

PUBLIC DISCLOSURE

April 18, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens Bank & Trust Company
Certificate Number: 15675

201 East Main Street
Campbellsville, Kentucky 42718

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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. Citizens Bank and Trust's (CBT) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating.

Violations of Regulation B, which implements the Equal Credit Opportunity Act, were identified during the CRA evaluation period but did not result in the downgrade of the bank's overall CRA rating.

The following points summarize the institution's Lending Test performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a majority of its small business and home mortgage loans in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects excellent penetration of loans among businesses of different sizes and individuals of different 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

Background

CBT has its headquarters in Campbellsville, Kentucky, and operates in the central part of the state in Taylor County. CBT is a wholly-owned subsidiary of First Bancorp, Inc., a two-bank holding company located in Russell Springs, Kentucky. The institution received a "Satisfactory" rating for its previous FDIC Performance Evaluation, dated April 10, 2019, based on Interagency Small Institution Examination Procedures.

Operations

CBT operates three full-service facilities within the city limits of Campbellsville. It also has a limited-service facility offering only drive-through deposit and withdrawal services also located in downtown Campbellsville. The bank offers loan products including commercial, agricultural, home mortgage, and consumer loans, with a primary focus on home mortgage lending. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, and six bank-owned automated teller machines (ATMs). In June 2021, the bank converted the East Main Street ATM to an Interactive Teller Machine (ITM) that accepts deposits and can conduct other activities not achievable through a traditional ATM. The bank has not opened or closed any branches, and no merger or acquisition activities occurred since the previous evaluation.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on

March 27, 2020, and authorized the Small Business Administration (SBA) to guarantee \$349 billion in loans under a new Paycheck Protection Program (PPP). The intent of the CARES Act was for the SBA to provide relief to America's small businesses expeditiously by giving all lenders delegated authority and streamlining the requirements of the regular 7(a) loan program. In addition, the PPP and HealthCare Enhancement Act became law on April 24, 2020, and authorized an additional \$310 billion for guarantees of PPP loans. As of the date of this evaluation, CBT originated 505 loans totaling approximately \$18.2 million under the PPP program. The bank's PPP lending demonstrates the bank's willingness to meet the credit needs of its community by moving quickly to provide small businesses relief during the COVID-19 pandemic.

Ability and Capacity

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs. Assets totaled approximately \$307.3 million as of December 31, 2021, and included total loans of \$168.1 million and securities totaling \$116.6 million. The following table illustrates the loan portfolio as included in the Consolidated Reports of Condition and Income (or Call Report). Additionally, residential lending is more prominent than depicted in the table, due to the bank's secondary market lending activity. Specifically, for the review period, CBT originated and sold 284 loans into the secondary market with an aggregate total of approximately \$46.2 million; however, these loans are not reflected in the following table.

Loan Portfolio Distribution as of December 31, 2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	4,689	2.8
Secured by Farmland	11,482	6.8
Secured by 1-4 Family Residential Properties	58,654	34.9
Secured by Multifamily (5 or more) Residential Properties	4,247	2.5
Secured by Nonfarm Nonresidential Properties	26,687	15.9
Total Real Estate Loans	\$105,759	62.9
Commercial and Industrial Loans	52,057	31.0
Agricultural Production and Other Loans to Farmers	2,070	1.2
Consumer Loans	7,008	4.2
Obligations of State and Political Subdivisions in the U.S.	1,253	0.7
Total Loans	\$168,147	100%
<i>Source: Call Report.</i>		

DESCRIPTION OF ASSESSMENT AREA

CRA requires each financial institution to define one or more AAs within which its performance will be evaluated. CBT designated a single AA in the Non-Metropolitan Statistical Area (Non-MSA) in Taylor County. The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The AA includes five census tracts with the following income designations: one moderate-income and four middle-income census tracts. The AA has no low-income CTs. The analysis of small business loans under the Borrower Profile criterion compares the distribution of borrowers to the distribution of AA businesses by revenue category. According to 2021 D&B data, there were 1,983

businesses located with this AA. Gross annual revenues (GAR) for these businesses are as follows: 85.1 percent reported revenues of \$1 million or less 3.1 percent reported revenues of more than \$1 million 11.8 percent have unknown revenues. Service industries represent the largest portion of the businesses at 36.4 percent followed by Retail at 15 percent. In addition, 68.2 percent of businesses have four or fewer employees with 88.7 percent operating from a single location. This information reflects the community's heavy dependence on small businesses.

Demographic Information of the Kentucky Non-MSA AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	5	--	20	80	--
Population by Geography	24,993	--	10.6	89.4	--
Housing Units by Geography	10,954	--	10.8	89.2	--
Owner-Occupied Units by Geography	6,357	--	12	88	--
Occupied Rental Units by Geography	3,358	--	8.9	91.1	--
Vacant Units by Geography	1,239	--	9.9	90.1	--
Businesses by Geography	1,983	--	7.2	92.8	--
Farms by Geography	130	--	16.2	83.8	--
Family Distribution by Income Level	6,360	26.6	17.5	18.7	37.3
Household Distribution by Income Level	9,715	26.5	18.3	16.5	38.7
Median Family Income Non-MSAs - KY		\$45,986	Median Housing Value		\$94,206
Families Below Poverty Level		22.7%	Median Gross Rent		\$577

Source: 2015 ACS and 2021 D&B Data.

According to 2015 ACS data, there were 10,954 housing units within the Kentucky Non-MSA AA. Of these housing units, 58 percent were owner occupied, 30.7 percent are renter occupied, and 11.3 percent were vacant. The percentage of families living in the AA with incomes below the poverty level is high at 22.7 percent. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units across tract income categories.

The 2020 and 2021 FFIEC-updated median family income (MFI) levels are used to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the income categories in the AA.

MFI	MFI Ranges			
	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$51,500)	<\$25,750	\$25,750 to <\$41,200	\$41,200 to <\$61,800	≥\$61,800
2021 (\$52,600)	<\$26,300	\$26,300 to <\$42,080	\$42,080 to <\$63,120	≥\$63,120

Source: FFIEC

Data obtained from the U.S. Bureau of Labor and Statistics indicates unemployment rates since the previous evaluation trended higher than or similar to state and national rates. These trends indicate a weakened labor force, and potential decreased lending opportunities. The table below presents the applicable unemployment percentages.

Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Taylor County	4.1	6.0	2.7
State of Kentucky	4.1	6.4	3.9
National Average	3.7	8.1	3.9
<i>Source: U.S. Bureau of Labor and Statistics.</i>			

Competition

CBT operates in a mildly competitive environment. The FDIC's Deposit Market Share data, as of June 30, 2021, provides some measurement of competition. Within the Kentucky Non-MSA AA, there are five FDIC financial institution operating 13 offices. CBT ranks 1st with a 41.8 percent market share of total deposits.

Although CBT was not subject to CRA data collection and reporting requirements for small business loan activity, the market share data provides a measurement of the moderate level of competition for small business loans in this AA. Aggregate small business lending data for 2020 reflect 37 lenders originated approximately 280 small business loans in the AA, with the top two lenders originating 54.3 percent.

CBT is not required to collect or report its home mortgage data, and has not elected to do so; therefore, the current analysis does not include comparisons against aggregate market share data. However, aggregate market share data provides a measurement of the level of competition for these loans among banks, credit unions, and non-depository lenders in the AA. Review of 2020 aggregate data reaffirms the level of competition, with 103 lenders reporting 861 home mortgage loans originated or purchased. The three most prominent home mortgage lenders accounted for 29.6 percent of total market share.

Community Contact(s)

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also provides information on the available credit opportunities.

Examiners contacted a representative familiar with the real estate market in the AA. The contact stated that there is a housing shortage in the AA, affecting all income-levels. This especially affects low-income individuals and families due to the sharp increase in overall cost of housing within the AA since the pandemic started. In addition, the contact expressed the need for government supplemented loan programs for small business start-ups and low-income borrowers. The contact expressed that local community banks are meeting the credit needs within the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated April 10, 2019 to April 18, 2022. Examiners used the Interagency Small Institution Examination Procedures to evaluate the

bank's CRA performance. Examiners conducted a full-scope review of the defined AA. The current evaluation does not consider affiliate or subsidiary activity.

Activities Reviewed

From a review of the December 31, 2021 Call Report data, examiners determined the bank's major product lines are small business and home mortgage loans. This determination considered the bank's business focus, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period.

The bank's record of originating small business loans contributed more weight to overall conclusions due to the larger loan volume when compared to home mortgage lending since the previous evaluation. No other loan types, such as small farm or consumer loans, represent a major product line; therefore, examiners did not analyze these products, as they provided no material support for conclusions or ratings. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Examiners selected and reviewed a sample of small business loans originated in 2020 and 2021. For 2020, the bank originated 132 small business loans, totaling \$15.4 million, of which examiners sampled 50 totaling \$9.6 million. For 2021, the bank originated 165 small business loans, totaling \$20.3 million, of which examiners sampled 53 totaling \$5.2 million. Excluding the previously mentioned PPP loan origination volume, examiners did not identify any trends between 2020 and 2021 that materially affect conclusions. Therefore, this evaluation presents information for 2021, the most recent year for which demographic data is available. Dunn & Bradstreet (D&B) data provided a standard of comparison for the sampled small business loans.

Examiners selected and reviewed a sample of home mortgage loans originated in 2020 and 2021. For 2020, the bank originated 127 originated loans totaling \$18.4 million; and for 2021, the bank originated 150 loans totaling \$24.9 million. Examiners did not identify any trends between 2020 and 2021 that materially affect conclusions; therefore, this evaluation presents information for 2021, the most recent year for which demographic data is available. Examiners consider this sample representative of the bank's performance during the entire evaluation period. Of the 150 loans originated, examiners sampled 50 totaling \$9.7 million. Examiners also used the 2015 American Community Survey (ACS) as a benchmark for home mortgage lending performance.

Examiners reviewed and presented the number and dollar volume of small business and home mortgage and loans; however, examiners emphasized the performance by number of loans because it is a better indicator of businesses and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

CBT demonstrated reasonable performance in the AAs under the Lending Test. The bank's performance under the Loan to Deposit Ratio, Assessment Area Concentration, Geographic Distribution and Borrower Profile all support this satisfactory performance.

Loan-to-Deposit (LTD) Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The

bank's LTD ratio, calculated from Call Report data, averaged 64.9 percent over the past eleven calendar quarters from June 30, 2019, to December 31, 2021. Deposit growth, primarily due to individual customers having additional deposits due to the Economic Impact Payments COVID-19 stimulus, resulted in a significant increase in deposits and caused the LTD ratio to decline. Deposit growth outpaced loan growth resulting in the declining net LTD ratio from as high as 71.3 percent as of December 31, 2019 to a low of 62.2 as of December 31, 2021. CBT has maintained a ratio slightly lower than those of comparable institutions, as shown in the table below; however, the bank's performance is considered reasonable. As illustrated in the table below, examiners selected comparable institutions based on asset size, geographic location, and lending focus.

LTD Ratio Comparison		
Bank	Total Assets as of 12/31/21 (\$000s)	Average Net LTD Ratio (%)
Citizens Bank and Trust	307,296	64.9
Similarly-Situated Institution #1	386,830	75.5
Similarly-Situated Institution #2	224,078	78.4
Similarly-Situated Institution #3	133,794	66.1
Similarly-Situated Institution #4	209,113	86.5

Source: Call Reports 6/30/19 - 12/31/21.

Assessment Area Concentration

The bank made a majority of small business and home mortgage loans, by number in the AA. However, the bank made a majority of these loans by dollar amount outside of the AA (at 42.7 percent and 41.6 percent, respectively.) For the small business loans, examiners noted that 3 of the 18 loans extended to businesses outside the AA were also the largest loans by dollar of the universe of loans. Similarly, for the home mortgage loans examiners noted that 3 of the 14 loans extended to individuals outside the AA were also the largest loans by dollar of the universe of loans. As stated prior, while this evaluation presents the number and dollar volume of loans, examiners emphasized the performance by number of loans because it is a better indicator of businesses and individuals served. See the following table for additional details.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	36	72.0	14	28.0	50	4,041	41.6	5,677	58.4	\$9,718
Small Business	35	66.0	18	34.0	53	2,239	42.7	3,005	57.3	\$5,244

Source: 2021 Bank Data.

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AA. Excellent performance in the small business lending outweighs the performance noted in the home mortgage loans. As previously stated, the bank does not have any low-income CTs; therefore, examiners focused on the percentage by number of loans in the moderate-income CTs.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion. The table below

details the bank's lending performance in each CT category. The bank's performance in the moderate-income CT is significantly higher than demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	7.2	4	11.4	44	1.9
Middle	92.8	31	88.6	2,195	98.1
Totals	100%	35	100%	\$2,239	100%
<i>Source: 2021 D&B Data; Bank Data.</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion in the AA. The table below presents the bank's lending performance within each CT category. The bank's level of lending within the moderate-income CT trails demographic data; however, the community contact indicated that the moderate-income CT has more farmland and undeveloped land than owner-occupied housing units, which explains the low percentage of owner occupied housing units originated. In addition, as stated prior, the community contact stated that there is a housing shortage in the AA across all income levels. The banks performance is considered reasonable when taking this performance context in account.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	12	1	2.8	88	2.2
Middle	88	35	97.2	3953	97.8
Total	100%	36	100%	\$4,041	100%
<i>Source: 2015 ACS Data; Bank Data.</i>					

Borrower Profile

The distribution of borrowers reflects excellent penetration among businesses of different sizes and individuals of different income levels in the AAs. Examiners focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less and home mortgage loans to LMI borrowers.

Small Business Loans

The distribution of small business loans reflects excellent penetration of loans to businesses with GARs of \$1 million or less as shown in the table on the following page. The bank extended over 91 percent of its small business loans to businesses with GAR under \$1 million dollars, which comprise approximately 85 percent of the AAs businesses. This performance exceeds the demographic and is indicative of excellent performance.

Distribution of Small Business Loans by GAR Category					
GAR Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	85.1	32	91.4	2,073	92.6
> \$1,000,000	3.1	2	5.7	162	7.2
Revenue Not Available	11.8	1	2.9	4	0.2
Totals	100%	35	100%	\$2,239	100%

Source: 2021 D&B Data; Bank Data

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, is excellent. According to demographic data, approximately 22.7 percent of families in the area reported income levels below the poverty level. Due to their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity for lending to low-income borrowers. The bank's performance of lending to low-income borrowers trailed demographic lending data; however, the bank's performance of lending to moderate-income borrowers exceeded demographic lending data. The table below illustrates the bank's home mortgage lending performance by borrower income levels within the AA.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	26.6*	5	13.9	379	9.4
Moderate	17.5	10	27.8	674	16.6
Middle	18.7	6	16.7	444	11
Upper	37.3	15	41.7	2544	63
Totals	100%	36	100%	\$4,041	100%

*Source: 2015 ACS Data; Bank Data. *Includes 22.7 percent of families below the poverty level.*

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners evaluated the bank's compliance with anti-discrimination laws, including the Fair Housing Act and the Equal Opportunity Act. The FDIC identified a medium severity violation of the Equal Credit Opportunity Act. These violations were considered in assessing the institution's CRA performance. However, given management's immediate corrective action taken, as well as the very moderate number of affected customers, the violations did not affect the overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

- 1) The bank's LTD 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 AA;
- 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 AA.

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 CRA.

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.

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.

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.

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 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.

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 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 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.