



PUBLIC DISCLOSURE

April 26, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wahoo State Bank
RSSD# 662350

164 East 5th Street
Wahoo, Nebraska 68066

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

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 this 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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating..... 2
Scope of Examination 2
Description of Institution..... 2
Description of the Assessment Area 3
Conclusions with Respect to Performance Criteria 5
Fair Lending or Other Illegal Credit Practices Review..... 9
Appendix A – Map of the Assessment Area..... 10
Appendix B – Demographic Information 11
Appendix C – Glossary 13

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Wahoo State Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- 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.
- An evaluation of the distribution of loans among geographies of different income levels was not conducted as the AA was comprised entirely of middle-income tracts and an analysis would not be meaningful.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council'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, business strategy, and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's Saunders County AA. The following data was reviewed:

- The bank's 19-quarter average NLTD ratio,
- A universe of 79 home mortgage loans originated between January 1, 2019 and December 31, 2019. Only home purchase, home refinance and home improvement loans were included in the analysis.
- A statistical sample of 63 small business loans selected from a universe of 91 loans originated between January 1, 2020 and December 31, 2020.

For overall home mortgage lending performance conclusions, home refinance loans carried more weight than home purchase lending in the analysis due to the volume of loans.

DESCRIPTION OF INSTITUTION

The bank is an intrastate community bank headquartered in Wahoo, Nebraska. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Hohl Financial, Inc., Wahoo, Nebraska.
- The bank has total assets of \$108.2 million (MM), as of December 31, 2020.

- In addition to its main office, the bank operates an additional limited-service drive-up facility, also located in Wahoo.
- The bank operates two cash-only automated teller machines (ATMs), including one ATM at its drive-up facility and one ATM at a local convenience store in Wahoo.
- As Table 1 illustrates, the bank’s primary lending strategy is in residential real estate.

TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF DECEMBER 31, 2020		
Loan Type	\$(000)	%
Residential Real Estate	34,122	49.3
Commercial	15,630	22.6
Agricultural	14,834	21.4
Consumer	4,577	6.6
Other	14	0.0
Gross Loans	69,177	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory at its prior CRA performance evaluation conducted June 20, 2016. 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 AA is comprised of Saunders County in its entirety, which is included as a portion of the Omaha-Council Bluffs, Nebraska-Iowa Metropolitan Statistical Area (MSA). (See Appendix A for an AA map).

- The AA is comprised of five middle-income census tracts and is unchanged from the prior evaluation.
- As of the June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank had a deposit market share of 13.4 percent which ranked 2nd out of 14 FDIC-insured depository institutions with branch offices in the AA.
- Two community contacts recently conducted as part of the public evaluations of other financial institutions were reviewed to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions within the AA. The contacts included individuals affiliated with economic development organizations and city organizations.

**TABLE 2
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Saunders County, NE	20,780	20,913	0.6
Omaha-Council Bluffs, NE-IA MSA	865,350	895,919	3.5
State of Nebraska	1,826,341	1,869,365	2.4

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

- The city of Wahoo is the county seat and largest city in Saunders County with a population of 4,548 in 2019.
- The AA's 2015 population of 20,913 accounts for 1.1 percent of the statewide population.

**TABLE 3
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Saunders County, NE	73,558	73,107	(0.6)
Omaha-Council Bluffs, NE-IA MSA	75,723	73,632	(2.8)
State of Nebraska	67,393	67,225	(0.2)

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.

- A community contact indicated many individuals live in the AA but travel to Lincoln and Omaha, where there is a higher number of well-paying job opportunities.
- The AA population consists of only 5.9 percent of families living below the poverty level, which is below that of the MSA and the state of Nebraska, at 8.6 percent and 8.8 percent, respectively.

**TABLE 4
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Saunders County, NE	137,500	150,600	9.5	697	729	4.6
Omaha-Council Bluffs, NE-IA MSA	143,373	148,241	3.4	730	810	11.0
State of Nebraska	123,900	133,200	7.5	648	726	12.0

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

- A community contact indicated there is a need for more affordable housing in the AA.
- Median gross rents in the AA increased at a lower rate compared to the MSA and the state of Nebraska as a whole.
- A community contact noted that many of the affordable starter homes in the area are older and need repair. In addition, these older starter homes have been purchased by local investors to convert into rental properties.
- Additionally, a community contact indicated that prospective homebuyers have experienced challenges when saving for both down payment requirements and necessary home repairs.

TABLE 5 UNEMPLOYMENT RATES					
Region	2016	2017	2018	2019	2020
Saunders County, NE	3.1	2.8	2.9	2.8	2.4
Omaha-Council Bluffs, NE-IA MSA	3.2	3.0	3.0	3.1	3.0
State of Nebraska	3.1	2.9	2.9	3.0	3.4

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- A community contact stated the local economy has been relatively stable.
- Major industries in the AA that contribute to employment include manufacturing, education, healthcare, agricultural/industrial. Major employers in the AA include Saunders County Medical Center, Omaha Steel Castings, Wahoo Public Schools, City of Wahoo, and Denver Plastics.

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 similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, loan portfolio composition, and area where they are located within the AA or in adjacent counties. The bank’s NLTD ratio is reasonable and, as illustrated in Table 6, is comparable to ratio of one institution and below the ratios of three other similarly situated institutions.

**TABLE 6
COMPARATIVE NLTD RATIOS**

Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			19-Quarter Average
Wahoo State Bank	Wahoo, NE	108,190	70.9
Westside State Bank	Westside, IA	133,825	100.7
Charter West Bank	West Point, NE	357,399	88.9
Farmers & Merchants Bank of Ashland	Ashland, NE	98,620	77.0
Bank of Mead	Mead, NE	28,171	61.8

Assessment Area Concentration

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

**TABLE 7
LENDING INSIDE AND OUTSIDE THE AA**

Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	27	3,998	67.5	59.1	13	2,766	32.5	40.9
Home Refinance	32	5,551	84.2	72.3	6	2,132	15.8	27.7
Home Improvement	1	25	100.0	100.0	0	0	0.0	0.0
Total HMDA Loans	60	9,574	75.9	66.2	19	4,898	24.1	33.8
Small Business Loans	53	2,583	84.1	62.5	10	1,549	15.9	37.5
Total Loans	108	11,447	76.1	61.5	34	7,156	23.9	38.5

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 was not evaluated in this analysis as the AA is comprised entirely of middle-income census tracts and, as such, a meaningful analysis could not be conducted.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has a reasonable penetration among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank's overall level of lending to low-income borrowers was comparable to the aggregate lending data and below the percentage of

low-income families residing in the AA, as illustrated in Table 8. Lending to moderate-income borrowers was below both the aggregate lending data and percentage of moderate-income families.

A community contact indicated a lack of affordable housing in the area, which may present challenges in obtaining home ownership for LMI borrowers. As mentioned previously, due to the rehabilitation needs of starter homes in the AA this is a barrier to home ownership for LMI families. Due to the low AA median gross rents compared to the MSA it has disincentivized LMI borrowers from obtaining home ownership.

The remaining analysis details the bank's performance by individual home mortgage product. Additionally, an evaluation of home improvement lending was not conducted as the product contained insufficient loan volume to conduct a meaningful analysis.

Home Purchase Lending

The borrower distribution of home purchase lending is poor. The bank's lending to low-income borrowers was below the aggregate lending data, as well as the demographic figure. Lending to moderate-income borrowers was also below the aggregate lending data and the demographic figure.

Home Refinance Lending

The borrower distribution of home refinance lending is reasonable. The bank's lending to low-income borrowers was above the aggregate lending data and was comparable to the percentage of low-income families. Lending to moderate-income borrowers was comparable to the aggregate lending data, and below the percentage of moderate-income families. Although the bank's lending to moderate-income borrowers was below demographics, aggregate lenders also reached a very small percentage of these moderate-income families.

**TABLE 8
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				Aggregate HMDA Data		Families by Family Income %
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	5	332	8.3	3.5	8.0	3.8	16.2
Moderate	7	459	11.7	4.8	17.2	11.5	18.4
Middle	18	2,645	30.0	27.6	22.0	18.8	26.7
Upper	27	5,918	45.0	61.8	38.0	52.5	38.6
Unknown	3	220	5.0	2.3	14.8	13.5	0.0
Home Purchase Loans							
Low	1	16	3.7	0.4	8.4	4.0	16.2
Moderate	3	247	11.1	6.2	20.8	14.6	18.4
Middle	7	841	25.9	21.0	19.8	17.8	26.7
Upper	13	2,674	48.1	66.9	34.2	50.5	38.6
Unknown	3	220	11.1	5.5	16.9	13.1	0.0
Home Refinance Loans							
Low	4	316	12.5	5.7	7.3	3.6	16.2
Moderate	3	187	9.4	3.4	13.4	8.5	18.4
Middle	11	1,804	34.4	32.5	24.6	20.0	26.7
Upper	14	3,244	43.8	58.4	41.8	54.8	38.6
Unknown	0	0	0.0	0.0	12.9	13.2	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	10.0	6.7	16.2
Moderate	1	25	100.0	100.0	15.0	12.1	18.4
Middle	0	0	0.0	0.0	25.0	17.5	26.7
Upper	0	0	0.0	0.0	50.0	63.7	38.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2019 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Business Lending

The borrower distribution of small business lending is reasonable. The distribution of loans to businesses with gross revenues of \$1 MM or less is comparable to the percentage of total small businesses operating in the AA. In addition, a review of the bank's lending by loan size shows that 84.9 percent of the bank's loans were originated in loan amounts of \$100,000 or less which indicates the bank's willingness to lend to small businesses. Typically, smaller businesses do not have the need or capacity to borrow large amounts, and as such, smaller loan amounts are used as a proxy to estimate the bank's support of smaller businesses.

**TABLE 9
DISTRIBUTION OF 2020 SMALL BUSINESS LENDING
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	38	1,598	71.7	61.9	90.8
Over \$1 Million	12	955	22.6	37.0	6.4
Not Known	3	30	5.7	1.2	2.8
Total	53	2,583	100.0	100.1	100.0
By Loan Size					
\$100,000 or less	45	1,086	84.9	42.0	
\$100,001 – \$250,000	6	804	11.3	31.1	
\$250,001 – \$1 Million	2	693	3.8	26.8	
Total	53	2,583	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	33	598	86.8	37.4	
\$100,001 – \$250,000	4	580	10.5	36.3	
\$250,001 – \$1 Million	1	420	2.6	26.3	
Total	38	1,598	100.0	100.0	

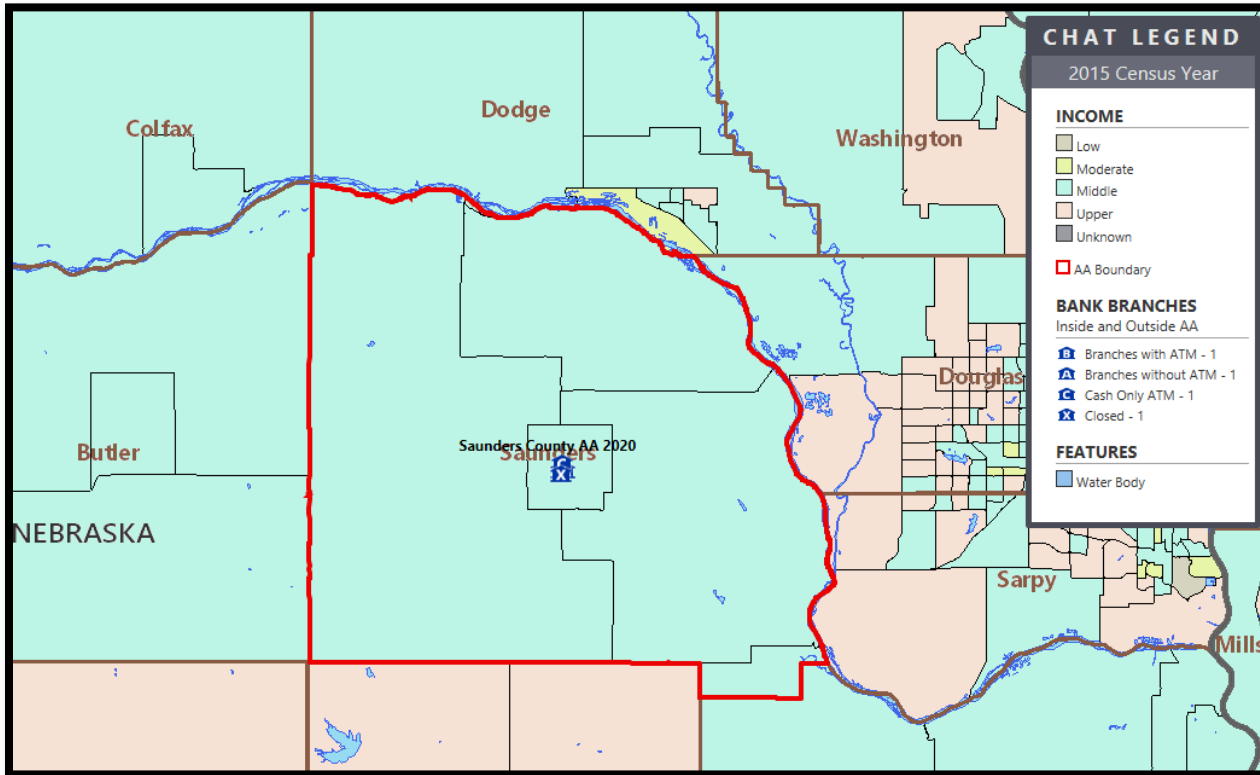
Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Saunders County Assessment Area



APPENDIX B – DEMOGRAPHIC INFORMATION

TABLE B-1 2020 AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	911	16.2
Moderate	0	0.0	0	0.0	0	0.0	1,038	18.4
Middle	5	100.0	5,629	100.0	332	5.9	1,505	26.7
Upper	0	0.0	0	0.0	0	0.0	2,175	38.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	5,629	100.0	332	5.9	5,629	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle	9,331	6,303	100.0	67.5	1,752	18.8	1,276	13.7
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	9,331	6,303	100.0	67.5	1,752	18.8	1,276	13.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,102	100.0	1,001	100.0	70	100.0	31	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,102	100.0	1,001	100.0	70	100.0	31	100.0
Percentage of Total Businesses:				90.8		6.4		2.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	230	100.0	227	100.0	3	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	230	100.0	227	100.0	3	100.0	0	0.0
Percentage of Total Farms:				98.7		1.3		0.0
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011 - 2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE B-2
2019 AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	911	16.2
Moderate	0	0.0	0	0.0	0	0.0	1,038	18.4
Middle	5	100.0	5,629	100.0	332	5.9	1,505	26.7
Upper	0	0.0	0	0.0	0	0.0	2,175	38.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5	100.0	5,629	100.0	332	5.9	5,629	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle	9,331	6,303	100.0	67.5	1,752	18.8	1,276	13.7
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	9,331	6,303	100.0	67.5	1,752	18.8	1,276	13.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,089	100.0	984	100.0	75	100.0	30	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,089	100.0	984	100.0	75	100.0	30	100.0
Percentage of Total Businesses:			90.4		6.9		2.8	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	234	100.0	230	100.0	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	234	100.0	230	100.0	4	100.0	0	0.0
Percentage of Total Farms:			98.3		1.7		0.0	

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
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: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

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

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

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

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

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

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

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

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

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

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) 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.