



PUBLIC DISCLOSURE

MARCH 11, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**FNB NEW MEXICO
RSSD# 562553**

**201 MAIN STREET
CLAYTON, NEW MEXICO 88415**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

FNB New Mexico (the bank) is rated Satisfactory and was also rated Satisfactory under the Community Reinvestment Act (CRA) at its December 1, 2014 performance evaluation, conducted by the Office of the Comptroller of the Currency (OCC).

- The bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- A reasonable dispersion of loans occurs throughout the bank's AA.
- Lending reflects an excellent penetration among businesses and farms of different sizes.
- Neither the bank nor Federal Reserve Bank of Kansas City (Reserve Bank) received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's Northeastern New Mexico AA. The following criteria were reviewed:

- **NLTD** – A 16-quarter average NLTD ratio was calculated for the bank and compared to a sample of similarly situated institutions.
- **Lending in the AA, Geographic Distribution, and Distribution to Businesses and Farms of Different Sizes** – Statistical samples of the bank's small business and small farm loans originated from July 1, 2017 through December 1, 2017, were reviewed and compared to applicable demographic data. More weight was placed on small farm lending in these analyses due to the bank's focus on agricultural lending.
- **Response to Substantiated Complaints** – Neither the bank nor the Reserve Bank received any CRA-related complaints since the previous evaluation. Therefore, this criterion was not evaluated.
- **Community Contacts** – One community representative from a government agency was interviewed to provide insight into the credit needs of small businesses and small farms within the AA as well as low- and moderate-income geographies.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Clayton, New Mexico. The bank’s characteristics include the following:

- The bank’s total assets were \$242.8 million (MM) as of June 30, 2018.
- In addition to the bank’s main location, the bank operates five branches in the New Mexico communities of Raton, Logan, Tucumcari, Angel Fire, and Santa Rosa, as well as one full-service branch in Dalhart, Texas. The bank also operates a loan production office (LPO) in Albuquerque, New Mexico.
- The bank’s branch in Dalhart, Texas, converted to a branch from an LPO in December 2018. Due to the timing of the recent branch conversion, the associated additional delineated Texas AA was not included in this evaluation.
- Each branch has a cash-only automated teller machine (ATM); the bank also operates two cash-only ATMs located in the communities of Logan and Angel Fire.
- The bank’s primary business focus is agricultural lending.

TABLE 1 FNB NEW MEXICO LOAN PORTFOLIO AS OF JUNE 30, 2018		
Loan Type	\$(000)	%
Agriculture	103,216	57.2
Commercial	47,089	26.1
Residential Real Estate	24,518	13.6
Consumer	5,356	3.0
Other	185	0.1
Gross Loans	180,364	100.0
<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.

DESCRIPTION OF ASSESSMENT AREA

The bank’s New Mexico AA is comprised of the following entire counties: Union, Colfax, Quay, and Guadalupe (see Appendix A for an AA map).

- The AA’s delineation is unchanged since the December 1, 2014 performance evaluation conducted by the OCC.
- The AA is comprised of eight census tracts: two moderate- and six middle-income census tracts (see Appendix B for additional demographic information).
- As of the Federal Deposit Insurance Corporation’s (FDIC’s) June 30, 2018 Deposit Market Share Report, the bank’s deposit market share of 31.1 percent ranks first of seven FDIC-insured financial institutions operating in the AA.

TABLE 2 POPULATION CHANGE			
Area	2010 Population	2015 Population	Percent Change
Northeastern New Mexico AA	32,027	30,560	(4.6)
Colfax County	13,750	12,997	(5.5)
Guadalupe County	4,687	4,526	(3.4)
Quay County	9,041	8,698	(3.8)
Union County	4,549	4,339	(4.6)
State of New Mexico	2,059,179	2,084,117	1.2

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

- The AA’s population was 30,560 as of the 2015 American Community Survey, with 42.5 percent of the population residing in Colfax County.
- The AA’s population decreased by 4.6 percent as compared to the state of New Mexico’s population which grew by 1.2 percent.
- A community representative attributed the AA population loss to the lack of job opportunities for individuals with college educations; indicating these individuals relocate to larger cities.

TABLE 3 MEDIAN FAMILY INCOME CHANGE			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Northeastern New Mexico AA	44,185	44,738	1.3
Colfax County	48,450	46,643	(3.7)
Guadalupe County	37,535	40,076	6.8
Quay County	41,766	40,801	(2.3)
Union County	41,687	50,250	20.5
State of New Mexico	52,565	55,049	4.7

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

- Median family income (MFI) of the AA increased marginally from 2010 to 2015; primarily driven by the relatively large increase in Union County smoothing the decrease in Colfax and Quay Counties.
- The MFI increase in Guadalupe County (6.8 percent) most closely aligned with the growth rate for the state of New Mexico (4.7 percent).

**TABLE 4
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Northeastern New Mexico AA	83,133	93,239	12.2	561	551	(1.8)
Colfax County	103,100	117,700	14.2	554	586	5.8
Guadalupe County	74,500	82,200	10.3	537	540	0.6
Quay County	65,200	76,300	17.0	569	480	(15.6)
Union County	91,900	87,400	(4.9)	578	646	11.8
State of New Mexico	158,400	160,300	1.2	683	777	13.8

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

- Approximately 40.3 percent of homes in the AA are owner-occupied, 42.3 are vacant units, and 17.5 are rental units. The high percentage of vacant and rental units are generally reflective of areas experiencing elevated tourism activity as the local Angel Fire Resort is located in the AA.
- A community representative stated the increase in housing value in the AA is organic. The AA's median housing value increased significantly, outpacing the growth rate for the state of New Mexico. However, the median housing value in the AA is 41.9 percent less than the state of New Mexico value.
- Performance context was also provided from bank management, who commented on the limited housing inventory and new construction in the AA. The bank also confirmed that the AA is rural in nature and sparsely populated.

**TABLE 5
UNEMPLOYMENT RATES**

Region	2013	2014	2015	2016	2017
Colfax County	7.1	6.3	6.0	6.0	6.0
Guadalupe County	8.7	7.7	7.1	6.4	6.4
Quay County	7.3	6.6	7.1	6.8	6.2
Union County	4.6	4.6	4.4	4.0	3.8
State of New Mexico	6.9	6.7	6.5	6.7	6.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The AA's economy relies primarily on agricultural, educational, health services, construction, tourist retail trade, and public administration industries.
- Some of the largest employers in the AA include:
 - Philmont Scouts Ranch, Miners Medical Center, Angel Fire Resort, New Mexico Detention Facility, City of Clayton and its schools, City of Tucumcari and its schools, Travel Centers of America, Guadalupe Correctional Facility, and Santa Rosa Schools.

- The unemployment rate in Union County is low compared to the rates of other counties in the AA and the state. According to a community representative, this is due to the significant employment opportunities provided by the local detention facility. In addition, farmers and ranchers in this area were able to sustain operations using their cash reserves during the recent drought rather than file for unemployment benefits.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to several similarly situated FDIC-insured institutions. The bank’s NLTD ratio is reasonable.

TABLE 6 COMPARATIVE NET LOAN-TO-DEPOSIT RATIOS	
Institution	NLTD Ratio (%)
	16-Quarter Average
FNB New Mexico	77.6
Farmers and Stockmens Bank	91.2
American Heritage Bank	66.6
Citizens Bank	59.2
International Bank	56.6
Bank of Clovis	53.9

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside the AA. A majority of the bank’s loans, by number and dollar, are originated inside the AA.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Small Business Loans	34	2,492	75.6	62.7	11	1,481	24.4	37.3
Small Farm Loans	38	3,839	66.7	57.2	19	2,868	33.3	42.8
Total Loans	72	6,331	70.6	59.3	30	4,349	29.4	40.7

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

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts. The bank’s geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s lending in moderate-income census tracts is comparable to the percentage of businesses operating in moderate-income census tracts.

TABLE 8 DISTRIBUTION OF 2017 SMALL BUSINESS LOANS BY INCOME LEVEL OF GEOGRAPHY					
Census Tract Income Level	Bank Small Business Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	6	698	17.6	28.0	17.8
Middle	28	1,794	82.4	72.0	82.2
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0

*2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.*

Small Farm Lending

The geographic distribution of small farm lending is reasonable. The bank’s lending in moderate-income census tracts is lower than the percentage of AA farms operating in moderate-income census tracts. While the bank’s performance is below the demographic figure, opportunities for small farm loans in moderate-income census tracts are limited as there are only eight farms operating in the AA’s two moderate-income census tracts. These census tracts are located in the city of Tucumcari and are densely populated.

TABLE 9 DISTRIBUTION OF 2017 SMALL FARM LOANS BY INCOME LEVEL OF GEOGRAPHY					
Census Tract Income Level	Bank Small Farm Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	1	60	2.6	1.6	5.3
Middle	37	3,779	97.4	98.4	94.7
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0

*2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.*

Lending to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to businesses and farms of different revenue sizes, with emphasis placed on lending to those with gross annual revenues of \$1 million (MM) or less. The bank’s lending displays an excellent penetration among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank’s lending to small businesses exceeds the percentage of businesses with revenues of \$1MM or less. Additionally, of the 33 loans extended to small businesses, 29 loans were originated in the amounts of \$100,000 or less displaying the bank’s effort to provide small businesses with the credit they need.

TABLE 10 DISTRIBUTION OF 2017 SMALL BUSINESS LOANS BY REVENUE SIZE OF BUSINESSES					
	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	33	1,873	97.1	75.2	87.4
Over \$1 Million	1	618	2.9	24.8	8.9
Not Known	0	0	0.0	0.0	3.7
Total	34	2,492	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	29	781	85.3	31.3	
\$100,001 - \$250,000	2	278	5.9	11.2	
\$250,001 - \$1 Million	3	1,433	8.8	57.5	
Total	34	2,492	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	29	781	87.9	41.7	
\$100,001 - \$250,000	2	278	6.1	14.8	
\$250,001 - \$1 Million	2	814	6.1	43.5	
Total	33	1,873	100.0	100.0	
<small>2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS. NOTE: Percentages may not add up to 100.0 due to rounding.</small>					

Small Farm Lending

The borrower distribution of small farm lending is excellent. The bank’s lending to small farms is above the percentage of AA farms with revenues of \$1MM or less. Additionally, of the 38 loans originated, 35 loans were made in the amounts of \$250,000 or less. This demonstrates the bank’s efforts to meet the credit needs of small farms in the AA.

**TABLE 11
DISTRIBUTION OF 2017 SMALL FARM LOANS
BY REVENUE SIZE OF FARMS**

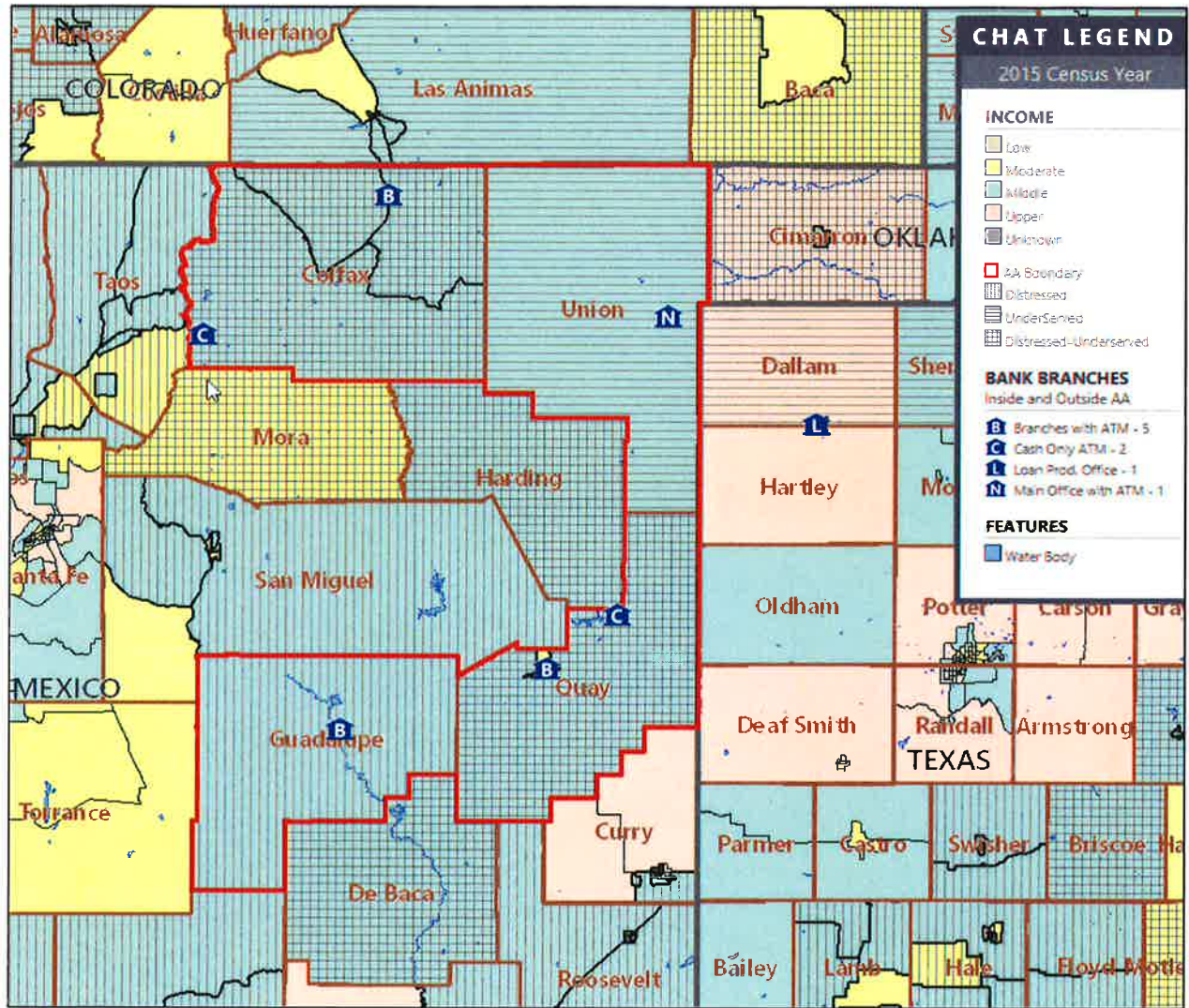
	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	38	3,839	100.0	100.0	97.4
Over \$1 Million	0	0	0.0	0.0	2.6
Not Known	0	0	0.0	0.0	0.0
Total	38	3,839	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	27	1,210	71.1	31.5	
\$100,001 - \$250,000	8	1,587	21.1	41.3	
\$250,001 - \$500,000	3	1,042	7.9	27.1	
Total	38	3,839	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	27	1,210	71.1	31.5	
\$100,001 - \$250,000	8	1,587	21.1	41.3	
\$250,001 - \$500,000	3	1,042	7.9	27.1	
Total	38	3,839	100.0	100.0	

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2017 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank’s compliance with fair lending laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

APPENDIX A – Map of the Assessment Area



APPENDIX B – Demographic Information

**TABLE B-1
NORTHEASTERN NEW MEXICO AA 2017 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	1,647	23.9
Moderate	2	25.0	1,201	17.5	192	16.0	1,420	20.6
Middle	6	75.0	5,678	82.5	746	13.1	1,241	18.0
Upper	0	0.0	0	0.0	0	0.0	2,571	37.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8	100.0	6,879	100.0	938	13.6	6,879	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,202	1,479	18.2	46.2	751	23.5	972	30.4
Middle	16,976	6,644	81.8	39.1	2,770	16.3	7,562	44.5
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
Total AA	20,178	8,123	100.0	40.3	3,521	17.4	8,534	42.3
	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	214	17.8	187	17.8	21	19.6	6	13.6
Middle	988	82.2	864	82.2	86	80.4	38	86.4
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
Total AA	1,202	100.0	1,051	100.0	107	100.0	44	100.0
Percentage of Total Businesses:				87.4		8.9		3.7
	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	8	5.3	8	5.4	0	0.0	0	0.0
Middle	144	94.7	140	94.6	4	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
Total AA	152	100.0	148	100.0	4	100.0	0	0.0
Percentage of Total Farms:				97.4		2.6		0.0

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX C – Glossary

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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 definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) 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, and 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 needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include

nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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