

# **PUBLIC DISCLOSURE**

September 9, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Pioneer Bank  
Certificate Number: 19540

202 First Street  
Sergeant Bluff, Iowa 51054

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.

Pioneer Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test performance.

- The bank's loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small business and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since its previous evaluation; therefore, this factor did not affect the CRA rating.

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the prior evaluation dated December 2, 2013, to the current evaluation dated September 9, 2019. Examiners used Interagency Small Institution Examination Procedures to evaluate Pioneer Bank's CRA performance.

These procedures considered the institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

This evaluation does not include any lending activity performed by affiliates.

### **Loan Products Reviewed**

Examiners determined the bank's major product lines are small business and home mortgage loans. This conclusion considered the bank's business strategy, assessment area's credit needs, and the number and dollar volume of loans originated during the evaluation period. Examiners did not evaluate small farm loans because they are not a lending focus for the bank and provide no material support for conclusions.

Bank records revealed that the lending focus and product mix remained consistent throughout the evaluation period. Examiners reviewed the bank's small business loans originated from January 1, 2018, through December 31, 2018. D&B demographic data for 2018 provided a standard of comparison for small business lending performance. Examiners also reviewed all home mortgage loans reported as originated or purchased on the bank's 2017 and 2018 Home Mortgage Disclosure (HMDA) Loan Application Registers (LARs). Data from the 2015 American Community Survey (ACS), as well as HMDA aggregate data for 2017, provided a standard of comparison for the home mortgage lending performance. These loans were considered representative of the bank's performance during the entire evaluation period.

For the Lending Test, the universe of loans was reviewed to evaluate the bank's performance under the Assessment Area Concentration criterion. All loans inside the assessment area were reviewed to evaluate the Geographic Distribution criterion. Finally, examiners reviewed a sample of small business loans and all home mortgage loans originated within the assessment area to evaluate the Borrower Profile criterion. The following table details the loan products reviewed.

Loan Products Reviewed						
Loan Category	Universe		Geographic Distribution Review		Borrower Profile Sample	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage 2017	73	17,771	59	15,711	59	15,711
Home Mortgage 2018	66	14,511	53	12,163	53	12,163
Small Business *	62	12,972	49	11,910	30	7,059

*Source: 2017 and 2018 HMDA Reported Data; (\*) 2018 Bank Data*

Examiners focused on the comparison to the aggregate data since it is more representation of the loans originated and purchased by reporting lenders. While HMDA data for 2017 and 2018 was reviewed and is included in the Assessment Area Concentration analysis, only 2017 data is presented throughout the remainder of this evaluation. The review of 2018 HMDA data did not identify any trends that are different from 2017 HMDA data that would materially affect conclusions.

Small business loans contributed slightly more weight to overall conclusions because of the higher volume of loans originated compared to other loan products. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and individuals served.

## DESCRIPTION OF INSTITUTION

### **Background**

Pioneer Bank is headquartered in Sergeant Bluff, Iowa, and is owned by Pioneer Development Company, Sergeant Bluff, Iowa. This institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated December 2, 2013, using Interagency Small Institution Examination procedures.

### **Operations**

Pioneer Bank operates five full-service offices in the greater Sioux City area. The bank offers a variety of loan products, including agricultural, commercial, consumer, and home mortgage; primarily focusing on commercial and home mortgage lending. The institution also provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking and six bank-owned ATMs. The bank did open a new branch office in Dakota Dunes, South Dakota since the previous evaluation. No offices were closed during the evaluation period.

### **Ability and Capacity**

Assets total approximately \$183 million as of June 30, 2019, and included total loans of \$147 million and total deposits of \$157 million. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 6/30/19		
Loan Category	\$(000s)	%
Construction and Land Development	7,995	5.4
Secured by Farmland	12,973	8.8
1-4 Family Residential	46,990	31.9
Multi-family (5 or more) Residential	12,896	8.7
Commercial Real Estate	46,051	31.2
<b>Total Real Estate Loans</b>	<b>126,905</b>	<b>86.0</b>
Commercial and Industrial	18,989	12.9
Agricultural	9	<1.0
Consumer	1,547	1.0
Other	83	<1.0
Less: Unearned Income	88	0.1
<b>Total Loans</b>	<b>147,445</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet 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. Pioneer Bank designated a single assessment area within the Sioux City, Iowa-Nebraska-South Dakota Metropolitan Statistical Area. The following sections discuss economic and demographic information for the assessment area.

### **Economic and Demographic Data**

The assessment area is comprised of all 26 census tracts in Woodbury County, Iowa, and census tract 203 in Union County, South Dakota. The 27 tracts are designated by income as follows: 7 upper-, 9 middle-, 8 moderate-, 2 low-income, and 1 no income designation. 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)	27	7.4	29.6	33.3	25.9	3.7
Population by Geography	110,339	4.6	24.3	34.6	36.5	0.0
Housing Units by Geography	45,005	5.3	22.9	35.3	36.5	0.0
Owner-Occupied Units by Geography	28,371	1.4	18.9	35.4	44.2	0.0
Occupied Rental Units by Geography	13,504	12.7	30.2	35.6	21.6	0.0
Vacant Units by Geography	3,130	7.7	27.6	33.5	31.2	0.0
Businesses by Geography	7,133	19.2	14.3	26.0	40.5	0.0
Farms by Geography	490	2.4	4.9	47.8	44.9	0.0
Family Distribution by Income Level	27,495	20.9	18.0	22.5	38.5	0.0
Household Distribution by Income Level	41,875	24.4	17.6	18.1	39.9	0.0
Median Family Income MSA - Sioux City, IA-NE-SD MSA		\$60,974	Median Housing Value			\$111,442
			Median Gross Rent			\$669
			Families Below Poverty Level			10.2%
<i>Source: 2015 ACS Census and 2018 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 ASC data reveals the assessment area's population increased slightly by 589 residents since the 2010 U.S. Census and the total number of housing units increased by 307. The stagnant population growth is associated with the limited number of new businesses that employ large numbers of residents.

The assessment area is primarily urban and dependent on commercial businesses. Service industry businesses represent the largest portion of area businesses at 41.4 percent, followed by retail trade (14.1 percent); finance, insurance and real estate (9.5 percent); and construction (7.9 percent). Area businesses are predominantly small with 83.8 percent operating from a single location and 83.8 percent employing less than 10 employees, according to 2018 D&B data.

Employment opportunities remain prevalent throughout the assessment area and contribute to the low local unemployment levels. Unemployment levels have steadily declined throughout the evaluation period and current rates are at historic low levels. Data from the U.S. Bureau of Labor and Statistics reveals that as of May 2019, the unemployment rate was 2.2 percent for the Sioux City Metropolitan Statistical Area. This compares similarly to the state of Iowa rate at 2.1 percent and favorably to the national rate at 3.6 percent.

Housing types in the area remain diverse with the largest portion being owner-occupied units, which are modestly affordable when compared to the other areas in the state of Iowa. Specifically, the median housing value in the assessment area is \$111,442 compared to the statewide value of \$133,305.

### **Competition**

The assessment area is a competitive market for financial products and services. According to the June 30, 2018 FDIC Deposit Market Share data, there were 27 financial institutions that operate 57 full-service branches within the bank's assessment area. Of these institutions, Pioneer Bank ranked 7<sup>th</sup> with a 5.2 percent deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available.

Examiners contacted a representative of an economic development organization familiar with the area's development needs and initiatives. The contact stated that business and home mortgage lending remain the area's greatest credit needs. Overall, the contact indicated that financial institutions have been responsive and meet the assessment area's credit needs.

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans represent the primary credit need for the assessment area. Home mortgage lending demand and opportunity are also sizable throughout the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Pioneer Bank demonstrated reasonable performance under the Lending Test. The bank's overall performance supports this conclusion.

### **Loan-to-Deposit Ratio**

The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's loan-to-deposit ratio, calculated from Call Report data, averaged 89.9 percent over the past 23 quarters from December 31, 2013, to June 30, 2019. The ratio has increased during this evaluation period as a result of improved economic conditions. Pioneer Bank's ratio is higher than the comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.



Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/19 \$(000s)	Average Net Loan-to- Deposit Ratio (%)
Pioneer Bank, Sergeant Bluff, IA	183,038	89.9
Liberty National Bank, Sioux City, IA	427,896	88.0
Security National Bank of South Dakota, Dakota Dunes, SD	185,658	61.2
<i>Source: Reports of Condition and Income 12/31/13 through 6/30/19</i>		

### **Assessment Area Concentration**

The bank made a majority of small business and home mortgage loans, by number and dollar volume, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	59	80.8	14	19.2	73	15,711	88.4	2,060	11.6	17,771
2018	53	80.3	13	19.7	66	12,163	83.8	2,348	16.2	14,511
<b>Subtotal</b>	<b>112</b>	<b>80.6</b>	<b>27</b>	<b>19.4</b>	<b>139</b>	<b>27,874</b>	<b>86.3</b>	<b>4,408</b>	<b>13.7</b>	<b>32,282</b>
Small Business *										
	49	79.0	13	21.0	62	11,910	91.8	1,062	8.2	12,972
<b>Total</b>	<b>161</b>	<b>80.1</b>	<b>40</b>	<b>19.9</b>	<b>201</b>	<b>39,784</b>	<b>87.9</b>	<b>5,470</b>	<b>12.1</b>	<b>45,254</b>
<i>Source: 2017 and 2018 HMDA Reported Data; (*) 2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable small business and home mortgage lending performance supports this conclusion. Examiners focused on the percentage of loans in low- and moderate-income census tracts.

### **Small Business Loans**

As shown in the following table, the geographic distribution of small business loans reflects a reasonable penetration throughout the assessment area. The bank's lending performance in the low-income tracts is comparable to demographic data. However, performance in the moderate-income tracts trails the corresponding demographic data. Although trailing, the lending levels reveal a willingness to meet small business lending needs in these tracts. Additionally, greater emphasis was placed on the bank's performance in low-income tracts as a greater percentage of businesses are located in these tracts.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	19.2	9	18.4	2,439	20.5
Moderate	14.3	2	4.1	654	5.5
Middle	26.0	4	8.2	77	0.6
Upper	40.5	34	69.4	8,740	73.4
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>11,910</b>	<b>100.0</b>

Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data  
Due to rounding, totals may not equal 100.0

### Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The following table shows the bank's performance in low-income tracts slightly exceeds aggregate data, while the bank's performance in moderate-income tracts trails aggregate data. When considering the bank's overall performance, geographic distribution is reasonable.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	1.4	1.3	2	3.4	1,586	10.1
Moderate						
2017	18.9	15.6	6	10.2	230	1.5
Middle						
2017	35.4	33.7	12	20.3	1,273	8.1
Upper						
2017	44.2	49.4	39	66.1	12,622	80.3
Not Available						
2017	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>15,711</b>	<b>100.0</b>

Source: 2015 ACS Census; 2017 HMDA Reported Data; 2017 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels in the assessment area. Although the bank's home mortgage performance is poor, the bank's reasonable small business performance is the primary driver for this conclusion. Examiners focused on the percentage by number of small business loans to operations with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income borrowers.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration. The following table shows that 86.7 percent of the sampled loans were extended to businesses with gross annual revenues of \$1 million or less. The number reasonably compares to the percent of businesses in the same revenue category.

<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	77.5	26	86.7	5,355	75.9
>1,000,000	7.2	4	13.3	1,704	24.1
Revenue Not Available	15.3	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>7,059</b>	<b>100.0</b>

*Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0*

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

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is poor. In 2017, the bank's lending performance to both low- and moderate-income borrowers was well below the corresponding aggregate and demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	20.9	7.7	2	3.4	194	1.2
Moderate						
2017	18.0	19.2	5	8.5	614	3.9
Middle						
2017	22.5	20.8	6	10.2	934	5.9
Upper						
2017	38.5	37.4	28	47.5	5,787	36.8
Not Available						
2017	0.0	14.9	18	30.5	8,182	52.1
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>15,711</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 2017 HMDA Reported Data; 2017 HMDA Aggregate Data Due to rounding, totals may not equal 100.0</i>						

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

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

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

## 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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**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.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**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 (for example, 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.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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:** 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.