

PUBLIC DISCLOSURE

February 28, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Mead
Certificate Number: 13611

322 South Vine
Mead, Nebraska 68041

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.....	9
APPENDICES	10
SMALL BANK PERFORMANCE CRITERIA.....	10
GLOSSARY	11

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.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the loans reviewed were located inside the assessment area.
- The assessment area does not contain any low- or moderate-income census tracts. Therefore, examiners did not evaluate the geographic distribution of loans.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation. As a result, examiners did not evaluate the bank's record of responding to CRA-related complaints.

DESCRIPTION OF INSTITUTION

Bank of Mead is a community financial institution headquartered in Mead, Nebraska with one additional limited-service, drive-thru branch also located in Mead. The bank is owned by Selko Banco, Inc., Mead, Nebraska, a one-bank holding company. The bank has an affiliated insurance agency; however, the agency does not provide any lending services to consider for this evaluation. The FDIC assigned a CRA rating of “Satisfactory” at the April 25, 2016 Performance Evaluation, where examiners used Interagency Small Institution Examination Procedures.

The bank offers traditional credit products including agricultural, commercial, home mortgage, and consumer loans. Agricultural lending continues to be the bank’s primary focus. In 2020 and 2021, the bank participated in the Small Business Administration (SBA) Paycheck Protection Program (PPP) originating 118 loans totaling \$1.9 million. The bank also offers a variety of deposit products including checking accounts, savings accounts, and certificates of deposit. Alternative banking services include internet banking, mobile banking, and automated teller machines.

The institution’s December 31, 2021 Consolidated Report of Condition and Income reflected total assets of \$32.2 million, total loans of \$14.8 million, and total deposits of \$28.8 million. The bank’s loan portfolio has remained consistent since the previous evaluation. The following table reflects the bank’s loan portfolio composition.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	58	0.4
Secured by Farmland	2,104	14.2
Secured by 1-4 Family Residential Properties	4,745	32.1
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	1,001	6.8
Total Real Estate Loans	7,908	53.5
Commercial and Industrial Loans	2,340	15.8
Agricultural Production and Other Loans to Farmers	3,078	20.8
Consumer Loans	1,234	8.4
Obligations of State and Political Subdivisions in the U.S.	224	1.5
Other Loans	2	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	14,786	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution’s ability to meet the assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Bank of Mead has one assessment area that includes four census tracts (9681, 9683, 9684, and 9685) in Saunders County. Saunders County is included in the Omaha-Council Bluffs, NE-IA Metropolitan Statistical Area (MSA). The assessment area consists of all middle-income census tracts according to the 2015 American Community Survey (ACS). The bank has redefined the assessment area since the previous evaluation, removing one middle-income census tract (9682) that comprises the western portion of Saunders County.

Economic and Demographic Data

The following table provides select demographic data for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	100.0	0.0	0.0
Population by Geography	15,384	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	6,936	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	4,558	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,439	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	939	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,377	0.0	0.0	100.0	0.0	0.0
Farms by Geography	166	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,116	16.4	16.7	26.8	40.1	0.0
Household Distribution by Income Level	5,997	21.8	17.1	18.8	42.4	0.0
Median Family Income MSA - 36540 Omaha-Council Bluffs, NE-IA MSA		\$73,632	Median Housing Value			\$151,077
			Median Gross Rent			\$706
			Families Below Poverty Level			6.1%
<i>Source: 2015 ACS and 2020 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.</i>						

While the assessment area is located within the Omaha-Council Bluffs, NE-IA MSA, it is on the western boundary of the MSA and is primarily rural in nature. The two largest communities in the assessment area are Wahoo (population 4,502) and Ashland (population 2,523). Due to the short distance to Omaha and Lincoln, a large percentage of the population commutes to these cities for employment.

Economic conditions are dependent on agricultural production as evidenced by 2017 Census of Agriculture data, which reflects total commodity sales in excess of \$360 million for Saunders County. However, agricultural production has decreased since the previous evaluation in total

commodity sales and in the number of farming operations. Total commodity sales for Saunders County decreased by \$20 million since the previous evaluation. The assessment area also experienced a trend of smaller farm operations consolidating into larger farm operations. According to 2020 D&B data, as well as 2017 Census of Agriculture data, the number of farms in the assessment area declined since the previous evaluation, while the number of farming acres and the average size of farms increased. The decrease in farms was comprised entirely of those with gross annual revenues of \$1 million or less, while the number of farms with gross annual revenues exceeding \$1 million increased. The number of farms with gross annual revenues of \$1 million or less still represents 98.2 percent of farms located in the assessment area.

The assessment area supports a diverse make-up of industries in addition to agriculture. According to 2020 D&B data, service industries represent the largest portion of the business sector at 31.2 percent followed by non-classified establishments at 14.8 percent. Additional sectors with strong concentrations include agriculture, forestry, and fishing (10.8 percent); construction (10.5 percent); and retail trade (10.5 percent). The majority of businesses are small with 89.2 percent operating from a single location, 69.8 percent employing 4 or fewer employees, and 83.8 percent having gross annual revenues of \$1 million or less.

In early 2020, the COVID-19 pandemic began to spread across the nation resulting in numerous business closings. As a result, unemployment increased throughout the assessment area peaking at a high in April 2020 of 6.7 percent. Unemployment has since declined to more normalized levels, which has helped stabilize the economy. As of December 2021, the unemployment rate for the assessment area was 1.1 percent, which compared closely to the state of Nebraska at 1.3 percent.

Examiners used information from the Federal Financial Institution Examination Council (FFIEC) to analyze home mortgage loans under the Borrower Profile criterion. The following table reflects the FFIEC-estimated 2020 median family income for the Omaha-Council Bluffs, NE-IA MSA as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Omaha-Council Bluffs, NE-IA MSA Median Family Income (36540)				
2020 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
<i>Source: FFIEC</i>				

Competition

The assessment area is moderately competitive for financial services. According to 2020 FDIC Deposit Market Share data, 9 financial institutions operated 10 offices within the assessment area. Of these institutions, Bank of Mead ranked 8th with a deposit market share of 4.9 percent. Additionally, Farm Credit Services, farm cooperatives, and implement dealers provide significant competition for agricultural loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available.

Examiners conducted a community contact with a representative of an economic development organization. The representative stated that agriculture plays a major role in the local economy. The agriculture industry was very strong in the past year with record yields and high commodity prices. The contact indicated there are also some large employers in the area that are integral to the local economy. All businesses in the area, including the small downtown businesses, are doing well; however, the contact indicated that area businesses are having difficulties finding employees to hire.

The representative stated that there is a housing shortage in the area; however, this issue is being addressed with the construction of a new housing development starting in the summer of 2022. Once complete, this housing development will bring 90 homes to the area, most of which have already been spoken for.

The contact stated that agriculture, business, and mortgage loans are all primary credit needs in the area. Overall, the individual felt that the local banks were active in the community and were doing a good job of meeting the credit needs of the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural, small business, and home mortgage loans are all primary credit needs in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated April 25, 2016, to the current evaluation, dated February 28, 2022. Examiners used Interagency Small Institution Examination Procedures to conduct the evaluation, which includes a Lending Test. Refer to the Appendices for a description of this test.

Activities Reviewed

Agriculture loans are the Bank of Mead's primary business focus representing 35.0 percent of the bank's loan portfolio followed by home mortgage and commercial loans representing 32.1 and 22.6 percent, respectfully. Examiners reviewed all three products to evaluate the bank's performance. They selected these products based on the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Other loan products, such as consumer loans, do not represent major product lines. As such, examiners did not review these products, since they would not provide material support for conclusions or the rating.

Examiners selected calendar year 2020 as the review period. Bank management indicated this review period was an accurate representation of the institution’s lending activity throughout the evaluation period for small farm, small business, and home mortgage loans. Additionally, bank management indicated that SBA PPP loans, primarily originated in 2021, did not reflect customary lending activity throughout the evaluation period. 2020 D&B data provided a standard of comparison for the small farm and small business loans reviewed and 2015 ACS data provided a standard of comparison for the home mortgage loans.

For the Assessment Area Concentration analysis, examiners reviewed all small farm, small business, and home mortgage loans originated or purchased during the review period. For the Borrower Profile analysis, examiners reviewed a sample of small farm and small business loans and all home mortgage loans located inside the assessment area. The table below provides details on the loans reviewed.

Loan Products Reviewed				
Loan Category	Assessment Area Concentration		Borrower Profile	
	#	\$(000s)	#	\$(000s)
Small Farm	59	5,472	35	3,249
Home Mortgage	13	1,065	12	958
Small Business	59	2,214	35	1,141
<i>Source: Bank Data</i>				

Small farm loans contributed more weight to overall conclusions than small business or home mortgage loans due to the higher lending volume. Examiners placed equal weight on the number and dollar volume of loans when conducting the Assessment Area Concentration analysis. However, examiners placed greater weight on the number of loans, rather than the dollar volume of loans, when conducting the Borrower Profile analysis because the number of loans is a better indicator of the small farms, small businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank of Mead demonstrated satisfactory performance under the Lending Test. Reasonable performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria support this conclusion.

Loan-to-Deposit Ratio

Bank of Mead’s net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s net loan-to-deposit ratio, calculated from Consolidated Report of Condition and Income data, averaged 60.6 percent over the past 23 quarters from June 30, 2016 to December 31, 2021. The ratio remained relatively stable throughout the evaluation period as it ranged from a high of 67.9 percent as of June 30, 2020, to a low of 49.6 percent as of December 31, 2021. The current average net loan-to-deposit ratio represents an increase since the previous evaluation when it was 55.9 percent.

Examiners compared Bank of Mead’s average net loan-to-deposit ratio to three other similarly-situated financial institutions to evaluate the bank’s performance. The institutions were selected based on their asset size, geographic location, and lending focus. As shown in the following table, Bank of Mead’s average net loan-to-deposit ratio is comparable to the similarly-situated institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2021 (\$000s)	Average Net LTD Ratio (%)
Bank of Mead, Mead, Nebraska	32,229	60.6
CerescoBank, Ceresco, Nebraska	62,454	72.8
Corn Growers State Bank, Murdock, Nebraska	30,739	58.5
Bank of Prague, Prague, Nebraska	34,679	82.2

Source: Reports of Condition and Income 6/30/2016 – 12/31/2021

Assessment Area Concentration

A majority of the loans reviewed were located inside the assessment area. The following table provides details.

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	49	83.1	10	16.9	59	4,227	77.2	1,245	22.8	5,472
Home Mortgage	12	92.3	1	7.7	13	958	90.0	107	10.0	1,065
Small Business	44	74.6	15	25.4	59	1,524	68.8	690	31.2	2,214

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

Geographic Distribution

The assessment area does not contain any low- or moderate-income census tracts. Therefore, examiners did not evaluate the geographic distribution of loans.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels within the assessment area. Examiners focused on the percentage of small farm and small business loans to farms and businesses with gross annual revenues of \$1 million or less and the percentage of home mortgage loans to low- and moderate-income borrowers. Reasonable small farm, home mortgage, and small business lending performance support this conclusion.

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes. Although lending to farms with gross annual revenues of \$1 million or less lags the comparable demographic

data, the difference is not significant given the performance context. According to the 2017 Census of Agriculture data, 57.2 percent of the assessment area’s farmers indicated that farming is not their principal occupation and 57.3 percent did not pay any interest expense. This suggests limited borrowing by farmers, which affects the bank’s opportunity to lend to small farms in the assessment area. Additionally, four of the six loans to farms with gross annual revenues greater than \$1 million were made to the same borrower, influencing the analysis. Overall, the bank’s record of lending to farms of different sizes is reasonable. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.2	29	82.9	1,884	58.0
>\$1,000,000	1.2	6	17.1	1,365	42.0
Revenue Not Available	0.6	0	0.0	0	0.0
Total	100.0	35	100.0	3,249	100.0
<i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Lending to low-income borrowers significantly exceeds the percentage of low-income families in the assessment area. Lending to moderate-income borrowers lags the percentage of moderate-income families in the assessment area; however, the bank’s performance is still within a reasonable range. The following table provides details.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	16.4	4	33.3	245	25.6
Moderate	16.7	1	8.3	50	5.2
Middle	26.8	6	50.0	443	46.2
Upper	40.1	1	8.3	220	23.0
Not Available	0.0	0	0.0	0	0.0
Total	100.0	12	100.0	958	100.0
<i>Source: 2015 ACS; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank’s performance in lending to businesses with gross annual revenues of \$1 million or less is comparable to D&B data. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	83.8	29	82.9	655	57.4
>\$1,000,000	4.4	6	17.1	486	42.6
Revenue Not Available	11.8	0	0.0	0	0.0
Total	100.0	35	100.0	1,141	100.0
<i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

The institution has not received any complaints regarding its CRA performance since the previous evaluation. As a result, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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