PUBLIC DISCLOSURE

August 21, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community First Bank of the Heartland
RSSD #273840

117 North 10th Street
Mount Vernon, Illinois 62864

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

TABLE OF CONTENTS

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Community First Bank of the Heartland is rated Outstanding. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the AA.
- The borrower's profile analysis reveals excellent distribution among businesses and farms of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized 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. Lending performance was assessed within the bank's AA.

Small business and small farm loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Due to loan product volume and loan portfolio composition, more weight was placed on the small business product. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	March 31, 2018 – June 30, 2023
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	February 26, 2018 – August 20, 2023

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2015 American Community Survey (ACS) data, and certain business and farm demographics are based on 2021 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from $150.7 million to $639.8 million as of June 30, 2023.

To augment this evaluation, one community contact interview with a member of the local community was utilized to ascertain specific credit needs, opportunities, and local market conditions within the bank's AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Community First Bank of the Heartland is an intrastate community bank headquartered in Mount Vernon, Illinois. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Cedar Bancorp, Inc., also located in Mount Vernon, Illinois.
- The bank has total assets of $255.7 million, as of June 30, 2023, representing an increase of 46.7 percent since the last evaluation.
- In addition to its main office in Mount Vernon, the bank operates three additional offices located in Dix, Woodlawn, and a second office in Mount Vernon. A branch located in Ina was closed in June 2019.
- All four offices, including the main office, have cash-dispensing-only ATMs, and the bank maintains a stand-alone cash-dispensing-only ATM at a hospital in Mount Vernon.
- As shown in the following table, the bank's primary business focus is commercial and agricultural lending.

Composition of Loan Portfolio as of June 30, 2023		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans**
Construction and development	$5,275	2.8%
Commercial real estate	$56,317	30.0%
Multifamily residential	$2,857	1.5%
1–4 family residential	$18,339	9.8%
Farmland	$36,215	19.3%
Farm loans	$8,545	4.5%
Commercial and industrial	$54,145	28.8%
Loans to individuals	$476	0.3%
Total other loans	$5,829	3.1%
TOTAL	**$187,998**	**100%**
Note: Percentages may not total 100.0% due to rounding.		

The bank was rated Outstanding under the CRA at its February 26, 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.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA consists of the entirety of Jefferson County, Illinois, which is primarily rural (see Appendix A for an AA map).

- No changes have occurred to the bank's AA delineation since the prior evaluation.

- According to the June 30, 2022, Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, the bank has a market share of 24.2 percent, which ranks second out of nine FDIC-insured depository institutions operating in the AA.

- According to the Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are manufacturing (25.4 percent), healthcare and social assistance (18.4 percent), and retail trade (14.0 percent).

- One community contact interview was conducted with an individual on behalf of a community service organization operating in the AA.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	1	2	6	2	0	**11**
	9.1%	18.2%	54.5%	18.2%	0.0%	**100%**
Family Population	317	1,275	6,432	1,734	0	**9,758**
	3.2%	13.1%	65.9%	17.8%	0.0%	**100%**

- The bank's AA includes one low-income census tract, two moderate-income census tracts, six middle-income census tracts, and two upper-income census tracts. None of the middle-income tracts are considered distressed or underserved. As noted in the table above, 27.3 percent of the AA's census tracts are considered low- and moderate-income (LMI) census tracts, with 16.3 percent of the family population residing in these tracts.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change**
Jefferson County AA	38,578	37,113	-3.8%
NonMSA Illinois	1,486,185	1,421,720	-4.3%
Illinois	12,873,761	12,812,508	-0.5%
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- As noted in the above table, the population of the AA has experienced a declining trend, decreasing 3.8 percent during the review period. NonMSA Illinois has experienced a similar trend, decreasing 4.3 percent during the review period.

Median Family Income Change			
Area	**2015 Median Family Income**	**2020 Median Family Income**	**Percent Change**
Jefferson County AA	$61,897	$64,534	4.3%
NonMSA Illinois	$64,815	$68,958	6.4%
Illinois	$78,169	$86,251	10.3%

Source: 2011–2015 U.S. Census Bureau: American Community Survey
2016–2020 U.S. Census Bureau: American Community Survey
Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- Based on 2015 ACS data, the median family income for the AA was $61,897, while the median family income for nonMSA Illinois was $64,815. More recently, the 2020 median family income for the AA and nonMSA Illinois increased to $64,534 and $68,958, respectively.

Unemployment Rates					
Area	**2018**	**2019**	**2020**	**2021**	**2022**
Jefferson County AA	5.2%	4.4%	10.2%	6.3%	4.6%
NonMSA Illinois	4.9%	4.2%	7.8%	5.2%	4.2%
Illinois	4.4%	4.0%	9.3%	6.1%	4.6%

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- As shown in the preceding table, unemployment levels for the AA remained slightly above the nonMSA and state of Illinois levels, with each experiencing a spike in 2020 due to the COVID-19 pandemic; however, these figures have since declined from the 2020 highs.

Housing Cost Burden						
Area	**Cost Burden – Renters**			**Cost Burden – Owners**		
	Low-Income	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Jefferson County AA	68.9%	27.1%	40.8%	51.0%	20.9%	15.8%
NonMSA Illinois	65.5%	15.7%	35.9%	52.2%	18.4%	14.6%
Illinois	73.2%	29.2%	42.7%	66.2%	33.2%	21.7%

Cost burden is housing cost that equals 30% or more of household income.
Source: 2015–2019 U.S. Department of Housing and Urban Development: Comprehensive Housing Affordability Strategy

- The housing cost burden for homeowners in the AA is similar to nonMSA Illinois, including for low- and moderate-income homeowners.

- The housing cost burden for renters is higher for low- and moderate-income renters in the AA (68.9 percent and 27.1 percent, respectively) compared to the figures for nonMSA Illinois (65.5 percent and 15.7 percent, respectively).

- The housing cost burden data for renters is consistent with information gathered from a community contact, who described difficulties for LMI individuals with respect to rental housing. Specifically, the contact mentioned that rental assistance in the AA is scarce and noted a lack of affordable housing initiatives in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance under the Lending Test is outstanding.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD 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 AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, and geographic location.

Comparative LTD Ratios March 31, 2018–June 30, 2023			
Institution	**Location**	**Asset Size $ (000s)**	**LTD Ratio (%) 22-Quarter Average**
Community First Bank of the Heartland	Mount Vernon, Illinois	$255,700	86.2%
Similarly Situated Institutions			
Regional Banks	Eldorado, Illinois	$639,789	69.8%
	Johnston City, Illinois	$150,730	64.8%

The bank's LTD ratio is more than reasonable. The bank's level of lending is above both regional peer banks. During the review period, the LTD ratio fluctuated but maintained a 22-quarter average of 86.2 percent. In comparison, the LTD ratios for the regional peer banks averaged 69.8 percent and 64.8 percent. As of June 30, 2023, the quarterly LTD ratio was 80.2 percent, down from 88.5 percent at the previous evaluation.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
Small Business	40	67.8%	$4,635	40.2%	19	32.2%	$6,891	59.8%
Small Farm	32	60.4%	$3,272	57.4%	21	39.6%	$2,426	42.6%
TOTAL LOANS	72	64.3%	$7,907	45.9%	40	35.7%	$9,317	54.1%
Note: Percentages may not total 100.0% due to rounding.								

A majority of the bank's loans, by number, are originated inside the AA. However, the introduction of a commercial lending product has attracted some larger-dollar small business customers outside of the AA, which has caused a shift in lending by dollar amounts obtained outside of the AA.

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes. The bank's lending has an excellent distribution among businesses and farms of different sizes.

<u>Small Business Lending</u>

The borrower distribution of small business lending is excellent. As displayed in the following table, the bank's lending to small businesses (85.0 percent) is above the aggregate (55.4 percent) and in line with the demographic (88.2 percent).

Distribution of 2021 Small Business Lending by Revenue Size of Businesses
Assessment Area: Jefferson County

Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	34	85.0%	55.4%	$3,088	66.6%	48.6%	88.2%
	Over $1 Million/ Unknown	6	15.0%	44.6%	$1,547	33.4%	51.4%	11.8%
	TOTAL	**40**	**100.0%**	**100.0%**	**$4,635**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	24	60.0%	93.5%	$1,135	24.5%	43.6%	
	$100,001–$250,000	11	27.5%	4.0%	$1,572	33.9%	18.4%	
	$250,001–$1 Million	5	12.5%	2.5%	$1,928	41.6%	38.0%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**40**	**100.0%**	**100.0%**	**$4,635**	**100.0%**	**100.0%**	
Loan Size / Revenue $1 Million or Less	$100,000 or Less	22	64.7%		$1,052	34.1%		
	$100,001–$250,000	10	29.4%		$1,433	46.4%		
	$250,001–$1 Million	2	5.9%		$603	19.5%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**34**	**100.0%**		**$3,088**	**100.0%**		

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding.

<u>Small Farm Lending</u>

The borrower distribution of small farm lending is excellent. As displayed in the following table, the bank's lending to small farms (100.0 percent) is above the aggregate (59.7 percent) and is the same as the demographic (100.0 percent).

Distribution of 2021 Small Farm Lending by Revenue Size of Farms Assessment Area: Jefferson County		Count			Dollars			Total Farms
Farm Revenue and Loan Size		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Farm Revenue	$1 Million or Less	32	100.0%	59.7%	$3,272	100.0%	65.8%	100.0%
	Over $1 Million/ Unknown	0	0.0%	40.3%	$0	0.0%	34.2%	0.0%
	TOTAL	**32**	**100.0%**	**100.0%**	**$3,272**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	20	62.5%	86.1%	$909	27.8%	43.4%	
	$100,001–$250,000	11	34.4%	12.5%	$1,863	56.9%	43.9%	
	$250,001–$1 Million	1	3.1%	1.4%	$500	15.3%	12.7%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**32**	**100.0%**	**100.0%**	**$3,272**	**100.0%**	**100.0%**	
Loan Size – Revenue $1 Million or Less	$100,000 or Less	20	62.5%		$909	27.8%		
	$100,001–$250,000	11	34.4%		$1,863	56.9%		
	$250,001–$1 Million	1	3.1%		$500	15.3%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**32**	**100.0%**		**$3,272**	**100.0%**		

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within the AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. This analysis did not reveal any conspicuous lending gaps, as the bank made loans in all census tracts within the AA, further supporting the conclusion that the bank's overall geographic distribution of loans is reasonable.

<u>Small Business Lending</u>

The geographic distribution of small business lending is reasonable. The bank's overall distribution of small business loans to low-income census tracts (7.5 percent) approaches the aggregate (10.7 percent), but is below the demographic (14.5 percent). The bank's distribution of small business lending to moderate-income census tracts (12.5 percent) is slightly below the aggregate (14.2 percent), but exceeds the demographic (11.6 percent).

Distribution of 2021 Small Business Lending by Income Level of Geography Assessment Area: Jefferson County							
Tract Income Levels	**Count**			**Dollars**			**Total Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	3	7.5%	10.7%	$263	5.7%	13.3%	14.5%
Moderate	5	12.5%	14.2%	$1,324	28.6%	9.1%	11.6%
Middle	22	55.0%	49.2%	$1,745	37.6%	41.6%	43.0%
Upper	10	25.0%	25.2%	$1,304	28.1%	35.8%	31.0%
Unknown	0	0.0%	0.7%	$0	0.0%	0.1%	0.0%
TOTAL	**40**	**100.0%**	**100.0%**	**$4,636**	**100.0%**	**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% due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is excellent. As displayed in the table below, there are no small farms operating in the AA's low-income census tracts; therefore, the performance rating for this product is based on the lending activity in the moderate-income census tracts. The bank's overall distribution of small farm loans to moderate-income census tracts (9.4 percent) exceeds the aggregate (6.9 percent) and the demographic (1.3 percent).

Distribution of 2021 Small Farm Lending by Income Level of Geography Assessment Area: Jefferson County							
Tract Income Levels	**Count**			**Dollars**			**Total Farms**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	3	9.4%	6.9%	$604	18.5%	15.5%	1.3%
Middle	26	81.3%	86.1%	$2,212	67.6%	82.2%	90.8%
Upper	3	9.4%	5.6%	$456	13.9%	2.1%	7.9%
Unknown	0	0.0%	1.4%	$0	0.0%	0.2%	0.0%
TOTAL	**32**	**100.0%**	**100.0%**	**$3,272**	**100.0%**	**100.0%**	**100.0%**

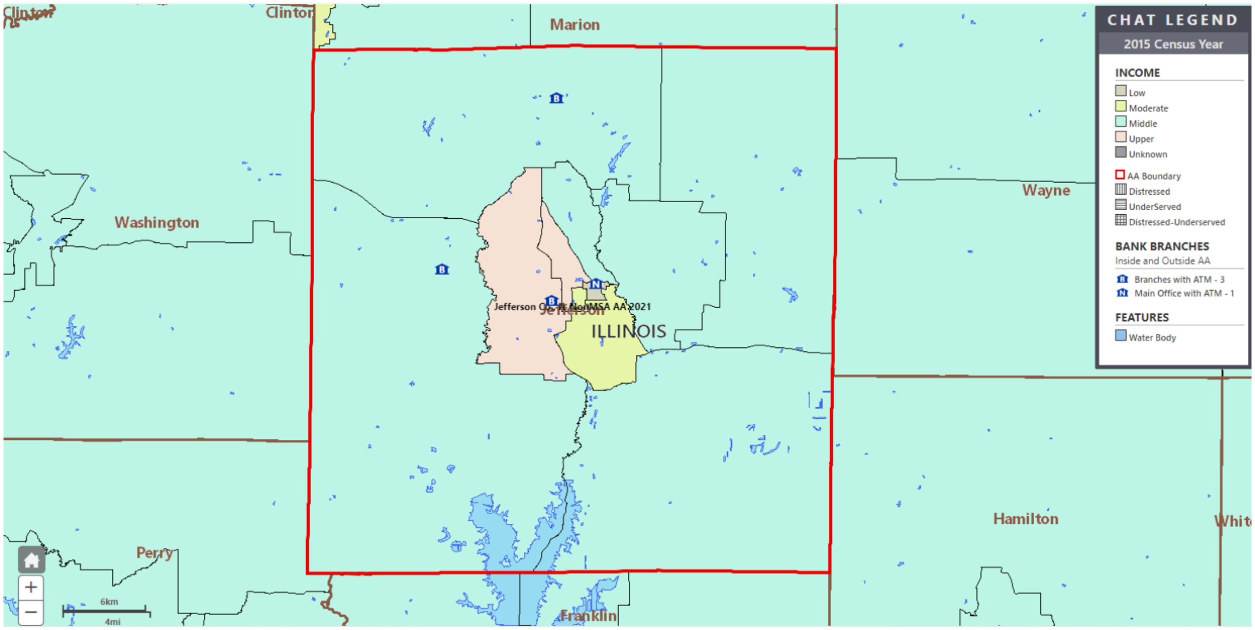
Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

<u>Jefferson County, Illinois Assessment Area</u>



APPENDIX B – 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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., 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 refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an 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 statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). 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.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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