 percent; followed by agriculture, forestry, and fishing at 21.6 percent; and non-classifiable establishments at 20.1 percent. In addition, 69.1 percent of assessment area farms and businesses have less than five employees and 92.4 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
<i>Source: FFIEC</i>				

Competition

The assessment area is very competitive regarding the market for financial services. According to June 30, 2024, FDIC Deposit Market Share data, 27 banks operate 73 offices within the counties that are included in the assessment area. These institutions range from small community banks to larger financial institutions operating branch locations. United Bank and Trust Company ranked 10th with 3.2 percent of the deposit market share. Management indicated they also experience competition from credit unions, Farm Credit Services, and farm 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 organization and the other with an economic development organization, both of which were familiar with the assessment area.

The first representative stated the area predominantly includes middle- to high-income individuals, with some low- and moderate-income individuals as well. There are several new manufacturing employers, large retail stores, and several small businesses. A high percentage of the population is comprised of local workers, but some individuals commute from smaller surrounding towns. Small businesses have been well maintained. Some have adjusted hours or menus due to workforce shortages. Regarding agriculture, there is heavy competition among banks and credit unions. Affordable housing is the greatest need within the area. Available houses include both older and newer homes that sell quickly due to lack of inventory. The representative also said higher interest rates have limited home lending.

The second representative detailed how the COVID-19 pandemic hurt retail and small businesses in the area, noting that some businesses have rebounded. Workforce shortages exist and are compounded by low unemployment rates, lack of daycare options, and a migration of the younger population away to larger cities.

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 March 18, 2019, to the current evaluation dated January 27, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate United Bank and Trust Company's CRA performance. These procedures include a Lending Test, which is further described in the Appendices.

Activities Reviewed

Examiners determined United Bank and Trust Company'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 for all criterion with one exception. Examiners afforded equal weight to all three products for the Geographic Distribution given the only moderate-income area to analyze encompasses the City of Hampton, where there is not a lot of opportunity for farm lending.

Examiners reviewed all small farm, small business, and home mortgage loans originated or renewed from January 1, 2024, and December 31, 2024. Management agreed that this timeframe is representative of lending activities throughout the review period. For the Lending Test, examiners reviewed the entire universe of 2024 loans to evaluate the Assessment Area Concentration criterion. This universe included 155 small farm loans totaling \$19.9 million, 98 small business loans totaling \$8.1 million, and 20 home mortgage loans totaling \$2.7 million. For the Geographic Distribution criterion, examiners reviewed all loans made within the assessment area. For the Borrower Profile criterion, samples of 50 small farm loans totaling \$7.0 million and 45 small business loans totaling \$4.4 million that were originated within the assessment area were selected for review. Due to the lower volume, all home mortgage loans originated inside the assessment area were reviewed.

The 2024 D&B data provided a standard of comparison for small farm and small business lending. The 2020 U.S. Census data provided a standard of comparison for home mortgage lending. 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

United Bank and Trust Company demonstrated reasonable performance under the Lending Test. The bank's Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

United Bank and Trust Company 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 60.7 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 64.7 percent. The ratio ranged from a low of 49.9 percent on March 31, 2022, to a high of 70.1 percent on June 30, 2019. The bank's average net loan-to-deposit ratio was compared to that of four similarly-situated institutions operating in or near United Bank and Trust Company's assessment area with similarities in lending focus and asset size. The trend in United Bank and Trust Company loan-to-deposit ratio over the review period was similar to the trends noted for most of 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 (%)
United Bank and Trust Company, Hampton, Iowa	200,134	60.7
First State Bank, Belmond, Iowa	132,777	46.6
First Bank Hampton, Hampton, Iowa	255,148	81.2
Iowa Falls State Bank, Iowa Falls, Iowa	183,761	61.2
Security State Bank, Radcliffe, Iowa	113,231	46.1
<i>Source: Reports of Condition and Income 03/31/2019 through 09/30/2024</i>		

Assessment Area Concentration

United Bank and Trust Company extended a majority of small farm, small business, and home mortgage loans, by number and dollar amount, inside its assessment area. See the following 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	142	91.6	13	8.4	155	17,951	90.2	1,942	9.8	19,893
Small Business	79	80.6	19	19.4	98	6,979	86.6	1,080	13.4	8,059
Home Mortgage	13	65.0	7	35.0	20	1,363	50.4	1,342	49.6	2,705
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

United Bank and Trust Company’s geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank’s excellent small business and home mortgage lending performance primarily supports this conclusion. While small farm loan performance is considered reasonable, examiners note there are limited farm lending opportunities in the moderate-income CT which is within the City of Hampton. Examiners focused on the percentage of loans, by number, in the sole moderate-income CT.

Small Farm Loans

The geographic distribution of small farm lending reflects reasonable dispersion. As shown in the following table, United Bank and Trust Company’s level of small farm lending in the moderate-income area is similar to D&B data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	5.7	8	5.6	1,203	6.7
Middle	79.3	134	94.4	16,748	93.3
Upper	15.1	0	0.0	0	0.0
Totals	100.0	142	100.0	17,951	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The geographic distribution of small business lending reflects excellent dispersion. As shown in the following table, United Bank and Trust Company’s level of small business lending in the moderate-income area significantly exceeds D&B data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	16.4	18	22.8	2,046	29.3
Middle	70.5	61	77.2	4,933	70.7
Upper	13.1	0	0.0	0	0.0
Totals	100.0	79	100.0	6,979	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of home mortgage lending reflects excellent dispersion. As shown in the following table, United Bank and Trust Company’s level of home mortgage lending in the moderate-income area significantly exceeds demographic data.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	15.2	3	23.1	355	26.1
Middle	72.4	10	76.9	1,008	73.9
Upper	12.4	0	0.0	0	0.0
Total	100.0	13	100.0	1,363	100.0

*Source: 2020 U.S. Census; Bank Data.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different incomes. United Bank and Trust Company'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

United Bank and Trust Company'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 52.6 percent of assessment area farms list a primary occupation outside of farming and 28.9 percent are considered hobby farms that generate under \$2,500 in gross annual revenues. The same report shows that 54.6 percent of farms had no interest expense. This data supports that a significant proportion of operators have limited or no borrowing needs. Further, the community contact and bank management indicated that farmers have limited borrowing needs, and that strong competition exist for agricultural lending in the area.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.6	41	82.0	4,621	65.8
>\$1,000,000	1.0	9	18.0	2,397	34.2
Revenue Not Available	1.4	0	0.0	0	0.0
Total	100.0	50	100.0	7,018	100.0

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

Small Business Loans

The distribution of small business loans to operations of various revenues is reasonable when considering other factors. As shown in the following table, United Bank and Trust Company's lending performance to businesses with revenues of \$1 million or less is slightly lower than D&B

data. The community contact stated that businesses were still experiencing workforce shortages. Further, bank management said that population decline, lack of affordable housing, and lack of worker transportation have impacted small businesses loan demand.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	87.7	37	82.2	2,338	53.2
>\$1,000,000	2.4	8	17.8	2,056	46.8
Revenue Not Available	9.9	0	0.0	0	0.0
Total	100.0	45	100.0	4,394	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

United Bank and Trust Company’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-income borrowers significantly exceeds the corresponding demographic data; however, the bank’s level of lending to moderate-income borrowers is lower than the corresponding demographic data. The community contact stated that a housing shortage, especially for affordable housing, has reduced demand for home loans in the area. Bank management concurred and added that homes and home construction prices are high, also limiting demand.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	18.5	4	30.8	179	13.2
Moderate	21.2	1	7.7	225	16.5
Middle	22.5	1	7.7	6	0.4
Upper	37.9	5	38.5	698	51.2
Not Available	0.0	2	15.4	255	18.7
Total	100.0	13	100.0	1,363	100.0
<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.