

PUBLIC DISCLOSURE

February 19, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Benton County State Bank
Certificate Number: 13774

212 Locust Street Northeast
Blairstown, Iowa 52209

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.

TABLE OF CONTENTS

Institution Rating	1
Scope of Evaluation	2
Description of Institution	3
Description of Assessment Area	4
Conclusions on Performance Criteria	7
Discriminatory or Other Illegal Credit Practices Review	9
Glossary	10

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.

Benton County State Bank's (BCSB) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the institution's performance.

- The Loan-to-Deposit ratio is more than reasonable, given the institution's size, financial condition, and assessment area credit needs.
- The institution originated a majority of its small farm loans in the defined assessment area.
- The geographic distribution of loans reflects an overall reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects an overall reasonable penetration of loans among farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the CRA rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated January 29, 2013, to the current evaluation dated February 19, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate BCSB's CRA performance. These procedures include a Lending Test, which considered the institution's performance according to the following criteria.

- Loan-to-Deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

Each criterion is discussed in separate sections of this performance evaluation. This evaluation does not include any lending activity performed by affiliates.

Loan Products Reviewed

Loan reviews were conducted to arrive at conclusions relating to the institution's lending performance. Examiners determined that the institution's only major product line is agricultural loans, comprising 81.7 percent of the loan portfolio. The institution's business strategy, the number and dollar volume of loans originated during the evaluation period, and a review of the institution's Consolidated Reports of Condition and Income (Call Report) were used to reach this conclusion. Small business, home mortgage, and consumer loans were not reviewed as they do not represent a major product line. Specifically, in 2018, there were only four 1-4 family residential real estate transactions, and this category comprises 8.8 percent of the total loan portfolio; 15 commercial transactions, including loans secured by nonfarm nonresidential properties, and this category comprises 7.7 percent of the total loan portfolio; and 11 consumer transactions, with this category comprising 0.8 percent of the total loan portfolio.

Institution records indicate that the lending focus and product mix remained consistent throughout the evaluation period. Examiners reviewed all 46 small farm loans totaling \$5,648,000 originated between January 1, 2018, and December 31, 2018, to conduct the Assessment Area Concentration analysis. These loans were considered representative of the institution's performance during the entire evaluation period. Examiners then reviewed a sample of 21 small farm loans totaling \$2,727,000 that were originated inside the assessment area to conduct the Borrower Profile analysis. D&B data for 2018 provided a standard of comparison for the reviewed small farm loans.

For CRA evaluation purposes, small farm loans are defined using the Call Report definition which is detailed in the Glossary at the end of this document.

Examiners reviewed the number and dollar volume of small farm loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the farms served.

DESCRIPTION OF INSTITUTION

Background

BCSB is a stand-alone commercial institution located in Blairstown, Iowa. The one-bank holding company, Blairstown Bancorp, Inc., Blairstown, Iowa, continues to own all bank stock. The institution has no affiliates or subsidiaries.

BCSB received a “Satisfactory” rating at its previous FDIC CRA Performance Evaluation dated January 29, 2013. Interagency Small Institution Examination Procedures were used at that evaluation.

Operations

The institution operates from its sole office in Blairstown, Iowa, located in Benton County middle-income census tract 9606. BCSB operates two cash-dispensing automated teller machines in Blairstown; one located onsite at the bank, and one across the street at the local convenience store. No branch locations were opened or closed during the review period, and no merger or acquisition activity has occurred.

BCSB offers various lending products, including agricultural, commercial, home mortgage, and consumer loans. Management stated that the institution’s main focus is on agricultural lending; however, as an accommodation to existing customers, the bank would entertain requests for commercial, home mortgage, and consumer loans if established underwriting criteria is met. BCSB offers Farm Service Agency financing for agricultural loans, Small Business Administration financing for commercial loans, and first-time homebuyer assistance from the Iowa Finance Authority. The institution offers deposit products including checking, savings, and time certificate accounts, as well as individual retirement accounts. Alternative banking services include the aforementioned automated teller machines, internet banking, and a night depository box at the main office location.

Ability and Capacity

BCSB’s December 31, 2018, Call Report was reviewed for this evaluation. The institution’s total assets were \$44,926,000, an increase of 12.2 percent from the previous evaluation; total deposits were \$30,349,000, an increase of 12.1 percent; and total loans were \$34,231,000, an increase of 13.7 percent. Management opined that the increase in total assets, deposits, and loans was organic over the review period and in line with management’s growth philosophy.

Examiner review of the institution’s loan portfolio showed loan growth in the agricultural and consumer portfolio, with decreases in both the commercial and home mortgage lending over the review period. The loan portfolio is itemized by loan type in the following table.

Loan Portfolio Distribution as of 12/31/2018		
Loan Category	\$(000s)	%
Construction and Land Development	0	0.0
Secured by Farmland	20,570	60.1
Secured by 1-4 Family Residential Properties	3,017	8.8
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	1,148	3.4
Total Real Estate Loans	24,735	72.3
Commercial and Industrial Loans	1,474	4.3
Agricultural Loans	7,384	21.6
Consumer Loans	279	0.8
Other Loans	359	1.0
Less: Unearned Income	(0)	(0.0)
Total Loans	34,231	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 its assessment area's credit needs.

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. BCSB has defined one contiguous assessment area in Iowa consisting of Benton County, Iowa census tracts 9606 and 9607, and Iowa County, Iowa census tracts 9601 and 9602. The assessment area census tracts located in Benton County are part of the Cedar Rapids, Iowa metropolitan statistical area. The bank's assessment area has not changed during the review period.

Economic and Demographic Data

The assessment area contains one moderate-income census tract (Benton County 9607) and three middle-income census tracts (Benton County 9606 and Iowa County 9601 and 9602). There have been no changes in the designations of any census tracts during the evaluation 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)	4	0.0	25.0	75.0	0.0	0.0
Population by Geography	12,769	0.0	20.8	79.2	0.0	0.0
Housing Units by Geography	5,833	0.0	22.5	77.5	0.0	0.0
Owner-Occupied Units by Geography	4,191	0.0	19.3	80.7	0.0	0.0
Occupied Rental Units by Geography	1,148	0.0	27.4	72.6	0.0	0.0
Vacant Units by Geography	494	0.0	38.9	61.1	0.0	0.0
Businesses by Geography	1,112	0.0	17.4	82.6	0.0	0.0
Farms by Geography	198	0.0	6.1	93.9	0.0	0.0
Family Distribution by Income Level	3,687	17.9	18.7	23.9	39.4	0.0
Household Distribution by Income Level	5,339	21.3	16.0	19.6	43.1	0.0
Median Family Income - Cedar Rapids, Iowa metropolitan statistical area		\$75,812	Median Housing Value			\$123,776
Median Family Income - Nonmetropolitan, Iowa		\$61,934	Median Gross Rent			\$569
			Families Below Poverty Level			6.4%
<i>Source: 2015 American Community Survey Data and 2018 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2018 D&B data, there were 198 farms in the assessment area. Gross annual revenues for these farms are listed below. The analysis of small farm loans under the Borrower Profile criterion compares the distribution of farms by gross annual revenue level.

- 98.0 percent reported gross annual revenues of \$1,000,000 or less.
- 1.5 percent reported gross annual revenues of more \$1,000,000.
- 0.5 percent have unknown revenues.

According to 2018 D&B data, the largest portions of the businesses and farms in the assessment area are comprised of service industries (33.7 percent); followed by retail trade (16.6 percent) and agriculture, forestry, and fishing (15.1 percent). Additionally, 72.9 percent of assessment area businesses and farms have four or fewer employees, and 85.8 percent operate from a single location.

The unemployment rates in Benton and Iowa County were 2.7 and 2.2 percent, respectively, according to Iowa Workforce Development data from December 2018. This is a decrease in the unemployment from the previous year of 3.2 in Benton County and 2.5 percent in Iowa County. The unemployment rate for the State of Iowa was 2.4 percent in December 2018, and 2.9 percent one year earlier.

Competition

The FDIC Deposit Market Share Report as of June 2018 reflects 14 FDIC-insured institutions operating from 16 locations in the assessment area. These institutions range from small community banks to larger financial institutions operating branch locations in the area. BCSB ranked 9th amongst all assessment area competitors with 5.3 percent of the total deposit market share. Financing competition also comes from credit union and non-bank entities operating in the area. Overall, the assessment area is considered very competitive.

Community Contact

CRA evaluation procedures include contacting area leaders to discuss the needs and development of the community, as well as the involvement of local financial institutions. Individuals interviewed provide information based upon their knowledge and expertise in various economic sectors. Confidential community contacts are conducted by all financial institution regulatory agencies in order to better understand the credit needs and current demographic information of local neighborhoods, cities, or counties. Examiners referenced one existing community contact with a representative of a local economic development and educational organization serving a multi-county area that includes Benton and Iowa counties. The representative provided the following comments related to this institution's assessment area.

The population of this area is multi-generational with a high elderly concentration and shrinking youth. The area is mainly comprised of rural or small towns with single-family dwellings. New construction of housing in the area is primarily multi-family 4-plex housing. In general, housing is older but affordable for the community. The primary employment is self-employed farmers followed by local city employees, and schools districts; however, approximately 25 percent of Benton County residents commute to Cedar Rapids for work.

The current economic conditions are stable. Agriculture is flat and slowly trending downward. This is due to the decline in commodity prices and stagnant overhead. These conditions have shortened revenue for farmers and have caused them to live off of their savings or to make cut backs. The majority of farmers are from 57-59 years of age; however, many young farmers have familial relationships with older farm owners, which skew the aging data.

Banks in this area are highly competitive. In most cases a bank's customer base is already established, as customers tend to bank where their relatives have in the past. Credit unions actively market in the area, predominantly for mortgage and consumer loans, adding to the competitiveness of the area. Primary credit needs include younger people wanting to buy starter homes, vehicles to meet transportation needs, and agricultural lending. However, homebuyers and car buyers are going to the secondary market or car dealerships for financing needs. Despite this trend, banks in the area are definitely serving the credit needs of the community.

Considering information from the community contact, bank management, demographic and economic data, and Call Report data, examiners determined that small farm, small business, and home mortgage loans represent primary credit needs in the assessment area. The high percentage of farms and businesses generating revenues of \$1 million or less, as well as the number of families in the area support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

BCSB demonstrated overall reasonable performance under the Lending Test. The institution’s reasonable Geographic Distribution and Borrower Profile performance primarily supports this conclusion. The following is a discussion of each performance criterion and how they support the bank’s overall rating.

Loan-to-Deposit Ratio

BCSB’s average net loan-to-deposit ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. The average net loan-to-deposit ratio is 109.5 percent, demonstrating the institution’s strong willingness to extend credit. The 24 quarters of Call Reports from March 31, 2013, to December 31, 2018, indicate that, in general, net loans and deposits remained relatively constant, with minor fluctuations attributable to the normal loan and deposit cycles of an agriculturally-based bank. The institution’s net loan-to-deposit ratio grew from 91.2 percent to 112.0 percent during this period. Discussions with bank management noted a business decision to maintain a higher loan-to-deposit ratio in order to maximize interest income from loan credits.

The institution’s average net loan-to-deposit ratio was compared to those of three other institutions operating in or near the assessment area. These financial institutions were comparable due to similarities in business focus, resources, markets served, market conditions, and/or product mix. BCSB’s average net loan-to-deposit ratio is significantly higher than the similarly-situated institutions. Information pertaining to this review appears in the following table; selected institutions are listed alphabetically by location of their main office.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2018 \$ (000s)	Average Net Loan-to- Deposit Ratio (%)
Benton County State Bank, Blairstown, Iowa	44,926	109.5
Atkins Savings Bank & Trust, Atkins, Iowa	93,667	67.3
Victor State Bank, Victor, Iowa	34,874	65.4
The Watkins Savings Bank, Watkins, Iowa	67,831	45.8
<i>Source: Reports of Condition and Income 3/31/2013 through 12/31/2018</i>		

Assessment Area Concentration

Overall, a majority of loans are in the institution’s assessment area. As previously mentioned, the entire universe of loans was reviewed for this analysis. Refer to the following table.

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	32	69.6	14	30.4	46	3,700	65.5	1,948	34.5	5,648
<i>Source: 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

As shown in the table, a majority of the reviewed loans, by both number of loans (69.6 percent) and dollar amount (65.5 percent), are inside the bank’s assessment area. This performance has decreased slightly since the prior evaluation, when 76.5 percent by number and 63.3 percent by dollar amount of loans were originated within the assessment area.

Geographic Distribution

Overall, BCSB’s geographic distribution of applicable loans is reasonable, and reflects the institution’s willingness to provide credit throughout its assessment area. Examiners focused on the percentage by number of loans in the sole moderate-income census tract.

The geographic distribution of small farm loans shows a reasonable dispersion. Only loans originated inside the assessment area were reviewed. Refer to the following table.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	6.1	0	0.0	0	0.0
Middle	93.9	32	100.0	3,700	100.0
Totals	100.0	32	100.0	3,700	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>					

D&B data indicates that 6.1 percent of the farms in the assessment area are located in the moderate-income census tract. A review of BCSB’s 2018 small farm lending shows that none of the institution’s small farm loans are in that tract. While the institution displayed no performance in the moderate-income census tract, several factors impacted this lending absence. The moderate-income census tract encompasses the City of Belle Plaine, Iowa. While there are some areas of the census tract that are outside of the city limits, a majority rests within the city which has little area set aside for agricultural production. Additionally, two financial institutions are located within Belle Plaine and are already vying for customers within the city’s population. The geographic dispersion of small farm loans is reasonable.

Borrower Profile

The distribution of borrowers reflects overall reasonable penetration of loans among farms of different revenue sizes in the assessment area. Examiners focused on the percentage by number of small farm loans to farms with gross annual revenues of \$1 million or less.

The distribution of small farm loans among farms with gross annual revenues of \$1 million or less reflects reasonable penetration. A statistical sample of 21 loans that were inside the institution’s assessment area was reviewed for this analysis. See the following table.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.0	21	100.0	2,727	100.0
>1,000,000	1.5	0	0.0	0	0.0
Revenue Not Available	0.5	0	0.0	0	0.0
Total	100.0	21	100.0	2,727	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>					

D&B data indicates that 98.0 percent of farms in the assessment area have gross annual revenues equal to or less than \$1 million. All of BCSB’s small farm lending was originated to operations in this revenue category, which is consistent with demographic data. The institution’s performance in this revenue category is reasonable.

Response to Complaints

The bank did not receive 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; therefore, this consideration did not affect the institution’s overall CRA rating.

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 institution 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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.