



## **PUBLIC DISCLOSURE**

February 13, 2023

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Northeast Bank of Nebraska  
RSSD# 208655

440 Main Street  
Lyons, Nebraska 68038

Federal Reserve Bank of Kansas City  
1 Memorial Drive  
Kansas City, Missouri 64198

**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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## **INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING**

First Northeast Bank of Nebraska (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment areas' (AAs) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects an excellent distribution among businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

## **SCOPE OF EXAMINATION**

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for a three-year period (2019, 2020, and 2021) was referenced for additional perspective to gauge credit demand within the bank's AAs. Lending performance was assessed within the bank's three AAs. The Eastern Nebraska AA was assessed using a full-scope review. The Saunders County Metropolitan AA and Cedar County AA were assessed using a limited-scope review. Examiners reviewed the following data:

- The bank's 19-quarter average NLTD ratio.
- A statistical sample of 81 small farm loans from a universe of 136 loans originated between January 1, 2021 and December 31, 2021.
- A statistical sample of 157 small business loans from a universe of 684 loans originated between January 1, 2021 and December 31, 2021.
- More weight was placed on small business loans in this analysis due to the numbers of originations.

**DESCRIPTION OF INSTITUTION**

The bank is a community bank headquartered in Lyons, Nebraska. The bank’s characteristics include:

- Farm & Home Insurance Agency, Inc., a one-bank holding company located in Lyons, Nebraska, owns 96 percent of the bank.
- The bank has total assets of \$424.4 million as of September 30, 2022.
- In addition to the main office in Lyons, Nebraska, the bank has eight full-service branches located in Fremont, Hooper, Oakland (two branches), Tekamah, Uehling, Hartington, and Ceresco, Nebraska.
- Five of the bank’s branches have cash-dispensing automated teller machines (ATMs). Additionally, the bank operates two independent cash-only ATMs at local convenience stores in Lyons and Uehling, Nebraska.
- As shown in Table 1 below, the bank’s primary business focus is agricultural and commercial lending.
- In response to the Coronavirus Disease 2019 pandemic (pandemic), the bank participated in the U.S. Small Business Administration’s Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief, and Economic Security Act. PPP loans were specialized loans to assist businesses and farms in retaining workers and staff during the economic crisis caused by the pandemic. In 2020 and 2021, the bank originated 970 PPP loans in amounts of \$1 million or less for a total dollar amount of \$23.9 million; 69.7 percent of the PPP loans were in the bank’s AAs. The PPP loans were responsive to the needs of businesses and farms during the pandemic. Additional details regarding the bank’s PPP lending are discussed in the performance test sections below.

**Table 1**

<b>Composition of Loan Portfolio as of September 30, 2022</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Construction and Land Development	24,107	14.1
Farmland	62,196	36.4
1- to 4-Family Residential Real Estate	5,443	3.2
Multifamily Residential Real Estate	232	0.1
Nonfarm Nonresidential Real Estate	20,643	12.1
Agricultural	34,454	20.2
Commercial and Industrial	15,142	8.9
Consumer	4,503	2.6
Other	4,204	2.5
<b>Gross Loans</b>	<b>170,924</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its October 15, 2018 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA<sup>1</sup>**

This performance evaluation first discusses the bank's overall performance, followed by an in-depth evaluation of performance in the Eastern Nebraska AA (full-scope review); and a brief discussion of performance in the Cedar County AA and Saunders County Metropolitan AA (limited-scope reviews).

The bank's overall lending test performance is Satisfactory. This is based on a reasonable NLTD ratio, a majority of loans originated within the bank's AAs, an overall reasonable geographic distribution of loans within the bank's AAs, and an overall excellent borrower distribution.

The geographic distribution was solely based on the bank's performance in the Eastern Nebraska AA. A geographic distribution analysis was not conducted for the Cedar County AA and Saunders County Metropolitan AA as these AAs consist only of middle-income census tracts and would not provide for a meaningful analysis. More consideration was given to the volume of loan originations than the dollar amount, as it is more representative of the number of entities served.

Further, most of the small business loans included in the evaluation were through the bank's participation in the PPP. These loans were responsive to the needs of small businesses and small farms during the pandemic and were impactful to the bank's AAs, which include multiple nonmetropolitan middle-income distressed and/or underserved census tracts.

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

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on asset size, portfolio makeup, and geographic proximity.

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<sup>1</sup>. The NLTD ratio and percentage of loans and other lending-related activity in the AA only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to AAs.

The bank’s NLTD ratio is reasonable. The bank’s 19-quarter NLTD ratio at 71.2 percent is within the range of other similarly situated banks whose NLTD ratios ranged from 57.0 percent to 86.6 percent.

**Table 2**

Comparative NLTD Ratios March 31, 2018 – September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			19 Quarter Average
First Northeast Bank of Nebraska	Lyons, Nebraska	424,443	71.2
<b>Similarly Situated Institutions</b>			
Bank of Hartington	Hartington, Nebraska	133,346	75.9
Platte Valley Bank	North Bend, Nebraska	108,830	57.0
Nebraska Bank	Dodge, Nebraska	386,322	86.6
Jones Bank	Seward, Nebraska	400,673	65.0

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. The bank originated a majority of loans, by number and dollar, inside the AAs. The percentage of small business and small farm originations within the assessment areas indicates the bank is actively responding to the credit needs of borrowers in the AAs. Furthermore, this lending pattern indicates additional bank responsiveness during the pandemic when demand for PPP loans was high. The bank’s overall numbers of small business loan originations increased during this time period due to its active participation in the PPP.

**Table 3**

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	110	70.1	3,383	73.0	47	29.9	1,250	27.0
Small Farm	58	71.6	8,220	74.9	23	28.4	2,757	25.1
<b>Total Loans</b>	<b>168</b>	<b>70.6</b>	<b>11,603</b>	<b>74.3</b>	<b>70</b>	<b>29.4</b>	<b>4,007</b>	<b>25.7</b>

*Note: Percentages may not total 100.0 percent due to rounding.*

**Geographic Distribution of Loans**

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts with consideration given to the dispersion of loans throughout the AAs. The bank’s overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the

AAs. As previously noted, the geographic distribution was not evaluated for the Cedar County AA or Saunders County Metropolitan AA, as both AAs consist only of middle-income census tracts and such an analysis would not be meaningful.

### **Lending to Businesses and Farms of Different Sizes**

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes. The bank's overall lending has an excellent distribution among businesses and farms of different sizes. Performance in the Saunders County Metropolitan AA was consistent with the full-scope review. While performance in the Cedar County AA was below the full-scope review, it did not impact the overall rating.

### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**EASTERN NEBRASKA ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN EASTERN NEBRASKA  
AA**

The bank’s Eastern Nebraska AA consists of Burt and Dodge Counties in their entireties. See Appendix A for an AA map and Appendix B for additional demographic data.

- No changes have occurred to the AA delineation since the previous performance evaluation.
- The Eastern Nebraska AA is comprised of one moderate-, ten middle-, and one upper-income census tracts. The income designations of census tracts have not changed since the previous performance evaluation.
- Burt County is comprised of three middle-income census tracts that are designated as distressed and underserved during the evaluation period.
- According to the June 30, 2022 FDIC Deposit Market Share Report, the bank ranks 3rd out of 14 FDIC-insured institutions operating in the AA with a 14.5 percent deposit market share.
- An interview with a member of the community in which the bank operates was referenced to ascertain the credit needs of the area communities and the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The contact was a community member with knowledge of agricultural conditions in the AA.

**Table 4**

<b>Population Change</b>			
<b>Assessment Area: Eastern Nebraska</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Eastern Nebraska	43,549	43,372	(0.4)
Burt County, Nebraska	6,858	6,647	(3.1)
Dodge County, Nebraska	36,691	36,725	0.1
Nonmetropolitan Area (NonMSA), Nebraska	682,247	679,331	(0.4)
Nebraska	1,826,341	1,869,365	2.4

*Source: 2010 U.S. Census Bureau Decennial Census  
2011-2015 U.S. Census Bureau: American Community Survey*

- As of 2021, the Census Bureau estimates the population of the AA to be 43,812, with minimal growth of 1.0 percent and 0.9 percent for Dodge and Burt Counties, respectively, between 2015 and 2021.
- Dodge County continues to make up the majority of the population of the AA with 84.7 percent of the population.



- The populations of the towns where the bank has AA branches are low overall, with Fremont, Nebraska having the largest population at 27,373. Other populations include Tekamah at 1,712, Oakland at 1,378, Hooper at 843, and Uehling at 230.

**Table 5**

Median Family Income Change Assessment Area: Eastern Nebraska			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Eastern Nebraska	58,153	59,048	1.5
Burt County, Nebraska	59,642	61,846	3.7
Dodge County, Nebraska	58,099	57,788	(0.5)
NonMSA Nebraska	58,485	61,457	5.1
Nebraska	67,393	67,225	(0.2)

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- The portion of low- and moderate-income families in the AA, at 38.3 percent, was comparable to the figures for rural areas statewide and the state of Nebraska, at 37.2 percent and 37.5 percent, respectively.
- The percentage of families living below the poverty level at 6.9 percent, was comparable to the figures for rural areas statewide and the state of Nebraska at 8.3 percent and 8.8 percent, respectively.

**Table 6**

Housing Cost Burden Assessment Area: Eastern Nebraska						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Eastern Nebraska	69.5	18.7	30.5	54.8	23.2	15.8
Burt County, Nebraska	43.5	9.3	21.2	64.6	18.6	17.9
Dodge County, Nebraska	73.8	19.8	31.6	52.0	24.3	15.3
NonMSA Nebraska	63.8	18.0	30.2	55.5	22.5	15.2
Nebraska	72.0	26.8	36.8	61.0	29.5	16.2

Cost Burden is housing cost that equals 30 percent or more of household income.  
Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy

- According to the 2015 American Community Survey (ACS), the median housing value in the AA was \$109,273, which was above the rural areas' statewide value at \$101,530, but below the state of Nebraska value at \$133,200.

- Per the 2015 ACS, the median age of housing stock in the AA at 59 years old, is older than rural areas’ statewide at 53 years, and the state of Nebraska at 44 years.
- The median gross rent in the AA at \$681 was between the rural areas’ statewide figure at \$618 and the state of Nebraska figure at \$726.

**Table 7**

<b>Unemployment Rates</b>					
<b>Assessment Area: Eastern Nebraska</b>					
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Eastern Nebraska	3.0	2.9	3.0	3.5	2.4
Burt County, Nebraska	3.7	3.5	3.4	3.8	2.4
Dodge County, Nebraska	2.8	2.8	2.9	3.4	2.4
NonMSA Nebraska	2.9	2.8	3.0	3.4	2.1
Nebraska	3.0	2.9	3.0	4.1	2.5

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics*

- According to the U.S. Department of Labor, the Burt County labor force participation rate is 79.3 percent, only 4.5 percent lower than Dodge County’s rate at 83.8 percent, and comparable to the state of Nebraska’s at 83.8 percent.
- The primary industries in Dodge County are comprised of manufacturing, healthcare and social assistance, and retail trade.
- The primary employers in Dodge County are Valmont Industries and Wholstone Farms.
- The community contact noted that most farms in the region are family owned, not large corporate farms, and the average acreage is about 500 acres.
- In Burt County, the primary industries are healthcare and social assistance, retail trade, and agricultural, forestry, fishing, and hunting.
- The primary employers in Burt County are Central Valley Agriculture, Brehmer Manufacturing, and Central States Research Centre.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN EASTERN NEBRASKA AA**

The bank’s performance in the Eastern Nebraska AA is excellent, with more weight given to the bank’s lending performance to businesses and farms of different sizes given the specific impact on individual organizations.

**Geographic Distribution of Loans**

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. While the bank originated no loans in the one moderate-income census tract, there was limited lending opportunity with only 4.6 percent of businesses (95 businesses in total) located in this census tract. Additionally, the census tract is primarily comprised of an industrial region to the east and the Fremont Lakes State Recreation Area and wetlands to the west. The community contact commented that the banking environment is competitive with several financial institutions in the area. Furthermore, 46 of the 82 loans in middle-income census tracts were PPP loans made in distressed and underserved census tracts. This level of PPP lending in distressed and underserved communities is considered especially responsive to the challenges of small businesses during the pandemic, as they are exclusively for payroll or income replacement.

For dispersion, while conspicuous gaps were noted in the AA, including within the moderate-income census tract, it did not impact the overall conclusion given the previously discussed performance context.

**Table 8**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Eastern Nebraska</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	0.0
<b>Moderate</b>	0	0.0	0	0.0	4.6
<b>Middle</b>	82	96.5	2,540	98.5	85.2
<b>Upper</b>	3	3.5	37	1.4	10.2
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	85	100.0	2,578	100.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The bank originated two small farm loans in the one moderate-income census tract which was above the demographic figure of 0.0 percent. It should also be noted that Dun & Bradstreet data only includes businesses or farms that choose to report demographic data. Thus, the data shown may not be representative of all farms operating in the AA. Given the limited number of farms in the moderate-income census tract, this performance is reasonable.

For dispersion, while conspicuous gaps were noted in the AA, the gaps did not occur in the moderate-income census tract and did not impact the overall conclusion.

**Table 9**

Distribution of 2021 Small Farm Lending By Income Level of Geography					
Assessment Area: Eastern Nebraska					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	2	5.6	250	5.9	0.0
Middle	34	94.4	3,961	94.1	95.6
Upper	0	0.0	0	0.0	4.4
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>4,211</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Lending to Businesses and Farms of Different Sizes**

The bank’s lending has an excellent distribution among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank’s lending to businesses with revenues of \$1 million or less by number volume was comparable to the percentage of small businesses in the AA. Moreover, 97.6 percent of loans by number were in amounts of \$100,000 or less. The bank’s small business lending demonstrates its willingness to meet credit needs of local businesses, particularly supported by the participation in PPP lending and the notable numbers of small dollar loans made; 93.4 percent of PPP loans by number were made to businesses with annual revenues of

less than \$1 million. Further, PPP loans are considered particularly responsive to the challenges of small businesses from the pandemic and are especially impactful to the community, as they are exclusively for payroll or income replacement.

Additionally, a review of three-year aggregate lending data submitted by CRA reporters also noted an aggregate lending distribution of 49.0 percent by number and 37.7 percent by dollar. This aggregate lending data is utilized as additional context in understanding the credit demand by size of businesses in the AA and demonstrates the bank’s efforts to serve small businesses.

**Table 10**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Eastern Nebraska</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	76	89.4	1,197	46.4	89.5
<b>Over \$1 Million</b>	4	4.7	1,219	47.3	7.9
<b>Revenue Unknown</b>	5	5.9	162	6.3	2.5
<b>Total</b>	85	100.0	2,578	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	83	97.6	1,407	54.6	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	2	2.4	1,171	45.4	
<b>Total</b>	85	100.0	2,578	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	76	100.0	1,197	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	76	100.0	1,197	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**Small Farm Lending**

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with revenues of \$1 million or less by number volume was comparable to the percentage of small farms in the AA.

**Table 11**

<b>Distribution of 2021 Small Farm Lending By Revenue Size of Farms</b>					
<b>Assessment Area: Eastern Nebraska</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	30	83.3	3,511	83.4	98.8
<b>Over \$1 Million</b>	2	5.6	606	14.4	1.2
<b>Revenue Unknown</b>	4	11.1	95	2.3	0.0
<b>Total</b>	36	100.0	4,211	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	25	69.4	900	21.4	
<b>\$100,001 - \$250,000</b>	6	16.7	1,132	26.9	
<b>\$250,001 - \$500,000</b>	5	13.9	2,180	51.8	
<b>Total</b>	36	100.0	4,211	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	21	70.0	805	22.9	
<b>\$100,001 - \$250,000</b>	5	16.7	982	28.0	
<b>\$250,001 - \$500,000</b>	4	13.3	1,724	49.1	
<b>Total</b>	30	100.0	3,511	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**CEDAR COUNTY ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Limited-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN CEDAR COUNTY AA**

The bank's AA is comprised of Cedar County in its entirety. Refer to Appendix A for a map of the AA, as well as Appendix C for demographic and lending data.

- The AA is comprised of two middle-income census tracts and has not changed since the previous performance evaluation.
- The bank operates one full-service branch in the town of Hartington, Nebraska.
- According to the June 30, 2022 FDIC Market Share Report, the bank ranked 7th out of 7 FDIC-insured depository institutions operating in the AA with a market share of 0.3 percent.
- According to the 2015 ACS, the AA population is 8,675.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN CEDAR COUNTY AA**

Conclusions regarding the bank's CRA performance are drawn from a review of available facts and data, including performance figures, aggregate lending comparisons, and demographic information. Demographic and lending tables for this AA are included in Appendix C. The bank's lending performance in the area is below the bank's lending performance overall. The bank's lending activity in the AA included 6 small business and 6 small farm loans. Consideration was given to the low number of originations in the AA. Although, the bank's lending performance in the area is below the bank's lending performance overall, it does not change the rating for the bank.

**SAUNDERS COUNTY METROPOLITAN ASSESSMENT AREA  
METROPOLITAN AREA  
(Limited-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN SAUNDERS COUNTY  
METROPOLITAN AA**

The bank's delineated AA is comprised of Saunders County in its entirety, which is one of eight counties in the Omaha-Council Bluffs, Nebraska-Iowa Metropolitan Statistical Area. Refer to Appendix A for a map of the AA and Appendix C for demographic and lending data.

- The AA is comprised of five middle-income census tracts and has not changed since the previous performance evaluation.
- The bank operates one full-service branch with an onsite ATM in the town of Ceresco, Nebraska.
- According to the June 30, 2022 FDIC Market Share Report, the bank ranked 11th out of 14 FDIC-insured depository institutions operating in the AA with a deposit market share of 3.7 percent.
- According to the 2015 ACS, the AA population is 20,913.

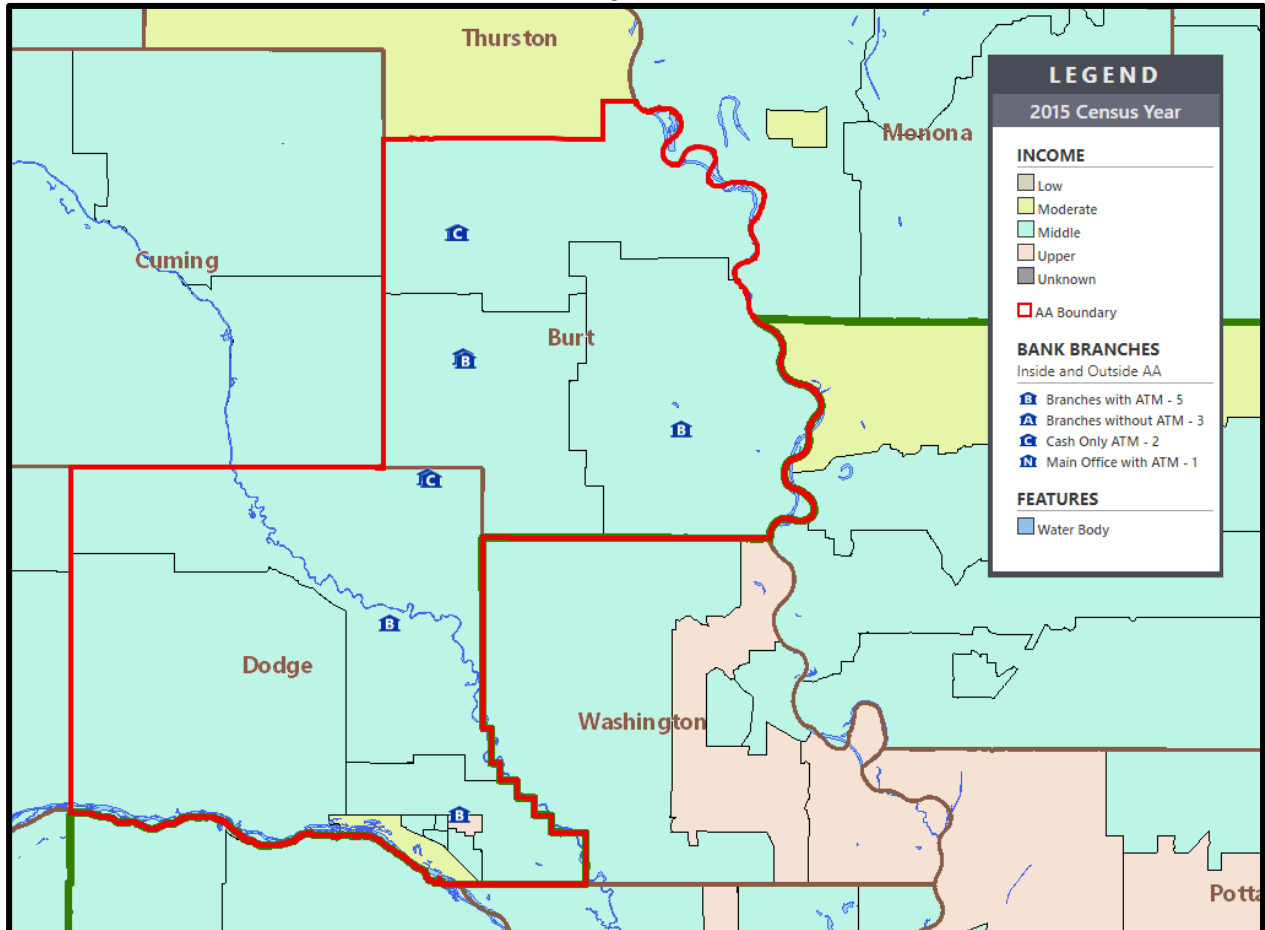
**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN SAUNDERS COUNTY  
METROPOLITAN AA**

Conclusions regarding the bank's CRA performance are drawn from a review of available facts and data, including performance figures, aggregate lending comparisons, and demographic information. Demographic and lending tables for this AA are included in Appendix C. The bank's lending performance in the area is consistent with the bank's lending performance overall. The bank's lending activity in the AA included 19 small business and 16 small farm loans. Consideration was given to the low number of originations in the AA.

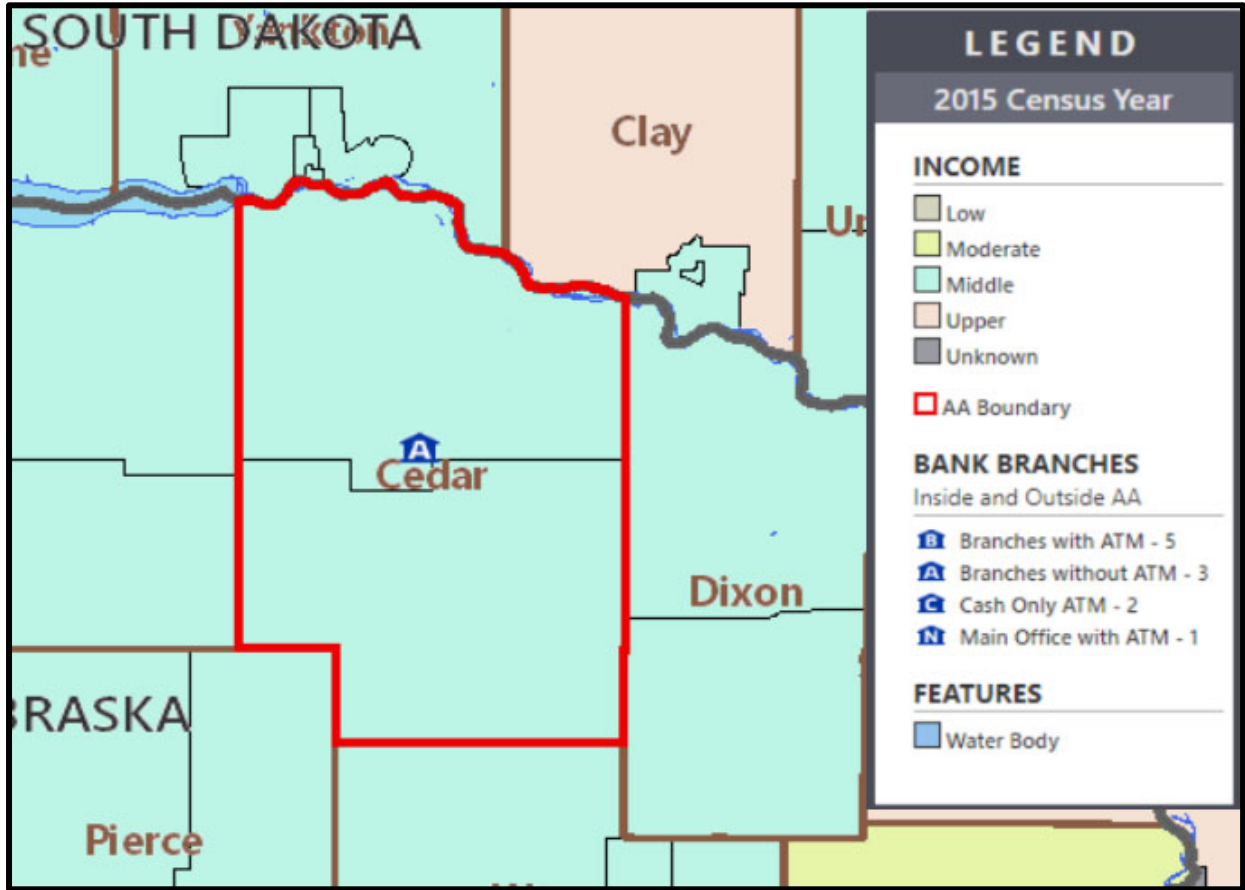


APPENDIX A – MAPS OF THE ASSESSMENT AREAS

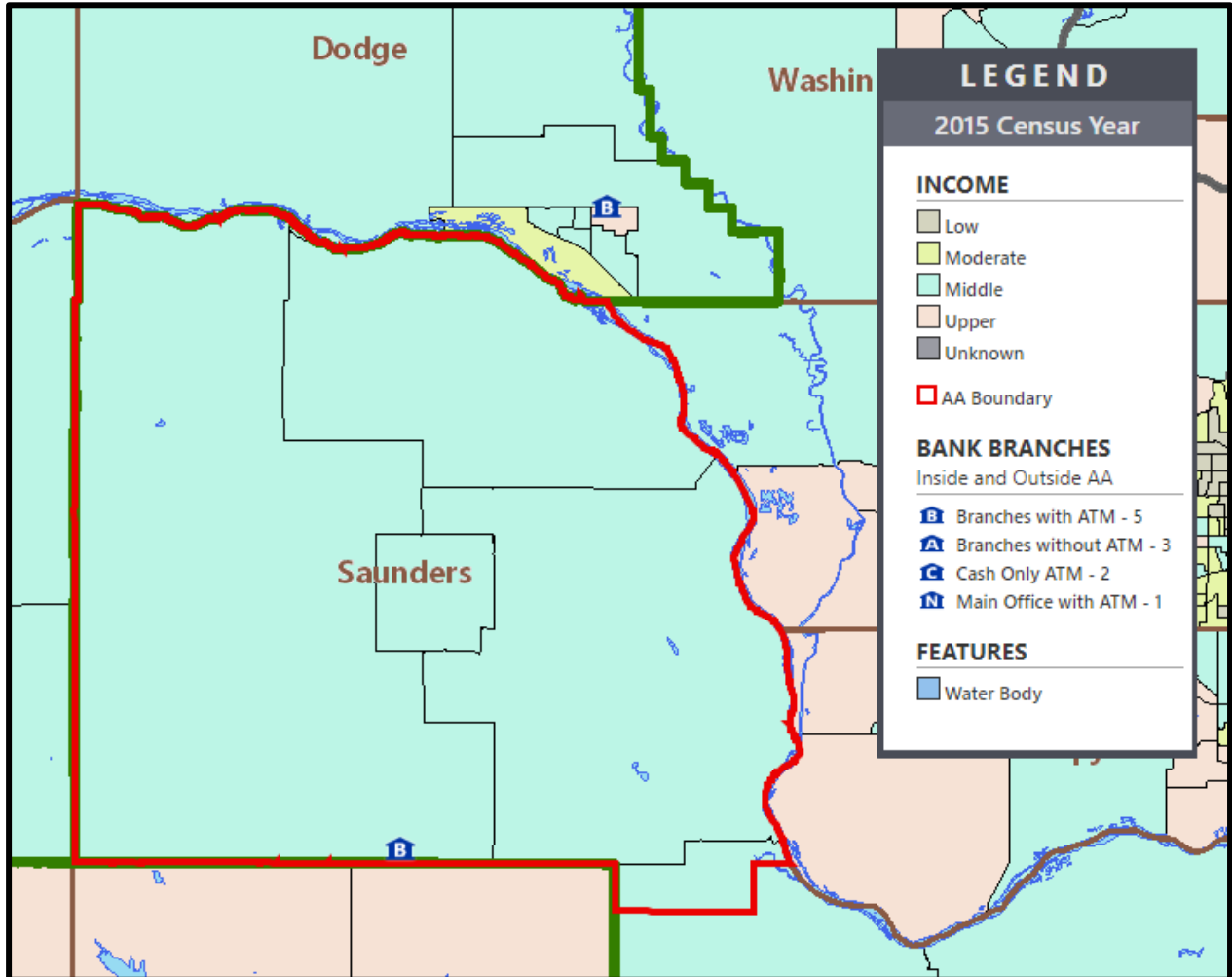
Eastern Nebraska AA  
Map A-1



Cedar County AA  
Map A-2



Saunders County Metropolitan AA  
Map A-3



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2021 Eastern Nebraska 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	2,011	16.9
Moderate	1	8.3	913	7.7	155	17.0	2,564	21.5
Middle	10	83.3	9,586	80.3	596	6.2	3,115	26.1
Upper	1	8.3	1,435	12.0	71	4.9	4,244	35.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>12</b>	<b>100.0</b>	<b>11,934</b>	<b>100.0</b>	<b>822</b>	<b>6.9</b>	<b>11,934</b>	<b>100.0</b>
	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	1,554	820	6.7	52.8	371	23.9	363	23.4
Middle	16,611	9,875	80.4	59.4	4,999	30.1	1,737	10.5
Upper	1,902	1,590	12.9	83.6	256	13.5	56	2.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>20,067</b>	<b>12,285</b>	<b>100.0</b>	<b>61.2</b>	<b>5,626</b>	<b>28.0</b>	<b>2,156</b>	<b>10.7</b>
	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	95	4.6	80	4.3	12	7.3	3	5.8
Middle	1,760	85.2	1,568	84.8	144	87.8	48	92.3
Upper	211	10.2	202	10.9	8	4.9	1	1.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,066</b>	<b>100.0</b>	<b>1,850</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>89.5</b>		<b>7.9</b>		<b>2.5</b>
	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	325	95.6	321	95.5	4	100.0	0	0.0
Upper	15	4.4	15	4.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>340</b>	<b>100.0</b>	<b>336</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.8</b>		<b>1.2</b>		<b>0.0</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C – LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES

Cedar County AA  
 Table C-1

2021 Cedar County 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	370	15.1
Moderate	0	0.0	0	0.0	0	0.0	366	14.9
Middle	2	100.0	2,449	100.0	129	5.3	659	26.9
Upper	0	0.0	0	0.0	0	0.0	1,054	43.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2</b>	<b>100.0</b>	<b>2,449</b>	<b>100.0</b>	<b>129</b>	<b>5.3</b>	<b>2,449</b>	<b>100.0</b>
	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	4,136	2,917	100.0	70.5	658	15.9	561	13.6
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>4,136</b>	<b>2,917</b>	<b>100.0</b>	<b>70.5</b>	<b>658</b>	<b>15.9</b>	<b>561</b>	<b>13.6</b>
	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	506	100.0	435	100.0	47	100.0	24	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>506</b>	<b>100.0</b>	<b>435</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>86.0</b>		<b>9.3</b>		<b>4.7</b>
	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	226	100.0	225	100.0	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>226</b>	<b>100.0</b>	<b>225</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>		<b>0.4</b>		<b>0.0</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-2**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Cedar County</b>					
	<b>Bank Loans</b>				<b>Total Businesses</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	3	50.0	43	9.3	86.0
<b>Over \$1 Million</b>	2	33.3	416	90.0	9.3
<b>Revenue Unknown</b>	1	16.7	3	0.6	4.7
<b>Total</b>	6	100.0	462	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	4	66.7	46	10.0	
<b>\$100,001 - \$250,000</b>	2	33.3	416	90.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	6	100.0	462	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	3	100.0	43	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	3	100.0	43	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**Table C-3**

<b>Distribution of 2021 Small Farm Lending By Revenue Size of Farms</b>					
<b>Assessment Area: Cedar County</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>%</b>
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	1	16.7	400	18.2	99.6
<b>Over \$1 Million</b>	5	83.3	1,800	81.8	0.4
<b>Revenue Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	6	100.0	2,200	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$500,000</b>	6	100.0	2,200	100.0	
<b>Total</b>	6	100.0	2,200	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$500,000</b>	1	100.0	400	100.0	
<b>Total</b>	1	100.0	400	100.0	
<i>Source: 2021 FFIEC Census Data                      2021 Dun &amp; Bradstreet Data                      2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**Saunders County Metropolitan AA  
 Table C-4**

2021 Saunders County Metropolitan 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	911	16.2
Moderate	0	0.0	0	0.0	0	0.0	1,038	18.4
Middle	5	100.0	5,629	100.0	332	5.9	1,505	26.7
Upper	0	0.0	0	0.0	0	0.0	2,175	38.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5</b>	<b>100.0</b>	<b>5,629</b>	<b>100.0</b>	<b>332</b>	<b>5.9</b>	<b>5,629</b>	<b>100.0</b>
	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	9,331	6,303	100.0	67.5	1,752	18.8	1,276	13.7
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>9,331</b>	<b>6,303</b>	<b>100.0</b>	<b>67.5</b>	<b>1,752</b>	<b>18.8</b>	<b>1,276</b>	<b>13.7</b>
	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	1,106	100.0	1,007	100.0	69	100.0	30	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,106</b>	<b>100.0</b>	<b>1,007</b>	<b>100.0</b>	<b>69</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.0</b>		<b>6.2</b>		<b>2.7</b>
	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	221	100.0	218	100.0	3	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>221</b>	<b>100.0</b>	<b>218</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.6</b>		<b>1.4</b>		<b>0.0</b>
<i>Source: 2021 FFIEC Census Data            2021 Dun &amp; Bradstreet Data            2011-2015 U.S. Census Bureau: American Community Survey            Note: Percentages may not total 100.0 percent due to rounding.</i>								



**Table C-5**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Saunders County Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	18	94.7	322	93.9	91.0
<b>Over \$1 Million</b>	1	5.3	21	6.1	6.2
<b>Revenue Unknown</b>	0	0.0	0	0.0	2.7
<b>Total</b>	19	100.0	343	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	19	100.0	343	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	19	100.0	343	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	18	100.0	322	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	18	100.0	322	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**Table C-6**

<b>Distribution of 2021 Small Farm Lending By Revenue Size of Farms</b>					
<b>Assessment Area: Saunders County Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>%</b>
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	15	93.8	1,719	95.0	98.6
<b>Over \$1 Million</b>	1	6.3	90	5.0	1.4
<b>Revenue Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	16	100.0	1,809	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	10	62.5	510	28.2	
<b>\$100,001 - \$250,000</b>	4	25.0	797	44.1	
<b>\$250,001 - \$500,000</b>	2	12.5	502	27.8	
<b>Total</b>	16	100.0	1,809	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	9	60.0	420	24.4	
<b>\$100,001 - \$250,000</b>	4	26.7	797	46.4	
<b>\$250,001 - \$500,000</b>	2	13.3	502	29.2	
<b>Total</b>	15	100.0	1,719	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

## APPENDIX D – 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.

**Census tract:** A small subdivision 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. Census tracts 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.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

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

**Full-scope review:** Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and 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.

**Limited-scope review:** Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (MA):** 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 population of at least 2.5 million may be divided into MDs.

**Middle-income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

**Nonmetropolitan area (NonMSA):** Any area that is not located within an MSA.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

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

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.