

PUBLIC DISCLOSURE

January 27, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Springfield State Bank
RSSD #197142**

**125 East Main Street
Springfield, Kentucky 40069**

Federal Reserve Bank of St. Louis

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this bank does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating.....	1
Scope of Examination	1
Description of Institution	2
Description of Assessment Area	3
Conclusions with Respect to Performance Criteria	6
Fair Lending or Other Illegal Credit Practices Review	10
Appendix A – Map of the Assessment Area.....	11
Appendix B – Glossary	12

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Springfield State Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

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

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC) Interagency Examination Procedures for Small Institutions were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as assessment area demographic and economic characteristics and credit needs. Lending performance was assessed within the bank's assessment area.

The bank's lending performance was evaluated using residential real estate (RRE), small business, and small farm loans, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2020 – September 30, 2024
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	September 21, 2020 – January 26, 2025

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey data; certain business and farm demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from \$417.4 million to \$425.5 million as of September 30, 2024.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Springfield State Bank is an intrastate community bank headquartered in Springfield, Kentucky. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Springfield Bankshares, Inc., also of Springfield, Kentucky.
- The bank has total assets of \$430.6 million as of September 30, 2024. That represents an increase of 23.2 percent since the last evaluation.
- The bank's branch network consists of three offices: the main office in Springfield, Kentucky, a second office in Springfield, Kentucky, and a third in Willisburg, Kentucky.
- Each office location operates a full-service ATM.

- As shown in the following table, the bank's primary business focus is 1–4 family RRE, followed by commercial lending and farm loans.

Composition of Loan Portfolio as of September 30, 2024		
Loan Type	Amount \$ (000s)	Percentage of Total Loans
1–4 Family Residential	148,645	52.2
Commercial Real Estate	49,156	17.3
Farmland	21,142	7.4
Construction and Development	19,603	6.9
Commercial and Industrial	15,177	5.3
Loans to Individuals	12,478	4.4
Farm Loans	9,049	3.2
Multifamily Residential	8,024	2.8
Total Other Loans	1,676	0.6
TOTAL LOANS	284,950	100.0
<i>Note: Percentages may not total 100.0% due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its September 21, 2020 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.

DESCRIPTION OF ASSESSMENT AREA

The bank's Washington County assessment area consists of the entire county and is located in central nonMSA Kentucky (see Appendix A for an assessment area map).

- There have been no changes to the AA delineation since the prior evaluation.
- According to the June 30, 2024 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has a market share of 85.3 percent, which ranks first out of two FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the AA, determined by number of employees, are manufacturing (40.8 percent), healthcare and social assistance (15.3 percent), and construction (10.3 percent).
- One community contact interview was conducted with a representative of a local economic development association.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	0	0	1	3	0	4
	0.0%	0.0%	25.0%	75.0%	0.0%	100%
Family Population	0	0	779	2,229	0	3,008
	0.0%	0.0%	25.9%	74.1%	0.0%	100%

- As shown in the previous table, there are no low- or moderate-income census tracts in the bank's AA.

Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Assessment Area	11,910	12,027	1.0
NonMSA Kentucky	1,820,262	1,818,994	-0.1
Source: 2011–2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			

- The AA population and the population of nonMSA Kentucky as a whole remained relatively stable from 2015 to 2020.

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change (%)
Assessment Area	\$55,278	\$66,680	20.6
NonMSA Kentucky	\$50,243	\$54,327	8.1
Source: 2011–2015 U.S. Census Bureau American Community Survey 2016–2020 U.S. Census Bureau American Community Survey Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- Median family income within the AA increased at a significantly higher rate (20.6 percent) than that of nonMSA Kentucky (8.1 percent).

Unemployment Rates (%)				
Area	2020	2021	2022	2023
Assessment Area	6.2	3.7	3.6	3.3
NonMSA Kentucky	7.0	4.8	4.5	4.7
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

- While unemployment levels in the AA and nonMSA Kentucky have experienced similar decreasing trends during much of the review period, the AA unemployment level has remained lower than nonMSA Kentucky.
- The community contact stated that unemployment in the AA is low but that the workforce is not large. The contact also noted that a significant portion of the workforce commutes into the AA from surrounding areas.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	55.0	26.7	28.8	63.9	30.4	16.9
NonMSA Kentucky	60.3	28.7	34.0	50.1	20.9	16.3
<i>Cost burden is housing cost that equals 30% or more of household income.</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy</i>						

- The proportion of housing-cost-burdened LMI renters in the AA is lower than the proportion in nonMSA Kentucky. Nonetheless, more than half of low-income renters in the AA are housing cost burdened.
- Conversely, the proportion of LMI owners that are cost burdened in the AA is higher than the proportion in nonMSA Kentucky.
- The community contact stated there is a lack of affordable housing within the AA and added that the shortage appears to be disproportionately affecting low-income homeowners and renters.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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

Loan-to-Deposit (LTD) Ratio

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

Comparative LTD Ratios September 30, 2020 – September 30, 2024			
Institution	Location	Asset Size \$ (000s)	LTD Ratio (%)
			17-Quarter Average
Springfield State Bank	Springfield, Kentucky	430,600	73.8
Similarly Situated Institutions			
Regional Banks	Bardstown, Kentucky	417,415	69.2
	Hodgenville, Kentucky	425,528	80.6

The bank's LTD is reasonable. The bank's LTD ratio experienced a generally increasing trend, with a 17-quarter average of 73.8 percent, which was above one peer and below another. The current LTD is similar to performance at the previous evaluation, which had a slightly lower LTD of 69.9 percent.

Assessment Area Concentration

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

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
1-4 Family RRE	47	47.5	6,844	38.6	52	52.5	10,898	61.4
Small Business	46	56.8	2,560	37.0	35	43.2	4,351	63.0
Small Farm	56	70.9	2,665	56.3	23	29.1	2,068	43.7
TOTAL LOANS	149	57.5	12,069	41.1	110	42.5	17,316	58.9
<i>Note: Percentages may not total 100.0% due to rounding.</i>								

A majority of the bank's loans by number are originated inside the assessment area. Overall, 57.5 percent of the bank's loans were originated within the assessment area, accounting for 41.1 percent of the total dollar volume of loans.

Loan Distribution by Borrower's Profile

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

Residential Real Estate (RRE) Lending

The bank's 1–4 family RRE loan distribution is reasonable. The bank's performance lending to low-income borrowers (4.3 percent) exceeds the aggregate (2.5 percent) but trails the demographic comparator (14.7 percent). The bank's performance lending to moderate-income borrowers (10.6 percent) is slightly below the aggregate (13.1 percent) and demographic comparator (14.5 percent).

Distribution of 2023 RRE Lending by Borrower Income Level							
Assessment Area: Washington County							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$	\$ %	\$ %	
Low	2	4.3	2.5	150	2.2	1.5	14.7
Moderate	5	10.6	13.1	477	7.0	7.7	14.5
Middle	10	21.3	22.5	1,207	17.6	19.6	19.6
Upper	30	63.8	53.1	5,010	73.2	61.1	51.3
Unknown	0	0.0	8.8	0	0.0	10.0	0.0
TOTAL	47	100.0	100.0	6,844	100.0	100.0	100.0

Source: 2023 FFIEC Census Data

2016–2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank originated the majority of its small business loans (91.3 percent) to businesses with revenues of \$1 million or less, which is significantly higher than aggregate lending levels (64.7 percent) and is in line with the demographic comparator (89.8 percent).

Distribution of 2023 Small Business Lending by Revenue Size of Businesses								
Assessment Area: Washington County								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	42	91.3	64.7	1,679	65.6	54.7	89.8
	Over \$1 Million/ Unknown	4	8.7	35.3	881	34.4	45.3	10.2
	TOTAL	46	100.0	100.0	2,560	100.0	100.0	100.0
Loan Size	\$100,000 or Less	38	82.6	99.4	873	34.1	93.1	
	\$100,001–\$250,000	6	13.0	0.6	911	35.6	6.9	
	\$250,001– \$1 Million	2	4.3	0.0	776	30.3	0.0	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	46	100.0	100.0	2,560	100.0	100.0	
	Loan Size Revenue \$1 Million or Less	\$100,000 or Less	37	88.1		848	50.5	
\$100,001–\$250,000		4	9.5	555		33.1		
\$250,001– \$1 Million		1	2.4	276		16.4		
Over \$1 Million		0	0.0	0		0.0		
TOTAL		42	100.0	1,679		100.0		
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.								

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank's performance lending to small farms (89.3 percent) significantly exceeds the aggregate lending levels (18.5 percent) but trails the demographic comparator (100.0 percent).

Distribution of 2023 Small Farm Lending by Revenue Size of Farms Assessment Area: Washington County								
Farm Revenue and Loan Size		2023						
		Count			Dollars			Farms
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Farm Revenue	\$1 Million or Less	50	89.3	18.5	2,270	85.2	53.3	100.0
	Over \$1 Million/ Unknown	6	10.7	81.5	395	14.8	46.7	0.0
	TOTAL	56	100.0	100.0	2,665	100.0	100.0	100.0
Loan Size	\$100,000 or Less	47	83.9	92.6	1,344	50.4	36.9	
	\$100,001–\$250,000	8	14.3	7.4	1,066	40.0	63.1	
	\$250,001–\$500,000	1	1.8	0.0	255	9.6	0.0	
	Over \$500,000	0	0.0	0.0	0	0.0	0.0	
	TOTAL	56	100.0	100.0	2,665	100.0	100.0	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	43	86.0		1,159	51.1	
		\$100,001–\$250,000	6	12.0		856	37.7	
		\$250,001–\$1 Million	1	2.0		255	11.2	
		Over \$1 Million	0	0.0		0	0.0	
		TOTAL	50	100.0		2,270	100.0	
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.								

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any low- or moderate-income census tracts. The bank's assessment area comprises one middle-income census tract and three upper-income census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, the results of which indicated that loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure. Therefore, the bank's geographic distribution of loans is reasonable.

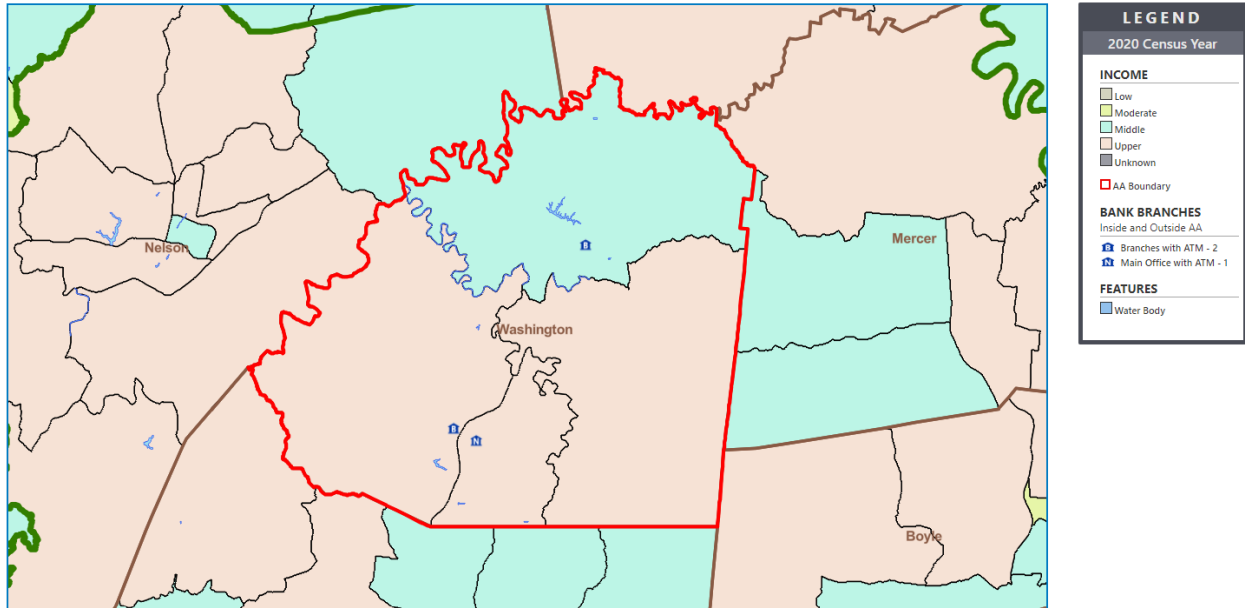
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – MAP OF THE ASSESSMENT AREA

Washington County

Springfield State Bank - Springfield, KY 2025
NonMSA KY AA



APPENDIX B – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

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

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

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

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

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

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

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

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

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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