PUBLIC DISCLOSURE

April 28, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FBT Bank & Mortgage
RSSD #314444

200 West Fourth
Fordyce, Arkansas 71742

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this bank 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'S COMMUNITY REINVESTMENT ACT RATING

FBT Bank & Mortgage is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit ratio (LTD) is reasonable given the bank's size, financial condition, and assessment area credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the assessment areas.
- The borrower's profile analysis reveals excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. Bank performance under this test is rated within each of the bank's assessment areas.

The following table details the number of branch offices, breakdown of deposits, and CRA review procedures applicable to each assessment area completed as part of this evaluation.

Assessment Area	Offices		Deposits As of June 30, 2024		Review Procedures
	#	%	$	%	
Pine Bluff	3	60.0%	$69,354	31.4%	Full Scope
Dallas County	2	40.0%	$151,844	68.6%	Full Scope
TOTAL	**5**	**100.0%**	**$221,198**	**100%**	**2 – Full Scope**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, performance in the Pine Bluff assessment area was given primary consideration, as it contains the majority of the bank's branches and loan activity.

The bank's lending performance was evaluated using Home Mortgage Disclosure Act (HMDA) and small business loans, as these loan categories represent core business lines based on lending volume and the bank's stated business strategy. Performance for the HMDA category carried most significance toward the bank's overall performance conclusions based on lending volume. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	March 31, 2021 – December 31, 2024
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	January 11, 2021 – April 27, 2025

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data. Certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $118.5 million to $655.1 million as of December 31, 2024.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

FBT Bank & Mortgage is an intrastate community bank headquartered in Fordyce, Arkansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of FBT Bancshares, Inc., of Fordyce, Arkansas.

- The bank has total assets of $253.1 million as of December 31, 2024. That represents an increase of 26.7 percent since the last evaluation.

- In addition to its main office and a second location in Fordyce, Arkansas, the bank has three other offices, located in Rison, White Hall, and Pine Bluff, Arkansas. The bank also operates a loan production office (LPO) in Pine Bluff.

- All bank branches have full-service automated teller machines (ATMs) on site, except for the main office. The main office and three branches are full-service facilities with drive-up accessibility. The additional branch is a drive-up-only facility.

- As shown in the following table, the bank's primary business focus is residential real estate and commercial loans.

Composition of Loan Portfolio as of December 31, 2024		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans**
1–4 Family Residential	$40,805	27.4%
Commercial and Industrial	$40,871	27.4%
Commercial Real Estate	$23,383	15.7%
Construction and Development	$16,456	11.0%
Loans to Individuals	$12,295	8.2%
Farmland	$8,034	5.4%
Total Other Loans	$4,959	3.3%
Multifamily Residential	$2,323	1.6%
Farm Loans	$64	0.0%
TOTAL	**$149,190**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

The bank was rated Satisfactory under the CRA at its January 11, 2021, performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the assessment areas, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on location, asset size, and loan portfolio.

Comparative LTD Ratios March 31, 2021 through December 31, 2024			
Institution	**Location**	**Asset Size $ (000s)**	**LTD Ratio (%) 16-Quarter Average**
FBT Bank & Mortgage	Fordyce, Arkansas	$253,073	62.5%
Similarly Situated Institutions			
Regional Banks	Star City, Arkansas	$118,481	70.6%
	Malvern, Arkansas	$655,086	59.1%
	Sheridan, Arkansas	$265,242	55.0%

The bank's LTD ratio is reasonable. As shown in the preceding table, the bank's LTD ratio outpaced two of its regional peers and trailed another. The bank's quarterly LTD ratio over the review period was relatively stable, with a low of 59.8 percent in the third quarter of 2023 and a high of 67.3 percent in the third quarter of 2022. The peer institutions also displayed generally stable ratios.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the assessment areas.

Lending Inside and Outside the Assessment Area								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
HMDA	75	72.8	5,438	60.9	28	27.2	3,497	39.1
Small Business	75	74.3	5,306	78.3	26	25.7	1,472	21.7
TOTAL LOANS	**150**	**73.5**	**10,744**	**68.4**	**54**	**26.5**	**4,969**	**31.6**
Note: Percentages may not total 100.0% due to rounding.								

A majority of the bank's loans, by number and dollar, are originated inside the assessment areas.

Borrower and Geographic Distribution

The bank's performance by borrower's income/revenue profile is excellent, based on the analyses of lending in the bank's two assessment areas. As was aforementioned, more weight is being placed on the Pine Bluff assessment area.

Assessment Area	Loan Distribution by Borrower's Profile
Pine Bluff	Excellent
Dallas County	Reasonable
OVERALL	**EXCELLENT**

The bank's distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's assessment areas.

Assessment Area	Geographic Distribution of Loans
Pine Bluff	Reasonable
Dallas County	Reasonable
OVERALL	**REASONABLE**

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

PINE BLUFF, ARKANSAS METROPOLITAN STATISTICAL AREA
(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PINE BLUFF ASSESSMENT AREA

The bank's Pine Bluff assessment area consists of the entireties of Jefferson and Cleveland counties in Arkansas (see Appendix A for an assessment area map). For the majority of the review period, these counties were part of the Pine Bluff MSA, but the area was re-classified as a micropolitan statistical area in 2024.

- The bank operates three of its five offices, as well as an LPO, in the assessment area. Since the last evaluation, the bank did not open or close any branches in the assessment area.
- According to the June 30, 2024 Federal Deposit Market Share Report, the bank has a market share of 2.4 percent, which ranks 6th out of eight FDIC-insured depository institutions operating in the assessment area.
- According to the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the assessment area determined by number of employees are manufacturing (22.2 percent), retail trade (14.6 percent), and administrative and waste services (7.4 percent).
- One community contact interview was conducted with an individual from a local nonprofit organization.

Assessment Area Demographics by Geography Income Level Assessment Area: Pine Bluff						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	1	7	11	5	2	**26**
	3.8%	26.9%	42.3%	19.2%	7.7%	**100%**
Family Population	556	3,171	8,127	5,824	983	**18,661**
	3.0%	17.0%	43.6%	31.2%	5.3%	**100%**

- As shown above, 30.7 percent of the census tracts in the assessment area are LMI geographies, with 20.0 percent of the family population residing in these tracts.
- LMI census tracts are located in the central, northern, and eastern portions of Jefferson County.

Population Change Assessment Area: Pine Bluff			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Assessment Area	82,058	74,810	-8.8%
Cleveland County, Arkansas	8,510	7,550	-11.3%
Jefferson County, Arkansas	73,548	67,260	-8.5%
Arkansas	2,958,208	3,011,524	1.8%
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- As shown in the table above, while the population in the state of Arkansas overall has increased from 2015 to 2020, the assessment area has experienced a decline in population. Within the assessment area, Cleveland County has experienced a higher rate of population decline than Jefferson County.

Median Family Income Change Assessment Area: Pine Bluff			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Assessment Area	$53,345	$53,197	-0.3%
Cleveland County, Arkansas	$55,074	$59,964	8.9%
Jefferson County, Arkansas	$52,812	$52,338	-0.9%
Arkansas	$56,576	$62,067	9.7%
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- As shown in the table above, the median family income for the assessment area trails the median family income for the state of Arkansas. Additionally, while the median family income increased in the state from 2015 to 2020, it remained stable in the assessment area. While the median family income increased in Cleveland County at levels close to the state, the median family income in Jefferson County declined over the period, driving the overall assessment area median family income lower.

Unemployment Rate (%) Assessment Area: Pine Bluff				
Area	**2021**	**2022**	**2023**	**2024**
Assessment Area	6.3	4.9	4.4	4.8
Cleveland County, Arkansas	4.1	3.7	3.2	3.7
Jefferson County, Arkansas	6.6	5.1	4.5	4.9
Arkansas	4.0	3.2	3.1	3.5

- As shown in the preceding table, unemployment figures at the assessment area, county, and state levels have declined during much of the review period.

- Unemployment levels in the assessment area have been consistently higher than the state of Arkansas throughout the review period, driven by elevated unemployment levels in Jefferson County.

- The community contact noted that many small businesses closed during the pandemic and did not reopen afterward and that workforce development is a need in the assessment area.

Housing Cost Burden
Assessment Area: Pine Bluff

Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	66.0%	49.3%	40.1%	56.7%	28.5%	16.0%
Cleveland County, Arkansas	58.3%	7.3%	30.7%	41.8%	40.7%	15.6%
Jefferson County, Arkansas	66.5%	52.2%	40.7%	58.8%	26.3%	16.0%
Arkansas	69.8%	35.3%	37.3%	53.0%	25.2%	15.3%

Cost burden is housing cost that equals 30% or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy

- A smaller percentage of low-income renters in the assessment area are cost-burdened than in the state of Arkansas, while a higher percentage of moderate-income renters are cost-burdened in the assessment area than in the state.

- A higher percentage of low- and moderate-income homeowners are cost-burdened in the assessment area than in the state.

- The community contact noted a lack of affordable housing in Jefferson County, with existing housing stock being either too expensive or in need of substantial repairs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PINE BLUFF ASSESSMENT AREA

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has an excellent distribution among individuals of different income levels and businesses of different sizes.

HMDA Lending

The bank's HMDA loan distribution is excellent. The bank's performance lending to low-income borrowers (23.1 percent) exceeds aggregate lending levels (7.5 percent) and the percentage of low-income homeowners in the assessment area (22.6 percent). Additionally, the bank's performance lending to moderate-income borrowers (17.9 percent) is slightly below the aggregate (19.6 percent) but exceeds the demographic comparator (17.5 percent).

Distribution of 2023 HMDA Lending by Borrower Income Level Assessment Area: Pine Bluff							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	$	$ %	$ %	
Home Purchase Loans							
Low	4	19.0%	7.4%	$131	6.2%	4.0%	22.6%
Moderate	5	23.8%	20.6%	$290	13.7%	16.4%	17.5%
Middle	6	28.6%	21.4%	$659	31.1%	21.3%	18.7%
Upper	5	23.8%	17.7%	$852	40.2%	24.7%	41.1%
Unknown	1	4.8%	32.9%	$187	8.8%	33.6%	0.0%
TOTAL	**21**	**100.0%**	**100.0%**	**$2,119**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	3	42.9%	8.5%	$147	28.1%	4.0%	22.6%
Moderate	0	0.0%	21.0%	$0	0.0%	15.1%	17.5%
Middle	2	28.6%	25.0%	$91	17.4%	22.2%	18.7%
Upper	2	28.6%	33.0%	$286	54.6%	41.5%	41.1%
Unknown	0	0.0%	12.5%	$0	0.0%	17.3%	0.0%
TOTAL	**7**	**100.0%**	**100.0%**	**$524**	**100.0%**	**100.0%**	**100.0%**
Home Improvement							
Low	2	18.2%	8.1%	$14	3.3%	3.1%	22.6%
Moderate	2	18.2%	16.1%	$22	5.2%	11.6%	17.5%
Middle	2	18.2%	22.6%	$112	26.5%	21.6%	18.7%
Upper	5	45.5%	29.0%	$274	64.9%	37.2%	41.1%
Unknown	0	0.0%	24.2%	$0	0.0%	26.6%	0.0%
TOTAL	**11**	**100.0%**	**100.0%**	**$422**	**100.0%**	**100.0%**	**100.0%**
Multifamily Loans							**% of Multifamily Units**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Middle	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Unknown	0	0.0%	100.0%	$0	0.0%	100.0%	N/A
TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**N/A**
Total Home Mortgage Loans							**Families by Family Income %**
Low	9	23.1%	7.5%	$292	9.5%	3.5%	22.6%
Moderate	7	17.9%	19.6%	$312	10.2%	13.8%	17.5%
Middle	10	25.6%	21.6%	$862	28.1%	19.1%	18.7%
Upper	12	30.8%	20.8%	$1,412	46.1%	25.1%	41.1%
Unknown	1	2.6%	30.6%	$187	6.1%	38.4%	0.0%
TOTAL	**39**	**100.0%**	**100.0%**	**$3,065**	**100.0%**	**100.0%**	**100.0%**

Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

<u>Small Business Lending</u>

The borrower distribution of small business lending is excellent. As displayed in the following table, the bank's lending to small businesses (96.1 percent) exceeds aggregate lending levels (56.3 percent) and the demographic comparator (91.2 percent). Further, the bank originated 85.7 percent of its total small business loans in dollar amounts of $100,000 or less. This indicates the bank is being responsive to small business credit needs.

Distribution of 2023 Small Business Lending by Revenue Size of Businesses
Assessment Area: Pine Bluff

Business Revenue and Loan Size			2023						
			Count			Dollars			Total Businesses
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Business Revenue		$1 Million or Less	49	96.1%	56.3%	$2,652	95.7%	34.9%	91.2%
Business Revenue		Over $1 Million/ Unknown	2	3.9%	43.8%	$119	4.3%	65.1%	8.8%
Business Revenue		**TOTAL**	**51**	**100.0%**	**100.0%**	**$2,771**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	44	86.3%	95.1%	$1,361	49.1%	47.8%	
Loan Size		$100,001–$250,000	4	7.8%	2.9%	$475	17.1%	19.1%	
Loan Size		$250,001–$1 Million	3	5.9%	1.9%	$935	33.7%	33.1%	
Loan Size		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
Loan Size		**TOTAL**	**51**	**100.0%**	**100.0%**	**$2,771**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	42	85.7%		$1,242	46.8%		
Loan Size	Revenue $1 Million or Less	$100,001–$250,000	4	8.2%		$475	17.9%		
Loan Size	Revenue $1 Million or Less	$250,001–$1 Million	3	6.1%		$935	35.3%		
Loan Size	Revenue $1 Million or Less	Over $1 Million	0	0.0%		$0	0.0%		
Loan Size	Revenue $1 Million or Less	**TOTAL**	**49**	**100.0%**		**$2,652**	**100.0%**		

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its assessment area by income level of census tracts, with consideration given to the dispersion of loans throughout the assessment area. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the assessment area.

<u>HMDA Lending</u>

The geographic distribution of home mortgage lending is excellent. While the bank did not make any HMDA loans in the assessment area's single low-income census tract, aggregate performance (0.6 percent) and the demographic figure (1.0 percent) indicate limited opportunity for home mortgage lending in this geography. However, the bank's performance lending to moderate-income census tracts (15.4 percent) exceeds the aggregate (9.5 percent) and the demographic comparator (15.2 percent).

Distribution of 2023 HMDA Lending by Income Level of Geography Assessment Area: Pine Bluff							
Census Tract Income Level	**Bank Loans**		**Aggregate HMDA Data**	**Bank Loans**		**Aggregate HMDA Data**	**% of Owner–Occupied Units**
	#	**# %**	**# %**	**$**	**$ %**	**$ %**	
Home Purchase Loans							
Low	0	0.0%	0.7%	$0	0.0%	0.3%	1.0%
Moderate	1	4.8%	8.0%	$230	10.9%	5.7%	15.2%
Middle	13	61.9%	44.5%	$993	46.9%	42.1%	42.7%
Upper	7	33.3%	42.6%	$896	42.3%	49.6%	36.5%
Unknown	0	0.0%	4.2%	$0	0.0%	2.3%	4.5%
TOTAL	**21**	**100.0%**	**100.0%**	**$2,119**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	1.0%
Moderate	2	28.6%	7.4%	$286	54.6%	3.2%	15.2%
Middle	4	57.1%	43.2%	$157	30.0%	39.1%	42.7%
Upper	1	14.3%	48.3%	$81	15.5%	57.0%	36.5%
Unknown	0	0.0%	1.1%	$0	0.0%	0.7%	4.5%
TOTAL	**7**	**100.0%**	**100.0%**	**$524**	**100.0%**	**100.0%**	**100.0%**
Home Improvement							
Low	0	0.0%	1.6%	$0	0.0%	1.0%	1.0%
Moderate	3	27.3%	19.4%	$31	7.3%	18.7%	15.2%
Middle	6	54.5%	48.4%	$113	26.8%	45.1%	42.7%
Upper	2	18.2%	22.6%	$278	65.9%	28.5%	36.5%
Unknown	0	0.0%	8.1%	$0	0.0%	6.7%	4.5%
TOTAL	**11**	**100.0%**	**100.0%**	**$422**	**100.0%**	**100.0%**	**100.0%**
Multifamily Loans							**% of Multifamily Units**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	2.7%
Moderate	0	0.0%	50.0%	$0	0.0%	28.6%	36.0%
Middle	0	0.0%	25.0%	$0	0.0%	46.8%	47.0%
Upper	0	0.0%	25.0%	$0	0.0%	24.6%	11.9%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	2.5%
TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Total Home Mortgage Loans							**% of Owner-Occupied Units**
Low	0	0.0%	0.6%	$0	0.0%	0.2%	1.0%
Moderate	6	15.4%	9.5%	$547	17.8%	8.4%	15.2%
Middle	23	59.0%	43.8%	$1,263	41.2%	42.0%	42.7%
Upper	10	25.6%	42.2%	$1,255	40.9%	47.5%	36.5%
Unknown	0	0.0%	4.0%	$0	0.0%	1.9%	4.5%
TOTAL	**39**	**100.0%**	**100.0%**	**$3,065**	**100.0%**	**100.0%**	**100.0%**

Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is poor. The bank's lending performance to small businesses in low-income census tracts (2.0 percent) is on par with the demographic comparator (2.0 percent) but falls slightly under the aggregate (2.5 percent). The bank's lending performance to small businesses in moderate-income census tracts (5.9 percent) is significantly lower than the aggregate (17.3 percent) and the demographic comparator (24.9 percent), culminating in a poor small business geographic distribution overall.

Distribution of 2023 Small Business Lending by Income Level of Geography
Assessment Area: Pine Bluff

Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	$ (000s)	$ %	$ %	
Low	1	2.0%	2.5%	$85	3.1%	0.6%	2.0%
Moderate	3	5.9%	17.3%	$25	0.9%	14.6%	24.9%
Middle	24	47.1%	43.4%	$1,487	53.7%	48.1%	41.7%
Upper	23	45.1%	33.0%	$1,173	42.3%	34.4%	28.0%
Unknown	0	0.0%	3.9%	$0	0.0%	2.3%	3.4%
TOTAL	**51**	**100.0%**	**100.0%**	**$2,770**	**100.0%**	**100.0%**	**100.0%**

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

ARKANSAS NONMETROPOLITAN STATEWIDE AREA
(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATION'S IN THE DALLAS COUNTY ASSESSMENT AREA

The bank's Dallas County assessment area consists solely of Dallas County in its entirety (see Appendix A for an assessment area map).

- The bank operates two of its five offices, including the main office, in this assessment area. Since the last evaluation, the bank did not open or close any branches in this assessment area.

- According to the June 30, 2024 Federal Deposit Market Share Report, the bank has a market share of 76.6 percent, which ranks 1st out of three FDIC-insured depository institutions operating in the assessment area.

- According to the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the assessment area, determined by number of employees, are manufacturing (21.9 percent), retail trade (14.0 percent), and transportation and warehousing (6.1 percent).

- One community contact interview was conducted with an individual from a local nonprofit organization.

Assessment Area Demographics by Geography Income Level Assessment Area: Dallas County						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	1	1	1	0	**3**
	0.0%	33.3%	33.3%	33.3%	0.0%	**100%**
Family Population	0	443	862	558	0	**1,863**
	0.0%	23.8%	46.3%	30.0%	0.0%	**100%**

- As shown above, one of the three (33.3 percent) census tracts in the assessment area is a moderate-income tract, with 23.8 percent of the family population living in this geography.

- The assessment area's moderate-income geography extends from northwestern Dallas County to the southeastern portions of the county.

- The assessment area's middle-income census tract is distressed due to poverty and population loss.

Population Change Assessment Area: Dallas County			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Assessment Area	7,868	6,482	-17.6%
NonMSA Arkansas	1,133,475	1,086,823	-4.1%
Source: 2020 U.S. Census Bureau: Decennial Census 2015–2020 U.S. Census Bureau: American Community Survey			

- As shown in the table above, the assessment area has experienced a decline in population from 2015 to 2020 and at a much higher rate (17.6 percent) than nonMSA Arkansas as a whole (4.1 percent).

- This aligns with the information provided by the community contact, who mentioned that economic opportunity in the state is shifting to the major cities, causing rural communities such as this to experience further population decline.

Median Family Income Change Assessment Area: Dallas County			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Assessment Area	$50,890	$54,531	7.2%
NonMSA Arkansas	$49,217	$53,702	9.1%
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- As shown in the table above, the median family income in the assessment area is slightly higher than nonMSA Arkansas but has increased to a lesser degree from 2015 to 2020.

Unemployment Rate (%) Assessment Area: Dallas County				
Area	**2021**	**2022**	**2023**	**2024**
Assessment Area	4.0	3.7	3.6	3.8
NonMSA Arkansas	4.5	3.7	3.7	4.0

- Unemployment levels in the assessment area and nonMSA Arkansas decreased during much of the review period before increasing slightly in 2024.

- Assessment area unemployment levels have been largely consistent with nonMSA Arkansas.

Housing Cost Burden Assessment Area: Dallas County						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	33.5%	4.4%	19.8%	49.3%	21.4%	16.0%
NonMSA Arkansas	63.7%	31.6%	35.2%	51.7%	23.8%	15.7%

Cost burden is housing cost that equals 30% or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy

- According to the table above, the cost burden for low- and moderate-income renters in the assessment area is significantly lower than that of the larger nonMSA area. Moderate-income renters in the assessment area in particular experience very little cost burden compared to nonMSA Arkansas.

- Low- and moderate-income homeowners in the assessment area have similar, yet slightly lower, cost burden levels compared to those in nonMSA Arkansas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE DALLAS COUNTY ASSESSMENT AREA

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

HMDA Lending

The bank's HMDA loan distribution is reasonable to both low- and moderate-income individuals and therefore is reasonable overall. The bank's performance lending to low-income borrowers (5.9 percent) is in line with the aggregate (7.0 percent) but trails the demographic comparator (20.2 percent). Additionally, the bank's performance lending to moderate-income borrowers (20.6 percent) is below the aggregate (26.7 percent) but is similar to the demographic comparator (20.8 percent).

Distribution of 2023 HMDA Lending by Borrower Income Level Assessment Area: Dallas County							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	$	$ %	$ %	
Home Purchase Loans							
Low	1	4.8%	8.5%	$46	2.4%	4.5%	20.2%
Moderate	4	19.0%	25.4%	$150	8.0%	19.9%	20.8%
Middle	2	9.5%	16.9%	$127	6.8%	18.7%	18.9%
Upper	10	47.6%	25.4%	$1,209	64.3%	32.2%	40.0%
Unknown	4	19.0%	23.7%	$349	18.6%	24.7%	0.0%
TOTAL	**21**	**100.0%**	**100.0%**	**$1,881**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	20.2%
Moderate	2	22.2%	29.4%	$56	15.9%	26.1%	20.8%
Middle	3	33.3%	29.4%	$147	41.6%	21.4%	18.9%
Upper	3	33.3%	35.3%	$134	38.0%	51.4%	40.0%
Unknown	1	11.1%	5.9%	$16	4.5%	1.1%	0.0%
TOTAL	**9**	**100.0%**	**100.0%**	**$353**	**100.0%**	**100.0%**	**100.0%**

Home Improvement							
Low	1	25.0%	11.1%	$17	15.2%	4.1%	20.2%
Moderate	1	25.0%	33.3%	$16	14.3%	28.2%	20.8%
Middle	1	25.0%	22.2%	$8	7.1%	10.7%	18.9%
Upper	1	25.0%	22.2%	$71	63.4%	32.5%	40.0%
Unknown	0	0.0%	11.1%	$0	0.0%	24.6%	0.0%
TOTAL	**4**	**100.0%**	**100.0%**	**$112**	**100.0%**	**100.0%**	**100.0%**
Multifamily Loans							**% of Multifamily Units**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Middle	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	N/A
Unknown	0	0.0%	100.0%	$0	0.0%	100.0%	N/A
TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**N/A**
Total Home Mortgage Loans							**Families by Family Income %**
Low	2	5.9%	7.0%	$63	2.7%	3.5%	20.2%
Moderate	7	20.6%	26.7%	$222	9.5%	20.9%	20.8%
Middle	6	17.6%	19.8%	$282	12.0%	18.2%	18.9%
Upper	14	41.2%	26.7%	$1,414	60.3%	34.8%	40.0%
Unknown	5	14.7%	19.8%	$365	15.6%	22.6%	0.0%
TOTAL	**34**	**100.0%**	**100.0%**	**$2,346**	**100.0%**	**100.0%**	**100.0%**

Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

<u>Small Business Lending</u>

The borrower distribution of small business lending is reasonable. As displayed in the following table, the bank's lending to small businesses (70.8 percent) exceeds aggregate lending levels (66.1 percent) but trails the demographic comparator (84.4 percent). The bank originated 70.6 percent of its total small business loans in dollar amounts of $100,000 or less, further evidencing the bank's willingness to meet the credit needs of small businesses.

Distribution of 2023 Small Business Lending by Revenue Size of Business Assessment Area: Dallas County								
Business Revenue and Loan Size		**2023**						
		Count			**Dollars**			**Total Businesses**
		Bank		**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	17	70.8%	66.1%	$1,265	49.9%	53.2%	84.4%
	Over $1 Million/ Unknown	7	29.2%	33.9%	$1,270	50.1%	46.8%	15.6%
	TOTAL	**24**	**100.0%**	**100.0%**	**$2,535**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	16	66.7%	100.0%	$462	18.2%	100.0%	
	$100,001–$250,000	4	16.7%	0.0%	$620	24.5%	0.0%	
	$250,001–$1 Million	4	16.7%	0.0%	$1,453	57.3%	0.0%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**24**	**100.0%**	**100.0%**	**$2,535**	**100.0%**	**100.0%**	
Loan Size — Revenue $1 Million or Less	$100,000 or Less	12	70.6%		$279	22.1%		
	$100,001–$250,000	4	23.5%		$620	49.0%		
	$250,001–$1 Million	1	5.9%		$366	28.9%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**17**	**100.0%**		**$1,265**	**100.0%**		

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its assessment area by income level of census tracts, with consideration given to the dispersion of loans throughout the assessment area. As previously noted, the assessment area does not contain any low-income geographies. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the assessment area.

<u>HMDA Lending</u>

The geographic distribution of HMDA lending is reasonable. While the assessment area does not have any low-income geographies, the bank's distribution of HMDA loans in moderate-income census tracts (17.6 percent) exceeds the aggregate (16.3 percent) but is below the demographic comparator (28.4 percent).

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Dallas County							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner–Occupied Units
	#	# %	# %	$	$ %	$ %	
Home Purchase Loans							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	2	9.5%	11.9%	$162	8.6%	13.5%	28.4%
Middle	16	76.2%	69.5%	$1,443	76.7%	69.0%	39.5%
Upper	3	14.3%	18.6%	$276	14.7%	17.5%	32.1%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**21**	**100.0%**	**100.0%**	**$1,881**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	3	33.3%	23.5%	$143	40.5%	29.4%	28.4%
Middle	6	66.7%	58.8%	$210	59.5%	41.4%	39.5%
Upper	0	0.0%	17.6%	$0	0.0%	29.2%	32.1%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**9**	**100.0%**	**100.0%**	**$353**	**100.0%**	**100.0%**	**100.0%**
Home Improvement							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	1	25.0%	33.3%	$8	7.1%	37.7%	28.4%
Middle	3	75.0%	66.7%	$104	92.9%	62.3%	39.5%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	32.1%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**4**	**100.0%**	**100.0%**	**$112**	**100.0%**	**100.0%**	**100.0%**
Multifamily Loans							**% of Multifamily Units**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	8.8%
Middle	0	0.0%	100.0%	$0	0.0%	100.0%	91.2%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Total Home Mortgage Loans							**% of Owner–Occupied Units**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	6	17.6%	16.3%	$313	13.3%	17.3%	28.4%
Middle	25	73.5%	67.4%	$1,757	74.9%	64.5%	39.5%
Upper	3	8.8%	16.3%	$276	11.8%	18.2%	32.1%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**34**	**100.0%**	**100.0%**	**$2,346**	**100.0%**	**100.0%**	**100.0%**

Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank's lending performance to small businesses in moderate-income census tracts (12.5 percent) exceeds the demographic comparator (10.8 percent) but is lower than the aggregate (16.1 percent).

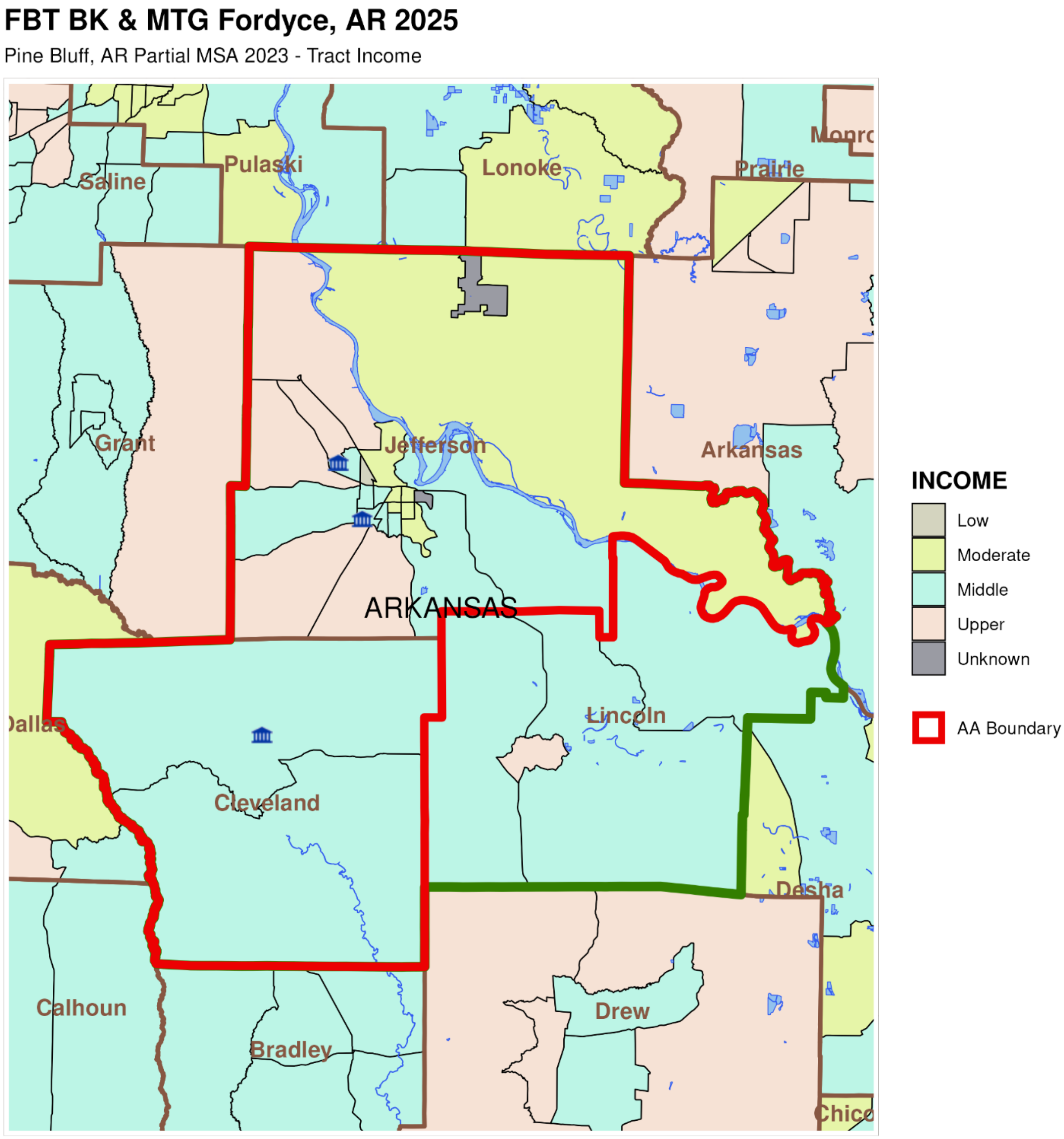
Distribution of 2023 Small Business Lending by Income Level of Geography
Assessment Area: Dallas County

Census Tract Income Level	**Bank Small Business Loans**		**Aggregate of Peer Data**	**Bank Small Business Loans**		**Aggregate of Peer Data**	**% of Businesses**
	#	**# %**	**%**	**$ (000s)**	**$ %**	**$ %**	
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	3	12.5%	16.1%	$180	7.1%	11.1%	10.8%
Middle	16	66.7%	57.1%	$1,827	72.1%	63.2%	73.6%
Upper	5	20.8%	26.8%	$528	20.8%	25.7%	15.6%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**24**	**100.0%**	**100.0%**	**$2,535**	**100.0%**	**100.0%**	**100.0%**

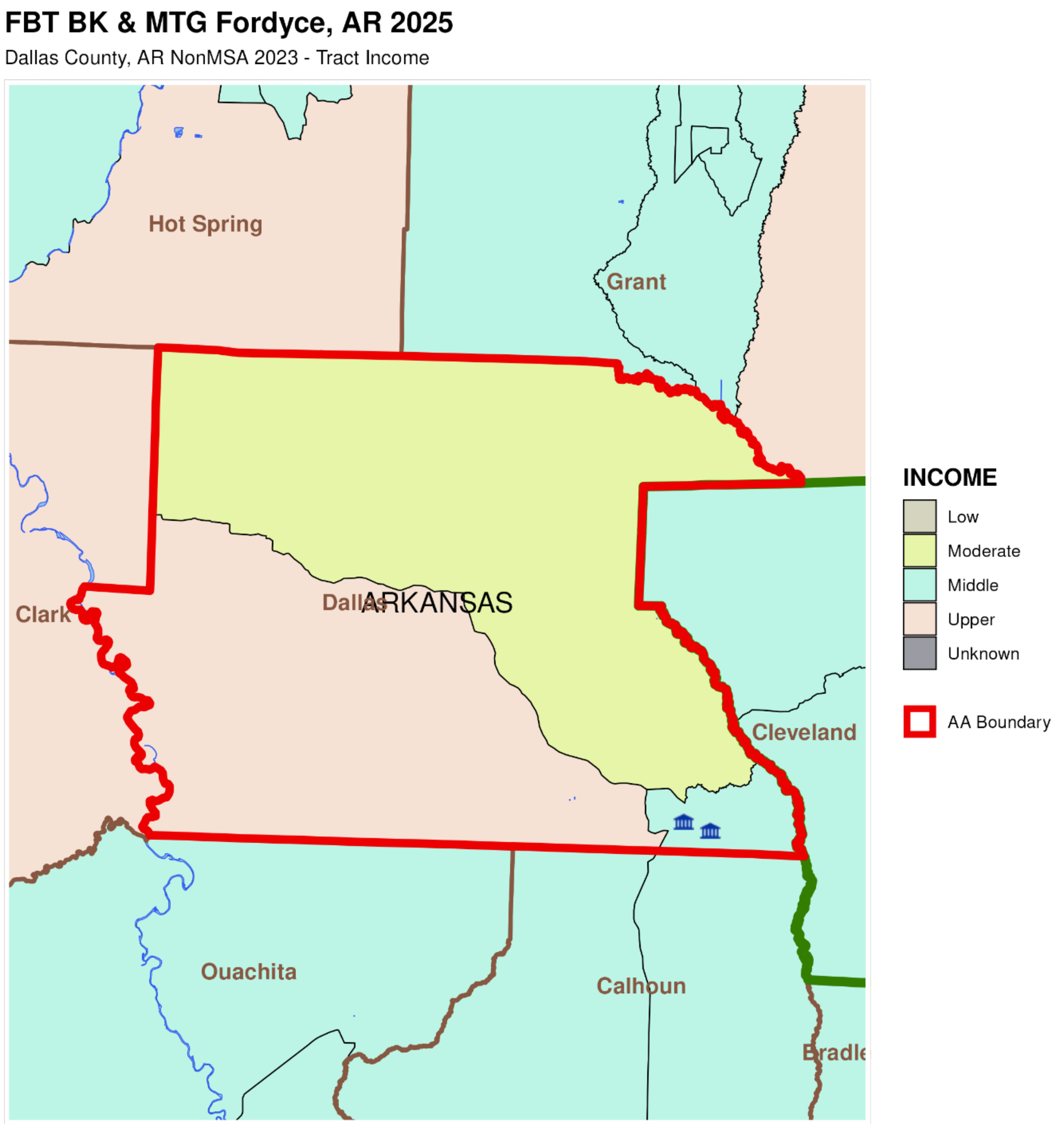
Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

APPENDIX A – MAP OF THE ASSESSMENT AREAS

Pine Bluff Assessment Area



Dallas County Assessment Area



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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 family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.