PUBLIC DISCLOSURE

September 26, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Sentinel Bank

Richlands, Virginia

Federal Reserve Bank of Richmond
Richmond, Virginia

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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920975

315 Railroad Ave

Richlands, VA 24641

Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261

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

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered more than reasonable given the bank's size, financial condition, and credit needs of its assessment areas.
- A majority of loans are outside the bank's assessment area.
- The bank's borrower distribution (lending to individuals of different income levels) is considered reasonable overall.
- The bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment area evaluated.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

First Sentinel Bank (FSB) was evaluated using the interagency examination procedures for small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures and based upon recent loans originated by the institution, residential mortgage and consumer motor vehicle loans were identified as primary credit products for the bank.

The analysis was based on the entire universe of 131 residential real estate loans totaling $28.3 million originated by the bank during 2021, and a sample of 200 consumer motor vehicle loans originated during the same calendar year. The sample was based on a universe of 2,324 motor vehicle loans totaling $62.5 million originated during 2021.

As of the date of the evaluation, bank management has delineated the three following assessment areas.

- Tazewell, VA NonMSA assessment area
- Mercer, WV NonMSA assessment area
- Kingsport-Bristol, VA assessment area

The Mercer, WV NonMSA and Kingsport-Bristol, VA assessment areas are new since FSB's prior evaluation and resulted from FSB's recent branching activity. Given the dates when new branches opened, the analysis of FSB's lending inside and outside its assessment areas is based on activity in the Tazewell, VA NonMSA and the Mercer, WV NonMSA assessment areas, and the evaluation of borrower and geographic distribution performance is based on FSB's performance in the Tazewell, VA NonMSA assessment area. The bank's assessment areas and branching activities are discussed in the following section of the evaluation.

DESCRIPTION OF INSTITUTION

FSB is headquartered in Richlands, Virginia, and operates nine branch offices and two loan production offices in southwest Virginia, southern West Virginia, and northeast Tennessee. The institution's previous CRA rating dated April 23, 2018, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

As previously noted, FSB has delineated three assessment areas based on the location of its bank branches. The following table details the composition of the bank's assessment areas.

Assessment Area Name	City/County	State	Census Tracts Included	Number of Bank Branches
Tazewell, VA NonMSA	Bland	VA	All	7
	Buchanan	VA	All	
	Russell	VA	All	
	Smyth	VA	All	
	Tazewell	VA	All	
	Wythe	VA	All	
Mercer, WV NonMSA *	Mercer	WV	All	1
Kingsport-Bristol, VA *	Bristol	VA	All	1
	Scott	VA	All	
	Washington	VA	All	

* New assessment areas since FSB's prior evaluation

Since its previous evaluation, FSB opened three new branches that prompted the creation of two new assessment areas.

- In July 2018, FSB opened a new branch in Bland County, Virginia. This branch was opened within the bank's existing Tazewell, VA NonMSA assessment area.
- In September 2021, FSB opened a branch in Mercer County, West Virginia. The opening of this branch caused the creation of the Mercer, WV NonMSA assessment area.
- In June 2022, FSB opened a branch in Washington County, Virginia, that caused the creation of the Kingsport-Bristol, VA assessment area.

FSB has not closed any bank branches since the previous evaluation.

As of June 30, 2022, FSB had total assets of $346.9 million, of which 85% were net loans. As of the same date, deposits totaled $302.5 million. Various deposit and loan products are available through the institution, including loans for residential mortgage, consumer, and commercial purpose. The composition of the loan portfolio (using gross loans) as of June 30, 2022, is represented in the following table.

Composition of Loan Portfolio

Loan Type	6/30/2022	
	$(000s)	%
Secured by 1-4 Family dwellings	71,263	23.8
Multifamily	7,483	2.5
Construction and Development	3,255	1.1
Commercial & Industrial/ NonFarm NonResidential	73,721	24.6
Consumer Loans and Credit Cards	139,756	46.7
Agricultural Loans/ Farmland	2,660	0.9
All Other	976	0.3
Total	***299,114***	***100.0***

As indicated in the preceding table, FSB is an active consumer, residential mortgage, and commercial lender. Small business loans are a subset of commercial loans. Within the consumer loan category, a majority of such loans are for the purchase of motor vehicles. The bank also offers other loans, such as agricultural and construction and development loans; however, the volume of such lending is relatively small in comparison to its consumer, residential mortgage, and commercial lending.

In April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to allow workforces to remain employed and promote economic stability during the coronavirus (COVID-19) pandemic. While banks were not required to participate in the SBA's PPP lending program, FSB was an active participant. Since the program's inception, FSB has originated 765 PPP loans totaling approximately $38.5 million. The bank's origination of PPP loans is an example of the bank being responsive to area credit needs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE TAZEWELL, VA NONMSA ASSESSMENT AREA

The Tazewell County, VA NonMSA includes the counties of Bland, Buchanan, Russell, Smyth, Tazewell, and Wythe. According to recent (June 30, 2021) data from the Federal Deposit Insurance Corporation, FSB ranked 8th out of 16 institutions in local deposit market share with 7.8% of deposits across the bank's assessment area.

Based on American Community Survey (ACS) data from 2015, the assessment area served by the bank has a total population of 163,187 and a median housing value of $92,198. Within the assessment area, the owner-occupancy rate equals 62.2%, which exceeds the owner-occupancy rate for nonmetropolitan areas of Virginia (57.8%). The percentage of families living below the poverty level in the assessment area equals 14.5% and exceeds the level found in nonmetropolitan areas of Virginia (13.3%). The FFIEC estimated median family income for nonmetropolitan areas in Virginia equaled $58,900 during 2021.

The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Tazewell, VA NonMSA (*Based on 2015 ACS Data and 2021 D&B Information*)									
Income Categories*	**Tract Distribution**		**Families by Tract**		**Families < Poverty as a % of Families by Tract**		**Families by Family Income**		
	#	%	#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	10,394	23.4	
Moderate	11	26.2	12,519	28.2	2,792	22.3	8,497	19.2	
Middle	29	69.0	29,390	66.3	3,476	11.8	9,006	20.3	
Upper	2	4.8	2,427	5.5	162	6.7	16,439	37.1	
NA	0	0.0	0	0.0	0	0.0			
Total	*42*	*100.0*	*44,336*	*100.0*	*6,430*	*14.5*	*44,336*	*100.0*	
	Owner Occupied Units by Tract		**Households**						
			HHs by Tract		**HHs < Poverty by Tract**		**HHs by HH Income**		
	#	%	#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	18,625	28.4	
Moderate	14,882	30.5	18,889	28.8	4,759	25.2	10,806	16.5	
Middle	31,344	64.2	43,146	65.8	7,368	17.1	11,231	17.1	
Upper	2,576	5.3	3,556	5.4	624	17.5	24,929	38.0	
NA	0	0.0	0	0.0	0	0.0			
Total	*48,802*	*100.0*	*65,591*	*100.0*	*12,751*	*19.4*	*65,591*	*100.0*	
	Total Businesses by Tract		**Businesses by Tract and 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	966	19.3	857	19.0	95	23.5	14	17.5	
Middle	3,600	72.1	3,267	72.5	274	67.8	59	73.8	
Upper	427	8.6	385	8.5	35	8.7	7	8.7	
NA	0	0.0	0	0.0	0	0.0	0	0.0	
Total	*4,993*	*100.0*	*4,509*	*100.0*	*404*	*100.0*	*80*	*100.0*	
Percentage of Total Businesses:				90.3		8.1		1.6	

**NA-Tracts without household or family income as applicable*

Primary industries within the assessment area include mining, retail trade, health services, professional and business services, and manufacturing. Top employers include local government (including public schools and county administration), Walmart, Clinch Valley Community Hospital, and Cumberland Mountain Community Services.

As indicated by the data in the following table, unemployment rates within the assessment area generally declined prior to 2020, rose sharply during 2020 because of the pandemic, and declined again during 2021. Recent unemployment levels within the overall assessment area are mixed when compared to the statewide nonmetropolitan area.

Tazewell County, VA NonMSA Average Annual Unemployment Rates					
Area	**2017**	**2018**	**2019**	**2020**	**2021**
Bland County, VA	4%	3.1%	2.8%	5.6%	3.4%
Buchanan County, VA	7%	5.4%	5.5%	9.4%	6.7%
Russell County, VA	5.2%	4.2%	4.1%	6.6%	4.3%
Smyth County, VA	4.9%	3.9%	3.7%	6.4%	4%
Tazewell County, VA	5.6%	4.4%	4.3%	7.6%	5.2%
Wythe County, VA	5%	3.7%	3.5%	7.7%	4%
NonMSA Virginia	4.6%	3.7%	3.5%	6.7%	4.4%
Virginia	3.7%	3%	2.8%	6.2%	3.9%
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

An official from an affordable housing organization was recently contacted to discuss area economic conditions and community credit needs. The individual stated the economy is relatively stable but continues to experience the consequences of economic hardships. Specifically, there is a large homeless population in the area, so there is a significant need for the construction of additional affordable housing units. While she indicated that area financial institutions are reasonably serving the banking needs of the local community, there is opportunity for partnerships between financial institutions and organizations for community development purposes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

When evaluating the bank's performance, relevant area demographic data from the 2015 American Community Survey (ACS) is used as a proxy for demand for residential mortgage and consumer lending. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. As such, when evaluating the bank's performance, relevant area demographic data is derived from the 2015 ACS data.

Despite being an active residential mortgage lender, FSB is not subject to residential mortgage data reporting under the Home Mortgage Disclosure Act (HMDA) because none of its bank branches were located in a metropolitan statistical area prior to 2022. However, aggregate lending data is insightful from a performance context perspective because the lending activity took place in a specific geographic area under the same basic economic conditions. Consequently, aggregate loan data is also used as a proxy for demand when evaluating the bank's residential mortgage lending and included all activity reported by lenders subject to reporting HMDA data within the bank's assessment area. Because the bank is not subject to HMDA data reporting, FSB's residential mortgage loans are not included in the aggregate data.

Loan-To-Deposit Ratio

The bank's current loan-to-deposit ratio is 97.5% and averaged 97.7% for the 17-quarter period ending June 30, 2022. In comparison, the quarterly average loan-to-deposit ratios for two similarly situated institutions that operate in FSB's assessment area ranged from 58% to 79.5% during the same 17-quarter period. Since June 30, 2018, FSB's assets, net loans, and deposits have increased by 35.9%, 42.1%, and 39.3% respectively. Overall, the bank's level of lending activity as measured by its loan-to-deposit ratio is considered more than reasonable given the institution's size, financial condition, and local credit needs.

Lending In Assessment Areas

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's residential mortgage and consumer motor vehicle loans were considered. Because the loans considered in this analysis were originated during 2021, lending in the bank's Tazewell, VA NonMSA and Mercer, WV NonMSA assessment areas are inside the bank's assessment areas. Loans originated in the bank's Kingsport-Bristol, VA assessment area are outside of the bank's assessment areas because the assessment area did not exist during 2021. The lending distribution inside and outside of the bank's assessment areas is represented in the following table.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	$(000)	%	#	%	$(000)	%
Consumer Loans	**184**	**55.6**	**18,243**	**53.9**	**147**	**44.4**	**15,605**	**46.1**
Motor Vehicle	98	49.0	2,360	42.3	102	51.0	3,213	57.7
Residential Mortgage	86	65.6	15,883	56.2	45	34.4	12,392	43.8
TOTAL LOANS	**184**	**55.6**	**18243**	**53.9**	**147**	**44.4**	**15605**	**46.1**

As indicated in the table above, a majority (65.6%) of FSB's residential mortgage loans were extended within a bank assessment area, while less than a majority (49%) of its consumer motor vehicle loans were extended in a bank assessment area. While the residential mortgage loans included in the table reflect all such loans originated by the bank during 2021, the consumer motor vehicle loans are a sample of a much larger universe.

During calendar year 2021, FSB originated 2,324 consumer motor vehicle loans, so the bank's consumer motor vehicle volume substantially exceeds the volume of its residential mortgage lending. Based on the results from the sample, it is estimated that 1,139 (49%) of the universe of consumer motor vehicle loans were originated within a bank assessment during 2021. As an element of context, FSB has indirect lending relationships with 146 automobile dealers, and 94 (64.4%) of these dealers are located outside of the Tazewell, VA NonMSA and Mercer, WV NonMSA assessment areas.

When considering the volume of residential mortgage loans within a bank assessment area (86) and the estimate of all consumer motor vehicle loans within an assessment area (1,139), less than a majority (49.9%) of the bank's combined residential mortgage and consumer motor vehicle loans (2,455) were originated within a bank assessment area during 2021.

Lending To Borrowers of Different Incomes

The bank's borrower distribution performance is considered reasonable for residential mortgage loans and excellent for consumer motor vehicle lending during 2021. Overall, the combined borrower distribution of loans during 2021 is reasonable when considering dollar volume of lending by product and the relative strength of performance by product and year.

Mortgage Loans by Income Level of Borrower

Tazewell, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	$(000s)	% $	#	%	$(000s)	% $
	Mortgage Totals							
Low	5	8.2	309	3.7	200	7.8	16,944	4.5
Moderate	13	21.3	1,134	13.6	638	24.9	70,271	18.7
Middle	15	24.6	1,291	15.5	681	26.5	90,416	24.0
Upper	28	45.9	5,584	67.2	1,046	40.8	198,439	52.8
Total	***61***	***100.0***	***8,318***	***100.0***	***2,565***	***100.0***	***376,070***	***100.0***
Unknown	*13*		*3,738*		*482*		*85,642*	

Percentages (%) are calculated on all loans where incomes are known

FSB's 2021 mortgage lending to low-income borrowers (8.2%) lagged the percentage of low-income families within the assessment area (23.4%), but approximated the aggregate level of lending (7.8%). FSB's lending to moderate-income borrowers (21.3%) exceeded the percentage of moderate-income families (19.2%) and approximated the aggregate level of lending (24.9%). The bank's performance is considered reasonable.

Distribution of Consumer Loans by Income Level of Borrower

Tazewell, VA NonMSA (2021)				
Income Categories	Consumer Loans			
	#	%	$(000s)	% $
Low	18	31.6	198	17.2
Moderate	13	22.8	266	23.1
Middle	11	19.3	250	21.7
Upper	15	26.3	437	38.0
Total	***57***	***100.0***	***1,151***	***100.0***
Unknown	*1*		*18*	

Percentage's (%) are calculated on all loans where incomes are known

The bank's level of consumer motor vehicle lending to low-income borrowers (31.6%) approximated the percentage of low-income households in the assessment area (28.4%). FSB's level of motor vehicle lending (22.8%) exceeded the percentage of moderate-income households (16.5%) within the assessment area during 2021. The bank's lending to low- and moderate-income borrowers within the assessment area is considered excellent overall.

Geographic Distribution of Loans

During 2021, FSB's geographic distribution performance is poor for residential mortgage loans and excellent for consumer motor vehicle loans. After considering the size and performance level of each product, FSB's geographic distribution performance is considered reasonable overall.

Distribution of Mortgage Loans by Income Level of Census Tract

Tazewell, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	$(000s)	% $	#	%	$(000s)	% $
	Mortgage Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	10.8	1,416	11.7	564	18.5	72,462	15.7
Middle	55	74.3	8,744	72.5	2,193	72.0	335,786	72.7
Upper	11	14.9	1,895	15.8	290	9.5	53,464	11.6
*NA**	0	0.0	0	0.0	0	0.0	0	0.0
Total	***74***	***100.0***	***12,055***	***100.0***	***3,047***	***100.0***	***461,712***	***100.0***

NA-Tracts without household or family income as applicable*

As indicated in the assessment area demographic table, there are no low- and 11 moderate-income census tracts within the bank's assessment area. FSB's level of residential mortgage lending in moderate-income census tracts (10.8%) lagged the percentage of owner-occupied households in such census tracts (30.5%) and the percentage of residential mortgage loans originated by the aggregate reporters in moderate-income census tracts (18.5%). FSB's geographic distribution performance is considered poor.

Distribution of Consumer Loans by Income Level of Census Tract

Tazewell, VA NonMSA (A 21)				
Income Categories	Consumer Loans			
	#	%	$(000s)	% $
Low	NA	NA	NA	NA
Moderate	17	29.3	295	25.2
Middle	37	63.8	698	59.7
Upper	4	6.9	176	15.1
*NA**	*NA*	*NA*	*NA*	*NA*
Total	***58***	***100.0***	***1,169***	***100.0***

**NA-Tracts without household or family income as applicable*
Loans where the geographic location is unknown are excluded from this table.

FSB's level of consumer motor vehicle lending (29.3%) approximated the percentage of assessment area households located in moderate-income census tracts (28.8%). As an element of performance context, 25.2% of households located in moderate-income census tracts are below poverty. Such a concentration of impoverished households likely reduces the viable demand for motor vehicle loans by potential borrowers within moderate-income census tracts. When considering the bank's level of lending in moderate-income census tracts in conjunction with the percentage of households located in such areas and the area poverty rate as an element of performance context, FSB's consumer motor vehicle lending performance is considered excellent.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

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: All Agencies have adopted the following language. 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies.
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - (A) Rates of poverty, unemployment, and population loss; or
  - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending Test (and if applicable, consideration of investments and services) 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 refinancing 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 under the Lending Test (and if applicable, consideration of investments and services) 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) and the Thrift Financial Reporting (TFR) 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.