PUBLIC DISCLOSURE

August 28, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Piggott State Bank
RSSD #173342

212 West Cherry Street
Piggott, Arkansas 72454

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 institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the 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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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

Piggott State Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is less than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans are in the assessment area.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income [LMI] levels) and businesses and farms of different sizes.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) small bank procedures. Residential real estate, small business loans, and small farm loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Equal weight was given to 1–4 family residential real estate and small business loans, as they are both a strategic focus of the bank and the primary product lines in the loan portfolio mix. Small farm lending was given slightly less weight due to lower loan volume. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	June 30, 2013 – June 30, 2017
Assessment Area Concentration	June 24, 2013 – December 31, 2016
Loan Distribution by Borrower's Profile	June 24, 2013 – December 31, 2016
Geographic Distribution of Loans	June 24, 2013 – December 31, 2016
Response to Written CRA Complaints	June 24, 2013 – August 27, 2017

Lending Test analyses entail comparisons of bank performance to assessment area demographics. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census data; certain business and farm geodemographics are based on 2013, 2014, 2015, and 2016 Dun & Bradstreet data. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $70.5 million to $110.7 million as of June 30, 2017.

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

DESCRIPTION OF INSTITUTION

Piggott State Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Piggott Bankstock, Inc., a one-bank holding company headquartered in Piggott, Arkansas. The bank's main office is a full-service facility; located across the street is a limited-service branch providing drive-through services and a cash-dispensing automated teller machine (ATM). Also, a full-service branch and cash-dispensing ATM were opened in March of 2017 in Rector, Arkansas. The bank did not open or close any other branch offices during this review period. Based on this branch network and other service delivery systems, such as standard banking hours of operation and 24-hour online banking capabilities, the bank is positioned to deliver financial services to its entire assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of June 30, 2017, the bank reported total assets of $82.3 million. As of the same date, loans and leases outstanding were $35.5 million (43.1 percent of total assets), and deposits totaled $73.5 million. The bank's loan portfolio composition by credit category is displayed in the following table:

Distribution of Total Loans as of June 30, 2017		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$853	2.4%
Commercial Real Estate	$4,392	12.4%
1–4 Family Residential	$12,602	35.5%
Farmland	$4,321	12.2%
Farm Loans	$5,906	16.6%
Commercial and Industrial	$4,030	11.4%
Loans to Individuals	$3,123	8.8%
Total Other Loans	$246	0.7%
TOTAL LOANS	**$35,473**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to:

- 1–4 family residential lending (35.5 percent).
- Commercial lending (23.8 percent), comprised of commercial real estate and commercial and industrial.
- Agricultural lending (28.8 percent), comprised of farmland and farm loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on June 24, 2013.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 8,199, is located in northeastern nonmetropolitan statistical area (nonMSA) Arkansas and includes three of the six census tracts located in Clay County, Arkansas. During the review period, all three census tracts in the assessment area were classified as distressed according to the FFIEC due to poverty and unemployment.

This assessment area is situated in the easternmost portion of Clay County and is primarily rural, as is the remainder of Clay County and the surrounding counties. The bank's assessment area is partially defined by a physical barrier, Crowley's Ridge, which is a series of rolling hills running from eastern Arkansas near the Mississippi River to southeastern Missouri.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2016, there are five FDIC-insured depository institutions in Clay County, Arkansas. Piggott State Bank ranked second in terms of deposit market share, with 27.6 percent of the total deposit dollars.

Commercial lending products represent a credit need in the assessment area, along with the need for a standard blend of consumer loan products. Other particular credit needs in the assessment area, as noted primarily from community contacts, include low down-payment, fixed-rate, 30-year residential real estate loans and agricultural loans.

Income and Wealth Demographics

The assessment area contains no LMI census tracts. All three census tracts are middle-income, and as previously mentioned, were designated as distressed during the review period. In total, 2,225 families reside in these middle-income census tracts.

Based on 2010 U.S. Census data, the median family income for the assessment area was $43,464. At the same time, the median family income for nonMSA Arkansas was $42,175. More recently, the FFIEC estimates the 2013, 2014, 2015, and 2016 median family incomes for nonMSA Arkansas to be $44,000, $45,300, $46,300, and $44,700, respectively. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	368 16.5%	402 18.1%	533 24.0%	922 41.4%	**2,225** **100%**
NonMSA Arkansas	65,135 20.8%	57,160 18.3%	62,634 20.0%	128,266 41.0%	**313,195** **100%**

The assessment area appears slightly more affluent than nonMSA Arkansas as a whole. As shown in the table above, 34.6 percent of families within the assessment area were considered LMI, which is less than LMI family percentages of 39.1 percent in nonMSA Arkansas. In addition, the percentage of families living below the poverty threshold in the assessment area, 10.7 percent, falls below the 15.1 percent level in nonMSA Arkansas.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area is more affordable than in nonMSA Arkansas and is within reach of the majority of the population. The median housing value for the assessment area is $65,549, which is less than the nonMSA Arkansas figure of $78,904. The assessment area housing affordability ratio of 48.7 percent is above the nonMSA Arkansas figure of 42.0 percent, indicating greater affordability considering income levels. Additionally, the median gross rent for the assessment area of $485 per month is lower than the $535 per month for nonMSA Arkansas.

Industry and Employment Demographics

The assessment area economy is diverse and is supported by a mixture of manufacturing and service-oriented sectors. County business patterns indicate that there are 2,668 paid employees in Clay County. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (26.4 percent), followed by retail trade (18.7 percent) and manufacturing (11.4 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for Clay County compared to nonMSA Arkansas as a whole.

Unemployment Levels for the Clay County		
Time Period (Annual Average)	**Clay County**	**NonMSA Arkansas**
2013	9.9%	8.5%
2014	7.9%	7.2%
2015	6.6%	6.0%
2016	5.7%	4.9%

As shown in the table above, unemployment levels for Clay County, as well as nonMSA Arkansas, have shown a decreasing trend. This trend has continued into 2017, with annual average unemployment through May of 4.9 percent in Clay County and 4.5 percent in nonMSA Arkansas. Throughout the review period, unemployment levels in the assessment area have consistently been higher than the entire nonMSA Arkansas. Despite an overall declining trend in unemployment, community contacts indicated that there have been four manufacturing plant closures in the last decade, which may be reflected in the unemployment numbers.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in the local housing market, and one was with a representative of an organization that provides financial education and assistance to local farmers.

The housing contact categorized the local economy as generally stable and also indicated that home prices have been steadily increasing in recent years despite the current supply outpacing demand. Furthermore, the contact felt credit needs of the community were being met; however, there is a particular demand for Rural Housing Development loans with 30-year terms and fixed rates, as only one area financial institution currently offers these products. Nevertheless, the contact noted that all area banks are active in the community.

The contact working in the farming industry was less optimistic about the local economy, describing it as sluggish due to limited tax revenue. It was stated that several small family farms were being acquired by larger farming operations, and many of the workers were commuting from nearby larger cities, such as Poplar Bluff, Missouri. Additionally, the contact felt that banks are generally meeting the credit needs of the local farmer but noted that lending restrictions have increased over the past year.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-To-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 17-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Asset Size ($000s) as of June 30, 2017**	**Headquarters**	**Average LTD Ratio**
Bank	$82,332	Piggott, Arkansas	41.6%
Regional Banks	$70,526	Senath, Missouri	68.2%
	$110,670	Kennett, Missouri	70.4%
	$109,197	Cave City, Arkansas	75.6%

The bank's average LTD is less than reasonable, as it is well below its regional comparison banks for the period under review. The average LTD ratio has generally been trending upward, however, as the bank works to increase its lending activity in the community. As of June 30, 2017, the quarterly LTD was 47.4 percent, up from 36.5 percent June 30, 2013. Additionally, the bank has actively sought to increase its LTD by growing its loan portfolio, as reflected in the upward trend throughout the review period.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside of Assessment Area						
Product	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 Family Residential Real Estate	57	76.0%	18	24.0%	75	100%
	$4,128	73.8%	$1,468	26.2%	$5,596	100%
Small Business	66	77.6%	19	22.4%	85	100%
	$2,255	51.2%	$2,148	48.8%	$4,403	100%
Small Farm	37	69.8%	16	30.2%	53	100%
	$2,544	57.0%	$1,917	43.0%	$4,461	100%
TOTAL LOANS	**160**	**75.1%**	**53**	**24.9%**	**213**	**100%**
	$8,927	**61.7%**	**$5,533**	**38.3%**	**$14,460**	**100%**

A majority of the bank's loans have been made inside its delineated assessment area. As shown above, 75.1 percent of the total loans were made inside the assessment area, accounting for 61.7

percent of the dollar volume of total loans. Some of the loans outside of the delineated assessment area are participation loans, which are primarily for larger farms located just beyond the assessment area boundaries.

Loan Distribution by Borrower's Profile

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC. The following table shows the distribution of 1–4 family residential real estate loans by borrower income level in comparison to family population income demographics for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income June 24, 2013 through December 31, 2016												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
1–4 Family Residential	0	0.0%	9	15.8%	12	21.1%	36	63.2%	0	0.0%	**57**	**100%**
Family Population	16.5%		18.1%		24.0%		41.4%		0.0%		**100%**	

The bank's residential real estate lending to low-income borrowers is considered poor, as the bank did not lend to any borrowers in the low-income category. In comparison, 16.5 percent of the assessment area family population is low-income. The bank's lending to moderate-income borrowers, 15.8 percent, is considered reasonable, although it is slightly below the moderate-income family population percentage of 18.1 percent. As previously mentioned, Clay County experienced a higher unemployment rate than nonMSA Arkansas as a whole. In addition, during the review period, the bank offered only shorter-term, adjustable-rate conventional mortgages, while some competitors offer longer-term, low down-payment loans with lower interest rates that may be more attractive to LMI borrowers. Despite these factors, overall distribution of residential real estate loans by borrower's profile is poor.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of small business loans by loan amount and business revenue size compared to Dun & Bradstreet data.

Distribution of Loans Inside Assessment Area by Business Revenue June 24, 2013 through December 31, 2016								
Gross Revenue	**Loan Amounts in $000s**						**TOTAL**	
	<$100		**>$100 and ≤$250**		**>$250 and ≤$1,000**			
$1 Million or Less	53	80.3%	3	4.5%	0	0.0%	**56**	**84.8%**
Greater than $1 Million/Unknown	9	13.6%	1	1.5%	0	0.0%	**10**	**15.2%**
TOTAL	**62**	**93.9%**	**4**	**6.1%**	**0**	**0.0%**	**66**	**100%**
Dataset	**2013**		**2014**		**2015**		**2016**	
Dun & Bradstreet Businesses ≤ $1MM	89.7%		89.7%		93.3%		90.7%	

Lending to small businesses is reasonable. The bank made 84.8 percent of its loans to businesses with gross annual revenues of $1 million or less, which was below the demographic figure for each year during the review period. However, of the 56 loans made to small businesses, 94.6 percent of them were in amounts of $100,000 or less, indicating the bank's willingness to meet the credit needs of small businesses.

Finally, small farm loans were reviewed. The following table shows the distribution of small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet data.

Distribution of Loans Inside Assessment Area by Farm Revenue June 24, 2013 through December 31, 2016								
Gross Revenue	**Loan Amounts in $000s**						**TOTAL**	
	<$100		**>$100 and ≤$250**		**>$250 and ≤$500**			
$1 Million or Less	28	75.7%	3	8.1%	1	2.7%	**32**	**86.5%**
Greater than $1 Million/Unknown	1	2.7%	3	8.1%	1	2.7%	**5**	**13.5%**
TOTAL	**29**	**78.4%**	**6**	**16.2%**	**2**	**5.4%**	**37**	**100%**
Dataset	**2013**		**2014**		**2015**		**2016**	
Dun & Bradstreet Farms ≤ $1MM	100%		98.2%		98.1%		97.8%	

Small farm lending also reflects reasonable performance in meeting the needs of small farms in the assessment area. As shown in the table above, the bank made 86.5 percent of its loans to farms with revenues of $1 million or less. During the years analyzed, the demographic percentage of small farms ranged from 97.8 percent to 100 percent. Nevertheless, the bank's performance is considered reasonable, particularly when considering that 28 of the 32 loans to small farms (87.5 percent) were in amounts of $100,000 or less; this illustrates the bank's willingness to meet the credit needs of small farms.

Overall, despite the poor performance in 1–4 family residential real estate lending, the loan distribution by borrower profile is reasonable overall based on reasonable performance to small businesses and farms and the bank's stated efforts to increase lending levels.

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts, so a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this examination. Nevertheless, the loan dispersion within the assessment area's census tracts was reviewed, and loan activity was found to be adequately dispersed throughout all assessment area census tracts and was consistent with demographics and branch structure. Therefore, no conspicuous lending gaps were noted, and the bank's geographic distribution of loans is reasonable.

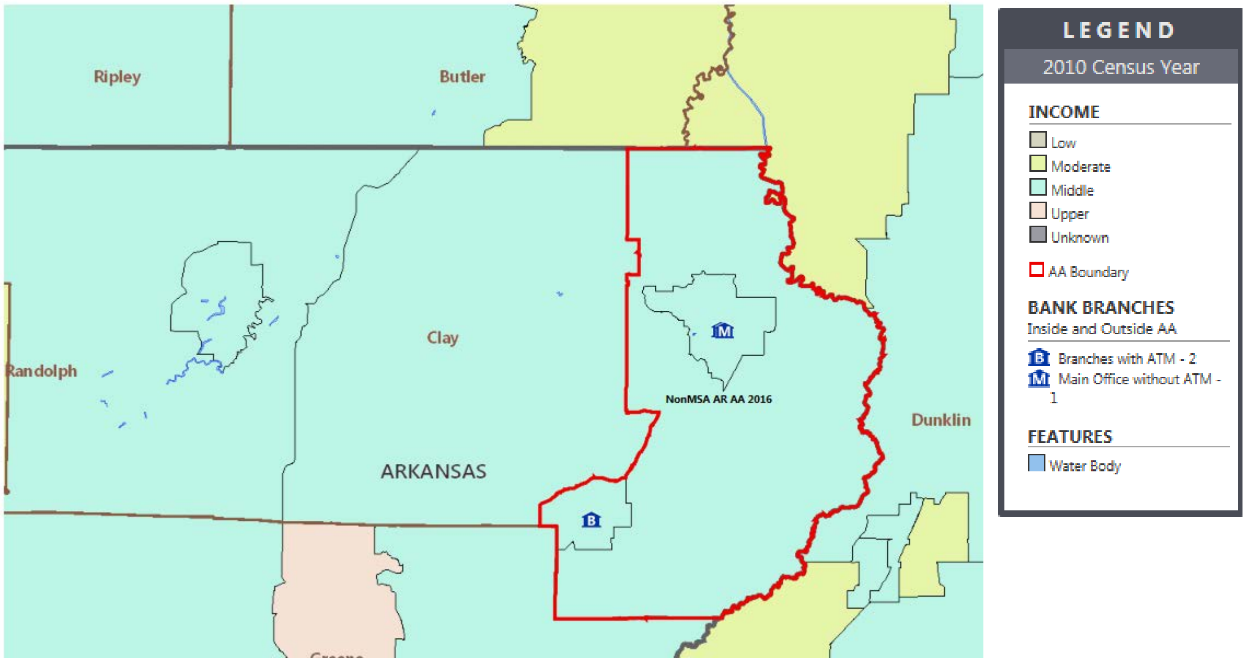
Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (June 24, 2013 through August 27, 2017).

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.

ASSESSMENT AREA DETAIL



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 LMI individuals; (2) community services targeted to LMI 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 LMI 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 (such as age, race, sex, income, etc.) 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 the income of applications, 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: Is 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.