



PUBLIC DISCLOSURE

December 11, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bethany Bank & Trust
RSSD# 988452

6500 NW 39th Expressway
Bethany, Oklahoma 73008

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

First Bethany Bank & Trust (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 bank's AA.
- An excellent distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2019, 2020, and 2021) was referenced for additional perspective to gauge credit demand within the bank's AA. Lending performance was assessed within the bank's Oklahoma City Metropolitan AA. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio,
- The universe of 54 small business loans originated between January 1, 2022 and December 31, 2022.

DESCRIPTION OF INSTITUTION

First Bethany Bank & Trust is a community bank headquartered in Bethany, Oklahoma. The bank's characteristics include:

- The bank is a wholly owned subsidiary of First Bethany Bancorp, Inc.
- The bank has total assets of \$280.8 million as of June 30, 2023.
- In addition to the main office in Bethany, the bank has an additional full-service office located in Oklahoma City, Oklahoma. Both offices are located in Oklahoma County.

- The bank operates cash-dispensing automated teller machines (ATMs) at both locations and one standalone ATM at the campus of Southern Nazarene University in Bethany.
- As shown in the table below, the bank’s primary business focus is commercial lending.

Table 1

Composition of Loan Portfolio as of June 30, 2023		
Loan Type	\$(000)	%
Construction and Land Development	8,608	5.3
Farmland	0	0.0
1- to 4- Family Residential Real Estate	38,053	23.6
Multifamily Residential Real Estate	4,642	2.9
Nonfarm Nonresidential Real Estate	99,136	61.4
Agricultural	0	0.0
Commercial and Industrial	9,678	6.0
Consumer	943	0.6
Other	298	0.2
Gross Loans	161,358	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 June 3, 2019 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 Oklahoma City, Oklahoma Metropolitan AA consists of the entireties of Canadian, Cleveland, and Oklahoma Counties, which are three of the seven counties that comprise the Oklahoma City MSA (see Appendix A for an AA map and Appendix B for additional demographic data).

- The AA delineation remains unchanged since the prior CRA evaluation.
- The AA is comprised of 374 tracts, including 29 low-, 97 moderate-, 123 middle-, 106 upper-, and 19 unknown-income census tracts.
- According to the June 30, 2023 Federal Deposit Insurance Corporation (FDIC) Market Share Report, the bank held a 0.5 percent market share, ranking 33rd of 67 FDIC-insured institutions operating from 338 banking offices in the AA.
- To further augment the CRA performance evaluation, one community contact recently conducted by another regulator as part of the CRA evaluation of another financial institution with offices in the AA was reviewed to ascertain the credit needs of the area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions.

The community member represents a local economic development organization.

Table 2

Population Change			
Assessment Area: Oklahoma City Metropolitan			
Area	2015 Population	2020 Population	Percent Change
Oklahoma City Metropolitan	1,149,287	1,246,225	8.4
Canadian County, OK	126,193	154,405	22.4
Cleveland County, OK	268,614	295,528	10.0
Oklahoma County, OK	754,480	796,292	5.5
Oklahoma City, OK MSA	1,318,408	1,425,695	8.1
Oklahoma	3,849,733	3,959,353	2.8

*Source: 2020 U.S. Census Bureau: Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- The AA population growth was similar to the growth of the Oklahoma City MSA and well above the growth of the state of Oklahoma. Canadian and Cleveland counties experienced the greatest growth within the AA, while Oklahoma County had a growth rate below the MSA rate, but above the statewide rate.
- Oklahoma City is the most populous city in the AA, accounting for 54.6 percent of total AA population.
- The community contact stated that the population growth is driven by young professionals moving to the area after being hired by companies.

Table 3

Median Family Income Change			
Assessment Area: Oklahoma City Metropolitan			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Oklahoma City Metropolitan	69,959	74,922	7.1
Canadian County, OK	79,529	85,700	7.8
Cleveland County, OK	76,689	80,924	5.5
Oklahoma County, OK	65,933	70,629	7.1
Oklahoma City, OK MSA	69,988	75,170	7.4
Oklahoma	63,401	67,511	6.5

*Source: 2011-2015 U.S. Census Bureau: American Community Survey
2016-2020 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- The median family income (MFI) within the AA increased at a rate similar to that of the MSA and was above the Oklahoma statewide rate.
- The MFIs in Canadian and Cleveland counties, which are more suburban areas, are higher than in Oklahoma County, which is more urban.

- The percent of families in the AA classified as LMI was 39.0 percent, which was nearly identical to the MSA and Oklahoma statewide figures of 38.7 percent and 39.1 percent, respectively. The percentage LMI families in Oklahoma County is 42.8 percent, while the figures for Canadian and Cleveland are 30.4 percent and 33.0 percent, respectively.
- The AA family poverty rate of 9.8 percent was similar to the MSA figure of 9.5 percent and below the Oklahoma statewide figure of 11.3 percent. The percentage of families below the poverty level was greater in Oklahoma County, at 11.7 percent, than in Canadian and Cleveland counties at 4.9 percent and 6.9 percent, respectively.

Table 4

Housing Cost Burden						
Assessment Area: Oklahoma City Metropolitan						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Oklahoma City Metropolitan	76.2	30.3	40.2	58.9	27.5	16.9
Canadian County, OK	70.1	33.2	33.0	62.1	33.0	15.6
Cleveland County, OK	79.2	32.4	39.8	62.1	29.7	16.0
Oklahoma County, OK	75.8	29.3	41.0	57.5	25.9	17.4
Oklahoma City, OK MSA	75.2	29.4	39.8	56.4	26.7	16.5
Oklahoma	71.1	30.5	37.9	52.5	24.5	16.0

Cost Burden is housing cost that equals 30 percent or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

- There are 459,574 households in the AA, of which 66.5 percent are in Oklahoma County.
- There are 173,555 rental units in the AA, 71.4 percent of which are located in Oklahoma County. The large percentage of rental units in Oklahoma County is in line with the larger population in the county.
- The housing cost burden for renters and owners is greatest in Oklahoma County.
- The median housing value in the AA, at \$163,526, is greater than the median statewide value of \$142,400. Canadian and Cleveland Counties have higher median housing values, both at \$170,700, than in Oklahoma County, at \$157,500.
- The median gross rent in the AA, at \$897, is above the Oklahoma statewide figure \$818 and similar to the Oklahoma City MSA figure of \$886. Median gross rent is higher in Canadian and Cleveland counties, at \$966 and \$935, respectively, than in Oklahoma County at \$882.
- The community contact stated that housing stock in the area increased with the growth of individuals moving to the area for jobs. Although the housing stock has increased, prices have not increased at the levels seen in many other areas

of the country and has been noted as one of the more affordable areas of the country to buy a home.

Table 5

Unemployment Rates					
Assessment Area: Oklahoma City Metropolitan					
Area	2017	2018	2019	2020	2021
Oklahoma City Metropolitan	3.6	3.0	2.9	6.2	3.8
Canadian County, OK	3.3	2.7	2.7	5.9	3.2
Cleveland County, OK	3.3	2.8	2.7	5.7	3.2
Oklahoma County, OK	3.8	3.2	3.0	6.5	4.1
Oklahoma City, OK MSA	3.6	3.0	2.9	6.2	3.7
Oklahoma	4.0	3.3	3.1	6.2	3.8

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- During the evaluation period, unemployment rates in the AA remained relatively aligned with the statewide figures for Oklahoma, with a slight increase during 2020 as a result of the COVID-19 pandemic, followed by easing during 2021.
- The main industries in the AA include aviation and aerospace, biotechnology, energy, logistics, and film and creative industries, according to the Greater Oklahoma City Chamber Economic Development.
- Major employers in the area include the State of Oklahoma (43,700), Tinker Air Force Base (26,000), Oklahoma State University (13,940), the University of Oklahoma (10,745), INTEGRIS Health (10,000), and Amazon (8,000).
- The community contact stated that the economy performed well despite the pandemic, and companies are moving to the area, increasing the number of opportunities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank’s overall lending test performance is Satisfactory based on a reasonable NLTD ratio, a substantial majority of loans originated within the bank’s AA, an excellent geographic distribution, and a reasonable borrower distribution.

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, market share, and their location within or in close proximity to the bank’s AAs.

The bank’s NLTD ratio is reasonable. The 18-quarter average ratio is above two and below two similarly situated institutions. Additionally, the bank and the two banks with lower ratios, have higher ratios of pledged securities to total securities, reducing funds available for lending relative to comparison banks with higher ratios.

Table 6

Comparative NLTD Ratios March 31, 2018 – June 30, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			18 Quarter Average
First Bethany Bank & Trust	Bethany, OK	280,827	64.1
Similarly Situated Institutions			
First Enterprise Bank	Oklahoma City, OK	193,761	84.5
Sooner State Bank	Tuttle, OK	311,152	61.4
YNB	Yukon, OK	247,990	60.5
Watermark Bank	Oklahoma City, OK	290,332	97.7

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a substantial majority of loans, by number and dollar, inside the AA.

Table 7

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Small Business	52	96.3	16,566	92.5	2	3.7	1,346	7.5
Total Loans	52	96.3	16,566	92.5	2	3.7	1,346	7.5

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

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects excellent distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is excellent. The distribution of small business loans in low-income census tracts was comparable to the demographic figure, which represents the percentage of total businesses by census tract income level.

Lending in moderate-income census tracts was above, and over double, the demographic figure.

An analysis of the dispersion of loans was conducted and revealed some gaps that included LMI tracts. However, the Oklahoma City Metropolitan AA is large and contains numerous census tracts. Lending patterns appeared to be concentrated near the bank’s branch locations, and the bank had relatively low loan volume in comparison to the number of census tracts and thus, did not impact the overall conclusion.

Table 8

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Oklahoma City Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	2	3.8	288	1.7	4.9
Moderate	23	44.2	8,522	51.4	21.9
Middle	12	23.1	4,459	26.9	33.4
Upper	15	28.8	3,298	19.9	36.5
Unknown	0	0.0	0	0.0	3.2
Tract-Unk	0	0.0	0	0.0	
Total	52	100.0	16,566	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

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

Lending Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to businesses of different revenue sizes. The bank’s lending has a reasonable distribution among businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1MM or less was comparable to the demographic figure, or the percentage of small businesses in the AA. While aggregate CRA data is not a direct comparison as the bank is not a CRA reporter, aggregate lending volumes are reflective of the overall limited demand for business loans by small businesses within the AA. A review of aggregate lending data submitted by CRA reporters in the bank’s AA noted an aggregate distribution of 38.4 percent of loans by number and 32.3 percent by dollar to small businesses, which falls below the bank’s level of small business lending and further supports the reasonable rating. This aggregate lending data (three-year average) is utilized as additional context in understanding the credit demand

by size of businesses in the AA and demonstrates the bank’s efforts to serve small businesses.

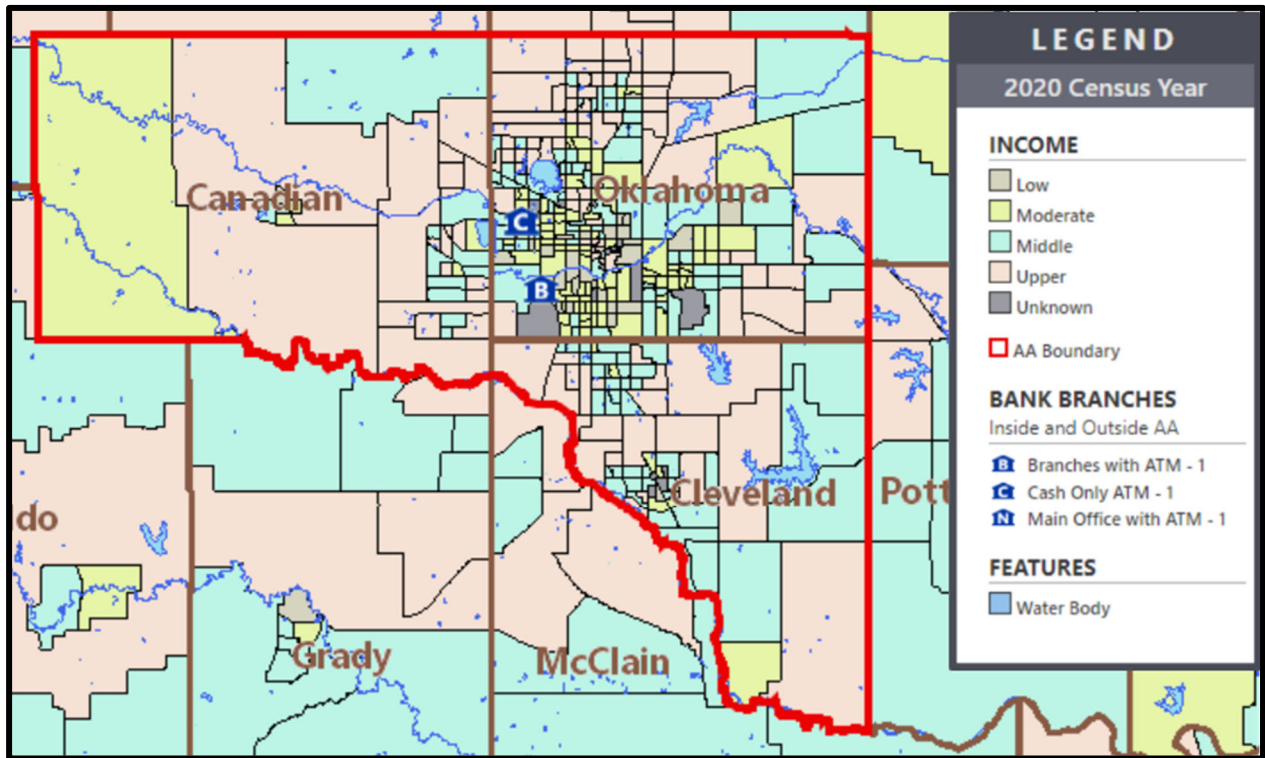
Table 9

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Oklahoma City Metropolitan					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	34	65.4	9,408	56.8	91.3
Over \$1 Million	18	34.6	7,158	43.2	7.5
Revenue Unknown	0	0.0	0	0.0	1.2
Total	52	100.0	16,566	100.0	100.0
By Loan Size					
\$100,000 or Less	13	25.0	746	4.5	
\$100,001 - \$250,000	10	19.2	1,666	10.1	
\$250,001 - \$1 Million	29	55.8	14,154	85.4	
Total	52	100.0	16,566	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	12	35.3	696	7.4	
\$100,001 - \$250,000	5	14.7	747	7.9	
\$250,001 - \$1 Million	17	50.0	7,965	84.7	
Total	34	100.0	9,408	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2022 Oklahoma City Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	29	7.8	16,097	5.5	5,159	32.0	61,848	21.3
Moderate	97	25.9	63,679	21.9	10,492	16.5	51,509	17.7
Middle	123	32.9	105,875	36.4	7,988	7.5	59,150	20.3
Upper	106	28.3	101,244	34.8	3,310	3.3	118,168	40.7
Unknown	19	5.1	3,780	1.3	1,426	37.7	0	0.0
Total AA	374	100.0	290,675	100.0	28,375	9.8	290,675	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	33,831	11,276	3.9	33.3	17,373	51.4	5,182	15.3
Moderate	130,701	54,451	19.0	41.7	59,851	45.8	16,399	12.5
Middle	186,075	107,241	37.5	57.6	63,490	34.1	15,344	8.2
Upper	147,772	110,177	38.5	74.6	28,733	19.4	8,862	6.0
Unknown	8,154	2,874	1.0	35.2	4,108	50.4	1,172	14.4
Total AA	506,533	286,019	100.0	56.5	173,555	34.3	46,959	9.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2,716	4.9	2,371	4.7	309	7.4	36	5.3
Moderate	12,208	21.9	10,952	21.6	1,116	26.8	140	20.5
Middle	18,568	33.4	17,064	33.6	1,315	31.5	189	27.7
Upper	20,326	36.5	18,785	37.0	1,249	30.0	292	42.8
Unknown	1,800	3.2	1,594	3.1	181	4.3	25	3.7
Total AA	55,618	100.0	50,766	100.0	4,170	100.0	682	100.0
Percentage of Total Businesses:				91.3		7.5		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	18	2.5	15	2.2	3	18.8	0	0.0
Moderate	114	16.1	110	15.9	3	18.8	1	100.0
Middle	209	29.6	208	30.1	1	6.3	0	0.0
Upper	360	50.9	351	50.9	9	56.3	0	0.0
Unknown	6	0.8	6	0.9	0	0.0	0	0.0
Total AA	707	100.0	690	100.0	16	100.0	1	100.0
Percentage of Total Farms:				97.6		2.3		0.1
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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