

# **PUBLIC DISCLOSURE**

April 1, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

State Bank & Trust Co.  
Certificate Number: 15651

1025 Sixth Street  
Nevada, Iowa 50201

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION .....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	9
APPENDICES .....	10
SMALL BANK PERFORMANCE CRITERIA.....	10
GLOSSARY .....	11

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

State Bank & Trust Co.'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's lending performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of small business, small farm, and home mortgage loans are inside the bank's assessment area.
- The geographic distribution of loans was not considered as the assessment area does not contain any low- or moderate-income census tracts.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes and individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

State Bank & Trust Co. is a commercial bank operating from its sole office in Nevada, Iowa. The bank continues to be wholly owned by multi-bank holding company, Ames National Corporation, of Ames, Iowa. State Bank & Trust Co. is affiliated with the following five banks through common ownership: First National Bank, Ames, Iowa; Boone Bank & Trust Co., Boone, Iowa; Iowa State Savings Bank, Creston, Iowa; United Bank & Trust Co., Marshalltown, Iowa; and Reliance State Bank, Story City, Iowa. State Bank & Trust Co. received a rating of Satisfactory at the April 16, 2018 FDIC Performance Evaluation based on Interagency Small Institution Examination Procedures. There were no mergers or acquisitions since the prior evaluation.

State Bank & Trust Co. offers various loan products and services, including commercial, agricultural, home mortgage, and consumer. The bank's primary lending focus is commercial, followed by agriculture and home mortgage. The bank offers financing alternatives through the U.S. Department of Agriculture Farm Service Agency and Small Business Administration (SBA) loans. The bank also offers long-term fixed-rate conventional and government program loans on the secondary market. In response to the COVID-19 pandemic, the bank originated loans under the SBA Paycheck Protection Program to assist business and agricultural entities. Deposit products include checking, savings, certificates of deposit, individual retirement accounts, and health savings accounts. Alternative banking services include online and mobile banking, and an ATM at the main office.

According to the December 31, 2023 Consolidated Reports of Condition and Income (Call Report), State Bank & Trust Co. reported total assets of \$201.7 million, total loans of \$106.3 million, and total deposits of \$173.1 million. Loan portfolio concentrations have remained generally consistent over the review period. Total loans increased 6.9 percent, total assets increased 27.0 percent, and total deposits increased 28.9 percent since the prior evaluation. Management stated that the increases are attributed to an influx of pandemic-related stimulus funds, new relationships gained from originating SBA Paycheck Protection Program loans, and businesses and farm customers that have been more cash heavy. The table below illustrates the composition of the loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	2,902	2.7
Secured by Farmland	10,755	10.1
Secured by 1-4 Family Residential Properties	24,426	23.0
Secured by Multifamily (5 or more) Residential Properties	1,481	1.4
Secured by Nonfarm Nonresidential Properties	40,062	37.7
<b>Total Real Estate Loans</b>	<b>79,626</b>	<b>74.9</b>
Commercial and Industrial Loans	7,551	7.1
Agricultural Production and Other Loans to Farmers	14,414	13.6
Consumer Loans	835	0.8
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	3,945	3.7
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(38)	(<0.1)
<b>Total Loans</b>	<b>106,333</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

There are no financial, legal, or other impediments that would limit the institution's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. State Bank & Trust Co. has designated one assessment area comprising of a portion of Story County, located in central Iowa. Story County is part of the Ames, Iowa Metropolitan Statistical Area (MSA). The assessment area boundaries have not changed since the prior evaluation. The assessment area contains nine census tracts: 1.01, 1.02, 1.03, 1.04, 1.05, and 102 through 105.

### **Economic and Demographic Data**

According to 2020 Census data, five of the nine census tracts that make up the assessment area are designated as upper income, and four are middle income. This represents a change from the 2015 American Community Survey data, when the assessment area was comprised of five census tracts, one of which was upper income and four were middle income. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	44.4	55.6	0.0
Population by Geography	26,046	0.0	0.0	50.7	49.3	0.0
Housing Units by Geography	10,926	0.0	0.0	51.9	48.1	0.0
Owner-Occupied Units by Geography	8,143	0.0	0.0	51.7	48.3	0.0
Occupied Rental Units by Geography	2,364	0.0	0.0	49.3	50.7	0.0
Vacant Units by Geography	419	0.0	0.0	72.3	27.7	0.0
Businesses by Geography	3,697	0.0	0.0	44.2	55.8	0.0
Farms by Geography	431	0.0	0.0	61.7	38.3	0.0
Family Distribution by Income Level	7,020	16.7	17.3	21.4	44.6	0.0
Household Distribution by Income Level	10,507	16.7	12.8	19.3	51.2	0.0
Median Family Income - Ames, Iowa MSA		\$90,464	Median Housing Value			\$212,687
			Median Gross Rent			\$821
			Families Below Poverty Level			4.7%
Source: 2020 U.S. Census and 2023 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%.						

According to 2020 U.S. Census data, service industries represent the largest portion of business and farm operations at 32.0 percent; followed by non-classifiable establishments at 22.7 percent; and finance, insurance, and real estate at 11.3 percent. Additionally, 66.7 percent of assessment area businesses and farms have less than five employees, and 94.0 percent operate from one location.

The Federal Financial Institutions Examination Council (FFIEC)-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Ames, Iowa MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
Source: FFIEC				

### **Competition**

The assessment area is very competitive regarding the market for financial services. According to the June 30, 2023 FDIC Deposit Market Share Report, 21 institutions operate 38 offices within Story County. These institutions range from small community banks to larger financial institutions operating branch locations. State Bank & Trust Co. ranked 8<sup>th</sup> with 6.1 percent of the deposit market

share. Management indicated that they face competition from Farm Credit Services and other local banks and credit unions.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the bank's assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners contacted a representative knowledgeable about economic conditions in Story County.

The individual stated that economic conditions in the area are stable. The population in Story County is largely comprised of a young, diverse group because of Iowa State University, and a higher than average population over 65. Many employees commute for work to Ames, Ankeny, or Des Moines, which reduces workforce availability for small businesses. The representative said that farmers in the area are doing well and that they are loyal to institutions that they have prior relationships. Limited affordable housing and high interest rates have resulted in more interest in rentals. The individual said that the local institutions are extremely generous and willing to invest in economic development opportunities, adding that overall, the credit needs are being met.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage loans are primary credit needs of the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

The evaluation covers the period from the prior evaluation dated April 16, 2018, to the current evaluation dated April 1, 2024. Examiners conducted a full-scope review using the Small Institution Examination Procedures to evaluate State Bank & Trust Co.'s CRA performance, which includes the Lending Test. The criteria for the Lending Test is outlined in the Appendices.

### **Activities Reviewed**

Examiners determined the bank's major product lines are small business, followed by small farm and home mortgage loans. This conclusion considered the bank's business focus, number and dollar volume of loans originated during the evaluation period, and review of Call Report data. Given the portfolio composition and the bank's primary lending focus, small business lending performance conclusions were given greater weight in this evaluation. Management agreed that the loan activity during 2023 is representative of the bank's performance during the evaluation period. As such, examiners reviewed small business, small farm, and home mortgage loans originated or renewed as applicable, between January 1, 2023, and December 31, 2023.

For the Lending Test, examiners reviewed the entire universe of 2023 loans to evaluate the Assessment Area Concentration criterion. This universe included 85 small business loans totaling \$9.9 million, 40 small farm loans totaling \$5.2 million, and 11 home mortgage loans totaling \$2.9 million. For the Borrower Profile criterion examiners reviewed a sample of small business loans located inside the assessment area, and due to the lower volumes, examiners

reviewed all small farm and home mortgage loans located inside the assessment area. This review included 39 small business loans totaling \$3.4 million, 22 small farm loans totaling \$3.0 million, and 7 home mortgage loans totaling \$1.8 million.

The 2023 D&B data provided a standard of comparison for the bank's small business and small farm lending performance. The 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of businesses, farms, and individuals served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

State Bank & Trust Co. demonstrated reasonable performance under the Lending Test. The bank's reasonable Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance supports this conclusion.

#### Loan-to-Deposit Ratio

State Bank & Trust Co.'s loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and credit needs. The bank's average net loan-to-deposit ratio averaged 63.9 percent from June 30, 2018, to December 31, 2023. This represents a slight decrease since the prior evaluation, when the average ratio was 70.5 percent. The ratio ranged from a low of 51.7 percent on June 30, 2022, to a high of 74.6 percent on March 31, 2020. The bank's lending performance was compared to that of three similarly-situated institutions operating near State Bank & Trust Co.'s assessment area with similarities in lending focus and asset size. The bank's ratio is in line with the comparable banks' ratios. See the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net Loan-to-deposit Ratio (%)
State Bank & Trust Co., Nevada, Iowa	201,724	63.9
Pinnacle Bank, Marshalltown, Iowa	306,963	78.8
United Bank & Trust Co., Marshalltown, Iowa	118,524	58.5
Reliance State Bank, Story City, Iowa	313,261	72.1
<i>Source: Reports of Condition and Income 6/30/2018 – 12/31/2023</i>		

In addition, State Bank & Trust Co. originates long-term home mortgage loans, which are sold to secondary market investors. Since the bank sells the loans shortly after origination, the loan-to-deposit ratio does not reflect these loans. The bank sold 120 home loans totaling \$22.7 million during the review period.

#### Assessment Area Concentration

State Bank & Trust Co. extended a majority of small business, small farm, and home mortgage loans by number and dollar volume within its assessment area. See the following table for details.



Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	68	80.0	17	20.0	85	6,875	69.4	3,028	30.6	9,903
Small Farm	22	55.0	18	45.0	40	3,033	58.2	2,181	41.8	5,214
Home Mortgage	7	63.6	4	36.4	11	1,761	59.9	1,179	40.1	2,940
Source: Bank Data Due to rounding, totals may not equal 100.0%										

### **Geographic Distribution**

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

### **Borrower Profile**

Overall, the distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes, and individuals of different income levels. Although the home mortgage lending performance is excellent, State Bank & Trust Co.'s reasonable small business and small farm lending performance primarily supports this conclusion. Examiners focused on the percentage of small business and small farm loans to operations with gross annual revenues of \$1 million or less, and on the percentage of home mortgage loans to low- and moderate-income borrowers.

### **Small Business Loans**

State Bank & Trust Co.'s distribution of small business loans reflects reasonable penetration among operations of different revenue sizes when considering other factors. As shown in the next table, the bank's lending performance to businesses with revenues of \$1 million or less is lower than the D&B data. Management indicated that small businesses have limited borrowing needs and many are cash heavy. The community contact indicated that small businesses are experiencing workforce shortages and more consumers shop online. While State Bank & Trust Co. is not a CRA reporter, examiners also considered the 2022 CRA aggregate performance of small business loan reporters, the most recent data available, to assess the demand for small business lending in the assessment area. The aggregate performance of lending to businesses with revenues of \$1 million or less was at 56.0 percent, which is lower than what the D&B data reflects. This further supports limited credit demand for small businesses. Lastly, the bank continues to offer SBA loans to meet the needs of small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	90.0	27	69.2	2,604	77.1
>\$1,000,000	3.1	9	23.1	565	16.7
Revenue Not Available	6.9	3	7.7	207	6.1
<b>Totals</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>3,376</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data.  Due to rounding, totals may not equal 100.0%</i>					

### ***Small Farm Loans***

State Bank & Trust Co.'s distribution of small farm loans reflects reasonable penetration among operations of different revenue sizes when considering other factors. As shown in the following table, the bank's lending performance to farm operations with revenues of \$1 million or less is lower than D&B data. The 2022 Census of Agriculture data for Story County shows 59.4 percent of farmers have a primary occupation outside of farming, 25.7 percent are hobby farms (earn \$2,500 or less/year), and 59.0 percent report having no interest expense. This data indicates that a significant proportion of operators have limited or no borrowing needs. Management indicated that there are fewer small farm producers in the assessment area and many have cash on hand with limited borrowing needs. Bank management and the community contact stated that there is strong competition for agricultural lending.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.6	19	86.4	2,026	66.8
>\$1,000,000	0.9	3	13.6	1,007	33.2
Revenue Not Available	0.5	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>3,033</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data.  Due to rounding, totals may not equal 100.0%</i>					

### ***Home Mortgage Loans***

State Bank & Trust Co.'s distribution of home mortgage loans reflects excellent penetration among individuals of different incomes. While the bank did not lend to any moderate-income borrowers, the bank's lending performance to low-income borrowers far exceeds the demographic data. Overall, the bank has a low volume of home mortgage loan originations. Bank management said that there is a significant shortage of affordable housing; this coupled with rising interest rates, has curbed home loan demand.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	16.7	4	57.1	736	41.8
Moderate	17.3	0	0.0	0	0.0
Middle	21.4	0	0.0	0	0.0
Upper	44.6	2	28.6	790	44.9
Not Available	0.0	1	14.3	235	13.3
<b>Totals</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1,761</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data.  Due to rounding, totals may not equal 100.0%</i>					

### **Response to Complaints**

The institution has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the CRA rating.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## **APPENDICES**

### **SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**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. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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 Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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.

**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.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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

**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.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.