PUBLIC DISCLOSURE

October 25, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Lewisburg Banking Company
RSSD #580847

287 North Main Street
Lewisburg, Kentucky 42256

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **This document is an evaluation of this institution'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 institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

Lewisburg Banking Company meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The borrower's profile analysis reveals reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) levels.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Examination Procedures for Small Institutions. Residential real estate and consumer motor vehicle loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on 1–4 family residential real estate lending, performance based on this product carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2017 – June 30, 2021
Assessment Area Concentration	January 1, 2019 – December 31, 2019
Geographic Distribution of Loans	January 1, 2019 – December 31, 2019
Loan Distribution by Borrower's Profile	January 1, 2019 – December 31, 2019
Response to Written CRA Complaints	February 27, 2017 – October 24, 2021

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 U.S. Census data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from $107.8 million to $343.5 million as of June 30, 2021.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Lewisburg Banking Company is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Lewisburg Bancshares Corporation, a one-bank holding company headquartered in Lewisburg, Kentucky. The bank's branch network consists of four full-service offices (including the main office) with full-service automated teller machines, all located in Logan County, Kentucky. Since the last examination, the bank opened one new office in Auburn, Kentucky. Additionally, the bank closed one of its existing branches, converting it into a technology center. Alongside the creation of a technology center, all drive-through teller lanes were replaced with interactive teller machines. Based on this branch network and other service delivery systems, such as online banking services, the bank is well positioned to deliver financial services to its entire assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of June 30, 2021, the bank reported total assets of $164.5 million. As of the same date, loans and leases outstanding were $102.6 million (62.4 percent of total assets), and deposits totaled $132.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of 6/30/21		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and development	$6,523	6.4%
Commercial real estate	$9,486	9.2%
Multifamily residential	$2,174	2.1%
1–4 family residential	$43,753	42.6%
Farmland	$11,398	11.1%
Farm loans	$5,397	5.3%
Commercial and industrial	$15,938	15.5%
Loans to individuals	$6,873	6.7%
Total other loans	$1,105	1.1%
TOTAL	**$102,647**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties, and, to a lesser extent, commercial and industrial and farmland loans. While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on February 27, 2017, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 26,851, is located in southern nonmetropolitan statistical area (nonMSA) Kentucky and comprises the entirety of Logan County. This assessment area includes the city of Russellville and is surrounded by more rural areas that include the small towns of Lewisburg, Auburn, and Adairville. (The bank has a branch presence in all four of these municipalities.) This assessment area includes six census tracts: one middle- and five upper-income tracts.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2020, there are six FDIC-insured depository institutions in the assessment area that operate 12 offices. Lewisburg Banking Company (operating five, or 41.7 percent, offices in the assessment area) ranked second in terms of deposit market share, with 21.8 percent of the total assessment area deposit dollars.

General credit needs in the assessment area include a standard blend of consumer and commercial loan products. Community contacts noted a need for more residential development projects and start-up small business loans but also indicated the credit needs of the area were being met.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	0	5	1	0	**6**
	0%	0%	83.3%	16.7%	0.0%	**100%**
Family Population	0	0	5,716	1,501	0	**7,217**
	0%	0%	79.2%	20.8%	0.0%	**100%**

As shown above, no census tracts in the assessment area are LMI geographies. This is a change from the last examination, where there was one moderate-income census tract consisting of 1,481 (19.7 percent) families in the assessment area.

Based on 2015 U.S. Census data, the median family income for the assessment area was $47,879. At the same time, the median family income for nonMSA Kentucky was $45,986. More recently, the FFIEC estimates the 2019 median family income for nonMSA Kentucky to be $49,800. The following table displays population percentages of assessment area families by income level compared to the nonMSA Kentucky family population as a whole.

Family Population by Income Level							
Dataset		**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Assessment Area		1,387	1,234	1,565	3,031	0	**7,217**
		19.2%	17.1%	21.7%	42.0%	0.0%	**100%**
NonMSA Kentucky		115,103	77,548	89,036	200,284	0	**481,971**
		23.9%	16.1%	18.5%	41.6%	0.0%	**100%**

As shown in the table above, 36.3 percent of families within the assessment area were considered LMI, which is lower than LMI family percentages of 40.0 percent in nonMSA Kentucky. Similarly, the percentage of families living below the poverty threshold in the assessment area, 13.8 percent, falls below the 18.2 percent level in nonMSA Kentucky. Considering these factors, the assessment area is more affluent than nonMSA Kentucky as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be similar to nonMSA Kentucky. The median housing value for the assessment area is $94,600, which is above the figure for nonMSA Kentucky, $90,748; however, considering income levels relative to the designated areas, the assessment area housing affordability ratio of 40.6 percent is substantially similar to the nonMSA Kentucky figure of 39.0 percent. The median gross rent for the assessment area of $588 per month is also comparable to the $578 per month for nonMSA Kentucky.

Industry and Employment Demographics

The assessment area economy is driven largely by the manufacturing sector and supported by retail and healthcare sectors. This was further supported by both community contacts, who emphasized the local economy’s reliance on the growing supply of manufacturing jobs. County business patterns indicate that there are 7,250 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (44.0 percent), followed by retail trade (12.7 percent) and healthcare and social assistance (8.5 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the state of Kentucky as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Logan County**	**Kentucky**
2018	3.8%	4.2%
2019	3.9%	4.1%
2020	5.5%	6.6%

As shown in the table above, unemployment levels for the assessment area, as well as Kentucky, have shown a generally stable trend; however, there was a noticeable increase in unemployment in 2020.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these community contact interviews, both specialized in economic development: one only for Logan County, Kentucky, and one for the entirety of south-central Kentucky. The community contact interviewees characterized the economy in Logan County as better than the regional economy overall, with both crediting this to a strong manufacturing sector in area. Economic highlights mentioned in these interviews include that Logan County has the second lowest unemployment level in the state and that workforce participation is an issue in the county. Furthermore, no major employers have left the area in recent history, and existing business have been growing. While established small businesses have ready access to credit, start-ups in the area need improved credit access channels; however, both contacts stated that, overall, there are no significant unmet credit needs in the community. The first contact, who specializes in economic development in Logan County, said infrastructure is a barrier to recruiting new manufacturers, since there is no interstate highway in Logan County. The first contact also described the lack of available housing stock as a large issue in the area and attributed this to a lack of available land in the area to use for developments. The second contact, who specializes in regional economic development, echoed this concern and cited the rising price of building materials needed for these residential developments as a barrier to increasing the current housing supply. Both contacts described a moderate amount of banking competition throughout Logan County, with no banks in the area being particularly more involved or less involved in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 18-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of 6/30/21**	**Average LTD Ratio**
Lewisburg Banking Company	Lewisburg, Kentucky	$164,507	78.3%
Regional Banks	Auburn, Kentucky	$107,796	78.8%
	Clinton, Kentucky	$343,520	80.8%

Based on data from the previous table, the bank's level of lending is in line with that of other banks in the region considered to have similar asset sizes and loan portfolio mix. During the review period, the LTD ratio experienced a generally stable, slightly increasing trend, with a 18-quarter average of 78.3 percent. The average LTD ratios for the regional peers followed a similar generally stable trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside of the bank's assessment area.

Lending Inside and Outside of Assessment Area January 1, 2019 through December 31, 2019						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 family residential	54	83.1%	11	16.9%	**65**	**100%**
	$4,954	85.6%	$831	14.4%	**$5,784**	**100%**
Consumer motor vehicle	54	88.5%	7	11.5%	**61**	**100%**
	$827	86.3%	$131	13.7%	**$958**	**100%**
TOTAL LOANS	**108**	**85.7%**	**18**	**14.3%**	**126**	**100%**
	$5,781	**85.7%**	**$962**	**14.3%**	**$6,743**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 85.7 percent of the total loans were made inside the assessment area, accounting for 85.7 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, primarily based on performance in the 1–4 family residential real estate loan category. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($49,800 for nonMSA Kentucky as of 2019). The following table shows the distribution of 1–4 family residential real estate reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2019 aggregate data for the assessment area is displayed.

Borrower Distribution of Residential Real Estate Loans Assessment Area: Logan County NonMSA Kentucky								
Product Type	**Borrower Income Levels**	**2019**						
		Count			**Dollar**			**Families**
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
HOME MORTGAGE TOTALS	Low	6	11.1%	2.5%	362	7.3%	1.3%	19.2%
	Moderate	7	13.0%	14.2%	456	9.2%	10.0%	17.1%
	Middle	9	16.7%	22.5%	801	16.2%	20.5%	21.7%
	Upper	32	59.3%	44.5%	3,335	67.3%	50.8%	42.0%
	Unknown	0	0.0%	16.3%	0	0.0%	17.4%	0.0%
	TOTAL	**54**	**100.0%**	**100.0%**	**4,954**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (11.1 percent) is below the low-income family population percentage (19.2 percent) but exceeds aggregate lending performance (2.5%) reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (13.0 percent) is in line with the moderate-income family population percentage (17.1 percent) and the 2019 aggregate lending level to moderate-income borrowers (14.2 percent). Therefore, lending to moderate-income borrowers is also considered reasonable. Overall, the bank's borrower distribution of residential real estate loans is reasonable.

Next, consumer motor vehicle loans were reviewed to determine the bank's lending levels to LMI borrowers within the assessment area. The following table shows the distribution of consumer motor vehicle loans by income level compared to the household population income demographics in the assessment area.

Distribution of Motor Vehicle Loans By Borrower Income Level					
Borrower Income Levels	2019				
	Count		Dollar		Households
	#	%	$ (000s)	$ %	%
Low	15	27.8%	$133	16.1%	23.6%
Moderate	12	22.2%	$176	21.3%	13.3%
Middle	13	24.1%	$186	22.5%	19.1%
Upper	14	25.9%	$332	40.1%	44.0%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**54**	**100.0%**	**$827**	**100.0%**	**100.0%**

The bank's percentage of lending to low-income borrowers (27.8 percent) reflects reasonable performance, being in line with the low-income household population figure (23.6 percent). The bank's level of lending to moderate-income borrowers (22.2 percent) is substantially higher than the household population figure (13.3 percent), reflecting excellent performance. Overall, the bank's distribution of motor vehicle loans by borrower's profile (50.0%) is excellent, as it exceeds the combined demographic for both categories (36.9 percent).

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts. As previously stated, the bank's assessment area is composed of one middle-income census tract and five upper-income census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, the results of which indicated that loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure. Therefore, the bank's geographic distribution of loans is reasonable.

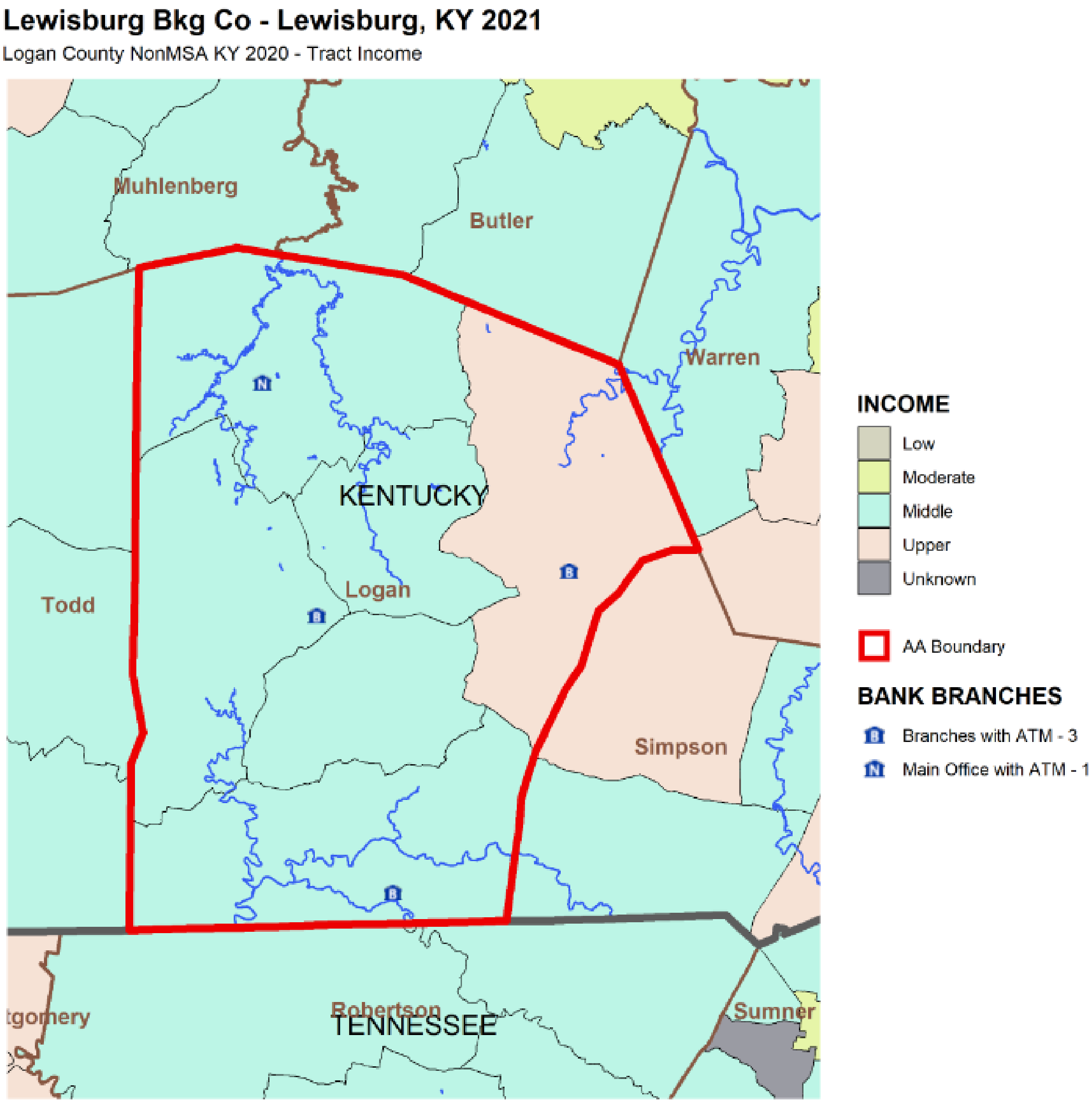
Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (February 27, 2017 to October 24, 2021).

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

ASSESSMENT AREA DETAIL



Appendix B

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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., 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 refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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 businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports 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 secured by either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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