



## **PUBLIC DISCLOSURE**

November 01, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Bank of Commerce  
RSSD# 547550**

**221 Third Street  
Rawlins, Wyoming 82301**

**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**

Bank of Commerce (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 dispersion of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

## **SCOPE OF EXAMINATION**

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized 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 Carbon County AA. The following data was reviewed:

- The bank's 19-quarter average NLTD ratio,
- A statistical sample of 84 small business loans from a universe of 144 loans, and 40 home mortgage loans from a universe of 50 loans, all originated between January 1, 2020 and December 31, 2020.

Greater weight was placed on small business loan performance in this analysis given the bank's strategic focus and significant representation of commercial loans in the bank's loan portfolio.

## **DESCRIPTION OF INSTITUTION**

The bank is a community bank headquartered in Rawlins, Wyoming. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Rawlins Bankshares, Inc.
- As of June 30th, 2021, the bank has total assets of \$167.3 million (MM).
- The bank operates from one office located in Rawlins, Wyoming, with an on-site full-service automated teller machine.
- The bank's primary business focus is commercial and home mortgage lending.

**Table 1**

<b>Composition of Loan Portfolio as of June 30, 2021</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Commercial	51,302	62.7
Residential Real Estate	20,618	25.2
Agricultural	7,778	9.5
Consumer	2,107	2.6
Other	75	0.1
Gross Loans	81,880	100.0

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

The bank was rated Satisfactory under the CRA at its February 13, 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 AA is comprised of Carbon County in its entirety (see Appendix A for an AA map).

- The AA is comprised of one moderate-income and four middle-income census tracts. There have been no changes in the AA composition since the previous performance evaluation.
- According to the June 30, 2021 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank has a deposit market share of 38.3 percent which ranked second out of three FDIC-insured institutions with branch offices operating in the AA.
- One interview with a community member was conducted to ascertain the credit needs of the communities within the AA, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community member represents an organization specializing in affordable housing needs for low-income borrowers in the AA.

**Table 2**

<b>Population Change</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Carbon County, WY	15,885	15,739	(0.9)
NonMSA Wyoming	396,438	404,237	2.0
Wyoming	563,626	579,679	2.8

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

- According to population estimates from the U.S. Census Bureau, the AA's population continued to decline between 2016 and 2019.
- The city of Rawlins, Wyoming is the largest population center in the AA. According to 2019 U.S. Census Bureau data, Rawlins has a population of 8,510 which accounts for over half of the AA's total population.

**Table 3**

<b>Median Family Income Change</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
Carbon County, WY	70,968	70,641	(0.5)
NonMSA Wyoming	73,003	72,833	(0.2)
Wyoming	71,832	73,194	1.9

*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.*

- According to the 2015 American Community Survey, the AA's percentage of families living below the poverty line, at 12.7 percent, is higher than the figures for both statewide nonmetropolitan areas and the state of Wyoming at 7.9 percent and 8.0 percent, respectively.
- The highest paying industries in the AA include manufacturing, utilities, mining, and oil and gas extraction.
- A community member stated that the AA is currently experiencing an influx of retirees.

**Table 4**

<b>Housing Cost Burden</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Carbon County	52.2	19.8	19.2	54.4	30.1	18.2
NonMSA Wyoming	64.8	18.6	32.6	50.4	26.4	16.9
Wyoming	68.2	24.6	34.7	52.6	27.5	16.9

*Note: 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*

- A community member noted that individuals moving into the AA are paying for homes with cash, or with significant down payments, driving AA home prices up over the past year.

**Table 5**

<b>Unemployment Rates</b>					
<b>Region</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Carbon County, WY	4.7	4.1	3.7	3.5	4.5
NonMSA Wyoming	5.3	4.2	4.0	3.7	5.6
Wyoming	5.4	4.3	4.0	3.7	5.8

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics*

- A community member stated that the area is experiencing a lack of job availability and minimal job growth. Residents of the AA have historically relied on mining and oil and gas extraction industries for employment, which can be volatile. Additionally, according to the community member, wind farms built in the county over the past five years have not created as many jobs as originally anticipated. Further, jobs created from wind farms require specialized skill sets, which limits job growth and opportunity for residents of the AA.
- Additional significant industries in the AA, by number of employees, include construction, retail trade, manufacturing, and food services. The community member also stated that local school districts and ranches located in the northern part of the county employ residents.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**Net Loan-to-Deposit Ratio**

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending considering 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, product offerings, and overall loan portfolio composition. The bank’s NLTD ratio is reasonable as it is within the range of NLTDs for three similarly situated banks.

**Table 6**

<b>Comparative NLTD Ratios</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size (\$000s)</b>	<b>NLTD Ratio (%)</b>
			<b>19-Quarter Average</b>
Bank of Commerce	Rawlins, Wyoming	167,345	61.1
RNB State Bank	Rawlins, Wyoming	243,162	60.9
Central Bank and Trust	Lander, Wyoming	203,087	67.5
Western States Bank	Laramie, Wyoming	532,263	81.4

**Assessment Area Concentration**

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A majority of the bank’s loans, by number and dollar, are originated inside the AA.

**Table 7**

<b>Lending Inside and Outside the AA</b>								
<b>Loan Type</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>
<b>Residential Loans</b>	30	3,663	75.0	74.0	10	1,289	25.0	26.0
<b>Small Business Loans</b>	73	4,118	86.9	76.6	11	1,258	13.1	23.4
<b>Total Loans</b>	103	7,781	83.1	75.3	21	2,547	16.9	24.7

*Note: Percentages may not add to 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. The bank’s geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The bank’s lending in the AA’s moderate-income census tract is below the percentage of owner-occupied units located in that census tract. The moderate-income tract’s relatively low population and number of owner-occupied units indicate limited opportunities to lend. Additionally, the bank is located approximately 45 miles from the moderate-income census tract’s closest city of Hanna, Wyoming. No significant gaps in loan dispersion were identified.

**Table 8**

<b>Distribution of 2020 Home Mortgage Lending by Income Level of Geography Assessment Area: Carbon County AA</b>					
<b>Census Tract Income Level</b>	<b>Bank Loans</b>				<b>% of Owner- Occupied Units</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	2	102	6.7	2.8	10.7
<b>Middle</b>	28	3,561	93.3	97.2	89.3
<b>Upper</b>	0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

Source: 2020 FFIEC Census Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s lending by number volume in the moderate-income census tract is below the percentage of businesses operating in that census tract. There are only 38 businesses operating in the moderate-income census tract, indicating limited lending opportunities. Additionally, as previously stated, the bank’s proximity from this census tract presents a lending barrier. No significant gaps in loan dispersion were identified.

**Table 9**

<b>Distribution of 2020 Small Business Lending by Level of Geography Assessment Area: Carbon County AA</b>					
<b>Census Tract Income Level</b>	<b>Bank Small Business Loans</b>				<b>% of Businesses</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	
<b>Low</b>	0	0	0.0	0.0	0.0
<b>Moderate</b>	1	7	1.4	0.2	5.9
<b>Middle</b>	72	4,111	98.6	99.8	94.1
<b>Upper</b>	0	0	0.0	0.0	0.0
<b>Unknown</b>	0	0	0.0	0.0	0.0
<b>Not Reported</b>	0	0	0.0	0.0	0.0

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes**

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has a reasonable penetration among individuals of different income levels and businesses of different revenue sizes.



Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank’s lending to low-income borrowers is comparable to the percentage of low-income families residing in the AA. The bank’s lending to moderate-income borrowers is above the percentage of moderate-income families residing in the AA.

**Table 10**

<b>Distribution of 2020 Home Mortgage Lending by Borrower Income Level Assessment Area: Carbon County AA</b>					
<b>Borrower Income Level</b>	<b>Bank Loans</b>				<b>Families by Family Income %</b>
	<b>#</b>	<b>\$(000)</b>	<b>#%</b>	<b>\$%</b>	
<b>Low</b>	6	409	20.0	11.2	26.6
<b>Moderate</b>	7	546	23.3	14.9	14.0
<b>Middle</b>	6	1,102	20.0	30.1	23.0
<b>Upper</b>	11	1,605	36.7	43.8	36.5
<b>Unknown</b>	0	0	0.0	0.0	0.0

*Source: 2020 FFIEC Census Data  
2011 – 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.*

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 is below the percentage of small businesses operating within the AA. A review of lending by loan size shows that 84.9 percent of the bank’s loans were originated in loan amounts of \$100,000 or less, demonstrating the bank’s willingness to support smaller credit needs which typically align with the credit needs of smaller businesses. Twenty-five loans contained in the sample were made to businesses with unknown revenues. Examiners confirmed these loans were made under the Paycheck Protection Program which does not require revenue information. Twenty-four of the twenty-five loans were in amounts of less than \$100,000, with an average loan amount of approximately \$22,500, further illustrating the bank’s responsiveness to small credit needs of AA businesses.

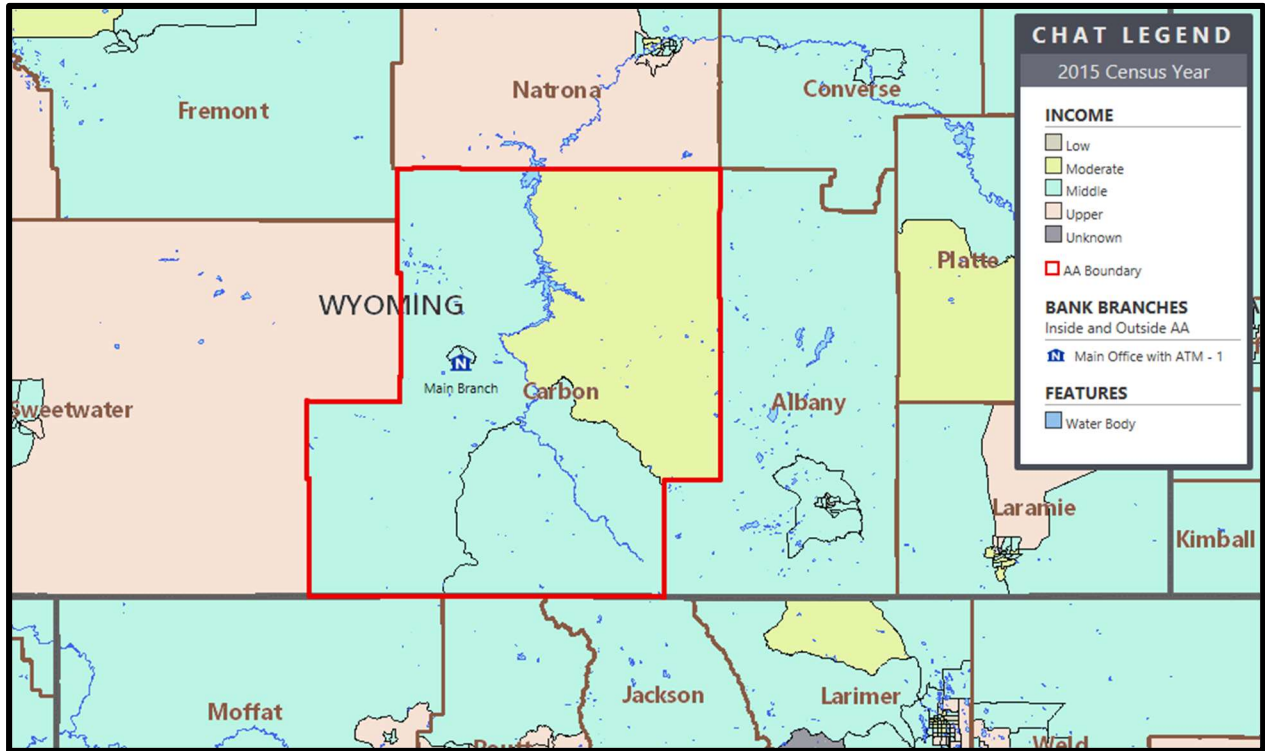
**Table 11**

<b>Distribution of Small Business Lending by Revenue Size of Businesses</b>					
	<b>Bank Loans</b>				<b>Total Businesses</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>%</b>
<b>By Revenue</b>					
\$1 Million or Less	39	53.4	2,684	65.2	88.8
Over \$1 Million	9	12.3	870	21.1	8.1
Not Known	25	34.2	564	13.7	3.1
<b>Total</b>	<b>73</b>	<b>100.0</b>	<b>4,118</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or less	62	84.9	1,769	42.9	
\$100,001 – \$250,000	7	9.6	1,161	28.2	
\$250,001 – \$1 Million	4	5.5	1,188	28.9	
<b>Total</b>	<b>73</b>	<b>100.0</b>	<b>4,118</b>	<b>100.0</b>	
<b>By Loan Size and Revenue \$1 Million or Less</b>					
\$100,000 or less	31	79.5	909	33.8	
\$100,001 – \$250,000	4	10.3	587	21.9	
\$250,001 – \$1 Million	4	10.3	1,188	44.3	
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>2,684</b>	<b>100.0</b>	
<i>Source: 2020 FFIEC Census Data 2020 Dun &amp; Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey</i> <b>NOTE:</b> Percentages may not add up to 100.0 due to rounding.					

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or 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**

<b>2020 Carbon County AA Demographics</b>								
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	1,081	26.6
Moderate	1	20.0	410	10.1	69	16.8	568	14.0
Middle	4	80.0	3,660	89.9	449	12.3	936	23.0
Upper	0	0.0	0	0.0	0	0.0	1,485	36.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>5</b>	<b>100.0</b>	<b>4,070</b>	<b>100.0</b>	<b>518</b>	<b>12.7</b>	<b>4,070</b>	<b>100.0</b>
	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	1,273	450	10.7	35.3	190	14.9	633	49.7
Middle	7,286	3,767	89.3	51.7	1,701	23.3	1,818	25.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>8,559</b>	<b>4,217</b>	<b>100.0</b>	<b>49.3</b>	<b>1,891</b>	<b>22.1</b>	<b>2,451</b>	<b>28.6</b>
	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	38	5.9	30	5.3	3	5.8	5	25.0
Middle	605	94.1	541	94.7	49	94.2	15	75.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>643</b>	<b>100.0</b>	<b>571</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.8</b>		<b>8.1</b>		<b>3.1</b>
	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	9	15.3	9	15.3	0	0.0	0	0.0
Middle	50	84.7	50	84.7	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>59</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>
<i>Source: 2020 FFIEC Census Data 2020 Dun &amp; Bradstreet Data 2011 - 2015 U.S. Census Bureau: American Community Survey</i> <b>NOTE: Percentages may not add up to 100.0 due to rounding.</b>								

## **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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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.

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

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

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

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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