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# LINCOLN STATE BANK

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## Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Reserve Board (Board) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Board also takes this record into account when deciding on certain applications submitted by us.

**Your involvement is encouraged.**

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Federal Reserve Bank of Kansas City; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Federal Reserve System publishes a list of the banks that are scheduled for CRA examination by the Reserve Bank in that quarter. This list is available from the FDIC Regional Director, Division of Depositor and Consumer Protection, Federal Reserve Bank of 1100 Walnut Street, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to Jeff Stein, Senior Vice President, 302 South Main, Hankinson, North Dakota, 58041 and, Federal Reserve Bank of Kansas City, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106. Your letter, together with any response by us, will be considered by the Federal Reserve System in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Reserve Bank. You may also request from the Reserve Bank an announcement of our applications covered by the CRA filed with the Reserve Bank. We are an affiliate of Lincoln Holding Company, a bank holding company. You may request the Officer in Charge of supervision, Federal Reserve Bank of Minneapolis, 90 Hennepin Ave, Minneapolis, MN 55480-0291 an announcement of applications covered by the CRA filed by bank holding companies.

1/7/2026

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400 Ash Avenue  
PO Box 159  
Wyndmere, ND 58081  
701-439-2243

302 SOUTH MAIN  
PO Box 250  
HANKINSON, ND 58041  
701-242-7292  
1-800-541-0809  
[www.lsbhank.com](http://www.lsbhank.com)

39 Wiley Avenue  
PO Box 190  
Lidgerwood, ND 58053  
701-538-4116



# **LINCOLN STATE BANK**

## **2025 Community Reinvestment Act Statement**

The Lincoln State Bank is located at 302 South Main, Hankinson, ND 58041-0250 adopts and publishes this Community Reinvestment Act Statement in compliance with the Community Reinvestment Act of 1977.

### **LOCAL COMMUNITY**

The bank seeks to meet the credit needs of individuals and firms living and doing business within its community and delineated by the attached map. Our assessment area in Richland County and includes Census Tracts 9707, 9708, 9709, 9710, 9711 and 9714. Hankinson, the main banking location, is located in Census Tract 9714, the branch banks are Lidgerwood, in Census Tract 9714 and Wyndmere which is located in Census Tract 9708.

### **CREDIT**

The bank seeks to meet the credit needs of the individuals and firms living and doing business within its targeted area by making the following types of loans available to qualified borrowers on the basis of demonstrated proper purpose and borrower qualifications.

- Agricultural Loans
- Commercial Loans
- Construction Loans
- Home Improvement Loans
- Community Development Loans
- Consumer Loans, including, but limited to Vehicle Loans
  - Debt Consolidation/Personal Loans
  - Loans Expressline

### **COMMUNITY CREDIT NEEDS**

The bank currently participates in and will continue to participate in a broad range of community-based programs designed to meet the credit needs of its local communities through credit services, direct personal involvement of its employees, and cooperation with community officials and agencies.

The bank offers online banking, credit cards and debit cards for the convenience of their customers.

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## **DEPOSIT PRODUCTS**

### **FREE CHECKING**

No minimum balance requirement and no service charge

### **INTEREST CHECKING**

\$300.00 minimum balance to open the account

\$15.00 monthly service charge if the balance falls below \$300.00 any day of the statement cycle.

### **50 PLUS CHECKING**

No monthly service charge No minimum balance

### **STATEMENT SAVINGS ACCOUNTS**

\$100.00 minimum balance to avoid a service charge

\$3.00 service charge per quarter if minimum balance not maintained

No minimum for students 18 and under

Limited to six preauthorized withdrawals per calendar month

### **MONEY MARKET ACCOUNT**

Tiered interest rate based on balance

\$2,500.00 minimum balance to avoid a service charge

\$10.00 service charge if minimum balance is not maintained. Limited to six preauthorized withdrawals per calendar month

### **BUSINESS ACCOUNTS**

- Small Business Checking
- Interest Business Checking
- ABC Checking
- Club Checking - for non-profit organizations

### **CERTIFICATE OF DEPOSITS**

\$500 Minimum deposit to open account

91 Day

182 Day

12 Month

24 Month

36 Month

60 Month

Occasional Specials

### **BANKING HOURS**

#### **HANKINSON**

302 Main Avenue South

Lobby:	Monday – Friday	9:00 A.M. -4:00 P.M.
	Saturday	9:00 A.M. -12:00 P.M.
Drive Up:	Monday – Friday	9:00 A.M. -4:00 P.M.
	Saturday	9:00 A.M. -12:00 P.M.

#### **LIDGERWOOD**

39 Wiley Avenue

Lobby:	Monday – Friday	9:00 A.M. -4:00 P.M.
Drive Up:	Monday – Friday	9:00 A.M. -4:00 P.M.

#### **WYNDMERE**

400 Ash Avenue

Lobby:	Monday – Friday	9:00 A.M. -12:00 P.M. & 1:00 P.M. -4:00 P.M.
Drive Up:	Monday – Friday	9:00 A.M. -12:00 P.M. & 1:00 P.M. -4:00 P.M.

### **LOAN TO DEPOSIT RATIOS**

**03/31/2025 56.44%**  
**06/30/2025 55.49%**  
**09/30/2025 65.45%**

**03/31/2024 59.49%**  
**06/30/2024 65.60%**  
**09/30/2024 63.90%**  
**12/31/2024 61.32%**

**03/31/2023 49.26%**  
**06/30/2023 53.67%**  
**09/30/2023 59.64%**  
**12/31/2023 61.71%**



## **ACCOUNT FEES**

Money Order Fees	\$3.00
Account Research	\$25.00 per hour
Stop Payments	\$25.00 all items
Wire Transfers	\$10.00 Incoming \$15.00 Outgoing Domestic \$50.00 Outgoing International

Dormant Account Fees	\$5.00 per year
Cash withdrawal at ATM	Varies by terminal
Overdraft Fee	\$25.00 per item
Insufficient Funds Fee	\$25.00 per item
Continuous Overdraft Fee	\$25.00 every ten business days
Returned Check Charge	\$25.00 per item
Internet Banking	no charge
Mobile Banking	no charge
Debit card replacement fee	\$25.00
Auto transfer	\$3.00 per transfer

## **LOAN FEES**

Consumer Late Fee	15.00% of payment or \$15.00 whichever is less (10-day grace period)
Commercial/Agricultural Late Fee	Varies
Minimum Loan Fee	\$100.00
Loan Extension Fee	\$50.00
Commercial/Agricultural Loans	\$250.00 minimum origination fee

**2020 CENSUS - CENSUS TRACT REFERENCE MAP: Richland County, ND**

**LEGEND**

**WATER**

**WETLANDS**

**Other**

**Scale**

**North Arrow**

**9707**

**9708**

**9709**

**9710**

**9714**

**9711**

**Richland County, ND**

**2020 Census**

**Tract 9709**

**Scale**

**North Arrow**

**Richland County, ND**

**2020 Census**

**Tract 9709**

HAYL, Laidlaw County (1771)  
 (1771-1772) *County of Laidlaw*  
 1771-1772

$$I = \{2^k : k \in \mathbb{N}\} \text{ and } J = \{2^k : k \in \mathbb{N}\}$$


# **PUBLIC DISCLOSURE**

May 2, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Lincoln State Bank**  
Certificate Number: 8390

302 Main Avenue South  
Hankinson, North Dakota 58041

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.

The following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of small farm and small business loans were originated within the bank's assessment area.
- The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Lincoln State Bank is a full-service financial institution headquartered in Hankinson, North Dakota. The bank is controlled by Lincoln Holding Company, a one-bank holding company also located in Hankinson. The institution operates three full-service offices in Hankinson, Wyndmere, and Lidgerwood, North Dakota. No branches have been opened or closed, and no merger or acquisition activities have occurred since the prior evaluation. The institution received a Satisfactory rating at its FDIC Community Reinvestment Act evaluation, dated April 18, 2016, based on Interagency Small Institution Examination Procedures.

Lincoln State Bank offers agricultural, commercial, home mortgage, and consumer loans, primarily focusing on agricultural lending. Additionally, in 2020 and 2021 the bank originated 276 Small Business Administration (SBA) Payment Protection Program loans totaling \$6.9 million to assist business operators struggling with the impact of the Coronavirus pandemic. The institution provides a variety of traditional deposit services including checking, savings, and certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, proprietary cash-dispensing ATMs, and drive-up banking.

Consolidated Reports of Condition and Income data as of December 31, 2021, reported total assets of \$99.5 million, total deposits of \$87.6 million, and net loans of \$52.8 million. Since the previous evaluation, which used reported data from December 31, 2015, deposits have increased by 42.9 percent, while net loans have increased by 31.4 percent. Management attributed the level of deposit growth in part to public funds and an influx of funds related to Coronavirus pandemic stimulus payments. Management attributed the increase in loans to organic growth stemming from a strong local economy throughout the review period. The following table reflects the loan portfolio as of December 31, 2021.

<b>Loan Portfolio Distribution as of 12/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	1,290	2.4
Secured by Farmland	12,501	23.7
Secured by 1-4 Family Residential Properties	2,384	4.5
Secured by Multifamily (5 or more) Residential Properties	0	0
Secured by Nonfarm Nonresidential Properties	4,760	9.0
<b>Total Real Estate Loans</b>	<b>20,935</b>	<b>39.6</b>
Commercial and Industrial Loans	18,863	35.8
Agricultural Production and Other Loans to Farmers	5,650	10.7
Consumer Loans	4,164	7.9
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	3	0
Lease Financing Receivable (net of unearned income)	3,149	6.0
Less: Unearned Income	0	0
<b>Total Loans</b>	<b>52,764</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Other than the bank's legal lending limit, 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**

The CRA requires financial institutions to define one or more assessment areas within which its CRA performance will be evaluated. Lincoln State Bank has designated Richland County, which is located in a nonmetropolitan area in southeast North Dakota, as its assessment area. Richland County consists of five middle-income and one upper-income census tracts.

### **Economic and Demographic Data**

The assessment area is rural and dependent on agriculture and agricultural-related businesses. Bank management and one contact from the community, as described later, noted that the area's farm economy has been very good with favorable yields and crop prices in recent years. According to 2021 D&B data, service industries represent the largest portion of operations within the assessment area at 28.7 percent followed by agricultural at 17.3 and non-classifiable establishments at 13.3 percent.

Additionally, 68.4 percent of assessment area businesses and farms have four or fewer employees, and 89.6 percent operate from a single location. Bank management stated that the level of unemployment has been minimal in the immediate area throughout the review period. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	83.3	16.7	0.0
Population by Geography	16,317	0.0	0.0	88.1	11.9	0.0
Housing Units by Geography	7,619	0.0	0.0	88.5	11.5	0.0
Owner-Occupied Units by Geography	4,722	0.0	0.0	85.7	14.3	0.0
Occupied Rental Units by Geography	1,899	0.0	0.0	96.5	3.5	0.0
Vacant Units by Geography	998	0.0	0.0	86.2	13.8	0.0
Businesses by Geography	1,726	0.0	0.0	85.3	14.7	0.0
Farms by Geography	362	0.0	0.0	83.7	16.3	0.0
Family Distribution by Income Level	4,171	17.8	18.6	24.6	39.1	0.0
Household Distribution by Income Level	6,621	23.8	17.8	19.1	39.3	0.0
Median Family Income Non-MSAs - ND		\$72,414	Median Housing Value			\$109,259
			Median Gross Rent			\$527
			Families Below Poverty Level			6.2%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

### **Competition**

The assessment area is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2021, nine financial institutions operated 12 full-service branches within the bank's assessment area. Of these institutions, Lincoln State Bank ranked third with approximately 14 percent of the deposit market share. Management indicated that the institution's primary competitors include First Community Credit Union in Hankinson; Bank of the West in Lidgerwood; and various financial institutions located in Wahpeton, North Dakota. AgCounty Farm Credit Services also maintains an office in Wahpeton. Additionally, farm implement, farm supply, and auto dealerships are competitors as they also offer financing.

### **Community Contact**

Examiners conducted an interview with a representative of an agricultural-related organization within the assessment area. The contact indicated that the primary credit need in the assessment area is agricultural and agriculturally-related loans. The contact further stated that while the area is dependent on agriculture and agriculturally-related businesses, the area also has other types of businesses available to provide jobs. The contact believes that financial institutions have been responsive to the credit needs in the assessment area.



### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners concurred that agricultural loans represent the primary credit need in the assessment area. However, commercial, home mortgage, and consumer loans are also in demand.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated April 18, 2016, to the current evaluation dated May 2, 2022. Examiners used Interagency Small Institution Examination Procedures to evaluate Lincoln State Bank's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria appendix.

### **Activities Reviewed**

Bank records indicated that the lending focus and product mix varied from the beginning of the evaluation period compared to the end due to the volume of SBA Payment Protection Program loans previously discussed. Nevertheless, the major product lines of the bank continue to be agricultural and commercial loans. This conclusion was based on the bank's business strategy, loan portfolio distribution, and bank records regarding the number and dollar volume of loans originated or renewed during the evaluation period. For the Assessment Area Concentration analysis, examiners reviewed small farm and small business loans originated, renewed, extended, or purchased in 2021. Samples of loans that were located in the assessment area were selected for the Borrower Profile analysis. The following table details the loan universes and samples selected for review.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	168	20,313	51	6,165
Small Business	286	12,557	55	2,383
<i>Source: Bank Data</i>				

Due to overall volume throughout the almost six year evaluation period, small farm loans received more weight when drawing conclusions. D&B data from 2021 provided a standard of comparison for the small farm and small business loans.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Lincoln State Bank demonstrated satisfactory performance under the Lending Test. Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance all support this conclusion.

### Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The institution's net loan-to-deposit ratio, calculated from Reports of Condition and Income, averaged 59.2 percent over the past 23 calendar quarters from June 30, 2016, to December 31, 2021. The ratio fluctuated between 46.0 and 70.2 percent during this period. Management attributed the fluctuations primarily to seasonal agricultural lending. Comparable institutions, shown below, were selected based on their asset size, geographic location, branching structure, and lending focus. While the bank's ratio lags most of the comparable institutions, the ratio has increased since the previous evaluation.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2021 (\$000s)	Average Net LTD Ratio (%)
Heartland State Bank Edgeley, North Dakota	72,650	73.2
Stock Growers Bank Forman, North Dakota	309,198	50.7
<b>Lincoln State Bank Hankinson, North Dakota</b>	<b>99,498</b>	<b>59.2</b>
Prairie Sun Bank Milan, Minnesota	107,292	73.9
Source: Reports of Condition and Income 6/30/2016 – 12/31/2021; listed in alphabetical order by city		

### Assessment Area Concentration

A substantial majority of small farm and small business loans were originated within the bank's assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	152	90.5	16	9.5	168	18,176	89.5	2,137	10.5	20,313
Small Business	276	96.5	10	3.5	286	12,112	96.5	445	3.5	12,557
Source: Bank Data; Due to rounding, totals may not equal 100.0%										

### Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. Examiners focused on the percentage of loans to farm and business operations with gross annual revenues of \$1 million or less.

### ***Small Farm***

The distribution of borrowers reflects reasonable penetration among farms with gross annual revenues of \$1 million or less. As shown in the following table, the bank's small farm lending performance, by number of loans, is less than demographic data. However, many small farms may not require credit to fund their operations. This is supported by data from the 2017 Census of Agriculture, which indicates that 40.8 percent of farms in the assessment area did not report interest expenses related to their operations. In addition, census data indicates that the number of hobby farms (farm operations with sales of less than \$2,500) comprise 39.4 percent of farms in the assessment area. Finally, competition for agricultural loans in the area is high. Given this information, the bank's performance is reasonable.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.3	46	90.2	4,987	80.9
>\$1,000,000	1.4	5	9.8	1,178	19.1
Revenue Not Available	0.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>6,165</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, Bank Data; Due to rounding, totals may not equal 100.0%</i>					

### ***Small Business***

The distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. While the bank's performance was below D&B data, revenues were not readily available for some SBA Payment Protection Program loans, which do not require the collection of income prior to loan origination. In addition, 2020 CRA aggregate data, which is the most recent year of available data, shows that 36.1 percent of reportable small business loans within the assessment area were to businesses with gross annual revenues of \$1 million or less. This data was not used as a comparison for Lincoln State Bank's performance but rather as an indicator of loan demand in the assessment area. Given this additional context information, the bank's performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	80.0	34	61.8	1,256	52.7
>\$1,000,000	5.7	6	10.9	939	39.3
Revenue Not Available	14.3	15	27.3	189	8.0
<b>Total</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>2,383</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, Bank Data; Due to rounding, totals may not equal 100.0%</i>					

### **Response to Complaints**

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

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act, and did not identify any discriminatory or other illegal credit practices.

## **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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**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.