



PUBLIC DISCLOSURE

July 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Five Points Bank of Hastings
RSSD# 386450

2815 Osborne Drive West
Hastings, Nebraska 68901

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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating 2
Scope of Examination 2
Description of Institution 3
Description of Assessment Area 4
Conclusions With Respect to Performance Tests 5
Fair Lending or Other Illegal Credit Practices Review 11
Appendix A – Map of the Assessment Area 12
Appendix B – Demographic Information..... 13
Appendix C – Glossary..... 14

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Satisfactory**

Five Points Bank of Hastings (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- 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 businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.
- Community development (CD) activity reflects adequate responsiveness to CD needs of the bank's AA.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available CRA aggregate data for the most recent three years (2020, 2021, and 2022) was referenced for additional perspective to gauge credit demand within the bank's AA. Performance was assessed in the bank's only AA, the Adams County AA. Examiners reviewed the following data:

- The bank's 11-quarter average NLTD ratio;
- A statistical sample of 70 small business loans selected from a universe of 108 loans; originated from January 1, 2023 through December 31, 2023;
- A statistical sample of 62 small farm loans selected from a universe of 90 loans originated from January 1, 2023 through December 31, 2023; and
- CD loans, qualified investments, and CD services from December 7, 2021 through May 31, 2024.

For this evaluation, greater weight was placed on small business lending based on the bank’s strategic commercial focus and loan portfolio composition when compared to small farm loans. Greater consideration was also given to the volume of loan originations rather than the dollar amount, as origination volume is more representative of the number of entities served.

DESCRIPTION OF INSTITUTION

Five Points Bank of Hastings is a community bank headquartered in Hastings, Nebraska. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Hometown Banc Corp., Grand Island, Nebraska.
- The bank has total assets of \$533.3 million (MM) as of March 31, 2024.
- In addition to the main office in Hastings, the bank has two additional offices located in Hastings.
- The bank operates two full-service automated teller machines (ATMs) located at the main office and at the South Burlington office. In addition, the bank operates a cash dispensing-only ATM at the St. Joseph office, and three standalone cash-only ATMs located throughout the community of Hastings.
- As shown in the table below, the bank’s primary business focus is commercial and agricultural lending.

Table 1

Composition of Loan Portfolio as of March 31, 2024		
Loan Type	\$(000)	%
Construction and Land Development	16,480	6.7
Farmland	48,200	19.6
1- to 4-Family Residential Real Estate	20,694	8.4
Multifamily Residential Real Estate	7,989	3.2
Nonfarm Nonresidential Real Estate	76,222	30.9
Agricultural	31,209	12.7
Commercial and Industrial	38,702	15.7
Consumer	3,301	1.3
Other	3,530	1.4
Gross Loans	246,327	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its December 6, 2021 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 Adams County AA consists of Adams County, Nebraska, in its entirety. Refer to Appendix A for an AA map and Appendix B for additional demographic data.

- The AA remains unchanged from the prior CRA evaluation.
- The Adams County AA is comprised of one low-, two moderate-, three middle-, and three upper-income census tracts. Although the delineation remains unchanged, at the prior evaluation the AA was comprised of one moderate-, five middle-, and three upper-income census tracts.
- Based on the June 30, 2023 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank’s deposit market share of 33.5 percent ranks 1st of 11 FDIC-insured depository institutions operating in the AA.

Table 2

Population Change Assessment Area: Adams County			
Area	2015 Population	2020 Population	Percent Change
Adams County	31,442	31,205	(0.8)
NonMSA Nebraska	679,331	672,190	(1.1)
Nebraska	1,869,365	1,961,504	4.9
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011 – 2015 U.S. Census Bureau: American Community Survey</i>			

- Hastings, Nebraska (25,152 residents) accounts for approximately 80.6 percent of the AA’s population. Other communities in the AA include Kenesaw Village (919 residents) and Juniata Village (748 residents).
- The AA’s 2020 population of 31,205 residents represents 1.6 percent of the state of Nebraska’s population.

Table 3

Median Family Income Change Assessment Area: Adams County			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Adams County	73,196	73,890	0.9
NonMSA Nebraska	67,146	71,424	6.4
Nebraska	73,448	80,125	9.1
<i>Source: 2011 – 2015 U.S. Census Bureau: American Community Survey 2016 – 2020 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- Approximately 36.9 percent of the families in the AA were low- and moderate-income (LMI), which is comparable to the statewide figure at 37.2 percent.

Table 4

Housing Cost Burden						
Assessment Area: Adams County						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Adams County	80.2	16.0	42.2	62.9	14.8	13.7
NonMSA Nebraska	62.8	15.0	30.7	55.5	19.3	15.4
Nebraska	71.4	24.2	36.2	60.6	26.7	15.9

Cost Burden is housing cost that equals 30 percent or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2016 – 2020 Comprehensive Housing Affordability Strategy

- The AA had a total of 13,972 housing units of which 62.3 percent were owner-occupied, 29.2 percent were rental units, and 8.5 percent were vacant.

Table 5

Unemployment Rates					
Assessment Area: Adams County					
Area	2018	2019	2020	2021	2022
Adams County	3.0	3.3	4.1	2.6	2.2
NonMSA Nebraska	2.8	3.0	3.5	2.3	2.2
Nebraska	2.9	3.1	4.3	2.7	2.3

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The labor force participation in Adams County, at 67.3 percent, is comparable to the statewide figure of 69.4 percent.
- Major employers in the area include Mary Lanning Memorial Hospital, Hastings Public Schools, Thermo King, Good Samaritan Village, WR Reserve, and Central Community College.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank’s overall lending test performance is Satisfactory. The bank’s performance under each of the performance criterion, including the net loan-to-deposit ratio, lending inside the bank’s AA, geographic distribution by income level of census tracts, and the distribution of lending by size of businesses and farms is considered reasonable.

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 in comparison, to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and the area where they are located.

The bank’s NLTD ratio is reasonable, and its 11-quarter average NLTD ratio fell within the range of three similarly situated institutions with NLTD ratios from 35.7 percent to 89.5 percent.

Table 6

Comparative NLTD Ratios September 30, 2021 – March 31, 2024			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			11 Quarter Average
Five Points Bank of Hastings	Hastings, Nebraska	533,338	49.5
Similarly Situated Institutions			
Heartland Bank	Geneva, Nebraska	876,212	70.8
Home Federal Savings and Loan Association of Grand Island	Grand Island, Nebraska	463,040	89.5
Heritage Bank	Wood River, Nebraska	579,059	35.7

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The majority of the bank’s small business loans were originated inside the AA by both number and dollar. However, the majority of the bank’s small farm loans by both number and dollar were originated outside the AA as a result of limited lending opportunities within the AA. Overall, the bank originated a majority of loans, by number and dollar, inside the AA.

Table 7

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	55	78.6	12,667	78.2	15	21.4	3,537	21.8
Small Farm	30	48.4	4,352	40.0	32	51.6	6,522	60.0
Total Loans	85	64.4	17,019	62.9	47	35.6	10,059	37.1

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

Small Business Lending

The geographic distribution of small business lending is reasonable. While the bank’s performance in the low-income census tract is below the percent of area businesses operating in this tract (demographic figure), the bank’s performance in the moderate-income census tracts is above the demographic figure. An analysis of the dispersion of loans among the various tracts throughout the AA revealed conspicuous gaps and lapses in lending. However, this did not impact the overall conclusions as the AA gap is comprised primarily of state land, a previous ammunition depot, and land dedicated to meat production, all which is unable to be developed. According to a community member, there is limited opportunity for business activity in the geography where limited lending occurred.

Table 8

Distribution of 2023 Small Business Lending By Income Level of Geography					
Assessment Area: Adams County					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	2	3.6	380	3.0	5.8
Moderate	19	34.5	6,835	54.0	24.2
Middle	20	36.4	4,163	32.9	42.4
Upper	14	25.5	1,289	10.2	27.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	55	100.0	12,667	100.0	100.0

Source: 2023 FFIEC Census Data
2023 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 geographic distribution of small farm lending is reasonable. While the bank originated no small farm loans in the low-income census tract, this is comparable to the low percent of total farms operating in this tract (demographic figure). The bank’s lending in moderate-income census tracts is above the demographic figure. A review of the dispersion of loans among various tracts throughout the AA revealed conspicuous gaps and lapses in lending. However, this did not impact the conclusions due to the undeveloped nature of the portion of the AA that includes the gap.

Table 9

Distribution of 2023 Small Farm Lending By Income Level of Geography					
Assessment Area: Adams County					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	1.4
Moderate	5	16.7	618	14.2	5.8
Middle	9	30.0	1,070	24.6	53.6
Upper	16	53.3	2,664	61.2	39.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	30	100.0	4,352	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

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

Lending to Businesses and Farms of Different Sizes

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

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to businesses with revenues of \$1MM or less is below the percent of area businesses with revenues of \$1MM or less (demographic figure). While not a direct comparator, the three-year average for aggregate lenders was 54.7 percent by number and 45.9 percent by dollar, indicating a lower level of credit demand than the demographic figure reflects. Additionally, when reviewing loans by loan size, 69.1 percent of the bank’s small business loans were originated in amounts of \$250,000 or less, which demonstrates a willingness to meet smaller credit demands typically associated with small businesses.

Table 10

Distribution of 2023 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Adams County					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	27	49.1	4,396	34.7	89.5
Over \$1 Million	26	47.3	7,940	62.7	9.5
Revenue Unknown	2	3.6	330	2.6	1.0
Total	55	100.0	12,667	100.0	100.0
By Loan Size					
\$100,000 or Less	24	43.6	1,190	9.4	
\$100,001 - \$250,000	14	25.5	2,430	19.2	
\$250,001 - \$1 Million	17	30.9	9,046	71.4	
Total	55	100.0	12,667	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	16	59.3	782	17.8	
\$100,001 - \$250,000	5	18.5	725	16.5	
\$250,001 - \$1 Million	6	22.2	2,889	65.7	
Total	27	100.0	4,396	100.0	
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The bank’s lending to farms with gross annual revenues of \$1MM or less is comparable to the demographic figure. Again, while not a direct comparator, the three-year average for aggregate lenders in the AA of 53.7 percent by number and 75.4 percent by dollar indicate a lower level of credit demand in the area.

Table 11

Distribution of 2023 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Adams County					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	21	70.0	2,471	56.8	98.1
Over \$1 Million	7	23.3	1,791	41.2	1.9
Revenue Unknown	2	6.7	90	2.1	0.0
Total	30	100.0	4,352	100.0	100.0
By Loan Size					
\$100,000 or Less	18	60.0	1,061	24.4	
\$100,001 - \$250,000	5	16.7	895	20.6	
\$250,001 - \$500,000	7	23.3	2,396	55.1	
Total	30	100.0	4,352	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	13	61.9	696	28.2	
\$100,001 - \$250,000	5	23.8	895	36.2	
\$250,001 - \$500,000	3	14.3	880	35.6	
Total	21	100.0	2,471	100.0	
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank’s responsiveness to CD needs of its AA through CD loans, qualified investments and donations, and CD services, considering the bank’s capacity and the need and availability of such opportunities in the bank’s AA.

The bank’s overall CD test performance is Satisfactory and demonstrates adequate responsiveness, with the majority of CD activities providing community services to the AA. Examples of CD activities include:

- Three loans totaling \$831,000 to local housing development corporations that provide affordable housing programs.
- Nine donations totaling \$207,000 to local AA organizations that offer assistance with food, rent, utilities, and education for LMI individuals.

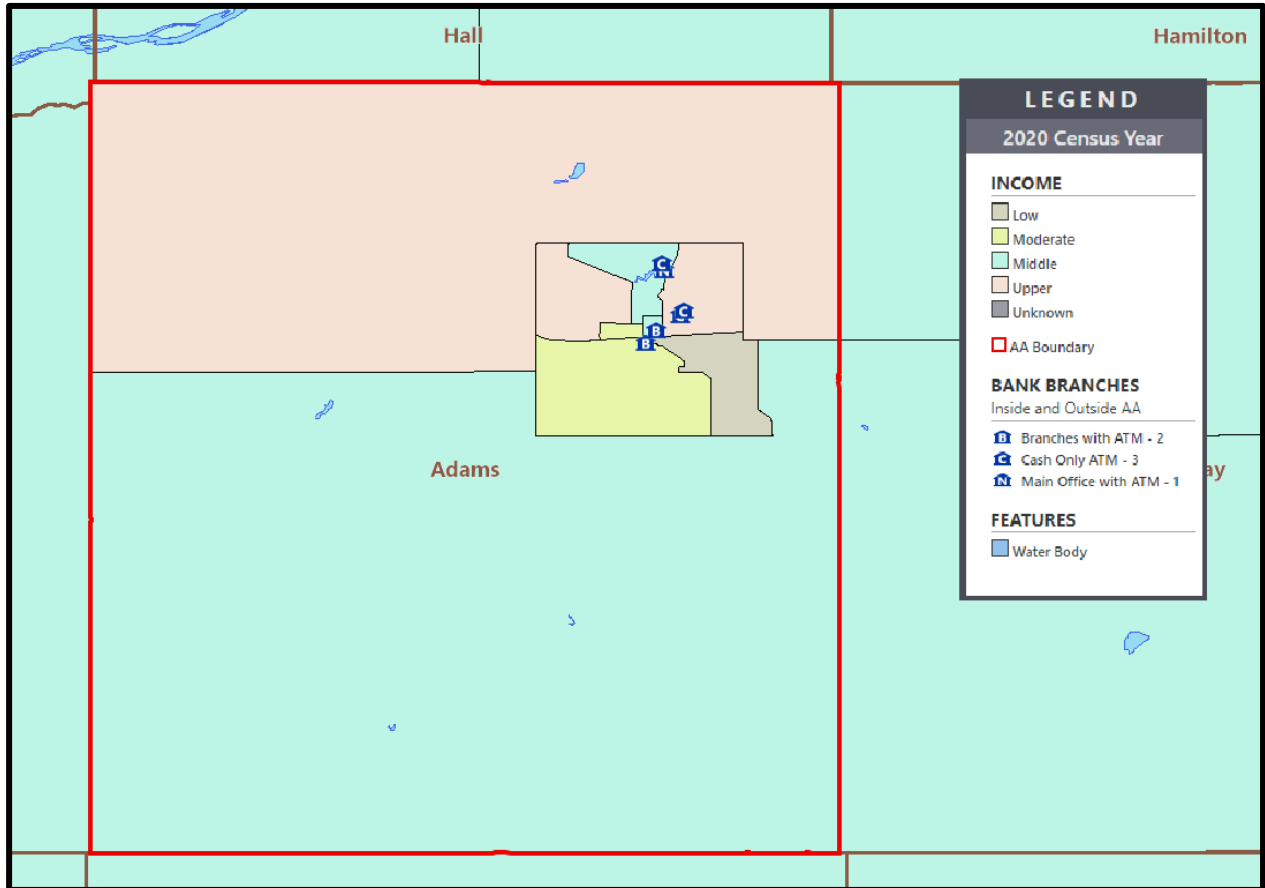
Table 12

Community Development Activity Assessment Area: Adams County									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	3	\$831	0	\$0	0	\$0	0	\$0	2
Community Services	5	\$1,100	0	\$0	9	\$207	9	\$207	12
Economic Development	4	\$2,375	0	\$0	3	\$60	3	\$60	3
Revitalization and Stabilization	0	\$0	0	\$0	0	\$0	0	\$0	0
Totals	12	\$4,306	0	\$0	12	\$267	12	\$267	17

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.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2023 Adams County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	11.1	486	6.0	80	16.5	1,651	20.4
Moderate	2	22.2	1,748	21.6	312	17.8	1,332	16.5
Middle	3	33.3	2,209	27.3	142	6.4	1,808	22.4
Upper	3	33.3	3,642	45.0	100	2.7	3,294	40.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	8,085	100.0	634	7.8	8,085	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,305	424	4.9	32.5	743	56.9	138	10.6
Moderate	3,127	1,566	18.0	50.1	1,235	39.5	326	10.4
Middle	3,557	2,316	26.6	65.1	936	26.3	305	8.6
Upper	5,983	4,398	50.5	73.5	1,168	19.5	417	7.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	13,972	8,704	100.0	62.3	4,082	29.2	1,186	8.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	82	5.8	65	5.2	17	12.8	0	0.0
Moderate	340	24.2	302	24.0	34	25.6	4	28.6
Middle	595	42.4	537	42.8	55	41.4	3	21.4
Upper	386	27.5	352	28.0	27	20.3	7	50.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,403	100.0	1,256	100.0	133	100.0	14	100.0
Percentage of Total Businesses:				89.5	9.5	1.0		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3	1.4	3	1.5	0	0.0	0	0.0
Moderate	12	5.8	12	5.9	0	0.0	0	0.0
Middle	111	53.6	109	53.7	2	50.0	0	0.0
Upper	81	39.1	79	38.9	2	50.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	207	100.0	203	100.0	4	100.0	0	0.0
Percentage of Total Farms:				98.1	1.9	0.0		
Source: 2023 FFIEC Census Data 2023 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.

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.