

PUBLIC DISCLOSURE

May 19, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Commercial Savings Bank
RSSD# 194440

325 West Highway 30
Carroll, Iowa 51401

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

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.

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COMMERCIAL SAVINGS BANK'S CRA RATING

Commercial Savings Bank (CSB) is rated Satisfactory.

Commercial Savings Bank is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The bank's loan-to-deposit ratio is reasonable, given the bank's size, financial condition, and assessment area credit needs. A majority of the bank's loans are originated in the assessment area. The geographic distribution of loans reflects reasonable distribution throughout the assessment area. The bank's loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses and farms of different sizes. Neither the bank nor this Reserve Bank has received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Commercial Savings Bank's CRA performance was evaluated using the Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). Performance was evaluated within the context of information about the institution and its assessment area, including the bank's asset size, financial condition and competition, and the credit needs and economic and demographic characteristics of the bank's assessment area.

Lending performance was assessed by conducting a full scope review of the bank's single Non-Metropolitan Statistical Areas (MSA) Iowa assessment area, which is comprised of Carroll County in its entirety.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit ratio ending December 31, 2024, was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – A sample of the bank's home mortgage, small business, and small farm loans originated from January 1, 2024, through December 31, 2024, were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of the bank's home mortgage, small business, and small farm loans originated in the assessment area, from January 1, 2024, through December 31, 2024, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels.

- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank’s home mortgage, small business, and small farm loans originated in the assessment area, from January 1, 2024, through December 31, 2024, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: economic development and housing organizations.

DESCRIPTION OF INSTITUTION

Commercial Savings Bank is a wholly owned subsidiary of Commercial Ban Corporation, headquartered in Carroll, Iowa. The bank has no affiliates or subsidiaries. The bank’s main office is located in Carroll, Iowa, with an additional branch location in Dedham, Iowa. The bank operates two full-service automated teller machines (ATMs) at the main office, one standalone cash-only ATM at the Dedham branch, and one standalone cash-only ATM at a store (Walgreens) in Carroll. Since the previous evaluation, the bank closed one standalone cash-only ATM in Carroll and opened its cash-only ATM at the Dedham branch. The bank has not opened or closed any branches since the previous evaluation.

According to the June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Commercial Savings Bank held approximately \$252 million in deposits and ranked second out of nine institutions operating within the assessment area. The financial institutions comprising the largest percentage of the deposit market share are Availa Bank (20.0 percent), Commercial Savings Bank (19.7 percent), and Iowa Savings Bank (17.6 percent).

According to the Uniform Bank Performance Report, the bank reported \$318.8 million in total assets as of December 31, 2024. The bank offers conventional banking products with a focus on residential, commercial, and agricultural lending. The bank serves its assessment area primarily as a residential real estate lender and commercial lender, with residential real estate and commercial loans comprising 46.7 percent and 35.3 percent of the bank’s portfolio, respectively. Details of the allocation of the bank’s loan portfolio are provided in the following table:

Composition of Loan Portfolio as of December 31, 2024		
Loan Type	Dollar Volume (\$ in 000s)	% of Portfolio
Residential Real Estate	111,201	46.7
Commercial	84,106	35.3
Agricultural	32,038	13.5
Consumer – Closed End	7,144	3.0
Consumer – Open End	2,030	0.9
Other Loans	1,600	0.7
Total	238,119	100.00
<i>Note: Percentages may not total 100.0 percent due to rounding</i>		

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated satisfactory under the CRA at its previous evaluation conducted on March 29, 2021.

DESCRIPTION OF ASSESSMENT AREA¹

Commercial Savings Bank is an intrastate bank that operates in the Iowa Non-MSA. The assessment area is comprised of Carroll County, Iowa in its entirety, and consists of six census tracts. Specifically, the assessment area consists of five middle-income census tracts, which are designated as underserved due to their remote rural location, and one upper-income census tract. The largest town in the assessment area is Carroll, and the majority of the assessment area is rural. While the assessment area remains unchanged since the previous evaluation, one census tract designation has changed from a middle-income census tract to an upper-income census tract. The table below details census tract designation changes due to the 2020 decennial census and 2016-2020 American Community Survey (ACS).

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based

¹ Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	0	0	0
Middle	6	5	-1
Upper	0	1	+1
Unknown	0	0	0
Total	6	6	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020			

Additional assessment area demographic information is provided in the following table:

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2024 IA Non MSA 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	932	17.3
Moderate	0	0.0	0	0.0	0	0.0	946	17.5
Middle	5	83.3	3,821	70.7	194	5.1	1,053	19.5
Upper	1	16.7	1,581	29.3	69	4.4	2,471	45.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	5,402	100.0	263	4.9	5,402	100.0
	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	6,683	4,561	69.2	68.2	1,395	20.9	727	10.9
Upper	2,836	2,029	30.8	71.5	666	23.5	141	5.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	9,519	6,590	100.0	69.2	2,061	21.7	868	9.1
	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	1,031	81.5	913	81.1	97	85.1	21	84.0
Upper	234	18.5	213	18.9	17	14.9	4	16.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,265	100.0	1,126	100.0	114	100.0	25	100.0
Percentage of Total Businesses:				89.0		9.0		2.0
	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	276	90.2	274	90.1	2	100.0	0	0.0
Upper	30	9.8	30	9.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	306	100.0	304	100.0	2	100.0	0	0.0
Percentage of Total Farms:				99.3		0.7		0.0
Source: 2024 FFIEC Census Data 2024 Data & Broadstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Change

According to the U.S. Census Bureau, the assessment area's population is 20,760, which represents a slight increase of 0.6 percent from 2015. Over the same period, the entire non-metropolitan portion of Iowa (Non-MSA Iowa) had a population decrease of 1.4 percent, and the state of Iowa had a population increase of 3.1 percent. A community representative stated that some of the population increase in the assessment area could be due to a growing agricultural sector and the addition of a meat-packing facility in the area. The following table presents the population trends for the assessment area, Non-MSA Iowa, and the state of Iowa from 2015 to 2020.

Population Change			
Area	2015 Population	2020 Population	Percentage Change
Assessment Area	20,629	20,760	0.6
Non-MSA IA	1,250,756	1,232,642	-1.4
Iowa	3,093,526	3,190,369	3.1
Source: 2011-2015 U.S. Census Bureau Census American Community Survey 2020 U.S. Census Bureau Decennial Census			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 5,402 families, of which 17.3 percent are designated as low-income, 17.5 percent as moderate-income, 19.5 percent as middle-income, and 45.7 percent as upper-income families. Families living below the poverty level within the assessment area is at 4.9 percent, which is below Non-MSA Iowa and the state of Iowa at 7.7 percent and 7.1 percent, respectively.

The following table compares the median family income (MFI) for the assessment area, the entirety of Non-MSA Iowa, and the state of Iowa. According to the ACS data, the 2020 MFI for the assessment area is \$80,807 representing an increase of 9.7 percent from the 2015 income level. This MFI and growth are higher than both the Non-MSA Iowa and the state of Iowa. A community representative attributed this higher MFI to the farming economy in the assessment area performing well.

Median Family Income Change 2015 and 2020			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percentage Change
Assessment Area	73,679	80,807	9.7
Non-MSA, IA	67,391	71,763	6.5
Iowa	73,712	79,186	7.4
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			

Housing Characteristics

There is a total of 9,519 housing units within the assessment area. The majority of housing units are owner occupied, at 69.2 percent, with rentals comprising 21.7 percent of housing units. There is also 9.1 percent of housing units that are vacant within the assessment area, which is lower than Non-MSA Iowa at 12.4 percent and the state of Iowa at 9.5 percent.

The affordability ratio, which is defined in Appendix C – Glossary, is a common method to compare relative affordability of housing across geographic areas. A higher ratio generally suggests more affordable housing opportunities. Based on 2016-2020 American Community Survey data, the affordability ratio for the assessment area was 0.42, which is comparable to the state of Iowa at 0.40 and slightly lower than Non-MSA Iowa at 0.47.

The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced by the following table, low-income individuals are generally impacted at a higher rate than moderate-income individuals for both renters and owners. Low-income renters and homeowners in the assessment area have a significant housing cost burden, with 69.0 percent and 51.4 percent, respectively. Fewer moderate-income renters and homeowners are experiencing housing cost burden in the assessment area, at 15.2 percent and 15.7 percent, respectively.

Community representatives stated that there is a lack of affordable housing available in the assessment area. One representative noted that due to limited housing stock, moderate- and middle-income households are competing for the same residences as low-income households, indicating high demand for affordable housing in the assessment area. The following table presents housing cost burden for owners and renters within the assessment area, the entire Iowa Non-MSA, and the state of Iowa.

Housing Cost Burden						
Location	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	69.0	15.2	38.5	51.4	15.7	11.6
Non-MSA Iowa	65.8	16.7	33.2	54.8	18.9	14.2
Iowa	71.9	21.4	37.9	58.7	23.5	14.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table presents the unemployment trends for the assessment area, the entirety of Non-MSA Iowa, and the state of Iowa. Unemployment across all areas increased in 2020 due to the COVID-19 pandemic but saw a decrease in the years following, resulting in unemployment figures

nearing that of pre-pandemic levels. As evidenced in the table below, unemployment in the assessment area is slightly lower than both the entire Non-MSA Iowa and the state of Iowa. Community representatives stated that there have been no major employer closings or relocations in the area, with one representative noting that unemployment in the area typically hovers below 3.0 percent.

Unemployment Rates (%)					
Area	2019	2020	2021	2022	2023
Assessment Area	1.9	3.9	2.8	2.0	2.4
Non-MSA Iowa	2.8	4.8	3.7	2.9	3.0
Iowa	2.7	5.2	3.8	2.8	2.9
Source: Bureau of Labor Statistics (BLS): Local Area Unemployment Statistics					

Industry Characteristics

According to the Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by industries such as manufacturing, retail trade, wholesale trade, accommodation and food service, and finance and insurance. Community representatives noted that food distribution companies, aerospace manufacturing, and window manufacturing firms are some of the large industries in the area.

Community Representatives

Two community representatives were contacted during the examination to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there was a need for more affordable housing in the area, as there is a high demand but a limited housing supply. Additionally, the representatives spoke to the local economy, with one representative stating that Carroll County is wealthier than some of the surrounding counties due to it being the local economic hub. The representatives also discussed financial institutions in the area and stated that banks in the area are very willing to get involved and participate in programs such as downpayment assistance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

Commercial Savings Bank's performance relative to the lending test is rated Satisfactory. Overall, the bank is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's asset size, financial condition, and assessment area credit needs. A majority of residential real estate, small business, and small farm loans were originated in the assessment area. Lending activity reflects reasonable penetration among individuals of different income levels and to businesses and farms of different revenue sizes. No CRA-related complaints were received by the institution or the Reserve Bank since the previous examination.

Loan-to-Deposit Ratio

Commercial Savings Bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's 17-quarter average LTD ratio ending December 31, 2024, was 79.1 percent, which was above the local competitor average of 71.4 percent. The bank's LTD ratio shows a decrease since the previous evaluation in which Commercial Savings Bank had a 17-quarter average LTD ratio of 89.6 percent. Bank management attributed this decrease to economic fluctuations resulting from the COVID-19 pandemic. The following table compares the bank's loan-to-deposit ratio to its local competitors of similar size and complexity.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	17 – Quarter Average
Commercial Savings Bank	79.1
Local Competitor Average	71.4
Competitors	
Westside State Bank	97.9
Iowa Savings Bank	71.2
Breda Savings Bank	70.8
Templeton Savings Bank	69.2
First National Bank of Manning	47.9

Assessment Area Concentration

During the evaluation period, Commercial Savings Bank originated a majority of its residential, small business, and small farm loans in the assessment area. The bank originated 73.2 percent of all loans by number and 72.2 percent of all loans by dollar amount inside the assessment area. Residential, small business, and small farm lending patterns were similar, with loans by number in the assessment area at 74.6 percent, 73.8 percent, and 69.2 percent, respectively. When evaluating loans by dollar amount, 70.3 percent of residential loans, 76.4 percent of small business loans, and 67.2 percent of small farm loans were originated in the assessment area. Overall, the percentage of

residential, small business, and small farm loans originated within the assessment area indicates that the bank is serving the credit needs of the local community.

Lending Inside and Outside the Assessment Area 2024								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Residential	85	74.6	10,127	70.3	29	25.4	4,277	29.7
Small Business	76	73.8	11,654	76.4	27	26.2	3,600	23.6
Small Farm	36	69.2	4,929	67.2	16	30.8	2,406	32.8
Total	197	73.2	26,710	72.2	72	26.8	10,283	27.8

Geographic Distribution of Loans

For the purposes of this review, loans made in calendar years up to and including 2021 were analyzed based on income designations from the 2011-2015 American Community Survey data². Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 American Community Survey data.

The dispersion of loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. The assessment area is comprised only of middle- or upper-income census tracts and therefore a meaningful analysis could not be performed. Examiners determined that there were no conspicuous unexplained gaps in contiguous census tracts. A review of the bank's lending patterns found that the bank originated loans in each of the bank's middle- and upper-income census tracts during the evaluation period.

Lending to Borrowers of Different Income Levels and to Businesses of Farms of Different Sizes

For the purposes of this review, loans made in calendar year 2021 or before were analyzed based on 2011-2015 American Community Survey income designations for individuals³. Loans made in calendar year 2022 or after were analyzed based on 2016-2020 American Community Survey income designations for individuals.

Commercial Savings Bank's loan distribution reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and to businesses and farms of different sizes. Based on origination volume and proportion of the loan portfolio by dollar amount, residential and small business loans carry greater weight in the analysis of the bank's performance.

² The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)

³ Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

Residential Lending

Commercial Savings Bank's distribution of residential loans reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income individuals. In 2024, Commercial Savings Bank originated 10.6 percent of residential loans by number to low-income borrowers, which was below the percentage of low-income families in the assessment area (17.3 percent). In the same year, the bank originated 14.1 percent of residential loans by number to moderate-income borrowers, which is slightly below the assessment area demographics (17.5 percent). Additionally, the bank originated 20.0 percent of residential loans by number to middle-income borrowers, which is slightly above the percentage of middle-income families in the assessment area at 19.5 percent. Lastly, the bank originated 37.6 percent of residential loans to upper-income borrowers, which is below the assessment area demographics at 45.7 percent.

The following table presents the bank's borrower distribution of residential loans in 2024.

Distribution of 2024 Residential Lending By Borrower Income Level					
Assessment Area: IA Non MSA					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	\$%	
Low	9	10.6	375	3.7	17.3
Moderate	12	14.1	1,187	11.7	17.5
Middle	17	20.0	1,453	14.3	19.5
Upper	32	37.6	5,287	52.2	45.7
Unknown	15	17.6	1,824	18.0	0.0
Total	85	100.0	10,127	100.0	100.0
<i>Source: 2024 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Business Loans

Commercial Savings Bank's distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. A sample of small business loans originated in 2024 was reviewed, of which 59.2 percent were made to businesses with total revenues of \$1.0 million or less. This is substantially below the percentage of total businesses within the assessment area with total revenues of \$1.0 million or less (89.0 percent). However, a large percentage (62.2 percent) of the small business loans originated, by number, were made to businesses with total revenues of \$1.0 million or less and in loan amounts of \$100,000 or less. These loans are considered the most beneficial to small businesses and demonstrates the bank's willingness to meet the credit needs of small businesses.

The following table presents the bank's borrower distribution of small business loans in 2024.

Distribution of 2024 Small Business Lending By Revenue Size of Businesses					
Assessment Area: IA Non MSA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	45	59.2	5,290	45.4	89.0
Over \$1 Million	31	40.8	6,365	54.6	9.0
Revenue Unknown	0	0.0	0	0.0	2.0
Total	76	100.0	11,654	100.0	100.0
By Loan Size					
\$100,000 or Less	43	56.6	1,992	17.1	
\$100,001 - \$250,000	20	26.3	3,538	30.4	
\$250,001 - \$1 Million	13	17.1	6,124	52.5	
Total	76	100.0	11,654	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	28	62.2	1,271	24.0	
\$100,001 - \$250,000	11	24.4	1,785	33.7	
\$250,001 - \$1 Million	6	13.3	2,234	42.2	
Total	45	100.0	5,290	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 Loans

Commercial Savings Bank's distribution of small farm loans reflects reasonable penetration among farms of different revenue sizes. A sample of small farm loans originated in 2024 was reviewed, of which 80.6 percent by number were to farms with total revenues of \$1.0 million or less. This is below the percentage of farms in the assessment area with revenues of \$1.0 million or less (99.3 percent). However, the majority (58.6 percent) of the small farm loans originated, by number, were made to farms with total revenues of \$1.0 million or less and in loan amounts of \$100,000 or less, showing the bank's willingness to meet the credit needs of the smallest farms.

The following table presents the bank's borrower distribution of small farm loans in 2024.

Distribution of 2024 Small Farm Lending By Revenue Size of Farms					
Assessment Area: IA Non MSA					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	29	80.6	3,340	67.8	99.3
Over \$1 Million	7	19.4	1,590	32.3	0.7
Revenue Unknown	0	0.0	0	0.0	0.0
Total	36	100.0	4,929	100.0	100.0
By Loan Size					
\$100,000 or Less	21	58.3	669	13.6	
\$100,001 - \$250,000	8	22.2	1,506	30.6	
\$250,001 - \$500,000	7	19.4	2,754	55.9	
Total	36	100.0	4,929	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	17	58.6	426	12.8	
\$100,001 - \$250,000	8	27.6	1,506	45.1	
\$250,001 - \$500,000	4	13.8	1,408	42.2	
Total	29	100.0	3,340	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.					

Response to Complaints

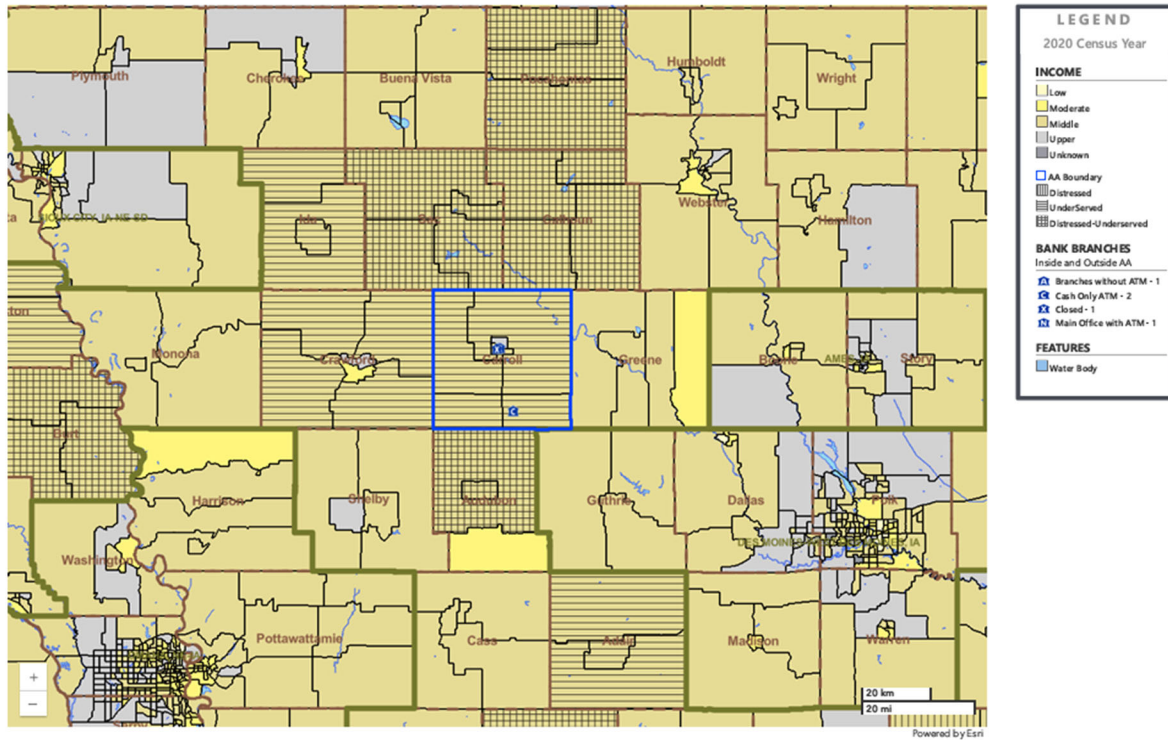
The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area

Commercial Savings Bank 194440
IA Non MSA



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Loan-to-deposit: December 31,2020 to December 31,2024 Home Mortgage Loans: January 1, 2024 to December 31, 2024 Small Business Loans: January 1, 2024 to December 31, 2024 Small Farm Loans: January 1, 2024 to December 31, 2024		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Commercial Savings Bank			Home Mortgage Loans Small Business Loans Small Farm Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Carroll County, Iowa (Iowa Non-MSA)	Full Scope	None	N/A

APPENDIX C – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.⁴

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

⁴ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions 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. They 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and 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; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

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

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).