



PUBLIC DISCLOSURE

April 26, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Stock Exchange Bank
RSSD# 671053**

103 South Main Street
Caldwell, Kansas 67022

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.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Stock Exchange 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 (NLTD) ratio is more than reasonable given the bank's size, financial condition, and credit needs of its assessment areas (AAs).
- A substantial majority of the bank's loans are originated inside its AAs.
- An excellent distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and farms 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 Wichita, Kansas Metropolitan AA and South Central Kansas AA. The following data was reviewed:

- The bank's 20-quarter average NLTD ratio.
- The universe of 91 home mortgage loans originated between January 1, 2019 and December 31, 2019, and a statistical sample of 59 small farm loans from a universe of 83 loans originated between January 1, 2020 and December 31, 2020.

In determining the institution's overall CRA rating, more weight was placed on the bank's performance within its Wichita, Kansas Metropolitan AA due to the bank's overall lending and deposit volumes in this AA. Additionally, home mortgage lending was weighted more heavily in the Wichita, Kansas Metropolitan AA, while small farm lending was given greater consideration in the South Central Kansas AA.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Caldwell, Kansas. The bank's characteristics include:

- The bank is a wholly-owned subsidiary of Stock Exchange Financial Corporation, located in Caldwell, Kansas.
- As of December 31, 2020, the bank reported total assets of \$62.6 million (MM).
- In addition to its main office in Caldwell, Kansas, the bank has one additional branch office located in Arkansas City, Kansas.

- The bank operates two cash-dispensing automated teller machines (ATMs). One ATM is located at each of the Caldwell and Arkansas City offices.
- The bank’s primary business focus is residential real estate (including residential real estate held for business purposes) and agricultural lending.

TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF DECEMBER 31, 2020		
Loan Type	\$(000)	%
Residential Real Estate	25,917	54.1
Agricultural	14,015	29.3
Commercial	6,035	12.6
Consumer	1,828	3.8
Other	94	0.2
Gross Loans	47,889	100.0

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

The bank was rated Satisfactory under the CRA at its prior June 6, 2016 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs of its communities.

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 bank’s AAs, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on location, asset size, product offerings, and market share. Overall, the bank’s NLTD ratio is more than reasonable, as the bank’s ratio is considerably higher than the ratios of three similarly situated banks.

TABLE 2 COMPARATIVE NLTD RATIOS			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			20-Quarter Average
Stock Exchange Bank	Caldwell, Kansas	62,632	89.0
Grant County Bank	Medford, Oklahoma	62,689	35.4
Oklahoma State Bank	Buffalo, Oklahoma	59,497	69.0
Security State Bank	Wellington, Kansas	54,442	37.2

Assessment Area Concentration

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

TABLE 3 LENDING INSIDE AND OUTSIDE THE AAs								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	45	3,366	88.2	85.4	6	577	11.8	14.6
Home Refinance	31	1,855	88.6	86.7	4	284	11.4	13.3
Multifamily	4	586	80.0	69.3	1	260	20.0	30.7
Total HMDA Loans	80	5,807	87.9	83.8	11	1,121	12.1	16.2
Small Farm Loans	59	4,103	100.0	100.0	0	0	0.0	0.0
Total Loans	139	9,910	92.7	89.8	11	1,121	7.3	10.2

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 AAs by income level of census tracts. The bank’s overall geographic distribution of lending is considered excellent. The geographic distribution in the Wichita, Kansas Metropolitan AA is also considered excellent, while the bank’s performance in the South Central Kansas AA is reasonable.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and to farms of different sizes. Overall, the bank’s lending has a reasonable penetration among individuals of different income levels and farms of different sizes, with reasonable borrower penetration similarly noted within the Wichita, Kansas Metropolitan AA and the South Central Kansas AA.

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.

**WICHITA, KANSAS METROPOLITAN ASSESSMENT AREA
(Full-Scope Review)**

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE WICHITA, KANSAS METROPOLITAN AA

The bank’s AA is comprised of Sedgwick and Sumner Counties, which are part of the four-county Wichita, Kansas Metropolitan Statistical Area (MSA). Refer to Appendix A for a map of the AA.

- The AA consists of 15 low-, 36 moderate-, 40 middle-, and 39 upper-income census tracts. At the prior CRA evaluation, the AA consisted of 12 low-, 42 moderate-, 38 middle-, and 38 upper-income census tracts.
- The bank’s sole branch is in Caldwell, Kansas, which is located in the southern portion of Sumner County near the Oklahoma border, and is located within a middle-income census tract. The bank also has an on-site, cash-dispensing ATM at the Caldwell Branch.
- According to the June 30, 2020 FDIC Deposit Market Share Report, the bank had a 0.3 percent market share among all FDIC-insured institutions operating in the AA, which ranked 36th out of 42 institutions.
- One interview was conducted with a community member within the bank’s AA, as well as a previously conducted interview with a community member within the AA was referenced from a CRA evaluation completed for another financial institution, to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. One community member was a representative from a local real estate agency, and the other community member was from a local government agency.

**TABLE 4
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Sedgwick County	498,365	506,529	1.6
Sumner County	24,132	23,638	(2.1)
Wichita, Kansas MSA	623,061	631,094	1.3
State of Kansas	2,853,118	2,892,987	1.4

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

- Sumner County has an older population, with 16.7 percent of individuals aged 65 and older, compared to only 14.0 percent for the statewide population.
- A community member indicated the aging population in Sumner County is the primary driver for the area’s negative net migration.

**TABLE 5
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Sedgwick County	66,575	63,779	(4.2)
Sumner County	67,982	64,934	(4.5)
Wichita, Kansas MSA	67,016	64,331	(4.0)
State of Kansas	67,977	66,389	(2.3)

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

- According to the 2015 American Community Survey (ACS) data, the AA is comprised of 21.2 percent low- and 17.6 percent moderate-income families, which is comparable to both the Wichita, Kansas MSA (20.2 percent and 17.7 percent) and the State of Kansas (18.8 percent and 17.7 percent), respectively.
- In 2015, 10.9 percent of families in the AA were below the poverty level, which is comparable to the Wichita, Kansas MSA at 10.3 percent and the State of Kansas at 9.1 percent.

**TABLE 6
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Sedgwick County	117,300	126,500	7.8	639	731	14.4
Sumner County	82,400	83,900	1.8	539	630	16.9
Wichita, Kansas MSA	114,382	124,445	8.8	635	727	14.5
State of Kansas	122,600	132,000	7.7	671	757	12.8

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

- The median age of homes in the AA, at 48 years, is slightly older than both the Wichita, Kansas MSA and State of Kansas at 42 years and 43 years, respectively. Comparatively, the median age of housing stock found in the AA's LMI census tracts is significantly older at 61 years.
- A community member indicated that new housing construction is taking place in the suburban areas of Wichita; however, most of these homes are not affordable for first-time homebuyers. Most of the affordable homes are in the city of Wichita and are older homes in need of repair.

TABLE 7 UNEMPLOYMENT RATES					
Region	2015	2016	2017	2018	2019
Sedgwick County	4.8	4.7	4.3	3.7	3.5
Sumner County	4.5	4.2	3.8	3.5	3.4
Wichita, Kansas MSA	4.7	4.6	4.2	3.6	3.4
State of Kansas	4.2	4.0	3.7	3.3	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Major employers in the AA include Spirit AeroSystems, Textron Aviation, McConnell Air Force Base, and local government agencies (city and county). These entities are predominantly located in Wichita, Kansas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE WICHITA, KANSAS METROPOLITAN AA

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects an excellent distribution among the different census tracts within the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. As illustrated in Table 8, the bank’s performance in LMI census tracts was above aggregate lending data and the percentage of owner-occupied units. While an evaluation of the dispersion of home mortgage lending revealed some lending gaps in the AA, these gaps were not considered significant given the bank’s distance from LMI tracts in the AA and those tracts being located closer to the city of Wichita, Kansas.

Additional analysis of the bank’s home purchase and home refinance lending performance is noted below. An evaluation of the bank’s home improvement and multifamily lending was not performed due to the lack/absence of loan originations, as this analysis would not be meaningful.

Home Purchase Lending

The geographic distribution of home purchase lending is reasonable. Lending in low-income census tracts was comparable to aggregate lending data, but below the percentage of owner-occupied units. Comparatively, lending in moderate-income census tracts was above both aggregate lending data and the percentage of owner-occupied units. An evaluation of the dispersion of home purchase lending revealed some lending gaps in the AA; however, these gaps were not considered significant given the bank’s distance from the LMI tracts in the AA and those tracts being located closer to the city of Wichita, Kansas.

Home Refinance Lending

The geographic distribution of home refinance lending is excellent. Lending in LMI census tracts was above both aggregate lending data and the percentage of owner-occupied units. An evaluation of the dispersion of home refinance lending revealed some lending gaps in the AA; however, these gaps were not considered significant given the bank's distance from the LMI tracts in the AA and those tracts being located closer to the city of Wichita, Kansas.

**TABLE 8
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING
BY INCOME LEVEL OF GEOGRAPHY
WICHITA, KANSAS METROPOLITAN ASSESSMENT AREA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data		% of Owner- Occupied Units
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	9	449	13.0	10.0	3.1	1.9	5.5
Moderate	18	1,194	26.1	26.6	15.1	12.2	18.5
Middle	37	2,233	53.6	49.7	30.3	24.2	32.8
Upper	5	615	7.2	13.7	51.6	61.7	43.2
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Purchase Loans							
Low	1	53	2.5	1.9	3.0	1.4	5.5
Moderate	10	641	25.0	22.4	16.6	9.1	18.5
Middle	25	1,710	62.5	59.7	31.2	25.8	32.8
Upper	4	460	10.0	16.1	49.2	63.6	43.2
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Refinance Loans							
Low	8	396	28.6	27.4	2.1	1.0	5.5
Moderate	7	373	25.0	25.8	11.2	5.9	18.5
Middle	12	523	42.9	36.1	28.8	22.2	32.8
Upper	1	155	3.6	10.7	57.9	70.9	43.2
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	4.5	1.4	5.5
Moderate	0	0	0.0	0.0	13.2	10.3	18.5
Middle	0	0	0.0	0.0	28.4	27.0	32.8
Upper	0	0	0.0	0.0	53.9	61.4	43.2
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Multifamily Loans							% of Multifamily Units
Low	0	0	0.0	0.0	18.2	6.5	9.7
Moderate	1	180	100.0	100.0	39.2	45.6	34.1
Middle	0	0	0.0	0.0	21.6	18.9	39.4
Upper	0	0	0.0	0.0	21.0	29.0	16.8
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	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 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. As noted in Table 9, the bank did not originate any small farms loans in LMI census tracts. However, the LMI tracts are densely populated within urban areas of the AA and are not conducive to farming or agricultural operations.

Loan dispersion was evaluated, and while gaps were identified, the lack of originations is indicative of the reduced farm lending opportunities within the AA’s LMI tracts. Therefore, the noted lending gaps are considered reasonable and do not impact the overall conclusion with respect to the geographic distribution of loans in the AA.

**TABLE 9
DISTRIBUTION OF 2020 SMALL FARM LENDING
BY INCOME LEVEL OF GEOGRAPHY
WICHITA, KANSAS METROPOLITAN ASSESSMENT AREA**

Census Tract Income Level	Bank Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	1.0
Moderate	0	0	0.0	0.0	4.6
Middle	40	2,403	97.6	96.9	45.4
Upper	1	77	2.4	3.1	49.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	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 percent due to rounding.

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

The bank’s lending has a reasonable penetration among individuals of different income levels and farms of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. As noted in Table 10, the bank’s lending to LMI borrowers was below both aggregate lending data and the percentage of LMI families in the AA. However, a majority of the bank’s home mortgage loans are originated to existing customers who are investors that buy rental/investment properties. The income for these investor loans is not reported on the bank’s Home Mortgage Disclosure Act Loan Application Register, thereby, resulting in the high number of reported loans with unknown borrower income. Conversely, when considering the distribution of traditional home mortgage loans originated to LMI borrowers with known incomes, the bank’s lending to LMI borrowers increases to 7.7 percent by dollar volume. This is comparable to aggregate lending data for low-income borrowers, but still falls below aggregate lending data for moderate-income borrowers and the percentage of LMI families in the AA.

Additionally, the bank's opportunity to originate home mortgage loans to LMI borrowers may be impacted by the advanced age of the housing stock in the AA, as this presents challenges for many LMI borrowers who do not have the available capital to fix or repair these homes. Furthermore, a community member stated there are a number of larger banks operating in the area that offer products that could attract more LMI borrowers. For these reasons, the bank's borrower distribution of home mortgage lending is considered reasonable.

Home Purchase Loans

The borrower distribution for home purchase lending is reasonable. While lending to LMI borrowers was below both aggregate lending data and the percentage of LMI families in the AA, the context discussed above for home mortgage lending similarly applies to the bank's home purchase lending. Therefore, the bank's borrower distribution of home purchase lending is considered reasonable.

Home Refinance Loans

The borrower distribution of home refinance lending is poor. The bank did not originate any home refinance loans to LMI borrowers.

**TABLE 10
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING
BY BORROWER INCOME LEVEL
WICHITA, KANSAS METROPOLITAN ASSESSMENT AREA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data		Families by Family Income %
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	2	73	2.9	1.6	7.3	3.3	21.2
Moderate	2	107	2.9	2.4	18.4	12.3	17.6
Middle	4	151	5.8	3.4	21.3	17.7	21.0
Upper	18	1,276	26.1	28.4	33.4	40.3	40.2
Unknown	43	2,884	62.3	64.2	19.6	26.4	0.0
Home Purchase Loans							
Low	2	73	5.0	2.5	8.3	4.2	21.2
Moderate	2	107	5.0	3.7	21.1	15.7	17.6
Middle	2	96	5.0	3.4	22.3	21.5	21.0
Upper	9	865	22.5	30.2	30.4	42.8	40.2
Unknown	25	1,723	62.5	60.2	18.0	15.9	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	5.7	2.8	21.2
Moderate	0	0	0.0	0.0	15.9	10.2	17.6
Middle	2	55	7.1	3.8	20.8	16.6	21.0
Upper	9	411	32.1	28.4	39.2	49.8	40.2
Unknown	17	981	60.7	67.8	18.4	20.6	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	8.3	5.7	21.2
Moderate	0	0	0.0	0.0	16.5	12.8	17.6
Middle	0	0	0.0	0.0	18.5	18.2	21.0
Upper	0	0	0.0	0.0	46.2	52.3	40.2
Unknown	0	0	0.0	0.0	10.4	11.0	0.0
Multifamily Loans							
Low	0	0	0.0	0.0	0.6	0.0	21.2
Moderate	0	0	0.0	0.0	0.0	0.0	17.6
Middle	0	0	0.0	0.0	1.7	0.2	21.0
Upper	0	0	0.0	0.0	5.1	1.2	40.2
Unknown	1	180	100.0	100.0	92.6	98.6	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 percent due to rounding.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. As noted in Table 11, the bank's lending to farms with gross annual revenues of \$1MM or less was comparable to the percentage of small farms operating in the AA.

**TABLE 11
DISTRIBUTION OF 2020 SMALL FARM LENDING
BY REVENUE SIZE OF FARMS
WICHITA, KANSAS METROPOLITAN ASSESSMENT AREA**

	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	35	2,073	85.4	83.6	99.0
Over \$1 Million	0	0	0.0	0.0	0.6
Not Known	6	407	14.6	16.4	0.4
Total	41	2,480	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	29	878	70.7	35.4	
\$100,001 – \$250,000	12	1,602	29.3	64.6	
\$250,001 – \$500,000	0	0	0.0	0.0	
Total	41	2,480	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	25	690	71.4	33.3	
\$100,001 – \$250,000	10	1,384	28.6	66.7	
\$250,001 – \$500,000	0	0	0.0	0.0	
Total	35	2,073	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 percent due to rounding.

**SOUTH CENTRAL KANSAS ASSESSMENT AREA
(Full-Scope Review)**

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SOUTH CENTRAL KANSAS AA

The bank’s AA is comprised of Harper and Cowley Counties in Kansas, as well as Kay and Grant Counties in Oklahoma. Refer to Appendix A for a map of the AA.

- The AA consists of 5 moderate-, 19 middle-, and 3 upper-income census tracts. At the prior CRA evaluation, the AA consisted of 7 moderate-, 16 middle-, and 4 upper-income census tracts.
- The bank’s sole branch is in Arkansas City, Kansas, which is located in the southern portion of Cowley County near the Oklahoma border, and is located within a middle-income census tract. The bank also has an on-site, cash-dispensing ATM at the Arkansas City Branch.
- According to the June 30, 2020 FDIC Deposit Market Share Report, the bank had a 0.3 percent market share among all FDIC-insured institutions operating in the AA, which ranked 20th out of 21 institutions.
- One previously conducted interview with a community member within the AA was referenced from a CRA evaluation completed for another financial institution to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community member was a representative from a local economic development agency.

**TABLE 12
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Cowley County, Kansas	36,311	36,079	(0.6)
Harper County, Kansas	6,034	5,861	(2.9)
Grant County, Oklahoma	4,527	4,517	(0.2)
Kay County, Oklahoma	46,562	45,587	(2.1)
NonMSA Kansas	929,981	922,403	(0.8)
State of Kansas	2,853,118	2,892,987	1.4

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

- The AA has an older population, with 17.8 percent of individuals aged 65 and older, compared to only 14.0 percent for the State of Kansas.

**TABLE 13
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Cowley County, Kansas	56,250	54,501	(3.1)
Harper County, Kansas	50,457	56,689	12.4
Grant County, Oklahoma	56,792	60,682	6.9
Kay County, Oklahoma	54,253	51,352	(5.4)
NonMSA Kansas	57,322	57,229	(0.2)
State of Kansas	67,977	66,389	(2.3)

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

- According to the 2015 ACS data, the AA is comprised of 20.8 percent low- and 18.4 percent moderate-income families, which is comparable to both the non-metropolitan figures (19.2 percent and 18.8 percent) and the State of Kansas (18.8 percent and 17.7 percent), respectively.
- In 2015, 12.6 percent of families in the AA were below the poverty level, which exceeded both the State of Kansas at 9.1 percent and the non-metropolitan figure at 10.2 percent.

**TABLE 14
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Cowley County, Kansas	76,900	83,200	8.2	573	639	11.5
Harper County, Kansas	61,400	66,900	9.0	491	601	22.4
Grant County, Oklahoma	60,900	73,200	20.2	500	606	21.2
Kay County, Oklahoma	74,700	78,800	5.5	578	620	7.3
NonMSA Kansas	81,447	88,625	8.8	560	623	11.3
State of Kansas	122,600	132,000	7.7	671	757	12.8

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

- The median age of homes in the AA, at 61 years, is significantly older than the State of Kansas at 43 years.
- A community member indicated there is a low inventory of housing available in Kay County, Oklahoma. Additionally, the cost to build new homes is higher than what a new build would sell for, which further diminishes the demand for new construction.

**TABLE 15
UNEMPLOYMENT RATES**

Region	2015	2016	2017	2018	2019
Cowley County, Kansas	4.6	4.4	3.8	3.4	3.4
Harper County, Kansas	3.9	3.6	3.7	2.8	2.5
Grant County, Oklahoma	2.9	3.2	2.6	2.1	2.1
Kay County, Oklahoma	5.7	6.3	5.4	4.7	4.3
NonMSA Kansas	4.1	4.1	3.5	3.1	3.1
State of Kansas	4.2	4.0	3.7	3.3	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- A community member indicated the manufacturing and agricultural industries are the main types of employment in the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE SOUTH CENTRAL KANSAS AA

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts within the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. As illustrated in Table 16, the bank’s performance in moderate-income census tracts was comparable to aggregate lending data by number of loans, but below by dollar amount, and was also comparable to the percentage of owner-occupied units in the AA. While an evaluation of the dispersion of home mortgage lending revealed some lending gaps, these gaps are considered reasonable given the location of the bank’s sole branch office in the AA and the distance from the moderate-income census tracts in Kay County, Oklahoma. Additionally, one community member indicated there is a low inventory of housing available in Kay County.

**TABLE 16
DISTRIBUTION OF 2019 HOME MORTGAGE LENDING
BY INCOME LEVEL OF GEOGRAPHY
SOUTH CENTRAL KANSAS ASSESSMENT AREA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data		% of Owner- Occupied Units
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	59	9.1	4.5	9.7	7.1	13.1
Middle	10	1,257	90.9	95.5	71.5	65.0	72.6
Upper	0	0	0.0	0.0	18.8	27.9	14.3
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	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 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. As noted in Table 17, the bank's lending in moderate-income census tracts was comparable to the percentage of farms operating in moderate-income census tracts.

Loan dispersion was evaluated, and while some gaps were identified, the lending gaps are considered reasonable given the location of the bank's sole branch office in the AA and the distance from the moderate-income census tracts in Kay County, Oklahoma.

**TABLE 17
DISTRIBUTION OF 2020 SMALL FARM LENDING
BY INCOME LEVEL OF GEOGRAPHY
SOUTH CENTRAL KANSAS ASSESSMENT AREA**

Census Tract Income Level	Bank Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	1	8	5.6	0.5	4.2
Middle	17	1,615	94.4	99.5	85.4
Upper	0	0	0.0	0.0	10.3
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	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 percent due to rounding.

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

The bank’s lending has a reasonable penetration among individuals of different income levels and farms of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is poor. As illustrated in Table 18, the bank did not originate any home mortgage loans to LMI borrowers, which falls below aggregate lending data and the percentage of families by family income.

TABLE 18 DISTRIBUTION OF 2019 HOME MORTGAGE LENDING BY BORROWER INCOME LEVEL SOUTH CENTRAL KANSAS ASSESSMENT AREA							
Borrower Income Level	Bank Loans				Aggregate HMDA Data		Families by Family Income %
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	6.2	3.2	20.8
Moderate	0	0	0.0	0.0	16.0	11.4	18.4
Middle	1	59	9.1	4.5	19.9	17.0	20.7
Upper	8	994	72.7	75.5	33.2	42.5	40.1
Unknown	2	263	18.2	20.0	24.6	25.9	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 percent due to rounding.

Small Farm Lending

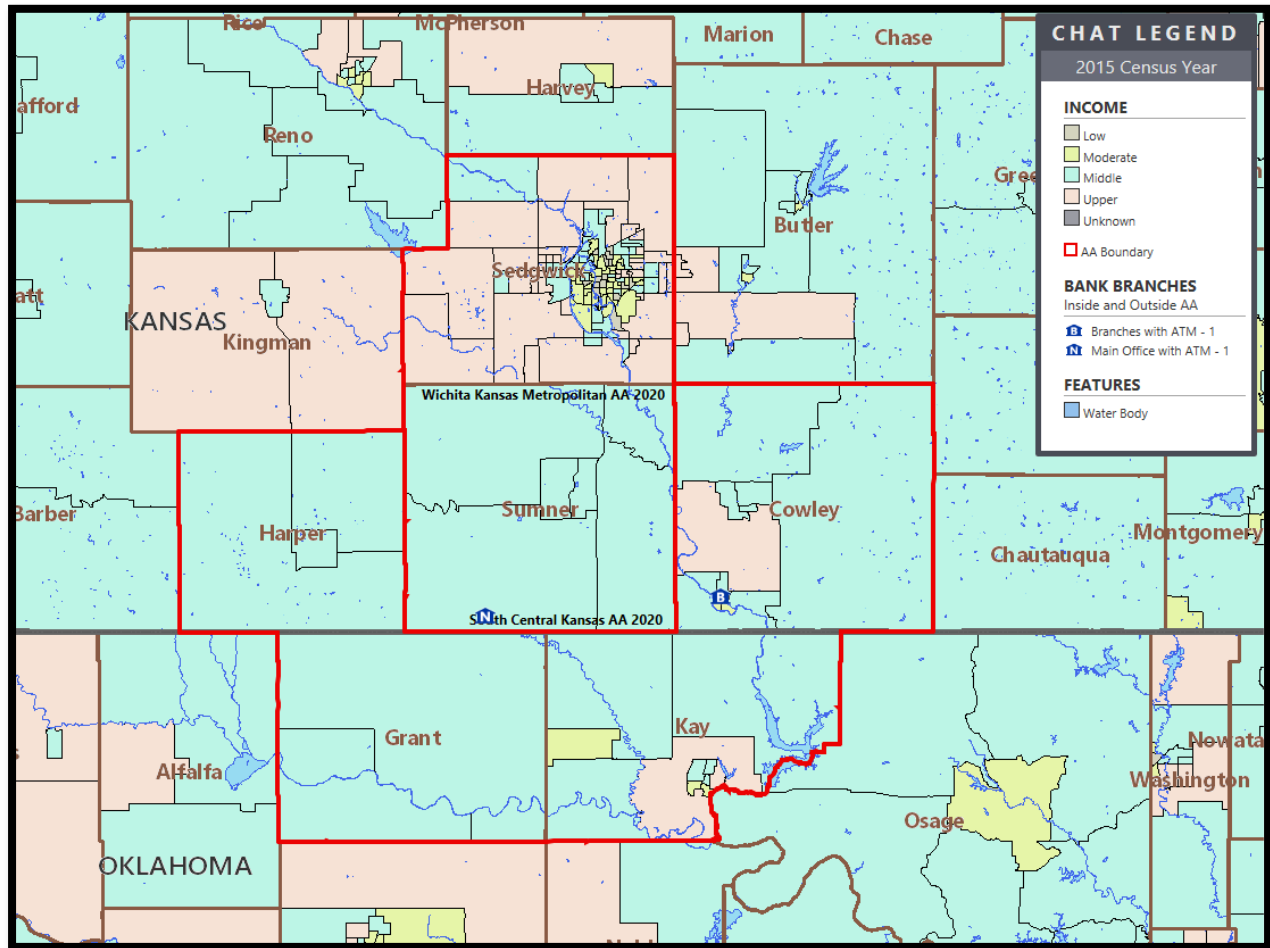
The borrower distribution of small farm lending is reasonable. As noted in Table 19, the bank’s lending to farms with gross annual revenues of \$1MM or less was comparable to the percentage of small farms operating in the AA.

**TABLE 19
DISTRIBUTION OF 2020 SMALL FARM LENDING
BY REVENUE SIZE OF FARMS
SOUTH CENTRAL KANSAS ASSESSMENT AREA**

	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	14	1,219	77.8	75.1	99.7
Over \$1 Million	2	343	11.1	21.1	0.3
Not Known	2	60	11.1	3.7	0.0
Total	18	1,623	100.0	99.9	100.0
By Loan Size					
\$100,000 or less	13	416	72.2	25.6	
\$100,001 – \$250,000	2	307	11.1	18.9	
\$250,001 – \$500,000	3	900	16.7	55.5	
Total	18	1,623	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	10	312	71.4	25.6	
\$100,001 – \$250,000	2	307	14.3	25.2	
\$250,001 – \$500,000	2	600	14.3	49.2	
Total	14	1,219	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 percent due to rounding.

APPENDIX A – MAP OF THE ASSESSMENT AREAS



APPENDIX B – DEMOGRAPHIC INFORMATION

TABLE B-1 WICHITA, KANSAS METROPOLITAN AA – 2020 DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	15	11.5	10,259	7.8	3,615	35.2	27,745	21.2
Moderate	36	27.7	28,087	21.5	5,899	21.0	23,050	17.6
Middle	40	30.8	40,984	31.3	3,200	7.8	27,455	21.0
Upper	39	30.0	51,458	39.3	1,522	3.0	52,538	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	130	100.0	130,788	100.0	14,236	10.9	130,788	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,180	7,163	5.5	32.3	11,145	50.2	3,872	17.5
Moderate	57,323	24,171	18.5	42.2	25,028	43.7	8,124	14.2
Middle	73,611	42,914	32.8	58.3	23,950	32.5	6,747	9.2
Upper	71,441	56,433	43.2	79.0	11,248	15.7	3,760	5.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	224,555	130,681	100.0	58.2	71,371	31.8	22,503	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,230	6.1	1,065	6.0	164	7.9	1	0.8
Moderate	5,628	28.0	4,789	26.8	818	39.2	21	15.9
Middle	6,107	30.4	5,447	30.5	609	29.2	51	38.6
Upper	7,126	35.5	6,569	36.8	498	23.8	59	44.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	20,091	100.0	17,870	100.0	2,089	100.0	132	100.0
Percentage of Total Businesses:			88.9		10.4		0.7	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	5	1.0	5	1.0	0	0.0	0	0.0
Moderate	23	4.6	23	4.6	0	0.0	0	0.0
Middle	228	45.4	226	45.5	0	0.0	2	100.0
Upper	246	49.0	243	48.9	3	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	502	100.0	497	100.0	3	100.0	2	100.0
Percentage of Total Farms:			99.0		0.6		0.4	
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>NOTE: Percentages may not add up to 100.0 percent due to rounding.</p>								

**TABLE B-2
SOUTH CENTRAL KANSAS AA – 2020 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	4,901	20.8
Moderate	5	18.5	3,428	14.6	655	19.1	4,338	18.4
Middle	19	70.4	17,148	72.9	2,098	12.2	4,864	20.7
Upper	3	11.1	2,956	12.6	208	7.0	9,429	40.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	27	100.0	23,532	100.0	2,961	12.6	23,532	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	6,820	3,294	13.1	48.3	2,017	29.6	1,509	22.1
Middle	31,664	18,201	72.6	57.5	8,582	27.1	4,881	15.4
Upper	4,750	3,578	14.3	75.3	532	11.2	640	13.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	43,234	25,073	100.0	58.0	11,131	25.7	7,030	16.3
	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	601	17.7	535	17.7	58	19.0	8	11.8
Middle	2,367	69.7	2,099	69.5	213	69.6	55	80.9
Upper	427	12.6	387	12.8	35	11.4	5	7.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,395	100.0	3,021	100.0	306	100.0	68	100.0
Percentage of Total Businesses:				89.0		9.0		2.0
	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	16	4.2	16	4.3	0	0.0	0	0.0
Middle	322	85.4	322	85.6	0	0.0	0	0.0
Upper	39	10.3	38	10.1	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	377	100.0	376	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.7		0.3		0.0
<p>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 percent due to rounding.</p>								

**TABLE B-3
WICHITA, KANSAS METROPOLITAN AA – 2019 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	15	11.5	10,259	7.8	3,615	35.2	27,745	21.2
Moderate	36	27.7	28,087	21.5	5,899	21.0	23,050	17.6
Middle	40	30.8	40,984	31.3	3,200	7.8	27,455	21.0
Upper	39	30.0	51,458	39.3	1,522	3.0	52,538	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	130	100.0	130,788	100.0	14,236	10.9	130,788	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,180	7,163	5.5	32.3	11,145	50.2	3,872	17.5
Moderate	57,323	24,171	18.5	42.2	25,028	43.7	8,124	14.2
Middle	73,611	42,914	32.8	58.3	23,950	32.5	6,747	9.2
Upper	71,441	56,433	43.2	79.0	11,248	15.7	3,760	5.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	224,555	130,681	100.0	58.2	71,371	31.8	22,503	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,222	6.1	1,054	6.0	167	7.9	1	0.8
Moderate	5,536	27.8	4,697	26.6	813	38.3	26	19.7
Middle	6,097	30.6	5,417	30.7	632	29.8	48	36.4
Upper	7,059	35.4	6,490	36.8	512	24.1	57	43.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	19,914	100.0	17,658	100.0	2,124	100.0	132	100.0
Percentage of Total Businesses:				88.7	10.7	0.7		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	5	0.9	5	0.9	0	0.0	0	0.0
Moderate	28	5.2	28	5.3	0	0.0	0	0.0
Middle	231	43.1	229	43.1	0	0.0	2	100.0
Upper	272	50.7	269	50.7	3	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	536	100.0	531	100.0	3	100.0	2	100.0
Percentage of Total Farms:				99.1	0.6	0.4		

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 percent due to rounding.

**TABLE B-4
SOUTH CENTRAL KANSAS AA – 2019 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	4,901	20.8
Moderate	5	18.5	3,428	14.6	655	19.1	4,338	18.4
Middle	19	70.4	17,148	72.9	2,098	12.2	4,864	20.7
Upper	3	11.1	2,956	12.6	208	7.0	9,429	40.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	27	100.0	23,532	100.0	2,961	12.6	23,532	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	6,820	3,294	13.1	48.3	2,017	29.6	1,509	22.1
Middle	31,664	18,201	72.6	57.5	8,582	27.1	4,881	15.4
Upper	4,750	3,578	14.3	75.3	532	11.2	640	13.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	43,234	25,073	100.0	58.0	11,131	25.7	7,030	16.3
	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	605	17.9	539	17.9	60	19.1	6	9.5
Middle	2,363	69.8	2,094	69.6	218	69.4	51	81.0
Upper	418	12.3	376	12.5	36	11.5	6	9.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,386	100.0	3,009	100.0	314	100.0	63	100.0
Percentage of Total Businesses:			88.9		9.3		1.9	
	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	13	3.4	13	3.4	0	0.0	0	0.0
Middle	337	87.1	337	87.3	0	0.0	0	0.0
Upper	37	9.6	36	9.3	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	387	100.0	386	100.0	1	100.0	0	0.0
Percentage of Total Farms:			99.7		0.3		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 percent 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.