

PUBLIC DISCLOSURE

December 4, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens State Bank of Arlington
RSSD# 274856

128 South Main Street
Arlington, South Dakota 57212

Federal Reserve Bank of Minneapolis

90 Hennepin Avenue
Minneapolis, MN 55401

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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating..... 2

Scope of Examination 2

Description of Institution..... 3

Description of Assessment Area..... 3

Conclusions With Respect to Performance Criteria..... 6

Fair Lending or Other Illegal Credit Practices Review..... 10

Appendix A – Map of the Assessment Area 11

Appendix B – Demographic Information..... 12

Appendix C – Glossary 13

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Citizens State Bank of Arlington (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 area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes.
- Neither the bank nor this Reserve Bank received any 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. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio.
- A statistical sample of 65 small farm loans, 49 consumer loans, and 46 small business loans originated between January 1, 2022, and December 31, 2022.¹ Small farm, small business, and consumer loans represent a significant portion of originations, by dollar amount or volume of loans.

Of the five core performance criteria, examiners placed the greatest weight on borrower distribution. They placed equal weight on NLTD ratio and lending inside the AA. Examiners placed the least weight on geographic distribution of loans. By loan product, examiners placed the greatest weight on small farm loans. Small business and consumer loans were weighted second and third, respectively. The bank and the Reserve Bank have not received any CRA-related complaints since the previous evaluation.

¹In 2020 and 2021, the bank participated in Paycheck Protection Program (PPP) lending through the Small Business Administration (SBA). These loans were designed to help businesses keep their workforces employed during the COVID-19 pandemic. Examiners considered the bank's PPP loans in their evaluation of the bank's small business and small farm loans.

DESCRIPTION OF INSTITUTION

Citizens State Bank of Arlington is a community bank headquartered in Arlington, South Dakota. The bank's characteristics include:

- The bank is not owned by a holding company.
- The bank has total assets of \$141.7 million as of September 30, 2023.
- In addition to its main office in Arlington, the bank has two additional offices located in Sinai and Castlewood, South Dakota.
- The bank operates four cash-dispensing-only ATMs: one at the main office in Arlington, one at the Castlewood office, and two at local convenience stores.
- As shown in Table 1, the bank's primary business focus is agricultural lending. The bank also offers consumer, small business, and residential real estate loans.

Loan Type	\$(000)	%
Agricultural	\$52,593	77.4%
Commercial	\$8,050	11.9%
Residential Real Estate	\$4,506	6.6%
Consumer	\$2,152	3.2%
Other	\$625	0.9%
Gross Loans	\$67,926	100.0%

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

The bank was rated Satisfactory under the CRA at its July 8, 2019, 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 Hamlin County, the eastern portion of Kingsbury County, the western portion of Brookings County, and the western and northern portions of Lake County. See Appendix A for an AA map and Appendix B for additional demographic data.

- There have been no changes to the bank's AA boundaries since the previous evaluation; however, the 2020 U.S. Census resulted in the number of census tracts in the bank's AA increasing from eight to nine because a single census tract in Brookings County was divided into two tracts.
- The AA consists of seven middle-income and two upper-income census tracts. At the previous examination, the AA had one moderate-income census tract. That tract has since been reclassified to a middle-income tract. Hamlin County has two census tracts that are designated as underserved and have been since the previous examination. Kingsbury

County has two census tracts (one of which is in the AA) that are distressed and underserved and have been since the previous examination.

- According to the June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks sixth out of 16 FDIC-insured financial institutions with offices in the AA, capturing 3.9% of the deposits.
- Examiners spoke with three community contacts: two of them work at an organization that specializes in the agricultural economy and one specializes in the needs of local businesses.

Table 2			
Arlington AA Population Change			
Area	2015 Population	2020 Population	Percent Change
Arlington AA 2022	56,221	56,785	1.0%
Brookings County, SD	33,046	34,375	4.0%
Hamlin County, SD	5,982	6,164	3.0%
Kingsbury County, SD	5,107	5,187	1.6%
Lake County, SD	12,086	11,059	-8.5%
NonMSA South Dakota	453,151	454,052	0.2%
South Dakota	843,190	886,667	5.2%

*Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census*

- The population of the AA has increased slightly since 2015, as shown in Table 2. The state of South Dakota’s growth rate is outpacing the AA.
- Community contacts indicated that the population in many parts of the state is aging, but the AA has a higher concentration of younger residents due to the presence of South Dakota State University (SDSU) and the efforts that have been made to retain students in the area.

Table 3			
Arlington AA 2022 Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Arlington AA 2022	\$72,039	\$80,157	11.3%
Brookings County, SD	\$71,663	\$85,362	19.1%
Hamlin County, SD	\$68,262	\$74,052	8.5%
Kingsbury County, SD	\$71,688	\$74,511	3.9%
Lake County, SD	\$79,070	\$78,293	-1.0%
NonMSA South Dakota	\$66,478	\$73,083	9.9%
South Dakota	\$71,276	\$77,042	8.1%

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

- The median family income of the AA is slightly above that of the state of South Dakota, as shown in Table 3. The growth rate of income in the AA is also higher than the state.
- Based on 2022 FFIEC adjusted census data, low- and moderate-income households make up 33.8% of all households in the AA. In addition, 12.2% of AA households are below the poverty level.
- Bank management indicated average wages for general labor in the AA are around \$15 to \$17 per hour. A community contact indicated that the average yearly wages in the Brookings area for private and public sectors are \$54,875 and \$52,258, respectively.

Table 4			
Arlington AA 2022 Unemployment Rates			
Area	2019	2020	2021
Arlington AA 2022	2.8%	3.8%	3.1%
Brookings County, SD	2.8%	4.1%	3.2%
Hamlin County, SD	2.8%	3.2%	2.4%
Kingsbury County, SD	2.6%	3.5%	2.9%
Lake County, SD	3.0%	3.6%	3.0%
NonMSA South Dakota	3.0%	4.4%	3.3%
South Dakota	2.8%	4.3%	3.1%

Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics

- As shown in Table 4, the unemployment rates in the AA and the state have fluctuated slightly, with an increase in rates in 2020 due to the COVID-19 pandemic.
- Agriculture is the primary driver of the economy. Bank management and community contacts indicated that the agricultural economy has remained strong through the pandemic due to strong crop prices and yields.

- According to the bank and a community contact, the main nonfarm employment in the AA includes higher education, health care, and manufacturing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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 AA, and comparison to similarly situated FDIC-insured institutions. There are no similarly situated FDIC-insured institutions operating in the bank’s AA for comparison purposes. The bank’s NLTD ratio is reasonable.

The bank’s average NLTD ratio for the past 18 quarters is 57.6%. At the previous evaluation, the bank’s 16-quarter average NLTD ratio was 82.6%. Since then, the NLTD ratio has ranged from a low of 44.3% (in September 2022) to a high of 80.9% (in June 2019). The bank’s NLTD steadily decreased during the evaluation period, primarily due to lower loan demand and higher deposits. According to bank management, strong crop yields and prices along with PPP lending have brought in a lot of cash to the area, which has increased deposit balances.

As of September 30, 2023, the bank’s NLTD ratio was 53.4%, which is below the peer group NLTD ratio of 72.6%. The bank’s peer group includes insured commercial banks having assets between \$100 million and \$300 million.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of the bank’s loans, by number and dollar, inside the AA. The majority of loans outside the assessment area are in census tracts or counties adjacent to the AA as well as in the nearby Sioux Falls market.

Loan Type	Inside				Outside			
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%
Consumer (Non-Real Estate)	34	69.4	580	70.2	15	30.6	247	29.8
Small Business	28	60.9	2,038	58.3	18	39.1	1,456	41.7
Small Farm	50	76.9	4,423	85.3	15	23.1	760	14.7
Total Loans	112	70.0	7,041	74.1	48	30.0	2,463	25.9

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 AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s AA contains seven middle-income and two upper-income census tracts. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. No unexplained gaps in lending were identified.

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

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

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank originated 67.9% of small business loans to businesses with gross annual revenues of \$1 million or less, as shown in Table 6. The bank’s lending to small businesses is below demographics, which indicate that 89.8% of businesses in the AA have gross annual revenues of \$1 million or less; however, 84.2% of the bank’s small business loans were for \$100,000 or less. Furthermore, out of the nine loans made to large businesses, five were made to two borrowers, which supports the conclusion that most of the bank’s commercial customers are small businesses.

Table 6					
Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Arlington AA					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	19	67.9	1,113	54.6	89.8
Over \$1 Million	9	32.1	925	45.4	7.2
Revenue Unknown	0	0.0	0	0.0	3.1
Total	28	100.0	2,038	100.0	100.0
By Loan Size					
\$100,000 or Less	21	75.0	703	34.5	
\$100,001 - \$250,000	6	21.4	978	48.0	
\$250,001 - \$1 Million	1	3.6	357	17.5	
Total	28	100.0	2,038	100.0	

Table 6 Distribution of 2022 Small Business Lending By Revenue Size of Businesses Assessment Area: Arlington AA					
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	16	84.2	473	42.5	
\$100,001 - \$250,000	2	10.5	283	25.4	
\$250,001 - \$1 Million	1	5.3	357	32.1	
Total	19	100.0	1,113	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank originated 92.0% of small farm loans to farms with gross annual revenue of \$1 million or less, as shown in Table 7. The bank's lending to small farms is slightly below demographics, which indicate that 96.4% of farms in the AA have gross annual revenues of \$1 million or less. By dollar amount, 87.0% of the bank's loans were made to small farms. In addition, 91.1% of the loans made to larger farms were the proceeds from two loans, which impacted the overall percentage of lending to small farms. Bank management indicated that the bank faces competition for small farm loans from Farm Credit Services of America, a regional agricultural lender. In addition, 68.0% of the bank's small farm loans were for \$100,000 or less, which indicates the bank's willingness to serve the credit needs of small farms.

Table 7 Distribution of 2022 Small Farm Lending By Revenue Size of Farms Assessment Area: Arlington AA					
	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	46	92.0	3,848	87.0	96.4
Over \$1 Million	4	8.0	576	13.0	3.6
Revenue Unknown	0	0.0	0	0.0	0.0
Total	50	100.0	4,423	100.0	100.0

Table 7 Distribution of 2022 Small Farm Lending By Revenue Size of Farms Assessment Area: Arlington AA					
By Loan Size					
\$100,000 or Less	34	68.0	1,308	29.6	
\$100,001 - \$250,000	11	22.0	1,565	35.4	
\$250,001 - \$500,000	5	10.0	1,550	35.0	
Total	50	100.0	4,423	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	32	69.6	1,258	32.7	
\$100,001 - \$250,000	10	21.7	1,365	35.5	
\$250,001 - \$500,000	4	8.7	1,225	31.8	
Total	46	100.0	3,848	100.0	
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

Consumer Lending

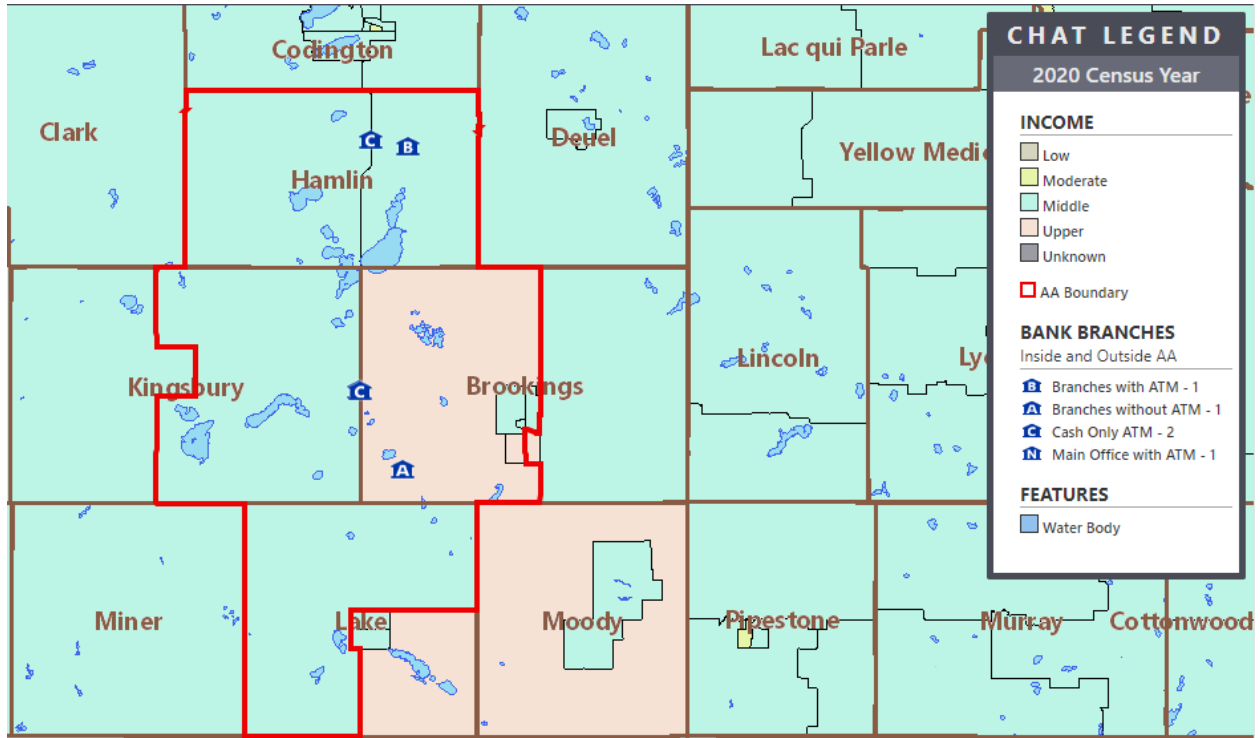
The borrower distribution of consumer lending is excellent. Overall, 70.6% of the bank’s consumer loans were made to LMI borrowers, as shown in Table 8. The bank’s lending to low-income borrowers is significantly above demographics at 47.1%, which indicates that 19.4% of households in the AA are low income. The bank’s lending to moderate-income borrowers (23.5%) is also above demographics at 14.5%. By dollar amount, 57.9% of the bank’s loans were made to LMI borrowers, which further demonstrates the bank’s willingness to serve LMI borrowers.

Table 8 Distribution of 2022 Other Loan Data Lending By Borrower Income Level Assessment Area: Arlington AA					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	##%	\$(000)	%	
Low	16	47.1	234	40.3	19.4
Moderate	8	23.5	102	17.6	14.5
Middle	6	17.6	149	25.7	20.4
Upper	3	8.8	74	12.8	45.8
Unknown	1	2.9	20	3.4	0.0
Total	34	100.0	580	100.0	100.0
Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

2022 Arlington 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	1,143	14.6
Moderate	0	0.0	0	0.0	0	0.0	1,214	15.5
Middle	7	77.8	4,995	63.9	320	6.4	1,939	24.8
Upper	2	22.2	2,825	36.1	92	3.3	3,524	45.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	7,820	100.0	412	5.3	7,820	100.0
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	
Moderate	0	0	0.0	0	0.0	0	0.0	
Middle	11,108	5,554	61.8	50.0	3,625	32.6	1,929	17.4
Upper	4,805	3,433	38.2	71.4	962	20.0	410	8.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,913	8,987	100.0	56.5	4,587	28.8	2,339	14.7
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	1,267	76.3	1,124	75.4	101	84.9	42	82.4
Upper	393	23.7	366	24.6	18	15.1	9	17.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,660	100.0	1,490	100.0	119	100.0	51	100.0
Percentage of Total Businesses:				89.8		7.2		3.1
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	262	72.2	253	72.3	9	69.2	0	0.0
Upper	101	27.8	97	27.7	4	30.8	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	363	100.0	350	100.0	13	100.0	0	0.0
Percentage of Total Farms:				96.4		3.6		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

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.

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.