

PUBLIC DISCLOSURE

March 16, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Global Innovations Bank
Certificate Number: 5175

101 North Main Street
Kiester, Minnesota 56051

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
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	3
SCOPE OF EVALUATION	5
CONCLUSIONS ON PERFORMANCE CRITERIA	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	10
APPENDICES	11
SMALL BANK PERFORMANCE CRITERIA	11
GLOSSARY	12

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.

Global Innovations Bank's satisfactory Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the home mortgage, small business, and small farm loans reviewed were located inside the assessment area.
- The geographic distribution of home mortgage, small business, and small farm loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different 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

Global Innovations Bank operates from its sole location in Kiester, Minnesota. On September 21, 2020, a loan production office was also opened in Wells, Minnesota. On January 12, 2018, private investors purchased the bank. The new owners changed the bank's name from First State Bank of Kiester to Global Innovations Bank. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated May 12, 2015, based on Interagency Small Institution Examination Procedures.

Global Innovations Bank offers agricultural, commercial, home mortgage, and consumer loan products. Historically, the bank's primary business focus has been agricultural lending, followed by commercial lending. However, in 2019, a strategic decision was made to shift the primary focus from agricultural lending to commercial lending and to diversify the loan portfolio to include additional home mortgage lending products. The bank also established a relationship with the Small Business Administration to offer Paycheck Protection Program (PPP) loans. The bank originated 53 PPP loans totaling approximately \$3.1 million from April 16, 2020, to February 17, 2021.

The bank also offers a variety of deposit and alternative banking services. Deposit products include checking, savings, individual retirement accounts, and certificates of deposit. Alternative banking services include online banking; electronic bill pay and periodic statements; and access to surcharge-free ATMs affiliated with the Shazam network.

As of December 31, 2020, assets totaled \$29,834,000, loans totaled \$16,678,000, and deposits totaled \$26,946,000.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Constmction, Land Development, and Other Land Loans	0	0.0
Secured by Farnnland	3,635	21.8
Secured by 1-4 Family Residential Properties	3,100	18.6
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	116	0.7
Total Real Estate Loans	6,851	41.1
Commercial and Industrial Loans	4,994	29.9
Agricultural Production and Other Loans to Farmers	3,919	23.5
Consumer Loans	914	5.5
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	16,678	100.0
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%</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 is evaluated. Global Innovations Bank designated a single assessment area that includes all of Faribault and Freeborn counties in nonmetropolitan Minnesota and all of Winnebago County in nonmetropolitan Iowa. The assessment area was expanded from partial counties (4 census tracts) to full counties (19 census tracts), since the previous evaluation.

Economic and Demographic Data

According to 2015 American Community Survey (ACS) data, the assessment area is comprised of 3 moderate-income, 15 middle-income, and 1 upper-income census tract. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Global Innovations Bank						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	15.8	78.9	5.3	0.0
Population by Geography	55,741	0.0	17.5	76.6	5.8	0.0
Housing Units by Geography	26,426	0.0	17.8	76.8	5.4	0.0
Owner-Occupied Units by Geography	18,275	0.0	14.7	79.0	6.3	0.0
Occupied Rental Units by Geography	5,672	0.0	30.0	66.7	3.3	0.0
Vacant Units by Geography	2,479	0.0	13.4	83.1	3.5	0.0
Businesses by Geography	4,477	0.0	17.6	78.8	3.6	0.0
Farms by Geography	767	0.0	2.0	97.4	0.7	0.0
Family Distribution by Income Level	15,336	20.6	19.8	23.4	36.3	0.0
Household Distribution by Income Level	23,947	24.1	18.0	20.5	37.4	0.0
Median Family Income Non-metropolitan - IA		\$61,681	Median Housing Value			\$98,967
Median Family Income Non-metropolitan - MN		\$63,045	Median Gross Rent			\$569
			Families Below Poverty Level			8.4%

Source: 2015 ACS and 2020 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 D&B data, service industries represent the largest portion of farm and business operations at 30.6 percent; followed by agriculture, forestry, and fishing at 14.6 percent; and non-classifiable establishments and retail trade at 12.0 and 11.8 percent, respectively. Additionally, 68.8 percent of assessment area farms and businesses have 4 or fewer employees, and 88.7 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC) updated median family income ranges are used to analyze home mortgage loans under the Borrower Profile criterion. The following table includes low-, moderate-, middle-, and upper-income ranges for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper 2::120%
IA Non-metropolitan Median Family Income (99999)				
2020 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	c::\$80,280
MN Non-metropolitan Median Family Income (99999)				
2020 (\$68,800)	<\$34,400	\$34,400 to <\$55,040	\$55,040 to <\$82,560	c::\$82,560
<i>Source FFIEC</i>				

Competition

The assessment area is a moderately competitive market for credit products and financial services. According to Consolidated Report of Condition and Income (Report of Condition) data filed by financial institutions, there were 18 financial institutions operating 33 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Global Innovations Bank is ranked 16th with a 13 percent deposit market share.

Although Global Innovations Bank is not required to report HMDA data, examiners confirmed the moderate level of competition for home mortgage loans by reviewing the 2019 aggregate lending data from HMDA reporters. This data indicates that 218 lenders reported 3,254 originated or purchased home mortgage loans in the assessment area. Additionally, examiners confirmed a high level of competition in the assessment area's moderate-income census tracts. Specifically, 51 of the lenders originated or purchased 206 loans in these tracts.

The bank is not required to report CRA data. Examiners confirmed the moderate level of competition for small business loans by reviewing the 2019 aggregate lending data from CRA reporters. This data indicates that 37 lenders reported 851 small business loans totaling \$24.0 million inside the assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs and if credit opportunities are available.

Examiners reviewed a recently completed community contact from February 2021, with a representative from a local government agency that serves the assessment area. The contact indicated that the local economy has been stable, unemployment rates have been low, and small businesses have been thriving in recent years. However, major industries were adversely affected by the 2020 Coronavirus pandemic, which has had an effect on the local economy. Major industries affected include manufacturing, health care, and state and local governments.

The contact also stated there is a shortage of affordable housing available for purchase in the area, and new construction is primarily available only to middle- to upper-income borrowers. Additionally, rental opportunities for low- and moderate-income borrowers are limited, due to insufficient inventory. Overall, the contact indicated that banks are meeting the credit needs of the area.

Credit Needs

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

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated May 12, 2015, to the current evaluation dated March 16, 2021. Examiners used Interagency Small Institution Examination Procedures to evaluate Global Innovations 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

Examiners determined that the bank's major product lines are small business and small farm loans followed by home mortgage loans. This conclusion considered discussions with management regarding the bank's business strategy, review of bank records for the number and dollar volume of loans originated during the evaluation period, and a review of Report of Condition data. Small business and small farm lending received equal weight when deriving overall conclusions, followed by home mortgage lending.

Bank records reveal that lending activity throughout the evaluation period emphasizes small farm lending by dollar volume and small business lending by number. Home mortgage lending consistently represents a smaller portion of the loan portfolio by both dollar volume and number; however, management indicated it is a secondary focus of the bank.

Therefore, examiners reviewed all home mortgage, small farm loans, and small business loans originated or renewed in 2020, as this period is considered representative of the bank's performance during the entire evaluation period. The 2015 ACS data provided a standard of comparison for home mortgage lending performance and 2020 D&B data provided a standard of comparison for small business and small farm lending performance.

Examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment area were further reviewed to evaluate the Geographic Distribution criterion. Additionally, all of the home mortgage and small farm loans and a sample of small business loans originated inside the assessment area were reviewed to evaluate the Borrower Profile criterion. While both the number and dollar volume of loans are presented, performance by number of loans is emphasized because it is a better indicator of the number of borrowers,

businesses, and farms served. Loan product information is detailed in the following table.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	14	1,323	13	1,182
Small Business	91	4,329	36	923
Small Farm	27	3,424	26	3,224
<i>Source: 2020 Bank Records</i>				

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Global Innovations Bank demonstrated satisfactory performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria supports this conclusion.

Loan-to-Deposit Ratio

The average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. Examiners evaluated the reasonableness of the net loan-to-deposit ratio by comparing it to those of similarly-situated institutions. Examiners selected similarly-situated institutions based on their asset size, geographic location, and lending focus.

The bank's net loan-to-deposit ratio, calculated from Reports of Condition data, averaged 69.1 percent over the past 23 calendar quarters from June 30, 2015, to December 31, 2020. The ratio ranged from a high of 79.1 percent as of September 30, 2015, to a low of 61.1 percent as of December 31, 2020. Global Innovations Bank's average net loan-to-deposit ratio is lower than that of the three comparable institutions, as illustrated in the following table.

According to management, the bank has a number of higher deposit customers that do not use lending services. Additionally, agricultural production and sales increased during the 2020 statewide Coronavirus shutdowns. As a result, agricultural customers had an increase in deposits and were able to pay down or payoff loans. Based on these factors, the bank's performance is reasonable.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2020 (\$000s)	Average Net LTD Ratio (%)
First Financial Bank Winnebago Winnebago, Minnesota	49,342	83.0
Frost State Bank Frost, Minnesota	52,382	96.3
Global Innovations Bank Kiestler, Minnesota	29,834	69.1
State Bank of Easton Easton, Minnesota	21,567	87.3
<i>Source: Reports of Condition and Income 6/30/2015 -12/31/2020</i>		

Assessment Area Concentration

Global Innovations Bank originated a majority of home mortgage, small business, and small farm loans within the assessment area. The bank's performance is illustrated in the table below.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	13	92.9	1	7.1	14	1,182	89.3	141	10.7	1,323
Small Business	67	73.6	24	26.4	91	1,751	40.4	2,578	59.6	4,329
Small Farm	26	96.3	1	3.7	27	3,224	94.2	200	5.8	3,424
<i>Source: 2020 Bank Data</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion is primarily supported by the excellent small farm performance and reasonable home mortgage performance. The poor small business lending performance was also considered, and is a product that received more weight, but was offset by the performance in the other two products. Consideration was also given to the recent expansion of the bank's assessment area, which did not previously contain moderate-income census tracts. Examiners focused on the percentage of lending by number of loans in moderate-income census tracts when arriving at conclusions.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable penetration throughout the assessment area. The bank did not originate any home mortgage loans in moderate-income census tracts, as illustrated in the table below. However, the bank and loan production office are both located in, and surrounded by, middle-income census tracts. Home mortgage lending is limited, centralized around the bank office, and a secondary focus. Additionally, competition in the moderate-income census tracts for home mortgage loans is significant, considering only 14.7

percent of owner-occupied housing units are located there. Based on these factors, the bank's performance is reasonable.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	14.7	0	0.0	0	0.0
Middle	79.0	13	100.0	1,182	100.0
Upper	6.3	0	0.0	0	0.0
Total	100.0	13	100.0	1,182	100.0

Source: 2015 ACS Data; 2020 Bank Data

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. The bank did not originate any loans in moderate-income census tracts, as illustrated in the table below. Small business lending is determined to be a credit need in the assessment area, has become a primary focus of the bank, and has recently increased. Global Innovations Bank originated PPP loans to small businesses outside of the assessment area, but did not lend to small businesses in the moderate-income census tracts inside of its assessment area. According to 2020 D&B data, there are 596 small businesses located in these moderate-income census tracts, which indicates that lending opportunities exist. Based on these factors, the bank's performance is poor.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	17.6	0	0.0	0	0.0
Middle	78.8	67	100.0	1,751	100.0
Upper	3.6	0	0.0	0	0.0
Total	100.0	67	100.0	1,751	100.0

Source: 2020 D&B Data; 2020 Bank Data

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's performance of lending in moderate-income census tracts exceeds demographic data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	19	1	3.8	98	3.0
Middle	97.4	25	96.2	3,126	97.0
Upper	0.7	0	0.0	0	0.0
Total	100.0	26	100.0	3,224	100.0

Source: 2020 D&B Date.; 2020 Bank Date.

Borrower Profile

The bank's lending performance demonstrates reasonable penetration among individuals of different income levels and businesses and farms of different revenue sizes. This conclusion is supported by the reasonable small farm and home mortgage lending performance and excellent small business lending performance. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers and the record of lending to businesses and farms with gross annual revenues of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. The bank's lending performance among low- and moderate-income borrowers lagged aggregate data, as illustrated in the table below. However, according to management and the community contact, affordable housing in the assessment area is limited. In addition, the bank faces moderate competition for those home mortgage loans. Further, home mortgage lending is minimal because it is a secondary focus of the bank. Therefore, the level of lending to both low- and moderate-income borrowers demonstrates reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	20.5	1	7.2	26	2.2
Moderate	19.8	2	14.3	228	19.3
Middle	23.4	3	21.4	192	16.2
Upper	36.3	7	57.1	736	62.3
Total	100.0	13	100.0	1,182	100.0

Source: 2015 ACS Date.; 2020 Bank Date.

Small Business Loans

The distribution of sampled small business loans reflects excellent lending penetration to businesses with gross annual revenues of \$1 million or less. The bank's record of lending to small business exceeds demographic data, as illustrated in the table below.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	81.5	34	94.4	813	88.0
> \$1,000,000	5.1	2	5.6	110	12.0
Revenue Not Available	13.4	0	0.0	0	0.0
Total	100.0	36	100.0	923	100.0
<i>Source: 2020 D&B Data; 2020 Rml; Data</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. The bank's record of lending to small farms is comparable to demographic data, as illustrated in the table below.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	99.2	23	88.5	2,424	75.2
> \$1,000,000	0.5	3	11.5	800	24.8
Revenue Not Available	0.3	0	0.0	0	0
Total	100.0	26	100.0	3,224	100.0
<i>Source: 2020 D&B Data; 2020 Bank Data</i>					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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.