

PUBLIC DISCLOSURE

February 26, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank & Trust Co.
Certificate Number: 57391

2101 South Center Street
Marshalltown, Iowa 50158

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.

United Bank & Trust Co.'s satisfactory Community Reinvestment Act (CRA) performance supports the rating. The following points summarize the bank's lending performance.

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

DESCRIPTION OF INSTITUTION

United Bank & Trust Co. operates from its main office and a drive-through location in Marshalltown, Iowa. The bank is wholly owned by multi-bank holding company, Ames National Corporation, Ames, Iowa. The bank is affiliated with the following five banks through common ownership: First National Bank, Ames, Iowa; Boone Bank & Trust Co., Boone, Iowa; Iowa State Savings Bank, Creston, Iowa; Reliance State Bank, Story City, Iowa; and State Bank & Trust Co., Nevada, Iowa. United Bank & Trust Co. received an Outstanding rating at its previous OCC CRA Performance Evaluation dated February 3, 2020, based on Interagency Small Institution Examination Procedures.

The bank offers various loan products and services, including commercial, agricultural, home mortgage, and consumer. The primary lending focus is on commercial and home mortgage loans, followed by agricultural loans, which is a new focus since the prior examination. The bank offers financing alternatives through the Small Business Administration (SBA) and Farm Service Agency. The bank offers long-term, fixed-rate home mortgage loan programs through secondary market investors, including the Federal Home Loan Bank, Federal Housing Authority, and Veterans Administration. In response to the Coronavirus Disease 2019 pandemic, United Bank & Trust Co. participated in the SBA Paycheck Protection Program (PPP) to assist business and agricultural entities. Deposit products include checking, savings, certificates of deposit, individual retirement

accounts, and health savings accounts. Alternative banking services include online and mobile banking, and cash-dispensing ATMs are located at the main office and drive-through location.

According to the December 31, 2023 Consolidated Reports of Condition and Income (Call Report), United Bank & Trust Co. reported total assets of \$118.5 million, total loans of \$70.0 million, and total deposits of \$106.1 million. The loan portfolio concentrations remained generally consistent over the review period. Total loans increased 19.7 percent, total assets increased 18.0 percent, and total deposits increased 25.7 percent since the prior evaluation. Management stated that the increases are attributed to the influx of pandemic-related stimulus funds, and from new relationships gained from originating SBA PPP loans. The following table illustrates the composition of the loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	641	0.9
Secured by Farmland	9,785	14.0
Secured by 1-4 Family Residential Properties	14,681	21.0
Secured by Multifamily (5 or more) Residential Properties	5,318	7.6
Secured by Nonfarm Nonresidential Properties	26,188	37.4
Total Real Estate Loans	56,613	80.9
Commercial and Industrial Loans	7,267	10.4
Agricultural Production and Other Loans to Farmers	3,853	5.5
Consumer Loans	873	1.2
Obligations of State and Political Subdivisions in the U.S.	1,300	1.9
Other Loans	63	0.1
Lease Financing Receivable (net of unearned income)	0.0	0.0
Less: Unearned Income	0	0
Total Loans	69,969	100.00
<i>Source: Reports of Condition and Income</i>		

There are no financial, legal, or other impediments that would limit the bank’s ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. United Bank & Trust Co. designated one assessment area in central Iowa, which changed since the prior evaluation. For the prior evaluation, the assessment area consisted of only Marshall County. The assessment area now contains all of Marshall County (census tracts 9501 through 9510), census tract 401 in Jasper County, and census tract 2903 in Tama County. The bank added the two census tracts because of its new focus on agricultural lending. Marshall and Tama counties are located in nonmetropolitan Iowa, while Jasper County is part of the Des Moines-West Des Moines, Iowa Metropolitan Statistical Area.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area consists of 13 census tracts, of which 1 is moderate-income, 10 are middle-income, and 2 are upper-income. This represents a change from the 2015 American Community Survey data, when the assessment area was comprised of 10 census tracts in Marshall County, of which 2 were moderate-income, 7 were middle-income, and 1 was upper-income. The following table illustrates select demographics 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)	13	0.0	7.7	76.9	15.4	0.0
Population by Geography	46,243	0.0	8.5	76.2	15.3	0.0
Housing Units by Geography	19,921	0.0	7.8	78.3	14.0	0.0
Owner-Occupied Units by Geography	13,306	0.0	5.9	80.2	13.9	0.0
Occupied Rental Units by Geography	4,771	0.0	14.0	71.6	14.5	0.0
Vacant Units by Geography	1,844	0.0	5.3	81.6	13.1	0.0
Businesses by Geography	4,294	0.0	5.8	79.4	14.8	0.0
Farms by Geography	620	0.0	0.6	91.8	7.6	0.0
Family Distribution by Income Level	11,819	18.7	18.0	24.0	39.3	0.0
Household Distribution by Income Level	18,077	22.3	15.0	20.1	42.5	0.0
Median Family Income - Nonmetropolitan Iowa		\$89,538	Median Housing Value			\$116,548
Median Family Income - Des Moines-West Des Moines, Iowa MSA		\$71,763	Median Gross Rent			\$731
			Families Below Poverty Level			8.3%

*Source: 2020 U.S. Census and 2023 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.*

According to 2020 U.S. Census data, service industries represent the largest portion of business and farm operations at 29.5 percent; followed by non-classifiable establishments at 17.5 percent; and agriculture, forestry, and fishing at 12.6 percent. In addition, 69.4 percent of assessment area businesses and farms have less than five employees, and 90.9 percent operate from one location.

The Federal Financial Institutions Examination Council (FFIEC)-estimated median family income levels are used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories 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%
Nonmetropolitan Iowa				
2023 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
Des Moines-West Des Moines, Iowa MSA (19780)				
2023 (\$105,000)	<\$52,500	\$52,500 to <\$84,000	\$84,000 to <\$126,000	≥\$126,000

Source: FFIEC

Competition

The assessment area is very competitive regarding the market for financial services. According to June 30, 2023 FDIC Deposit Market Share data, 12 banks operate 19 offices within the assessment area. United Bank & Trust Co. ranked 5th with 8.0 percent of the deposit market share. There are also 2 credit unions operating from 5 locations within the community of Marshalltown, with another credit union being built. The community contact also indicated that individuals' access to online financial options adds even more competition.

Community Contact

As part of the evaluation process, examiners contact third parties active in the bank's assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners contacted a representative of an economic development organization familiar with the assessment area.

The individual indicated that the economic condition is stable. While unemployment is low, businesses are struggling due to staffing shortages. Employers are offering higher pay and incentives to retain workers, but there is massive inflation. High interest rates and lack of affordable housing have prevented business expansions. Many businesses and individuals have turned to credit cards to make ends meet, but farmers are doing well. While input costs have increased, land values have increased immensely over the last decade. The representative stated that most farm families have non-farm income for added financial stability and benefits. High interest rates and a lack of affordable housing have slowed down the housing market. There are several rental properties in Marshall County as well as land contract sales. Lenders in the area are responsive to credit needs of the assessment area, but more can be done to promote first-time homebuyer programs and to provide financial education to youth and young adults.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, home mortgage, and small farm loans are primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 3, 2020, to the current evaluation dated February 26, 2024. Examiners used Interagency Small Institution Examination Procedures to evaluate United Bank & Trust Co.'s CRA performance.

Activities Reviewed

Examiners determined that the bank's major product lines are small business and home mortgage loans, followed by small farm loans. This conclusion considered the bank's business focus, number and dollar volume of loans originated during the evaluation period, and review of Call Report data. Given the portfolio composition and management's comments regarding the lending focus, commercial lending performance conclusions were given greater weight in this evaluation.

Management agreed that the loan activity during 2023 is representative of the bank's performance during the evaluation period. As such, examiners reviewed all small business, small farm, and home mortgage loans originated or renewed from January 1, 2023, through December 31, 2023.

For the Lending Test, examiners reviewed the entire universe of 2023 loans to evaluate the Assessment Area Concentration criterion. This universe included 51 small business loans totaling \$8.0 million, 23 small farm loans totaling \$3.1 million, and 53 home mortgage loans totaling \$6.0 million. For the Geographic Distribution criterion, examiners reviewed all loans made in the assessment area, which included 43 small business loans totaling \$6.4 million, 20 small farm loans totaling \$2.8 million, and 42 home mortgage loans totaling \$3.6 million. For the Borrower Profile criterion, examiners selected samples of small business and home mortgage loans, and all small farm loans located inside the assessment area. The samples include 31 small business loans totaling \$4.4 million, and 32 home mortgage loans totaling \$2.5 million.

The 2023 D&B data provided a standard of comparison for the bank's small business and small farm lending performance. The 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, which is a better indicator of the number of businesses, farms, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

United Bank & Trust Co. demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Geographic Distribution, and Borrower Profile criteria primarily supports this conclusion.

Loan-to-Deposit Ratio

United Bank & Trust Co.'s loan-to-deposit ratio is reasonable given the institution's size, financial conditions, and credit needs of the assessment area. The bank's average net loan-to-deposit ratio averaged 58.5 percent over 16 quarters from March 31, 2020, to December 31, 2023. The ratio ranged from a low of 50.9 percent on March 31, 2021, to a high of 65.0 percent on December 31, 2023, which is also the most current ratio. The average ratio decreased slightly since the prior evaluation, when the ratio was 60.6 percent. Examiners selected five comparable institutions considering their asset size, geographic location, and loan focus. The bank's ratio is in line with the comparable banks' ratios, as reflected in the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
United Bank & Trust Co., Marshalltown, Iowa	118,524	58.5
Iowa Falls State Bank, Iowa Falls, Iowa	173,634	57.3
Citizens Savings Bank, Marshalltown, Iowa	75,504	70.4
Farmers Savings Bank, Marshalltown, Iowa	142,705	71.2
State Bank & Trust Co., Nevada, Iowa	201,724	60.6
Security State Bank, Radcliffe, Iowa	110,813	42.9

Source: Reports of Condition and Income 3/31/2020 - 12/31/2023

In addition, United Bank & Trust Co. originates long-term home mortgage loans, which are sold to secondary market investors. Since the bank sells the loans shortly after origination, the loan-to-deposit ratio does not reflect these loans. The bank sold 403 home loans totaling \$58.3 million during the review period.

Assessment Area Concentration

United Bank & Trust Co. made a majority of small business, small farm, and home mortgage loans by number and dollar volume within its 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				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000)	%	\$(000)	%	
Home Mortgage	42	79.2	11	20.8	53	3,605	60.0	2,399	40.0	6,004
Small Business	43	84.3	8	15.7	51	6,392	80.0	1,598	20.0	7,990
Small Farm	20	87.0	3	13.0	23	2,827	92.6	225	7.4	3,052

Source: Bank Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution

United Bank & Trust Co.'s geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance under small business, small farm, and home mortgage lending primarily supports this conclusion. Examiners focused on the percentage of loans in the moderate-income census tract. The assessment area does not include any low-income census tracts.

Small Business Loans

The geographic distribution of small business lending reflects reasonable dispersion. As shown in the following table, United Bank & Trust Co.'s level of small business lending in the moderate-income area is similar to D&B data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	5.8	3	7.0	167	2.6
Middle	79.4	19	44.2	3,672	57.4
Upper	14.8	21	48.8	2,553	39.9
Totals	100.0	43	100.0	6,392	100.0

Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion. While United Bank & Trust Co. did not originate any small farm loans in the moderate-income area, D&B data indicates only 0.6 percent of small farms are located in this area.

Home Mortgage Loans

The geographic distribution of home mortgage lending reflects reasonable dispersion. As shown in the following table, United Bank & Trust Co.'s percentage of lending in the moderate-income area is slightly lower than demographic data. However, the 2020 U.S. Census data shows that nearly half of the housing units in this moderate-income census tract are non-owner occupied, as 43.0 percent are rentals and 6.3 percent are vacant. Additionally, management indicated that a meat packing plant is located in the moderate-income area, and it is more commercial and industrial.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	5.9	2	4.8	47	1.3
Middle	80.2	32	76.2	3,177	88.1
Upper	13.9	8	19.0	381	10.6
Total	100.0	42	100.0	3,605	100.0

Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among small businesses and small farms of different revenue sizes and individuals of different incomes. Although the small farm lending performance is excellent, United Bank & Trust Co.'s reasonable small business and home mortgage lending performance primarily supports this conclusion. Examiners focused on the percentage of small business and small farm loans to operations with gross annual revenues of \$1 million or less, and on the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

The distribution of small business loans to operations of various revenues is reasonable when considering other factors. As shown in the following table, United Bank & Trust Co.'s lending performance to businesses with revenues of \$1 million or less falls below D&B data. However,

management indicated that there is strong competition from financial institutions for small business lending, and that they continue to offer SBA loans to help meet the needs of small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	86.8	21	67.7	1,643	37.6
>\$1,000,000	2.6	10	32.3	2,723	62.4
Revenue Not Available	10.6	0	0.0	0	0.0
Total	100.0	31	100.0	4,366	100.0

Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different revenue sizes. All 20 loans reviewed, totaling \$2.8 million, were made to farm operations with revenues of \$1 million or less. This exceeds D&B data, which indicates 98.2 percent of farms in the assessment area are within this revenue category.

Home Mortgage Loans

United Bank & Trust Co.’s lending performance to low- and moderate-income borrowers is reasonable when considering other factors. As shown in the following table, the bank’s level of lending to low- and moderate-income borrowers falls below demographic data. However, half of the loans reviewed were for rental properties in which no income was reported. Additionally, the bank offers first-time homebuyer lending and grant programs, which are generally sold to the secondary market. These loans help meet the needs of low- and moderate-income home mortgage borrowers. The community contact also indicated that high interest rates and a lack of affordable housing have reduced demand for home loans in the area.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	18.7	0	0.0	0	0.0
Moderate	18.0	4	12.5	245	9.9
Middle	24.0	5	15.6	249	10.1
Upper	39.3	7	21.9	779	31.5
Not Available	0.0	16	50.0	1,201	48.5
Total	100.0	32	100.0	2,474	100.0

Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%

Response to Complaints

The institution has not received any CRA-related complaints since the prior 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 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.

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.