



PUBLIC DISCLOSURE

August 4, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Locus Bank, Inc.

Richmond, VA

**Federal Reserve Bank of Richmond
Richmond, Virginia**

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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3626858

7814 Carousel Lane, Suite 100
Richmond, VA 23294

Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

INSTITUTION'S CRA RATING: This institution is rated: Outstanding

Locus Bank, Inc. (LBI) is designated as a limited purpose bank with respect to the Community Reinvestment Act (CRA) because the bank only extends loans that have a community development purpose. Given its limited purpose designation, LBI is evaluated under the Community Development Test to determine its performance with the CRA. The following major factors support the institution's rating:

- During the evaluation period, the bank originated a high level of community development loans. Some of the community development loans were complex transactions that are not routinely originated by other similarly-sized financial institutions.
- The bank provided a high level of community development services by supporting various organizations engaged in community development activities by serving in leadership roles and providing financial expertise and technical assistance.
- Relative to its current financial resources, the bank maintains an adequate level of qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment areas.
- Because the bank adequately addressed the needs of its assessment areas during the evaluation period, qualified community development activities benefiting areas outside of the bank's assessment areas were also considered during the evaluation period.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC). All qualified community development loans originated by LBI and all qualified community development services provided by LBI since its prior CRA evaluation, dated January 6, 2020, were considered during this evaluation. All qualified investments made during this same period, and those investments outstanding as of the evaluation, regardless of when made, were also considered.

Bank management has delineated two assessment areas, the Richmond, VA MSA and the Blacksburg-Christiansburg-Radford, VA MSA, which are described in greater detail in subsequent sections of the evaluation. Given the concentration of bank lending, deposits, and branches in these assessment areas, both assessment areas were evaluated using the FFIEC's full-scope review procedures. Because the bank adequately addressed the needs of its assessment areas, community development activities that took place outside of its assessment areas were also considered in this evaluation. Community officials were also contacted to learn about local economic conditions and credit needs.

DESCRIPTION OF INSTITUTION

LBI is a certified Community Development Financial Institution (CDFI) that is headquartered in Richmond, Virginia and is a wholly owned subsidiary of Locus, a nonprofit holding company, also headquartered in Richmond, Virginia. Affiliates of LBI owned by Locus include the Locus Impact Fund which also originates loans for community development purposes that are included in the evaluation. The bank operates two offices located within two delineated assessment areas. The bank's previous CRA rating, dated January 6, 2020, was Outstanding. No known legal impediment exists that would prevent the bank from meeting the credit needs of its assessment areas.

As of June 30, 2025, LBI held \$332.1 million in assets, of which 81.5% were net loans and 10.9% were securities. As of the same date, deposits totaled \$233.8 million. Since March 31, 2020, LBI's assets, net loans, and deposits increased by 58.6%, 70.6%, and 43.8%, respectively.

The bank offers deposit accounts targeted to socially conscious customers, including other banks and individuals, and generally limits its lending activities to those that facilitate community development throughout the Commonwealth of Virginia.

Composition of Loan Portfolio

Loan Type	6/30/2025	
	\$(000s)	%
Secured by 1-4 Family dwellings	20,578	7.6
Multifamily	92,955	34.1
Construction and Development	21,736	8.0
Commercial & Industrial/ NonFam NonResidential	110,451	40.5
Consumer Loans and Credit Cards	0	0.0
Agricultural Loans/ Farmland	19,771	7.3
All Other	6,894	2.5
Total	272,385	100.0

As reflected in the preceding table, a significant portion of the bank’s lending resources are directed to commercial and multifamily loans. The bank’s lending activities provide community development financing focusing on affordable housing, small business development, clean energy, and food systems.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

When considering its two assessment areas, the Richmond, VA MSA assessment area is geographically larger and more densely populated. Additionally, on a relative basis, there are more community development opportunities within the Richmond, VA MSA assessment area compared to the Blacksburg-Christiansburg-Radford, VA MSA assessment area. Consequently, LBI’s performance in the Richmond, VA MSA is given more weight when considering the bank’s overall performance rating. In addition, bank community development activities that occurred outside of the bank’s assessment areas, all of which took place within the Commonwealth of Virginia or a broader regional area that includes Virginia, were also considered when determining the bank’s overall level of performance.

Community Development Loans

During the evaluation period, LBI provided a high level of community development loans within its assessment areas and within the larger commonwealth. The following table summarizes the bank’s community development lending.

Geographic Area	#	\$(000)s
Blacksburg-Christiansburg-Radford, VA MSA	13	\$20,812
Richmond, VA MSA	387	\$135,826
Outside of Assessment Areas	480	\$319,754
Total	880	\$476,392

Many of these loans have innovative or complex structures such as predevelopment, infrastructure, subordinate, and layered capital financing that are not routinely provided by other lenders. The bank’s lending is also highly responsive to area needs. Additional information regarding these loans is included in the applicable assessment area discussions.

Investments

The bank’s qualified investment activity reflects an adequate level given the bank’s financial condition and investment resources. The following table summarizes the bank’s qualified investments and donations by geographic area.

Geographic Area	Investments		Donations		Total	
	#	\$(000)s	#	\$(000)s	#	\$(000)s
Blacksburg-Christiansburg-Radford, VA MSA	0	\$0	3	\$3.5	3	\$3.5
Richmond, VA MSA	1	\$500	14	\$41.5	15	\$541.5
Outside of Assessment Areas	11	\$6,005	60	\$138.5	71	\$6,143.5
Total	12	\$6,505	77	\$183.5	89	\$6,688.5

As of June 30, 2025, LBI reported \$332.1 million in total assets and \$36.2 million in total investment securities. As of the evaluation’s date, LBI held \$6.5 million in qualified community development investments and donated \$183,400 to qualified organizations. Additional information about the bank’s qualified investments and donation is provided within the appropriate assessment area discussions.

Services

LBI and its employees provided a high level of community development services within the Commonwealth of Virginia, including its assessment areas. The following table summarizes the bank’s community development service activities by geographic area.

Geographic Area	# of Hours
Blacksburg-Christiansburg-Radford, VA MSA	114
Richmond, VA MSA	1,027
Outside of Assessment Areas	2,405
Total	3,546

Additional information about the bank’s qualified service activity is provided within the appropriate assessment area discussions.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE RICHMOND, VA MSA ASSESSMENT AREA

The assessment area includes all of the Richmond, VA MSA, which consists of 13 counties and four independent cities as detailed below. LBI operates one full-service branch office located in a moderate-income census tract within the assessment area.

City/County	State	Census Tracts
Amelia County	VA	All
Charles City County	VA	All
Chesterfield County	VA	All
City of Colonial Heights	VA	All
Dinwiddie County	VA	All
Goochland County	VA	All
Hanover County	VA	All
Henrico County	VA	All
City of Hopewell	VA	All
King and Queen County	VA	All
King William County	VA	All
New Kent County	VA	All
City of Petersburg	VA	All
Powhatan County	VA	All
Prince George County	VA	All
City of Richmond	VA	All
Sussex County	VA	All

As of June 30, 2024, LBI ranked 23rd out of 28 financial institutions in local deposit market share and held 0.1% of the assessment area’s deposits (excluding credit union deposits) according to data compiled by the Federal Deposit Insurance Corporation (FDIC).

Community Contact

A local affordable housing official was contacted during the evaluation to discuss local economic conditions and community credit needs. The contact indicated housing costs are high, which creates greater demand for affordable housing, particularly within the City of Richmond; however, the high cost of land within the city is a barrier to developing more affordable housing. Additionally, the official noted high eviction rates and increasing rent rates as barriers. While local financial institutions have been actively involved in the community and local credit needs are currently being met, the contact noted opportunities for increased involvement with local affordable housing organizations and local government agencies.

Additionally, a local economic development official was contacted during the evaluation. The contact stated that the demand for small business loan programs is high, particularly for women- and minority-owned businesses, and that additional access to affordable credit is needed. The official also noted the need for a regional loan fund to increase the availability and flexibility of small business lending. The official also suggested that more partnerships between CDFIs and traditional financial institutions would benefit area businesses and the local economy.

Demographic Data

2024 Richmond, VAMSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	34	10.2	20,649	6.6	6,130	29.7	64,660	20.7
Moderate	80	24.1	56,395	18.0	5,785	10.3	57,093	18.3
Middle	121	36.4	133,840	42.8	6,701	5.0	65,235	20.9
Upper	89	26.8	100,220	32.0	2,163	2.2	125,767	40.2
Unknown	8	2.4	1,651	0.5	401	24.3	0	0.0
Total AA	332	100.0	312,755	100.0	21,180	6.8	312,755	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	43,914	11,653	3.6	26.5	27,385	62.4	4,876	11.1
Moderate	114,160	50,259	15.5	44.0	52,409	45.9	11,492	10.1
Middle	216,142	149,870	46.1	69.3	52,028	24.1	14,244	6.6
Upper	147,398	112,113	34.5	76.1	28,252	19.2	7,033	4.8
Unknown	4,515	1,345	0.4	29.8	2,687	59.5	483	10.7
Total AA	526,129	325,240	100.0	61.8	162,761	30.9	38,128	7.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3,993	6.6	3,619	6.4	346	8.8	28	5.8
Moderate	10,673	17.6	9,867	17.5	732	18.7	74	15.3
Middle	25,267	41.6	23,501	41.8	1,591	40.6	175	36.1
Upper	19,947	32.9	18,571	33.0	1,174	30.0	202	41.6
Unknown	787	1.3	709	1.3	72	1.8	6	1.2
Total AA	60,667	100.0	56,267	100.0	3,915	100.0	485	100.0
Percentage of Total Businesses:				92.7		6.5		0.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	8	1.0	8	1.0	0	0.0	0	0.0
Moderate	100	12.5	98	12.6	2	11.1	0	0.0
Middle	423	52.9	411	52.8	10	55.6	2	100.0
Upper	267	33.4	261	33.5	6	33.3	0	0.0
Unknown	1	0.1	1	0.1	0	0.0	0	0.0
Total AA	799	100.0	779	100.0	18	100.0	2	100.0
Percentage of Total Farms:				97.5		2.3		0.3
<i>Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

According to the 2020 ACS data, the assessment area has a population of 1,314,434 and a median housing value of \$247,516. The owner-occupancy rate of the Richmond, VA MSA equals 61.8% and approximates the overall rate (60%) within the commonwealth. Similarly, the percentage of families living below the poverty level in the assessment area (6.8%) mirrors the percentage (6.8%) in the Commonwealth of Virginia. The median family income within the Richmond, VA MSA equaled \$109,100 during 2023 and increased to \$110,000 during 2024.

Richmond, VA MSA Population Change			
Area	2015 Population	2020 Population	Percent Change
Richmond, VA MSA AA	1,223,972	1,314,434	7.4%
Amelia County, VA	12,777	13,265	3.8%
Charles City County, VA	7,118	6,773	-4.8%
Chesterfield County, VA	328,176	364,548	11.1%
Dinwiddie County, VA	28,110	27,947	-0.6%
Goochland County, VA	21,721	24,727	13.8%
Hanover County, VA	101,340	109,979	8.5%
Henrico County, VA	318,864	334,389	4.9%
King and Queen County, VA	7,106	6,608	-7.0%
King William County, VA	16,097	17,810	10.6%
New Kent County, VA	19,560	22,945	17.3%
Powhatan County, VA	28,207	30,333	7.5%
Prince George County, VA	37,380	43,010	15.1%
Sussex County, VA	11,864	10,829	-8.7%
Colonial Heights City, VA	17,515	18,170	3.7%
Hopewell City, VA	22,279	23,033	3.4%
Petersburg City, VA	32,123	33,458	4.2%
Richmond City, VA	213,735	226,610	6.0%
Virginia	8,256,630	8,631,393	4.5%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

As noted in the table above, the population of the assessment area increased 7.4%, while the population of the commonwealth has increased at a lower rate (4.5%). While the population in most of the counties and cities within the assessment area increased during the period, within four counties the population has decreased. The four counties where population declined are more rural than other counties and cities within the MSA.

Richmond, VA MSA Employees by Industry								
	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	2024 - Q4
Government Total, all industries	107,452	108,262	107,555	110,185	111,136	111,977	110,779	113,549
Private Sector Total, all industries	532,533	540,482	543,346	543,141	537,640	548,356	550,782	550,236
Agriculture, forestry, fishing and hunting	829*	1,016*	914*	866*	959*	1,099*	1,052*	973*
Mining, quarrying, and oil and gas extraction	324*	333*	340*	333*	325*	331*	335*	314*
Utilities	1,418*	1,397*	1,300*	1,317*	1,409*	1,411*	1,426*	1,367*
Construction	38,771*	39,497*	39,660*	39,499*	38,167*	39,584*	40,348*	40,566*
Manufacturing	31,611	31,803	31,097*	31,094*	30,864	31,091	31,033	30,594
Wholesale trade	22,927*	22,917*	22,741*	22,791*	22,140*	22,280*	22,248*	22,174*
Retail Trade	62,799*	63,360*	63,316*	64,835*	63,299*	63,600*	63,421	64,793
Transportation and warehousing	31,809*	31,927*	32,437*	35,788*	35,220*	35,218*	35,383*	37,068*
Information	6,062*	6,137*	6,077*	6,004*	5,784*	5,860*	5,536*	5,274*
Finance and insurance	27,294*	26,545*	28,406*	26,772*	26,228*	25,778*	25,978*	25,745*
Real estate and rental and leasing	11,094*	11,298*	11,518*	11,523*	11,554*	11,890*	12,125*	12,413*
Professional and technical services	42,949*	43,252*	42,677*	42,199*	42,442*	42,648*	42,745*	42,265*
Management of companies and enterprises	21,790*	22,085*	21,210*	21,104*	21,262*	21,304*	21,414*	21,107*
Administrative and waste services	40,970*	41,095*	41,448*	41,407*	42,170*	43,441*	43,230*	43,013*
Educational services	9,340*	9,122*	9,023*	9,612*	9,880*	9,910*	9,374*	10,012*
Health care and social assistance	82,001*	80,023*	84,339*	83,686*	84,688*	85,851*	87,105*	88,182*
Arts, entertainment, and recreation	12,123*	14,736*	16,548*	12,600*	12,469*	16,343*	16,806*	13,907*
Accommodation and food services	49,174*	51,627*	50,897*	49,668*	50,198*	52,634*	51,103*	50,292*
Other services, except public administration	20,527	21,064	21,211	21,345	21,046	21,209*	21,437*	21,540*
Public administration	0	0	0	0	0	0	0	0
Unclassified	1,900*	1,336*	1,596*	1,364*	1,280*	1,271*	1,417*	1,580*

Source: Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages
 * indicates that some or all of the data for this category was suppressed for confidentiality reasons

The bank’s market area offers a variety of employment opportunities. In addition to local government and school boards, major employers include those within the health care and social assistance, retail trade, and accommodation and food services.

Richmond, VA MSA Unemployment Rates					
Area	2020	2021	2022	2023	2024
Richmond, VA MSA AA	6.8%	4.0%	2.8%	2.8%	3.0%
Amelia County, VA	6.0%	3.5%	2.8%	2.9%	3.1%
Charles City County, VA	7.1%	4.5%	3.0%	3.1%	3.4%
Chesterfield County, VA	6.1%	3.6%	2.7%	2.7%	2.8%
Dinwiddie County, VA	6.4%	4.3%	3.0%	3.0%	3.1%
Goochland County, VA	4.9%	3.0%	2.5%	2.6%	2.8%
Hanover County, VA	5.1%	2.9%	2.3%	2.4%	2.5%
Henrico County, VA	6.8%	3.9%	2.7%	2.8%	2.9%
King and Queen County, VA	5.9%	3.4%	2.7%	2.7%	2.9%
King William County, VA	5.4%	3.2%	2.5%	2.5%	2.6%
New Kent County, VA	5.0%	3.0%	2.3%	2.5%	2.5%
Powhatan County, VA	4.6%	2.6%	2.3%	2.4%	2.3%
Prince George County, VA	5.9%	3.9%	2.7%	2.6%	2.8%
Sussex County, VA	7.3%	5.1%	3.3%	3.1%	3.6%
Colonial Heights City, VA	7.0%	4.4%	2.9%	2.8%	3.1%
Hopewell City, VA	10.7%	6.8%	4.1%	4.1%	4.2%
Petersburg City, VA	12.8%	8.7%	4.7%	4.5%	4.8%
Richmond City, VA	8.6%	5.0%	3.0%	3.1%	3.2%
Virginia	6.5%	3.8%	2.7%	2.7%	2.9%

Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics

Unemployment rates declined across all portions of the assessment area since the highs experienced during the COVID-19 pandemic, and the rate for the Richmond, VA MSA (3%) approximates the rate for the commonwealth (2.9%).

Richmond, VA MSA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Richmond, VA MSA AA	78.5%	46.6%	45.2%	62.1%	35.8%	18.7%
Amelia County, VA	63.0%	34.3%	42.1%	60.0%	18.5%	25.8%
Charles City County, VA	63.5%	22.7%	42.6%	52.7%	25.9%	19.3%
Chesterfield County, VA	83.7%	52.3%	42.9%	63.5%	36.1%	17.1%
Dinwiddie County, VA	57.4%	16.5%	30.5%	63.4%	33.1%	21.5%
Goochland County, VA	55.3%	22.6%	31.6%	58.0%	35.6%	16.8%
Hanover County, VA	74.6%	41.5%	38.6%	47.3%	38.6%	14.4%
Henrico County, VA	84.4%	53.9%	45.5%	64.0%	38.3%	18.6%
King and Queen County, VA	62.5%	20.9%	25.1%	72.2%	21.1%	20.7%
King William County, VA	57.6%	12.5%	29.9%	56.2%	37.6%	20.3%
New Kent County, VA	88.1%	57.1%	54.5%	56.0%	30.0%	17.3%
Powhatan County, VA	72.9%	47.8%	39.9%	53.6%	18.0%	12.1%
Prince George County, VA	81.1%	47.4%	41.8%	64.9%	23.0%	17.9%
Sussex County, VA	78.1%	1.5%	37.3%	32.6%	31.3%	14.7%
Colonial Heights City, VA	82.6%	54.4%	54.8%	50.7%	25.3%	13.1%
Hopewell City, VA	67.5%	13.8%	44.0%	55.9%	19.6%	22.6%
Petersburg City, VA	76.5%	28.4%	43.8%	63.6%	27.8%	32.1%
Richmond City, VA	76.5%	46.4%	48.6%	71.6%	44.2%	25.9%
Virginia	77.1%	47.8%	42.1%	61.2%	35.6%	18.9%

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

As depicted above, the housing cost burden for low-income renters and owners is substantially greater than 30 percent of household income in all portions of the assessment area. For moderate-income renters and owners, the housing cost burden fluctuates greatly between geographies. The comparatively high cost of housing for low-income people creates both a need for and barrier to such housing within the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Discussions with the individuals knowledgeable of the local market area indicate that local community development opportunities are reasonably available within the assessment area. Given its size, financial condition, and business strategy, the bank faces no constraints in extending community development loans, purchasing community development investments, or participating in community development services.

Community Development Loans

During the evaluation period, LBI and the Locus Impact Fund originated a high level of community development loans that benefited the Richmond, VA MSA assessment area. The following table summarizes the bank's community development lending by loan purpose.

Loan Purpose	#	\$(000)s
Affordable Housing	49	\$70,062
Community Services	15	\$13,451
Economic Development	320	\$48,772
Revitalization and Stabilization	3	\$3,541
Total	387	\$135,826

Many of these loans were innovative and/or complex and involved loan purposes (e.g. predevelopment and infrastructure financing) that other banks do not routinely finance, participation with other financial institutions, tax credits, and subsidies or grants from governmental entities.

Investments

Within the Richmond, VA MSA assessment area, the bank maintains an adequate level of qualified community development investments given its financial resources. The following table summarizes the bank's qualified investment and donation activity.

Geographic Area	Investments		Donations		Total	
	#	\$(000)s	#	\$(000)s	#	\$(000)s
Affordable Housing	0	\$0	6	\$12	6	\$12
Community Services	1	\$500	2	\$1.5	3	\$501.5
Economic Development	0	\$0	5	\$27.5	6	\$27.5
Revitalization and Stabilization	0	\$0	1	\$0.5	1	\$0.5
Total	1	\$500	14	\$41.5	15	\$541.5

In addition to the qualified investments noted in the table above, the bank also holds six bonds totaling \$3.6 million issued by the Virginia Housing Development Housing Authority (VHDA) that support affordable housing throughout the Commonwealth of Virginia, which includes this assessment area.

Community Development Services

LBI participated in a high level of community development services through its support of various organizations engaged in community development by providing technical assistance and financial expertise. The following table summarizes LBI's efforts by general type of service.

Service Type	# of Hours
Affordable Housing	101
Community Services	138
Economic Development	512
Revitalization and Stabilization	276
Total	1,027

The following is a partial list of organizations that LBI supported during the evaluation period.

Affordable Housing

- Better Housing Coalition
- Habitat for Humanity
- Homes, Inc.
- Homeward
- Maggie Walker Community Land Trust
- Virginia Supportive Housing

Community Services

- Big Brothers Big Sisters
- BonSecours Richmond Health System
- Cristo Rey Richmond High School
- Dress for Success Central Virginia
- Hatch Kitchen RVA
- HER Shelter
- MB2 Solutions
- Safe Haven
- The Cameron Foundation
- Wakefield IGA

Economic Development

- Activation Capital
- AMP! Metro Richmond Mentoring Program
- Bizworks
- Capital Region Small Business Development Center
- ChamberRVA
- Chesterfield County Economic Development
- City of Richmond Economic & Community Development
- Henrico County Economic Development Authority
- SCORE
- The Hive
- The Hopewell Downtown Partnership
- The Jackson Ward Collective
- The Metropolitan Business League
- Women's Business Center RVA

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BLACKSBURG-CHRISTIANSBURG-RADFORD, VA MSA ASSESSMENT AREA

The assessment area includes all of the Blacksburg-Christiansburg-Radford, VA MSA, which consists of four counties and one independent city as detailed below. LBI operates one full-service branch office within the assessment area.

City/County	State	Census Tracts
Floyd County	VA	All
Giles County	VA	All
Montgomery County	VA	All
Pulaski County	VA	All
City of Radford	VA	All

As of June 30, 2024, LBI ranked 8th out of 15 financial institutions in local deposit market share and held 3.4% of the assessment area’s deposits (excluding credit union deposits) according to data compiled by the FDIC.

Community Contact

An individual involved in affordable housing was contacted during the evaluation to discuss local economic conditions and community credit needs. The contact indicated that there is demand for affordable housing across the commonwealth, particularly within areas outside large cities. Despite this, the official noted opposition to affordable housing projects by local residents which delays or prevents some projects. While local credit needs are currently being met, the contact noted additional sources of financing for multi-family affordable housing projects is needed.

Demographic Data

2024 Blacksburg-Christiansburg MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.1	87	0.2	50	57.5	7,707	19.4
Moderate	5	10.4	3,968	10.0	498	12.6	6,954	17.5
Middle	28	58.3	26,351	66.4	1,935	7.3	8,826	22.2
Upper	11	22.9	9,301	23.4	541	5.8	16,220	40.8
Unknown	3	6.3	0	0.0	0	0.0	0	0.0
Total AA	48	100.0	39,707	100.0	3,024	7.6	39,707	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,010	0	0.0	0.0	759	75.1	251	24.9
Moderate	8,138	4,070	9.4	50.0	2,539	31.2	1,529	18.8
Middle	50,900	29,651	68.3	58.3	14,171	27.8	7,078	13.9
Upper	20,873	9,671	22.3	46.3	8,242	39.5	2,960	14.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	80,921	43,392	100.0	53.6	25,711	31.8	11,818	14.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	22	0.4	20	0.4	2	0.6	0	0.0
Moderate	476	8.6	438	8.6	30	8.3	8	13.8
Middle	3,428	62.3	3,151	62.0	239	66.0	38	65.5
Upper	1,522	27.7	1,427	28.1	83	22.9	12	20.7
Unknown	55	1.0	47	0.9	8	2.2	0	0.0
Total AA	5,503	100.0	5,083	100.0	362	100.0	58	100.0
Percentage of Total Businesses:				92.4		6.6		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	20	8.5	20	8.5	0	0.0	0	0.0
Middle	185	78.4	185	78.4	0	0.0	0	0.0
Upper	31	13.1	31	13.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	236	100.0	236	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
<i>Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

According to the 2020 ACS data, the assessment area has a population of 181,854 and a median housing value of \$186,853. The owner-occupancy rate in the Blacksburg-Christiansburg-Radford, VA MSA equals 53.6% and is less than the overall rate (60%) within the commonwealth. The percentage of families living below the poverty level in the assessment area (7.6%) exceeds the rate in the commonwealth (6.8%). The median family income within the Blacksburg-Christiansburg-Radford, VA MSA equaled \$87,600 during 2023 and increased to \$88,500 during 2024.

Blacksburg-Christiansburg MSA Population Change			
Area	2015 Population	2020 Population	Percent Change
Blacksburg-Christiansburg MSA AA	180,482	181,854	0.8%
Floyd County, VA	15,523	15,476	-0.3%
Giles County, VA	16,907	16,787	-0.7%
Montgomery County, VA	96,467	99,721	3.4%
Pulaski County, VA	34,528	33,800	-2.1%
Radford City, VA	17,057	16,070	-5.8%
Virginia	8,256,630	8,631,393	4.5%

*Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census*

While the population has increased overall within the assessment area, the growth occurred within Montgomery County, as the population shrunk within all other geographies within the assessment area. Population growth within the assessment area (.8%) is significantly less than the population growth rate for Virginia (4.5%).

Blacksburg-Christiansburg MSA Employees by Industry									
	2023 - Q1	2023 - Q2	2023 - Q3	2023 - Q4	2024 - Q1	2024 - Q2	2024 - Q3	2024 - Q4	
Government Total, all industries	20,182	20,257	19,730	20,453	20,678	20,683	20,246	21,348	
Private Sector Total, all industries	52,516	52,633	53,673	55,449	53,527	53,289	52,437	53,081	
Agriculture, forestry, fishing and hunting	57*	61*	60*	58*	54*	58*	65*	59*	
Mining, quarrying, and oil and gas extraction	50*	50*	49*	48*	49*	48*	48*	49*	
Utilities	0*	0*	0*	0*	44*	47*	46*	48*	
Construction	1,726*	1,757*	3,626*	4,731*	3,440*	2,962*	1,817*	1,770*	
Manufacturing	12,893	12,740	11,717*	11,678*	11,546*	11,520*	12,198	12,266	
Wholesale trade	145*	147*	147*	146*	470*	474*	482*	482*	
Retail Trade	7,497	7,434	7,304	7,543	7,573	7,601	7,586	7,791	
Transportation and warehousing	1,915*	1,912*	1,932*	2,040*	1,922*	1,921*	1,919*	2,368*	
Information	241*	251*	347*	262*	246*	227*	214*	225*	
Finance and insurance	866	845	890	867	874	872	867	861	
Real estate and rental and leasing	885	932	948	900	907	952	951	880	
Professional and technical services	2,743*	2,777*	2,765*	2,744*	2,903*	2,984*	2,910*	2,753*	
Management of companies and enterprises	244*	255*	247*	236*	227*	225*	239*	236*	
Administrative and waste services	3,210	3,335	3,319	3,415	2,971*	3,153	3,113	3,086*	
Educational services	497*	497*	453*	518*	502*	492*	484*	538*	
Health care and social assistance	5,470*	5,544*	5,558*	5,618*	6,482*	6,494*	6,908*	6,970*	
Arts, entertainment, and recreation	632*	724	763*	686*	651*	763	833	742*	
Accommodation and food services	5,892*	6,899	6,021*	5,799*	6,064*	6,634	6,432	6,222*	
Other services, except public administration	1,637	1,686	1,728	1,746	1,783	1,819	1,880	1,848	
Public administration	0	0	0	0	0	0	0	0	
Unclassified	150*	100*	164*	119*	126*	120*	98*	114*	

Source: Bureau of Labor Statistics(BLS), Quarterly Census of Employment and Wages
* indicates that some or all of the data for this category was suppressed for confidentiality reasons

The bank’s market area offers a variety of employment opportunities. In addition to local government and school boards, major employers include those within the manufacturing, accommodation and food services, and health care and social services.

Blacksburg-Christiansburg MSA Unemployment Rates					
Area	2020	2021	2022	2023	2024
Blacksburg-Christiansburg MSA AA	6.0%	3.4%	2.8%	2.8%	3.1%
Floyd County, VA	5.3%	3.1%	2.3%	2.4%	2.6%
Giles County, VA	6.7%	3.5%	3.0%	2.8%	3.1%
Montgomery County, VA	5.1%	3.1%	2.7%	2.8%	3.0%
Pulaski County, VA	8.5%	4.0%	3.0%	2.7%	3.1%
Radford City, VA	6.8%	4.1%	3.2%	3.2%	3.7%
Virginia	6.5%	3.8%	2.7%	2.7%	2.9%

Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics

Unemployment rates across the assessment area decreased during the review period from the highs experienced during the early COVID-19 pandemic period. The unemployment rate for the assessment area (3.1%) is slightly higher than the rate for the commonwealth (2.9%).

Blacksburg-Christiansburg MSA Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Blacksburg-Christiansburg MSA AA	66.8%	37.1%	40.2%	49.6%	23.6%	14.7%
Floyd County, VA	79.4%	20.5%	33.2%	50.7%	12.1%	19.1%
Giles County, VA	71.2%	39.3%	29.7%	45.3%	11.1%	10.0%
Montgomery County, VA	66.4%	38.1%	42.9%	50.3%	25.4%	13.2%
Pulaski County, VA	65.0%	33.3%	31.4%	52.7%	31.3%	16.8%
Radford City, VA	66.9%	45.8%	46.8%	41.2%	32.4%	17.1%
Virginia	77.1%	47.8%	42.1%	61.2%	35.6%	18.9%

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

While the housing cost burden for low- and moderate-income renters and homeowners within the assessment area is lower than the cost burden in the overall commonwealth, the cost burden for low-income renters and homeowners substantially exceeds the cost burden for moderate-income renters and homeowners within the assessment area. The comparatively high cost burden for low-income people is a barrier for low-income housing within the assessment area.

CONCLUSIONS WITH RESPECT TO THE COMMUNITY DEVELOPMENT TEST IN THE BLACKSBURG-CHRISTIANSBURG-RADFORD, VA MSA ASSESSMENT AREA

Discussion with the individual knowledgeable of the local market area and reviews of the performance evaluations of other financial institutions having a local presence indicate that local community development opportunities are reasonably available within the assessment area. While opportunities are reasonably available, there are fewer community development opportunities within the Blacksburg-Christiansburg-Radford, VA MSA than in the Richmond, VA MSA because of the Richmond, VA MSA's larger community development infrastructure. Given its size, financial condition, and business strategy, the bank faces no constraints in extending community development loans, purchasing community development investments, or participating in community development services.

Community Development Loans

During the evaluation period, LBI originated a reasonable level of community development loans that benefited the Blacksburg-Christiansburg-Radford, VA MSA assessment area. The following table summarizes the bank's lending by loan purpose.

Loan Purpose	#	\$(000)s
Affordable Housing	3	\$16,999
Community Services	2	\$938
Economic Development	8	\$2,875
Revitalization and Stabilization	0	\$0
Total	13	\$20,812

Several of these loans were innovative and/or complex and involved loan purposes (e.g. predevelopment and infrastructure financing) that other banks do not routinely finance, participation with other financial institutions, tax credits, and subsidies or grants from governmental entities.

Investments

During the evaluation period, LBI made and held an adequate level of qualified investments within the Blacksburg-Christiansburg-Radford, VA MSA assessment area. This conclusion is based on activity within the assessment area and larger statewide area. The following table summarizes the bank's qualified investment and donation activity.

Geographic Area	Investments		Donations		Total	
	#	\$(000)s	#	\$(000)s	#	\$(000)s
Affordable Housing	0	\$0	0	\$0	0	\$0
Community Services	0	\$0	2	\$2	2	\$2
Economic Development	0	\$0	1	\$1.5	1	\$1.5
Revitalization and Stabilization	0	\$0	0	\$0	0	\$0
Total	0	\$0	3	\$3.5	3	\$3.5

In addition to the qualified investments noted in the table above, the bank also holds six bonds totaling \$3.6 million issued by the VHDA that support affordable housing throughout the Commonwealth of Virginia, which includes this assessment area.

Community Development Services

LBI participated in a high level of community development services through its support of various organizations engaged in community development by providing technical assistance and financial expertise. The following table summarizes LBI's efforts by general type of service.

Service Type	# of Hours
Affordable Housing	3
Community Services	36
Economic and Small Business Development	71
Revitalization and Stabilization	4
Total	114

From an operational perspective, the bank has fewer employees located in the Blacksburg-Christiansburg-Radford, VA MSA assessment area than in its Richmond, VA MSA assessment area. Fewer employees and the less developed community development infrastructure with the Blacksburg-Christiansburg-Radford, VA MSA assessment area limit to some degree the number of community development service hours within the assessment area. The following is a partial list of organizations that LBI supported during the evaluation period.

Affordable Housing

- Alquist 3D
- Claremont School Apartments, LLC
- Pulaski Lofts LLC

Community Services

- Blacksburg Farmers Market
- Community Foundation of the New River Valley

Economic Development

- Aggregate Capital, LLC
- Floyd County Economic Development Authority
- Friends of Southwest Virginia
- LH Corporation
- Live, Work, Eat, Grow, Inc.
- New River Valley Regional Commission
- NRV CEDS

OTHER ACTIVITIES

Because LBI is a limited purpose institution that has adequately addressed the needs of its assessment areas, community development loans, qualified investments, and community development services that benefit areas outside of the bank’s assessment in the broader statewide or regional area that include the bank’s assessment areas were also considered. These activities support the overall “Outstanding” rating.

SUMMARY OF INSTITUTION'S OTHER COMMUNITY DEVELOPMENT ACTIVITIES

Community Development Loans

During the evaluation period, LBI originated a high level of community development loans that benefited the statewide or regional area that includes its existing assessment areas. The following table summarizes the bank's lending by loan purpose.

Loan Purpose	#	\$(000)s
Affordable Housing	95	\$184,162
Community Services	14	\$8,591
Economic Development	367	\$114,751
Revitalization and Stabilization	4	\$12,250
Total	480	\$319,754

As noted previously, many of the LBI loans have complex structures and/or involve structures that other financial institutions do not routinely provide. The bank routinely participates in collaborative financing along with financing predevelopment and other infrastructure while, at times, helping borrowers to secure grant funding and taking subordinate lien positions to enhance credit risk of the overall project.

Community Development Investments

Given its financial condition and resources, the bank maintains an adequate level of qualified community development investments.

Geographic Area	Investments		Donations		Total	
	#	\$(000)s	#	\$(000)s	#	\$(000)s
Affordable Housing	6	\$3,625	21	\$20.4	27	\$3,645.4
Community Services	3	\$2,000	3	\$1.3	6	\$2,001.3
Economic Development	2	\$380	31	\$113	33	\$ 493
Revitalization and Stabilization	0	\$0	5	\$3.8	5	\$3.8
Total	11	\$6,005	60	\$138.5	71	\$6,143.5

The bank’s qualified investments noted in the table above include:

- Six VHDA bonds totaling \$3.625 million that provide affordable housing throughout Virginia,
- Three certificates of deposits totaling \$2 million in CDFI credit unions within a regional area that includes Virginia, and
- Two municipal bonds totaling \$380,000 that promote economic development within Virginia.

Community Development Services

LBI participated in a high level of community development services that benefited organizations in Virginia and larger regional area during the evaluation period. The following table summarizes LBI's efforts by general type of service.

Service Type	# of Hours
Affordable Housing	300
Community Services	301
Economic Development	1,392
Revitalization and Stabilization	412
Total	2,405

The following is a partial list of organizations that LBI supported during the evaluation period:

Affordable Housing

Alexandria Housing Development Corporation
 American Housing Fund
 Blue Ridge Habitat for Humanity, Inc
 Blue Ridge Habitat for Humanity, Inc
 Danville Redevelopment & Housing Authority
 Gardner Capital
 Habitat for Humanity NOVA
 McLeod Family Foundation
 People Incorporated Housing Group
 Piedmont Housing Alliance
 Southside Outreach Group, Inc.
 Southside Outreach Group, Inc.
 Support Works Housing
 Tri-County Community Action Agency
 Virginia Housing and Community Development
 Virginia Housing Alliance
 Wellington Development, LLC

Community Services

Appalachian Promise Alliance
 Boys & Girls Clubs of Southeast Virginia
 ConnectVA
 Dan River Basin Association
 Danville Regional Foundation
 Family Crisis Support Services, Inc
 FEAST Virginia
 Foodshed Capital
 George Washington Carver Food Enterprise Center
 LISC
 Metropolitan Washington Council of Governments
 Mid-Atlantic Food Resiliency and Access Coalition
 St. Paul's Community Development Corporation

Revitalize and Stabilize

Grace Presbyterian Church
 Virginia Community Voice

Economic Development

504 Capital Corporation
 Appalachia Funders Network
 Appalachian Community Capital, Inc.
 Appalachian Council of Business Leaders
 Appalachian Promise Alliance
 ARC of SWVA
 Bridging Virginia
 Business Finance Group, Inc.
 Center for Rural Virginia
 Clinch River Valley Initiative
 Coalfield Strategies, LLC
 Communities Unlimited, Inc.
 Community Business Partnership, Inc.
 Community Investment Collaborative
 Danville Regional Foundation
 Dominion Energy Innovation Center
 Entrepreneur Express Workshop
 GOVirginia Region 1
 Hampton Roads Connector Partners
 Invest Appalachia Fund, LLC
 Lynchburg Regional Business Alliance
 Mount Rogers Regional Partnership
 National Main Street Center
 Opportunity Appalachia
 Opportunity Southwest Virginia
 SBDC Hampton Roads
 SBDC Longwood University
 SBDC Mountain Empire Community College
 SBDC of Hampton Roads, Inc.
 SBDC Roanoke
 SBDC Southwest Virginia
 The Innovate Fund
 Tobacco Region Revitalization Commission
 Virginia Resources Authority
 Virginia SBDC Network
 Washington County Business Challenge

CRA APPENDIX

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.

Census tract: A small subdivision of metropolitan and other densely populated 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 upon 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 development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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, 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 and Community Development Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, 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 refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending and Community Development Tests is analyzed using only quantitative factors (for example, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A 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. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a 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.

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.

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 loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report 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 either secured by 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): 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, or are classified as loans to finance agricultural production and other loans to farmers.

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