



## **PUBLIC DISCLOSURE**

August 1, 2022

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

FMS Bank  
RSSD# 257756

520 Sherman Street  
Fort Morgan, Colorado 80701

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**

FMS Bank (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 a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses 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, market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2018, 2019, and 2020) was referenced for additional perspective to gauge small business credit demand within the bank's AAs. Lending performance was assessed within the bank's two AAs using full-scope reviews. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio.
- A statistical sample of 97 small business loans selected from a universe of 187 loans originated between January 1, 2021, and December 31, 2021.
- The universe of 185 home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan/Application Register between January 1, 2021, and December 31, 2021.

Small business and home mortgage loans were weighted equally in the analysis. However, based on an insufficient number of home purchase, home improvement, and multifamily loans to conduct meaningful analyses, these three HMDA products were not evaluated individually.

**DESCRIPTION OF INSTITUTION**

The bank is a community bank headquartered in Fort Morgan, Colorado. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Morgan Capital Corporation.
- The bank has total assets of \$262.8 million as of March 31, 2022.
- In addition to its main office in Fort Morgan, Colorado, the bank operates an office in Greeley, Colorado.
- Both locations operate drive-through lanes and cash-only automated teller machines (ATMs), with three additional cash-only ATMs operating within Fort Morgan, Colorado.
- The bank closed its loan production offices in Fort Collins, Colorado, and Longmont, Colorado, in December 2019.
- As shown in the table below, the bank's primary business focus is commercial and residential real estate lending. Additionally, and not captured in the table below, the bank sells home mortgage loans in the secondary market.
- The bank was active in the Paycheck Protection Program during 2021, with 427 business loan originations. However, these loans are not fully captured in the small business loan sample due to loan forgiveness provisions and repayment.

**Table 1**

<b>Composition of Loan Portfolio as of March 31, 2022</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Construction and Land Development	25,390	13.6
Farmland	7,977	4.3
1-4 Family Residential Real Estate	26,839	14.4
Multifamily Residential Real Estate	390	0.2
Non-Farm Non-Residential Real Estate	63,600	34.1
Agricultural	1,832	1.0
Commercial and Industrial	36,552	19.6
Consumer	23,969	12.8
Other	68	0.0
<b>Gross Loans</b>	<b>186,617</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 May 7, 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 Greeley Metropolitan Statistical Area (MSA) AA and the Morgan County AA (full scope reviews).

**LENDING TEST**

The bank’s overall lending test performance is Satisfactory. All applicable criteria were equally weighted in this evaluation. For home mortgage lending, additional emphasis was placed on the bank’s performance in comparison to aggregate lending data, rather than relative demographic figures, as aggregate lending data is considered representative of credit demand.

**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, similar lending portfolio compositions, and geographic proximity to the bank.

The bank’s NLTD ratio is reasonable. The bank’s NLTD ratio of 87.1 percent is above two, below two, and similar to one of the five similarly situated institutions.

**Table 2**

<b>Comparative NLTD Ratios December 31, 2017 – March 31, 2022</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size \$(000)</b>	<b>NLTD Ratio (%)</b>
			<b>18 Quarter Average</b>
<b>FMS Bank</b>	Fort Morgan, Colorado	262,839	87.1
<b>Similarly Situated Institutions</b>			
<b>Verus Bank of Commerce</b>	Fort Collins, Colorado	259,215	102.8
<b>North Valley Bank</b>	Thornton, Colorado	229,171	97.8
<b>High Plains Bank</b>	Flagler, Colorado	346,027	87.2
<b>Farmers Bank</b>	Ault, Colorado	305,442	80.6
<b>Bank of Estes Park</b>	Estes Park, Colorado	168,542	53.1

<sup>1</sup> The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

**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.

**Table 3**

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%
Home Purchase - Conventional	29	67.4	8,927	66.7	14	32.6	4,466	33.3
Home Improvement	1	100.0	300	100.0	0	0.0	0	0.0
Multi-Family Housing	1	100.0	400	100.0	0	0.0	0	0.0
Other Purpose Closed-End	1	100.0	46	100.0	0	0.0	0	0.0
Refinancing	119	85.6	28,113	81.2	20	14.4	6,522	18.8
<b>Total HMDA related</b>	151	81.6	37,786	77.5	34	18.4	10,988	22.5
<b>Small Business</b>	65	67.0	10,222	60.1	32	33.0	6,800	39.9
<b>Total Loans</b>	216	76.6	48,008	73.0	66	23.4	17,788	27.0

*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.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has an overall reasonable distribution among individuals of different income levels and businesses of different sizes.

**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.

**GREELEY MSA ASSESSMENT AREA  
METROPOLITAN AREA  
(Full Scope Review)**

**DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN GREELEY MSA AA**

The bank’s Greeley MSA AA consists of Weld County in its entirety. See Appendix A for an AA map and Appendix B for additional demographic data.

- There have been no changes to the AA delineation since the prior evaluation.
- The AA is comprised of 7 low-, 16 moderate-, 26 middle-, 27 upper-, and 1 unknown-income census tracts.
- According to the June 30, 2021 FDIC Deposit Market Share Report, the bank ranks 16<sup>th</sup> out of 23 FDIC-insured institutions operating within the AA, with a deposit market share of 1.5 percent.
- To further augment the CRA performance evaluation, one previously conducted interview with a member of the community within the bank’s AA was reviewed to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and current demographic characteristics. The community member represented an organization focused on economic development.

**Table 4**

<b>Population Change Assessment Area: Greeley MSA</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Greeley MSA AA	252,825	270,948	7.2
Colorado	5,029,196	5,278,906	5.0
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011 - 2015 U.S. Census Bureau: American Community Survey</i>			

- According to the 2022 Weld County Economic and Demographic Profile, in 2020 the city of Greeley, Colorado, a major population center in the AA, had a population of 109,084.

**Table 5**

<b>Median Family Income Change</b>			
<b>Assessment Area: Greeley MSA</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
Greeley MSA AA	70,777	70,457	(0.5)
Colorado	76,277	74,826	(1.9)

*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.*

- According to 2015 American Community Survey data, 39.1 percent of families in the AA are LMI, which is comparable to the statewide figure at 38.9 percent.
- The percentage of families living below the poverty level in the AA is comparable to that of the state of Colorado at 8.8 percent and 8.5 percent, respectively.

**Table 6**

<b>Housing Cost Burden</b>						
<b>Assessment Area: Greeley MSA</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Greeley MSA AA	73.1	52.2	41.2	70.3	46.9	21.8
Colorado	80.3	56.4	46.4	65.8	43.6	21.5

*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*

- Although a community member affirmed housing is in short supply within the AA, housing is relatively more affordable when compared to the rest of the state.
- The AA's affordability ratio<sup>2</sup> at 28.8 percent is higher than the statewide figure at 24.5 percent.
- The AA median housing value of \$210,075 is lower than the statewide figure of \$247,800.

**Table 7**

<b>Unemployment Rates</b>					
<b>Assessment Area: Greeley MSA</b>					
<b>Region</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Greeley MSA AA	2.5	2.8	2.4	6.6	5.7
Colorado	2.6	3.0	2.6	6.9	5.4

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

<sup>2</sup> The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.



- The primary business sectors in the AA include education, construction and extraction, transportation, and healthcare services. Major employers are JBS USA (beef processing), Banner Health System, Vestas (wind turbine manufacturing), Greeley/Evans School District 6, Weld County municipal services, the University of Northern Colorado, and UC Health.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN GREELEY MSA AA**

The bank's performance under the lending test is reasonable based on adequate small business and HMDA loan penetration among geographies of different income levels, and adequate levels of lending to borrowers of different income levels and businesses of different revenue sizes.

### **Geographic Distribution of Loans**

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

#### Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. While the bank did not originate any loans in low-income census tracts, performance is comparable to the aggregate lending data and the demographic figure. Performance is reasonable given the limited number of owner-occupied housing units in the low-income census tracts. Lending in moderate-income census tracts is above the aggregate lending data and comparable to the number of owner-occupied units in the moderate-income census tracts.

An evaluation of the dispersion of home mortgage lending was completed. Although lending gaps were noted in portions of the AA, they were not considered significant given competition within the AA and the bank's geographic proximity to moderate-income census tracts in the southwest portion of the AA.

#### Home Refinance Lending

The geographic distribution of home refinance lending is reasonable. The bank's lending in low-income census tracts is comparable to both aggregate lending data and the demographic figure. Performance is reasonable given the limited number of owner-occupied housing units in low-income census tracts. The bank's lending in moderate-income census tracts is comparable to aggregate lending data and the demographic figure.

An evaluation of the dispersion of home refinance lending was completed. Although lending gaps were noted in portions of the AA, they were not considered significant as noted above.

**Table 8**

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Greeley MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	0	0.0	2.5	0	0.0	1.6	3.5
Moderate	3	23.1	14.1	863	16.6	10.9	19.9
Middle	7	53.8	35.8	3,128	60.3	33.0	40.5
Upper	3	23.1	47.5	1,193	23.0	54.5	36.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>5,184</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	0	0.0	1.9	0	0.0	1.2	3.5
Moderate	8	19.5	15.7	1,881	15.2	12.7	19.9
Middle	28	68.3	36.2	8,872	71.8	34.0	40.5
Upper	5	12.2	46.2	1,599	12.9	52.0	36.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>100.0</b>	<b>12,352</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	1.2	0	0.0	1.1	3.5
Moderate	0	0.0	10.5	0	0.0	9.0	19.9
Middle	0	0.0	33.4	0	0.0	36.2	40.5
Upper	1	100.0	54.9	300	100.0	53.6	36.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>							<b>Multi-family Units %</b>
Low	0	0.0	38.1	0	0.0	15.6	33.1
Moderate	0	0.0	35.7	0	0.0	30.5	23.0
Middle	0	0.0	21.4	0	0.0	25.9	31.7
Upper	0	0.0	4.8	0	0.0	28.0	12.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							<b>Owner Occupied Units %</b>
Low	0	0.0	2.1	0	0.0	1.6	3.5
Moderate	11	20.0	15.0	2,744	15.4	12.3	19.9
Middle	35	63.6	35.9	12,000	67.3	33.4	40.5
Upper	9	16.4	47.0	3,092	17.3	52.7	36.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>55</b>	<b>100.0</b>	<b>100.0</b>	<b>17,836</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank's percentage of small business loans originated in low-income census tracts is below the demographic figure, which represents the percentage of businesses in the AA's low-income census tracts. Few businesses operate in the AA's low-income census tracts, which lends support to a reasonable rating. Lending to businesses in moderate-income census tracts is above the demographic figure.

Loan dispersion in the AA was also evaluated, and some lending gaps were noted in portions of the AA, however, they were not considered significant as noted above.

**Table 9**

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Greeley MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	1	2.6	1	0.0	6.6
Moderate	8	21.1	1,793	40.0	16.3
Middle	18	47.4	1,049	23.4	38.3
Upper	11	28.9	1,637	36.5	38.8
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>4,479</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 Borrowers of Different Income Levels and to Businesses of Different Sizes**

The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. Lending to low-income borrowers is above aggregate lending data and below the demographic figure. Lending to moderate-income borrowers is comparable to both aggregate lending data and the demographic figure.

Home Refinance Lending

The borrower distribution of home refinance lending is reasonable. Lending to low-income borrowers is above aggregate lending data and below the demographic figure. Lending to moderate-income borrowers is comparable to both aggregate lending data and the demographic figure.

**Table 10**

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Greeley MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	2	15.4	3.3	1,192	23.0	2.0	20.6
Moderate	0	0.0	20.7	0	0.0	16.0	18.4
Middle	4	30.8	29.1	1,682	32.4	28.0	21.0
Upper	4	30.8	31.5	1,759	33.9	38.1	39.9
Unknown	3	23.1	15.4	551	10.6	15.9	0.0
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>5,184</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	4	9.8	6.6	885	7.2	4.2	20.6
Moderate	7	17.1	18.1	1,909	15.5	14.8	18.4
Middle	13	31.7	24.5	3,774	30.6	23.8	21.0
Upper	14	34.1	28.4	4,863	39.4	33.6	39.9
Unknown	3	7.3	22.4	921	7.5	23.6	0.0
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>100.0</b>	<b>12,352</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	4.6	0	0.0	4.9	20.6
Moderate	0	0.0	14.0	0	0.0	11.5	18.4
Middle	0	0.0	24.0	0	0.0	22.5	21.0
Upper	1	100.0	54.3	300	100.0	56.6	39.9
Unknown	0	0.0	3.1	0	0.0	4.5	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>300</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	6	10.9	5.3	2,077	11.6	3.3	20.6
Moderate	7	12.7	18.8	1,909	10.7	15.2	18.4
Middle	17	30.9	26.2	5,456	30.6	25.5	21.0
Upper	19	34.5	30.7	6,922	38.8	35.9	39.9
Unknown	6	10.9	19.0	1,472	8.3	20.1	0.0
<b>Total</b>	<b>55</b>	<b>100.0</b>	<b>100.0</b>	<b>17,836</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less is comparable to the percentage of small businesses in the AA. Of the small business loans included in the evaluation, 86.9 percent of the loans were for loan amounts of \$250,000 or less, which indicates amounts typically utilized by smaller business entities.

**Table 11**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Greeley MSA</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>	24	63.2	1,113	24.8	93.1
<b>Over \$1 Million</b>	9	23.7	2,998	66.9	5.9
<b>Revenue Unknown</b>	5	13.2	368	8.2	1.0
<b>Total</b>	38	100.0	4,479	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	31	81.6	1,000	22.3	
<b>\$100,001 - \$250,000</b>	2	5.3	375	8.4	
<b>\$250,001 - \$1 Million</b>	5	13.2	3,104	69.3	
<b>Total</b>	38	100.0	4,479	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	23	95.8	672	60.4	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	1	4.2	441	39.6	
<b>Total</b>	24	100.0	1,113	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>					

**MORGAN COUNTY ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Full Scope Review)**

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

The bank's Morgan County AA consists of Morgan County in its entirety. See Appendix A for an AA map and Appendix B for additional demographic data.

- The AA is comprised of two moderate-, five middle-, and one upper-income census tracts.
- According to the June 30, 2021 FDIC Deposit Market Share Report, the bank ranks second of nine FDIC-insured institutions operating within the AA, with a deposit market share of 15.8 percent.
- One interview with a community member was conducted to gain additional insight into local economic conditions and credit needs of the community. The community member represented an organization focused on economic development.

**Table 12**

<b>Population Change</b>			
<b>Assessment Area: Morgan County</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Morgan County AA	28,159	28,359	0.7
NonMSA Colorado	687,293	688,010	0.1
Colorado	5,029,196	5,278,906	5.0
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011 - 2015 U.S. Census Bureau: American Community Survey</i>			

- Fort Morgan is centrally located within Morgan County and has a population of 11,597, according to the 2020 Census.
- According to the community member, the current demographic characteristics include significant refugee populations.

**Table 13**

<b>Median Family Income Change</b>			
<b>Assessment Area: Morgan County</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
Morgan County AA	53,003	53,067	0.1
NonMSA Colorado	62,960	60,701	(3.6)
Colorado	76,277	74,826	(1.9)

*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 percentage of AA families living below the poverty level at 7.8 percent was below other non-MSA areas and the state of Colorado at 10.0 percent and 8.5 percent, respectively.
- Approximately 50.0 percent of AA families are LMI.

**Table 14**

<b>Housing Cost Burden</b>						
<b>Assessment Area: Morgan County</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Morgan County AA	74.1	36.5	38.2	47.0	42.4	21.9
NonMSA Colorado	72.8	42.2	41.0	58.2	34.5	23.4
Colorado	80.3	56.4	46.4	65.8	43.6	21.5

*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*

- At 33.1 percent, the affordability ratio in Morgan County indicates housing is more affordable relative to other non-MSA areas at 22.0 percent and the state of Colorado at 24.5 percent.
- The median age of housing stock in the AA is 49 years, which is significantly higher than other non-MSA areas and the statewide median values, each at 33 years.
- The community member stated housing prices have been rising and there are less affordable housing options available due to increased demand.
- The community member also stated individuals relocating to Morgan County from the Front Range area often buy homes in cash or build homes valued from \$500M-\$700M.



**Table 15**

<b>Unemployment Rates</b>					
<b>Assessment Area: Morgan County</b>					
<b>Region</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Morgan County AA	2.3	2.7	2.5	5.1	4.9
NonMSA Colorado	2.6	3.1	2.7	6.7	4.8
Colorado	2.6	3.0	2.6	6.9	5.4

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

- The community member stated manufacturing and animal processing are the primary industries within the AA. Cargill and Leprino Foods are among the major employers in the AA.
- The community member also commented on Morgan County’s refugee population, many of which are self-employed or working in the agricultural or manufacturing sectors within Morgan County.

**Table 16**

<b>Small Business Loan Trends</b>					
<b>Assessment Area: Morgan County</b>					
<b>Area</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Morgan County AA	399	425	509	695	773
NonMSA Colorado	17,243	17,917	19,484	21,031	26,252
Colorado	132,363	135,143	146,800	158,028	176,126

*Source: FFIEC CRA Aggregate Data*

- Table 16 indicates increasing demand for small business loans over time, which grew by 93.7 percent in the AA between 2016 and 2020.
- A community member indicated there is demand for credit among small business startups in the AA, as well as from existing small businesses that have goals for expansion.

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

The bank’s performance under the lending test is reasonable based on adequate small business and HMDA loan penetration among geographies of different income levels, and adequate levels of lending to borrowers of different income levels and businesses of different revenue sizes.

**Geographic Distribution of Loans**

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

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. The bank's home mortgage lending in the AA's moderate-income census tracts is above aggregate lending data and above the demographic figure, which reflects the percentage of owner-occupied units located in moderate-income census tracts. An evaluation of the dispersion of home mortgage lending was completed and no gaps were noted in the AA.

Home Refinance Lending

The borrower distribution of home refinance lending is excellent. The bank's lending to moderate-income borrowers is above aggregate lending data and above the demographic figure. An evaluation of the dispersion of home refinance lending was completed and no gaps were noted in the AA.

**Table 17**

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Morgan County							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	5	31.3	21.6	738	19.7	17.5	19.1
Middle	9	56.3	72.4	2,174	58.1	73.1	68.5
Upper	2	12.5	6.0	831	22.2	9.4	12.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>3,743</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	20	25.6	19.5	3,947	25.0	16.6	19.1
Middle	45	57.7	70.8	8,621	54.7	71.7	68.5
Upper	13	16.7	9.7	3,193	20.3	11.8	12.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>100.0</b>	<b>15,761</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	21.1	0	0.0	19.7	19.1
Middle	0	0.0	73.7	0	0.0	63.0	68.5
Upper	0	0.0	5.3	0	0.0	17.3	12.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>							<b>Multi-family Units %</b>
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	100.0	50.0	400	100.0	40.7	27.1
Middle	0	0.0	50.0	0	0.0	59.3	72.9
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
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							<b>Owner Occupied Units %</b>
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	26	27.1	20.6	5,085	25.5	17.3	19.1
Middle	55	57.3	71.3	10,841	54.3	72.1	68.5
Upper	15	15.6	8.0	4,024	20.2	10.7	12.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>96</b>	<b>100.0</b>	<b>100.0</b>	<b>19,950</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.							

Small Business Lending

The geographic distribution of small business lending is poor. The percentage of small business loans originated in moderate-income census tracts is below the demographic figure, which represents the percentage of businesses operating in the AA's moderate-income census tracts. Barriers to lending in the AA's moderate-income census tracts were not identified. An evaluation of the dispersion of small business lending was completed. While a gap in lending was observed in one of the two moderate-income census tracts within the AA, it did not negatively impact the evaluation.

**Table 18**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Morgan County</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>	5	18.5	1,456	25.4	32.3
<b>Middle</b>	12	44.4	1,557	27.1	59.5
<b>Upper</b>	10	37.0	2,731	47.6	8.3
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	27	100.0	5,743	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.

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

The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank's lending to low-income borrowers is above aggregate lending and below the demographic figure. The bank's lending to moderate-income borrowers is below the aggregate and demographic figures. Several challenges in the AA present barriers to LMI homeownership. Rental properties make up 32.1 percent of housing units and 9.0 percent are vacant, indicating a significant proportion of properties that are not accessible for purchase or refinance. Further, the median age of housing stock in the AA is 49 years; while older housing may be more affordable, it can often require substantial repairs or added investment in addition to the liquidity needed for down payment costs.

Home Refinance Lending

The borrower distribution of home refinance lending is reasonable. The bank's lending to low-income borrowers is above the aggregate figure and below the demographic figure. The bank's lending to moderate-income borrowers is below the aggregate and demographic figures. However, moderate-income homeowners in the AA are more cost-burdened at 42.4 percent when compared to other non-MSA areas at 34.5 percent. Such challenges may prevent existing homeowners from being able to afford the costs associated with refinancing.

**Table 19**

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Morgan County							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	3	18.8	4.1	506	13.5	2.2	21.4
Moderate	3	18.8	29.4	529	14.1	23.2	23.4
Middle	6	37.5	30.3	1,232	32.9	29.0	19.6
Upper	4	25.0	21.9	1,476	39.4	28.9	35.5
Unknown	0	0.0	14.3	0	0.0	16.6	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>3,743</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	8	10.3	5.8	1,058	6.7	3.7	21.4
Moderate	8	10.3	18.3	1,224	7.8	14.2	23.4
Middle	20	25.6	24.3	4,320	27.4	23.2	19.6
Upper	31	39.7	27.2	6,664	42.3	32.4	35.5
Unknown	11	14.1	24.4	2,495	15.8	26.4	0.0
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>100.0</b>	<b>15,761</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	5.3	0	0.0	2.2	21.4
Moderate	0	0.0	26.3	0	0.0	21.5	23.4
Middle	0	0.0	31.6	0	0.0	31.0	19.6
Upper	0	0.0	36.8	0	0.0	45.3	35.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	12	12.6	5.1	1,610	8.2	3.1	21.4
Moderate	11	11.6	22.9	1,753	9.0	18.4	23.4
Middle	26	27.4	26.8	5,552	28.4	25.8	19.6
Upper	35	36.8	25.3	8,140	41.6	30.8	35.5
Unknown	11	11.6	20.0	2,495	12.8	22.0	0.0
<b>Total</b>	<b>95</b>	<b>100.0</b>	<b>100.0</b>	<b>19,550</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis. Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.</i>							

**Small Business Lending**

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less is below the percentage of small businesses in the AA. While the bank does not report CRA data, a review of aggregate lending data reported by all CRA filers from 2018 through 2020 indicated that

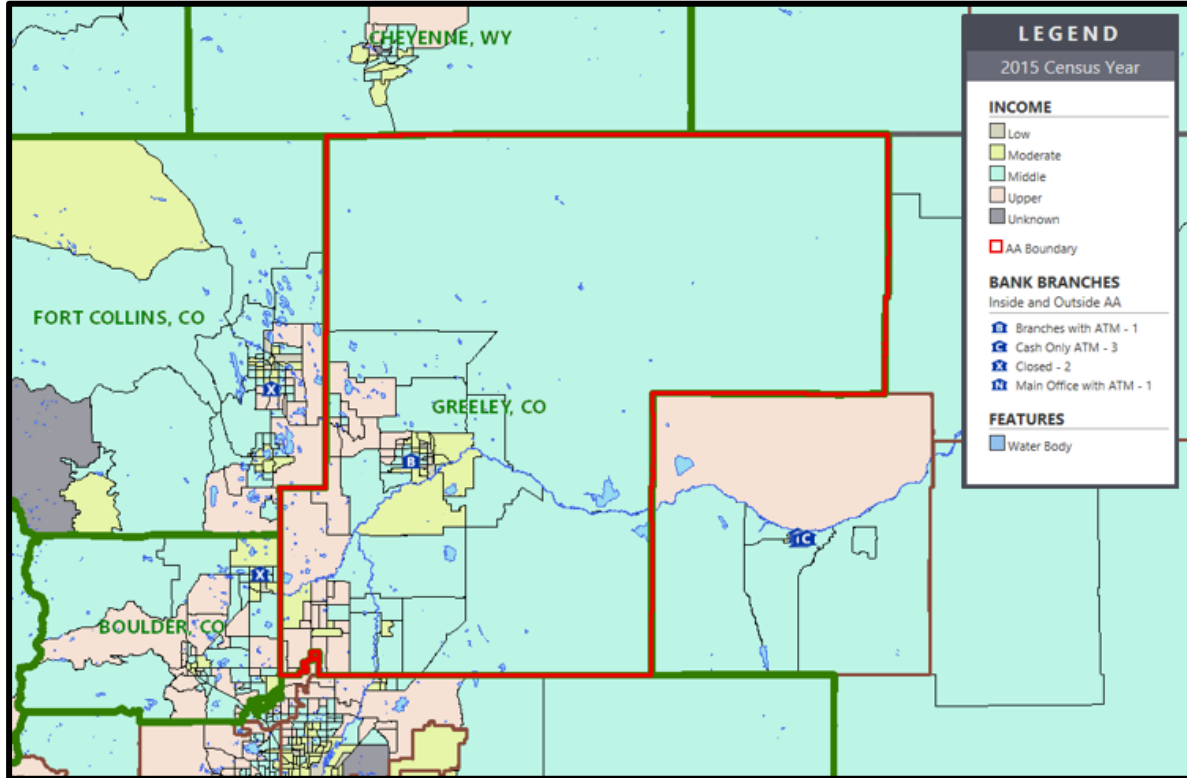
aggregate lenders in the AA were lending to small businesses, on average, at 30.7 percent by number and 21.0 percent by dollar. Such volume is indicative of overall average lower small business credit demand within the AA, although is not directly comparable. Further, the community member indicated there are other lending sources outside of traditional banking to obtain small business financing in Morgan County.

**Table 20**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Morgan 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>	13	48.1	790	13.8	91.2
<b>Over \$1 Million</b>	13	48.1	4,800	83.6	7.5
<b>Revenue Unknown</b>	1	3.7	154	2.7	1.2
<b>Total</b>	27	100.0	5,743	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	12	44.4	452	7.9	
<b>\$100,001 - \$250,000</b>	9	33.3	1,401	24.4	
<b>\$250,001 - \$1 Million</b>	6	22.2	3,891	67.8	
<b>Total</b>	27	100.0	5,743	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	10	76.9	352	44.6	
<b>\$100,001 - \$250,000</b>	3	23.1	438	55.4	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	13	100.0	790	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>					

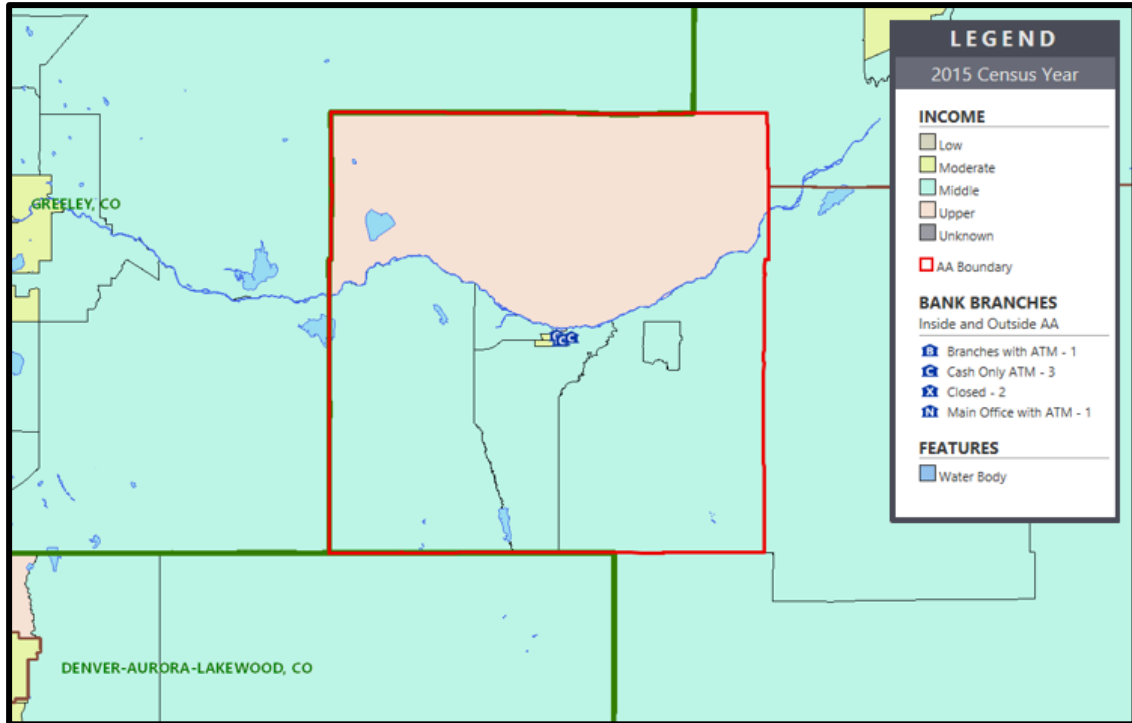
APPENDIX A – MAPS OF THE ASSESSMENT AREAS

Greeley MSA AA





Morgan County AA



**APPENDIX B – DEMOGRAPHIC INFORMATION**  
**Table B-1**

2021 Greeley MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	7	9.1	4,650	6.8	1,569	33.7	14,101	20.6
Moderate	16	20.8	14,956	21.9	1,952	13.1	12,582	18.4
Middle	26	33.8	27,065	39.6	2,066	7.6	14,359	21.0
Upper	27	35.1	21,634	31.7	450	2.1	27,263	39.9
Unknown	1	1.3	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>77</b>	<b>100.0</b>	<b>68,305</b>	<b>100.0</b>	<b>6,037</b>	<b>8.8</b>	<b>68,305</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	9,804	2,304	3.5	23.5	6,685	68.2	815	8.3
Moderate	22,105	13,036	19.9	59.0	7,994	36.2	1,075	4.9
Middle	39,347	26,524	40.5	67.4	10,537	26.8	2,286	5.8
Upper	27,970	23,560	36.0	84.2	3,654	13.1	756	2.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>99,226</b>	<b>65,424</b>	<b>100.0</b>	<b>65.9</b>	<b>28,870</b>	<b>29.1</b>	<b>4,932</b>	<b>5.0</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	880	6.6	809	6.5	61	7.7	10	7.2
Moderate	2,195	16.3	2,006	16.0	166	21.0	23	16.7
Middle	5,147	38.3	4,837	38.7	253	32.0	57	41.3
Upper	5,210	38.8	4,852	38.8	310	39.2	48	34.8
Unknown	2	0.0	1	0.0	1	0.1	0	0.0
<b>Total AA</b>	<b>13,434</b>	<b>100.0</b>	<b>12,505</b>	<b>100.0</b>	<b>791</b>	<b>100.0</b>	<b>138</b>	<b>100.0</b>
Percentage of Total Businesses:				93.1		5.9		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	15	2.1	14	2.1	1	2.4	0	0.0
Moderate	72	10.1	69	10.3	3	7.3	0	0.0
Middle	461	64.7	429	63.8	32	78.0	0	0.0
Upper	165	23.1	160	23.8	5	12.2	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>713</b>	<b>100.0</b>	<b>672</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Percentage of Total Farms:				94.2		5.8		0.0
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.								

**Table B-2**

2021 Morgan 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	1,640	21.4
Moderate	2	25.0	1,711	22.3	191	11.2	1,794	23.4
Middle	5	62.5	5,076	66.3	396	7.8	1,504	19.6
Upper	1	12.5	871	11.4	7	0.8	2,720	35.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>8</b>	<b>100.0</b>	<b>7,658</b>	<b>100.0</b>	<b>594</b>	<b>7.8</b>	<b>7,658</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	2,712	1,288	19.1	47.5	1,180	43.5	244	9.0
Middle	7,408	4,619	68.5	62.4	2,257	30.5	532	7.2
Upper	1,332	840	12.4	63.1	237	17.8	255	19.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>11,452</b>	<b>6,747</b>	<b>100.0</b>	<b>58.9</b>	<b>3,674</b>	<b>32.1</b>	<b>1,031</b>	<b>9.0</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	389	32.3	358	32.5	25	27.5	6	40.0
Middle	717	59.5	646	58.7	63	69.2	8	53.3
Upper	100	8.3	96	8.7	3	3.3	1	6.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,206</b>	<b>100.0</b>	<b>1,100</b>	<b>100.0</b>	<b>91</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.2</b>		<b>7.5</b>		<b>1.2</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	2	1.2	2	1.3	0	0.0	0	0.0
Middle	120	72.3	110	71.0	10	90.9	0	0.0
Upper	44	26.5	43	27.7	1	9.1	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>166</b>	<b>100.0</b>	<b>155</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>93.4</b>		<b>6.6</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</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

## APPENDIX C – 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.