

# **PUBLIC DISCLOSURE**

January 22, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Washington State Bank  
RSSD# 433943

121 South Marion Avenue  
Washington, Iowa 52353

Federal Reserve Bank of Chicago

230 South LaSalle Street  
Chicago, Illinois 60604-1413

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 CRA RATING

**Washington State Bank is rated: Satisfactory**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

Washington State Bank is meeting the credit needs of its assessment areas consistent with its branch locations, asset size, and local economic conditions, based on an analysis of lending and community development activities. Washington State Bank's average loan-to-deposit ratio is reasonable given the bank's asset size, general market conditions, financial condition, and the assessment areas' credit needs. A majority of loans are originated in the bank's combined assessment area. The geographic distribution of loans reflects excellent dispersion throughout the bank's assessment areas. In addition, loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and to businesses and farms of different sizes. Finally, no Community Reinvestment Act (CRA) related complaints have been received by the bank or by this Reserve Bank since the previous evaluation.

Washington State Bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. The performance is appropriate, considering the bank's capacity, as well as the need and availability of community development opportunities within the bank's assessment areas.

## SCOPE OF EXAMINATION

Washington State Bank's CRA performance was evaluated using the Intermediate Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). Performance was evaluated in the context of information about the institution and its assessment areas, including asset size, financial condition, competition, and economic and demographic characteristics. The bank's previous CRA performance, conducted on October 15, 2019, was evaluated using the FFIEC's Small Institution CRA Examination Procedures, which do not include an evaluation of community development activities; therefore, this is the first evaluation of community development for this institution.

The bank's combined assessment area is comprised of one partial metropolitan statistical area (MSA) and three non-metropolitan statistical areas (Non-MSAs) in southeast Iowa. The bank delineates the entirety of Washington County, Iowa, which is a portion of the Iowa City, Iowa MSA #26980 (Iowa City, IA MSA) as its MSA assessment area. The three Non-MSA assessment areas include Jefferson County in its entirety (the Fairfield, IA Non-MSA assessment area), Louisa County in its entirety (Columbus Junction, IA Non-MSA assessment area), and a portion of Marion County (the Pella, IA Non-MSA assessment area). The bank's Iowa City, IA MSA assessment area and the Columbus Junction, IA Non-MSA assessment area received full-scope reviews based on

the bank's deposit market share, economic and demographic characteristics, and community development needs. The Fairfield, IA Non-MSA assessment area received a limited-scope review to be evaluated for consistency with the bank's performance in the full review assessment areas. The Pella, IA Non-MSA was not included in this evaluation due its addition to the bank's combined assessment area starting on May 31, 2023 when the bank opened a limited-service branch in Pella.

The bank's assessment area in the Iowa City, IA MSA was given greater weight based on the percentage of Home Mortgage Disclosure Act (HMDA) reportable loans, small business and small farm loan volume, the number of branches in the bank's branch network, and deposit market share. Loan products reviewed include HMDA-reportable loans from January 1, 2021 to December 31, 2022, and statistical samples of small business and small farm loans from January 1, 2022 to December 31, 2022. These are the bank's primary business lines based on volume by number and dollar amount; however, more weight was given to the bank's HMDA-reportable lending due to the bank's loan portfolio and business strategy.

The bank's level of community development activities in loans, investments, and community services from October 16, 2019 to January 22, 2024 in each assessment area was also evaluated. The bank's performance in the limited-scope assessment area was evaluated for consistency with the bank's performance in the full-scope review assessment areas.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit ratio from September 30, 2019 to September 30, 2023 was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022, and a statistical sample of small business and small farm loans originated from January 1, 2022 to December 31, 2022, were reviewed to determine the percentage of loans originated within the combined assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022, and a statistical sample of small business and small farm loans originated within the assessment area from January 1, 2022 to December 31, 2022, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank's HMDA-reportable loans originated from January 1, 2021 to December 31, 2022,

and a statistical sample of small business and small farm loans originated within the assessment area from January 1, 2022 to December 31, 2022, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses and farms of different revenue sizes.

- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from October 15, 2019 to January 22, 2024, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, three community representatives in the areas of affordable housing and economic development were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the full-scope assessment areas. All three community representatives spoke to conditions in Washington County; one of the three spoke to both Washington and Louisa Counties.

## DESCRIPTION OF INSTITUTION

Washington State Bank (WSB) is an intrastate community bank headquartered in Washington, Iowa. The bank is a wholly owned subsidiary of W.S.B. Inc., a one-bank holding company with no additional affiliates or subsidiaries. The bank has six locations, including the main office, two full-service branches, two limited-service branches, and a drive-thru only branch. Four locations have a full-service automated teller machine (ATM), with the exception of the limited-service branches, which do not have ATMs.

According to the Uniform Bank Performance Report (UBPR), the bank has total assets of \$548.5 million as of September 30, 2023. Based on the loan portfolio mix, the bank’s primary business products are residential real estate lending, agricultural lending, and commercial lending, though the bank’s primary business focus is residential real estate lending and, to a lesser extent, agricultural lending.

The bank provides a variety of retail banking products that are uniformly available to the communities in its combined assessment area. Loan and deposit products are standard and generally non-complex and include, but are not limited to, the following: commercial, agricultural, 1-4 family residential, consumer loans, as well as personal checking, savings, NOW accounts, certificate of deposits, and retirement accounts. Additionally, the bank participated in the Small Business Administration’s (SBA) Paycheck Protection Program (PPP) in response to the COVID-19

pandemic. Consumers may also conduct online banking transactions through the bank’s website at [www.washsb.com](http://www.washsb.com).

Details of the bank’s loan portfolio mix is presented in the following table.

<b>Composition of Loan Portfolio</b> as of <b>September 30, 2023</b> (\$ in 000's)		
<b>Type</b>	<b>\$</b>	<b>%</b>
Residential Real Estate	139,675	48.4
Agriculture	79,707	27.6
Commercial	64,066	22.2
Consumer	3,876	1.3
Other	1,523	0.5
<b>Total</b>	<b>288,847</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial or other factors impeding the bank’s ability to help meet the credit needs in its communities.

The bank was rated **satisfactory** under the CRA at its previous evaluation conducted on October 15, 2019.

#### **DESCRIPTION OF ASSESSMENT AREA**

Washington State Bank is an intrastate bank that operates in southeast Iowa and includes three designated assessment areas, including a portion of the Iowa City, IA MSA #26980 (encompassing all of Washington County) with the county seat being the city of Washington; Fairfield, IA Non-MSA (encompassing all of Jefferson County) with Fairfield, Iowa, as the county seat; and Columbus Junction, IA Non-MSA (encompassing all of Louisa County) with a county seat in Wapello, Iowa. One non-contiguous assessment area, Pella, IA Non-MSA (encompassing a portion of Marion County) has been added to the combined assessment area since the prior examination, in conjunction with the opening of a limited-service branch (lending only) in Pella, Iowa on May 31, 2023. As this change occurred shortly before the date of this performance evaluation, it will not be considered as part of the CRA performance evaluation.

As of 2022, the combined assessment area includes 14 census tracts, including five moderate- and nine middle-income census tracts. Three moderate-income census tracts are located in Washington County, and two moderate-income census tracts are located in Jefferson County. The Columbus Junction, IA Non-MSA assessment area is composed of three middle-income census tracts, all of which were designated as “underserved” in 2021 and 2022 by the Federal Financial Institutions Examination Council (FFIEC) because of their rural (remote) location.

2022 Combined Assessment Area AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,948	22.4
Moderate	5	35.7	3,843	29.2	308	8.0	2,999	22.8
Middle	9	64.3	9,334	70.8	577	6.2	3,222	24.5
Upper	0	0.0	0	0.0	0	0.0	4,008	30.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>13,177</b>	<b>100.0</b>	<b>885</b>	<b>6.7</b>	<b>13,177</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	6,821	3,982	28.1	58.4	2,172	31.8	667	9.8
Middle	15,692	10,210	71.9	65.1	3,710	23.6	1,772	11.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>22,513</b>	<b>14,192</b>	<b>100.0</b>	<b>63.0</b>	<b>5,882</b>	<b>26.1</b>	<b>2,439</b>	<b>10.8</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	1,018	34.6	915	34.0	91	46.7	12	23.1
Middle	1,924	65.4	1,780	66.0	104	53.3	40	76.9
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
<b>Total AA</b>	<b>2,942</b>	<b>100.0</b>	<b>2,695</b>	<b>100.0</b>	<b>195</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.6</b>		<b>6.6</b>		<b>1.8</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	55	11.3	55	11.4	0	0.0	0	0.0
Middle	432	88.7	426	88.6	5	100.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>487</b>	<b>100.0</b>	<b>481</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.8</b>		<b>1.0</b>		<b>0.2</b>
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; 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>								

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LENDING TEST

Washington State Bank's performance relative to the lending test is **Satisfactory**. Overall, the bank is meeting the credit needs of its assessment areas based on the analysis of the bank's lending activities. The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and the assessment areas' credit needs. A majority of HMDA-reportable, small business, and small farm loans are originated within the bank's combined assessment area. The geographic distribution of loans reflects excellent dispersion throughout the bank's assessment areas. In addition, the distribution of loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and to businesses and farms of different sizes. Finally, no CRA-related complaints have been received by the bank nor this Reserve Bank since the previous evaluation.

The bank's lending test performance in the Iowa City, IA MSA assessment area carries more weight in the overall performance based on the concentration of deposits, loan volume, and branches. In addition, more weight was given to the bank's HMDA-reportable lending due to the bank's loan portfolio and business strategy.

### Loan-to-Deposit Ratio

Washington State Bank has a reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment areas, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.

As of September 30, 2023, the bank's loan-to-deposit (LTD) ratio averaged 67.6 percent over a 17-quarter period. The bank's LTD ratio at the prior evaluation was 83.3 percent. The bank's business strategy since the prior evaluation led to increased total deposits according to bank management, which has impacted the LTD ratio. A sample of competitors were chosen based on market share in the assessment areas and similar asset sizes. The bank's ratio was below the average of its competitors (local peer average) during the same period of 77.9 percent. The following table compares the bank's LTD ratio to its local competitors.



Comparative Loan-to-Deposit Ratios as of September 30, 2023	
Comparative Data	17-Quarter Average (%)
Washington State Bank	67.6
Peer Avg – Local	77.9
Competitors	
Bank	95.1
Iowa State Bank & Trust Co.	92.0
Pilot Grove Savings Bank	84.4
Mediapolis Savings Bank	82.4
Libertyville Savings Bank	71.3
Federation Bank	63.1
Community Bank & Trust Co.	57.3

### Assessment Area Concentration

WSB made a majority of its loans, and as appropriate, other lending-related activities, in the bank’s the assessment area. As presented in the table below, the bank originated 64.3 percent of all loans by number and 54.7 percent of all loans by dollar amount within the combined assessment area. For comparison, at the previous evaluation, 81.5 percent of loans by number and 82.0 percent of loans by dollar amount were made within the assessment areas. The decrease compared to the prior evaluation is due to the bank’s relationship with realtors who generate business outside the assessment areas, according to bank management.

Overall, 61.8 percent of HMDA-related loans by number were originated in the combined assessment area. The bank originated, by number, a larger percentage of small business loans (75.4 percent) and small farm loans (75.7 percent) within the combined assessment area compared to total HMDA-related loans (61.8 percent).

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase - Conventional	219	58.2	29,371	51.8	157	41.8	27,299	48.2
Refinance	158	67.5	20,157	61.0	76	32.5	12,893	39.0
Multi-Family Housing	3	37.5	535	10.0	5	62.5	4,805	90.0
Home Improvement	15	71.4	479	69.4	6	28.6	211	30.6
<b>Total HMDA Related</b>	<b>395</b>	<b>61.8</b>	<b>50,542</b>	<b>52.8</b>	<b>244</b>	<b>38.2</b>	<b>45,208</b>	<b>47.2</b>
<b>Total Small Business Related</b>	<b>52</b>	<b>75.4</b>	<b>3,926</b>	<b>56.3</b>	<b>17</b>	<b>24.6</b>	<b>3,050</b>	<b>43.7</b>
<b>Total Small Farm Related</b>	<b>56</b>	<b>75.7</b>	<b>6,397</b>	<b>75.2</b>	<b>18</b>	<b>24.3</b>	<b>2,110</b>	<b>24.8</b>
<b>Total Loans</b>	<b>503</b>	<b>64.3</b>	<b>60,865</b>	<b>54.7</b>	<b>279</b>	<b>35.7</b>	<b>50,368</b>	<b>45.3</b>

## **Geographic and Borrower Distribution**

WSB demonstrated an excellent geographic distribution of loans given the bank's assessment areas. In addition, the bank's distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes is reasonable given the demographics of the bank's assessment areas. The performance in the Iowa City, IA MSA assessment area carries more weight in the overall performance under the geographic distribution and borrower distribution criteria of the Lending test. In addition, more weight was given to the bank's HMDA-reportable lending due to the bank's loan portfolio and business strategy.

The specifics of the bank's lending in each assessment area and relevant demographics are discussed in the individual full-review assessment areas.

## **Response to Complaints**

The bank or this Reserve Bank has not received any CRA-related complaints since the previous evaluation.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance relative to the community development test is Satisfactory. The bank's community development test performance in the Iowa City, IA MSA carries more weight in the overall performance based on the concentration of deposits, loan volume, branches, and community development needs.

As noted, Washington State Bank's CRA performance at the previous examination was evaluated using the FFIEC's Small Institution CRA Examination Procedures. Therefore, information related to community development activities for this performance evaluation was not compared to the previous examination.

## **Lending, Investment, and Services Activities**

Washington State Bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services.

During the evaluation period, Washington State Bank originated 49 community development loans totaling \$6.2 million within the combined assessment area. This includes 16 community development loans for a total of \$4.5 million and 33 qualified Paycheck Protection Program (PPP) loans for a total of \$1.7 million. The bank's non-PPP community development loans were primarily to organizations providing community development services benefitting the assessment areas' residents, but also included economic development loans to revitalize/stabilize middle-income underserved census tracts or support affordable housing. PPP loans were primarily to borrowers

located within moderate-income census tracts or middle-income underserved census tracts. PPP loans were originated in direct response to the COVID-19 pandemic and were specifically designed to benefit small businesses in assisting to retain jobs. Therefore, these loans are considered responsive to the needs of the assessment areas. Additional details of community development lending performance can be found in the individual full-review assessment area discussions.

During this evaluation period, the bank made one qualified investment within the assessment areas totaling \$670,000. The investment was responsive to community needs specific to education. Additionally, the bank made a total of 45 donations totaling \$193,739 towards economic development and community service. In addition, one donation for \$1,384 was made in the broader statewide and regional area (BSRA) that includes the combined assessment area, and three donations totaling \$3,000 were made in the BSRA but that did not include the combined assessment area. These donations enhanced the bank’s performance. Additional details of community development investments and contributions can be found in the individual full-review assessment area discussions.

Lastly, bank staff work with a variety of community service organizations and economic development organizations in the bank’s assessment area and provided financial literacy training, as well as technical and financial assistance to residents within the assessment areas. The bank provided 2,926 hours of community development services during the review period. Additional information with respect to the bank’s community development services is provided within the full-scope review assessment area sections.

The table below summarizes community development lending, investments, donations, and services by assessment area.

Qualified Community Development Activities								
October 15, 2019, to January 22, 2024								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
<b>Full Scope</b>								
Iowa City, IA MSA 26980	22	4,051,576	1	670,000	18	154,400	86	2,594
Columbus Junction, Iowa Non-MSA	27	2,112,146	0	0	12	14,550	7	53
<b>Limited Scope</b>								
Fairfield, Iowa Non-MSA	0	0	0	0	15	24,789	5	123
<b>Other</b>								
Broader Statewide or Regional Area	0	0	0	0	4	4,384	5	156
<b>Combined Assessment Area</b>								
<b>Total Qualified</b>	<b>49</b>	<b>6,163,722</b>	<b>1</b>	<b>670,000</b>	<b>49</b>	<b>198,123</b>	<b>103</b>	<b>2,926</b>

## IOWA CITY, IOWA MSA #26980 – FULL REVIEW

### SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank’s performance in the assessment area. The scope is consistent with the scope of the examination described within the institution summary. For further information, refer to the “Scope of Examination” section.

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN IOWA CITY, IOWA MSA #26980<sup>1</sup>

The Iowa City, Iowa MSA #26980 (Iowa City, IA MSA) includes Washington and Johnson Counties. The bank has delineated a portion of the Iowa City, IA MSA as its assessment area; specifically, Washington County. The assessment area excludes Johnson County to the north, which is home to Iowa City and the University of Iowa. Although the assessment area has not changed since the previous evaluation, the composition and total number of census tracts increased from five to six census tracts, a result of the income designation changes from the 2016 – 2020 American Community Survey (ACS) for 2022, compared to the income designations for 2021 that used data from the 2011 – 2015 ACS Survey. Based on 2022 FFIEC Census data, the assessment area is composed of three moderate-income and three middle-income census tracts.

The Census Tract Designation Changes table below shows changes in the income designation of census tracts by income since the previous performance evaluation.

*The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.*

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<sup>1</sup> Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2021 Designations (#)</b>	<b>2022 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	0	0	0
<b>Moderate</b>	2	3	+1
<b>Middle</b>	3	3	0
<b>Upper</b>	0	0	0
<b>Unknown</b>	0	0	0
<b>Total</b>	5	6	+1
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

In the assessment area, WSB maintains its main office with a full-service ATM, two limited-service branches without ATMs (located in retirement homes), and one full-service drive thru only branch with a full-service ATM. The bank’s offices are all located in moderate-income census tracts.

As of June 30, 2023, according to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, WSB ranked first among six FDIC insured financial institutions operating in the assessment area with 39.1 percent of the market share. The bank held \$373.8 million in deposits inside the market. Following the bank in market share are Hills Bank and Trust Company (34.0 percent) and Federation Bank (12.2 percent). In 2022, WSB ranked third among 73 HMDA-reporters, originating 93 HMDA-reportable loans in the assessment area. By comparison, Hills Bank and Trust Company and Greenstate Credit Union ranked first and second, respectively. Hills Bank originated 321 HMDA-reportable loans and Greenstate Credit Union originated 145 HMDA-reportable loans.

*The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020. Refer to Appendix B for 2021 demographic information.*

2022 Iowa City, IA MSA 26980 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	1,448	23.0
Moderate	3	50.0	2,973	47.3	253	8.5	1,669	26.6
Middle	3	50.0	3,310	52.7	165	5.0	1,646	26.2
Upper	0	0.0	0	0.0	0	0.0	1,520	24.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>6</b>	<b>100.0</b>	<b>6,283</b>	<b>100.0</b>	<b>418</b>	<b>6.7</b>	<b>6,283</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	4,724	2,743	45.0	58.1	1,540	32.6	441	9.3
Middle	5,053	3,357	55.0	66.4	1,236	24.5	460	9.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>9,777</b>	<b>6,100</b>	<b>100.0</b>	<b>62.4</b>	<b>2,776</b>	<b>28.4</b>	<b>901</b>	<b>9.2</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	560	45.1	505	44.5	46	56.8	9	36.0
Middle	681	54.9	630	55.5	35	43.2	16	64.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,241</b>	<b>100.0</b>	<b>1,135</b>	<b>100.0</b>	<b>81</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.5</b>		<b>6.5</b>		<b>2.0</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	44	17.0	44	17.3	0	0.0	0	0.0
Middle	215	83.0	210	82.7	5	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>259</b>	<b>100.0</b>	<b>254</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.1</b>		<b>1.9</b>		<b>0.0</b>
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.								

### Population Characteristics

The table below presents population changes in the assessment area (Washington County), the Iowa City, IA MSA, and the state of Iowa from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population was 22,565. The population growth rate in the assessment area of 2.5 percent is below the state of Iowa’s growth rate of 3.1 percent. Population growth in the assessment area is well below the Iowa City, IA MSA of 8.7 percent. Iowa City is located in Johnson County and contributes substantially to the population growth of the Iowa City, IA MSA. Conversely, slower population growth in Washington County is impacted by lack of housing availability (including affordable housing) and employment opportunities, according to community representatives.

Population Change 2011-2015 and 2020			
Area	2011-2015 Population	2020 Population	Percent Change
Assessment Area	22,017	22,565	2.5%
Iowa City, IA MSA	161,453	175,419	8.7%
Iowa	3,093,526	3,190,369	3.1%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

### Income Characteristics

According to the U.S. Census Bureau, in 2022 the assessment area was comprised of 6,283 families, of which 23.0 percent are designated as low-income and 26.6 percent are designated as moderate-income. Further, 6.7 percent of families residing within the assessment area live below the poverty level.

The following table compares the median family income (MFI) for the assessment area, the Iowa City, IA MSA, and the state of Iowa. According to the 2016-2020 American Community Survey ACS data, the MFI in Washington County decreased 2.0 percent from 2015 to 2020, compared to the Iowa City, IA MSA and the state of Iowa, which increased by 5.3 percent and 7.4 percent, respectfully over the same time period. One community representative stated that real wages have not kept pace with the increase in housing costs, and there are limited employment opportunities. A second community representative stated that limited economic growth is one of the significant challenges in the assessment area.

<b>Median Family Income Change 2011-2015 and 2016-2020</b>			
<b>Area</b>	<b>2015 Median Family Income</b>	<b>2020 Median Family Income</b>	<b>Percent Change</b>
Assessment Area	\$76,480	\$74,987	-2.0%
Iowa City, IA MSA	\$88,528	\$93,237	5.3%
Iowa	\$73,712	\$79,186	7.4%
<i>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.</i>			

### Housing Characteristics

According to 2020 U.S. Census Bureau data, there are a total of 9,777 housing units in the assessment area. The majority of housing units are owner-occupied at 62.4 percent, with 28.4 percent considered rental units, and 9.2 percent of housing units vacant. Over half (55.0 percent) of the housing units in middle-income census tracts are owner-occupied, while 45.0 percent of the housing units in the moderate-income census tracts, are owner-occupied.

Housing cost burden, presented in the table below, is one method to understand poverty and housing outcomes. The housing cost burden is the ratio of a household’s gross monthly housing costs to the household’s gross monthly income. Housing cost burden, as defined by the Department of Housing and Urban Development (HUD), takes these quantitative ratios, and assigns qualitative values to them. If a household’s housing cost is above 30.0 percent of its income, then that household is considered housing cost burdened.

Within the assessment area, 29.8 percent of all renters are considered housing cost burdened, including 66.1 percent of low-income renters and 13.3 percent of moderate-income renters. However, housing cost burden to renters is lower in the assessment area than both the Iowa City, IA MSA and the state of Iowa, for both low- and moderate-income renters. A community representative stated that there is a limited supply of homes for rent, which has created upward pressure on rental prices.

Within the assessment area, 14.5 percent of all homeowners are considered housing cost burdened, including 65.0 percent of low-income owners and 27.5 percent of moderate-income owners. The homeowner cost burden for the assessment area is higher in the Iowa City, IA MSA and the state of Iowa for both low- and moderate-income homeowners.

Home mortgage trends reflect steady demand for home loans in the assessment area, as reflected in publicly reported mortgage loan data under the Home Mortgage Disclosure Act, with 934 home purchases and refinances in 2020, and 921 home purchases and refinances in 2021. The 2020 figure



represents a notable increase of 191 total home mortgages from 2019. According to one community representative, there is also a limited supply of affordable entry level homes in Washington County. A second representative stated high interest rates and material costs are also significant challenges; however, employers in Washington County have recently invested in affordable housing for their employees and the county has implemented tax increment financing.

<b>Housing Cost Burden</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>
Assessment Area	66.1%	13.3%	29.8%	65.0%	27.5%	14.5%
Iowa City, IA MSA	75.7%	23.2%	48.8%	52.9%	24.5%	15.0%
Iowa	70.6%	17.7%	37.7%	56.8%	22.5%	15.0%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

### Employment Characteristics

The following table reflects unemployment rates from the U.S. Bureau of Labor Statistics from 2017 to 2021. Unemployment trends remained low throughout the assessment area, as well as the Iowa City, IA MSA and the state of Iowa through 2019. In 2020, the trend reversed with the onset of the COVID-19 pandemic for all three regions. In 2021, unemployment rates in the assessment area were generally comparable to the Iowa City, IA MSA, but below the state of Iowa’s unemployment rate. A community representative stated that although the unemployment rates are comparable to the Iowa City, IA MSA, Washington County has limited employment opportunities.

<b>Unemployment Rates</b>					
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Assessment Area	2.9%	2.4%	2.4%	4.0%	3.8%
Iowa City, IA MSA	2.5%	2.0%	2.0%	4.6%	3.7%
Iowa	3.1%	2.5%	2.6%	5.1%	4.2%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

### Industry Characteristics

Retail trade, accommodation and food services, and health care are the three largest industry sectors by employees in the assessment area. A community representative stated that limited housing is restricting the ability of individuals to move to the area for work, but employers have expressed interest in helping employees get housing in the area to live closer to work. Community representatives also stated that many people from Washington County tend to commute to work outside the county.

## **Community Representatives**

Three community representatives were contacted during the evaluation to gain perspective on the assessment area's economic conditions, affordable housing options, and relevant credit needs. Overall, there are limited employment opportunities, and high childcare costs have prevented some Washington County residents from entering the workforce. Housing availability and affordability are limited, and Washington County has had difficulty attracting new families to the area due to these issues. A community representative said that there is also a limited supply of homes for rent, which has created upward pressure on rental prices. Washington County is taking steps to address the housing issues through different housing programs. One representative stated that local financial institutions and community members are very involved in housing program initiatives.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA CITY, IOWA MSA #26980**

### **LENDING TEST**

#### **Geographic Distribution of Loans**

*For the purposes of this review, loans made in calendar years up to and including 2021 were analyzed based on income designations from the 2016-2020 American Community Survey data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 American Community Survey data.*

The geographic distribution of home mortgage, small business, and small farm loans reflects excellent distribution of loans among the different census tract income levels within the assessment area. A gap analysis was also completed as part of this evaluation. Based upon this analysis, there were no conspicuous unexplained geographic lending gaps in the assessment area. In 2021 and 2022, the bank originated loans in all census tracts delineated in the assessment area.

For HMDA-reportable lending, there was limited to no volume of home improvement and multi-family loans. Consequently, these products carried no weight and are not discussed, as a meaningful analysis could not be conducted. In addition, more weight was given to the bank's HMDA-reportable lending due to the bank's loan portfolio and business strategy.

#### **HMDA-Reportable Lending**

In 2022, the bank's total HMDA-reportable lending in moderate-income census tracts was 62.4 percent by number of loans, which was significantly above the aggregate lenders' rate of 50.3 percent and the percentage of owner-occupied units at 45.0 percent. The bank's HMDA-reportable

lending in middle-income census tracts was 37.6 percent by number of loans, which was significantly below the aggregate lenders' rate and demographics at 49.7 percent and 55.0 percent, respectfully. For reference, it is noted that the bank's assessment area is comprised of only moderate- and middle-income census tracts. The bank's performance in 2021, overall, was consistent with its performance in 2022.

#### *Home Purchase*

Home purchase loans by number represent 60.0 percent of the bank's total HMDA-reportable loans originated in the assessment area in 2022. WSB originated 66.7 percent of home purchase loans in moderate-income census tracts, which was significantly above the aggregate lenders' rate of 54.0 percent and the percentage of owner-occupied units of 45.0 percent. WSB originated 33.3 percent of home purchase loans in middle-income census tracts, which was significantly below the aggregate lenders' rate of 46.0 percent and the percentage of owner-occupied units of 55.0 percent. The lending performance in 2021 was consistent with the lending performance in 2022.

#### *Refinance*

Refinance loans by number represent 32.9 percent of total HMDA-reportable lending in the assessment area in 2022. The bank originated 53.6 percent of refinance loans in a moderate-income census tract, which was above the aggregate lenders' rate of 43.7 percent and the percentage of owner-occupied units of 45.0 percent. WSB originated 46.4 percent of refinance loans in a middle-income census tract, which was below aggregate lenders' rate of 56.3 percent and the percentage of owner-occupied units of 55.0 percent. The lending performance in 2021 was consistent with the lending performance in 2022.

The following table presents the 2022 geographic distribution of HMDA-reportable loans in the assessment area. See Appendix C for 2021 lending tables.

Distribution of 2022 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Iowa City, IA MSA 26980							
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	34	66.7	54.0	4,712	56.3	50.3	45.0
Middle	17	33.3	46.0	3,656	43.7	49.7	55.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>51</b>	<b>100.0</b>	<b>100.0</b>	<b>8,368</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	15	53.6	43.7	1,288	37.9	31.6	45.0
Middle	13	46.4	56.3	2,108	62.1	68.4	55.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>3,396</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	4	66.7	46.2	137	67.5	33.8	45.0
Middle	2	33.3	53.8	66	32.5	66.2	55.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>203</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	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	85.7	0	0.0	85.8	72.3
Middle	0	0.0	14.3	0	0.0	14.2	27.7
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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	0.0	0	0.0	0.0	0.0
Moderate	53	62.4	50.3	6,137	51.3	45.2	45.0
Middle	32	37.6	49.7	5,830	48.7	54.8	55.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>85</b>	<b>100.0</b>	<b>100.0</b>	<b>11,967</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							

### Small Business Lending

The bank originated 48.8 percent of its loans by number in moderate-income census tracts, which was above the demographic of businesses at 45.1 percent located in moderate-income census tracts.

The following table presents the bank’s geographic distribution of small business loans in 2022.

<b>Distribution of 2022 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Iowa City, IA MSA 26980</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>	20	48.8	2,297	64.1	45.1
<b>Middle</b>	21	51.2	1,288	35.9	54.9
<b>Upper</b>	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,585</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data  
2022 Data & 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 bank originated 11.6 percent of its small farm loans by number in moderate-income census tracts in 2022, which was below the percentage of farms in the assessment area located in moderate-income census tracts at 17.0 percent.

The following table presents the bank’s geographic distribution of small farm loans in 2022.

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Iowa City, IA MSA 26980					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	5	11.6	1,063	22.0	17.0
Middle	38	88.4	3,768	78.0	83.0
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>43</b>	<b>100.0</b>	<b>4,831</b>	<b>100.0</b>	<b>100.0</b>

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.

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

For the purposes of this review, loans made in calendar year in 2021 or before were analyzed based on 2011-2015 American Community Survey income designations for individuals. Loans made in calendar year 2022 or after were analyzed based on 2016-2020 American Community Survey income designations for individuals.

WSB demonstrates a reasonable distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and to businesses and farms of different sizes, given the demographics of the bank’s assessment area.

For HMDA-reportable lending, there was a limited volume of home improvement loans. Consequently, this product carried no weight, and is not discussed as a meaningful analysis could not be conducted. In addition, more weight was given to the bank’s HMDA-reportable lending due to the bank’s loan portfolio and business strategy.

**HMDA-Reportable Lending**

In 2022, the bank’s total HMDA-reportable loans originated to low-income borrowers was 25.9 percent by number of loans, which was above the aggregate lenders’ rate of 23.2 percent and the percentage of low-income families located in the assessment area at 23.0 percent. The bank originated 30.6 percent of total HMDA-reportable loans to moderate-income borrowers, which was above the aggregate lenders’ rate at 26.7 percent and the percentage of moderate-income families located in the assessment area at 26.6 percent. Furthermore, WSB originated 23.5 percent and 11.8 percent to middle- and upper-income borrowers, respectively. This was above the aggregate lenders’ rate of 19.4 percent for middle-income borrowers, but below the aggregate lenders’ rate of

14.1 percent for upper-income borrowers. In addition, the bank's lending to middle- and upper-income borrowers is below the percentage of middle-income families and significantly below the percentage of upper-income families in the assessment area, at 26.2 percent and 24.2 percent, respectively. The bank's overall performance in 2021 was consistent with its performance in 2022.

### *Home Purchase*

In 2022, the bank originated 27.5 percent by number of its home purchase loans to low-income borrowers, which is above the aggregate lenders' rate (25.2 percent) and low-income families in the assessment area (23.0 percent). The bank originated 33.3 percent of its home purchase loans by number to moderate-income borrowers, which was above both the aggregate lenders' rate (26.5 percent) and moderate-income families in the assessment area (26.6 percent). WSB originated 17.6 percent and 11.8 percent to middle- and upper-income borrowers, respectively. This was consistent with the aggregate lenders' rate of 17.6 percent for middle-income borrowers, but slightly above the aggregate lenders' rate of 11.5 percent for upper-income borrowers. The bank's lending to middle- and upper-income borrowers is below the percentage of middle-income families and significantly below the percentage of upper-income families in the assessment area, at 26.2 percent and 24.2 percent, respectively.

The lending performance in 2021 differed from the lending performance in 2022. In 2021, WSB originated 15.6 percent of its home purchase loans to low-income borrowers, which is below the aggregate lenders' rate of 20.9 percent, and the 23.6 percent of low-income families in the assessment area. The bank originated 22.2 percent of its home purchase loans by number to moderate-income borrowers, which was slightly below the aggregate lenders' rate at 22.7 percent but slightly above moderate-income families at 21.4 percent. WSB originated 17.8 percent and 24.4 percent of home purchase loans to middle- and upper-income borrowers, respectively. This was slightly below the aggregate lenders' rate of 17.9 percent for middle-income borrowers, but significantly above the aggregate lenders' rate of 8.4 percent for upper-income borrowers. The bank's lending to middle-income borrowers is significantly below the percentage of middle-income families at 28.3 percent, and below the percentage of upper-income families at 26.7 percent, in the assessment area.

### *Refinance Loans*

In 2022, WSB originated 25.0 percent of its refinance loans by number to low-income borrowers living within the assessment area, which was above aggregate lenders' rate of 21.9 percent, and the percentage of low-income families in the assessment area of 23.0 percent. The bank originated 21.4 percent of its refinance loans to moderate-income borrowers, which was below aggregate lenders' rate and the percentage of moderate-income families in the assessment area, at 28.3 percent and 26.6 percent, respectively. WSB originated 32.1 percent of its refinance loans to middle-income borrowers, which is significantly above the aggregate lenders' rate of 20.2 percent, and above the percentage of families in the area that are middle-income at 26.2 percent. WSB originated 14.3 percent of its refinance loans to upper-income families, which is slightly above the aggregate

lenders' rate at 14.2 percent, but below the percentage of families in the assessment area that are upper-income at 24.2 percent.

The lending performance in 2021 differed from the lending performance in 2022. In 2021, the bank originated 17.1 percent of its refinance loans to low-income borrowers living within the assessment area, which was above aggregate lenders' rate (10.7 percent), but below the percentage of families in low-income assessment area (23.6 percent). The bank originated 30.3 percent of its refinance loans to moderate-income borrowers, which was significantly above aggregate lenders' rate and the percentage of moderate-income families in the assessment area at 18.1 percent and 21.4 percent, respectively. WSB originated 25.0 percent and 11.8 percent of its refinance loans to middle- and upper-income borrowers, respectively. This was above the aggregate lenders' rate of 18.5 percent for middle-income borrowers, but below the aggregate lenders' rate of 17.2 percent for upper-income borrowers. The bank's lending to middle-borrowers is below the percentage of middle-income families at 28.3 percent and is significantly below the percentage of upper-income families at 26.7 percent in the assessment area.

The following table presents the borrower distribution of HMDA-reportable lending in 2022. See Appendix C for 2021 lending tables.



Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Iowa City, IA MSA 26980							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	%	%	
<b>Home Purchase Loans</b>							
Low	14	27.5	25.2	1,475	17.6	15.5	23.0
Moderate	17	33.3	26.5	2,222	26.6	22.4	26.6
Middle	9	17.6	17.6	2,542	30.4	22.6	26.2
Upper	6	11.8	11.5	1,154	13.8	18.7	24.2
Unknown	5	9.8	19.3	975	11.7	20.8	0.0
<b>Total</b>	<b>51</b>	<b>100.0</b>	<b>100.0</b>	<b>8,368</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	7	25.0	21.9	432	12.7	12.3	23.0
Moderate	6	21.4	28.3	453	13.3	22.1	26.6
Middle	9	32.1	20.2	1,575	46.4	23.1	26.2
Upper	4	14.3	14.2	767	22.6	23.8	24.2
Unknown	2	7.1	15.4	169	5.0	18.7	0.0
<b>Total</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>3,396</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	1	16.7	19.8	15	7.4	11.3	23.0
Moderate	3	50.0	22.0	130	64.0	17.8	26.6
Middle	2	33.3	24.2	58	28.6	26.1	26.2
Upper	0	0.0	25.3	0	0.0	30.9	24.2
Unknown	0	0.0	8.8	0	0.0	13.9	0.0
<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>203</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	22	25.9	23.2	1,922	16.1	14.4	23.0
Moderate	26	30.6	26.7	2,805	23.4	22.3	26.6
Middle	20	23.5	19.4	4,175	34.9	22.8	26.2
Upper	10	11.8	14.1	1,921	16.1	20.7	24.2
Unknown	7	8.2	16.6	1,144	9.6	19.8	0.0
<b>Total</b>	<b>85</b>	<b>100.0</b>	<b>100.0</b>	<b>11,967</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							
Multifamily loans are not included in the borrower distribution analysis.							

### Small Business Lending

For the bank, 90.2 percent of small business loans by number were originated to businesses with gross revenues of \$1.0 million or less, which was slightly below total small businesses in the assessment area at 91.5 percent. Of the loans originated to businesses with gross annual revenues of under \$1.0 million, 83.8 percent were in dollar amounts of \$100,000 or less, which is considered most beneficial to small business borrowers, indicating the bank's willingness to meet the credit needs of small businesses.

The following table presents the borrower distribution of small business lending in 2022.

<b>Distribution of 2022 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Iowa City, IA MSA 26980</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>	37	90.2	2,523	70.4	91.5
<b>Over \$1 Million</b>	4	9.8	1,062	29.6	6.5
<b>Revenue Unknown</b>	0	0.0	0	0.0	2.0
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,585</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	33	80.5	1,195	33.3	
<b>\$100,001 - \$250,000</b>	5	12.2	966	26.9	
<b>\$250,001 - \$1 Million</b>	3	7.3	1,424	39.7	
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,585</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	31	83.8	1,085	43.0	
<b>\$100,001 - \$250,000</b>	4	10.8	753	29.8	
<b>\$250,001 - \$1 Million</b>	2	5.4	685	27.2	
<b>Total</b>	<b>37</b>	<b>100.0</b>	<b>2,523</b>	<b>100.0</b>	
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; 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 bank’s lending to farms with annual revenues of \$1.0 million or less (93.0 percent) is below the percentage of small farms operating in the assessment area (98.1 percent). Of the loans originated to small farms with gross annual revenues of \$1.0 million or less, 60.0 percent were originated in amounts of \$100,000 or less, which are considered most beneficial to small farms, indicating the bank’s willingness to meet the credit needs of small farms.

The following table presents the borrower distribution of small farm lending in 2022.

<b>Distribution of 2022 Small Farm Lending By Revenue Size of Farms</b>					
<b>Assessment Area: Iowa City, IA MSA 26980</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	40	93.0	4,283	88.7	98.1
<b>Over \$1 Million</b>	1	2.3	500	10.3	1.9
<b>Revenue Unknown</b>	2	4.7	48	1.0	0.0
<b>Total</b>	43	100.0	4,831	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	26	60.5	770	15.9	
<b>\$100,001 - \$250,000</b>	11	25.6	1,811	37.5	
<b>\$250,001 - \$500,000</b>	6	14.0	2,250	46.6	
<b>Total</b>	43	100.0	4,831	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	24	60.0	722	16.9	
<b>\$100,001 - \$250,000</b>	11	27.5	1,811	42.3	
<b>\$250,001 - \$500,000</b>	5	12.5	1,750	40.9	
<b>Total</b>	40	100.0	4,283	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; 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

### Lending, Investment, and Services Activities

WSB demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and the availability of such opportunities for community development in the bank’s assessment area.

### Lending

During the evaluation period the bank originated 22 community development loans totaling more than \$4.0 million, including 17 PPP loans totaling \$1.1 million. A primary focus of the non-PPP community development loans was community services that benefited residents needing childcare services, which is a need according to one community representative and is particularly responsive to assessment area needs. A primary focus of the PPP loans was to revitalize and stabilize the community during the COVID-19 pandemic. These PPP loans are specifically designed to benefit small businesses, and to retain jobs during the health crisis; as such PPP loans are also considered

particularly responsive, as community representatives noted there are limited employment opportunities and growth in the assessment area.

### Investments

WSB reported one qualified community development investment for \$670,000 within the assessment area. The recipient organization focuses primarily on community service for low- and moderate-income students. The bank gave 18 community development donations totaling \$154,400 to five different organizations. These donations primarily benefited organizations that focus on economic development and community services.

### Services

During the evaluation period, bank staff provided 2,594 hours of community development services to different organizations. The organizations have a primary focus of community services and economic development. The majority of service hours involved bank staff providing financial expertise by serving on committees and/or holding a leadership position for community organizations within the assessment area. Additionally, bank staff provided financial literacy training to residents within the assessment area. This was especially responsive as a community representative stated this was a need in the community. The depth of service hours invested by the bank to these organizations demonstrates the institution’s dedication to community services.

Summary of CD Activities in Iowa City, IA MSA 26980										
October 15, 2019, to January 22, 2024										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
<b>Lending</b>	1	300,000	0	0	0	0	4	2,664,082	5	2,964,082
<b>PPP Lending</b>	0	0	5	287,299	12	800,196	0	0	17	1,087,495
<b>Investments</b>	0	0	0	0	0	0	1	670,000	1	670,000
<b>Donations</b>	0	0	12	53,400	0	0	6	101,000	18	154,400
<b>Services</b>	0	0	5	496	0	0	81	2,098	86	2,594

## COLUMBUS JUNCTION, IOWA NON-MSA – FULL REVIEW

### SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank’s performance in the assessment area. The scope is consistent with the scope of the examination described within the institution summary. For further information, refer to the “Scope of Examination” section.

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLUMBUS JUNCTION, IOWA NON-MSA<sup>2</sup>

The Columbus Junction, IA Non-MSA assessment area consists of the entirety of Louisa County which is composed of three middle-income census tracts. The assessment area has not changed since the previous evaluation in conjunction with revisions based on the 2020 decennial census and 2016-2020 American Community Survey (ACS). In addition, all three census tracts were designated as underserved in 2021 and 2022 by the FFIEC because of their rural (remote) location.

The Census Tract Designation Changes table below reflects that no changes in the income designation of census tracts by income were made since the previous performance evaluation.

*The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.*

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2021 Designations (#)</b>	<b>2022 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	0	0	0
<b>Moderate</b>	0	0	0
<b>Middle</b>	3	3	0
<b>Upper</b>	0	0	0
<b>Unknown</b>	0	0	0
<b>Total</b>	3	3	0
<small>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</small>			

<sup>2</sup> Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

WSB maintains one full-service branch with a full-service ATM in Louisa County. The branch is located in a middle-income census tract.

As of June 30, 2023, the FDIC Deposit Market Share Report noted that WSB ranked second among four FDIC-insured financial institutions operating in the assessment area, with 26.1 percent of the market share. The bank held \$69.2 million in deposits inside the market. Mediapolis Savings Bank ranked first in market share (33.7 percent) and Community Bank and Trust Company ranked third (23.7 percent). In 2022, WSB ranked first among 51 HMDA-reporters, originating 28 HMDA-reportable loans in the assessment area. By comparison, Greenstate Credit Union and Hills Bank and Trust Company ranked second and third, respectively. Greenstate Credit Union originated 22 HMDA-reportable loans and Hills Bank and Trust Company originated 17 HMDA-reportable loans. Based on these facts, WSB has the financial capacity to lend in the assessment area.

*The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020. Refer to Appendix B for 2021 demographic information.*

2022 IA Non MSA Louisa 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	514	16.8
Moderate	0	0.0	0	0.0	0	0.0	519	17.0
Middle	3	100.0	3,060	100.0	202	6.6	784	25.6
Upper	0	0.0	0	0.0	0	0.0	1,243	40.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3</b>	<b>100.0</b>	<b>3,060</b>	<b>100.0</b>	<b>202</b>	<b>6.6</b>	<b>3,060</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	5,063	3,321	100.0	65.6	1,022	20.2	720	14.2
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5,063</b>	<b>3,321</b>	<b>100.0</b>	<b>65.6</b>	<b>1,022</b>	<b>20.2</b>	<b>720</b>	<b>14.2</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	409	100.0	374	100.0	23	100.0	12	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>409</b>	<b>100.0</b>	<b>374</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.4</b>		<b>5.6</b>		<b>2.9</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	94	100.0	93	100.0	0	0.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>94</b>	<b>100.0</b>	<b>93</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.9</b>		<b>0.0</b>		<b>1.1</b>
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.								

### Population Characteristics

The table below presents population changes in the assessment area, the non-metropolitan portion of the state of Iowa (Non-MSA Iowa), and the entire state of Iowa from 2015 to 2020. For reference, the Non-MSA Iowa is comprised of all counties in the state that are not part of an MSA. According to the 2020 U.S. Census Bureau demographic data, both the assessment area (-3.9 percent) and Non-MSA Iowa (-1.4 percent) have experienced a decrease in population compared to the state of Iowa, which has seen population growth (3.1 percent). A community representative stated that changes in population in the assessment area (Louisa County) is the result of an aging population and older housing stock in need of repairs and upgrades.

<b>Population Change 2011-2015 and 2020</b>			
<b>Area</b>	<b>2011-2015 Population</b>	<b>2020 Population</b>	<b>Percent Change</b>
Assessment Area	11,271	10,837	-3.9%
Non-MSA Iowa	1,250,756	1,232,642	-1.4%
Iowa	3,093,526	3,190,369	3.1%
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

### Income Characteristics

According to the U.S. Census Bureau, in 2022 the assessment area was comprised of 3,060 families, of which 16.8 percent are designated as low-income, and 17.0 percent are designated as moderate-income. Further, 6.6 percent of families residing within the assessment area live below the poverty level.

The following table compares the MFI for Louisa County, Non-MSA Iowa, and the state of Iowa. According to the 2016-2020 ACS data, the MFI in in the assessment area has increased 13.8 percent, compared to the Non-MSA Iowa and the state of Iowa, which increased by 6.5 percent and 7.4 percent, respectfully.



<b>Median Family Income Change</b>			
<b>Area</b>	<b>2015 Median Family Income</b>	<b>2020 Median Family Income</b>	<b>Percent Change</b>
Assessment Area	\$65,629	\$74,684	13.8%
Non-MSA Iowa	\$67,391	\$71,763	6.5%
Iowa	\$73,712	\$79,186	7.4%

*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.*

### Housing Characteristics

According to the 2020 U.S. Census Bureau, there are a total of 5,063 housing units in the assessment area. The majority of housing units are owner-occupied at 65.6 percent, with 20.2 percent considered rental units, and 14.2 percent of housing units vacant.

Housing cost burden, presented in the table below, is a method to understand poverty and housing outcomes. The housing cost burden is the ratio of a household’s gross monthly housing costs to the household’s gross monthly income. Housing cost burden, as defined by HUD, takes these quantitative ratios, and assigns qualitative values to them. If a household’s housing cost is above 30.0 percent of its income, then that household is considered housing cost burdened.

Within the assessment area, 23.3 percent of all renters are considered housing cost burdened, including 55.6 percent of low-income renters and 11.5 percent of moderate-income renters. However, when compared to the Non-MSA Iowa, the cost-burden to renters in the assessment area across the income levels noted in the following table is lower.

Within the assessment area, 14.0 percent of all homeowners are considered cost burdened, including 51.2 percent of low-income owners and 14.5 percent of moderate-income owners. The cost burden for homeowners in the assessment area across the income levels noted in the following table, however, is slightly lower compared to the cost burden for Non-MSA Iowa and the state of Iowa. Home mortgage trends, as illustrated in publicly available data reported under the Home Mortgage Disclosure Act, reflect steady demand for home loans in the assessment area, with 186 purchases or refinances for both 2020 and 2021, respectively, in the assessment area. The 2020 figures represent a small increase of 20 home mortgages from 2019. According to a community representative, however, housing affordability is limited as the cost to build homes is higher than the value of the home.

<b>Housing Cost Burden</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>
Assessment Area	55.6%	11.5%	23.3%	51.2%	14.5%	14.0%
Non-MSA Iowa	63.7%	13.0%	32.5%	53.8%	19.0%	14.5%
Iowa	70.6%	17.7%	37.7%	56.8%	22.5%	15.0%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

### Employment Characteristics

The following table reflects unemployment rates from the U.S. Bureau of Labor Statistics between 2017 to 2021. Unemployment rates in the assessment area are comparable to both Non-MSA Iowa and the state of Iowa, with an increase in 2020 during the COVID-19 pandemic, and gradual decline in 2021.

<b>Unemployment Rates</b>					
<b>Area</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Assessment Area	3.2%	2.6%	2.9%	4.8%	4.3%
Non-MSA Iowa	3.2%	2.6%	2.7%	4.8%	4.1%
Iowa	3.1%	2.5%	2.6%	5.1%	4.2%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

### Industry Characteristics

Manufacturing, government, and health care are the three largest industry sectors by employees in the assessment area. A community representative stated that the largest employer in the area is a meat packing plant in Columbus Junction, followed by the local school district and county government in Louisa County.

### Community Representatives

A community representative was contacted to gain a perspective on the assessment area’s economic conditions and affordable housing options. The representative indicated that the economy in the assessment area is stable but the need for affordable housing is critical. While the county is made up of only middle-income census tracts, the housing cost burden for low- and moderate-income households is significant. Further, Louisa County maintains an aging housing stock that requires repair and improvement, but many residents do not have the necessary financial resources to make the housing repairs. One of the biggest challenges for building new

homes in the county is finding the required funding for building new homes especially as home values are low in relation to the cost of building. The representative further noted that downpayment assistance programs and financial literacy would benefit residents in Louisa County.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLUMBUS JUNCTION, IOWA NON-MSA**

### **LENDING TEST**

#### **Geographic Distribution of Loans**

*For the purposes of this review, loans made in calendar years up to and including 2021 were analyzed based on income designations from the 2016-2020 American Community Survey data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 American Community Survey data.*

The assessment area is comprised only of middle-income census tracts and therefore a meaningful analysis of lending patterns in low- and moderate-income geographies could not be performed. A gap analysis was completed as part of this evaluation. Based upon this analysis, there were no conspicuous unexplained gaps in the assessment area. In both 2021 and 2022, WSB originated loans in all three census tracts in the assessment area.

See Appendix C for 2022 and 2021 geographic lending tables for HMDA-reportable loans, and for 2022 small business and small farm loans in the assessment area.

#### **Lending to Borrowers of Different Income Levels and to Businesses or Farms of Different Sizes**

*For the purposes of this review, loans made in calendar year in 2021 or before were analyzed based on 2011-2015 American Community Survey income designations for individuals. Loans made in calendar year 2022 or after were analyzed based on 2016-2020 American Community Survey income designations for individuals.*

WSB demonstrates an excellent distribution of loans to individuals of different income levels (including low- and moderate-income individuals) and to businesses and farms of different sizes, given the demographics of the bank's assessment area.

For HMDA-reportable lending, there was limited to no volume of home improvement loans. Consequently, this product carried no weight, and is not discussed as a meaningful analysis could not be conducted. In addition, more weight was given to the bank's HMDA-reportable lending due to the bank's loan portfolio and business strategy.

## HMDA-Reportable Lending

In 2022, the bank's total HMDA-reportable loans originated to low-income borrowers by number was 18.5 percent, which was above the aggregate lenders' rate of 12.5 percent and the percentage of low-income families in the assessment area of 16.8 percent. Loans originated to moderate-income borrowers at 44.4 percent was significantly above aggregate lenders' rate of 32.1 percent and the 17.0 percent of moderate-income families in the assessment area. WSB originated 33.3 percent and 3.7 percent of loans to middle- and upper-income borrowers, respectively. This was significantly above the aggregate lenders' rate of 21.7 percent for middle-income borrowers, but significantly below the aggregate lenders' rate of 22.3 percent for upper-income borrowers. The bank's lending to middle-income borrowers is above the percentage of middle-income families at 25.6 percent, but lending to upper-income borrowers is significantly below the percentage of upper-income families, at 40.6 percent, in the assessment area. The bank's performance in 2021 was, overall, consistent with 2022.

### *Home Purchase*

In 2022, WSB originated 26.3 percent of its home purchase loans to low-income borrowers, which is significantly above the aggregate lenders' rate of 13.1 percent and the 16.8 percent of low-income families in the assessment area. The bank originated 47.4 percent of its home purchase loans to moderate-income borrowers, which is significantly above the aggregate lenders' rate of 33.6 percent and the 17.0 percent of moderate-income families in the assessment area. Additionally, WSB originated 26.3 percent of home purchase loans to middle-income families, which is above the aggregate lenders' rate of 19.6 percent and slightly above the percentage of families in the assessment area that are middle-income at 25.6 percent. No home purchase loans were originated to upper-income families.

Lending performance in 2021 differed from lending performance in 2022. In 2021, the bank originated 6.3 percent of its home purchase loans to low-income borrowers, which is slightly below the aggregate lenders' rate of 6.5 percent but significantly below the percentage of low-income families in the assessment area at 19.0 percent. The bank originated 43.8 percent of its home purchase loans to moderate-income borrowers, which is significantly above the aggregate lenders' rate of 29.9 percent and the percentage of moderate-income families at 20.0 percent in the assessment area. In addition, the bank originated 12.5 percent of its home purchase loans to middle-income borrowers, which is below the aggregate lenders' rate of 17.8 percent and significantly below the percentage of middle-income families in the assessment area at 23.9 percent. The bank originated 25.0 percent of its home purchase loans to upper-income borrowers, which is below the aggregate lenders' rate of 27.1 percent and significantly below the percentage of upper-income families in the assessment area at 37.1 percent.

### *Refinance Loans*

In 2022, WSB did not originate any of its refinance loans to low-income borrowers within the assessment area. In contrast, aggregate lenders data shows 13.1 percent of refinance loans were originated to low-income borrowers, and the percentage of low-income families in the assessment area is 16.8 percent. The bank originated 37.5 percent of its refinance loans to moderate-income borrowers, which was above aggregate lenders' rate (32.8 percent) and significantly above the percentage of moderate-income families (17.0 percent) in the assessment area. WSB originated 50.0 percent of its refinance loans to middle-income borrowers and 12.5 percent to upper-income borrowers. The bank's lending to middle-income borrowers is significantly above aggregate lenders' rate (23.0 percent) and the percentage of middle-income families in the assessment area (25.6 percent). The percentage of loans to upper-income borrowers, however, is below aggregate lenders' rate (18.0 percent) and significantly below the percentage of upper-income families (40.6 percent). The lending performance in 2021 was consistent with the lending performance in 2022.

The following table presents the borrower distribution of HMDA-reportable lending in 2022. See Appendix C for 2021 lending tables.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: IA Non MSA Louisa County							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	%	%	
<b>Home Purchase Loans</b>							
Low	5	26.3	13.1	385	19.8	6.4	16.8
Moderate	9	47.4	33.6	1,051	54.1	26.9	17.0
Middle	5	26.3	19.6	508	26.1	16.2	25.6
Upper	0	0.0	23.4	0	0.0	41.5	40.6
Unknown	0	0.0	10.3	0	0.0	8.9	0.0
<b>Total</b>	<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>1,944</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	0	0.0	13.1	0	0.0	10.9	16.8
Moderate	3	37.5	32.8	255	28.6	28.0	17.0
Middle	4	50.0	23.0	556	62.4	24.6	25.6
Upper	1	12.5	18.0	80	9.0	26.2	40.6
Unknown	0	0.0	13.1	0	0.0	10.3	0.0
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>891</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	16.8
Moderate	0	0.0	33.3	0	0.0	11.7	17.0
Middle	0	0.0	33.3	0	0.0	15.8	25.6
Upper	0	0.0	33.3	0	0.0	72.5	40.6
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	5	18.5	12.5	385	13.6	7.7	16.8
Moderate	12	44.4	32.1	1,306	46.1	26.6	17.0
Middle	9	33.3	21.7	1,064	37.5	18.6	25.6
Upper	1	3.7	22.3	80	2.8	37.3	40.6
Unknown	0	0.0	11.4	0	0.0	9.8	0.0
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	<b>2,835</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							
Multifamily loans are not included in the borrower distribution analysis.							

### Small Business Lending

For the bank, 85.7 percent of small business loans by number were originated to businesses with gross revenues of \$1.0 million or less, which was below the demographic of total small businesses in the assessment area of 91.4 percent. Of the loans originated to businesses with gross annual revenues of \$1.0 million or less, 100.0 percent were in dollar amounts of \$100,000 or less, which is considered most beneficial to small business borrowers, indicating the bank’s willingness to meet the credit needs of small businesses.

The following table presents the borrower distribution of small business loans in 2022.

<b>Distribution of 2022 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: IA Non MSA Louisa 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>	6	85.7	159	74.3	91.4
<b>Over \$1 Million</b>	1	14.3	55	25.7	5.6
<b>Revenue Unknown</b>	0	0.0	0	0.0	2.9
<b>Total</b>	7	100.0	214	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	7	100.0	214	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	7	100.0	214	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	6	100.0	159	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	6	100.0	159	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; 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 bank’s lending to farms with annual revenues of \$1.0 million or less (50.0 percent) is significantly below the percentage of small farms operating in the assessment area (98.9 percent). However, for 41.7 percent of the bank’s small farm loans, annual revenue was not collected or reported. Bank management did not specifically collect data on revenue as these are existing customers. Of the loans originated to small farms with gross annual revenues of \$1.0 million or less, 66.7 percent were originated in amounts of \$100,000 or less, which are considered most beneficial to small farms, indicating the bank’s willingness to meet the credit needs of small farms.

The following table presents the borrower distribution of small farm loans in 2022.

<b>Distribution of 2022 Small Farm Lending By Revenue Size of Farms</b>					
<b>Assessment Area: IA Non MSA Louisa County</b>					
	<b>Bank Loans</b>				<b>Total Farms</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	6	50.0	910	58.9	98.9
<b>Over \$1 Million</b>	1	8.3	450	29.1	0.0
<b>Revenue Unknown</b>	5	41.7	186	12.0	1.1
<b>Total</b>	12	100.0	1,546	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	9	75.0	434	28.1	
<b>\$100,001 - \$250,000</b>	1	8.3	245	15.8	
<b>\$250,001 - \$500,000</b>	2	16.7	867	56.1	
<b>Total</b>	12	100.0	1,546	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	4	66.7	248	27.3	
<b>\$100,001 - \$250,000</b>	1	16.7	245	26.9	
<b>\$250,001 - \$500,000</b>	1	16.7	417	45.8	
<b>Total</b>	6	100.0	910	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun &amp; 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

### Lending, Investment, and Services Activities

WSB demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and the availability of such opportunities for community development in the bank’s assessment area.

### Lending

During the evaluation period, WSB originated 27 community development loans totaling more than \$2.1 million, including 16 PPP loans totaling \$567,610. A primary focus of the non-PPP community development loans was for economic development followed by loans to revitalize/stabilize remote rural geographies, and loans to support affordable housing. Affordable housing lending is particularly responsive to assessment area needs, according to a community representative. A primary focus of the PPP loans was to revitalize and stabilize the community.



These PPP loans are specifically designed to benefit small businesses, and to retain jobs during the health crisis, as such PPP loans are considered responsive.

**Investments**

WSB did not have any qualified community development investments; however, the bank made 12 community development donations totaling \$14,550 to seven different organizations. These donations primarily benefited organizations that focus on community service and economic development.

**Services**

During the evaluation period, bank staff provided 53 hours of community development services to three different organizations. Organizations benefitting from the services within this assessment area primarily have a community service focus. Bank staff provided financial expertise by serving on board committees that support childcare services, which impact low- and moderate-income individuals. Additionally, bank staff also provided financial literacy education to residents in the assessment area. A community representative noted that financial literacy training is an area that requires attention by the community.

Summary of CD Activities in Columbus Junction, Iowa Non-MSA October 15, 2019, to January 22, 2024										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
<b>Lending</b>	2	330,000	6	624,897	3	589,639	0	0	11	1,544,536
<b>PPP Lending</b>	0	0	0	0	16	567,610	0	0	16	567,610
<b>Investments</b>	0	0	0	0	0	0	0	0	0	0
<b>Donations</b>	0	0	4	2,000	0	0	8	12,550	12	14,550
<b>Services</b>	0	0	0	0	0	0	7	53	7	53

**FAIRFIELD, IOWA NON-MSA – LIMITED REVIEW**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN FAIRFIELD, IOWA NON-MSA<sup>3</sup>**

The Fairfield, IA Non-MSA assessment area consists of Jefferson County, which is composed of two moderate- and three middle-income census tracts. Although the assessment area has not changed since the previous evaluation, the composition and total number of census tracts increased from four to five census tracts, a result of revisions based on the 2020 decennial census and 2016-2020 American Community Survey (ACS).

The Census Tract Designation Changes table below shows changes in the income designation of census tracts by income since the previous performance evaluation.

*The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.*

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2021 Designations (#)</b>	<b>2022 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	0	0	0
<b>Moderate</b>	0	2	+2
<b>Middle</b>	4	3	-1
<b>Upper</b>	0	0	0
<b>Unknown</b>	0	0	0
<b>Total</b>	4	5	+1
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

WSB maintains one full-service branch with a full-service ATM in the assessment area. The branch is located in a moderate-income census tract.

As of June 30, 2023, according to the FDIC Deposit Market Share Report, Washington State Bank ranked fifth among five FDIC-insured financial institutions operating in the assessment area with 2.5 percent of the market share. The bank held \$15.8 million in deposits inside the market. MidWestOne Bank ranked first in market share (36.3 percent) and Iowa State Bank and Trust

<sup>3</sup> Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Company of Fairfield, Iowa ranked second (28.3 percent).

In 2022, Washington State Bank ranked first among 55 HMDA-reporters, originating 69 HMDA-reportable loans in the assessment area. By comparison, Community 1<sup>st</sup> Credit Union and MidWestOne Bank ranked second and third, respectively. Community 1<sup>st</sup> Credit Union originated 62 HMDA-reportable loans and MidWestOne Bank originated 46 HMDA-reportable loans.

*The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020. Refer to Appendix B for 2021 demographic information.*

2022 IA Non MSA Jefferson 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	986	25.7
Moderate	2	40.0	870	22.7	55	6.3	811	21.2
Middle	3	60.0	2,964	77.3	210	7.1	792	20.7
Upper	0	0.0	0	0.0	0	0.0	1,245	32.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5</b>	<b>100.0</b>	<b>3,834</b>	<b>100.0</b>	<b>265</b>	<b>6.9</b>	<b>3,834</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	2,097	1,239	26.0	59.1	632	30.1	226	10.8
Middle	5,576	3,532	74.0	63.3	1,452	26.0	592	10.6
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>7,673</b>	<b>4,771</b>	<b>100.0</b>	<b>62.2</b>	<b>2,084</b>	<b>27.2</b>	<b>818</b>	<b>10.7</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	458	35.4	410	34.6	45	49.5	3	20.0
Middle	834	64.6	776	65.4	46	50.5	12	80.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,292</b>	<b>100.0</b>	<b>1,186</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>91.8</b>		<b>7.0</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	11	8.2	11	8.2	0	0.0	0	0.0
Middle	123	91.8	123	91.8	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>134</b>	<b>100.0</b>	<b>134</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
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.								

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA FAIRFIELD, IOWA**

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>
Non-MSA Fairfield, Iowa	Consistent	Below

The institution’s lending performance in the area is consistent with the institution’s lending performance overall. The institution’s community development performance in the area is below the institution’s community development performance for the institution, as there were no community development loans or investments in this assessment area; however, it does not change the rating for the institution.

The following tables present the bank’s geographic and borrower distribution of HMDA-reportable loans, small business loans, and small farm loans in 2022. See Appendix C for 2021 HMDA-reportable lending tables.

LENDING TEST

Geographic Distribution of Loans

Distribution of 2022 Home Mortgage Lending By Income Level of Geography							
Assessment Area: IA Non MSA Jefferson 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	17	34.0	32.2	2,360	34.3	28.9	26.0
Middle	33	66.0	67.8	4,511	65.7	71.1	74.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>50</b>	<b>100.0</b>	<b>100.0</b>	<b>6,871</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	5	31.3	30.6	608	28.2	22.9	26.0
Middle	11	68.8	69.4	1,550	71.8	77.1	74.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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>2,158</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	1	100.0	16.7	82	100.0	11.8	26.0
Middle	0	0.0	83.3	0	0.0	88.2	74.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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>82</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>							
Low	0	0.0	0.0	0	0.0	0.0	Multi-family Units % 0.0
Moderate	1	50.0	80.0	310	81.2	88.3	46.0
Middle	1	50.0	20.0	72	18.8	11.7	54.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>382</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	0	0.0	0.0	0	0.0	0.0	Owner Occupied Units % 0.0
Moderate	24	34.8	31.7	3,360	35.4	27.3	26.0
Middle	45	65.2	68.3	6,133	64.6	72.7	74.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>69</b>	<b>100.0</b>	<b>100.0</b>	<b>9,493</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							

<b>Distribution of 2022 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: IA Non MSA Jefferson County</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
Low	0	0.0	0	0.0	0.0
Moderate	1	25.0	15	11.8	35.4
Middle	3	75.0	112	88.2	64.6
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	<b>100.0</b>

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.

<b>Distribution of 2022 Small Farm Lending By Income Level of Geography</b>					
<b>Assessment Area: IA Non MSA Jefferson County</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Farms %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	8.2
Middle	1	100.0	20	100.0	91.8
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>100.0</b>

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.

**Lending to Borrowers of Different Income Levels and to Businesses or Farms of Different**

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: IA Non MSA Jefferson County							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	%	%	\$ (000)	%		%
<b>Home Purchase Loans</b>							
Low	8	16.0	12.3	680	9.9	6.8	25.7
Moderate	13	26.0	28.7	1,700	24.7	23.6	21.2
Middle	10	20.0	16.4	1,262	18.4	15.0	20.7
Upper	12	24.0	29.2	2,566	37.3	41.0	32.5
Unknown	7	14.0	13.5	663	9.6	13.7	0.0
<b>Total</b>	<b>50</b>	<b>100.0</b>	<b>100.0</b>	<b>6,871</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	1	6.3	15.7	76	3.5	6.8	25.7
Moderate	7	43.8	24.0	729	33.8	19.2	21.2
Middle	1	6.3	28.1	271	12.6	30.0	20.7
Upper	5	31.3	23.1	797	36.9	30.2	32.5
Unknown	2	12.5	9.1	285	13.2	13.8	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,158</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	8.3	0	0.0	5.7	25.7
Moderate	0	0.0	25.0	0	0.0	15.7	21.2
Middle	0	0.0	8.3	0	0.0	5.0	20.7
Upper	0	0.0	50.0	0	0.0	64.6	32.5
Unknown	1	100.0	8.3	82	100.0	9.1	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	9	13.4	13.8	756	8.3	7.0	25.7
Moderate	20	29.9	26.6	2,429	26.7	21.6	21.2
Middle	11	16.4	20.3	1,533	16.8	19.6	20.7
Upper	17	25.4	27.8	3,363	36.9	38.3	32.5
Unknown	10	14.9	11.6	1,030	11.3	13.6	0.0
<b>Total</b>	<b>67</b>	<b>100.0</b>	<b>100.0</b>	<b>9,111</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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. Multifamily loans are not included in the borrower distribution analysis.							



Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: IA Non MSA Jefferson County					
	Bank Loans				Total Businesses
	#	%	\$(000)	%	
<b>By Revenue</b>					
\$1 Million or Less	4	100.0	127	100.0	91.8
Over \$1 Million	0	0.0	0	0.0	7.0
Revenue Unknown	0	0.0	0	0.0	1.2
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or Less	4	100.0	127	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
\$100,000 or Less	4	100.0	127	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	
Source: 2022 FFIEC Census Data 2022 Dui & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: IA Non MSA Jefferson County					
	Bank Loans				Total Farms %
	#	%	\$(000)	%	
<b>By Revenue</b>					
\$1 Million or Less	1	100.0	20	100.0	100.0
Over \$1 Million	0	0.0	0	0.0	0.0
Revenue Unknown	0	0.0	0	0.0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or Less	1	100.0	20	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$500,000	0	0.0	0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
\$100,000 or Less	1	100.0	20	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$500,000	0	0.0	0	0.0	
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	
Source: 2022 FFIEC Census Data 2022 Dui & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

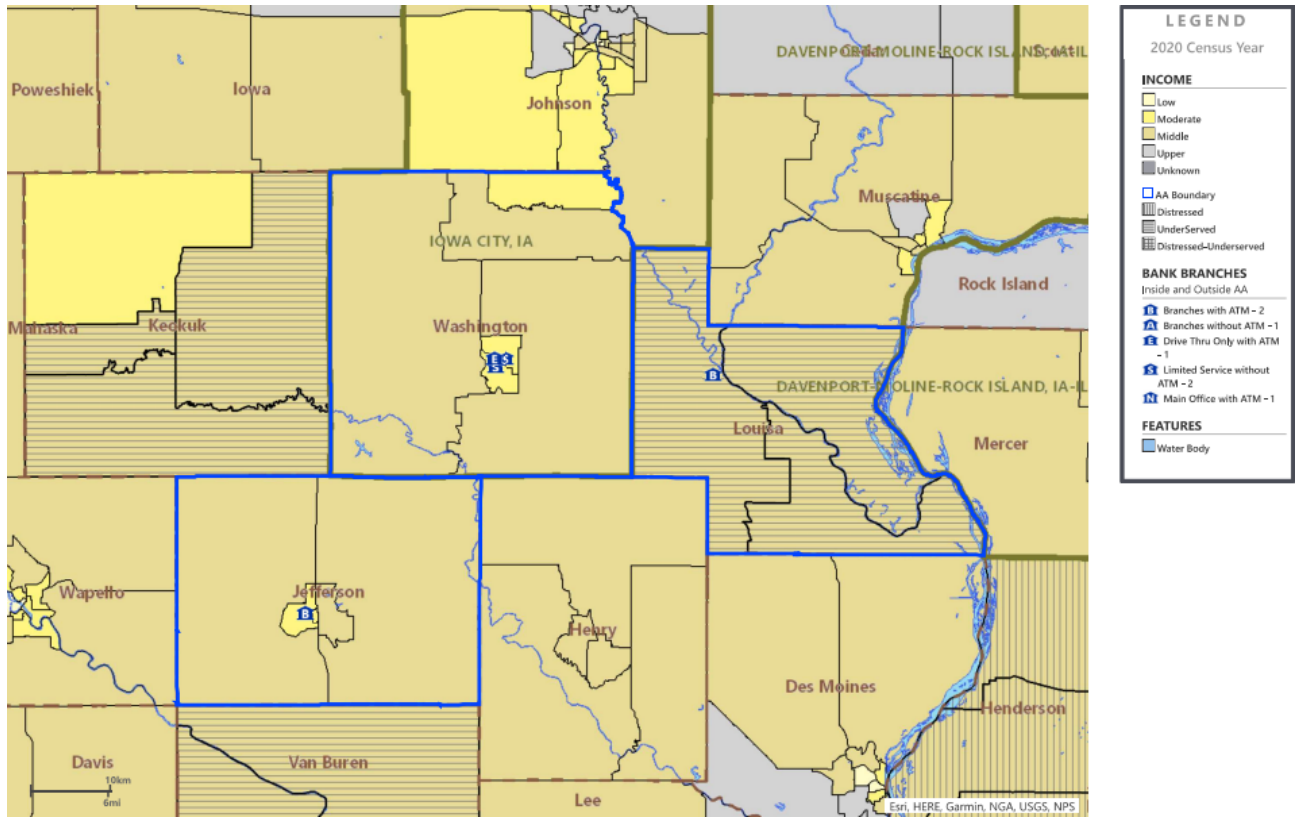
**COMMUNITY DEVELOPMENT TEST**

Summary of CD Activities in Fairfield, Iowa Non-MSA October 15, 2019, to January 22, 2024										
Type of Activity	Affordable Housing		Economic Development		Revitalize Stabilize		Community Services		Total	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
<b>Lending</b>	0	0	0	0	0	0	0	0	0	0
<b>Investments</b>	0	0	0	0	0	0	0	0	0	0
<b>Donations</b>	0	0	8	7,989	0	0	7	16,800	15	24,789
<b>Services</b>	0	0	0	0	0	0	5	123	5	123

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

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

### APPENDIX A – Map of Combined Assessment Area



**APPENDIX B – 2021 Demographic Tables**

2021 Iowa City, IA MSA 26980 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	1,403	23.6
Moderate	2	40.0	1,954	32.8	144	7.4	1,276	21.4
Middle	3	60.0	4,002	67.2	228	5.7	1,686	28.3
Upper	0	0.0	0	0.0	0	0.0	1,591	26.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5</b>	<b>100.0</b>	<b>5,956</b>	<b>100.0</b>	<b>372</b>	<b>6.2</b>	<b>5,956</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	3,491	2,055	32.0	58.9	1,222	35.0	214	6.1
Middle	6,038	4,371	68.0	72.4	1,290	21.4	377	6.2
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>9,529</b>	<b>6,426</b>	<b>100.0</b>	<b>67.4</b>	<b>2,512</b>	<b>26.4</b>	<b>591</b>	<b>6.2</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	412	32.5	367	31.6	37	43.5	8	33.3
Middle	857	67.5	793	68.4	48	56.5	16	66.7
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,269</b>	<b>100.0</b>	<b>1,160</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.4</b>		<b>6.7</b>		<b>1.9</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	21	7.8	21	8.0	0	0.0	0	0.0
Middle	248	92.2	243	92.0	5	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>269</b>	<b>100.0</b>	<b>264</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>98.1</b>		<b>1.9</b>		<b>0.0</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2021 IA Non MSA Louisa 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	578	19.0
Moderate	0	0.0	0	0.0	0	0.0	609	20.0
Middle	3	100.0	3,045	100.0	269	8.8	729	23.9
Upper	0	0.0	0	0.0	0	0.0	1,129	37.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3</b>	<b>100.0</b>	<b>3,045</b>	<b>100.0</b>	<b>269</b>	<b>8.8</b>	<b>3,045</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	5,016	3,354	100.0	66.9	957	19.1	705	14.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5,016</b>	<b>3,354</b>	<b>100.0</b>	<b>66.9</b>	<b>957</b>	<b>19.1</b>	<b>705</b>	<b>14.1</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	409	100.0	375	100.0	23	100.0	11	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>409</b>	<b>100.0</b>	<b>375</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.7</b>		<b>5.6</b>		<b>2.7</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	95	100.0	94	100.0	0	0.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>95</b>	<b>100.0</b>	<b>94</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.9</b>		<b>0.0</b>		<b>1.1</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>								

2021 IA Non MSA Jefferson 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	923	22.3
Moderate	0	0.0	0	0.0	0	0.0	816	19.7
Middle	4	100.0	4,145	100.0	334	8.1	944	22.8
Upper	0	0.0	0	0.0	0	0.0	1,462	35.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>4</b>	<b>100.0</b>	<b>4,145</b>	<b>100.0</b>	<b>334</b>	<b>8.1</b>	<b>4,145</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	7,557	4,598	100.0	60.8	2,315	30.6	644	8.5
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>7,557</b>	<b>4,598</b>	<b>100.0</b>	<b>60.8</b>	<b>2,315</b>	<b>30.6</b>	<b>644</b>	<b>8.5</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,326	100.0	1,217	100.0	92	100.0	17	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,326</b>	<b>100.0</b>	<b>1,217</b>	<b>100.0</b>	<b>92</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.8</b>		<b>6.9</b>		<b>1.3</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	136	100.0	136	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>136</b>	<b>100.0</b>	<b>136</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**APPENDIX C – HMDA and SB/SF Lending Tables**

<b>Distribution of 2021 Home Mortgage Lending By Income Level of Geography</b>							
<b>Assessment Area: Iowa City, IA MSA 26980</b>							
<b>Geographic Income Level</b>	<b>Bank And Aggregate Loans</b>						<b>Owner Occupied Units %</b>
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>#%</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	
<b>Home Purchase Loans</b>							
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	31	68.9	38.3	3,834	69.6	32.0	32.0
<b>Middle</b>	14	31.1	61.5	1,676	30.4	68.0	68.0
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0.0	0.2	0	0.0	0.1	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	45	100.0	100.0	5,510	100.0	100.0	100.0
<b>Refinance Loans</b>							
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	51	67.1	27.8	5,667	59.7	21.1	32.0
<b>Middle</b>	25	32.9	72.2	3,819	40.3	78.9	68.0
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	76	100.0	100.0	9,486	100.0	100.0	100.0
<b>Home Improvement Loans</b>							
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	5	100.0	18.5	48	100.0	11.0	32.0
<b>Middle</b>	0	0.0	81.5	0	0.0	89.0	68.0
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	5	100.0	100.0	48	100.0	100.0	100.0
<b>Multifamily Loans</b>							<b>Multi-family Units %</b>
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	0	0.0	50.0	0	0.0	63.4	63.8
<b>Middle</b>	0	0.0	50.0	0	0.0	36.6	36.2
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	100.0
<b>Total Home Mortgage Loans</b>							<b>Owner Occupied Units %</b>
<b>Low</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Moderate</b>	87	69.0	31.7	9,549	63.5	26.0	32.0
<b>Middle</b>	39	31.0	68.3	5,495	36.5	74.0	68.0
<b>Upper</b>	0	0.0	0.0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0.0	0.1	0	0.0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	126	100.0	100.0	15,044	100.0	100.0	100.0
<i>Source: 2021 FFIEC Census Data</i>							
<i>2011-2015 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Distribution of 2021 Home Mortgage Lending By Borrower Income Level Assessment Area: Iowa City, IA MSA 26980							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
<b>Home Purchase Loans</b>							
Low	7	15.6	20.9	596	10.8	15.0	23.6
Moderate	10	22.2	22.7	868	15.8	20.7	21.4
Middle	8	17.8	17.9	1,337	24.3	20.4	28.3
Upper	11	24.4	8.4	1,611	29.2	10.9	26.7
Unknown	9	20.0	30.1	1,098	19.9	33.0	0.0
<b>Total</b>	<b>45</b>	<b>100.0</b>	<b>100.0</b>	<b>5,510</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	13	17.1	10.7	1,039	11.0	6.6	23.6
Moderate	23	30.3	18.1	3,102	32.7	14.2	21.4
Middle	19	25.0	18.5	2,790	29.4	18.5	28.3
Upper	9	11.8	17.2	1,146	12.1	20.7	26.7
Unknown	12	15.8	35.5	1,409	14.9	40.1	0.0
<b>Total</b>	<b>76</b>	<b>100.0</b>	<b>100.0</b>	<b>9,486</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	2	40.0	15.4	16	33.3	7.6	23.6
Moderate	0	0.0	24.6	0	0.0	27.5	21.4
Middle	2	40.0	32.3	23	47.9	23.0	28.3
Upper	1	20.0	21.5	9	18.8	26.2	26.7
Unknown	0	0.0	6.2	0	0.0	15.8	0.0
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	22	17.5	15.3	1,651	11.0	10.4	23.6
Moderate	33	26.2	20.4	3,970	26.4	17.3	21.4
Middle	29	23.0	19.1	4,150	27.6	19.4	28.3
Upper	21	16.7	13.9	2,766	18.4	16.6	26.7
Unknown	21	16.7	31.1	2,507	16.7	36.2	0.0
<b>Total</b>	<b>126</b>	<b>100.0</b>	<b>100.0</b>	<b>15,044</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>							



Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: IA Non MSA Louisa 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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	19	100.0	100.0	1,944	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>1,944</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	8	100.0	100.0	891	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>891</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	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	0.0	0	0.0	0.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	27	100.0	100.0	2,835	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	<b>2,835</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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.							

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: IA Non MSA Louisa 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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	16	100.0	100.0	1,375	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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>1,375</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	8	100.0	100.0	931	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>931</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	0.0	0	0.0	0.0	0.0
Middle	3	100.0	100.0	146	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>146</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	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	0.0	0	0.0	0.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	27	100.0	100.0	2,452	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	<b>2,452</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.							

<b>Distribution of 2022 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: IA Non MSA Louisa 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>	0	0.0	0	0.0	0.0
<b>Middle</b>	7	100.0	214	100.0	100.0
<b>Upper</b>	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	7	100.0	214	100.0	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.

<b>Distribution of 2022 Small Farm Lending By Income Level of Geography</b>					
<b>Assessment Area: IA Non MSA Louisa County</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Farms %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>Low</b>	0	0.0	0	0.0	0.0
<b>Moderate</b>	0	0.0	0	0.0	0.0
<b>Middle</b>	12	100.0	1,546	100.0	100.0
<b>Upper</b>	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	12	100.0	1,546	100.0	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.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: IA Non MSA Louisa County							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
<b>Home Purchase Loans</b>							
Low	1	6.3	6.5	81	5.9	3.7	19.0
Moderate	7	43.8	29.9	427	31.1	20.8	20.0
Middle	2	12.5	17.8	163	11.9	18.0	23.9
Upper	4	25.0	27.1	573	41.7	37.3	37.1
Unknown	2	12.5	18.7	131	9.5	20.2	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>1,375</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	0	0.0	7.6	0	0.0	3.8	19.0
Moderate	2	25.0	17.8	343	36.8	11.7	20.0
Middle	2	25.0	16.1	179	19.2	12.5	23.9
Upper	4	50.0	26.3	409	43.9	35.1	37.1
Unknown	0	0.0	32.2	0	0.0	36.9	0.0
<b>Total</b>	<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>931</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	1	33.3	5.3	20	13.7	1.9	19.0
Moderate	1	33.3	31.6	76	52.1	23.2	20.0
Middle	0	0.0	26.3	0	0.0	25.8	23.9
Upper	1	33.3	36.8	50	34.2	49.1	37.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	2	7.4	6.7	101	4.1	3.6	19.0
Moderate	10	37.0	24.0	846	34.5	16.2	20.0
Middle	4	14.8	16.9	342	13.9	15.2	23.9
Upper	9	33.3	28.0	1,032	42.1	36.3	37.1
Unknown	2	7.4	24.4	131	5.3	28.8	0.0
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	<b>2,452</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>							

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: IA Non MSA Jefferson 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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	38	100.0	100.0	5,303	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	<b>5,303</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	22	100.0	100.0	3,295	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>3,295</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	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	1	100.0	100.0	153	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
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>153</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	0	0.0	0.0	0	0.0	0.0	0.0
Middle	61	100.0	100.0	8,751	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>8,751</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.							

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: IA Non MSA Jefferson County							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	5	13.2	12.6	494	9.3	8.1	22.3
Moderate	11	28.9	20.8	1,227	23.1	16.1	19.7
Middle	8	21.1	24.6	1,443	27.2	25.4	22.8
Upper	10	26.3	27.9	1,603	30.2	37.0	35.3
Unknown	4	10.5	14.2	536	10.1	13.5	0.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>100.0</b>	<b>5,303</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	2	9.1	7.8	265	8.0	4.8	22.3
Moderate	8	36.4	22.3	807	24.5	16.3	19.7
Middle	4	18.2	24.3	637	19.3	23.0	22.8
Upper	6	27.3	35.0	1,338	40.6	43.4	35.3
Unknown	2	9.1	10.7	248	7.5	12.5	0.0
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>3,295</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	22.3
Moderate	0	0.0	12.5	0	0.0	6.1	19.7
Middle	0	0.0	37.5	0	0.0	23.0	22.8
Upper	0	0.0	50.0	0	0.0	70.9	35.3
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	7	11.7	9.7	759	8.8	6.3	22.3
Moderate	19	31.7	21.1	2,034	23.7	15.9	19.7
Middle	12	20.0	25.0	2,080	24.2	24.2	22.8
Upper	16	26.7	32.0	2,941	34.2	40.9	35.3
Unknown	6	10.0	12.1	784	9.1	12.7	0.0
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>8,598</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.							

**APPENDIX D – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	<ul style="list-style-type: none"> <li>• HMDA-Reportable Lending: January 1, 2021 to December 31, 2022</li> <li>• Small Business Lending: January 1, 2022 to December 31, 2022</li> <li>• Small Farm Lending: January 1, 2022 to December 31, 2022</li> <li>• Community Development Activities: October 16, 2019 to January 22, 2024</li> </ul>		
<b>FINANCIAL INSTITUTION</b> Washington State Bank			<b>PRODUCTS REVIEWED</b> <ul style="list-style-type: none"> <li>• HMDA-Reportable</li> <li>• Small Business</li> <li>• Small Farm</li> </ul>
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa City, Iowa MSA #26980 (Washington County)	Full Scope Review	None	N/A
Columbus Junction, Iowa Non-MSA (Louisa County)	Full Scope Review	None	N/A
Fairfield, Iowa Non-MSA (Jefferson County)	Limited Scope Review	None	N/A

## APPENDIX E – Glossary

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**American Community Survey Data (ACS):** The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.<sup>4</sup>

**Area Median Income (AMI):** AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment area:** Assessment area means a geographic area delineated in accordance with section 228.41.

**Automated teller machine (ATM):** An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

**Bank:** Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

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<sup>4</sup> Source: FFIEC press release dated October 19, 2011.



uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

**Branch:** Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

**Census tract:** Small subdivisions 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. They 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.

**Combined Statistical Area (CSAs):** Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

**Community Development:** The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and 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; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

**Community Development Loan:** A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
  - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
  - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

**Community Development Service:** A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

**Consumer loan:** 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

**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 non-relatives 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).

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

**Full review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

**Geography:** A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act:** The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

**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.

**Income Level:** Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

*Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).*

**Limited-purpose bank:** This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

**Limited review:** Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

**Loan location:** Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

**Loan production office:** This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area:** 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

**Nonmetropolitan area:** This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

**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:** This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

**Small Bank:** This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

*Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.*

**Small Business Loan:** This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Wholesale Bank:** This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).