



## **PUBLIC DISCLOSURE**

July 7, 2025

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Peoples Bank  
RSSD# 530655

222 South Main Street  
Pratt, Kansas 67124

Federal Reserve Bank of Kansas City  
1 Memorial Drive  
Kansas City, Missouri 64198

**NOTE:** This document is an evaluation of this bank'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 bank. 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 bank.

**TABLE OF CONTENTS**

Institution's Community Reinvestment Act Rating .....	2
Scope of Examination .....	2
Description of Institution .....	3
Conclusions with Respect to Performance Tests.....	4
Fair Lending or Other Illegal Credit Practices Review .....	6
South Central Kansas Nonmetropolitan Assessment Area (Full-Scope Review)	
Description of Institution's Operations .....	7
Conclusions with Respect to Performance Tests .....	10
North Central Kansas Nonmetropolitan Assessment Area (Full-Scope Review)	
Description of Institution's Operations .....	16
Conclusions with Respect to Performance Tests .....	18
Appendix A – Map of the Assessment Areas .....	24
Appendix B – Demographic Information.....	26
Appendix C – Glossary.....	28

## **INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING**

This institution is rated: **Satisfactory.**  
The Lending Test is rated: **Satisfactory.**  
The Community Development Test is rated: **Satisfactory.**

The Peoples Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment areas (AAs) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.
- Community development (CD) activity reflects adequate responsiveness to CD needs of its AAs.

## **SCOPE OF EXAMINATION**

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2021, 2022, and 2023) was referenced for additional perspective to gauge credit demand within the bank's AAs. Performance was assessed within the bank's two AAs. The North Central and South Central Kansas AAs were each assessed using a full-scope review. For purposes of weighting performance, the South Central Kansas AA carried greater weight in the analysis due to a larger branch presence, as well as loan and deposit volumes relative to the North Central Kansas AA. In the evaluation of overall performance, examiners reviewed the following data:

- The bank's 13-quarter average NLTD ratio;
- A statistical sample of 109 small business loans selected from a universe of 237 loans originated from January 1, 2024 to December 31, 2024;
- A statistical sample of 157 small farm loans selected from a universe of 690 loans originated over the same period; and

- CD loans, qualified investments, and CD services from January 1, 2022 to December 31, 2024.

## DESCRIPTION OF INSTITUTION

The People's Bank is a community bank headquartered in Pratt, Kansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of The Peoples Bankshares LTD.
- The bank is also affiliated through ownership with All Insurance, Inc. and Triumph, Inc.
- The bank has total assets of \$524.1 million as of March 31, 2025.
- The bank operates five banking offices throughout north- and south-central Kansas. In addition to its main office in Pratt, the bank operates four full-service banking offices in Greensburg, Medicine Lodge, Osborne, and Smith Center. The bank also operates a loan production office in Kingman, Kansas.
- The bank operates an automated teller machine (ATM) on the premises of its Greensburg branch (cash dispensing-only) and a full-service ATM at its Kingman loan production office. Additionally, the bank operates a mixture of two stand-alone ATMs and six full-service interactive teller machines (ITMs), respectively, located in Kiowa (1), Lebanon (1), Medicine Lodge (1), Osborne (1), Pratt (3), and Smith Center (1).
- As shown in the table below, the bank's primary business focus is agricultural lending followed by residential real estate and commercial lending.

**Table 1**

Composition of Loan Portfolio as of March 31, 2025		
Loan Type	\$(000)	%
Construction and Land Development	3,494	1.4
Farmland	86,165	33.8
1- to 4-Family Residential Real Estate	34,775	13.6
Multifamily Residential Real Estate	755	0.3
Nonfarm Nonresidential Real Estate	14,187	5.6
Agricultural	86,281	33.8
Commercial and Industrial	17,500	6.9
Consumer	4,877	1.9
Other	7,043	2.8
<b>Gross Loans</b>	<b>255,077</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its April 25, 2022 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 CRITERIA<sup>1</sup>

### LENDING TEST

This performance evaluation first discusses the bank's overall performance, followed by an in-depth evaluation of performance in the South Central and North Central AAs (full-scope reviews).

The bank's overall lending test performance is Satisfactory. This conclusion was based on a reasonable NLTD ratio, a majority of loans originated within the bank's AAs, as well as reasonable distribution of loans throughout the bank's AAs, and a reasonable distribution of loans to business and farms of different revenue sizes. In determining the overall lending test rating, equal weight was given to each of the performance criteria listed.

### Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD 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 AAs, and in comparison, to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and geographic locations. The bank's NLTD ratio is reasonable. The bank's 13-quarter average NLTD ratio of 51.7 percent is within range of the four other similarly situated banks with ratios ranging from a low of 45.4 percent to a high of 77.6 percent, respectively.

**Table 2**

Comparative NLTD Ratios March 31, 2022 – March 31, 2025			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			13-Quarter Average
The Peoples Bank	Pratt, KS	524,145	51.7
<b>Similarly Situated Institutions</b>			
Centera Bank	Sublette, KS	332,113	45.4
First Nation Bank & Trust Company	Phillipsburg, KS	300,424	74.7
SJN Bank of Kansas	Saint John, KS	268,341	64.6
Guaranty State Bank & Trust Company	Beloit, KS	374,598	77.6

<sup>1</sup> The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. The bank originated a majority of loans, by number and dollar, inside the AAs.

**Table 3**

<b>Lending Inside and Outside the Assessment Area</b>								
<b>Loan Type</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>
Small Business	84	77.1	6,104	64.1	25	22.9	3,425	35.9
Small Farm	136	86.6	17,813	87.6	21	13.4	2,533	12.4
<b>Total Loans</b>	<b>220</b>	<b>82.7</b>	<b>23,917</b>	<b>80.1</b>	<b>46</b>	<b>17.3</b>	<b>5,958</b>	<b>19.9</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

**Geographic Distribution of Loans**

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

**Lending to Businesses and Farms of Different Sizes**

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes. Overall, the bank's lending reflects a reasonable distribution of lending among businesses and farms of different sizes.

**COMMUNITY DEVELOPMENT TEST**

The CD test evaluates the bank's responsiveness to CD needs of its AAs through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities in the bank's AAs.

The bank's overall CD test performance is Satisfactory and demonstrates adequate responsiveness to the CD needs of its AAs. A substantial majority of the bank's CD activities occurred in the South Central AA, which is consistent with the level of branching, lending, and deposit concentrations among its two AAs. Table 4 displays the total number and dollar amount of the bank's CD activities that have occurred within the bank's AAs during the current evaluation period.

**Table 4**

Community Development Activity - All									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	14	1,467	0	0	0	0	0	0	3
Community Services	1	547	0	0	62	227	62	227	45
Economic Development	5	547	0	0	3	1	3	1	5
Revitalization and Stabilization	3	7,067	0	0	14	292	14	292	19
Totals	23	9,628	0	0	79	520	79	520	72

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**SOUTH CENTRAL KANSAS ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE SOUTH CENTRAL KANSAS AA**

The bank's South Central Kansas AA consists of Edwards, Kiowa, Pratt, Comanche, Barber, Stafford, and Kingman counties in their entirety (see Appendix A for an AA map and Appendix B for additional demographic data).

- Since the prior evaluation, the bank removed Harper County from its AA delineation.
- Based on 2020 Census data, the AA is comprised of 14 census tracts, which includes 10 middle- and 4 upper-income census tracts. At the prior evaluation, based on 2015 American Community Services (ACS) data, the AA was comprised of 17 total census tracts, including 15 middle- and 2 upper-income census tracts.
- The bank operates three full-service banking offices in the AA, including the bank's main office in Pratt and additional offices in Greensburg and Medicine Lodge, respectively. Additionally, the bank operates a loan production office in Kingman, which contains a full-service ATM on its premises. The bank operates four full-service, stand-alone ITMs in the communities of Lebanon (1), Medicine Lodge (1), and Pratt (2) that feature full-service functionality with access to a live bank representative. In addition to its ITM network, the bank operates a traditional standalone full-service ATM in Kiowa, as well as cash dispensing-only ATMs at its Greensburg branch and as a standalone unit in Pratt.
- According to the June 30, 2024 FDIC Deposit Market Share Report, the bank held a 25.8 percent market share of deposits, ranking first of 18 institutions operating from 27 banking offices throughout the AA.
- An interview was conducted with a member of the community to ascertain the credit needs of the area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community member represents the area in a civic capacity.



**Table 5**

<b>Population Change</b>			
<b>Assessment Area: South Central Kansas</b>			
<b>Area</b>	<b>2015 Population</b>	<b>2020 Population</b>	<b>Percent Change</b>
South Central Kansas	34,156	31,983	(6.4)
Barber County, KS	4,770	4,228	(11.4)
Comanche County, KS	2,010	1,689	(16.0)
Edwards County, KS	2,991	2,907	(2.8)
Kingman County, KS	7,790	7,470	(4.1)
Kiowa County, KS	2,536	2,460	(3.0)
Pratt County, KS	9,739	9,157	(6.0)
Stafford County, KS	4,320	4,072	(5.7)
NonMSA Kansas	901,451	872,644	(3.2)
Kansas	2,892,987	2,937,880	1.6
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- The AA is experiencing a faster population decline than other nonmetropolitan areas in Kansas, with a 6.4 percent decline in population between 2015 and 2020.
- A community member with knowledge of local population trends in AA's population center of Pratt indicated that the city's size and makeup has remained stable in the in the recent years consistent with the bank's current CRA evaluation period.
- The main population concentration among AA counties (approximately 52.0 percent of the AA population) resides within Kingman County (approximately 7,470) and Pratt County (approximately 9,157). Given the rural nature of the AA, the rest of the population is evenly spread across the remaining counties.

**Table 6**

Median Family Income Change Assessment Area: South Central Kansas			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
South Central Kansas	67,439	67,913	0.7
Barber County, KS	68,377	64,653	(5.4)
Comanche County, KS	64,553	73,587	14.0
Edwards County, KS	62,286	61,389	(1.4)
Kingman County, KS	70,981	72,667	2.4
Kiowa County, KS	66,538	66,563	0.0
Pratt County, KS	68,440	69,280	1.2
Stafford County, KS	65,555	70,881	8.1
NonMSA Kansas	62,676	65,183	4.0
Kansas	72,535	77,620	7.0
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.			

- The AA experienced a nominal change in median family income (MFI), at 0.7 percent between 2015 and 2020, which lagged behind MFI growth at the Kansas statewide level and other nonmetropolitan areas, at 7.0 percent and 4.0 percent, respectively.
- Comanche County had the largest increase in MFI within the AA at 14.0 percent, while Barber County experienced a 5.4 percent decline in MFI during the same period.

**Table 7**

Housing Cost Burden Assessment Area: South Central Kansas						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
South Central Kansas	62.1	21.7	26.5	51.6	22.0	14.8
Barber County, KS	51.4	0.0	21.7	61.7	13.1	22.4
Comanche County, KS	56.2	0.0	28.2	39.0	18.7	9.0
Edwards County, KS	73.7	28.6	35.3	40.6	9.8	11.2
Kingman County, KS	65.6	11.4	21.5	43.1	28.9	14.3
Kiowa County, KS	76.2	40.0	39.2	76.0	16.5	13.7
Pratt County, KS	63.6	32.4	27.0	58.9	29.5	15.8
Stafford County, KS	51.1	16.5	26.8	46.2	21.3	11.6
NonMSA Kansas	68.2	23.3	34.6	53.9	22.3	14.8
Kansas	75.7	29.8	38.2	58.1	26.8	15.3
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						

- Housing cost burden in the AA was generally more prevalent for low-income renters and owners relative to moderate-income individuals in these two housing categories; however, when evaluated against other nonmetropolitan statewide areas and the overall state figure, the AA contains more affordable rental and home ownership opportunities.
- The AA housing affordability ratio<sup>2</sup> of 62.5 percent is above other statewide nonmetropolitan areas at 49.0 percent, representing greater affordability for housing in the AA relative to other statewide rural areas.

**Table 8**

Unemployment Rates					
Assessment Area: South Central Kansas					
Area	2019	2020	2021	2022	2023
South Central Kansas	2.7	3.7	2.4	2.2	2.4
Barber County, KS	2.5	3.2	2.0	2.0	2.4
Comanche County, KS	2.6	3.3	2.2	2.2	2.6
Edwards County, KS	2.6	2.9	2.2	2.2	2.3
Kingman County, KS	3.2	5.3	3.1	2.4	2.7
Kiowa County, KS	2.3	3.1	2.1	2.2	2.5
Pratt County, KS	2.5	3.5	2.3	2.1	2.1
Stafford County, KS	2.7	3.6	2.3	2.3	2.3
NonMSA Kansas	3.1	4.4	2.8	2.4	2.5
Kansas	3.2	5.8	3.3	2.6	2.7
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- Unemployment in the AA has trended similarly to statewide figures, as indicated in Table 8, and reflects lower unemployment rates relative to the overall state figures in year-over-year data.
- Major employers in the AA include Pratt Regional Medical Center, Wal-Mart Supercenter, Kanza Cooperative, Dillons Grocery Stores, and USD 382 Pratt Southwest.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTH CENTRAL KANSAS AA**

### **LENDING TEST**

The bank's performance under the lending test in the South Central AA is reasonable. In determining the lending test rating, equal weight was given to each of the performance criteria. The review in the AA consisted of an evaluation of 53 small business loans, and

<sup>2</sup> The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

78 small farm loans. For this evaluation, equal weight was placed on the sample of small business and small farm loans.

### **Geographic Distribution of Loans**

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. As indicated in the description of the institution's operations section, the AA does not contain any low- or moderate-income census tracts and, as such, the analysis evaluated the bank's record of lending in middle- and upper-income census tracts throughout the AA.

### **Small Business Lending**

The geographic distribution of small business lending is reasonable. The distribution of small business loans originated in middle-income census tracts was comparable to the percentage of total businesses in such census tracts (demographic figure). Lending in upper-income census tracts reflected a concentration of lending that was above the demographic figure. Furthermore, an evaluation of the dispersion of small business loans did not identify any conspicuous gaps or lapses in lending within the AA that impacted the conclusion.

**Table 9**

Distribution of 2024 Small Business Lending By Income Level of Geography					
Assessment Area: South Central Kansas					
Geographic Income Level	Bank Loans				Total
	#	#%	\$(000)	%	Businesses %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0
Middle	25	47.2	2,474	57.8	66.1
Upper	28	52.8	1,810	42.3	33.9
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	53	100.0	4,283	100.0	100.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

### **Small Farm Lending**

The geographic distribution of small farm lending is reasonable. The distribution of small farm loans originated in middle-income census tracts was comparable to the demographic figure, while lending in upper-income census tracts was above the demographic figure. Furthermore, an evaluation of the dispersion of small farm loans did not identify any conspicuous gaps or lapses in lending within the AA that impacted the conclusion.

**Table 10**

Distribution of 2024 Small Farm Lending By Income Level of Geography					
Assessment Area: South Central Kansas					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0
Middle	43	55.1	6,044	51.6	70.5
Upper	35	44.9	5,661	48.4	29.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>11,706</b>	<b>100.0</b>	<b>100.0</b>
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

## Lending to Businesses and Farms of Different Sizes

The bank's lending has a reasonable distribution among businesses and farms of different sizes.

### Small Business Lending

The borrower distribution of small business lending is reasonable. As illustrated in Table 11, the bank's lending to businesses with revenues of \$1MM or less (small businesses) at 81.1 percent by number was comparable to the demographic figure of 86.2 percent, which represents the percentage of businesses operating in the AA by revenue size. Additionally, 88.7 percent of loans were in amounts of \$250,000 or less, which are amounts typically associated with credit demands of smaller business entities, and further demonstrates the bank's willingness to meet the needs of small businesses.

**Table 11**

Distribution of 2024 Small Business Lending By Revenue Size of Businesses					
Assessment Area: South Central Kansas					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	43	81.1	1,721	40.2	86.2
Over \$1 Million	7	13.2	2,518	58.8	9.1
Revenue Unknown	3	5.7	44	1.0	4.7
Total	53	100.0	4,283	100.0	100.0
By Loan Size					
\$100,000 or Less	44	83.0	1,190	27.8	
\$100,001 - \$250,000	3	5.7	410	9.6	
\$250,001 - \$1 Million	6	11.3	2,682	62.6	
Total	53	100.0	4,283	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	41	95.3	1,146	66.6	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	2	4.7	575	33.4	
Total	43	100.0	1,721	100.0	
Source: 2024 FFIEC Census Data					
2024 Dun & Bradstreet Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

### Small Farm Lending

The borrower distribution of small farm lending is reasonable. As illustrated in Table 12, the bank's lending to businesses with revenues of \$1MM or less was comparable to the demographic figure. Additionally, 78.2 percent of loans were in amounts of \$250,000 or less, which are amounts typically associated with credit demands of smaller farm entities, and further demonstrates the bank's willingness to meet the needs of small farms.

**Table 12**

Distribution of 2024 Small Farm Lending By Revenue Size of Farms					
Assessment Area: South Central Kansas					
	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	60	76.9	7,278	62.2	97.3
Over \$1 Million	17	21.8	4,377	37.4	2.7
Revenue Unknown	1	1.3	50	0.4	0.0
Total	78	100.0	11,706	100.0	100.0
By Loan Size					
\$100,000 or Less	43	55.1	1,883	16.1	
\$100,001 - \$250,000	18	23.1	3,304	28.2	
\$250,001 - \$500,000	17	21.8	6,519	55.7	
Total	78	100.0	11,706	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	37	61.7	1,486	20.4	
\$100,001 - \$250,000	14	23.3	2,384	32.8	
\$250,001 - \$500,000	9	15.0	3,408	46.8	
Total	60	100.0	7,278	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

## COMMUNITY DEVELOPMENT TEST

The bank's CD performance demonstrates adequate responsiveness. As indicated in Table 13, the bank's CD activities were responsive to a variety of AA CD needs. By number, the bank's CD lending was most responsive to area affordable housing needs. The bank partnered with a down-payment assistance grant program intended to facilitate affordable home ownership for first-time homebuyers. By dollar volume, the bank's CD lending was impactful to area revitalization and stabilization efforts. The bank's qualified investments were comprised entirely of philanthropic donations which were, by number, most responsive to the community services needs of area LMI individuals and organizations that provide services targeted to LMI individuals and families. The bank provided eight donations totaling \$290,000 to several healthcare organizations throughout the AA which was responsive to the revitalization and stabilization efforts by providing essential services to an area comprised substantially of distressed and/or underserved geographies. Additionally, 15 bank representatives, including members of the bank's executive leadership, provided 47 qualified CD services to 20 different area organizations. The CD services were most responsive to the community services needs of LMI individuals and organizations that provide such services to LMI individuals and

families. The volume of CD services performed by bank representatives is considerable given the bank's comparatively limited opportunities for CD services in rural areas as compared to more densely populated communities.

**Table 13**

Community Development Activities Assessment Area: South Central Kansas									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	11	1,276	0	0	0	0	0	0	0
Community Services	0	0	0	0	42	28	42	28	43
Economic Development	1	127	0	0	3	1	3	1	1
Revitalization and Stabilization	2	7,000	0	0	10	290	10	290	3
Totals	14	8,403	0	0	55	319	55	319	47



**NORTH CENTRAL KANSAS ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE NORTH CENTRAL KANSAS AA**

The bank's North Central AA consists of Smith and Osborne counties in their entirety (see Appendix A for an AA map and Appendix B for additional demographic data).

- Since the prior evaluation, the bank removed Russell County from its AA delineation.
- Based on 2020 Census data, the AA is comprised of three census tracts, which includes two middle- and one moderate-income census tracts. At the prior evaluation, based on 2015 ACS data, the AA was comprised of four middle-income census tracts.
- The bank operates two full-service banking offices in the AA, including offices in Smith Center and Osborne. Additionally, the bank operates a full-service stand-alone ITM in each of the aforementioned communities.
- According to the June 30, 2024 FDIC Deposit Market Share Report, the bank held a 26.4 percent market share of deposits, ranking first of seven institutions operating from nine banking offices throughout the AA.
- An interview was conducted with a member of the community to ascertain the credit needs of the area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community member is affiliated with an area economic development organization.

**Table 14**

<b>Population Change</b>			
<b>Assessment Area: North Central Kansas</b>			
<b>Area</b>	<b>2015 Population</b>	<b>2020 Population</b>	<b>Percent Change</b>
North Central Kansas	7,522	7,070	(6.0)
Osborne County, KS	3,782	3,500	(7.5)
Smith County, KS	3,740	3,570	(4.5)
NonMSA Kansas	901,451	872,644	(3.2)
Kansas	2,892,987	2,937,880	1.6
Source: 2020 U.S. Census Bureau: Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey			

- As illustrated in Table 14, the AA experienced a decline in population between 2015 and 2020, with Osborne County experiencing the highest decline at 7.5 percent.

- The population decline noted in the AA was nearly double the percentage decline noted in the other nonmetropolitan statewide areas.
- A community member indicated that the AA and, more specifically Smith Center, competes with other area communities to attract and retain population, with some competing communities benefitting from more advantageous recreational amenities as a qualifying factor.
- It is noted that the AA contains a high population aged 65 and over, at 21.6 percent, relative to other statewide nonmetropolitan areas and overall statewide figures, at 18.6 percent and 15.7 percent, respectively.

**Table 15**

Median Family Income Change Assessment Area: North Central Kansas			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
North Central Kansas	61,328	59,822	(2.5)
Osborne County, KS	59,685	60,909	2.1
Smith County, KS	60,297	57,961	(3.9)
NonMSA Kansas	62,676	65,183	4.0
Kansas	72,535	77,620	7.0
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.			

- The AA experienced a decline in MFI between 2015 and 2020, while the MFI grew for the state of Kansas and other nonmetropolitan areas by 7.0 percent and 4.0 percent, respectively.
- Osborne County had the largest increase in MFI within the AA at 2.1 percent, while Smith County experienced a 3.9 percent decline in MFI during the same period.

**Table 16**

Housing Cost Burden Assessment Area: North Central Kansas						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
North Central Kansas	52.5	3.0	26.9	46.3	12.2	12.1
Osborne County, KS	45.4	0.0	22.4	44.7	6.7	10.2
Smith County, KS	68.8	5.0	33.6	47.9	16.3	14.0
NonMSA Kansas	68.2	23.3	34.6	53.9	22.3	14.8
Kansas	75.7	29.8	38.2	58.1	26.8	15.3
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						

- The housing cost burden for renters in the North Central Kansas AA, at 26.9 percent, is lower than nonmetropolitan Kansas and Kansas statewide figures, which are 34.6 percent and 38.2 percent respectively.
- The housing cost burden for owners in the North Central Kansas AA, at 12.1 percent, is also lower than nonmetropolitan Kansas and Kansas statewide figures, which are 14.8 percent and 15.3 percent, respectively.

**Table 17**

<b>Unemployment Rates</b>					
<b>Assessment Area: North Central Kansas</b>					
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
North Central Kansas	2.2	2.7	1.9	2.0	2.1
Osborne County, KS	2.0	2.7	1.9	2.1	2.2
Smith County, KS	2.5	2.6	1.8	2.0	2.0
NonMSA Kansas	3.1	4.4	2.8	2.4	2.5
Kansas	3.2	5.8	3.3	2.6	2.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>					

- The AA unemployment rate as of 2023 has remained relatively stable since 2021 and has trended lower than other nonmetropolitan statewide and overall statewide levels.
- Major employers in the AA include: Applequist, Smith County Memorial Hospital, Smith Center public schools, Thunder Ridge public schools, and Trinity Ag.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORTH CENTRAL KANSAS AA**

### **LENDING TEST**

The bank's performance under the lending test in the North Central Kansas AA is reasonable. In determining the lending test rating, equal weight was given to each of the performance criteria. The review in the AA consisted of an evaluation of 31 small business loans and 58 small farm loans. For this evaluation, equal weight was placed on the sample of small business and small farm loans.

### **Geographic Distribution of Loans**

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. As indicated in the description of the institution's operations section, the AA contains one moderate-income census tract in Smith Center.

### Small Business Lending

The geographic distribution of small business lending is excellent. The distribution of small business loans in the AA's sole moderate-income census tract, located in Smith Center, was 24.4 percent above the demographic figure. Lending in the middle-income census tracts reflected a concentration of lending that was below the demographic figure. Furthermore, an evaluation of the dispersion of small business loans did not identify any conspicuous gaps or lapses in lending within the AA that impacted the conclusion.

**Table 18**

Distribution of 2024 Small Business Lending By Income Level of Geography					
Assessment Area: North Central Kansas					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	17	54.8	877	48.2	30.4
Middle	14	45.2	944	51.8	69.6
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>31</b>	<b>100.0</b>	<b>1,821</b>	<b>100.0</b>	<b>100.0</b>
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

### Small Farm Lending

The geographic distribution of small farm lending is reasonable. The distribution of small farm loans in the moderate- and middle-income census tracts was comparable to the demographic figure. Furthermore, an evaluation of the dispersion of small farm loans did not identify any conspicuous gaps or lapses in lending within the AA that impacted the conclusion.

**Table 19**

Distribution of 2024 Small Farm Lending By Income Level of Geography Assessment Area: North Central Kansas					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	5	8.6	390	6.4	7.1
Middle	53	91.4	5,717	93.6	92.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>58</b>	<b>100.0</b>	<b>6,107</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2024 FFIEC Census Data 2024 Dun &amp; 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>					

## Lending to Businesses and Farms of Different Sizes

The bank's lending has a reasonable distribution among businesses and farms of different sizes.

### Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to small businesses was comparable to the demographic figure, which represents the percentage of businesses operating in the AA by revenue size. Additionally, 96.8 percent of loans were in amounts of \$250,000 or less, which are amounts typically associated with credit demands of smaller business entities and further demonstrates the bank's willingness to meet the needs of small businesses.

**Table 20**

Distribution of 2024 Small Business Lending By Revenue Size of Businesses					
Assessment Area: North Central Kansas					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	25	80.6	1,314	72.2	86.7
Over \$1 Million	5	16.1	491	27.0	8.7
Revenue Unknown	1	3.2	16	0.9	4.6
Total	31	100.0	1,821	100.0	100.0
By Loan Size					
\$100,000 or Less	26	83.9	801	44.0	
\$100,001 - \$250,000	4	12.9	725	39.8	
\$250,001 - \$1 Million	1	3.2	295	16.2	
Total	31	100.0	1,821	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	22	88.0	644	49.0	
\$100,001 - \$250,000	2	8.0	375	28.5	
\$250,001 - \$1 Million	1	4.0	295	22.5	
Total	25	100.0	1,314	100.0	
Source: 2024 FFIEC Census Data					
2024 Dun & Bradstreet Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

### Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank's lending to small farms was comparable to the demographic figure, which represents the percentage of farms operating in the AA by revenue size. Additionally, 89.7 percent of loans were originated in amounts of \$250,000 or less, which are amounts typically associated with credit demands of smaller farm entities and further demonstrates the bank's willingness to meet the needs of small farms.

**Table 21**

Distribution of 2024 Small Farm Lending By Revenue Size of Farms					
Assessment Area: North Central Kansas					
	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	46	79.3	3,862	63.2	99.5
Over \$1 Million	12	20.7	2,246	36.8	0.5
Revenue Unknown	0	0.0	0	0.0	0.0
Total	58	100.0	6,107	100.0	100.0
By Loan Size					
\$100,000 or Less	41	70.7	2,127	34.8	
\$100,001 - \$250,000	11	19.0	1,765	28.9	
\$250,001 - \$500,000	6	10.3	2,215	36.3	
Total	58	100.0	6,107	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	36	78.3	1,834	47.5	
\$100,001 - \$250,000	8	17.4	1,238	32.1	
\$250,001 - \$500,000	2	4.3	790	20.5	
Total	46	100.0	3,862	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

## COMMUNITY DEVELOPMENT TEST

The bank's CD performance demonstrates adequate responsiveness. As illustrated in Table 22, the bank's CD activities were responsive to a variety of AA CD needs, including CD lending that qualified as responsive among all four CD purpose categories. The bank's investments were comprised entirely of philanthropic donations and were primarily responsive to the community services needs of area LMI individuals and organizations that provide services targeted to LMI individuals and families. Additionally, five bank representatives performed 25 CD services during the evaluation period that qualified across all four CD purpose categories, with particular responsiveness to area revitalization and stabilization efforts. The volume of CD services is considerable when factoring only two branch offices and the comparatively limited opportunities for CD services in rural areas as compared to more densely populated areas.

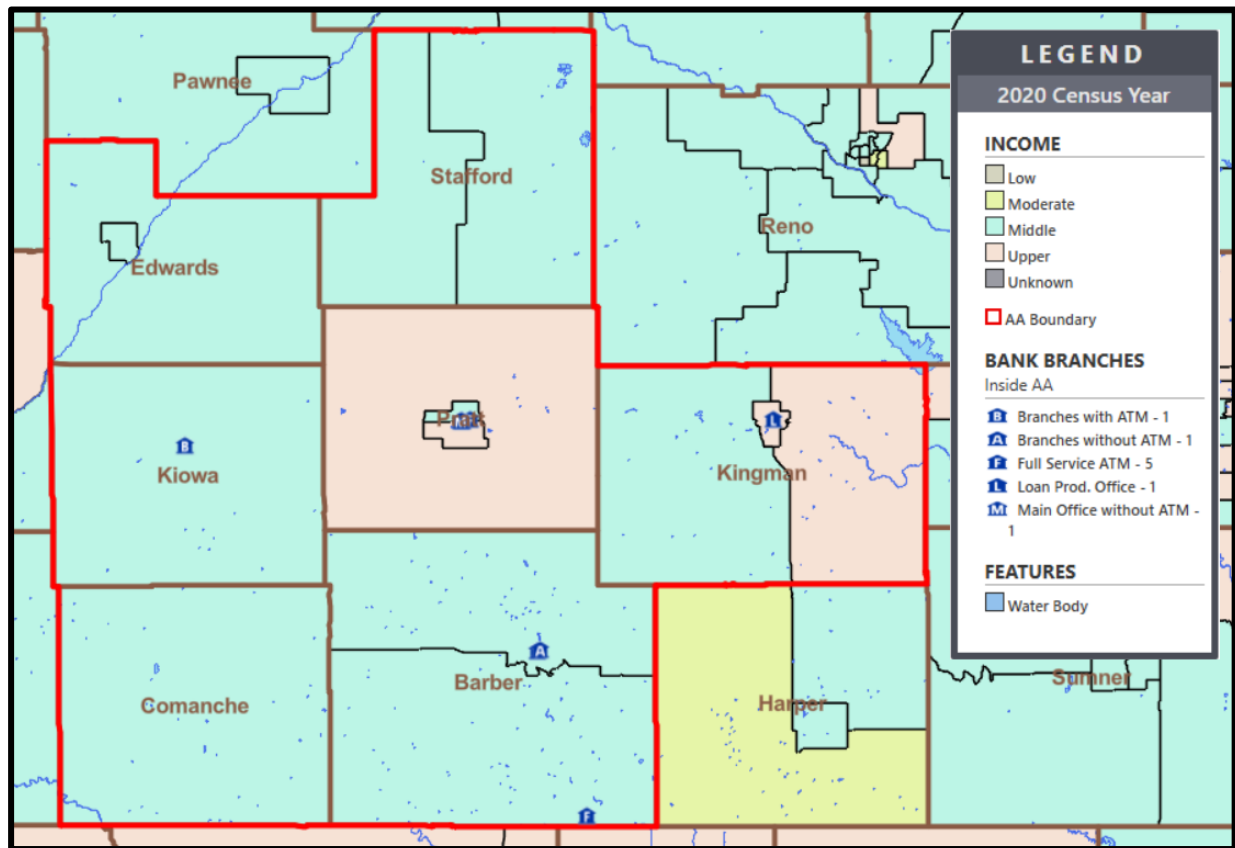
**Table 22**

Community Development Activities Assessment Area: North Central Kansas									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	3	191	0	0	0	0	0	0	3
Community Services	1	547	0	0	20	199	20	199	2
Economic Development	4	420	0	0	0	0	0	0	4
Revitalization and Stabilization	1	67	0	0	4	1	4	1	16
Totals	9	1,225	0	0	24	200	24	200	25

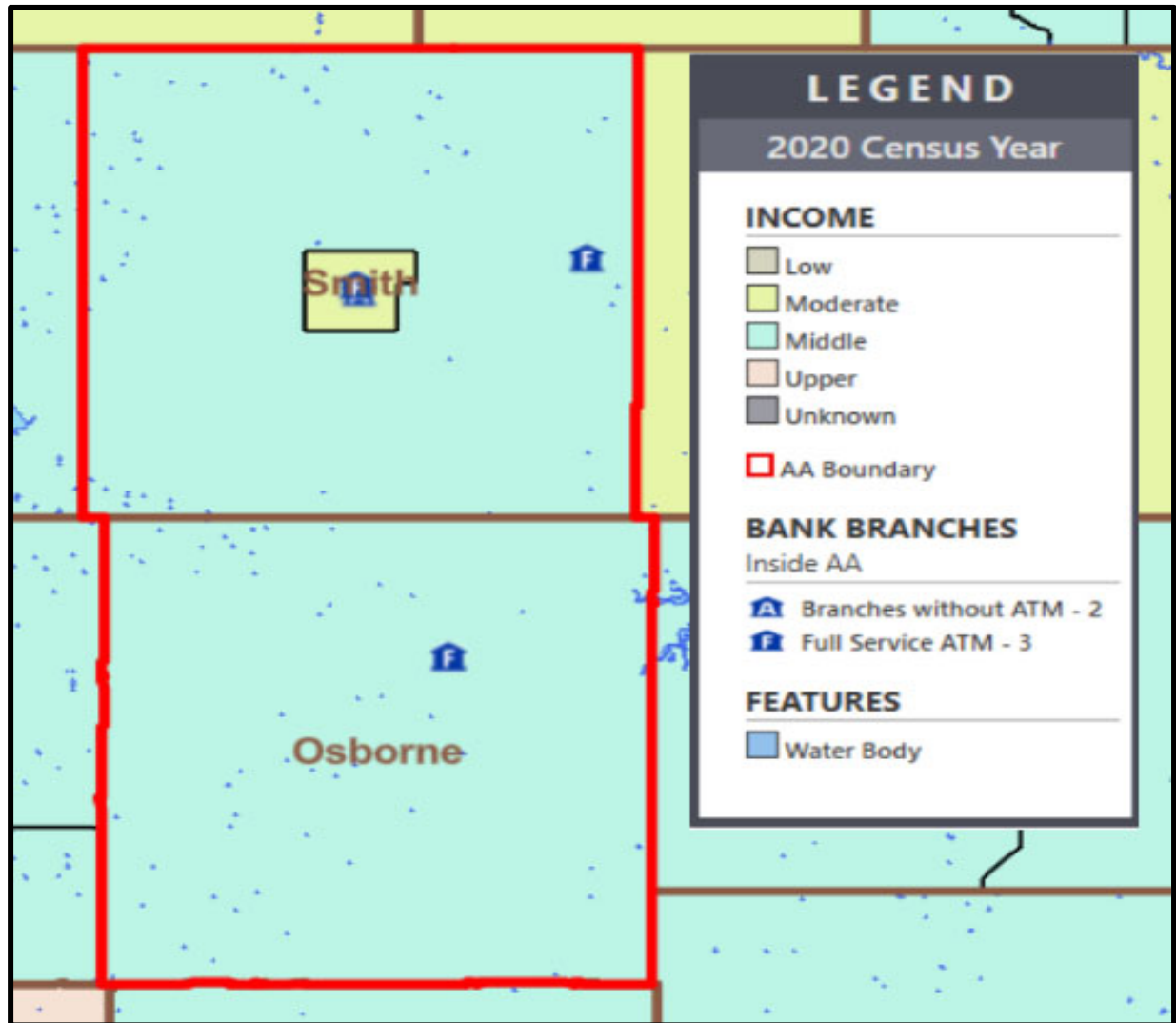


APPENDIX A – MAP OF THE ASSESSMENT AREAS

Map A-1  
South Central Kansas AA



Map A-2  
North Central Kansas AA



**APPENDIX B – DEMOGRAPHIC INFORMATION**

**Table B-1**

2024 South Central Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,385	16.1
Moderate	0	0.0	0	0.0	0	0.0	1,551	18.0
Middle	10	71.4	5,593	65.1	441	7.9	2,046	23.8
Upper	4	28.6	3,003	34.9	156	5.2	3,614	42.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>8,596</b>	<b>100.0</b>	<b>597</b>	<b>6.9</b>	<b>8,596</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	11,543	6,571	65.7	56.9	2,354	20.4	2,618	22.7
Upper	5,743	3,437	34.3	59.8	1,391	24.2	915	15.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>17,286</b>	<b>10,008</b>	<b>100.0</b>	<b>57.9</b>	<b>3,745</b>	<b>21.7</b>	<b>3,533</b>	<b>20.4</b>
	Total Businesses by Tract		Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,029	66.1	885	65.9	89	62.7	55	75.3
Upper	528	33.9	457	34.1	53	37.3	18	24.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,557</b>	<b>100.0</b>	<b>1,342</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>73</b>	<b>100.0</b>
Percentage of Total Businesses:				86.2		9.1		4.7
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	315	70.5	307	70.6	8	66.7	0	0.0
Upper	132	29.5	128	29.4	4	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>447</b>	<b>100.0</b>	<b>435</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Percentage of Total Farms:				97.3		2.7		0.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau; American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

**Table B-2**

2024 North Central Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	450	21.6
Moderate	1	33.3	490	23.6	41	8.4	405	19.5
Middle	2	66.7	1,589	76.4	133	8.4	482	23.2
Upper	0	0.0	0	0.0	0	0.0	742	35.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3</b>	<b>100.0</b>	<b>2,079</b>	<b>100.0</b>	<b>174</b>	<b>8.4</b>	<b>2,079</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	915	557	21.5	60.9	196	21.4	162	17.7
Middle	3,485	2,038	78.5	58.5	560	16.1	887	25.5
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
<b>Total AA</b>	<b>4,400</b>	<b>2,595</b>	<b>100.0</b>	<b>59.0</b>	<b>756</b>	<b>17.2</b>	<b>1,049</b>	<b>23.8</b>
	Total Businesses by Tract		Businesses 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	146	30.4	132	31.7	11	26.2	3	13.6
Middle	335	69.6	285	68.3	31	73.8	19	86.4
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
<b>Total AA</b>	<b>481</b>	<b>100.0</b>	<b>417</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>
Percentage of Total Businesses:				86.7		8.7		4.6
	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	13	7.1	13	7.1	0	0.0	0	0.0
Middle	170	92.9	169	92.9	1	100.0	0	0.0
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
<b>Total AA</b>	<b>183</b>	<b>100.0</b>	<b>182</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Percentage of Total Farms:				99.5		0.5		0.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau; American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

## APPENDIX C – 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:** 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income 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, 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 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 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 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.

**Nonmetropolitan area (NonMSA):** Any area that is not located within an MSA.

**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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

**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) 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 Consolidated Reports of Condition and Income (Call Report) instructions. 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.