



PUBLIC DISCLOSURE

December 6, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Five Points Bank of Hastings
RSSD# 386450

2815 Osborne Drive West
Hastings, Nebraska 68901

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

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

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Five Points Bank of Hastings (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 majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among businesses and farms 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. Lending performance was assessed within the bank's only AA. Examiners reviewed the following data:

- The bank's 18-quarter average NLTD ratio,
- A statistical sample of 49 small business loans selected from a universe of 64 loans originated from January 1, 2020 through December 31, 2020; and a statistical sample of 45 small farm loans selected from a universe of 57 loans originated from January 1, 2020 through December 31, 2020.
- More weight was placed on the bank's small business lending based on the bank's strategic commercial focus and composition of the bank's loan portfolio.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Hastings, Nebraska. The bank's characteristics include:

- With 51.0 percent ownership, the bank is controlled by Hometown Banc Corp., Grand Island, Nebraska.
- The bank has total assets of \$464.2 million (MM) as of June 30, 2021.
- In addition to its main office in Hastings, the bank has two additional offices located in Hastings.
- The bank operates two full-service automated teller machines (ATMs) located at the main office on Osborne Drive and at the South Burlington branch. In addition, the bank operates

a cash dispensing-only ATM at the St. Joseph branch, and three standalone cash-only ATMs located throughout the community of Hastings.

- As shown in the table below, the bank’s primary business focus is commercial and agricultural lending.

Table 1

Composition of Loan Portfolio as of June 30, 2021		
Loan Type	\$(000)	%
Construction and Land Development	3,714	1.9
Farmland	39,173	19.9
1- to 4-Family Residential Real Estate	16,086	8.2
Multifamily Residential Real Estate	12,462	6.3
Non-Farm Non-Residential Real Estate	59,805	30.4
Agricultural	23,045	11.7
Commercial and Industrial	38,202	19.4
Consumer	3,397	1.7
Other	1,107	0.6
Gross Loans	196,991	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 5, 2017 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 Adams County AA consists of Adams County in its entirety (see Appendix A for an AA map and Appendix B for additional demographic data).

- The Adams County AA is comprised of one moderate-, five middle-, and three upper-income census tracts. Although the AA delineation remains unchanged, at the prior evaluation, the AA was comprised of three moderate-, four middle-, and two upper-income census tracts.
- Based on the June 30, 2021 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank’s AA deposit market share, at 32.4 percent, ranks 1st of 11 FDIC-insured depository institutions operating in this AA.
- An interview with a member of the community within the bank’s AA was completed to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community member represented an organization focused on economic development.

Table 2

Population Change			
Assessment Area: Adams County AA			
Area	2010 Population	2015 Population	Percent Change
Adams County AA	31,364	31,442	0.3
NonMSA Nebraska	682,247	679,331	(0.4)
Nebraska	1,826,341	1,869,365	2.4

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

- Hastings, Nebraska (24,692 residents) accounts for approximately 78.5 percent of the AA’s population. The other larger communities in the AA include Kenesaw Village (962 residents) and Juniata Village (823 residents).
- The AA’s 2015 population of 31,442 residents represents 1.7 percent of the state of Nebraska’s population.

Table 3

Median Family Income Change			
Assessment Area: Adam County AA			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Adams County AA	62,376	66,994	7.4
NonMSA Nebraska	58,485	61,457	5.1
Nebraska	67,393	67,225	(0.3)

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

Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- Approximately 34.4 percent of families in the AA were low- and moderate-income (LMI) which is comparable with the statewide figure at 37.5 percent.

Table 4

Housing Cost Burden						
Assessment Area: Adams County AA						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Adams County AA	74.7	19.6	40.2	53.9	21.5	13.9
NonMSA Nebraska	61.8	15.9	29.5	54.9	21.3	15.4
Nebraska	71.1	23.8	37.2	60.6	28.5	16.5

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy

- The AA had 13,618 total housing units of which 64.7 percent were owner-occupied, 28.4 percent were rental units, and 7.0 percent were vacant.

- A community member advised that the lack of housing, specifically rental units, is negatively impacting the labor market and workforce retention.

Table 5

Unemployment Rates Assessment Area: Adams County AA					
Area	2016	2017	2018	2019	2020
Adams County AA	3.1	3.1	2.9	3.1	4.0
NonMSA Nebraska	2.9	2.8	2.7	2.9	3.5
Nebraska	3.1	2.9	2.9	3.0	4.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The labor force participation in Adams County at 67.2 percent is comparable to the statewide figure of 70.2 percent.
- Major employers in the area include Mary Lanning Memorial Hospital, Hastings Public School District, Thermo King, Good Samaritan Village, and WR Reserve.

Table 6

Small Business Loan Trends Assessment Area: Adams County AA					
Area	2015	2016	2017	2018	2019
Adams County AA	500	506	490	464	456
NonMSA Nebraska	10,700	10,656	10,085	10,462	10,659
Nebraska	28,921	29,117	28,808	30,337	31,801

Source: FFIEC CRA Aggregate Data

- According to annual Dun and Bradstreet data, the number of businesses operating in the AA has decreased by 1.5 percent from 2016 to 2020.
- A community member indicated that credit needs of area businesses are being met.

Table 7

Small Farm Loan Trends Assessment Area: Adams County AA					
Area	2015	2016	2017	2018	2019
Adams County AA	196	172	178	144	130
NonMSA Nebraska	9,190	8,818	9,608	8,819	8,697
Nebraska	10,510	10,127	11,052	10,204	9,962

Source: FFIEC CRA Aggregate Data

- According to the 2017 Census of Agriculture, the number of farms in Adams County has decreased by 4.0 percent since 2012.
- The main crops in the assessment area are corn and soybeans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank’s overall performance under the lending test is reasonable. More weight was placed on the borrower distribution analysis given there are zero low-income census tracts and only one moderate-income census tract within the AA.

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 the ratios of similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on location, asset size, loan portfolio composition.

Although the bank’s NLTD ratio is below the ratios of the three similarly situated institutions, it is considered reasonable. The bank’s branches are in a small community with limited loan demand compared to the more populous area of Grand Island, where two of the comparator banks have operations. In addition, the bank originates secondary market residential real estate loans that are not reflected in the bank’s NLTD ratio calculation. Further, a community member indicated that credit needs in the area are being met.

Table 8

Comparative NLTD Ratios: March 31, 2017 – June 30, 2021			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			18 Quarter Average
Five Points Bank of Hastings	Hastings, Nebraska	464,175	58.7
Similarly Situated Institutions			
Equitable Bank	Grand Island, Nebraska	422,526	104.1
Waypoint Bank	Cozad, Nebraska	352,919	82.8
Home Federal Savings and Loan Association of Grand Island	Grand Island, Nebraska	373,419	76.6

Assessment Area Concentration

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

Table 9

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	42	85.7	9,637	79.3	7	14.3	2,521	20.7
Small Farm	26	57.8	4,849	63.2	19	42.2	2,826	36.8
Total Loans	68	72.3	14,486	73.0	26	27.7	5,347	27.0

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 reasonable distribution among the different census tracts and dispersion throughout the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s lending performance in the moderate-income census tract is comparable to the percentage of total AA businesses operating within the moderate-income census tract. Loan dispersion for small business lending was evaluated and no significant gaps or lapses in lending were identified.

Table 10

Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Adams County AA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	3	7.1	625	6.5	6.1
Middle	22	52.4	5,157	53.5	59.5
Upper	17	40.5	3,855	40.0	34.4
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	42	100.0	9,637	100.0	100.0

*Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey*

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

Small Farm Lending

The geographic distribution of small farm lending is reasonable. While the bank did not originate any small farm loans within the AA’s moderate-income census tract, performance is reasonable given the limited number of farms operating in the moderate-income census tract. Furthermore, due to the lack

of lending in the moderate-income tract, some gaps in dispersion were identified particularly in the area southeast of Hastings. However, loan dispersion is acceptable given the limited opportunity to lend small farm credit in this geography.

Table 11

Distribution of 2020 Small Farm Lending By Income Level of Geography					
Assessment Area: Adams County AA					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	1.4
Middle	11	42.3	2,644	54.5	57.1
Upper	15	57.7	2,205	45.5	41.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	26	100.0	4,849	100.0	100.0

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

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

Lending to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to businesses and farms of different revenue sizes. The bank’s lending has a reasonable distribution among businesses and farms 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 \$1 MM or less is relatively comparable to the percentage of total small businesses operating in the AA. In addition, a review of aggregate lending data reported by CRA filers indicated aggregate small businesses lending was 41.5 percent by number volume. While institutions included in the aggregate lending data are not a direct comparison because the bank is not a CRA reporter, these aggregate lending levels are reflective of the overall limited demand for credit from small businesses in the AA. Moreover, the bank participated in the Small Business Administration’s Paycheck Protection Program, which demonstrates the bank’s responsiveness to the credit needs of businesses in the area. In addition, a community member indicated that credit needs of area businesses are being met.

Table 12

Distribution of 2020 Small Business Lending By Revenue Size of Businesses						
Assessment Area: Adams County AA						
	Bank Loans				Total Businesses %	
	#	#%	\$(000)	%		
By Revenue						
\$1 Million or Less	29	69.0	5,482	56.9	89.6	
Over \$1 Million	12	28.6	4,055	42.1	9.4	
Revenue Unknown	1	2.4	100	1.0	1.0	
Total	42	100.0	9,637	100.0	100.0	
By Loan Size						
\$100,000 or Less	16	38.1	912	9.5		
\$100,001 - \$250,000	13	31.0	2,386	24.8		
\$250,001 - \$1 Million	13	31.0	6,339	65.8		
Total	42	100.0	9,637	100.0		
By Loan Size and Revenues \$1 Million or Less						
\$100,000 or Less	15	51.7	812	14.8		
\$100,001 - \$250,000	6	20.7	878	16.0		
\$250,001 - \$1 Million	8	27.6	3,792	69.2		
Total	29	100.0	5,482	100.0		
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>						
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>						

Small Farm Lending

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

Table 13

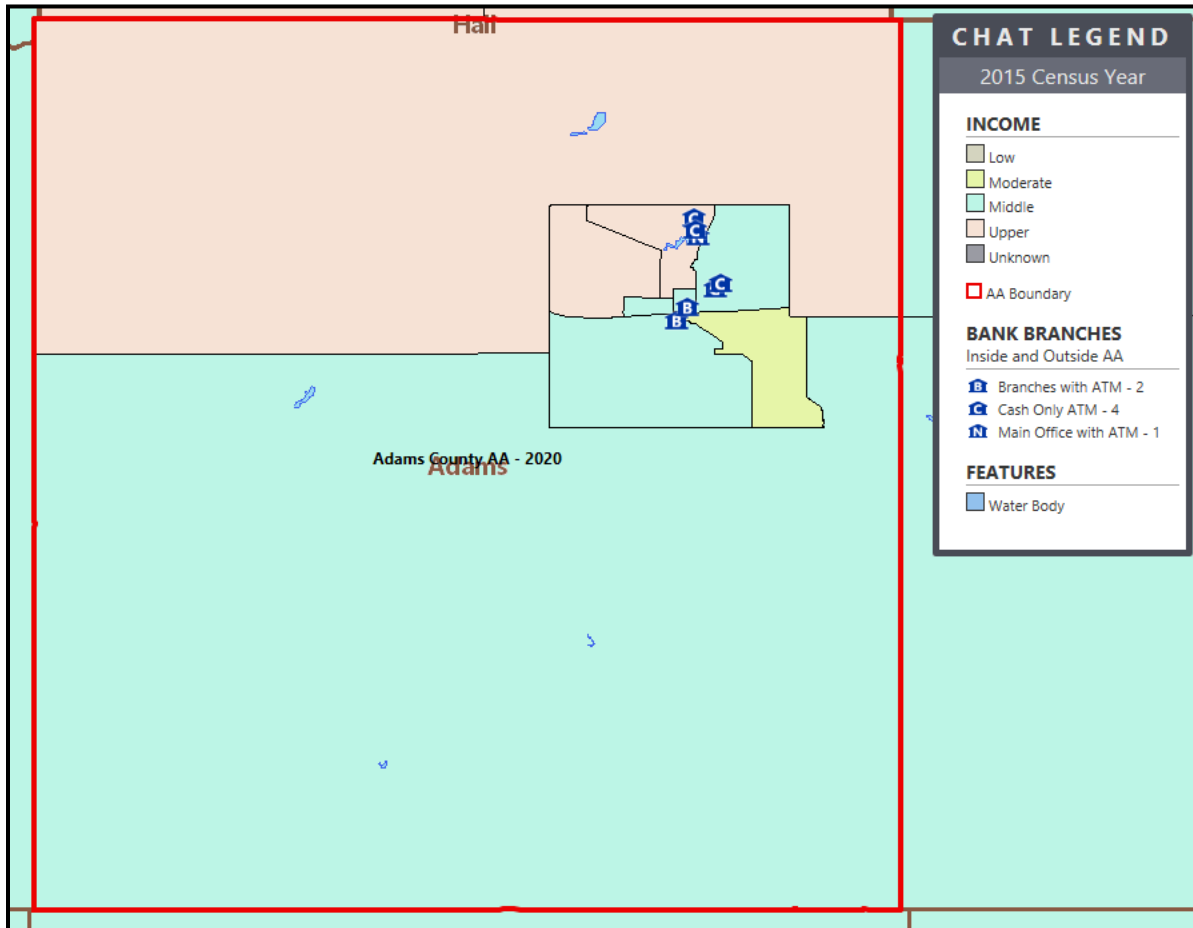
Distribution of 2020 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Adams County AA					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	%
By Revenue					
\$1 Million or Less	23	88.5	4,164	85.9	97.3
Over \$1 Million	3	11.5	685	14.1	2.7
Revenue Unknown	0	0.0	0	0.0	0.0
Total	26	100.0	4,849	100.0	100.0
By Loan Size					
\$100,000 or Less	11	42.3	760	15.7	
\$100,001 - \$250,000	6	23.1	1,117	23.0	
\$250,001 - \$500,000	9	34.6	2,972	61.3	
Total	26	100.0	4,849	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	10	43.5	725	17.4	
\$100,001 - \$250,000	5	21.7	867	20.8	
\$250,001 - \$500,000	8	34.8	2,572	61.8	
Total	23	100.0	4,164	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 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

Adams County AA



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2020 Adams County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,259	16.2
Moderate	1	11.1	415	5.4	75	18.1	1,409	18.2
Middle	5	55.6	3,829	49.4	351	9.2	1,575	20.3
Upper	3	33.3	3,505	45.2	175	5.0	3,506	45.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	7,749	100.0	601	7.8	7,749	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	1,151	402	4.6	34.9	596	51.8	153	13.3
Middle	7,035	4,260	48.4	60.6	2,357	33.5	418	5.9
Upper	5,432	4,142	47.0	76.3	913	16.8	377	6.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	13,618	8,804	100.0	64.6	3,866	28.4	948	7.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	93	6.1	76	5.5	17	11.8	0	0.0
Middle	910	59.5	822	60.0	81	56.3	7	46.7
Upper	526	34.4	472	34.5	46	31.9	8	53.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,529	100.0	1,370	100.0	144	100.0	15	100.0
Percentage of Total Businesses:				89.6		9.4		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	3	1.4	2	0.9	1	16.7	0	0.0
Middle	125	57.1	122	57.3	3	50.0	0	0.0
Upper	91	41.6	89	41.8	2	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	219	100.0	213	100.0	6	100.0	0	0.0
Percentage of Total Farms:				97.3		2.7		0.0
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 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.