



## **PUBLIC DISCLOSURE**

AUGUST 31, 2020

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**THE HALSTEAD BANK  
RSSD# 747257**

**314 MAIN STREET  
HALSTEAD, KANSAS 67056**

**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**

The Halstead 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 substantial majority of the bank's loans are originated inside the delineated AA.
- A reasonable distribution and dispersion of loans occur throughout the bank's AA.
- 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. A full-scope review of the bank's lending performance was assessed within the bank's Wichita Metropolitan AA. The following data was reviewed:

- The bank's 16-quarter average NLTD ratio,
- The universe of 110 home mortgage loans reported on the bank's 2017 Home Mortgage Disclosure Act Loan/Application Register, and a statistical sample of 100 small farm loans from a universe of 199 loans originated between January 1, 2019 and December 31, 2019.

Equal weighting was applied to the loan products given similarities between the annual volume of originations and portfolio significance.

## **DESCRIPTION OF INSTITUTION**

The bank is headquartered in Halstead, Kansas, and is characterized as:

- The bank is a wholly owned subsidiary of Williams Holding Company, Inc., Halstead, Kansas.
- The bank has total assets of \$118.2 million (MM) as of December 31, 2019.
- In addition to its main office in Halstead, the bank has four offices located in the communities of Halstead, Bentley, Maize, and Valley Center, Kansas.
- Each of the bank's five locations operates a cash-dispensing automated teller machine.
- While the bank's primary business focus is agricultural and commercial lending, it offers a variety of products to meet area credit needs.

| <b>TABLE 1<br/>COMPOSITION OF LOAN PORTFOLIO AS OF DECEMBER 31, 2019</b> |                |          |
|--|----------------|----------|
| <b>Loan Type</b>   | <b>\$(000)</b> | <b>%</b> |
| Agricultural   | 35,278         | 36.8     |
| Commercial   | 28,556         | 29.8     |
| Residential Real Estate  | 22,743         | 23.7     |
| Consumer   | 9,167          | 9.6      |
| Other  | 161            | 0.2      |
| Gross Loans  | 95,905         | 100.0    |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i>    |                |          |

The bank was rated Satisfactory under the CRA at its April 18, 2016 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 is comprised of Harvey and Sedgwick counties, which are part of the four county Wichita, Kansas, Metropolitan Statistical Area (MSA) (see Appendix A for an AA map).

- The AA consists of 15 low-, 37 moderate-, 38 middle-, and 40 upper-income census tracts. Although the numbers of census tracts remains the same at 130, at the prior evaluation, the AA consisted of 16 low-, 37 moderate-, 41 middle-, and 36 upper-income census tracts.
- The bank has no branches in the AA’s LMI census tracts; the bank’s Maize Branch is closest in proximity to a concentration of LMI census tracts located in Sedgwick County. The Maize Branch is located approximately 15 miles from the city of Wichita’s urban core.
- According to 2015 Census data, Sedgwick County contained 96.2 percent of the LMI census tracts found in the bank’s AA.
- The Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report for June 30, 2019, indicates the following:
  - The bank’s market share for the overall AA, at 0.8 percent, ranks 20<sup>th</sup> of 43 FDIC-insured institutions operating from a total of 186 offices, located in the two-county AA.
  - The bank’s market share within Harvey County, at 10.6 percent, ranks 4<sup>th</sup> of 10 FDIC-insured institutions operating from a total of 24 offices within the county.
  - The bank’s market share within Sedgwick County, at 0.3 percent, ranks 29<sup>th</sup> of 37 FDIC-insured institutions operating from a total of 162 offices within the county. Furthermore, there are 34 FDIC-insured institutions operating from a total of 132 offices within the city of Wichita.
- Two previously conducted interviews with members of the communities within the bank’s AA were referenced to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. These community members represented housing authority organizations. Additionally, one interview was conducted during the examination with a local official representing an agricultural organization.

**TABLE 2  
POPULATION CHANGE**

| Area                    | 2010 Population | 2015 Population | Percent Change |
|-------------------------|-----------------|-----------------|----------------|
| Harvey County, Kansas   | 34,684          | 34,835          | 0.4            |
| Sedgwick County, Kansas | 498,365         | 506,529         | 1.6            |
| Wichita, Kansas MSA     | 630,919         | 638,884         | 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

- According to the 2015 American Community Survey (ACS) data, 93.6 percent of the AA's population is located in Sedgwick County.
- In addition, the AA has 206,542 households, of which 134,008 are considered families. The lower population of families compared to households could be driven by the student population given the presence of three major universities in the Wichita area: Wichita State University, Newman University, and Friends University.

**TABLE 3  
MEDIAN FAMILY INCOME CHANGE**

| Area                    | 2010 Median Family Income | 2015 Median Family Income | Percent Change |
|-------------------------|---------------------------|---------------------------|----------------|
| Harvey County, Kansas   | 59,788                    | 65,378                    | 9.3            |
| Sedgwick County, Kansas | 61,137                    | 63,779                    | 4.3            |
| Wichita, Kansas MSA     | 61,402                    | 64,897                    | 5.7            |
| State of Kansas         | 62,424                    | 66,389                    | 6.4            |

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

- In 2015, Harvey County was comprised of 18.3 percent low- and 20.1 percent moderate-income families, with 8.0 percent of families below the poverty level. Sedgwick County was comprised of 21.7 percent low- and 17.7 percent moderate-income families, with 11.0 percent of families below the poverty level.
- In the AA, during 2015, 24.1 percent of families living in LMI census tracts were living below the poverty level.

**TABLE 4  
HOUSING COSTS CHANGE**

| Area                    | Median Housing Value |         | Percent Change | Median Gross Rent |      | Percent Change |
|-------------------------|----------------------|---------|----------------|-------------------|------|----------------|
|                         | 2010                 | 2015    |                | 2010              | 2015 |                |
| Harvey County, Kansas   | 103,300              | 115,800 | 12.1           | 588               | 683  | 16.2           |
| Sedgwick County, Kansas | 117,300              | 126,500 | 7.8            | 639               | 731  | 14.4           |
| 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 the statewide age of housing, at 43 years. The median age of housing stock found in the LMI census tracts is significantly higher, at 61 years.
- Based on 2015 ACS data, the AA had 228,302 total housing units: 6.4 percent located in Harvey County and 93.6 percent located in Sedgwick County. Owner-occupied housing units represent 58.3 percent of the total housing units in the AA and 9.5 percent of the total housing units are vacant.
- In addition, 32.2 percent of the housing units within the AA were rentals, which was higher than the state of Kansas and the MSA as a whole. The high percentage of rental units could be driven by the presence of three major universities in Wichita.
- Of the renters with rent costs greater than 30 percent of their incomes, the largest percentage, at 40.6 percent, were living in moderate-income census tracts.
- A community member indicated that some new housing construction is taking place in suburban areas of Sedgwick County; however, these homes are not affordable to LMI borrowers. The most affordable housing is located near Wichita’s core.

**TABLE 5  
UNEMPLOYMENT RATES**

| Region                  | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|------|------|------|------|------|
| Harvey County, Kansas   | 4.2  | 3.9  | 4.4  | 4.1  | 3.2  |
| Sedgwick County, Kansas | 5.4  | 4.8  | 4.8  | 4.3  | 3.8  |
| Wichita, Kansas MSA     | 5.2  | 4.7  | 4.7  | 4.2  | 3.7  |
| State of Kansas         | 4.5  | 4.2  | 4.2  | 3.7  | 3.4  |

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Major employers in the AA include Spirit Aviation, Koch Industries, Cargill Meat Solutions (corporate office), and local government (city and county). These entities are predominately located within Wichita.
- A community member revealed that many people commute from outlying areas into Wichita for employment.

**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, product offerings, and area where they operate. The bank’s NLTD ratio is reasonable, as it was greater than the range of NLTD ratios of the similarly situated banks.

| <b>TABLE 6<br/>COMPARATIVE NLTD RATIOS</b> |                        |                            |                           |
|--|------------------------|----------------------------|---------------------------|
| <b>Institution</b>                         | <b>Location</b>        | <b>Asset Size (\$000s)</b> | <b>NLTD Ratio (%)</b>     |
|  |                        |                            | <b>16-Quarter Average</b> |
| The Halstead Bank                          | Halstead, Kansas       | 118,223                    | 89.7                      |
| Vintage Bank Kansas                        | Leon, Kansas           | 144,566                    | 82.7                      |
| Impact Bank                                | Wellington, Kansas     | 140,372                    | 71.5                      |
| Conway Bank                                | Conway Springs, Kansas | 100,156                    | 85.8                      |

**Assessment Area Concentration**

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

| <b>TABLE 7<br/>LENDING INSIDE AND OUTSIDE THE AA</b> |               |                |           |            |                |                |           |            |
|--|---------------|----------------|-----------|------------|----------------|----------------|-----------|------------|
| <b>Loan Type</b>                                     | <b>Inside</b> |                |           |            | <b>Outside</b> |                |           |            |
|  | <b>#</b>      | <b>\$(000)</b> | <b>#%</b> | <b>\$%</b> | <b>#</b>       | <b>\$(000)</b> | <b>#%</b> | <b>\$%</b> |
| Home Purchase  | 59            | 9,638          | 89.4      | 89.4       | 7              | 1,139          | 10.6      | 10.6       |
| Home Refinance                                       | 31            | 3,483          | 88.6      | 72.6       | 4              | 1,315          | 11.4      | 27.4       |
| Home Improvement                                     | 9             | 590            | 100.0     | 100.0      | 0              | 0              | 0.0       | 0.0        |
| <b>Total HMDA Loans</b>                              | 99            | 13,711         | 90.0      | 84.8       | 11             | 2,454          | 10.0      | 15.2       |
| <b>Small Farm Loans</b>                              | 90            | 6,729          | 90.0      | 89.3       | 10             | 805            | 10.0      | 10.7       |
| <b>Total Loans</b>                                   | 189           | 20,440         | 90.0      | 86.2       | 21             | 3,259          | 10.0      | 13.8       |

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

The remaining analyses only consider loans extended within the bank’s AA.

**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 overall geographic distribution of loans reflects reasonable distribution and dispersion throughout the AA.

### **Home Mortgage Lending**

The geographic distribution of home mortgage lending is reasonable. The bank's lending in LMI census tracts, as illustrated in Table 8, is below the percentage of owner-occupied housing units; however, when comparing to aggregate lending data, the bank's lending in low-income census tracts is comparable and the lending in moderate-income census tracts is below aggregate performance. The bank's overall performance is reasonable when considering performance context and no significant gaps or lapses in lending within the AA.

The bank's opportunity to originate home mortgage loans in the LMI census tracts is limited by the location of its branches, the substantial banking competition within Sedgwick County, where 96.2 percent of the LMI census tracts are located, and the high volume of rental and vacant properties in the LMI census tracts. The bank does not have a location within the city of Wichita, where a majority of the LMI census tracts are located. Moreover, the bank faces stiff competition, with 162 banking offices serving Sedgwick County. Lastly, housing units found in the LMI census tracts are largely rentals or vacant, at 51.4 percent and 56.8 percent, respectively. Of the families living below the poverty level and households receiving public assistance, the largest percentages were living in low- and moderate-income census tracts, at 42.4 percent and 34.3 percent, respectively, highlighting the lack of owner-occupied housing units in low-income census tracts and the financial strain in moderate-income census tracts related to housing costs.

Additional analysis of the bank's home purchase and home refinance performance is noted below. The bank's home improvement lending performance was not evaluated due to a low volume of originations, as its analysis would not be meaningful.

### **Home Purchase Lending**

The geographic distribution of home purchase loans is reasonable. Lending in the LMI census tracts is below the percentage of owner-occupied housing units; however, it is comparable when compared to aggregate lending data in low-income census tracts and below aggregate performance when in moderate-income census tracts. The bank's home purchase lending is reasonable when considering its branches are not in close proximity to the concentration of LMI census tracts in the city of Wichita and the substantial market competition in this area. Lastly, the loan dispersion analysis did not identify any significant gaps in lending.

### **Home Refinance Lending**

The geographic distribution of home refinance loans is reasonable. Although the bank did not originate any loans within the low-income census tracts, the bank has limited opportunity to extend home refinance loans when only 5.6 percent of the properties within these geographies are owner-occupied housing units. Lending in the moderate-income census tracts was below the percentage of owner-occupied housing units; however, comparable to aggregate lending data. Due to geographic and competitive market factors, the bank's performance is considered reasonable. Although some lending gaps in LMI census tracts located within the Wichita area were noted, loan dispersion is acceptable given the geographic and competitive market factors.

**TABLE 8  
DISTRIBUTION OF 2017 HOME MORTGAGE LENDING  
BY INCOME LEVEL OF GEOGRAPHY**

| Census Tract<br>Income Level     | Bank Loans |         |      |      | Aggregate HMDA Data |      | % of Owner-<br>Occupied<br>Units      |
|----------------------------------|------------|---------|------|------|---------------------|------|---------------------------------------|
|                                  | #          | \$(000) | #%   | \$%  | #%                  | \$%  |                                       |
| <b>Total Home Mortgage Loans</b> |            |         |      |      |                     |      |                                       |
| Low                              | 2          | 50      | 2.0  | 0.4  | 3.4                 | 2.3  | 5.6                                   |
| Moderate                         | 12         | 1,031   | 12.1 | 7.5  | 17.2                | 12.6 | 19.8                                  |
| Middle                           | 47         | 4,877   | 47.5 | 35.6 | 35.1                | 31.4 | 34.4                                  |
| Upper                            | 38         | 7,753   | 38.4 | 56.5 | 44.3                | 53.7 | 40.2                                  |
| 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                                   |
| <b>Home Purchase Loans</b>       |            |         |      |      |                     |      |                                       |
| Low                              | 2          | 50      | 3.4  | 0.5  | 3.1                 | 1.5  | 5.6                                   |
| Moderate                         | 5          | 523     | 8.5  | 5.4  | 17.7                | 11.0 | 19.8                                  |
| Middle                           | 27         | 3,444   | 45.8 | 35.7 | 35.3                | 30.1 | 34.4                                  |
| Upper                            | 25         | 5,621   | 42.4 | 58.3 | 43.8                | 57.4 | 40.2                                  |
| 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                                   |
| <b>Home Refinance Loans</b>      |            |         |      |      |                     |      |                                       |
| Low                              | 0          | 0       | 0.0  | 0.0  | 3.5                 | 2.9  | 5.6                                   |
| Moderate                         | 5          | 258     | 16.1 | 7.4  | 16.2                | 10.4 | 19.8                                  |
| Middle                           | 15         | 1,202   | 48.4 | 34.5 | 34.8                | 29.2 | 34.4                                  |
| Upper                            | 11         | 2,023   | 35.5 | 58.1 | 45.5                | 57.4 | 40.2                                  |
| 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                                   |
| <b>Home Improvement Loans</b>    |            |         |      |      |                     |      |                                       |
| Low                              | 0          | 0       | 0.0  | 0.0  | 5.3                 | 2.4  | 5.6                                   |
| Moderate                         | 2          | 250     | 22.2 | 42.4 | 16.3                | 13.5 | 19.8                                  |
| Middle                           | 5          | 231     | 55.6 | 39.2 | 34.0                | 28.3 | 34.4                                  |
| Upper                            | 2          | 109     | 22.2 | 18.5 | 44.5                | 55.9 | 40.2                                  |
| 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                                   |
| <b>Multifamily Loans</b>         |            |         |      |      |                     |      | <b>% of<br/>Multifamily<br/>Units</b> |
| Low                              | 0          | 0       | 0.0  | 0.0  | 9.3                 | 6.3  | 9.6                                   |
| Moderate                         | 0          | 0       | 0.0  | 0.0  | 37.2                | 30.6 | 34.5                                  |
| Middle                           | 0          | 0       | 0.0  | 0.0  | 39.5                | 48.9 | 41.6                                  |
| Upper                            | 0          | 0       | 0.0  | 0.0  | 14.0                | 14.3 | 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: 2017 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 Farm Lending**

The geographic distribution of small farm lending is reasonable. As noted in Table 9, the bank did not originate any small farm loans in the LMI census tracts. However, the opportunity to lend is limited, with 1.0 percent and 6.5 percent of farms located in these census tracts, respectively. Moreover, some gaps were identified in LMI census tracts located in the Wichita area and the southern portion of Sedgwick County. A community member stated that farms in LMI tracts are mainly small gardens and produce operations for local farmer’s markets. In addition, other institutions in the area offer small and beginning farmer microloans that may be more attractive to farm borrowers operating in LMI geographies. Lastly, a review of aggregate lending data reported by CRA filers indicates that aggregate lenders also did not originate any small farm loans within the LMI census tracts. While institutions included in the aggregate lending data are not a direct comparison given that the bank is not a CRA reporter, these aggregate lending levels are reflective of the overall demand for credit from farms in the AA.

| <b>TABLE 9<br/>DISTRIBUTION OF 2019 SMALL FARM LENDING<br/>BY INCOME LEVEL OF GEOGRAPHY</b> |            |         |      |      |            |
|---|------------|---------|------|------|------------|
| Census Tract<br>Income Level  | Bank Loans |         |      |      | % of Farms |
|   | #          | \$(000) | #%   | \$%  |            |
| <b>Low</b>  | 0          | 0       | 0.0  | 0.0  | 1.0        |
| <b>Moderate</b>   | 0          | 0       | 0.0  | 0.0  | 6.5        |
| <b>Middle</b>   | 51         | 4,485   | 56.7 | 66.7 | 25.9       |
| <b>Upper</b>  | 39         | 2,244   | 43.3 | 33.3 | 66.6       |
| <b>Unknown</b>  | 0          | 0       | 0.0  | 0.0  | 0.0        |
| <b>Not Reported</b>   | 0          | 0       | 0.0  | 0.0  | 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.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and farms of different revenue 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. The bank’s lending to low-income borrowers is below the percentage of families by family income percentage, but comparable to the aggregate lending data as noted in Table 10. However, the bank’s lending to moderate-income borrowers is below both aggregate lending data and the demographic figure.

The bank’s opportunity to originate home mortgage loans to LMI borrowers is limited, as the bank does not offer guaranteed loan programs, such as Federal Housing Administration or U.S. Department of Agriculture loans, which are attractive to LMI borrowers given flexible lending standards. Moreover, the

bank does not participate in down payment assistance programs and other housing programs attractive to LMI borrowers, such as the Kansas Housing Assistance Program, Housing Choice Voucher Program, Rental Assistance Demonstration Program, and Mennonite Housing. Furthermore, there is limited owner-occupied housing units in the AA and a significant portion of the housing units are rental units. The demand for area rental units could be due to student housing needs for the three major universities located in Wichita. While a community member stated there is new housing construction in Sedgwick County, the homes are not affordable to LMI borrowers. In addition, a community member stated there is not a sufficient amount of affordable single-family housing available for purchase to meet the demand. Lastly, the demand for home mortgage loans from LMI borrowers may be limited due to slow growth in median family income and an inability to save for down-payment due to rental costs that are greater than 30.0 percent of income. This is evidenced by the slower increase of median family income in Sedgwick County when compared to the state of Kansas. In addition, a significant portion of LMI families are living below the poverty level.

Additional analysis of the bank's home purchase and home refinance lending performance is noted below. The bank's home improvement lending performance was not evaluated due to a low volume of originations, as its analysis would not be meaningful.

### **Home Purchase Lending**

The borrower distribution of home purchase lending is reasonable. Lending to LMI borrowers is below the demographic figure and the aggregate lending data. As previously noted, this is primarily due to the lack of affordable housing and limited offerings of loan assistance programs to LMI borrowers by the bank.

### **Home Refinance Lending**

The borrower distribution of home refinance lending is reasonable. Although lending to low-income borrowers was below the demographic figure, the bank's performance is comparable to aggregate lending data. Lending to moderate-income borrowers was below the demographic figure and aggregate lending data. The bank's performance is reasonable due substantial market competition in Sedgwick County.

**TABLE 10  
DISTRIBUTION OF 2017 HOME MORTGAGE LENDING  
BY BORROWER INCOME LEVEL**

| Borrower Income Level            | Bank Loans |         |      |      | Aggregate HMDA Data |       | Families by Family Income % |
|----------------------------------|------------|---------|------|------|---------------------|-------|-----------------------------|
|                                  | #          | \$(000) | #%   | \$%  | #%                  | \$%   |                             |
| <b>Total Home Mortgage Loans</b> |            |         |      |      |                     |       |                             |
| Low                              | 8          | 559     | 8.1  | 4.1  | 8.0                 | 4.0   | 21.4                        |
| Moderate                         | 10         | 590     | 10.1 | 4.3  | 18.0                | 12.3  | 17.9                        |
| Middle                           | 17         | 2,110   | 17.2 | 15.4 | 20.8                | 17.5  | 21.1                        |
| Upper                            | 49         | 8,602   | 49.5 | 62.7 | 31.6                | 37.9  | 39.6                        |
| Unknown                          | 15         | 1,850   | 15.2 | 13.5 | 21.6                | 28.3  | 0.0                         |
| <b>Home Purchase Loans</b>       |            |         |      |      |                     |       |                             |
| Low                              | 4          | 380     | 6.8  | 3.9  | 8.5                 | 4.7   | 21.4                        |
| Moderate                         | 5          | 396     | 8.5  | 4.1  | 19.3                | 14.7  | 17.9                        |
| Middle                           | 7          | 1,165   | 11.9 | 12.1 | 20.4                | 19.7  | 21.1                        |
| Upper                            | 34         | 6,541   | 57.6 | 67.9 | 29.3                | 40.2  | 39.6                        |
| Unknown                          | 9          | 1,156   | 15.3 | 12.0 | 22.5                | 20.6  | 0.0                         |
| <b>Home Refinance Loans</b>      |            |         |      |      |                     |       |                             |
| Low                              | 2          | 151     | 6.5  | 4.3  | 7.0                 | 3.5   | 21.4                        |
| Moderate                         | 4          | 145     | 12.9 | 4.2  | 15.5                | 10.3  | 17.9                        |
| Middle                           | 6          | 514     | 19.4 | 14.8 | 21.2                | 17.7  | 21.1                        |
| Upper                            | 13         | 1,979   | 41.9 | 56.8 | 33.3                | 42.7  | 39.6                        |
| Unknown                          | 6          | 694     | 19.4 | 19.9 | 22.9                | 25.7  | 0.0                         |
| <b>Home Improvement Loans</b>    |            |         |      |      |                     |       |                             |
| Low                              | 2          | 28      | 22.2 | 4.7  | 8.0                 | 3.6   | 21.4                        |
| Moderate                         | 1          | 49      | 11.1 | 8.3  | 16.0                | 10.4  | 17.9                        |
| Middle                           | 4          | 431     | 44.4 | 73.1 | 23.3                | 19.3  | 21.1                        |
| Upper                            | 2          | 82      | 22.2 | 13.9 | 46.2                | 56.2  | 39.6                        |
| Unknown                          | 0          | 0       | 0.0  | 0.0  | 6.5                 | 10.5  | 0.0                         |
| <b>Multifamily Loans</b>         |            |         |      |      |                     |       |                             |
| Low                              | 0          | 0       | 0.0  | 0.0  | 0.0                 | 0.0   | 21.4                        |
| Moderate                         | 0          | 0       | 0.0  | 0.0  | 0.0                 | 0.0   | 17.9                        |
| Middle                           | 0          | 0       | 0.0  | 0.0  | 0.0                 | 0.0   | 21.1                        |
| Upper                            | 0          | 0       | 0.0  | 0.0  | 0.0                 | 0.0   | 39.6                        |
| Unknown                          | 0          | 0       | 0.0  | 0.0  | 100.0               | 100.0 | 0.0                         |

Source: 2017 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 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 less than or equal to \$1MM was below the percentage of small farms in the AA. However, when reviewing small farm loans by loan size, 97.8 percent were originated in loan amounts of \$250,000 or less, which aligns closely with the percentage of small farms within the AA. The availability of microloans in the area targeted to small and beginning farmers, as noted by a community member, could impact the bank’s ability to attract small farm borrowers. Additionally, while demographic data indicates that 99.2 percent of farms in the AA are small farms, aggregate lending to small farms, at 87.7 percent by number and 87.5 percent by dollar, is reflective of a somewhat lower

credit demand. While institutions included in the aggregate lending data are not a direct comparison as the bank is not a CRA reporter, the aggregate lending levels provide insight into the overall demand for credit from small farms in the AA.

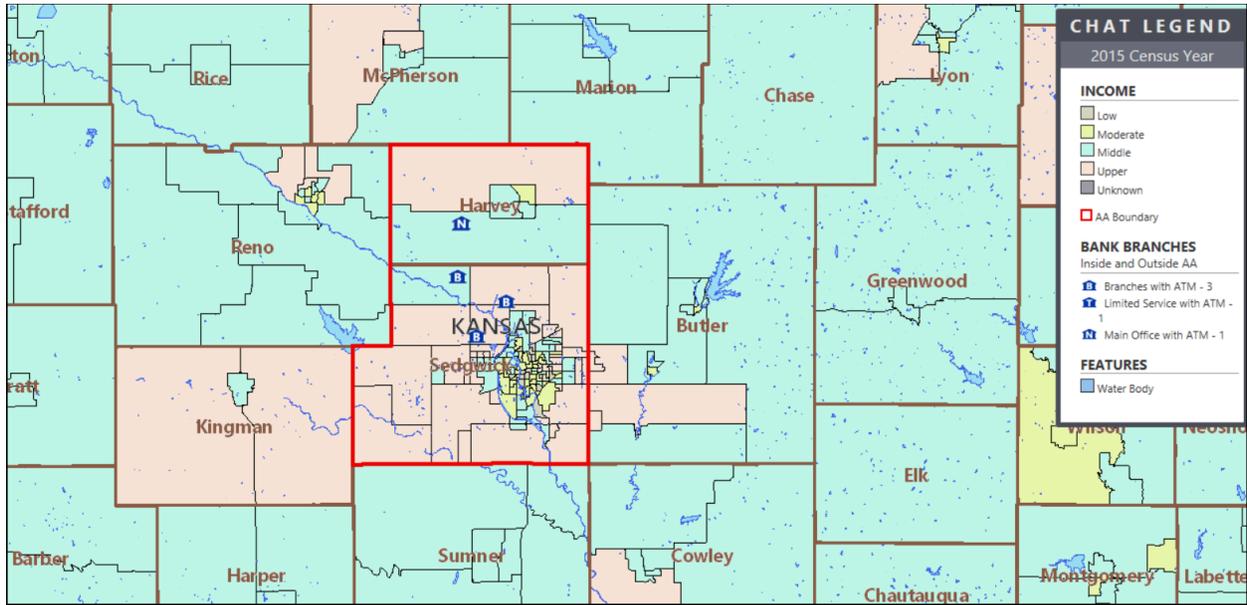
| <b>TABLE 11<br/>DISTRIBUTION OF 2019 SMALL FARM LENDING<br/>BY REVENUE SIZE OF FARMS</b>   |                   |                |              |              |                    |
|--|-------------------|----------------|--------------|--------------|--------------------|
|  | <b>Bank Loans</b> |                |              |              | <b>Total Farms</b> |
|  | <b>#</b>          | <b>\$(000)</b> | <b>#%</b>    | <b>\$%</b>   | <b>%</b>           |
| <b>By Revenue</b>  |                   |                |              |              |                    |
| \$1 Million or Less  | 77                | 5,990          | 85.6         | 89.0         | 99.2               |
| Over \$1 Million   | 9                 | 681            | 10.0         | 10.1         | 0.8                |
| Not Known  | 4                 | 58             | 4.4          | 0.9          | 0.0                |
| <b>Total</b>   | <b>90</b>         | <b>6,729</b>   | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>       |
| <b>By Loan Size</b>  |                   |                |              |              |                    |
| \$100,000 or less  | 71                | 3,169          | 78.9         | 47.1         |                    |
| \$100,001 – \$250,000  | 17                | 2,774          | 18.9         | 41.2         |                    |
| \$250,001 – \$500,000  | 2                 | 786            | 2.2          | 11.7         |                    |
| <b>Total</b>   | <b>90</b>         | <b>6,729</b>   | <b>100.0</b> | <b>100.0</b> |                    |
| <b>By Loan Size and Revenue \$1 Million or Less</b>  |                   |                |              |              |                    |
| \$100,000 or less  | 59                | 2,570          | 76.6         | 42.9         |                    |
| \$100,001 – \$250,000  | 16                | 2,634          | 20.8         | 44.0         |                    |
| \$250,001 – \$500,000  | 2                 | 786            | 2.6          | 13.1         |                    |
| <b>Total</b>   | <b>77</b>         | <b>5,990</b>   | <b>100.0</b> | <b>100.0</b> |                    |
| <i>Source: 2019 FFIEC Census Data<br/>2019 Dun &amp; Bradstreet Data<br/>2011 – 2015 U.S. Census Bureau: American Community Survey</i> |                   |                |              |              |                    |
| <i>NOTE: Percentages may not add up to 100.0 due to rounding.</i>  |                   |                |              |              |                    |

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

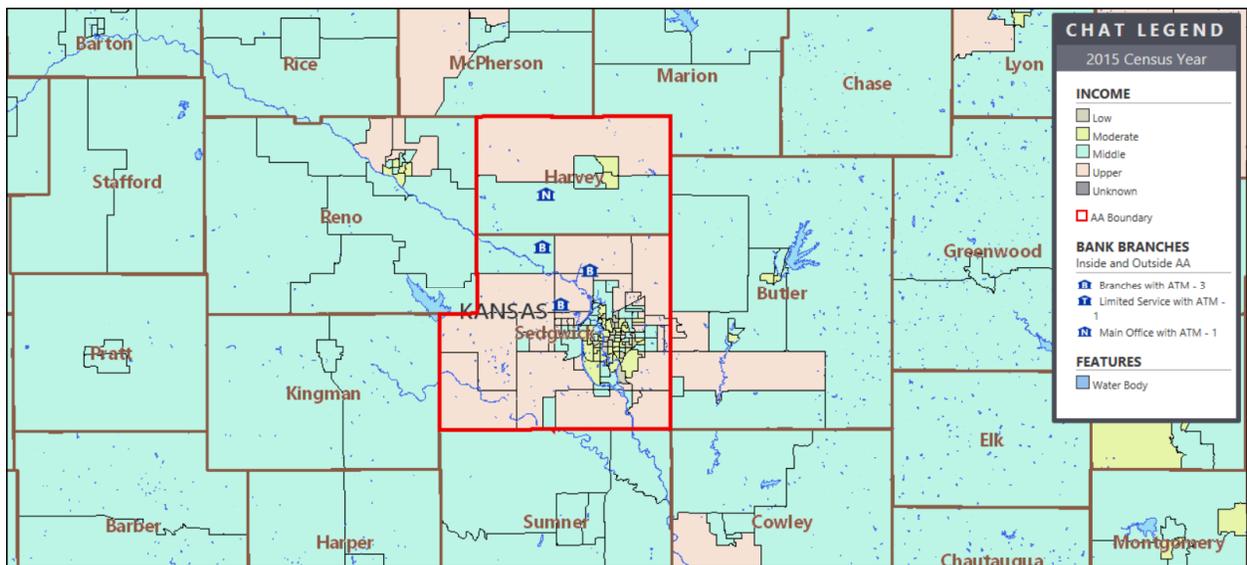
An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal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

APPENDIX A – MAPS OF THE ASSESSMENT AREA

2019 Wichita Metropolitan AA



2017 Wichita Metropolitan AA



APPENDIX B – DEMOGRAPHIC INFORMATION

| TABLE B-1<br>2019 WICHITA METROPOLITAN AA 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                   | 7.7              | 3,615  | 35.2                 | 28,363                    | 21.2         |  |
| Moderate  | 37                        | 28.5                               | 29,141                   | 21.7             | 6,055  | 20.8                 | 23,747                    | 17.7         |  |
| Middle  | 38                        | 29.2                               | 41,189                   | 30.7             | 3,183  | 7.7                  | 28,297                    | 21.1         |  |
| Upper   | 40                        | 30.8                               | 53,419                   | 39.9             | 1,568  | 2.9                  | 53,601                    | 40.0         |  |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |  |
| <b>Total AA</b>   | <b>130</b>                | <b>100.0</b>                       | <b>134,008</b>           | <b>100.0</b>     | <b>14,421</b>                                      | <b>10.8</b>          | <b>134,008</b>            | <b>100.0</b> |  |
|   | 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                              | 5.4                      | 32.3             | 11,145   | 50.2                 | 3,872                     | 17.5         |  |
| Moderate  | 59,285                    | 25,128                             | 18.9                     | 42.4             | 25,819   | 43.6                 | 8,338                     | 14.1         |  |
| Middle  | 72,913                    | 42,422                             | 31.9                     | 58.2             | 24,716   | 33.9                 | 5,775                     | 7.9          |  |
| Upper   | 73,924                    | 58,397                             | 43.9                     | 79.0             | 11,752   | 15.9                 | 3,775                     | 5.1          |  |
| Unknown   | 0                         | 0                                  | 0.0                      | 0.0              | 0  | 0.0                  | 0                         | 0.0          |  |
| <b>Total AA</b>   | <b>228,302</b>            | <b>133,110</b>                     | <b>100.0</b>             | <b>58.3</b>      | <b>73,432</b>                                      | <b>32.2</b>          | <b>21,760</b>             | <b>9.5</b>   |  |
|   | Total Businesses by Tract | Businesses by Tract & Revenue Size |                          |                  |  |                      |                           |              |  |
|   |                           | Less Than or = \$1 Million         |                          | Over \$1 Million |  | Revenue Not Reported |                           |              |  |
|   |                           | #                                  | %                        | #                | %  | #                    | %                         |              |  |
| Low   | 1,222                     | 6.0                                | 1,054                    | 5.8              | 167  | 7.7                  | 1                         | 0.7          |  |
| Moderate  | 5,680                     | 27.9                               | 4,826                    | 26.8             | 824  | 38.1                 | 30                        | 22.1         |  |
| Middle  | 6,112                     | 30.1                               | 5,437                    | 30.2             | 634  | 29.3                 | 41                        | 30.1         |  |
| Upper   | 7,313                     | 36.0                               | 6,710                    | 37.2             | 539  | 24.9                 | 64                        | 47.1         |  |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |  |
| <b>Total AA</b>   | <b>20,327</b>             | <b>100.0</b>                       | <b>18,027</b>            | <b>100.0</b>     | <b>2,164</b>                                       | <b>100.0</b>         | <b>136</b>                | <b>100.0</b> |  |
| <b>Percentage of Total Businesses:</b>  |                           |                                    |                          | <b>88.7</b>      |  | <b>10.6</b>          |                           | <b>0.7</b>   |  |
|   | 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  | 32                        | 6.5                                | 32                       | 6.5              | 0  | 0.0                  | 0                         | 0.0          |  |
| Middle  | 128                       | 25.9                               | 127                      | 25.9             | 1  | 25.0                 | 0                         | 0.0          |  |
| Upper   | 329                       | 66.6                               | 326                      | 66.5             | 3  | 75.0                 | 0                         | 0.0          |  |
| Unknown   | 0                         | 0.0                                | 0                        | 0.0              | 0  | 0.0                  | 0                         | 0.0          |  |
| <b>Total AA</b>   | <b>494</b>                | <b>100.0</b>                       | <b>490</b>               | <b>100.0</b>     | <b>4</b>   | <b>100.0</b>         | <b>0</b>                  | <b>0.0</b>   |  |
| <b>Percentage of Total Farms:</b>   |                           |                                    |                          | <b>99.2</b>      |  | <b>0.8</b>           |                           | <b>0.0</b>   |  |
| <p>Source: 2019 FFIEC Census Data<br/>2019 Dun &amp; Bradstreet Data<br/>2011 – 2015 U.S. Census Bureau: American Community Survey<br/>NOTE: Percentages may not add up to 100.0 due to rounding.</p> |                           |                                    |                          |                  |  |                      |                           |              |  |

**TABLE B-2  
2017 WICHITA METROPOLITAN AA DEMOGRAPHICS**

| Income Categories                      | Tract Distribution        |                                    | Families by Tract Income |              | Families < Poverty Level as % of Families by Tract |              | Families by Family Income |              |
|--|---------------------------|------------------------------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
|  | #                         | %                                  | #                        | %            | #  | %            | #                         | %            |
| Low                                    | 16                        | 12.3                               | 10,592                   | 7.9          | 3,718  | 35.1         | 28,738                    | 21.4         |
| Moderate                               | 37                        | 28.5                               | 30,172                   | 22.5         | 6,119  | 20.3         | 23,925                    | 17.9         |
| Middle                                 | 41                        | 31.5                               | 44,382                   | 33.1         | 3,186  | 7.2          | 28,322                    | 21.1         |
| Upper                                  | 36                        | 27.7                               | 48,862                   | 36.5         | 1,398  | 2.9          | 53,023                    | 39.6         |
| Unknown                                | 0                         | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total AA</b>                        | <b>130</b>                | <b>100.0</b>                       | <b>134,008</b>           | <b>100.0</b> | <b>14,421</b>                                      | <b>10.8</b>  | <b>134,008</b>            | <b>100.0</b> |
|  | Housing Units by Tract    | Housing Type by Tract              |                          |              |  |              |                           |              |
|  |                           | Owner-occupied                     |                          |              | Rental   |              | Vacant                    |              |
|  |                           | #                                  | % by tract               | % by unit    | #  | % by unit    | #                         | % by unit    |
| Low                                    | 23,154                    | 7,458                              | 5.6                      | 32.2         | 11,575   | 50.0         | 4,121                     | 17.8         |
| Moderate                               | 60,705                    | 26,311                             | 19.8                     | 43.3         | 26,144   | 43.1         | 8,250                     | 13.6         |
| Middle                                 | 77,342                    | 45,814                             | 34.4                     | 59.2         | 25,526   | 33.0         | 6,002                     | 7.8          |
| Upper                                  | 67,101                    | 53,527                             | 40.2                     | 79.8         | 10,187   | 15.2         | 3,387                     | 5.0          |
| Unknown                                | 0                         | 0                                  | 0.0                      | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total AA</b>                        | <b>228,302</b>            | <b>133,110</b>                     | <b>100.0</b>             | <b>58.3</b>  | <b>73,432</b>                                      | <b>32.2</b>  | <b>21,760</b>             | <b>9.5</b>   |
|  | Total Businesses by Tract | Businesses by Tract & Revenue Size |                          |              |  |              |                           |              |
|  |                           | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|  |                           | #                                  | %                        | #            | %  | #            | %                         | #            |
| Low                                    | 1,233                     | 7.1                                | 1,009                    | 6.7          | 222  | 10.0         | 2                         | 1.9          |
| Moderate                               | 4,871                     | 28.0                               | 3,975                    | 26.4         | 877  | 39.6         | 19                        | 18.3         |
| Middle                                 | 5,724                     | 32.9                               | 5,031                    | 33.4         | 658  | 29.7         | 35                        | 33.7         |
| Upper                                  | 5,560                     | 32.0                               | 5,052                    | 33.5         | 460  | 20.7         | 48                        | 46.2         |
| Unknown                                | 0                         | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total AA</b>                        | <b>17,388</b>             | <b>100.0</b>                       | <b>15,067</b>            | <b>100.0</b> | <b>2,217</b>                                       | <b>100.0</b> | <b>104</b>                | <b>100.0</b> |
| <b>Percentage of Total Businesses:</b> |                           |                                    |                          | <b>86.7</b>  |  | <b>12.8</b>  |                           | <b>0.6</b>   |
|  | Total Farms by Tract      | Farms by Tract & Revenue Size      |                          |              |  |              |                           |              |
|  |                           | Less Than or = \$1 Million         |                          |              | Over \$1 Million                                   |              | Revenue Not Reported      |              |
|  |                           | #                                  | %                        | #            | %  | #            | %                         | #            |
| Low                                    | 2                         | 0.4                                | 2                        | 0.4          | 0  | 0.0          | 0                         | 0.0          |
| Moderate                               | 28                        | 5.9                                | 27                       | 5.8          | 1  | 20.0         | 0                         | 0.0          |
| Middle                                 | 129                       | 27.4                               | 127                      | 27.3         | 2  | 40.0         | 0                         | 0.0          |
| Upper                                  | 312                       | 66.2                               | 310                      | 66.5         | 2  | 40.0         | 0                         | 0.0          |
| Unknown                                | 0                         | 0.0                                | 0                        | 0.0          | 0  | 0.0          | 0                         | 0.0          |
| <b>Total AA</b>                        | <b>471</b>                | <b>100.0</b>                       | <b>466</b>               | <b>100.0</b> | <b>5</b>   | <b>100.0</b> | <b>0</b>                  | <b>0.0</b>   |
| <b>Percentage of Total Farms:</b>      |                           |                                    |                          | <b>98.9</b>  |  | <b>1.1</b>   |                           | <b>0.0</b>   |

Source: 2017 FFIEC Census Data  
 2017 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.