

PUBLIC DISCLOSURE

March 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rushville State Bank
RSSD# 49148

100 East Lafayette Street
Rushville, Illinois 62681-0050

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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BANK'S CRA RATING

Rushville State Bank is rated Satisfactory.

Rushville State Bank is meeting the credit needs of the communities within its assessment area. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The majority of the bank's loans were originated within the assessment area. Additionally, the geographic distribution of loans is reasonable given the bank's assessment area, and the bank's loan distribution reflects excellent penetration among businesses and farms of different sizes. Neither the bank nor this Reserve Bank have received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Rushville State Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Small Institution Examination Procedures.

A full-scope review was performed on the bank's sole assessment area, which consists of non-metropolitan Schuyler County, Illinois in its entirety. Examiners gathered information about the institution, including the bank's size, financial condition and local competition, and assessment area economic and demographic characteristics to develop a performance context for the bank's CRA lending activities.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – An 18-quarter average loan-to-deposit ratio, ending December 31, 2020, was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – A sample of the bank's small business and small farm loans originated from October 1, 2019 through September 30, 2020, was reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of the bank's small business and small farm loans originated in the assessment area, from October 1, 2019 through September 30, 2020, was analyzed to determine the extent to which the bank is making loans in geographies of different income levels.
- ***Lending to Businesses and Farms of Different Sizes*** – A sample of the bank's small business and small farm loans originated in the assessment area, from October 1, 2019 through September 30, 2020, was reviewed to determine the distribution of lending among businesses and farms of different sizes.

- **Response to Substantiated Complaints** – Neither Rushville State Bank nor this Reserve Bank received any CRA-related complaints since the previous examination.

In addition, two community representatives were contacted to provide information regarding assessment area economic and socio-economic conditions; these representatives were from organizations specializing in rural economic development and workforce preparedness.

DESCRIPTION OF INSTITUTION

Rushville State Bank is a wholly owned subsidiary of Rushville Bancshares, Inc., a one-bank bank holding company headquartered in Rushville, Illinois. The bank operates one main office with a cash-only automated teller machine (ATM) and drive-through service, as well as two standalone cash-only ATMs in Rushville, Illinois. The main office and all ATMs are in middle-income census tracts. Since the previous exam, the bank relocated an ATM, but has not opened or closed any branches.

As of December 31, 2020, the bank reported total assets of \$117.3 million. The bank serves its local community's needs primarily as an agricultural and commercial lender as shown in the table below; however, additional loan products are offered, including residential estate and consumer loans. Additionally, the bank offers traditional deposit products.

Composition of Loan Portfolio as of December 31, 2020		
Loan Type	\$ (000s)	%
Residential Real Estate	4,166	9.7
Commercial	15,260	35.4
Agriculture	17,899	41.6
Consumer	1,657	3.9
Other	4,100	9.5
Total	43,082	100.0

Note: Percentages may not total 100.0 percent due to rounding

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

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on February 13, 2017.

DESCRIPTION OF ASSESSMENT AREA¹

Rushville State Bank's delineated assessment area consists of non-metropolitan Schuyler County in Illinois. Schuyler County is located in western Illinois and the city of Rushville is the county seat. All assessment area census tracts are middle-income, with none designated as distressed or underserved. The bank's assessment area has not changed since the previous examination. See Appendix A for an assessment area map.

According to the Federal Deposit Insurance Corporation (FDIC) Summary Market Share Report, as of June 30, 2020, Rushville State Bank maintained a 57.0 percent market share of FDIC-insured deposits, ranking first out of the four FDIC-insured financial institutions with at least one branch in Schuyler County.

The table on the next page provides additional demographic information about the bank's assessment area.

¹ Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. The income distribution of the bank's census tracts remains unchanged from the prior evaluation despite the differences in ACS data periods.

Assessment Area: 2020 IL Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	411	20.6
Moderate-income	0	0.0	0	0.0	0	0.0	350	17.6
Middle-income	3	100.0	1,991	100.0	135	6.8	472	23.7
Upper-income	0	0.0	0	0.0	0	0.0	758	38.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3	100.0	1,991	100.0	135	6.8	1,991	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	3,441	2,446	100.0	71.1	554	16.1	441	12.8
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	3,441	2,446	100.0	71.1	554	16.1	441	12.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	0	0	0.0	0	0.0	0	0.0	
Middle-income	223	190	100.0	20	100.0	13	100.0	
Upper-income	0	0	0.0	0	0.0	0	0.0	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	223	190	100.0	20	100.0	13	100.0	
	Percentage of Total Businesses:			85.2	9.0		5.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	0	0	0.0	0	0.0	0	0.0	
Middle-income	39	39	100.0	0	0.0	0	0.0	
Upper-income	0	0	0.0	0	0.0	0	0.0	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	39	39	100.0	0	0.0	0	0.0	
	Percentage of Total Farms:			100.0	0.0		0.0	
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

The assessment area’s economy, particularly the county seat in Rushville, is relatively healthy and rural in nature. Although challenged by population outflows and the current COVID-19 pandemic, large employers in nearby counties and the lower housing costs in relation to other non-metropolitan counties in Illinois are primary strengths of the assessment area. Additional details on the assessment area’s economic profile are provided below.

Population Change

According to the 2015 American Community Survey data, the assessment area’s population is 7,311, which is a 3.1 percent decrease from the 2010 decennial census. During the same period, the state of Illinois experienced a 0.3 percent increase in population. A community representative stated that population loss in the area is attributable to the younger population moving to larger cities for more career opportunities. However, the representative also noted that Schuyler County’s population outflows may be lower than other rural areas due to the high quality of life and low cost of living of the area.

The table below presents the population trends for the bank’s assessment area, and the State of Illinois from 2010 to 2015.

Population Change			
Area	2010 Population	2011-15 Population	Percentage Change
Schuyler County, IL	7,544	7,311	-3.1
Non-Metropolitan Illinois	1,528,427	1,486,185	-2.8
State of Illinois	12,830,632	12,873,761	0.3

Source: U.S. Census Bureau 2010 Decennial Census and 2011-2015 American Community Survey Data

Income Characteristics

According to U.S. census data, the assessment area is comprised of 1,991 families, of which 20.6 percent were designated as low-income, and 17.6 percent were moderate-income; 6.8 percent of assessment area families have incomes below the poverty line, which is lower than the state of Illinois poverty rate at 10.5 percent.

According to 2011-2015 American Community Survey data, median family income (MFI) in Schuyler County is \$57,829, which is less than the MFI for the state of Illinois at \$71,546. This can be attributed to the rural nature of the county and is comparable to the MFI of non-metropolitan Illinois, which is \$59,323. However, the MFI for Schuyler County has increased at a higher rate (12.0 percent) than non-metropolitan Illinois (8.9 percent).

Median Family Income Change			
Area	2010 Median Family Income	2011-15 Median Family Income	Percentage Change
Schuyler County, IL	51,654	57,829	12.0
Non-Metropolitan Illinois	54,499	59,323	8.9
State of Illinois	68,236	71,546	4.9

Source: U.S. Census Bureau American Community Survey for 2006-2010 and 2011-2015

Housing Characteristics

Assessment area housing is more affordable than elsewhere in the state, including in other non-metropolitan counties. According to 2011-2015 American Community Survey data, the median housing value in Schuyler County increased 4.3 percent since 2010, compared to a 14.2 percent decrease throughout the state of Illinois. The assessment area median housing value of \$78,100 is well below that of the state of Illinois at \$173,800, but also below the \$93,478 average value for non-metropolitan Illinois counties.

Median gross rent for the assessment area of \$523 is also below that of the state of Illinois at \$907 and non-metropolitan Illinois counties at \$604. Despite the affordability of housing in the community, a community representative stated the housing stock in Schuyler County is limited and there is a need for additional affordable housing options within the Rushville city limits.

Within the assessment area, there are a total of 3,441 housing units. Owner-occupied units represent 71.1 percent of the total housing units in the assessment area, while rental units represent 16.1 percent. Housing units reported as vacant represent 12.8 percent, which is above the vacancy rate for the state of Illinois at 9.8 percent.

A common method to compare affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on 2015 American Community Survey data, the assessment area's affordability ratio of 0.61 is above the state of Illinois' level of 0.33 and the 0.50 ratio of non-metropolitan counties in the state, demonstrating the assessment area's overall affordability. The higher affordability ratio in the assessment area can be attributed to lower housing costs, especially relative to other non-metropolitan counties which have similar household income levels. Housing cost trend data are presented in the table below.

Trends in Housing Costs							
Area	2006-2010 Median Housing Value \$	2011-2015 Median Housing Value \$	Percentage Change	2006-2010 Median Gross Rent \$	2011-15 Median Gross Rent \$	Percentage Change	Afford- ability Ratio
Schuyler County, IL	74,900	78,100	4.3	472	523	10.8	0.61
Non-Metropolitan Illinois	89,798	93,478	4.1	561	604	7.7	0.50
State of Illinois	202,500	173,800	-14.2	834	907	8.8	0.33

Source: U.S. Census Bureau American Community Survey for 2006-2010 and 2011-2015

Employment Conditions

The following table presents unemployment trends for the assessment area. The assessment area and the state of Illinois experienced declining unemployment rates from 2016 through 2019, with 2020 unemployment level increases representing the effect of the COVID-19 pandemic. Schuyler County’s unemployment rate was on par with the state of Illinois until 2020. In 2020, both Schuyler County and the state of Illinois experienced increased unemployment, although Schuyler County’s increased at a significantly lower rate.

Community representatives believe the variety of employers concentrated in and near Schuyler County result in a resilient workforce capable of withstanding layoffs or the loss of some employers. The representatives also note that weaknesses in the agricultural industry, such as low commodity prices and farmers’ reliance on subsidies, may also contribute to increasing unemployment rates.

Unemployment Rates (%)					
Area	2016	2017	2018	2019	2020
Schuyler County, IL	5.8	4.6	4.5	4.2	6.2
State of Illinois	5.9	4.9	4.3	4.0	9.5

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

Bankruptcy Characteristics

Based on the Administrative Office of the U.S. Courts’ bankruptcy, Schuyler County’s bankruptcy filing rate has been consistently lower than the state of Illinois’ filing rate. In 2019, the assessment area was 2.2 filings per 1,000 population. In general, bankruptcy rates across the state of Illinois trended downwards from 2016 to 2019.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	2016	2017	2018	2019
Schuyler County, IL	1.4	2.1	1.1	2.2
State of Illinois	4.1	3.9	3.7	3.7

Source: Administrative Office of the U.S. Courts

Industry Characteristics

The table on the following page presents the largest employers in Schuyler County. According to a community representative, surrounding counties have even larger employers, including Western Illinois University and Pella Corporation in McDonough County and Dot Foods in Brown County, which employ many assessment area residents. Bureau of Labor Statistics Location Quotients also highlight the concentration of farming as employment, relative to other industry sectors in the United States.

Large Employers		
Company	Number of Employees	Industry
G M Sipes Construction Inc	200	General Contractors
Culbertson Memorial Hospital	171	Hospitals
Rushville-Industry High School	90	Schools
Snyder's Vaughn-Haven Inc.	70	Rest Homes
Prairie Land	70	Agricultural Contractors
L & N Industries	37	Steel-Structural (Manufacturers)
Moreland & Devitt Inc.	30	Pharmacies
Prairieland FS Inc.	25	Tire-Dealers-Retail
Washington Grade School Unit	23	Schools
<i>Source: Business information provided by Infogroup®, Omaha, NE</i>		

Community Representatives

Two community representatives from rural economic development and workforce preparedness organizations were contacted to provide information regarding local economic and demographic conditions. In addition to the perspectives provided in the preceding discussion, the representatives noted that the assessment area has a need for more investment in education, specifically leadership training for young adults, and affordable housing within the city limits of Rushville.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

Rushville State Bank’s performance for the lending test is rated Satisfactory based on its reasonable loan-to-deposit ratio, a majority of the bank’s loans being originated within the assessment area, reasonable dispersion of loans throughout the assessment area, and excellent penetration among businesses and farms of different sizes.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and assessment area credit needs. As of December 31, 2020, the bank’s 18-quarter average LTD ratio was 51.0 percent. The ratio is lower than the bank’s primarily larger competitors. This is attributed to the bank operating in a highly competitive lending market where the bank’s competitors have a strong physical presence in both Schuyler and adjacent counties. In contrast, Rushville State Bank operates only one location in Schuyler County, resulting in fewer lending opportunities. However, the bank’s LTD ratio has increased from 43.4 percent at the time of the previous evaluation, demonstrating an improvement in extending credit.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	18 – Quarter Average
Rushville State Bank	51.0
Competitors	
West Central Bank	90.6
Marine Bank	89.8
Beardstown Savings	89.0
Ipava State Bank	76.1
Better Banks	72.5
First Bankers Trust Company, NA	64.2

Assessment Area Concentration

During the evaluation period, a majority of loans were originated in the assessment area. Rushville State Bank originated 84.8 percent of total loans by number and 80.6 percent of loans by dollar inside the assessment area during the evaluation period. Small business lending had a higher origination rate of 85.9 percent by number, compared to 83.3 percent of small farm loans originated inside the assessment area. Overall, lending inside of the assessment area indicates appropriate responsiveness to assessment area credit needs.

The following table displays Rushville’s lending inside and outside of its assessment area for small business and small farm loans from October 1, 2019 to September 30, 2020.

Lending Inside and Outside the AA								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Total Small Business related	55	85.9	3,269	88.4	9	14.1	427	11.6
Total Small Farm related	40	83.3	2,760	72.9	8	16.7	1,028	27.1
Total Loans	95	84.8	6,029	80.6	17	15.2	1,455	19.4

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

Geographic Distribution of Loans

The assessment area is comprised only of middle-income census tracts; therefore, a meaningful analysis of geographic distribution could not be performed. The dispersion of the loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. An analysis of the small business and small farm lending sample showed that Rushville State Bank originated credit in all three census tracts in the assessment area. Examiners determined that there were no conspicuous unexplained gaps in contiguous census tracts.

Lending to Businesses and Farms of Different Sizes

Rushville State Bank’s overall distribution of loans reflects excellent penetration among businesses and farms of different sizes. Greater weight was placed on small business lending, given the higher volume of small business loans made during the sample period, in comparison to small farm loans, as well as the bank’s extension of Paycheck Protection Program (PPP) loans during the COVID-19 pandemic.

Small Business Lending

The bank’s lending to businesses of different sizes is excellent. Loans to businesses with annual revenues of \$1 million or less, at 84.8 percent of loans, approximates the total businesses demographic measure of 85.2 percent. In addition, the bank originated 92.3 percent of its small business loans in amounts of \$100,000 or less. These loans are generally considered the most beneficial to small businesses, indicating the bank’s willingness to meet the credit needs of smaller businesses and further supports the bank’s excellent penetration of lending to small businesses in the assessment area.

In addition, of the 2020 small business loans, 16 loans were made through the Small Business Administration Paycheck Protection Program and 93.8 percent were to businesses with gross annual revenues of \$1 million or less. PPP loans are considered particularly responsive if made to small businesses with gross annual revenues of \$1 million or less. The bank’s participation in this COVID-19 pandemic-related program demonstrates further support of small businesses in the assessment area.

Small business lending performance in 2019 was similar; 2019 lending tables are included in Appendix C. The following table presents the bank’s borrower distribution of small business loans in 2020.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2020 IL Non MSA							
Product Type		Bank & Demographic Comparison					
		2020		2020		Total Businesses	
Revenue	Loan Size	Count		Dollar			
		Bank		Bank		%	
		#	%	\$ 000s	\$ %	%	
Small Business	Revenue	\$1 Million or Less	39	84.8	1,211	42.2	85.2
		Over \$1 Million or Unknown	7	15.2	1,657	57.8	14.8
		Total	46	100.0	2,868	100.0	100.0
	Loan Size	\$100,000 or Less	39	84.8	1,065	37.1	
		\$100,001 - \$250,000	5	10.9	791	27.6	
		\$250,001 - \$1 Million	2	4.3	1,012	35.3	
		Total	46	100.0	2,868	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	36	92.3	834	68.9	
		\$100,001 - \$250,000	3	7.7	377	31.1	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	39	100.0	1,211	100.0	
	Originations & Purchases						
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Small Farm Lending

The bank’s lending to small farms of different sizes is reasonable. Of 35 loans to small farms, 94.3 percent were to farms with gross revenues of \$1 million or less; all farms in the assessment area have revenues of \$1 million or less. In addition, 84.8 percent of the loans with revenues of \$1 million or less were in an amount of \$100,000 or less, which are most beneficial to small farms. This indicates the bank’s willingness to meet the credit needs of small farms.

Small farm lending performance in 2019 was similar; 2019 lending tables are included in Appendix C. The following table presents the bank’s borrower distribution of small farm loans in 2020.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2020 IL Non MSA							
Product Type		Bank & Demographic Comparison					
		2020		2020		Total Farms	
Revenue	Loan Size	Count	Dollar				
		Bank	Bank	\$ 000s	\$ %	%	
#	%						
Small Farm	Revenue	\$1 Million or Less	33	94.3	2,282	90.7	100.0
		Over \$1 Million or Unknown	2	5.7	234	9.3	0.0
		Total	35	100.0	2,516	100.0	100.0
	Loan Size	\$100,000 or Less	28	80.0	1,090	43.3	
		\$100,001 - \$250,000	5	14.3	761	30.2	
		\$250,001 - \$500,000	2	5.7	665	26.4	
		Total	35	100.0	2,516	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	28	84.8	1,090	47.8	
		\$100,001 - \$250,000	3	9.1	527	23.1	
		\$250,001 - \$500,000	2	6.1	665	29.1	
		Total	33	100.0	2,282	100.0	
	Originations & Purchases						
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

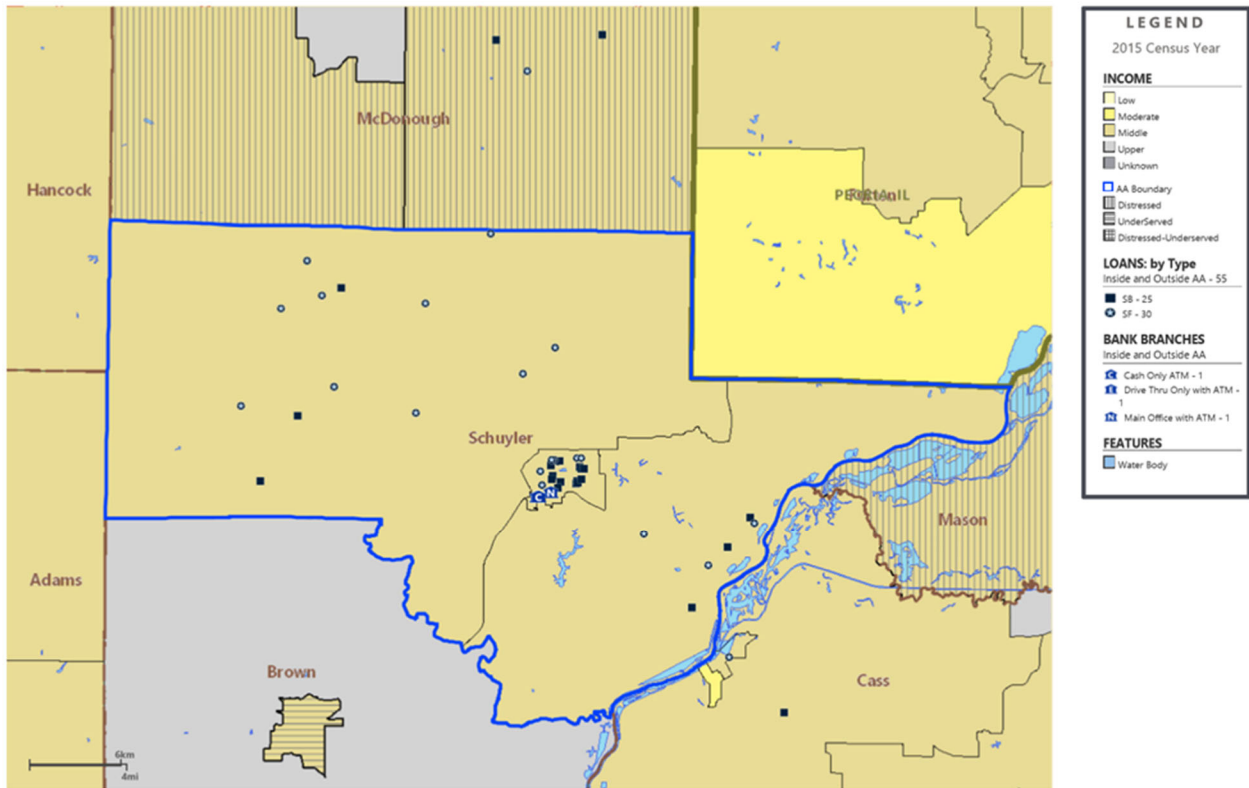
Response to Complaints

Neither the bank nor this Reserve Bank have received any CRA-related complaints since the previous examination.

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 Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		October 1, 2019 – September 30, 2020	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
Rushville State Bank		Small Business and Small Farm Loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
None	N/A	N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Illinois Non-Metropolitan Schuyler County	Full scope	N/A	N/A

APPENDIX C – 2019 Demographic & Performance Tables

Assessment Area: 2019 IL Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	411	20.6
Moderate-income	0	0.0	0	0.0	0	0.0	350	17.6
Middle-income	3	100.0	1,991	100.0	135	6.8	472	23.7
Upper-income	0	0.0	0	0.0	0	0.0	758	38.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3	100.0	1,991	100.0	135	6.8	1,991	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	3,441	2,446	100.0	71.1	554	16.1	441	12.8
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	3,441	2,446	100.0	71.1	554	16.1	441	12.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	213	100.0	180	100.0	20	100.0	13	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	213	100.0	180	100.0	20	100.0	13	100.0
	Percentage of Total Businesses:			84.5		9.4		6.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	38	100.0	38	100.0	0	0.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	38	100.0	38	100.0	0	0.0	0	0.0
	Percentage of Total Farms:			100.0		0.0		0.0
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2019 IL Non MSA							
Product Type		Bank & Demographic Comparison					
		Count Bank		Dollar Bank		Total Businesses	
		#	%	\$ 000s	\$ %	%	
Small Business	Revenue	\$1 Million or Less	9	100.0	400	100.0	84.5
		Over \$1 Million or Unknown	0	0.0	0	0.0	15.5
		Total	9	100.0	400	100.0	100.0
	Loan Size	\$100,000 or Less	8	88.9	257	64.3	
		\$100,001 - \$250,000	1	11.1	143	35.8	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	9	100.0	400	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	8	88.9	257	64.3	
		\$100,001 - \$250,000	1	11.1	143	35.8	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	9	100.0	400	100.0	
	Originations & Purchases						
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2019 IL Non MSA							
Product Type		Bank & Demographic Comparison					
		Count Bank		Dollar Bank		Total Farms	
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	5	100.0	245	100.0	100.0
		Over \$1 Million or Unknown	0	0.0	0	0.0	0.0
		Total	5	100.0	245	100.0	100.0
	Loan Size	\$100,000 or Less	4	80.0	85	34.7	
		\$100,001 - \$250,000	1	20.0	160	65.3	
		\$250,001 - \$500,000	0	0.0	0	0.0	
		Total	5	100.0	245	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	80.0	85	34.7	
		\$100,001 - \$250,000	1	20.0	160	65.3	
		\$250,001 - \$500,000	0	0.0	0	0.0	
		Total	5	100.0	245	100.0	
	Originations & Purchases						
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

APPENDIX D – 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.²

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

² 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 non-metropolitan 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, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement 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 product 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: 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).