

PUBLIC DISCLOSURE

August 24, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Glenwood State Bank
RSSD# 566243

32 North Walnut Street
Glenwood, Iowa 51534

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

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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PERFORMANCE EVALUATION

BANK'S CRA RATING

Glenwood State Bank is rated **Satisfactory**.

Glenwood State Bank provides appropriate responsiveness to credit needs in its assessment area, taking into account the number and amount of Home Mortgage Disclosure Act (HMDA)-reportable, small business, and small farm loans, and based on its asset size, location, and the local economic conditions within its assessment area. The loan-to-deposit ratio is reasonable considering the bank's size, financial condition, and assessment area credit needs. A majority of the bank's HMDA-reportable, small business, and small farm loans were originated in the assessment area. Geographic distribution of loans reflects reasonable distribution throughout the assessment area. The bank's lending within the assessment area reflects a reasonable distribution of loans among individuals of different income levels, including low-and-moderate income, and to businesses and farms of different sizes. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Glenwood State Bank's performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Small Institution CRA Examination Procedures. Performance was evaluated in the context of information about the institution and its assessment area, including the bank's asset size, financial condition, competition, as well as assessment area demographic, economic, and credit needs. Lending products were reviewed for the bank's major products, including HMDA-reportable, small business, and small farm loans.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit (LTD) ratio ending June 30, 2020 was calculated for the bank and compared to its national peer and a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2017 to December 31, 2018, and a sample of small business loans and small farm loans originated from January 1, 2016 to December 31, 2018, were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated in the assessment area from January 1, 2017 to December 31, 2018, and a sample of small business and small farm loans originated in the assessment

area from January 1, 2016 to December 31, 2018, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.

- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank’s HMDA-reportable loans originated in the assessment area from January 1, 2017 to December 31, 2018, and a sample of small business and small farm loans originated in the assessment area from January 1, 2016 to December 31, 2018, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither Glenwood State bank nor this Reserve Bank received any CRA-related complaints since the previous examination.

In addition, two community representatives from economic development and community advocacy organizations were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area.

DESCRIPTION OF INSTITUTION

Glenwood State Bank is wholly owned by Glenwood Bancorporation. The bank currently operates a main office, two branches, and four ATMs. The main office is in Glenwood, IA, approximately 25 miles southeast of Omaha, NE. A branch is located in Tabor, IA, which is 13 miles southwest from the main location in Glenwood, as well as a branch in Council Bluffs, IA, which is 19 miles northwest from the main location in Glenwood. The Council Bluffs, IA branch is new since the previous evaluation due to a merger with sister bank, Frontier Savings Bank, effective January 1, 2019. Along with the merger, the bank also had recent closures of its full service Mineola branch in December 2017, and a closure of its Pacific Junction branch in June 2018. A drive-thru ATM is also located in Glenwood, IA, as well as ATMs at the main office and each branch office.

The bank offers a traditional line of loan and deposit products to meet the credit needs within the assessment area. Lending products include consumer, commercial, agricultural, and residential lending. The merger with Frontier Savings Bank did not impact the lending or deposit products offered by the bank.

According to the Uniform Bank Performance Report (UBPR) as of June 30, 2020, the bank’s total assets were approximately \$243.5 million. The banks largest lending products are commercial and residential real estate lending, which represent 49.5 percent and 25.7 percent of the portfolio, respectively. The table below provides a detailed distribution of the bank’s loan portfolio.

Composition of Loan Portfolio as of June 30, 2020		
Loan Type	Dollar Volume (\$ are in 000s)	% of Portfolio
Commercial	52,180	49.52
Residential Real Estate	27,079	25.70
Agricultural	20,562	19.51
Consumer	4,794	4.55
Other	751	0.71
Total Loans	105,366	100.00
<i>Note: Percentages may not total 100.00 percent due to rounding.</i>		

There are no known legal, financial or other factors impeding the bank’s ability to help meet the credit needs in its communities.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on April 18, 2016.

DESCRIPTION OF ASSESSMENT AREA¹

Glenwood State Bank operates within one combined assessment area consisting of Mills County in its entirety, 22 of the 30 census tracts in Pottawattamie County, and one adjacent census tract in Fremont County. Both Mills and Pottawattamie Counties are part of the Omaha-Council Bluffs, NE-IA MSA #36540, while Fremont County is non-metropolitan IA. While Mills County is part of the MSA, the characteristics of most of the county are more rural in nature. The assessment area is limited to these three counties within the state of Iowa, and does not cross the border into Nebraska. The assessment area contains Mills County’s sole moderate-income census tract and 11 of 12 low- and moderate-income (LMI) census tracts in Pottawattamie County. Fremont County contains no LMI census tracts. There are no distressed or underserved tracts in Fremont County. None of the bank’s main office, two branches or four ATMs are located in LMI census tracts.

The bank’s assessment area has changed since the previous examination. Prior to the merger with Frontier Savings Bank, Glenwood State Bank delineated only the entirety of Mills County and census tract 9702 in Fremont County. The merger with Frontier Savings Bank expanded the bank’s delineation to include the 22 census tracts in Pottawattamie County that Frontier Savings Bank included in its assessment area. There were also changes to the census tract designations in the census area since the previous examination. From the year 2016 to the year 2017, the census area lost one moderate-income designation, and gained one low-income designation. See the below table for more details.

¹ Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	1	2	+1
Moderate	11	10	-1
Middle	14	14	0
Upper	2	2	0
Unknown	0	0	0
Total	28	28	0
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015</i>			

According to the June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Glenwood State Bank ranks fifth out of 15 FDIC-insured institutions for deposit market share within the Omaha-Council Bluffs, NE-IA MSA. The bank held \$216.11 million in deposits, representing 7.65 percent of total deposit market share in the MSA. According to the market share report, the largest competitors in the Omaha-Council Bluffs, NE-IA MSA, include U.S. Bank National Association, American National Bank, and First National Bank of Omaha. Information about the census related and business demographic characteristics of the assessment area in 2018 is provided in the following table on page 6.

Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	7.1	904	4.0	279	30.9	5,591	24.5
Moderate-income	10	35.7	7,467	32.7	1,137	15.2	4,501	19.7
Middle-income	14	50.0	12,037	52.7	681	5.7	5,462	23.9
Upper-income	2	7.1	2,414	10.6	113	4.7	7,268	31.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	28	100.0	22,822	100.0	2,210	9.7	22,822	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	2,222	506	2.1	22.8	1,446	65.1	270	12.2
Moderate-income	13,003	7,688	32.4	59.1	4,136	31.8	1,179	9.1
Middle-income	19,416	12,910	54.5	66.5	4,972	25.6	1,534	7.9
Upper-income	3,174	2,605	11.0	82.1	393	12.4	176	5.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	37,815	23,709	100.0	62.7	10,947	28.9	3,159	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	364	10.5	317	10.1	39	15.7	8	14.8
Moderate-income	970	28.1	864	27.4	102	41.0	4	7.4
Middle-income	1,788	51.8	1,651	52.4	103	41.4	34	63.0
Upper-income	331	9.6	318	10.1	5	2.0	8	14.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,453	100.0	3,150	100.0	249	100.0	54	100.0
	Percentage of Total Businesses:		91.2		7.2		1.6	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2	0.8	2	0.8	0	0.0	0	0.0
Moderate-income	11	4.2	10	3.9	1	33.3	0	0.0
Middle-income	193	73.7	190	73.6	2	66.7	1	100.0
Upper-income	56	21.4	56	21.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	262	100.0	258	100.0	3	100.0	1	100.0
	Percentage of Total Farms:		98.5		1.1		0.4	
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The table below shows the population trends for the counties comprising the assessment area and the state of Iowa from 2010 to 2015. As presented in the following table, according to the U.S. Census Bureau, the counties of Fremont and Mills have experienced a slight decrease in population from 2010 to 2015, while the Omaha-Council Bluffs, NE-IA MSA and Pottawattamie County have experienced a slight increase in population. Overall, only the Omaha-Council Bluffs, NE-IA MSA experienced a growth rate higher than that of the state of Iowa. According to community representatives, the population loss within the counties of Fremont and Mills can be attributed to the lack of job opportunities and the overall economic condition in these rural counties. One representative noted that Pottawattamie County presents the most employment opportunities within the region, due to the presence of both Council Bluffs and the greater Omaha metropolitan area.

Population Change			
Area	2010 Population	2011-2015 Population	Percentage Change
Fremont County, IA	7,441	7,106	-4.5
Mills County, IA	15,059	14,862	-1.3
Pottawattamie County, IA	93,158	93,213	0.1
Omaha-Council Bluffs, NE-IA MSA	865,350	895,919	3.5
State of Iowa	3,046,355	3,093,526	1.5
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Income Characteristics

The following table presents the median family income (MFI) for families living in Fremont County, Mills County, Pottawattamie County, Omaha-Council Bluffs, NE-IA MSA, and the state of Iowa. According to the 2010 American Community Survey (ACS), the MFIs for Fremont and Mills Counties were \$65,109 and \$78,556, respectively. The Pottawattamie County and overall Omaha-Council Bluffs, NE-IA MSA were \$65,286 and \$73,632, respectively. All counties within the assessment area have experienced an increase in MFI from the years 2006 to 2015. One community representative specifically mentioned that Mills County includes a large population that commute into the Omaha-Council Bluffs, NE-IA MSA, where higher paying jobs exist.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income	2011-2015 Median Family Income	Percentage Change
Fremont County, IA	59,622	65,109	9.2
Mills County, IA	73,532	78,556	6.8
Pottawattamie County, IA	60,354	65,286	8.2
Omaha-Council Bluffs, NE-IA MSA	69,538	73,632	5.9
State of Iowa	61,804	67,466	9.2
<i>Source: U.S. Census Bureau: American Community Survey Data: 2006-2010</i>			

Housing Characteristics

The following table presents recent housing cost trends within Fremont County, Mills County, Pottawattamie County, the Omaha-Council Bluffs, NE-IA MSA, and the state of Iowa. The assessment area contains 37,815 housing units, of which 23,709 (62.7 percent) are owner-occupied. According to the 2015 ACS, the median housing values for Fremont and Pottawattamie Counties were \$100,100 and \$125,800 respectively. These were both lower than Mills County and the Omaha-Council Bluffs, NE-IA MSA, which have median housing values of \$153,100 and \$148,241, respectively. Of the counties within Glenwood State Bank’s assessment area, both Fremont County and Pottawattamie have lower median housing values on average than the state of Iowa. Additionally, the only median gross rent within the bank’s assessment area that falls below the state average is Fremont County, which experiences a median gross rent of \$608.

According to community representatives, there is a large amount of older homes within the rural portions of the southwest Iowa region which require further investment in order to attract and retain potential families. Further investment into modernizing these older homes will also allow for more cost efficient housing, as well as increasing the overall amount of livable homes in the area. Along with increasing investments into modernizing older homes in the area, one community representative also noted potential opportunities to increase the amount of affordable

housing within the downtown Council Bluffs area.

Trends in Housing Costs 2006-2010 and 2011-2015				
Location	2006-2010 Median Housing Value	2011-2015 Median Housing Value	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent
Fremont County, IA	92,800	100,100	497	608
Mills County, IA	144,200	153,100	677	701
Pottawattamie County, IA	126,100	125,800	689	755
Omaha-Council Bluffs, NE- IA MSA	143,373	148,241	730	810
State of Iowa	119,200	129,200	617	697
<i>Source: U.S. Census Bureau: American Community Survey Data: 2006-2010 U.S. Census Bureau: 2011-2015 American Community Survey: 2011-2015</i>				

Employment Conditions

The following table presents the unemployment trends for the counties in the assessment area and the state of Iowa. The unemployment rates in all of the counties have steadily declined since 2015. All of the counties within the bank’s assessment area have an unemployment rate which is lower than that of the state of Iowa; however, the Omaha-Council Bluffs, NE-IA MSA has an unemployment rate that is slightly higher than the state average. A strong manufacturing sector and an increase in the amount of service industry jobs were identified by community representatives as key factors in the low unemployment rates. Although unemployment rates have been declining within recent years, community representatives noted slow growth in small businesses within the more rural communities and mentioned that some higher paying manufacturing jobs have recently left the area. Community representatives also stated that the service industry economy within Southwest Iowa area has been the most volatile due to the COVID-19 pandemic.

Unemployment Rates				
Region	2015	2016	2017	Most recent 2018
Fremont County, IA	3.4	3.3	2.6	1.9
Mills County, IA	4.2	3.7	2.8	2.1
Pottawattamie County, IA	3.7	3.4	2.8	2.3
Omaha-Council Bluffs, NE-IA MSA	3.3	3.4	3.0	2.9
State of Iowa	3.8	3.7	3.1	2.5
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Industry Conditions

The following table presents the largest employers within the Iowa counties of Mills, Pottawattamie, and Fremont. Based on location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area is most heavily impacted by casinos, hospitals, and manufacturer industries.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Horseshoe Council Bluffs Casino	1,500	Casinos
Ameristar Casino Hotel Council	1,350	Casinos
Glenwood Resource Center	830	Hospitals
Conagra Brands Inc.	800	Food Products & Manufacturers
OSI Group LLC	700	Meat Products
Chi Health Mercy Council Bluffs	642	Hospitals
OSI Industries LLC	600	Meat Packers
Iowa Western Community College	600	Junior-Community College-Tech Institutes

Source: Business information provided by Infogroup®, Omaha, NE

Community Representatives

Two community representatives covering the assessment area were contacted to provide understanding of the credit needs and market conditions within the assessment area. Community representatives were contacted to provide both economic development and affordable housing insight, while also gaining an understanding of the different challenges within urban and rural portions of the assessment area.

The first representative focused on Fremont County economic development, and provided insight on the current conditions of the rural portions of the bank’s assessment area. The contact noted the current economic stability within the county to be fragile, as there has been a struggle within the rural communities to both recruit and retain small and large business employers. Unemployment continues to be low within the area; however, the community representative believes unemployment could increase drastically due to the COVID-19 pandemic, as there has been a large amount of service industry jobs that have been impacted in the area. Fremont County is also experiencing the same trend as the rest of the state, where the rural communities are losing population due to people moving into larger cities for more lucrative job opportunities. The jobs within Fremont County do not provide the same sort of competitive income that is provided in neighboring counties. The contact noted that although there has been an increase in MFI in the county, there could be slower upcoming growth due to the recent volatility within the service industry as well as the current challenges facing the agriculture industry. The community

representative mentioned a need for increased affordable housing in the county in order to retain and grow the population. Housing needs include modernizing a large portion of older homes to make them more attractive to buyers, and providing more affordable housing options overall.

Another economic development representative focused on the current economic conditions within the city of Council Bluffs and the Pottawattamie County area. The community representative stated the current economic conditions within the greater Council Bluffs area and Pottawattamie County are stable. The city of Council Bluffs has a diverse small business environment that is combined with some large industry companies. Unemployment continues to be low within the Council Bluffs and Pottawattamie County areas and the contact stated that this is a reflection of the current economic conditions. MFI is growing at a rate that is similar to the rest of the state and the population is currently stable; however, the contact mentioned as more companies in the Council Bluffs area are allowing remote work, there may be potential for a population shift into the smaller neighboring counties, as many of these neighboring counties provide more affordable living options. Although housing costs also remain stable, the contact mentioned there are opportunities for further investments into the downtown Council Bluffs area to provide more affordable housing options. The representative specifically recognized Glenwood State Bank as an active lender in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

Glenwood State Bank's performance relative to the lending test is rated Satisfactory. The bank is able to meet the credit needs of the assessment area, providing credit consistent with its asset size, location, and local economic conditions. The LTD ratio is reasonable considering the bank's size, financial condition, and assessment area credit needs. A majority of the bank's HMDA-reportable, small business, and small farm loans were originated in the assessment area. Geographic distribution of loans reflects reasonable distribution throughout the assessment area. Lending reflects reasonable penetration among individuals of different income levels, including LMI borrowers, and to businesses and farms of different sizes. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

Loan-to-Deposit Ratio

The bank’s loan-to-deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and credit needs of its assessment area, and considering other lending-related activities such as loan originations sold to the secondary market. The bank’s 17-quarter average LTD ratio was evaluated relative to its capacity to lend as well as to its competitors’ ratios. Also considered were demographic factors, economic conditions, and lending opportunities and needs present in the assessment area. As of June 30, 2020, the bank’s LTD ratio was 48.2 percent with a 17-quarter average of 36.7 percent. Additional analysis determined the bank’s LTD ratio has improved since its merger with Frontier Savings Bank. Since the previous examination, the bank’s LTD ratio has increased by approximately 8.9 percent.

Although there are trends to show the bank is increasing its LTD ratio, the ratio remains well below the majority of local competitors of similar asset size in the area. The bank’s LTD ratio was compared to four local competitors with similar asset size that operate within the same geographic region. Although Glenwood State Bank’s LTD ratio is lower than three of the four competitors, the LTD ratio is reasonable when considering the volume of loans sold on the secondary market. Once sold, these loans are not included in the bank’s total loan volume, thus decreasing the LTD ratio. In addition, the bank faces strong competition from other lenders within the Omaha-Council Bluffs, NE-IA MSA, which inhibits the bank’s ability to lend throughout the entire assessment area. However, as mentioned, the overall LTD ratio has improved since the merger with Frontier Savings Bank. Additionally, one community representative from the Council Bluffs, IA area stated that Glenwood State Bank is an institution that is particularly effective in its ability to meet the area’s credit needs. Considering the aforementioned factors, the bank’s LTD ratio is reasonable.

See the table below for further details.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	17 – Quarter Average
Glenwood State Bank	36.7
Competitors	
Tri-Valley Bank	74.0
Treynor State Bank	35.0
Midstates Bank	77.4
Malvern Bank	90.9

Assessment Area Concentration

The majority of Glenwood State Bank’s HDMA-reportable, small business, and small farm loans are originated within the bank’s delineated assessment area. In 2017, the bank originated 83.6 percent of total loans by number, and 74.6 percent of total loans by dollar volume within the

delineated assessment area. Small business had the highest concentration of loans within the assessment area, both by number and dollar volume at 90.9 percent and 97.4 percent, respectively. The bank’s performance from January 1, 2017 through December 31, 2017, decreased from the previous examination in which the bank originated 86.9 percent of total loans by number, and 82.0 percent of total loans by dollar volume.

From January 1, 2018 through December 31, 2018, the bank continued to originate a majority of HMDA-reportable, small business, and small farm loans within the delineated assessment area. During this time period, the bank originated 75.0 percent of total loans by number, and 64.4 percent by total dollar volume within its assessment area. The bank’s HMDA-reportable loans originated were the highest volume with 78.4 percent of total HMDA loans originated within the assessment area. Small farm loans held the highest concentrated dollar volume within the assessment area, with 77.9 percent of total small farm loans. The bank’s 2018 performance decreased from the previous examination; however, the bank continues to actively serve the needs of its communities through its lending in the assessment area.

The following tables summarize the bank’s lending activity inside and outside its assessment area. The two tables have been provided due to the differences in reporting requirements between 2017 and 2018, resulting in an analysis conducted on each year of available data individually.

Lending Inside and Outside the Assessment Area								
HMDA-Reportable (January 1, 2017 through December 31, 2017)								
Small Business/Small Farm (January 1, 2016 through December 31, 2017)								
Loan Types	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Improvement	8	80.0	\$206	77.4	2	20.0	\$60	22.6
Home Purchase - Conventional	9	75.5	\$617	64.6	3	25.0	\$338	35.4
Multi-Family Housing	1	100.0	\$150	100.0	0	0.0	\$0	0.0
Refinancing	15	100.0	\$750	100.0	0	0.0	\$0	0.0
Total HMDA-related	33	86.8	\$1,723	81.2	5	13.2	\$398	18.8
Total Small Business-related	10	90.9	\$378	97.4	1	9.1	\$10	2.6
Total Small Farm-related	13	72.2	\$1,281	63.2	5	27.8	\$746	36.8
TOTAL LOANS	56	83.6	\$3,382	74.6	11	16.4	\$1,154	25.4

Lending Inside and Outside the Assessment Area								
January 1, 2018 through December 31, 2018								
Loan Types	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Improvement	8	72.7	\$245	43.3	3	27.3	\$321	56.7
Home Purchase - Conventional	12	80	\$1,286	57.4	3	20	\$956	42.6
Multi-Family Housing	1	100.0	\$270	100.0	0	0.0	\$0	0.0
Other Purpose Closed-End	2	100.0	\$25	100.0	0	0.0	\$0	0.0
Refinancing	17	77.3	\$642	66.3	5	22.7	\$326	33.7
Total HMDA-related	40	78.4	\$2,467	60.6	11	21.6	\$1,603	39.4
Total Small Business-related	26	72.2	\$1,052	58.8	10	27.8	\$738	41.2
Total Small Farm-related	15	71.4	\$1,461	77.9	6	28.6	\$414	22.1
TOTAL LOANS	81	75.0	\$4,980	64.4	27	25.0	\$2,755	35.6

Geographic Distribution of Loans

Glenwood State Bank’s HMDA-reportable loans and a sample of small business and small farm loans originated inside of the assessment area were analyzed to determine the extent to which the bank is making loans in a geographies of different income levels. The bank’s assessment area consists of two low-income, ten moderate-income, fourteen middle-income, and two upper-income census tracts. The bank’s geographic distribution of loans reflects reasonable dispersion throughout the assessment area when considering the location of its banking offices with respect to LMI geographies, the competitive environment within the Omaha-Council Bluffs, NE-IA MSA, and demographic characteristics of the assessment area.

An assessment area gap analysis was conducted as part of the evaluation, and a lending gap was recognized specifically within LMI census tracts which are located within the northwest portion of Pottawattamie County in the Omaha-Council Bluffs, NE-IA MSA. While the gap was recognized, it is considered reasonable when considering the bank’s proximity to these census tracts. The bank does not have any branch locations within the 12 LMI tracts included in the assessment area, and the bank experiences substantial competition from larger lenders within these tracts. The Council Bluffs branch is located on the eastern edge of the city while the LMI tracts are all on the western edge. The closest low-income tract is approximately 3.5 miles from the branch and has the least amount of owner-occupied units, limiting demand for HMDA-reportable loan products. It should also be noted that the bank was recognized by a community representative as an active lender within the community, and an institution that is a willing partner in helping to finance different economic development projects within the Council Bluffs area. When considering the location of the banking offices, competitive environment, and demographic characteristics of the assessment area, the bank’s geographic distribution of HMDA-reportable loans is reasonable.

Information regarding the bank’s geographic distribution of HMDA-reportable lending for 2018

and 2017, and small business and small farm lending for 2018, 2017, and 2016 is provided on page 15. Please reference geographic distribution lending tables for 2017 and 2016 in Appendix C.

HMDA-Reportable Loans

Glenwood State Bank's geographic distribution of HMDA-reportable loan originations is reasonable when considering the location of its banking offices with respect to LMI geographies, the competitive environment within the Omaha-Council Bluffs, NE-IA MSA, and the demographic characteristics of the assessment area. Within the review period of January 1, 2017 through December 31, 2018, the bank originated 73 total HMDA-reportable loans. Of those 73 loans, zero were originated in a low-income census tract, one was originated in a moderate-income census tract, 70 were originated in middle-income census tracts, and two were originated in upper-income census tracts.

In 2018, the bank originated 40 total HMDA-reportable loans within the assessment area. Of the 40 HMDA-reportable loans originated, zero loans were originated within a low-income census tract, one loan was originated in a moderate-income census tract, and 39 loans were originated in a middle-income census tracts. The bank's lending performance is below that of aggregate lenders in the area by both number and dollar volume. However, the bank's reasonable performance is supported by minimal owner occupancy percentages in low-income census tracts, the lack of branch presence in or near the LMI census tracts, and due to competition within the Omaha-Council Bluffs, NE-IA MSA. Further information regarding the bank's geographic distribution of loans in 2018 is included in the table on page 17.

In 2017, the bank's geographic distribution of HMDA-reportable loans was consistent with that of 2018. . See Appendix C for further details surrounding the 2017 geographic distribution of HMDA-reportable loans.

The bank's volume of home improvement, multi-family, and other purpose HMDA loans was too low to result in a meaningful analysis. Therefore, no additional analysis of these products was conducted.

Home Purchase Loans

Glenwood State Bank's home purchase lending is reasonable when considering the location of its banking offices in proximity to LMI census tracts, the competitive environment within the Omaha-Council Bluffs, NE-IA MSA, and the demographic characteristics of the assessment area.

In 2018, the bank originated 12 total home purchase loans within the assessment area. Of the 12 home purchase loans originated, one was originated in a moderate-income census tract (8.3 percent) while no originations were made in a low-income tract. Within the assessment area, owner occupied units in LMI census tracts is 2.1 percent and 32.4 percent, respectively, while owner-occupied housing in middle-income census tracts represent 54.5 percent. In 2017, the bank

originated nine total home purchase loans within the assessment area, all of which were originated within middle-income census tracts.

Refinance Loans

Glenwood State Bank's refinance lending is reasonable when considering the locations of its banking offices in proximity to LMI census tracts, the competitive environment within the Omaha-Council Bluffs, NE-IA MSA, and demographic characteristics of the assessment area.

In 2018, the bank originated 17 total home refinance loans within the assessment area. All 17 of the home refinance loans were originated within middle-income census tracts. As mentioned, middle-income census tracts represent the highest percentage level of owner occupied housing in the assessment area at 54.5 percent. In 2017, the bank originated 15 total home refinance loans within the assessment area. Of the 15 refinance loans originated, zero were originated in LMI census tracts, 14 were originated in middle-income census tracts, and one was originated in an upper-income census tract.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		Count		Agg	Dollar		Agg	
		#	%		\$ (000s)	\$ %		
Home Purchase	Low	0	0.0	2.6	0	0.0	1.4	2.1
	Moderate	1	8.3	31.4	46	3.6	21.7	32.4
	Middle	11	91.7	52.8	1,240	96.4	56.0	54.5
	Upper	0	0.0	13.2	0	0.0	21.0	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	12	100.0	100.0	1,286	100.0	100.0	100.0
Refinance	Low	0	0.0	1.0	0	0.0	0.6	2.1
	Moderate	0	0.0	31.5	0	0.0	21.5	32.4
	Middle	17	100.0	55.1	642	100.0	60.1	54.5
	Upper	0	0.0	12.4	0	0.0	17.8	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	17	100.0	100.0	642	100.0	100.0	100.0
Home Improvement	Low	0	0.0	1.2	0	0.0	0.3	2.1
	Moderate	0	0.0	27.2	0	0.0	20.4	32.4
	Middle	8	100.0	59.9	245	100.0	64.5	54.5
	Upper	0	0.0	11.7	0	0.0	14.9	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	8	100.0	100.0	245	100.0	100.0	100.0
Multi-Family	Low	0	0.0	16.0	0	0.0	13.5	Multi-Family 14.1
	Moderate	0	0.0	32.0	0	0.0	24.1	34.8
	Middle	1	100.0	52.0	270	100.0	62.4	46.9
	Upper	0	0.0	0.0	0	0.0	0.0	4.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	270	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	2.1
	Moderate	0	0.0	33.3	0	0.0	22.8	32.4
	Middle	0	0.0	54.2	0	0.0	60.3	54.5
	Upper	0	0.0	12.5	0	0.0	16.9	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	2.6	0	0.0	1.2	2.1
	Moderate	0	0.0	32.1	0	0.0	24.6	32.4
	Middle	2	100.0	52.6	25	100.0	51.1	54.5
	Upper	0	0.0	12.8	0	0.0	23.2	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	2	100.0	100.0	25	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	1.5	0	0.0	1.6	2.1
	Moderate	0	0.0	40.0	0	0.0	34.5	32.4
	Middle	0	0.0	53.8	0	0.0	56.6	54.5
	Upper	0	0.0	4.6	0	0.0	7.3	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	2.1	0	0.0	1.6	2.1
	Moderate	1	2.5	31.4	46	1.9	22.0	32.4
	Middle	39	97.5	53.9	2,421	98.1	57.4	54.5
	Upper	0	0.0	12.5	0	0.0	19.0	11.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	40	100.0	100.0	2,467	100.0	100.0	100.0

Originations & Purchases
2016 FFIEC Census Data

Note: Percentages may not add to 100.0 percent due to rounding

Small Business Loans

Glenwood State Bank’s geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area considering the locations of its banking offices in proximity to LMI census tracts, the competitive environment within the Omaha-Council Bluffs, NE-IA MSA, and demographic characteristics. During the review period of January 1, 2016 – December 31, 2018, the bank originated 36 total small business loans within the assessment area, four (11.1 percent) of which were originated within low- and moderate- income census tracts.

In 2018, the bank originated one loan (3.8 percent) in a low-income census tract and one loan (3.8 percent) in a moderate-income census tract. The lending within the LMI income census tracts represented 7.6 percent of total small business lending which is well below the 38.6 percent of total small businesses located in the LMI census tracts in 2018. The highest concentration of small business loans were originated in middle income census tracts, with 57.7 percent of loans originated in those geographies compared to 52.4 percent of total assessment area small businesses. Considering the bank’s lack of a branch presence within or in close proximity to LMI census tracts and the strong competition within the Omaha-Council Bluffs, NE-IA MSA, the bank’s geographic distribution of small business loans is reasonable. The table on page 19 illustrates the bank’s small business lending activity across all income tracts for 2018.

In 2017 and 2016, the bank’s geographic distribution of small business loans was consistent with that of 2018. Please see Appendix C for further details regarding the 2017 and 2016 small business geographic distribution.

Geographic Distribution of Small Business Loans						
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	1	3.8	64	6.1	10.5
	Moderate	1	3.8	12	1.1	28.1
	Middle	15	57.7	368	35.0	51.8
	Upper	9	34.6	608	57.8	9.6
	Unknown	0	0.0	0	0.0	0.0
	Total	26	100.0	1,052	100.0	100.0

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Small Farm Loans

Glenwood State Bank's geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area considering the locations of its banking offices in proximity to LMI census tracts, competition of lenders within the Omaha-Council Bluffs, NE-IA MSA, and the lack of small farms in low- and moderate-income geographies. During the review period of January 1, 2016 – December 31, 2018, the bank originated 28 total small farm loans within the assessment area. Of the 28 total small farm loans originated during the review period, two (7.1 percent) were originated within LMI census tracts which is slightly above the number of small farms located in LMI census tracts (4.7 percent).

In 2018, the bank originated 15 total small farm loans within LMI census tracts. This represents a decrease from the previous exam, as the bank originated 13 (22.8 percent) of its 57 small farm loans within moderate-income census tracts. However, the ability to lend within moderate-income census tracts has also decreased since the previous examination. Due to the bank's expanding its assessment area to include the Omaha-Council Bluffs, NE-IA MSA, only 4.2 percent of total farms are located within the assessment area's moderate-income census tracts compared to 38.7 percent in 2015. The expanded assessment area led to an increase in the designated middle-income census tracts from 42.9 percent in 2015, to 73.7 percent in 2018. The highest concentration of small farms loans in 2018 was in middle income census tracts, with 73.3 percent of loans originated in those geographies. Due to addition of the Omaha-Council Bluffs, NE-IA MSA and the competitive environment in this area, the proximity of the bank's branches from the LMI tracts, and the limited number of small farms in LMI tracts, the bank's geographic distribution of small farm loans is reasonable, despite not originating any loans within LMI census tracts in 2018. The table on page 20 illustrates the bank's small farm lending activity across all income tracts in 2018.

In 2017 and 2016, the geographic distribution of small farm loans was consistent with that of 2018. Please see Appendix C for further details regarding the 2017 and 2016 small business geographic distribution.

Geographic Distribution of Small Farm Loans						
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		Dollar Bank		Total Farms
		#	%	\$ 000s	\$ %	
Small Farm	Low	0	0.0	0	0.0	0.8
	Moderate	0	0.0	0	0.0	4.2
	Middle	11	73.3	831	56.9	73.7
	Upper	4	26.7	629	43.1	21.4
	Unknown	0	0.0	0	0.0	0.0
	Total	15	100.0	1,461	100.0	100.0

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

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

Glenwood State Bank’s lending to individuals of different income levels and to small businesses and small farms of different sizes reflects reasonable distribution given the product lines offered by the bank.

HMDA-Reportable Loans

In 2018, the bank originated seven HMDA-reportable loans to low-income borrowers (17.5 percent), and three HMDA-reportable loans to moderate-income level borrowers (7.5 percent) by number. The bank was slightly above the aggregate lending to low-income borrowers (14.8 percent) but was well below moderate-income borrower lending (24.8 percent). The bank originated 6.8 percent to low-income borrowers by dollar volume and 4.4 percent to moderate-income level borrowers, which was slightly below aggregate lending for low-income borrowers by dollar volume (8.9 percent), and well below moderate-income borrower lending (19.6 percent).

In 2017, the bank originated four loans (12.1 percent) to low-income borrowers and six loans (18.2 percent) to moderate-income borrowers by number. The bank outperformed aggregate lending to low-income borrowers (7.3 percent) and was comparable to aggregate lending to moderate-income borrowers (17.8 percent). The bank originated 11.0 percent by dollar volume to low-income borrowers and 16.7 percent to moderate-income borrowers, also outperforming aggregate lending to low-income (3.2 percent) and moderate-income borrowers (12.1 percent).

Further information regarding the bank’s borrower distribution of HMDA-related lending for 2018 and 2017 is provided below. However, the bank’s volume of HMDA-reportable home

improvement, multi-family, and other purpose HMDA loans was too low to result in meaningful analysis. Additionally, all 12 of the bank's 2018 HMDA reportable home purchase loans were originated to borrowers of unknown income, as the substantial majority were originated for the purpose of investment property. As a result, no additional analysis of these products will be conducted.

Home Purchase Loans

Glenwood State Bank's 2017 HMDA-reportable home purchase lending demonstrates reasonable performance across borrowers of all income levels. In 2017, the bank originated nine home purchase loans within the assessment area, including two loans to low-income borrowers, two loans to moderate-income borrowers, and five loans to borrowers of unknown income. The bank originated 22.2 percent by number and 27.6 percent by dollar volume of its total HMDA-reportable home purchase loans to low-income borrowers. This is higher than the percentage of low-income families in the assessment area (18.8 percent) and aggregate lending of by number (6.6 percent) and dollar volume (3.9 percent) to low-income borrowers. The bank also made 22.2 percent of its HMDA-reportable home purchase loans to moderate-income borrowers by number and 15.6 percent by dollar amount. This is also higher than the percentage of moderate-income families in the area at 15.3 percent, and is higher than aggregate lending by number (19.7 percent) and by dollar volume (13.9 percent) to moderate-income borrowers. Please see Appendix C for further details on the 2017 borrower distribution for HMDA-reportable purchase loans.

As mentioned, HMDA-reportable home purchase loans for 2018 will not be analyzed as all twelve originations were to borrowers of unknown income; therefore, distribution analysis will not be meaningful.

Refinance Loans

Glenwood State Bank's 2018 HMDA-reportable refinance lending demonstrates reasonable performance across borrowers of all income levels. In 2018, the bank originated 17 total HMDA-reportable refinance loans within the assessment area. Of those 17 loans originated, five were to low-income borrowers, one loan was to a moderate-income borrower, ten loans were to middle-income borrowers, and one loan was to an upper-income borrower. In 2018, the bank originated 29.4 percent by number and 21.7 percent by dollar amount of its total HMDA-reportable refinance loans to low-income borrowers. This is comparable to the percentage of low-income families in the assessment area (24.5 percent) and higher than aggregate lending by number (12.7 percent) and dollar volume (7.9 percent) to low-income borrowers. The bank originated 5.9 percent of its total HMDA-reportable refinance loans to moderate-income level borrowers and 4.1 percent by dollar volume. This is lower than the percentage of moderate-income families in the assessment area (19.7 percent) and the aggregate lending by number (22.6 percent) and dollar volume (18.9 percent) to moderate-income borrowers. See the table on page 23 for further details regarding the 2018 borrower distribution of HMDA-reportable refinance loans.

The bank's 2017 HMDA-reportable refinance lending demonstrates reasonable performance across borrowers of all income levels. In 2017, the bank originated 15 refinance loans within the assessment area, including one loan to low-income borrowers, three loans to moderate-income borrowers, four loans to middle-income borrowers, one loan to upper-income borrowers, and six loans to borrowers of unknown income. In 2017, the bank originated 6.7 percent by number and 1.1 percent by dollar amount of its total HMDA-reportable refinance loans to low-income borrowers. This is lower than the percentage of low-income families in the assessment area at 18.8 percent. However, it is comparable to aggregate lending by number (7.1 percent) and dollar volume (2.1 percent) to low-income borrowers. The bank made 20.0 percent of its total HMDA-reportable refinance loans to moderate-income level borrowers and 24.7 percent by dollar volume. This is higher than the percentage of moderate-income families in the assessment area (15.3 percent) and aggregate lending by number (16.8 percent) and dollar volume (10.2 percent) to moderate-income borrowers. Please see Appendix C for further details on the 2017 borrower distribution for HMDA-reportable refinance loans.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	16.4	0	0.0	9.9	24.5
	Moderate	0	0.0	27.0	0	0.0	21.1	19.7
	Middle	0	0.0	21.3	0	0.0	23.0	23.9
	Upper	0	0.0	21.5	0	0.0	32.3	31.8
	Unknown	12	100.0	13.7	1,286	100.0	13.6	0.0
	Total	12	100.0	100.0	1,286	100.0	100.0	100.0
Refinance	Low	5	29.4	12.7	139	21.7	7.9	24.5
	Moderate	1	5.9	22.6	26	4.1	18.9	19.7
	Middle	10	58.8	21.3	366	57.1	21.7	23.9
	Upper	1	5.9	26.8	110	17.1	36.9	31.8
	Unknown	0	0.0	16.6	0	0.0	14.6	0.0
	Total	17	100.0	100.0	642	100.0	100.0	100.0
Home Improvement	Low	1	12.5	11.7	13	5.5	7.5	24.5
	Moderate	1	12.5	24.1	71	29.2	25.5	19.7
	Middle	2	25.0	26.5	28	11.4	27.1	23.9
	Upper	1	12.5	32.1	21	8.6	32.6	31.8
	Unknown	3	37.5	5.6	111	45.3	7.3	0.0
	Total	8	100.0	100.0	245	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	24.5
	Moderate	0	0.0	0.0	0	0.0	0.0	19.7
	Middle	0	0.0	4.0	0	0.0	3.9	23.9
	Upper	0	0.0	8.0	0	0.0	0.4	31.8
	Unknown	1	100.0	88.0	270	100.0	95.7	0.0
	Total	1	100.0	100.0	270	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	20.8	0	0.0	17.5	24.5
	Moderate	0	0.0	23.6	0	0.0	17.7	19.7
	Middle	0	0.0	26.4	0	0.0	33.1	23.9
	Upper	0	0.0	27.8	0	0.0	28.9	31.8
	Unknown	0	0.0	1.4	0	0.0	2.8	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	1	50.0	17.9	14	57.0	11.5	24.5
	Moderate	1	50.0	26.9	11	43.0	23.1	19.7
	Middle	0	0.0	21.8	0	0.0	25.4	23.9
	Upper	0	0.0	33.3	0	0.0	40.0	31.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	2	100.0	100.0	25	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	24.5
	Moderate	0	0.0	4.6	0	0.0	5.3	19.7
	Middle	0	0.0	1.5	0	0.0	0.0	23.9
	Upper	0	0.0	1.5	0	0.0	0.0	31.8
	Unknown	0	0.0	92.3	0	0.0	94.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	7	17.5	14.8	167	6.8	8.9	24.5
	Moderate	3	7.5	24.8	108	4.4	19.6	19.7
	Middle	12	30.0	21.2	395	16.0	21.9	23.9
	Upper	2	5.0	23.4	131	5.3	31.9	31.8
	Unknown	16	40.0	15.9	1,667	67.5	17.7	0.0
	Total	40	100.0	100.0	2,467	100.0	100.0	100.0

Originations & Purchases
2016 FFIEC Census Data

Note: Percentages may not add to 100.0 percent due to rounding

Small Business

Glenwood State Bank’s lending to businesses of different sizes is excellent. In 2018, the bank originated 100.0 percent of its small business loans to businesses with revenues \$1.0 million or less, exceeding the total number of small businesses within the assessment area (91.2 percent). Additionally, the bank originated 92.3 percent of small business loans in amounts of \$100,000 or less. The table below illustrates the bank’s small business lending distribution in 2018.

In 2017 and 2016, the bank originated 100.0 percent of its small business loans to businesses with revenues of \$1.0 million or less, exceeding the total number of small businesses within the assessment area (90.6 percent). Additionally, the bank originated 100.0 percent of its small business loans in amounts of \$100,000 or less. See Appendix C for further details regarding the bank’s 2017 and 2016 small business lending distribution.

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540						
Product Type		Bank & Demographic Comparison				
		2018		2018		Total Businesses %
Revenue	Loan Size	Count Bank	Dollar Bank			
		#	%	\$ 000s	\$ %	
Small Business	\$1 Million or Less	26	100.0	1,052	100.0	91.2
		0	0.0	0	0.0	8.8
		26	100.0	1,052	100.0	100.0
	\$100,000 or Less	24	92.3	662	62.9	
		2	7.7	390	37.1	
		0	0.0	0	0.0	
		26	100.0	1,052	100.0	
	\$100,000 or Less	24	92.3	662	62.9	
		2	7.7	390	37.1	
		0	0.0	0	0.0	
		26	100.0	1,052	100.0	
		26	100.0	1,052	100.0	

Originations & Purchases
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Small Farm

Glenwood State Bank’s lending to farms of different sizes is reasonable. In 2018, the bank originated 93.3 percent of its small farms loans to farms with revenues of \$1.0 million or less, which is comparable to the total number small farms in the assessment area (98.5 percent). The bank also made a majority (78.6 percent) of its small farm loans in loans amounts of \$100,000 or less. The table on page 25 illustrates the bank’s small farm lending distribution in 2018.

In 2017 and 2016, the bank originated 100.0 percent of its small farm loans to farms with revenues of \$1.0 million or less, exceeding the total number of small farms within the assessment area (98.8 percent). The bank originated the majority of its loans in 2017 (66.7 percent) and 2016 (75.0 percent) in loan amounts of \$100,000 or less. See Appendix C for further details regarding the bank’s 2017 and 2016 small farm lending distribution.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2018 Omaha-Council Bluffs, NE-IA MSA 36540							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Farms	
Revenue	Loan Size	Count	Dollar				
		#	%	\$ 000s	\$ %	%	
Small Farm	\$1 Million or Less	14	93.3	1,428	97.7	98.5	
		Over \$1 Million or Unknown	1	6.7	33	2.3	1.5
		Total	15	100.0	1,461	100.0	100.0
	\$100,000 or Less	12	80.0	398	27.2		
		\$100,001 - \$250,000	0	0.0	0		0.0
		\$250,001 - \$500,000	3	20.0	1,063		72.8
		Total	15	100.0	1,461		100.0
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	11	78.6	365	25.6	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$500,000	3	21.4	1,063	74.4	
		Total	14	100.0	1,428	100.0	
	Originations & Purchases						
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

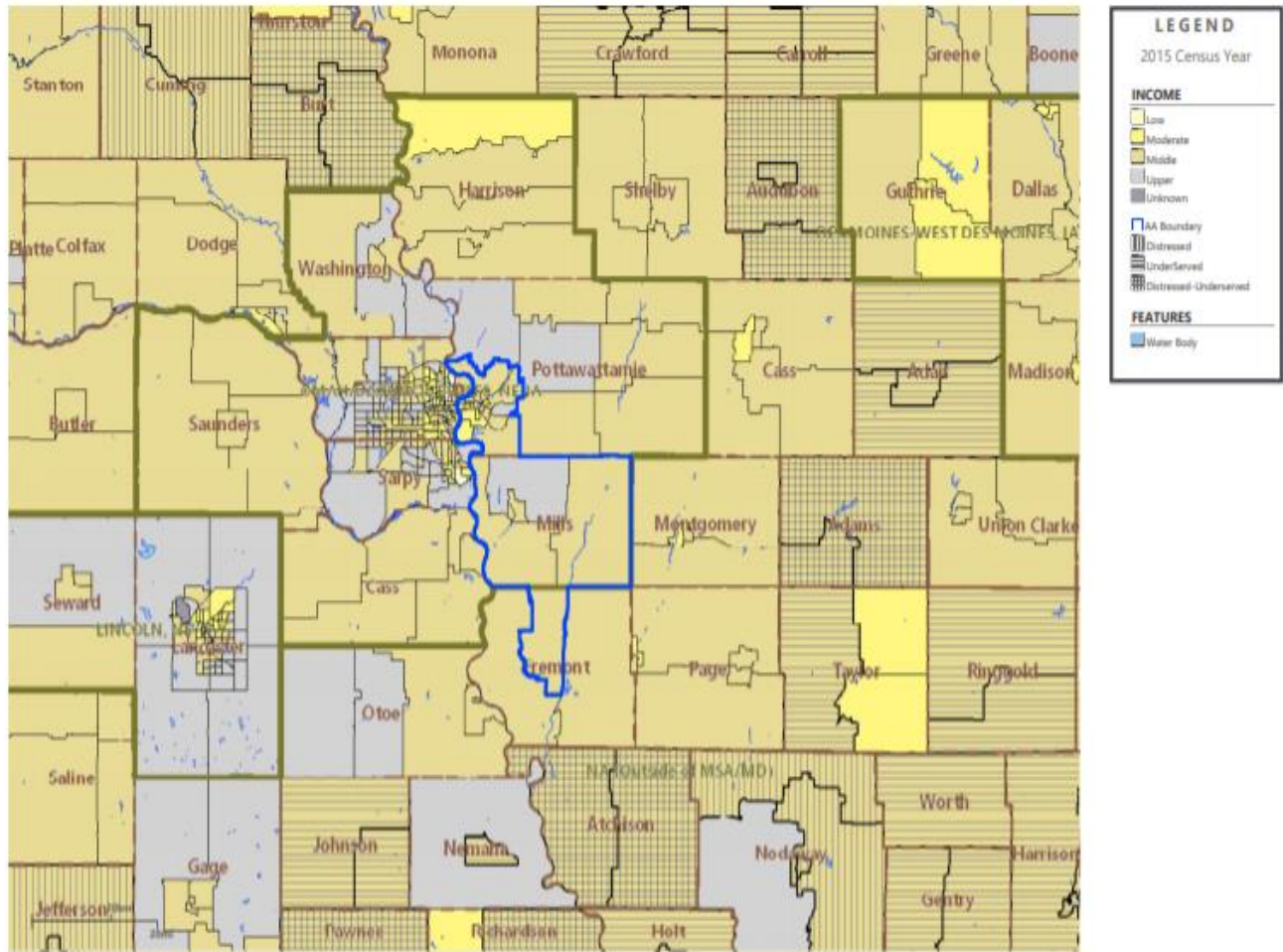
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area

Glenwood State Bank 566243

Omaha-Council Bluffs, NE-IA MSA 36540



APPENDIX B - Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	The bank's Home Mortgage Disclosure Act (HMDA)-reportable loans originated from January 1, 2017 – December 31, 2018, small business loans and small farm loans originated from January 1, 2016 – December 31, 2018.		
FINANCIAL INSTITUTION Glenwood State Bank			PRODUCTS REVIEWED HMDA-reportable Small Business Small Farm
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Omaha-Council Bluffs, NE-IA MSA #36540	Full scope	None	N/A

APPENDIX C – Lending Tables

Geographic Distribution of HMDA Reportable Loans									
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540									
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units	
		Count		2017					
		Bank #	Agg %	Dollar		Agg \$ %			
				\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	2.4	0	0.0	1.6	2.1	
	Moderate	0	0.0	36.3	0	0.0	26.3	32.4	
	Middle	9	100.0	48.9	617	100.0	52.8	54.5	
	Upper	0	0.0	12.3	0	0.0	19.3	11.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0	
	Total	9	100.0	100.0	617	100.0	100.0	100.0	
Refinance	Low	0	0.0	3.2	0	0.0	1.6	2.1	
	Moderate	0	0.0	31.5	0	0.0	21.0	32.4	
	Middle	14	93.3	51.8	669	89.2	57.8	54.5	
	Upper	1	6.7	13.5	81	10.8	19.6	11.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0	
	Total	15	100.0	100.0	750	100.0	100.0	100.0	
Home Improvement	Low	0	0.0	2.9	0	0.0	1.5	2.1	
	Moderate	0	0.0	33.0	0	0.0	22.6	32.4	
	Middle	7	87.5	54.6	200	97.1	59.9	54.5	
	Upper	1	12.5	9.5	6	2.9	16.1	11.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0	
	Total	8	100.0	100.0	206	100.0	100.0	100.0	
Multi-Family	Low	0	0.0	31.6	0	0.0	22.1	Multi-Family 14.1	
	Moderate	0	0.0	31.6	0	0.0	69.4		34.8
	Middle	1	100.0	36.8	150	100.0	8.5		46.9
	Upper	0	0.0	0.0	0	0.0	0.0		4.2
	Unknown	0	0.0	0.0	0	0.0	0.0		0.0
	Total	1	100.0	100.0	150	100.0	100.0		100.0
HMDA Totals	Low	0	0.0	2.9	0	0.0	3.6	2.1	
	Moderate	0	0.0	34.4	0	0.0	28.8	32.4	
	Middle	31	93.9	50.3	1,636	95.0	50.2	54.5	
	Upper	2	6.1	12.4	87	5.0	17.4	11.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0	
	Total	33	100.0	100.0	1,723	100.0	100.0	100.0	
Originations & Purchases 2017 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017			Dollar			
		Count		Agg %	Bank		Agg \$ %	
#	%	\$(000s)	\$ %					
Home Purchase	Low	2	22.2	6.6	170	27.6	3.9	18.8
	Moderate	2	22.2	19.7	96	15.6	13.9	15.3
	Middle	0	0.0	19.1	0	0.0	19.3	23.9
	Upper	0	0.0	31.6	0	0.0	42.5	42.0
	Unknown	5	55.6	23.1	351	56.9	20.3	0.0
	Total	9	100.0	100.0	617	100.0	100.0	100.0
Refinance	Low	1	6.7	7.1	8	1.1	2.1	18.8
	Moderate	3	20.0	16.8	185	24.7	10.2	15.3
	Middle	4	26.7	20.3	138	18.4	13.0	23.9
	Upper	1	6.7	32.5	113	15.1	49.0	42.0
	Unknown	6	40.0	23.4	306	40.8	25.8	0.0
	Total	15	100.0	100.0	750	100.0	100.0	100.0
Home Improvement	Low	1	12.5	14.3	12	5.8	4.8	18.8
	Moderate	1	12.5	9.5	6	2.9	4.7	15.3
	Middle	3	37.5	21.4	40	19.4	6.5	23.9
	Upper	1	12.5	50.0	53	25.7	80.5	42.0
	Unknown	2	25.0	4.8	95	46.1	3.5	0.0
	Total	8	100.0	100.0	206	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.8
	Moderate	0	0.0	0.0	0	0.0	0.0	15.3
	Middle	0	0.0	0.0	0	0.0	0.0	23.9
	Upper	0	0.0	0.0	0	0.0	0.0	42.0
	Unknown	1	100.0	100.0	150	100.0	100.0	0.0
	Total	1	100.0	100.0	150	100.0	100.0	100.0
HMDA Totals	Low	4	12.1	7.3	190	11.0	3.2	18.8
	Moderate	6	18.2	17.8	287	16.7	12.1	15.3
	Middle	7	21.2	19.6	178	10.3	16.3	23.9
	Upper	2	6.1	33.2	166	9.6	45.5	42.0
	Unknown	14	42.4	22.1	902	52.4	22.9	0.0
	Total	33	100.0	100.0	1,723	100.0	100.0	100.0
Originations & Purchases 2017 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans						
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2017 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	
Small Business	Low	0	0.0	0	0.0	11.0
	Moderate	1	14.3	32	16.0	25.8
	Middle	6	85.7	168	84.0	54.2
	Upper	0	0.0	0	0.0	8.9
	Unknown	0	0.0	0	0.0	0.0
	Total	7	100.0	200	100.0	100.0

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Geographic Distribution of Small Farm Loans						
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2017 Dollar Bank		Total Farms
		#	%	\$ 000s	\$ %	
Small Farm	Low	0	0.0	0	0.0	0.4
	Moderate	0	0.0	0	0.0	4.7
	Middle	8	88.9	941	99.2	78.8
	Upper	1	11.1	7	0.7	16.1
	Unknown	0	0.0	0	0.0	0.0
	Total	9	100.0	949	100.0	100.0

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540							
Product Type		Bank & Demographic Comparison					
		2017		2017		Total Businesses %	
Revenue		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	7	100.0	200	100.0	90.6
		Over \$1 Million or Unknown	0	0.0	0	0.0	9.4
		Total	7	100.0	200	100.0	100.0
	Loan Size	\$100,000 or Less	7	100.0	200	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	7	100.0	200	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	7	100.0	200	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	7	100.0	200	100.0	

Originations & Purchases
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2017 Omaha-Council Bluffs, NE-IA MSA 36540							
Product Type		Bank & Demographic Comparison					
		2017		2017		Total Farms %	
Revenue		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %		
Small Farm	Revenue	\$1 Million or Less	9	100.0	949	100.0	98.8
		Over \$1 Million or Unknown	0	0.0	0	0.0	1.2
		Total	9	100.0	949	100.0	100.0
	Loan Size	\$100,000 or Less	6	66.7	229	24.1	
		\$100,001 - \$250,000	2	22.2	400	42.1	
		\$250,001 - \$500,000	1	11.1	320	33.7	
		Total	9	100.0	949	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	6	66.7	229	24.1	
		\$100,001 - \$250,000	2	22.2	400	42.1	
		\$250,001 - \$500,000	1	11.1	320	33.7	
		Total	9	100.0	949	100.0	

Originations & Purchases
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Assessment Area/Group: 2016 Omaha-Council Bluffs, NE-IA MSA 36540

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	33.3%	50	28.1%	2	50.0%	278	83.6%
Low/Moderate Total	1	33.3%	50	28.1%	2	50.0%	278	83.6%
Middle	2	66.7%	128	71.9%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	2	50.0%	54	16.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	178	100.0%	4	100.0%	332	100.0%
	By Revenue							
Total \$1 Million or Less	3	100.0%	178	100.0%	4	100.0%	332	100.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	178	100.0%	4	100.0%	332	100.0%
	By Loan Size							
\$100,000 or less	3	100.0%	178	100.0%	3	75.0%	70	21.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	1	25.0%	262	79.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	178	100.0%	4	100.0%	332	100.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	3	100.0%	178	100.0%	3	75.0%	70	21.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	1	25.0%	262	79.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	178	100.0%	4	100.0%	332	100.0%

*Information based on 2010 ACS data

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

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.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.²

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit

² Source: FFIEC press release dated October 19, 2011.

Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or

- 3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
 - a. Rates of poverty, unemployment or population loss; or
 - b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement not secured.

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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to

their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;
- 3) Middle-income – an 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 census tract; and
 - 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).