

PUBLIC DISCLOSURE

January 13, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank
Certificate Number: 16473

128 South Broadway
Sterling, Kansas 67579

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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 RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

First Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the small farm, small business, and home mortgage loans reviewed were located in the assessment area.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects a reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

First Bank is a full-service community bank headquartered in Sterling, Kansas. Coronado, Inc., a local one-bank holding company, owns the institution and has no other lending affiliates. The bank received a "Satisfactory" rating at its FDIC performance evaluation dated December 9, 2013, using Interagency Small Institution Examination Procedures.

Operations

First Bank operates in a largely rural area with three full-service offices in Rice County and a loan production office in neighboring Reno County. The full service offices are in the towns of Sterling, Lyons, and Chase, and the loan production office in the city of Hutchinson. The bank has not opened or closed any offices, and there has been no merger or acquisition activity, since the prior evaluation.

The institution offers traditional loan products for agricultural, commercial, home mortgage, and consumer loan purposes. Although agricultural loans continue to be a primary business focus, the bank also does a notable volume of commercial and home mortgage lending. In addition to loans

held within its portfolio, the bank also offers long-term, fixed-rate home loans through the secondary market. The bank originated and sold over \$1 million in such loans in the past two years.

The bank offers a variety of deposit services, including checking, savings, and money market deposit accounts, as well as certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, and two bank-owned automated teller machines (ATMs).

Ability and Capacity

The bank’s total assets were \$139.2 million as of September 30, 2019, and included total loans of \$81.5 million and total securities of \$44.1 million. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 09/30/2019		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	-	0.0
Secured by Farmland	16,217	19.9
Secured by 1-4 Family Residential Properties	17,864	21.9
Secured by Multi-family (5 or more) Residential Properties	403	0.5
Secured by Non-farm Non-Residential Properties	18,034	22.1
Total Real Estate Loans	52,518	64.4
Commercial and Industrial Loans	5,323	6.5
Agricultural Production and Other Loans to Farmers	12,934	15.9
Consumer	1,081	1.3
Other Loans	-	0.0
Lease Financing Receivables (net of unearned income)	9,663	11.9
Less: Unearned Income	-	0.0
Total Loans	81,519	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

First Bank continues to designate all of Rice and Reno counties as its sole assessment area. This area is categorized as nonmetropolitan and consists largely of rural countryside and farmland. The highest population concentration in this assessment area is in the city of Hutchinson in Reno County. The following section shows demographic and economic information from the 2015 American Community Survey (ACS) Census and 2018 D&B data for this assessment area.

Economic and Demographic Data

The assessment area consists of 20 census tracts, of which 13 are middle income, 4 are upper income, and 3 are moderate income. The middle-income tracts encompass all of Rice County, where all three full-service offices are located, and most of Reno County. The upper-income tracts

are relatively small and concentrated around the northern Hutchinson area, while the moderate-income tracts are even smaller and are concentrated near Hutchinson’s core and southern vicinity. The following table shows select demographic characteristics for the entire assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	20	0.0	20.0	65.0	15.0	0.0
Population by Geography	74,072	0.0	23.9	54.9	21.2	0.0
Housing Units by Geography	32,822	0.0	23.1	56.8	20.1	0.0
Owner-Occupied Units by Geography	19,766	0.0	19.2	55.4	25.4	0.0
Occupied Rental Units by Geography	9,212	0.0	31.0	55.2	13.8	0.0
Businesses by Geography	3,783	0.0	16.3	66.1	17.6	0.0
Farms by Geography	445	0.0	4.5	84.5	11.0	0.0
Family Distribution by Income Level	18,935	17.0	20.2	22.7	40.1	0.0
Median Family Income Non-MSAs - KS		\$57,229	Median Housing Value			\$91,164
			Median Gross Rent			\$647
			Families Below Poverty Level			8.7%

Source: 2015 ACS Census and 2018 D&B Data
 (*) The NA category consists of geographies that have not been assigned an income classification.

The Federal Financial Institutions Examination Council (FFIEC) updates median family income figures annually. The updated median family incomes for nonmetropolitan areas of Kansas and the corresponding low-, moderate-, middle-, and upper-income thresholds are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Median Family Income for Nonmetropolitan Areas of Kansas				
2018 (\$61,100)	<\$30,550	\$30,550 to <\$48,880	\$48,880 to <\$73,320	≥\$73,320
2019 (\$62,400)	<\$31,200	\$31,200 to <\$49,920	\$49,920 to <\$74,880	≥\$74,880

Source FFIEC

D&B data for 2018 indicates the primary industries of this assessment area include the services industry, which comprises 36.6 percent of all area businesses (farm and non-farm), followed by retail trade at 13.9 percent, and farming and agricultural operations at 10.5 percent. This data also indicates that a notable number of these operations are relatively small, with 83.5 percent having nine or fewer employees, 75.8 percent generating \$1 million or less in annual revenues, and 82.1 percent operating from a single location.

November 2019 unemployment rates published by the Kansas Department of Labor, while not specifically detailed herein, suggest the area economy is fairly healthy, with unemployment rates

similar to state-wide levels and well below those noted in the previous evaluation in both Rice and Reno counties.

Competition

Competition for financial services is notable. According to FDIC Deposit Market Share data as of June 30, 2019, there are a total of 15 banks operating 34 offices in this 2-county assessment area. Of these institutions, First Bank has the third largest deposit market share, at 8.8 percent. The strongest banking competition in this assessment area is in Reno County, where the city of Hutchinson is located. In Rice County, where First Bank is headquartered, there are only 4 banks operating a total of 8 offices, and First Bank has the largest deposit market share, at 43.5 percent.

Community Contacts

Examiners may contact third parties active in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information not only helps in identifying credit and community development needs and opportunities, but also assists in determining whether local financial institutions are responsive to those needs.

A recent discussion with an area community development representative indicated the local economy is stable. The area has been able to maintain a moderate level of growth in recent years, and the housing market is fairly active, with an ongoing flow of home sales. The contact indicated that the primary credit needs include business, farm, and home loans. The contact also mentioned that area financial institutions are generally active in community initiatives and responsive to identified needs.

Credit Needs

Examiners identify the credit needs of an assessment area based on information from the community contact, bank management, and demographic and economic data. Accordingly, examiners determined small farm, small business, and home mortgage loans are all primary credit needs in this area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 9, 2013, to the current evaluation dated January 13, 2020. Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance.

Activities Reviewed

For the above referenced procedures, examiners generally review home mortgage, small business, and small farm loans if each of these categories is a major product line of the institution. Discussions with bank management revealed that while agricultural lending continues to be a primary business focus, the bank is also a very active commercial and home mortgage lender. Based on this information, along with the previously detailed loan portfolio composition, examiners chose to review all three loan categories, each with fairly equal weight in determining overall

conclusions.

For all three loan categories reviewed, examiners focused on outstanding loans originated in a recent 1-year period (from December 20, 2018 to December 19, 2019). Bank management confirmed that the activity in this 1-year period is generally representative of the institution's overall lending patterns since the previous evaluation. Bank data for this year of activity showed a total of 35 small farm loans totaling \$4.6 million, 43 small business loans totaling \$6.4 million, and 65 home mortgage loans totaling \$5 million. All of these loans were included in the Assessment Area Concentration and Geographic Distribution analyses. Examiners then focused on those loans that were within the assessment area, selecting a random sample if necessary, to conduct the Borrower Profile analyses. The Borrower Profile analyses included 31 small farm loans totaling \$4.4 million, 34 small business loans totaling \$4 million, and 36 home mortgage loans totaling \$2.3 million.

The Geographic Distribution and Borrower Profile analyses both include prescribed demographic data as a standard for comparison. The sources for this prescribed data are 2018 D&B data for the small business and farm loans, and 2015 ACS data for the home mortgage loans. Additionally, although both the number and dollar volume of loans are analyzed, examiners emphasize performance by number of loans because it is a better indicator of the number of individuals and farms/businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Bank demonstrates reasonable performance under the Lending Test. This conclusion is supported by reasonable performance in all evaluated rating criteria.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable. The bank's performance was evaluated based on the average quarterly loan-to-deposit ratios since the previous evaluation (24 quarters) in relation to the bank's capacity and lending opportunities available within the assessment area. The bank's average ratio is reasonably comparable to other similarly situated banks, which were selected based on asset size, geographic location, and lending focus. See the following table for details.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 09/30/2019 (\$000s)	Average Net LTD Ratio (%)
First Bank, Sterling, Kansas	139,229	68.6
Community Bank of the Midwest, Great Bend, Kansas	177,209	66.3
Citizens State Bank and Trust Co., Ellsworth, Kansas	191,451	69.4
Lyons Federal Bank, Lyons, Kansas	117,353	91.1

Source: Reports of Condition and Income 12/31/13 through 09/30/19

Assessment Area Concentration

A majority of reviewed loans, both by number and dollar volume, are to borrowers within the assessment area. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	31	88.6	4	11.4	35	4,399	95.9	190	4.1	4,589
Small Business	34	79.1	9	20.9	43	3,998	62.2	2,430	37.8	6,428
Home Mortgage	51	78.5	14	21.5	65	3,359	67.7	1,599	32.3	4,958

Source: Evaluation Period: 12/20/2018 - 12/19/2019 Bank Data

Geographic Distribution

The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. Reasonable performance for all three reviewed loan categories supports this conclusion.

In all three loan categories analyzed below, the comparison of the bank’s level of lending (percent of loans) to the comparative demographic data for each tract income category shows a consistently higher loan penetration in the middle-income tracts than in the moderate- and upper-income tracts. This result is reasonable since the middle-income tracts encompass the bank’s headquarters, branches, and primary deposit base (Rice County). Conversely all of the moderate- and upper-income tracts are in the more competitive Hutchinson market in Reno County, where the bank only has a loan production office. As necessary, examiners provided supplementary analyses in the following sections.

Small Farm Loans

The geographic distribution of small farm loans is reasonable since the percent of loans in each tract income category is reasonably proportionate to the percent of assessment area farms in each category. The results of this analysis are shown in the following table.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	4.5	0	0.0	0	0.0
Middle	84.5	29	93.5	4,380	99.6
Upper	11.0	2	6.5	19	0.4
Totals	100.0	31	100.0	4,399	100.0

Source: 2018 D&B Data; 12/20/2018 - 12/19/2019 Bank Data.

Small Business Loans

The geographic distribution of small business loans is reasonable. This analysis shows the previously explained higher penetration in the middle-income tracts and lower penetrations in the moderate- and upper-income tracts.

Examiners conducted an additional targeted analysis of the reviewed loans located in Reno County (11 total), which is where the moderate- and upper-income tracts are located. The analysis revealed that the bank's lending is in-line with Reno County demographics, with 18 percent of the bank's loans located in the moderate-income tracts compared to 19 percent of Reno County businesses located in those same tracts. This proportionate relationship confirms the bank's reasonable geographic distribution performance for small business loans.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	16.3	2	5.9	140	3.5
Middle	66.1	28	82.4	3,635	90.9
Upper	17.6	4	11.8	223	5.6
Totals	100.0	34	100.0	3,998	100.0

Source: 2018 D&B Data; 12/20/2018 - 12/19/2019 Bank Data

Home Mortgage Loans

The geographic distribution of home mortgage loans is reasonable. This analysis also shows the previously explained higher penetration in the middle-income tracts than that noted in the moderate- and upper-income tracts. Examiners again conducted a targeted analysis of the reviewed loans located in Reno County (12 total), which revealed a good penetration in the moderate-income category, with 33 percent of loans in the moderate-income tracts compared to 23 percent of owner-occupied housing units in those tracts. The bank's home mortgage lending performance in Reno County supports the overall assessment of reasonable performance.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	19.2	4	7.8	208	6.2
Middle	55.4	44	86.3	2,822	84.0
Upper	25.4	3	5.9	329	9.8
Total	100.0	51	100.0	3,359	100.0

Source: 2015 ACS Census, 12/20/2018 - 12/19/2019 Bank Data

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among farms and businesses of different sizes and individuals of different income levels. Reasonable performance for all three reviewed loan categories supports this conclusion.

Small Farm Loans

The borrower distribution of small farm loans is reasonable. The bank's level of lending to farms with gross annual revenues of \$1 million or less is somewhat low, but still reasonably proportionate to the percentage of farms in this revenue category. This conclusion is further supported by 2017 Agricultural Census data that indicates over half of the area's farms did not borrow; thus, a broadly proportionate result in comparing the bank's lending patterns to the standard D&B data is considered reasonable. This analysis appears in the following table.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.1	26	83.9	3,238	73.6
>1,000,000	2.0	5	16.1	1,161	26.4
Revenue Not Available	0.9	0	0.0	0	0.0
Total	100.0	31	100.0	4,399	100.0

Source: 2018 D&B Data, 12/20/2018 - 12/19/2019 Bank Data.

Small Business Loans

The borrower distribution of small business loans is reasonable since the percentage of loans to operators in the smaller revenue category is proportionate to the percentage of businesses in that revenue category. See the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	73.5	24	70.6	1,783	44.6
>1,000,000	8.1	10	29.4	2,215	55.4
Revenue Not Available	18.4	0	0.0	0	0.0
Total	100.0	34	100.0	3,998	100.0

Source: 2018 D&B Data, 12/20/2018 - 12/19/2019 Bank Data.

Home Mortgage Loans

The borrower distribution of home mortgage loans is reasonable since the percentages of loans in the low- and moderate-income categories are proportionate to the percentage of families in each of those income categories. See the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	17.0	7	19.4	237	10.5
Moderate	20.2	7	19.4	334	14.8
Middle	22.7	11	30.6	750	33.1
Upper	40.1	11	30.6	942	41.6
Total	100.0	36	100.0	2,263	100.0

Source: 2015 ACS Census; 12/20/2018 - 12/19/2019 Bank Data

Response to Complaints

The bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in

information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.