

# **PUBLIC DISCLOSURE**

January 19, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First State Bank of Purdy  
Certificate Number: 16162

Highway C & Kay Avenue  
Purdy, Missouri 634734

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.

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## 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.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans reviewed were made within the institution's assessment area.
- The assessment area consists solely of middle-income geographies; therefore, an analysis of the geographic distribution was not performed.
- The distribution of borrowers reflects a reasonable penetration among businesses and farms of different sizes and individuals of different income levels in the assessment area, considering pertinent performance context information and other relevant factors.
- The institution has not received any CRA-related complaints since the previous evaluation performed as of December 8, 2014; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

First State Bank of Purdy is a full-service bank headquartered in Purdy, Missouri. Purdy Bancshares, Inc., Monett, Missouri, a one-bank holding company continues to own 100 percent of the bank’s outstanding stock. The bank has no lending affiliates relevant to the CRA evaluation. A “Satisfactory” rating was assigned at the December 8, 2014, FDIC CRA Performance Evaluation. Examiners used Interagency Small Institution Examination Procedures to evaluate First State Bank of Purdy’s CRA performance.

In addition to the main office in Purdy, Missouri, the bank continues to operate branch locations in Cassville, Pierce City and two locations in Monett, Missouri. All offices are full service and located in middle-income census tracts. Since the previous CRA evaluation, no branches have opened or closed. The bank also operates cash-dispensing automated teller machines at all of their bank locations.

The bank offers lending products that tie to its business focus of commercial, agricultural, and home mortgage lending. In addition, the bank offers consumer loans. Home loan products include balloon mortgage loans, mobile home loans, and home improvement loans. Deposit products include checking accounts, savings accounts, business accounts, and safe deposit boxes. Alternative banking products and services include debit cards, online banking, electronic statements, bill pay, and trust services. Banking hours are convenient for the assessment area.

As of the September 30, 2020, Reports of Condition and Income (Call Report), the bank has total assets of \$180.5 million, total loans of \$129.1 million, and total deposits of \$160.1 million. As illustrated in the following table, which details the loan portfolio, the primary loan products by dollar volume are commercial, agricultural, and residential real estate loans, which represented 51.6 percent, 26.2 percent and 17.1 percent, respectively. These are the loan products emphasized in the bank’s business strategy.

<b>Loan Portfolio Distribution as of September 30, 2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	2,150	1.7
Secured by Farmland	21,911	17.0
Secured by 1-4 Family Residential Properties	17,232	13.3
Secured by Multifamily (5 or more) Residential Properties	4,882	3.8
Secured by Nonfarm Nonresidential Properties	27,877	21.6
<b>Total Real Estate Loans</b>	<b>74,052</b>	<b>57.4</b>
Commercial and Industrial Loans	38,765	30.0
Agricultural Loans	11,878	9.2
Consumer Loans	1,434	1.1
Other Loans	3,001	2.3
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>129,130</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income.</i>		

Examiners did not identify any financial, legal, or other impediments affecting the bank’s ability to meet the assessment area credit needs.

## 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. First State Bank of Purdy has established one assessment area, comprised of portions of Barry and Lawrence counties, which are located in the nonmetropolitan portion of southwestern Missouri. The assessment area has not changed since the previous evaluation.

### Economic and Demographic Data

Based on 2015 American Community Survey (ACS) data, the assessment area consists of 11 middle-income census tracts. 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)	11	0.0	0.0	100.0	0.0	0.0
Population by Geography	59,433	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	26,206	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	15,855	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	5,899	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	4,452	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	3,065	0.0	0.0	100.0	0.0	0.0
Farms by Geography	228	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	15,508	20.0	19.5	21.8	38.6	0.0
Household Distribution by Income Level	21,754	21.1	18.3	19.4	41.3	0.0
Median Family Income – Nonmetropolitan Missouri	\$48,341	Median Housing Value				\$109,101
		Median Gross Rent				\$588
		Families Below Poverty Level				15.7%

*Source: 2015 ACS Census and 2020 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.*

The following table presents the 2020 FFIEC-updated median family income figure for the nonmetropolitan portion of Missouri, which was used to analyze home mortgage loans under the Borrower Profile criterion.

<b>Nonmetropolitan Missouri Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$52,400)	<\$26,200	\$26,200 to <\$41,920	\$41,920 to <\$62,880	≥\$62,880
<i>Source: FFIEC</i>				

According to the U.S. Bureau of Labor Statistics, as of October 2020, the unemployment rates in Barry and Lawrence counties were 3.8 percent and 3.6 percent, respectively. Annual unemployment rates decreased for both counties over the review period. Similarly, the Missouri statewide unemployment rate decreased from 6.1 percent in August 2014 to 3.6 percent as of October 2020.

According to 2019 D&B data, service industries represent the largest portion of businesses and farms in the assessment area at 33.9 percent; followed by non-classifiable establishments at 14.2 percent; and retail trade at 13.5 percent. In addition, 65.3 percent of area businesses have four or fewer employees, and 87.6 percent operate from a single location. Management indicated the largest employers in the assessment area include Jack Henry and Associates and Tyson Foods.

**Competition**

The assessment area is a relatively competitive market for financial services. According to FDIC Deposit Market Share data, as of June 30, 2019, there were 13 financial institutions operating 28 offices within Barry and Lawrence counties. Of these institutions, First State Bank of Purdy ranked 2<sup>nd</sup> with 14.4 percent of the deposit market share. Management indicated that the institution does not have a primary competitor.

**Community Contacts**

Community contact interviews assist in obtaining a profile of local communities, identifying community development opportunities and general credit needs, and assessing opportunities for participation by local financial institutions. This information helps determine whether local financial institutions are responsive to identified needs.

Examiners reviewed an existing community contact with an individual from an organization that focuses on small business development. The individual indicated the local economy has been stable. Small businesses are still opening, although they are struggling during the pandemic. There is low housing stock; however, the available homes are affordable.

Small business loans are the primary credit need of the assessment area. Financial institutions are meeting area banking and credit needs and no adverse information was shared regarding the lending performance of any local financial institutions.

**Credit Needs**

According to information from the community contact and management, the overall economic conditions in the assessment area are stable. Commercial and home mortgage loans have stable loan demand; however, the area is competitive. Considering economic and demographic data along with information from bank management and the community contact, the primary credit needs in the assessment area are small business and agricultural lending.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the previous evaluation dated December 8, 2014, to the current evaluation dated January 19, 2021. Examiners used the FFIEC Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. Please refer to the *Small Bank Performance Criteria* section in the Appendices for a summary of the Lending Test.

### Activities Reviewed

Examiners reviewed small business, small farm, and home mortgage loans to evaluate CRA performance, as these products are the primary loan products by dollar volume and are emphasized in the bank's business strategy. Small business lending was weighted more heavily when drawing conclusions since this lending category represents a larger portion of the loan portfolio than small farm and home mortgage lending. Construction and land development and consumer lending do not constitute a significant portion of the overall lending efforts, so these loan products were not reviewed.

Examiners reviewed small business, small farm, and home mortgage loans originated or renewed from January 1, 2019, to December 31, 2019. Management indicated lending activity from this timeframe would be representative of the bank's performance since the previous evaluation. For the Assessment Area Concentration analysis, examiners reviewed all 2019 small business, small farm, and home mortgage loan originations and renewals. Specifically, 81 small business loans totaling \$8,815,772; 146 small farm loans totaling \$9,706,592; and 50 home mortgage loans totaling \$4,308,388 were reviewed. For the Borrower Profile analyses, examiners reviewed a sample of loans within the assessment area. Specifically, 36 small business loans totaling \$3,362,239; 47 small farm loans totaling \$2,264,762; and 30 home mortgage loans totaling \$2,162,058 were reviewed. Examiners utilized 2019 D&B data as a standard of comparison for evaluating small business and small farm lending performance, and 2015 ACS data for evaluating home mortgage lending performance.

Examiners analyzed lending performance by both the number and dollar volume of loans. However, the performance by number of loans is emphasized in the Borrower Profile analysis, as it is generally a better indicator of the number of businesses, farms, and individuals served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

First State Bank of Purdy demonstrated reasonable performance under the Lending Test. Lending performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criterion supports this conclusion.

#### Loan-to-Deposit Ratio

Overall, the average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The net loan-to-deposit ratio, calculated from Call Report data, averaged 69.0 percent over the previous 24 calendar quarters from December 31, 2014, to September 30, 2020. The ratio increased throughout the review period, ranging from a low of 52.0 percent, as of June 30, 2017, to a high of 88.5 percent, as of December 31, 2019.

When available and relevant, the performance of similarly situated lenders serves as an additional method of assessing the adequacy of an institution's average net loan-to-deposit ratio. Similarly-situated lenders are defined as financial institutions located in or near the bank's assessment area and are comparable to the subject institution based on asset size, branching structure, markets served, product offerings, and/or loan portfolio composition. Given the significant difference in both asset size and branching structure relative to the other financial institutions located near the bank's assessment area, no similarly situated lenders could be identified for net loan-to-deposit comparison purposes.

Although no similarly situated lenders were identified, the bank's average net loan-to-deposit ratio appears reasonable upon consideration of the previously mentioned community contact information. The contact was unable to identify any unmet credit needs in the local community. The ratio also appears reasonable when considering the competition the bank faces in the assessment area.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 03/31/2020 (\$000)</b>	<b>Average Net Loan-to- Deposit Ratio (%)</b>
<b>First State Bank of Purdy, Purdy, Missouri</b>	<b>180,514</b>	<b>69.0</b>

*Source: Reports of Condition and Income 12/31/2014 - 09/30/2020*

#### Assessment Area Concentration

The bank originated a majority of its loans within the assessment area. A majority of small business, small farm, and home mortgage loans by number and dollar volume were made within the assessment area. Overall, the bank's performance reflects an adequate commitment to meeting the credit needs of the assessment area.



<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Small Business	60	74.1	21	25.9	81	6,243	70.8	2,573	29.2	8,816
Small Farm	121	82.9	25	17.1	146	7,336	75.6	2,371	24.4	9,707
Home Mortgage	44	88.0	6	12.0	50	3,395	78.8	913	21.2	4,308
<b>Total</b>	<b>225</b>	<b>81.2</b>	<b>52</b>	<b>18.8</b>	<b>277</b>	<b>16,974</b>	<b>74.3</b>	<b>5,857</b>	<b>25.7</b>	<b>22,831</b>

*Source: Bank Data*

### **Geographic Distribution**

This criterion includes a more detailed analysis of the lending inside the assessment area with an emphasis on lending in low- and moderate-income areas. Since the assessment area consists solely of middle-income geographies, an analysis of the geographic distribution of lending would not yield meaningful results. As such, examiners did not review this criterion.

### **Borrower Profile**

Overall, the distribution of borrowers reflects a reasonable performance for this criterion. This conclusion is primarily supported by the small business lending performance, which is weighted more heavily in drawing conclusions. Examiners focused on the dispersion of small business and small farm loans to entities with gross annual revenues of \$1 million or less, and on the dispersion of home mortgage loans to low- and moderate-income borrowers.

### ***Small Business***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. First State Bank of Purdy's lending percentage to businesses with gross annual revenues of \$1 million or less compares reasonably to demographic data. The following table reflects the distribution of the small business loans reviewed based on the gross annual revenue level of the business.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	82.9	32	88.9	2,234	66.4
>1,000,000	4.5	4	11.1	1,128	33.6
Revenue Not Available	12.6	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>3,362</b>	<b>100.0</b>

*Source: 2019 D&B Data; Bank Data*

### ***Small Farm***

The distribution of borrowers reflects excellent penetration among farms of different sizes. First State Bank of Purdy's lending percentage to farms with gross annual revenues of \$1 million or less compares favorably to demographic data. The following table reflects the distribution of the small farm loans reviewed based on the gross annual revenue level of the farm.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	95.7	47	100.0	2,265	100.0
>1,000,000	2.2	0	0.0	0	0.0
Revenue Not Available	2.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>2,265</b>	<b>100.0</b>

*Source: 2019 D&B Data; Bank Data*

### ***Home Mortgage***

Overall, the distribution of home mortgage loans reflects reasonable penetration to individuals of different income levels, including low- and moderate-income individuals. First State Bank of Purdy's lending performance to moderate-income borrowers exceeds demographic data; while performance to low-income borrowers is slightly lower than demographic data. The following table reflects the distribution of the home mortgage loans reviewed by borrower income level.

<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	20.0	4	13.3	153	7.1
Moderate	19.5	10	33.3	364	16.8
Middle	21.9	8	26.7	928	42.9
Upper	38.6	8	26.7	718	33.2
<b>Total</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>2,162</b>	<b>100.0</b>

*Source: 2015 ACS Data; Bank Data.*

### **Response to Complaints**

First State Bank of Purdy has not received any CRA-related complaints since the previous CRA evaluation dated December 8, 2014; therefore, this criterion did not affect the institution's overall CRA rating.

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

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet credit needs; therefore, this consideration did not affect the institution's overall CRA rating.

## 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 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,
- 4) The geographic distribution of the bank's loans, 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.

**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.

