PUBLIC DISCLOSURE

August 26, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ireland Bank
RSSD #428462

P. O. Box 186
Malad City, Idaho 83252

Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105

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

Institution's CRA Rating: Ireland Bank is rated outstanding.

Ireland Bank demonstrates an overall outstanding level of performance under the Community Reinvestment Act, as measured by the small bank performance criteria, and a review of community development investments and services. The loan-to-deposit ratio is reasonable and a substantial majority of loan originations are inside its assessment area. The overall dispersion of lending by census tract is reasonable and there are no conspicuous gaps in the lending patterns. The bank also demonstrates excellent performance in reaching borrowers of different income levels and businesses of different sizes. This performance was also enhanced by outstanding levels of investment and service activity.

PERFORMANCE CONTEXT

Description of Institution

Ireland Bank (IB), established in 1892, is wholly-owned by Ireland Bancorp and is its sole subsidiary. Headquartered in Malad City, Idaho, it operates a network of nine full service offices in Southeast Idaho. Branch locations are in the municipalities of Downey, Grace, Inkom, Lava Hot Springs, Montpelier, Pocatello, Preston, and Soda Springs. The Montpelier branch, which was only an automated teller machine at the previous examination in September 1997, commenced operations in July 1998.

As of June 30, 2002, total assets equaled $145 million, of which approximately $105 million were loans. Commercial and industrial lending represent the largest dollar percentage of the loan portfolio; however, farm credit represents the largest volume of total loans. Strategically, the bank aims to serve the credit needs of its small business and consumer customers with a combination of personal service and products that distinguish it from larger competitors. This strategy has produced healthy growth over past five years with total assets increasing 69 percent, which corresponded to an 82 percent rise in total loans. Management's strategic focus also is reflected in the diversity of its portfolio mix, as reported in the June 30, 2002, Consolidated Reports of Condition and Income depicted below.

Loan Type	Dollar Amount ('000s)	% of Loan Portfolio
Commercial / Industrial & Nonfarm, Nonresidential Real Estate	$44,652	42%
Agriculture & Farmland	$30,307	29%
Secured by Residential Real Estate	$16,299	16%
Consumer – Individuals	$13,748	13%
Total Loans	**$105,006**	**100%**

IB has a significant presence in the local market holding 16 percent of the area's deposits and ranking third of 13 depository financial institutions in the market.[1] However, IB has only a five percent market share in the city of Pocatello (the location of the assessment area's only moderate-income areas). In comparison, IB has a 27 percent market share in the remainder of the assessment area. As a result, the bank's presence is much stronger in the non-metropolitan areas of its market. There are no financial or legal constraints that would inhibit its ability to meet the credit needs of its communities consistent with its size, resources, and local economic conditions. IB was rated outstanding at its previous CRA examination conducted as of September 29, 1997.

Description of Assessment Area

[1] Source: FDIC / OTS Summary of Deposits

Ireland Bank has defined an assessment area of 22 census tracts and nine block numbering areas (BNAs) that include Bannock, Bear Lake, Caribou, Franklin, Oneida, and Power Counties in their entirety. Pocatello, located in Bannock County, is the largest city in the assessment area, and the Pocatello metropolitan statistical area, which is composed of Bannock County in its entirety, is the only metropolitan statistical area in the assessment area. Other municipalities in each of the counties include American Falls, Malad City, Montpelier, Preston, and Soda Springs. According to 2000 census estimates, Bannock County has approximately 76,000 residents, while the next largest county in the assessment area, Franklin, contains only 11,329 residents.[2] The following table provides a breakdown of the census tracts and BNAs and the corresponding demographics based on the most recent 1990 census data. The data indicates that the population of the area is heavily concentrated in middle-income census tracts with the remainder split between moderate- and upper-income tracts. The assessment area includes no low-income tracts.

Census Tract & BNA Income Level	Census Tracts & BNAs		Population by Census Tract	
	Number	Percent	Number	Percent
Moderate	5	16%	10,843	11%
Middle	20	65%	72,505	73%
Upper	6	19%	15,535	16%
Total	**31**	**100%**	**98,883**	**100%**

Though the assessment area includes no low-income tracts, over 27 percent of assessment area households are considered low-income. In addition, 14 percent of households live below the poverty line. These two statistics surpass statewide averages of 22 percent for low-income households and 13 percent for households below poverty thresholds. Low-income households and families are concentrated in middle-income census tracts and BNAs.

Income Categories	Households		Families	
	Number	Percent	Number	Percent
Low	9,253	27%	4,603	18%
Moderate	5,926	17%	4,566	18%
Middle	7,443	22%	6,495	26%
Upper	11,452	34%	9,604	38%
Total	**34,074**	**100%**	**25,268**	**100%**

Preliminary 2000 census population data, when compared to 1990 data, reflects growth in all six counties, with 12 percent growth in the assessment area taken as a whole. However, the state's growth of 26 percent outpaced each of these counties. Franklin County experienced the greatest population growth rate in the assessment area, with 21 percent growth, and Caribou County had the least growth of almost five percent.[3]

The growing population is finding employment with increasing frequency in retail sales and service jobs. According to the State of Idaho Consolidated Plan Executive Summary, "Idaho's

[2] Source: http://factfinder.census.gov/servlet/ GCTTable?_ts=48092217114
[3] Source: www.idoc.state.id.us/data/census/index.html

economy is becoming more diverse, with agriculture and natural resource industries showing declines in employment, and other industries such as retail sales, services, and tourism growing substantially." These new retail sales and services jobs, while replacing reduced agriculture jobs, "are not necessarily high paying or even full-time." Additionally, the growth in the population coupled with the reduction in pay rates has resulted in an increased need for housing and public infrastructure, especially in the state's rural communities.[4] This conclusion was substantiated through conversations with community contacts.

The statistics presented below, provided originally by the Department of Housing and Urban Development (HUD) and the U.S. Census Bureau, further support the need for affordable housing. According to preliminary 2000 census data, 20 percent of Idaho homeowners and 36 percent of Idaho renters pay more than 30 percent of their household income in monthly housing payments, thus exceeding national affordable housing standards.[5,6] Also, according to HUD, increases in Idaho's median family incomes have not kept pace with the national average increase of 54 percent. The median family income in the Pocatello MSA has risen 48 percent, from $31,723 in 1989 to $46,900 in 2002.[7] Median family incomes in non-metropolitan areas of Idaho have risen at a similar pace (50 percent) from $27,799 in 1989 to $41,400 in 2002. Additionally, 2002 median family incomes for Idaho State and the Pocatello MSA are only 85 percent and 86 percent, respectively, of the national average.[8] In contrast to median family incomes, median housing prices have risen 73 percent, from $50,750 in 1990 to $85,800 in 2000.[9]

Industry

Ireland Bank's lending strategy is consistent with the assessment area make-up, where small businesses represent 86 percent of total businesses, and businesses represent 89 percent of all firms. Services, retail trade, and farms dominate the industrial economy of the assessment area. These industries employ 40, 23, and 7 percent of the area's population, respectively.[10] The lending strategy also reflects changes in the state's economy, which includes increased activity in the retail and service industries. As the following table indicates, the large percentage of small businesses in the area suggests potential healthy demand for small dollar amount loans. The geographic breakdown of small businesses is identical to that of total businesses.

[4] Source: www.hud.gov/library/bookshelf18/plan/stateid
[5] Source: http://factfinder.census.gov
[6] US HUD standards define affordable housing as requiring a family to spend no more than 30 percent of their gross monthly income on rent or mortgage and utilities.
[7] Source: www.huduser.org/datasets/il/fmr02/prt02 med.pdf
[8] Source: www.huduser.org/datasets/il/fmr02/medians.pdf
[9] Source: www.idoc.state.id.us/data/census/index.html
[10] Source: http://www.idoc.state.id.us/idcomm/profiles/index.html

Census Tract & BNA Income Level	Census Tracts & BNAs		Dun & Bradstreet			
	Number	Percent	Number Small Businesses	Percent Small Businesses	Number Total Businesses	Percent Total Businesses
Moderate	5	16%	894	21%	1,040	21%
Middle	20	65%	2,857	68%	3,304	68%
Upper	6	19%	478	11%	552	11%
Total	**31**	**100%**	**4,229**	**100%**	**4,896**	**100%**

Because the assessment area's only moderate-income census tracts are in a metropolitan area, only three percent of farms are located in these tracts. The remaining 97 percent of farms are located in middle- and upper-income census tracts.

Conclusions

Although effective loan demand is the result of various micro- and macroeconomic factors, a review of demographic and economic information as well as interviews with community representatives indicates the major credit needs in the assessment area are financing for affordable housing and credit for small businesses. Although effective loan demand suffered slightly in the first quarter of 2002, lending activity has mostly returned to stabilized levels.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Scope of Examination

The CRA performance of Ireland Bank was evaluated using the small bank examination procedures, and an analysis of community development investments and services. The evaluation was based upon the following performance criteria.

- Loan volume in comparison to deposits (Loan-to-Deposit Ratio).
- Lending inside and outside the assessment area (Lending in Assessment Area).
- Distribution of lending to businesses with different annual revenues and borrowers of different income levels (Lending Distribution by Business Size and Borrower Income).
- Dispersion of lending throughout census tracts or geographic areas within the assessment area (Lending Distribution by Geography).
- Qualified investments that enhance credit availability in the assessment area.
- Provision of retail banking services and community development services.

Responsiveness to consumer complaints was not evaluated as the bank has not received any CRA-related complaints.

The CRA evaluation was based on 942 small farm loans, 543 small business loans, and 221 home mortgage loans extended during the sample period of January 2000 through March 2002. Only those loans extended inside the assessment area were included in the geographic distribution and borrower profile evaluations.

Loan-to-Deposit Ratio

IB’s loan-to-deposit ratio meets standards for satisfactory performance. Quarterly loan-to-deposit ratios since the 1997 examination averaged 76 percent. This ratio is comparable to the state bank average of 79.5 percent and the national bank average of 77.4 percent.

Lending in Assessment Area

The concentration of loans extended inside the assessment area exceeds standards for satisfactory performance. A substantial majority of farm loans (93 percent) was extended within the assessment area. Small business lending within the assessment area at 82 percent also represents a substantial majority. A majority of home purchase (62 percent) and other mortgage loans (69 percent) were extended within the assessment area. Overall, Ireland Bank extended 84 percent of its loans within the assessment area.

Lending by Borrower Income and Business Revenue

Lending to borrowers with different incomes and businesses with different annual revenues exceeds standards for satisfactory performance through:

- Strong home mortgage lending to low- and moderate-income borrowers.
- Involvement in five flexible mortgage programs targeted to low- and moderate-income borrowers.
- A high percentage of lending to small businesses and small farms.
- A large number of loans extended in small dollar amounts.

Small Business Lending

As 90 percent of loans and 73 percent of loan dollars are provided to businesses that earn gross annual revenues less than $1 million, lending to small businesses is excellent. Lending performance exceeds both the percentage of small businesses in the area (86 percent) and aggregate bank lending (51 percent). Additionally, loans less than $100,000 compose 95 percent of Ireland Bank's total business credits.

Small Farm Lending

The record of lending to farms with less than $1 million in gross annual revenues is excellent. Eighty-nine percent of farms located in the assessment area are small farms. All of Ireland Bank's farm loans are extended to small farms, which compares favorably to aggregate lenders who lend at a rate of only 83 percent. In addition, 94 percent of loans made to farms with less than $1 million in revenue were made in amounts less than $100,000.

Home Mortgage Lending

Home mortgage lending extended to borrowers of different income levels is reasonable in light of the bank's outreach efforts and lending volume. Low- and moderate-income families compose 36 percent of the population. Ireland Bank's mortgage refinance lending to moderate-income families exceeds aggregate lending levels and is comparable to the percentage of these families in the assessment area.

Borrower Income Level	Families in Assessment Area	Bank Mortgage Refinance Lending[11]				Aggregate Mortgage Refinance Lending
		Number		Amount ($000)		Number
Low	18%	13	10%	$602	6%	3%
Moderate	18%	29	22%	$1,762	18%	15%
Middle	26%	32	24%	$2,358	24%	25%
Upper	38%	58	43%	$4,753	49%	52%

[11] Percentages do not total to 100 percent because borrower income is not available.

As IB's lending both exceeds the concentration of low- and moderate-income families in the assessment area and out paces aggregate lending to these families, home purchase lending is considered excellent. Though lending to low-income families does not correspond to the assessment area's low-income population, it is three times aggregate lending levels. With low-income families making less than $23,500, and estimated 2000 median housing prices at $87,800 (four times the amount of income), relatively few low-income families can afford to purchase homes.

Borrower Income Level	Families in Assessment Area	Bank Home Purchase Lending				Aggregate Home Purchase Lending
		Number		Amount ($000)		Number
Low	18%	7	10%	$167	4%	3%
Moderate	18%	21	32%	$1,139	30%	11%
Middle	26%	27	40%	$1,763	47%	21%
Upper	38%	12	18%	$710	19%	54%

In addition to its direct lending, IB clearly strives to meet the affordable housing credit needs of its low- and moderate-income borrowers as demonstrated by its participation in five different flexible home loan programs. Programs through which it is able to offer mortgage loans with low interest rates, no down payment, and reduced closing costs, include the Idaho Housing and Finance Association and the Rural Development Agency's Guaranteed and Leveraged Loan programs. The volume of lending under these programs has increased significantly since the previous examination. In addition, the bank provides a secondary market for loans the Idaho Community Reinvestment Corporation extends to low- and moderate-income homebuyers, holding a balance of approximately $300,000 in 2002. They also participate with other institutions in a loan pool managed by the Pocatello Neighborhood Housing Services (PNHS). The bank's participation in the PNHS is new since the previous examination and is further evidence of proactive efforts to meet the credit needs of the community.

Geographic Distribution of Loans

The geographic distribution of lending meets standards for satisfactory performance even though the level of lending in moderate-income tracts is generally low in comparison to factors such as the level of small businesses, the level of owner-occupied housing, and the performance of other lenders. Due to the fact that Pocatello is a city with ample financial institutions, competition for market share is robust. Ten banks and savings and loans serve the city with 18 branches and hold 96 percent of the city's deposit share and 90 percent of the entire MSA's deposit share. In addition, half of these competitor bank branches are located in moderate-income census tracts. Nevertheless, lending through the Pocatello Branch at a level equivalent to 107 percent of its deposits evidences a commitment to serving this community. Based on these factors, the level of lending in moderate-income areas is adequate.

Small Business Lending

Small business lending levels are presented in the following table. The low lending levels in moderate-income tracts are explained by competitive factors discussed above.

Census Tract Income Level	Small Business Concentration	Bank Small Business Lending				Aggregate Small Business Lending	
		Number		Amount		Number	Amount
Moderate	21%	25	6%	$1,539	6%	17%	20%
Middle	68%	370	84%	$21,562	78%	67%	63%
Upper	11%	48	11%	$4,455	16%	16%	17%
Total	**100%**	**443**	**100%**	**$27,556**	**100%**	**100%**	**100%**

If the analysis were isolated to the distribution of lending in Pocatello, it would reveal adequate lending levels in comparison to the concentration of small businesses and aggregate small business lending. For example, in moderate-income tracts where 35 percent of small businesses are concentrated, 25 percent of small business loans were extended, in comparison to 30 percent of aggregate lending. In middle-income tracts where 57 percent of small businesses are concentrated, 61 percent of small business loans were extended, in comparison to 53 percent of aggregate lending.

Small Farms

The distribution of small farm loans was consistent with the distribution of small farms. Ninety-seven percent of small farms are located in middle- and upper-income census tracts, with 89 percent in middle-income tracts. Lending was similarly concentrated in these tracts, with 91 percent of small farm loans extended to middle-income tracts and the remaining to upper-income tracts.

Home Mortgage Lending

Low mortgage refinance lending levels in moderate-income census tracts are explained by the aforementioned competitive factors.

Census Tract & BNA Income Level	Owner-Occupied Housing Units	Bank Mortgage Refinance Lending				Aggregate Mortgage Refinance Lending	
		Number		Amount		Number	Amount
Moderate	10%	2	2%	$95	1%	10%	7%
Middle	74%	119	89%	$8,373	87%	72%	69%
Upper	16%	13	9%	$1,215	12%	18%	24%
Total	**100%**	**134**	**100%**	**$9,683**	**100%**	**100%**	**100%**

If the analysis were isolated to the distribution of mortgage refinance lending in Pocatello, it would reveal lending levels comparable to the concentration of owner-occupied housing units and aggregate mortgage refinance lending. To illustrate, in moderate-income census tracts where 15 percent of owner-occupied units are concentrated, 10 percent of mortgage refinance loans were extended, in comparison to 19 percent of aggregate lending. In middle-income BNA's and census tracts where 65 percent of owner-occupied units are concentrated, 57 percent of mortgage refinance loans were extended, in comparison to 61 percent of aggregate lending.

Low home purchase lending levels in moderate-income census tracts also are explained by the aforementioned competitive factors.

Census Tract & BNA Income Level	Owner-Occupied Housing Units	Bank Home Purchase Lending				Aggregate Home Purchase Lending	
		Number		Amount		Number	Amount
Moderate	10%	3	4%	$193	5%	12%	9%
Middle	74%	52	78%	$2,930	78%	68%	65%
Upper	16%	12	18%	$653	17%	20%	26%
Total	**100%**	**67**	**100%**	**$3,776**	**100%**	**100%**	**100%**

If the analysis were isolated to the distribution of lending in Pocatello, it would reveal lending levels largely comparable to the concentration of owner-occupied housing units and aggregate home purchase lending, but which slightly favor moderate-income tracts. To illustrate, in moderate-income tracts where 15 percent of owner-occupied units are concentrated, 20 percent of home purchase loans were extended, in comparison to 16 percent of aggregate lending. In middle-income tracts where 65 percent of owner-occupied units are concentrated, 53 percent of home purchase loans were extended, in comparison to 63 percent of aggregate lending.

Investments

The review of community development investments reveals an outstanding level of performance. The bank holds five qualifying investments in general obligation bonds totaling approximately $1.2 million. These investments are described as follows.

- Two investments benefit a school district within the assessment area, where a majority of students receive free or subsidized lunches.
- Two investments helped fund the construction of a public swimming pool and park facility in a moderate-income census tract in Pocatello.
- One investment paid for the construction of curbs, gutters, and sidewalks along with utility improvements on North Main Street, located in Pocatello's moderate-income tracts.

In addition, small donations and grants were made to local schools and homebuyer education programs that benefit low- and moderate-income individuals.

Services

The level and impact of community development services along with the accessibility of branch services, to all sections of the assessment area, demonstrate outstanding performance. An evaluation of the branching structure of Ireland Bank was performed to determine the accessibility of the branches to all communities within the assessment area. Each of the bank's nine offices is reasonably accessible to all sections of the assessment area. Most notably, in the towns of Downey, Grace, Inkom, and Lava Hot Springs, Ireland Bank is the only provider of banking services. The bank offers the same services at each branch. Although there are some differences in hours of operation, the availability of drive-up windows, and ATMs, these differences do not adversely affect particular areas of the assessment area.

Community development services include:

- Participation in the HomeStart Savings program, through which prospective home buyers open savings accounts for future down payments and receive a three-to-one match from the Federal Home Loan Bank once a home purchase is made.
- Participation in the home buyer education classes through Pocatello Neighborhood Housing Services.
- Participation on the Pocatello Neighborhood Housing Services' loan committee.

Bank employees were engaged in these activities for over 300 hours during each year of participation.

Response to Complaints

Ireland Bank has not received any complaints relating to its CRA performance since the previous examination. Accordingly, this component was not used to determine the overall performance rating.

Compliance with Fair Lending Laws and Regulations

No violations of the substantive provisions of the anti-discrimination laws and regulations were identified at this examination. Additionally, there was no evidence of prohibitive lending practices.

GLOSSARY OF TERMS

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA / assessment area.

Block numbering area ("BNA"): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census tract: Small subdivisions 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. They 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 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,

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Full review: Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography: A census tract or a block numbering area delineated by the U.S. 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 (e.g., approved, denied, and withdrawn).

Home mortgage loans: Include 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.

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.

Limited 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, branch distribution).

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 lenders in the MSA/assessment area.

Metropolitan area: Any primary metropolitan statistical area ("PMSA"), metropolitan statistical area ("MSA"), or consolidated metropolitan area ("CMSA"), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

Multifamily: Refers to a residential structure that contains five or more units.

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes 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.

Small loans to business: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.

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.