

PUBLIC DISCLOSURE

December 6, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Citizens Bank of Butte
RSSD# 666358

3220 Harrison Avenue
Butte, Montana 59702

Federal Reserve Bank of Minneapolis

90 Hennepin Ave, P.O. Box 291
Minneapolis MN 55480

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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating..... 2

Scope of Examination 2

Description of Institution..... 3

Description of Assessment Area 3

Conclusions With Respect to Performance Criteria 5

Fair Lending or Other Illegal Credit Practices Review 10

Appendix A – Maps of the Assessment Area 11

Appendix B – Demographic Information..... 12

Appendix C – Glossary 13

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

First Citizens Bank of Butte (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.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Overall, lending reflects an excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* 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. Examiners reviewed the following data:

- The bank's 16-quarter average NLTD ratio.
- A statistical sample of 60 small business loans originated between January 1, 2021, and December 31, 2021, and 67 consumer loans originated between November 1, 2018, and December 31, 2021.¹ According to information provided by the bank, small business and consumer loans represent a significant portion of originations, by number of loans (56.6% and 31.6%, respectively, in 2021).

Of the five core criteria, examiners placed the most weight on borrower distribution and geographic distribution and dispersion of loans, which received equal weight, followed by NLTD ratio and lending inside the AA, weighted equally. By loan product, examiners placed the greatest weight on small business loans. Neither the bank nor the Reserve Bank has received any CRA-related complaints since the previous evaluation.

¹ In 2020 and 2021, the bank participated in Paycheck Protection Program (PPP) lending through the Federal Reserve System and the Small Business Administration (SBA). These loans were designed to help businesses keep their workforces employed during the COVID-19 pandemic. Examiners considered the bank's PPP loans in their evaluation of the bank's small business loans.

DESCRIPTION OF INSTITUTION

First Citizens Bank of Butte is a community bank headquartered in Butte, Montana. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Butte Bank Shares, Inc.
- The bank has total assets of \$85.8 million as of September 30, 2022.
- The bank’s only office is in Butte, Montana. The bank operates a cash-dispensing-only ATM here and offers drive-up services with extended hours on Friday. In July 2022, the bank closed a limited-service branch that was located within a senior living center in Butte.
- As shown in Table 1, the bank’s primary business focus is commercial and residential real estate lending. Based on the 2021 lending data provided by the bank, 88.2% of the bank’s loans originated by number were consumer and small business loans.
- While commercial lending continues to be a primary focus for the bank, residential real estate loans now also represent a significant portion of the portfolio, increasing by 23.0% since the previous evaluation. Commercial and agricultural loans decreased by 33.4% and 61.4%, respectively, while consumer loans increased by 32.4%.

Table 1 Composition of Loan Portfolio as of September 30, 2022		
Loan Type	\$(000)	%
Residential Real Estate	14,072	42.5
Commercial and Industrial	13,808	41.7
Agricultural	1,689	5.1
Consumer	3,574	10.8
Other	0	0.00
Gross Loans	33,143	100.00

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

The bank was rated Satisfactory under the CRA at its November 26, 2018, performance evaluation. 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 consists of the entirety of Silver Bow County, Montana. See Appendix A for an AA map and Appendix B for additional demographic data.

- The bank has not changed its AA since the 2018 CRA evaluation.
- The bank’s AA consists of one low-, three moderate-, three middle-, and one upper-income census tract(s).

- According to the June 30, 2022, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks sixth out of eight FDIC-insured financial institutions with offices in the AA and holds 6.8% of the deposits.
- Examiners spoke with a community contact who works at an organization specializing in small business economic development within the Silver Bow County/Butte area.

Table 2			
Butte AA Population Change			
Area	2010 Population	2015 Population	% Change
Butte AA	34,200	34,549	1.0
Non-MSA* Montana	631,622	647,395	2.5
Montana	989,415	1,014,699	2.6
<i>*Metropolitan Statistical Area</i>			
<i>Source: 2010 U.S. Census Bureau Decennial Census</i>			
<i>2011 - 2015 U.S. Census Bureau American Community Survey</i>			

- The AA has seen marginal population growth since the 2010 census, as shown in Table 2.
- Bank management noted the biggest challenge for Silver Bow County has always been attracting and retaining young professionals and families.

Table 3			
Butte AA Median Family Income Change			
Area	2010 Median Family Income	2015 Median Family Income	% Change
Butte AA	\$56,939	\$52,842	-7.2
Non-MSA Montana	\$56,999	\$59,777	4.9
Montana	\$60,682	\$61,271	1.0
<i>Source: 2006 - 2010 U.S. Census Bureau American Community Survey</i>			
<i>2011 - 2015 U.S. Census Bureau American Community Survey</i>			
<i>Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.</i>			

- As shown in Table 3, the median family income in the AA decreased since the 2010 census and is below both the median family income for non-MSA Montana and the state of Montana.
- Based on 2021 FFIEC adjusted census data, low- and moderate-income households comprise 49.0% of all households in the AA.
- The same data indicates that 20.2% of households in the AA live below the poverty line, which is above the state's percentage at 14.5%.

Table 4 Butte AA Unemployment Rates				
Area	2018	2019	2020	2021
Butte AA	4.0%	3.9%	6.5%	3.6%
Non-MSA Montana	3.9%	3.7%	5.8%	3.4%
Montana	3.7%	3.6%	5.8%	3.4%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

- Although the unemployment rates in the AA, Non-MSA Montana, and the state of Montana increased in 2020 during the pandemic, the 2021 rates are lower than at the previous evaluation, as shown in Table 4.
- Bank management indicated that Montana Technological University in Butte is a source of workers for local employers, particularly in mining and engineering fields. Despite a reduction in enrollment the last couple of years, the college continues to have a significant impact on growth and economic opportunity in the community.
- According to the community contact, the mining industry is significant to the local economy, and it continues to offer some of the highest paying jobs in the area.

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 considering 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 the bank’s lending compared to similarly situated FDIC-insured institutions. The similarly situated institution for this exam was selected based on asset size, product offerings, market share, and location (operating within the AA). The bank’s NLTD ratio is reasonable.

As shown in Table 5, the bank’s average NLTD for the past 16 quarters is 62.2%, which is above the similarly situated bank’s ratio of 49.2%. At the previous evaluation, the bank’s 17-quarter average NLTD was 72.4%. The bank’s NLTD ratio was at its lowest (44.0%) in September 2021, and it’s highest (76.8%) in June 2019. The bank’s NLTD decreased over the last year, primarily because of increased deposits and decreased loan demand.

As of September 30, 2022, the bank’s NLTD ratio was 46.2%, which is below the peer group ratio of 58.8%. The bank’s peer group includes insured commercial banks having assets between \$50 million and \$100 million, with two or fewer full-service banking offices, and not located in a metropolitan statistical area.

Table 5 Comparative NLTD Ratios as of September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			16-Quarter Average
First Citizens Bank of Butte	Butte, Montana	\$85,762	62.2%
Similarly Situated Institution			
Granite Mountain Bank	Philipsburg, Montana	\$134,499	49.2%

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of the bank’s loans, by number and dollars, inside the AA. As shown in Table 6, 88.2% of the bank’s loans by number and 92.4% by dollar amount were originated within the AA. Many of the loans originated outside of the AA were in adjacent counties.

Table 6 Lending Inside and Outside the AA								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Consumer	59	88.1	\$2,060	91.4	8	11.9	\$195	8.6
Small Business	53	88.3	\$4,134	93.0	7	11.7	\$311	7.0
Total Loans	112	88.2	\$6,194	92.4	15	11.8	\$506	7.6
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. The bank originated small business and consumer loans in all census tracts that comprise the AA. Examiners did not identify any unexplained gaps in lending.

Small Business Lending

The geographic distribution of small business lending is reasonable. As shown in Table 7, the bank originated 18.9% of its 2021 small business loans in the low-income census tract, which is below demographics. According to 2021 Dun & Bradstreet data, 26.9% of businesses in the AA are in the low-income census tract. The Uptown Butte area of the city comprises a large part of the low-income census tract. Bank management indicated that competition for loans in Butte is

high. There are several financial institutions in or nearby this tract, which are likely more convenient for borrowers here.

In 2021, the bank originated 41.5% of its small business loans in moderate-income census tracts, which is above demographics. According to 2021 Dun & Bradstreet data, 30.9% of businesses in the AA are in moderate-income census tracts.

Table 7 Butte AA Distribution of 2021 Small Business Lending By Income Level of Geography					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	%	
Low	10	18.9	715	17.3	26.9
Moderate	22	41.5	1,887	45.6	30.9
Middle	16	30.2	1,342	32.5	32.4
Upper	5	9.4	189	4.6	9.7
Total	53	100.0	4,134	100.0	100.0
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Consumer Lending

The geographic distribution of consumer lending is reasonable. As shown in Table 8, the bank made 35.6% of its consumer loans in moderate-income census tracts, which is slightly above demographics. According to demographic data, 34.8% of households in the AA are in moderate-income census tracts.

According to demographic data, 16.5% of households in the AA are in the low-income census tract. The bank originated 6.8% of its consumer loans in the low-income census tract, which is below demographics, but reasonable. As stated, loan competition in Butte is high. There are several banks and credit unions located in, or very close to, the low-income tract; these institutions may be more convenient for consumer loan borrowers. In addition, according to 2021 FFIEC adjusted census data, the poverty level of the tract is 35.0%. This suggests it is likely challenging for many people living here to obtain loans.

Table 8 Butte AA Distribution of Consumer Lending By Income Level of Geography					
Geographic Income Level	Bank Loans				Households %
	#	#%	\$(000)	\$%	
Low	4	6.8	78	3.8	16.5
Moderate	21	35.6	646	31.4	34.8
Middle	25	42.4	1,027	49.9	36.7
Upper	9	15.3	309	15.0	12.0
Unknown	0	0.0	0	0.0	0.0
Total	59	100.0	2,060	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. Overall, the bank’s lending has an excellent distribution among individuals of different income levels and businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is excellent. The bank originated 96.2% of its small business loans to businesses with gross annual revenues of \$1 million or less, as shown in Table 9. The bank’s lending to small businesses exceeds demographics, which indicate that 91.6% of businesses in the AA have gross annual revenues of \$1 million or less. In addition, 76.5% of the loans the bank originated to small businesses were for \$100,000 or less, which indicates the bank’s willingness to serve the credit needs of smaller businesses in the AA.

The bank also participated actively in the PPP lending between April 2020 and May 2021. The bank originated 105 PPP loans in the AA, totaling approximately \$10.7 million. Of these loans, 45.7% were for loan amounts of less than \$25,000. The bank’s extension of PPP loans during the COVID-19 pandemic was particularly responsive to the credit needs of small businesses, which enhances the bank’s small business lending performance.

Table 9 Butte AA Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	51	96.2	4,106	99.3	91.6
Over \$1 Million	2	3.8	27	0.7	7.3
Revenue Unknown	0	0.0	0	0.0	1.1
Total	53	100.0	4,134	100.0	100.0
By Loan Size					
\$100,000 or Less	41	77.4	1,405	34.0	
\$100,001 - \$250,000	10	18.9	1,546	37.4	
\$250,001 - \$1 Million	2	3.8	1,182	28.6	
Total	53	100.0	4,134	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	39	76.5	1,378	33.6	
\$100,001 - \$250,000	10	19.6	1,546	37.7	
\$250,001 - \$1 Million	2	3.9	1,182	28.8	
Total	51	100.0	4,106	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>					

Consumer Lending

The borrower distribution of consumer lending is reasonable. Overall, the bank made 33.9% of its consumer loans by volume to LMI borrowers, as shown in Table 10. The bank originated 23.7% of its consumer loans to moderate-income borrowers, which exceeds demographics. According to 2021 FFIEC census data, 18.2% of the households in the AA are classified as moderate income. The bank originated 10.2% of its consumer loans to low-income borrowers, which is below demographics. According to 2021 FFIEC census data, 30.8% of the households in the AA are classified as low income.

Despite the lower level of lending to low-income borrowers, the overall distribution of the bank’s consumer lending is reasonable. Bank management noted that the bank has extended more secured consumer loans than non-secured consumer loans in recent months. Many of the loans in the sample were for higher dollar automobiles and recreational vehicles. Bank management indicated that some low-income borrowers were not actively purchasing automobiles and recreational vehicles during the evaluation period due to the pandemic and the higher price and

interest rate environment. Finally, there are several credit unions operating in the AA, which may offer more attractive loan terms for lower-income borrowers.

Table 10 Butte AA Distribution of Consumer Lending By Borrower Income Level					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	#%	\$(000)	\$%	
Low	6	10.2	100	4.8	30.8
Moderate	14	23.7	313	15.2	18.2
Middle	16	27.1	509	24.7	16.5
Upper	21	35.6	1,116	54.2	34.5
Unknown	2	3.4	21	1.0	7.8
Total	59	100.0	2,060	100.0	100.0

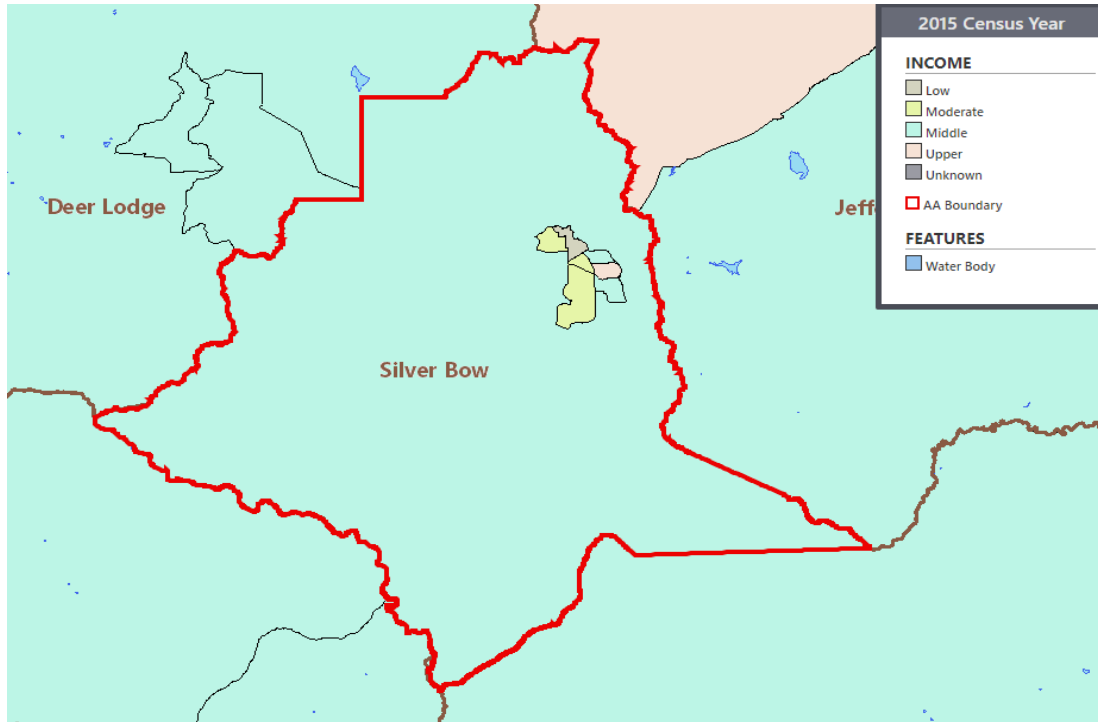
Source: 2021 FFIEC Census Data
 2011-2015 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The examination did not reveal any evidence of violations of antidiscrimination laws or regulations (including Regulation B – Equal Credit Opportunity Act and the Fair Housing Act) or other illegal credit practices inconsistent with the bank helping to meet community credit needs.

APPENDIX A – MAPS OF THE ASSESSMENT AREA

AA Boundary



Office and ATM Location



APPENDIX B – DEMOGRAPHIC INFORMATION

Butte AA 2021 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	12.5	946	11.3	246	26.0	2,127	25.4
Moderate	3	37.5	2,736	32.7	478	17.5	1,553	18.6
Middle	3	37.5	3,550	42.4	288	8.1	1,600	19.1
Upper	1	12.5	1,139	13.6	116	10.2	3,091	36.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8	100.0	8,371	100.0	1,128	13.5	8,371	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,882	1,147	11.7	39.8	1,352	46.9	383	13.3
Moderate	5,792	2,986	30.5	51.6	2,279	39.3	527	9.1
Middle	6,100	4,192	42.8	68.7	1,373	22.5	535	8.8
Upper	2,002	1,464	15.0	73.1	351	17.5	187	9.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	16,776	9,789	100.0	58.4	5,355	31.9	1,632	9.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	484	26.9	435	26.4	44	33.3	5	26.3
Moderate	557	30.9	518	31.4	38	28.8	1	5.3
Middle	584	32.4	529	32.1	43	32.6	12	63.2
Upper	175	9.7	167	10.1	7	5.3	1	5.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,800	100.0	1,649	100.0	132	100.0	19	100.0
Percentage of Total Businesses:			91.6		7.3		1.1	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	2.9	1	2.9	0	0.0	0	0.0
Moderate	5	14.3	5	14.3	0	0.0	0	0.0
Middle	29	82.9	29	82.9	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	35	100.0	35	100.0	0	0.0	0	0.0
Percentage of Total Farms:			100.0		0.0		0.0	
<p>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

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, 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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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 Consolidated Reports of Condition and Income (Call Report) instructions. 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.