PUBLIC DISCLOSURE

December 7, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Central Bank of Audrain County
RSSD #934954

203 East Liberty Street
Mexico, Missouri 65265

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

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 the 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 CRA RATING: This institution is rated SATISFACTORY.

Central Bank of Audrain County (CBAC) meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The borrower's profile analysis reveals reasonable penetration among farms of different revenue sizes and individuals of different income levels, including low- and moderate-income (LMI) levels.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- Community development activity was considered but did not enhance the bank's overall rating.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Examination Procedures for Small Institutions. Small farm, residential real estate, and consumer (motor vehicle) loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy.[1] Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on agricultural lending, performance based on the small farm loan category carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

[1] 1–4 family residential real estate, small farm loans, and consumer loan types were sampled for this review according to CA Letter 01-8, "CRA Sampling Procedures."

Performance Criterion	Time Period
LTD Ratio	March 31, 2015 – September 30, 2020
Assessment Area Concentration	January 1, 2018 – December 31, 2019
Loan Distribution by Borrower's Profile	January 1, 2018 – December 31, 2019
Geographic Distribution of Loans	January 1, 2018 – December 31, 2019
Response to Written CRA Complaints	March 9, 2015 – December 6, 2020

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain farm demographics are based on 2018 and 2019 Dun & Bradstreet data. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $116.3 million to $261.9 million as of June 30, 2020.

To augment this evaluation, three community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section.

Additionally, the bank requested that its performance in making qualified investments be reviewed. The results of the analysis are discussed in the *Community Development Investments* section.

DESCRIPTION OF INSTITUTION

CBAC is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is a wholly owned subsidiary of Central Bancompany, Inc., which is headquartered in Jefferson City, Missouri. The bank's branch network consists of two offices (including the main office), both of which are full-service facilities with drive-up accessibility, as well as full-service automated teller machines (ATMs) on site. In addition, the bank operates two stand-alone, cash-dispensing-only ATMs. Both of these ATMs are located in convenience stores in Mexico, Missouri, and Laddonia, Missouri, respectively. During the review period, the bank did not open any branches but did close two branches. The branch in Laddonia, Missouri, was closed due to a reduction in demand, and one office in Vandalia, Missouri, closed for branch consolidation. However, based on the remaining branch network and other service delivery systems such as online banking capabilities and mobile and telephone banking, the bank is well positioned to deliver financial services to its entire assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. On September 30, 2020, the bank reported total assets of $203.3 million. As of the same date, loans and leases outstanding were $94.7 million (46.6 percent of total assets), and deposits totaled $178.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2020

Credit Category	Amount ($000s)	Percentage of Total Loans
Construction and Development	$3,929	4.1%
Commercial Real Estate	$13,616	14.3%
Multifamily Residential	$1,535	1.6%
1–4 Family Residential	$22,820	24.0%
Farmland	$17,321	18.3%
Farm Loans	$6,938	7.3%
Commercial and Industrial	$12,284	12.9%
Loans to Individuals	$6,128	6.5%
Total Other Loans	$10,320	10.9%
TOTAL	**$94,891**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial loans, loans secured by 1–4 family residential properties, and loans related to agricultural production. The bank also originates and subsequently sells a significant volume of loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table above.

While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received an Outstanding rating at its previous CRA evaluation conducted on March 9, 2015, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 25,783, is located in central Missouri, bordering Boone County and approximately 25 miles northeast of Columbia, Missouri. The assessment area is composed entirely of Audrain County, which is mostly rural and located in nonmetropolitan statistical area (nonMSA) Missouri. The bank's assessment area is composed of seven census tracts, five of which are classified as middle-income census tracts and two as upper-income census tracts. None of the middle-income census tracts are considered distressed or underserved. While the majority of the county's population resides in and around Mexico, Missouri, the upper-income census tracts are concentrated in the southwestern portion of the assessment area, closest to the Boone County border and Columbia, Missouri.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2020, there are six FDIC-insured depository institutions in the assessment area that operate nine offices. CBAC (operating two, or 22.2 percent, offices in the assessment area) ranked first in terms of deposit market share, with 41.0 percent of the total assessment area deposit dollars.

Credit needs in the assessment area include a mix of consumer and agricultural products. A particular credit need in the assessment area, noted by a community contact, is affordable housing for LMI residents. One contact noted that it is challenging for LMI residents to transition to homeownership due to the difficulty of finding homes in reasonable condition. Additionally, two contacts stressed a need for greater financial literacy and education programs throughout the assessment area.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	0	5	2	0	**7**
	0.0%	0.0%	71.4%	28.6%	0.0%	**100%**
Family Population	0	0	4,175	1,688	0	**5,863**
	0.0%%	0.0%%	71.2%	28.8%	0.0%	**100%**

As shown above, the assessment area does not contain any LMI geographies. The majority (71.4 percent) of the census tracts are middle-income, in which 71.2 percent of families in the assessment area reside.

Based on 2015 ACS data, the median family income for the assessment area was $53,610. At the same time, the median family income for nonMSA Missouri was $48,341. More recently, the FFIEC estimates the 2019 median family income for nonMSA Missouri to be $52,400. The following table displays population percentages of assessment area families by income level compared to the nonMSA Missouri family population as a whole.

Family Population by Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Assessment Area	1,127	830	1,222	2,684	0	**5,863**
	19.2%	14.2%	20.8%	45.8%	0.0%	**100%**
NonMSA Missouri	81,150	72,084	84,064	159,212	0	**396,510**
	20.5%	18.2%	21.2%	40.2%	0.0%	**100%**

As shown in the table above, 33.4 percent of families within the assessment area were considered LMI, which is lower than the LMI family percentage of 38.7 percent in nonMSA Missouri. The percentage of families living below the poverty threshold in the assessment area (12.2 percent) falls below the 14.2 percent level in nonMSA Missouri. Considering these factors, the assessment area appears slightly more affluent than nonMSA Missouri as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be more affordable than in nonMSA Missouri. The median housing value for the assessment area is $91,900, which is significantly below the figure for nonMSA Missouri, $100,293. The assessment area housing affordability ratio of 45.2 percent is above the nonMSA Missouri figure of 38.0 percent. Lastly, the median gross rent for the assessment area of $613 per month is comparable to the $611 per month for nonMSA Missouri. However, when considering income levels, rental housing in the assessment area is slightly more affordable than in nonMSA Missouri. This is evidenced by the percentage of renters in the assessment area spending more than 30 percent of their income on rent (32.6 percent) compared to the nonMSA Missouri figure (40.6 percent). While housing appears to be within reach of the assessment area's LMI population, a community contact noted that new housing developments are not financially attainable for LMI borrowers and that the existing affordable homes are generally of older stock and often in need of repairs. Overall, though, homeownership appears to be more attainable for LMI populations in the assessment area compared to the broader nonMSA Missouri area.

Industry and Employment Demographics

The assessment area supports a diverse business community, including strong manufacturing and service-oriented sectors. County business patterns (CBPs) indicate that there are 6,644 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (26.9 percent), followed by retail trade (15.0 percent), and healthcare and social assistance (14.5 percent). While small farm operations are not reflected in

CBP data, a community contact noted that the assessment area is highly dependent on agriculture. In addition, demographic data estimates reveal that 99.7 percent of farms in the assessment area had revenues of $1 million or less in 2018 and 2019. The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Missouri as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**NonMSA Missouri**
2015	4.6%	5.9%
2016	4.3%	5.5%
2017	3.5%	4.4%
2018	3.1%	3.7%
2019	3.4%	4.0%
2020 (8-month year-to-date)	6.6%	6.9%

As shown in the table above, unemployment levels for the assessment area, as well as nonMSA Missouri, have shown a generally decreasing trend; however, both were subject to a sharp increase in unemployment during 2020, which can be attributed to the COVID-19 pandemic. Additionally, unemployment levels in the assessment area have consistently been lower than nonMSA Missouri levels.

Community Contact Information

Information from three community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these community contact interviews, one was with an individual specializing in affordable housing, and another was with an agricultural business specialist. A third interview was conducted with an individual of a nonprofit organization to understand the impact of COVID-19 on Audrain County's residents, businesses, and credit needs.

Both the affordable housing and agricultural business contacts categorized the assessment area's economic conditions as generally stable. Additionally, both contacts described the southwest quadrant of the assessment area as more affluent and desirable due to its proximity to Columbia, Missouri, which offers higher-wage jobs and more access to entertainment and recreational activities. The affordable housing contact noted that the areas farther away from Columbia are more rural and driven by agriculture. While the contacts mentioned the area's low unemployment rate, both the affordable housing and agricultural business contacts noted the more substantial poverty rate and indicated the disparity is due to lower wages and lack of jobs in the rural areas.

According to the housing contact, the condition of the area's older housing stock presents a challenge for LMI residents as many of the homes are in need of repairs and upgrades that generally require a second mortgage at the time of purchase. U.S. Department of Agriculture

(USDA) loans had traditionally been a common route to home ownership for LMI borrowers; however, it has been difficult to find lenders in the area who participate in the program. As a result, the contact indicated there are opportunities for banks to develop and offer products with lower rates and fees that would assist LMI residents in obtaining affordable mortgage products. Similarly, the agricultural business contact indicated that banks should consider adopting USDA products as they are essential to the area's communities. Furthermore, both the housing and agricultural contact stressed a need for youth and adult financial education.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 23-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis

Name	Headquarters	Asset Size ($000s) as of June 30, 2020	Average LTD Ratio
CBAC	Mexico, Missouri	$205,354	59.4%
Regional Banks	Louisiana, Missouri	$116,335	78.6%
	Madison Missouri	$172,774	87.7%
	Bowling Green, Missouri	$261,863	69.0%

Based on data from the previous table, the bank's level of lending is below that of other banks in the region. During the review period, the LTD ratio experienced a generally decreasing trend with a 23-quarter average of 59.4 percent. In comparison, the average LTD ratios for the regional peers were higher and had generally stable or increasing trends. According to bank management, this trend in the LTD ratio is due to factors such as a saturated banking environment in the assessment area and surrounding locales (community contacts noted that many assessment area residents choose to bank in nearby Columbia, Missouri, where many of them work) and a sizable increase in public fund deposits since the previous examination. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside of Assessment Area January 1, 2018 through December 31, 2019						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
Small Farm	49	75.4%	16	24.6%	**65**	**100%**
	$3,104	79.5%	$800	20.5%	**$3,904**	**100%**
1–4 Family Residential Real Estate	58	84.1%	11	15.9%	**69**	**100%**
	$5,115	81.0%	$1,200	19.0%	**$6,315**	**100%**
Consumer Motor Vehicle	73	65.8%	38	34.2%	**111**	**100%**
	$1,112	65.3%	$591	34.7%	**$1,703**	**100%**
TOTAL LOANS	**180**	**73.5%**	**65**	**26.5%**	**245**	**100%**
	$9,331	**78.3%**	**$2,591**	**21.7%**	**$11,922**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 73.5 percent of the total loans were made inside the assessment area, accounting for 78.3 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from the three loan categories reviewed. Greater significance was placed on performance in the small farm category, given the bank's emphasis on agriculture lending. Furthermore, bank management indicated that 1–4 family residential real estate lending is not a product of focus at the bank and typically offered as a convenience for its existing customers.

Small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of 2018–2019 small farm loans by loan amount and revenue size compared to Dun & Bradstreet data.

<table>
<tr><th colspan="9">Small Farm Loans by Revenue and Loan Size
Assessment Area: Audrain County – NonMSA Missouri</th></tr>
<tr><th colspan="3" rowspan="4">Farm Revenue and Loan Size</th><th colspan="5">2018–2019</th></tr>
<tr><th colspan="2">Count</th><th colspan="2">Dollars</th><th rowspan="2">Total Farms</th></tr>
<tr><th colspan="2">Bank</th><th colspan="2">Bank</th></tr>
<tr><th>#</th><th>%</th><th>$ (000s)</th><th>$ %</th><th>%</th></tr>
<tr><td colspan="2" rowspan="3">Farm Revenue</td><td>$1 Million or Less</td><td>39</td><td>79.6%</td><td>$2,622</td><td>84.5%</td><td>99.7%</td></tr>
<tr><td>Over $1 Million/ Unknown</td><td>10</td><td>20.4%</td><td>$482</td><td>15.5%</td><td>0.3%</td></tr>
<tr><td>TOTAL</td><td>49</td><td>100.0%</td><td>$3,104</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td colspan="2" rowspan="5">Loan Size</td><td>$100,000 or Less</td><td>39</td><td>79.6%</td><td>$1,212</td><td>39.0%</td><td rowspan="10"></td></tr>
<tr><td>$100,001–$250,000</td><td>9</td><td>18.4%</td><td>$1,512</td><td>48.7%</td></tr>
<tr><td>$250,001–$1 Million</td><td>1</td><td>2.0%</td><td>$380</td><td>12.2%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>$0</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>49</td><td>100.0%</td><td>$3,104</td><td>100.0%</td></tr>
<tr><td rowspan="5">Loan Size</td><td rowspan="5">Revenue $1 Million or Less</td><td>$100,000 or Less</td><td>30</td><td>76.9%</td><td>$930</td><td>35.5%</td></tr>
<tr><td>$100,001–$250,000</td><td>8</td><td>20.5%</td><td>$1,312</td><td>50.0%</td></tr>
<tr><td>$250,001–$1 Million</td><td>1</td><td>2.6%</td><td>$380</td><td>14.5%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>$0</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>39</td><td>100.0%</td><td>$2,622</td><td>100.0%</td></tr>
</table>

The bank originated 79.6 percent of its small farm loans to farms with revenues of $1 million or less. In addition, the bank originated a majority of its small farm loans (76.9 percent) in amounts less than $100,000, further indicating the bank's willingness to meet the credit needs of small farms. However, the bank does not compare favorably to assessment area demographics, which estimate that 99.7 percent of farms in the assessment area had annual revenues of $1 million or less. According to bank management, the assessment area has seen a decline in market activity due to increased farm subsidy programs. Furthermore, recent high yields have reduced the demand for agricultural financing in the assessment area. Finally, a community contact noted that more small farmers are taking out crop insurance than in the past, which decreases the need for additional financing during poor harvest years. Therefore, the bank's level of lending to small farms is reasonable. For reference, 2018 and 2019 aggregate lending levels to small farms measured 69.0 percent and 70.5 percent, respectively.

Next, 1–4 family residential real estate loans were reviewed to determine the bank's lending levels to borrowers of different income levels. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($53,100 and $52,400 for nonMSA Missouri as of 2018 and 2019, respectively). The following table shows the distribution of 1–4 family residential real estate loans by borrower income level in comparison to family population income demographics for the assessment area.

Borrower Distribution of Residential Real Estate Loans Assessment Area: Audrain County – NonMSA Missouri						
Product Type	**Borrower Income Levels**	**2018–2019**				
		Count		**Dollar**		**Families**
		Bank		**Bank**		
		#	**%**	**$ (000s)**	**$ %**	**%**
1–4 Family Residential Real Estate	Low	1	1.7%	$14	0.3%	19.2%
	Moderate	5	8.6%	$507	9.9%	14.2%
	Middle	17	29.3%	$1,104	21.6%	20.8%
	Upper	29	50.0%	$3,231	63.2%	45.8%
	Unknown	6	10.3%	$260	5.1%	0.0%
	TOTAL	**58**	**100.0%**	**$5,115**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (1.7 percent) does not compare favorably to the low-income family population figure (19.2 percent), reflecting poor performance. The 2018 and 2019 aggregate lending levels to low-income borrowers measured 10.6 percent and 5.4 percent, respectively. Similarly, the bank's level of lending to moderate-income borrowers (8.6 percent) does not compare favorably to the moderate-income family population percentage (14.2 percent), and also reflects poor performance. The 2018 and 2019 aggregate lending levels to moderate-income borrowers measured 20.0 percent and 19.7 percent, respectively. As previously mentioned, 1–4 family residential real estate is not a product of focus for the bank. Per bank management, the branches have been operating without a dedicated mortgage lender, as the previous lender was not replaced following her retirement during the review period. Also, bank management and a community contact described increased competition inside and outside the assessment area, particularly in nearby Boone County, where borrowers can find more competitive rates. Despite these considerations and considering performance to both income categories, the bank's overall distribution of loans by borrower's profile is poor.

Similar to the review of the bank's 1–4 family residential real estate lending activity, the borrower distribution of consumer motor vehicle loans was analyzed by the borrower's income level. The following table displays the distribution of 2018 and 2019 consumer loans by income level compared to household population income characteristics.

Borrower Distribution of Consumer Lending Assessment Area: Audrain County – NonMSA Missouri						
Product Type	Borrower Income Levels	2018–2019				
		Count		Dollar		Households
		Bank		Bank		
		#	%	$ (000s)	$ %	%
1–4 Family Residential Real Estate	Low	13	17.8%	$152	13.7%	20.1%
	Moderate	17	23.3%	$238	21.4%	17.0%
	Middle	12	16.4%	$156	14.0%	18.6%
	Upper	29	39.7%	$541	48.7%	44.3%
	Unknown	2	2.7%	$24	2.2%	0.0%
	TOTAL	**73**	**100.0%**	**$1,111**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (17.8 percent) is commensurate to the low-income household population figure (20.1 percent), reflecting reasonable performance. The bank's percentage of lending to moderate-income borrowers (23.3 percent) compares favorably to the moderate-income household population percentage (17.1 percent), reflecting excellent performance. Finally, considering performance to both income categories, the bank's overall distribution by borrower's profile is excellent.

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts. As previously stated, the bank's assessment area is composed of five middle-income and two upper-income census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, the results of which indicated that loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure. Additionally, no conspicuous lending gaps were noted. Therefore, the bank's geographic distribution of loans is reasonable.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (March 9, 2015 through December 6, 2020).

Community Development Investments

As part of this CRA performance evaluation, CBAC management requested that the bank's qualifying investments be reviewed to determine if such activity could enhance the bank's overall CRA rating. While the review revealed qualified investments of $885,000 that benefited the bank's assessment area, the investments were not of significant enough volume or dollar amount to affect the institutional rating.

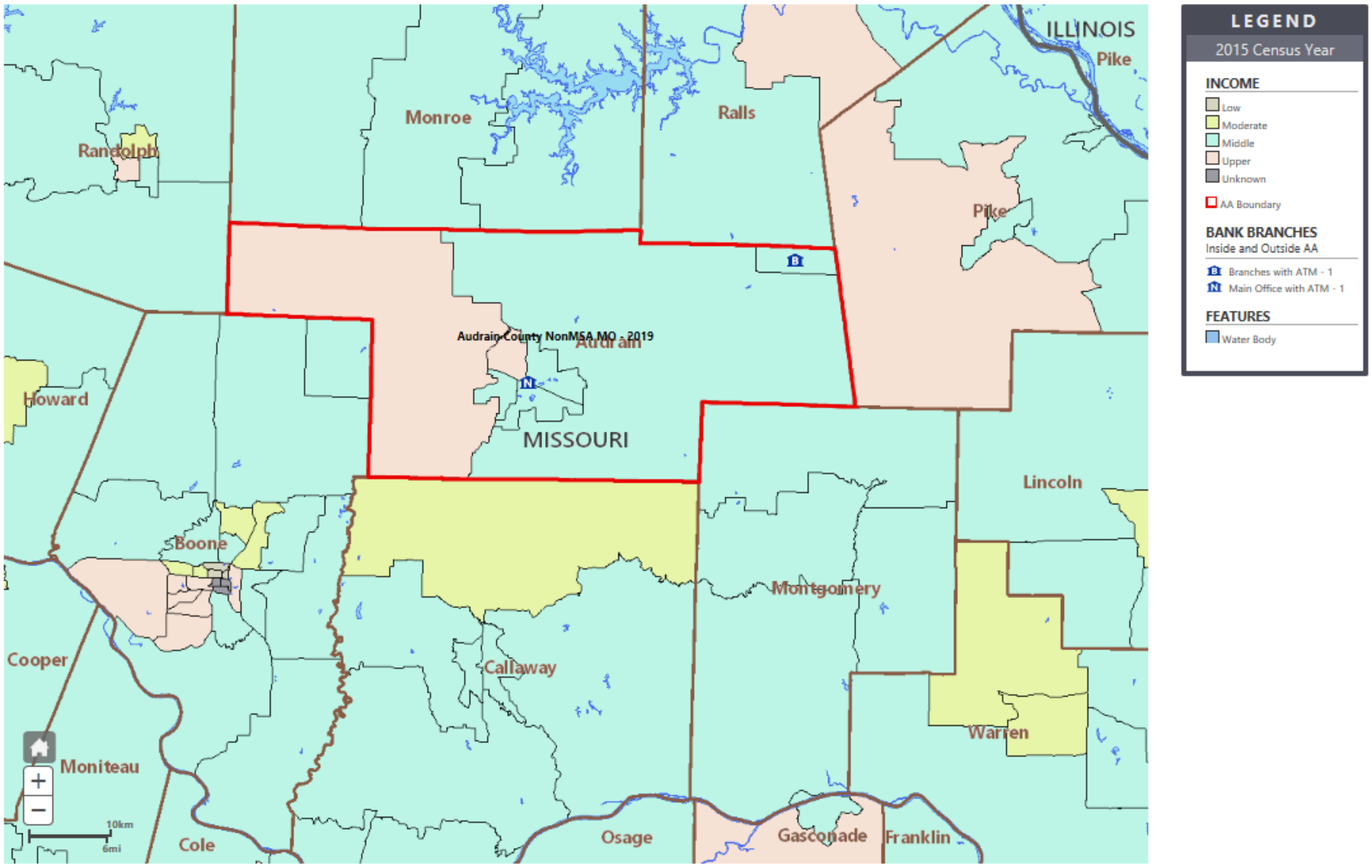
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

ASSESSMENT AREA DETAIL

Central Bank of Audrain County - Mexico, MO 2020

Audrain County NonMSA MO



2019 PE Map

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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- and moderate-income (LMI) individuals; (2) community services targeted to LMI individuals; (3) 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; (4) activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and 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.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 who 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 income of applicants, the amount of loan requested, and the disposition of the application (e.g., 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: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an 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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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 businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports 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 secured by either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.