

# **PUBLIC DISCLOSURE**

June 3, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens State Bank  
Certificate Number: 6194

375 Stageline Rd  
Hudson, Wisconsin 54016

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.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and the assessment areas' (AA) credit needs.
- A majority of home mortgage and small business loans are in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses 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

Citizens State Bank (CSB) is a full-service financial institution headquartered in Hudson, Wisconsin. CSB also conducts business from four other Wisconsin-based branch locations in Elmwood, Menomonie, Roberts, and Woodville. Citizens Bancshares of Woodville Inc., a one-bank holding company, wholly owns the institution. The bank does not have credit-based affiliates or subsidiaries. No merger or acquisition activities have occurred since the previous evaluation. CSB received a Satisfactory rating at its previous FDIC Performance Evaluation dated June 7, 2021, based on Interagency Small Institution Examination Procedures.

CSB's primary business focus continues to be residential mortgage and commercial lending. The bank offers various loan products including mortgage, commercial, agriculture, and consumer loans. Commercial and agricultural products include term loans, real estate, equipment, vehicle loans, and lines of credit. The bank also originates loans through the Small Business Administration, including 504, express, and 7(a) loan programs. Consumer loans include home mortgage, construction, vehicle loans, and other personal loans. CSB also originates loans with the Wisconsin Housing & Economic Development Authority and the Federal Housing Administration.

Deposit account products include various checking, money market, savings, health savings, education savings, certificate of deposit accounts, and individual retirement accounts. Alternative banking services include electronic bill-pay, online banking, and mobile banking.

As of March 31, 2024, CSB held total assets of approximately \$433.2 million, total deposits of \$374.2 million, and total loans of \$339.1 million. Each of these categories experienced significant growth since the previous evaluation, with the respective changes of 50.0 percent, 53.0 percent, and 55.1 percent. The following table illustrates the loan portfolio.

<b>Loan Portfolio Distribution as of 3/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	29,452	8.7
Secured by Farmland	7,615	2.3
Secured by 1-4 Family Residential Properties	172,709	50.9
Secured by Multifamily (5 or more) Residential Properties	20,090	5.9
Secured by Nonfarm Nonresidential Properties	79,211	23.4
<b>Total Real Estate Loans</b>	<b>309,077</b>	<b>91.1</b>
Commercial and Industrial Loans	24,992	7.4
Agricultural Production and Other Loans to Farmers	781	0.2
Consumer Loans	3,652	1.1
Obligations of State and Political Subdivisions in the U.S.	528	0.2
Other Loans	66	0.0
<b>Total Loans</b>	<b>\$339,096</b>	<b>100.0</b>
<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 the credit need of the AAs.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. CSB has designated two contiguous AAs. The first AA includes the counties of St. Croix, WI; Pierce, WI; Washington, MN; Ramsey, MN; and Hennepin, MN. These counties are located in the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area (MSA). The second AA includes Dunn County, located in the Wisconsin Non-Metropolitan Statistical Area (WI Non-MSA). There have been no changes to the AAs since the previous evaluation. Refer to following table for more details on branches and census tracts (CTs).

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Minneapolis-St. Paul-Bloomington, MN-WI MSA	St. Croix, Pierce, Washington, Ramsey, Hennepin	557	4
WI Non-MSA	Dunn	9	1
<i>Source: Bank Data</i>			

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated June 7, 2021, to the current evaluation dated June 3, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate the institution's performance. These procedures consist of the Lending Test.

The Appendix details the performance criteria for these tests, while the Glossary provides pertinent definitions.

Examiners conducted full scope reviews of the Minneapolis-St. Paul-Bloomington, MN-WI MSA AA and the WI Non-MSA AA. Performance in the Minneapolis-St. Paul-Bloomington, MN-WI MSA AA contributed greater weight to the overall rating as the majority of deposits, loans, and offices are located within the MSA. This evaluation does not include any lending activity performed by affiliates, as the bank does not have any affiliates that are involved in any lending activities.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, the number and dollar volume of loans originated during the evaluation period, and management comments. The two products received equal weight in this evaluation. No other types of loan products, such as small farm or consumer, represent a major product line and, therefore, they were not considered in this evaluation.

Examiners reviewed home mortgage loans by analyzing the full universe of 2022 and 2023 home mortgage loans reported pursuant to the requirements of the Home Mortgage Disclosure Act (HMDA). The bank reported 193 home mortgage loans totaling \$49.4 million in 2022 and 248 home mortgage loans totaling \$57.9 million in 2023. Examiners compared 2022 and 2023 HMDA data to 2020 U.S. Census data. HMDA aggregate data for 2022 was also used as a standard of comparison. Examiners focused more on the comparison to aggregate data for the home mortgage loan analyses, as aggregate data provides an insight to the demand for home mortgage loans within the AAs.

For small business loans, examiners reviewed the full universe of loan originations occurring from January 1, 2023, through December 31, 2023. The bank originated 116 small business loans totaling \$23.3 million in 2023. This activity is considered representative of the bank's general lending performance for these categories of loans throughout the evaluation period. The 2023 D&B data and 2020 U.S. Census data provided a standard of comparison for the small business loan performance.

Examiners analyzed the number and dollar volume of home mortgage and small business loans. While both the number and dollar volume of loans are presented, examiners emphasized performance by number of loans originated, as that is a better indicator of the number of individuals and small businesses served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Lending Test is rated “Satisfactory.” See each separate AA analysis for performance details.

## Loan-to-Deposit Ratio

CSB's LTD ratio is reasonable given the institution's size, financial condition, and AAs' credit needs. The bank's LTD ratio averaged 90.1 percent over the last 12 quarters from June 30, 2021, to March 31, 2024. The ratio ranged from a low of 79.9 percent as of December 31, 2021, to a high of 99.5 percent as of June 30, 2023. While all similarly situated institutions experienced a modest decline in LTD ratios, CSB's LTD ratio trended slightly upward during the evaluation period. CSB maintained an average LTD ratio that exceeds all but one similarly situated institution. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

<b>LTD Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 3/31/2024 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Citizens State Bank</b>	<b>433,158</b>	<b>90.1</b>
First Minnetonka City Bank	245,799	49.2
First National Community Bank	317,354	62.5
First State Bank and Trust	397,345	67.6
Security State Bank of Marine	202,347	74.4
Luminate Bank	255,312	110.0
<i>Source: Reports of Condition and Income 06/30/2021 – 03/31/2024</i>		

## Assessment Area Concentration

The bank made a majority of home mortgage and small business loans inside the AAs. Refer to the below table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	110	57.0	83	43.0	193	28,504	57.7	20,912	42.3	49,416
2023	133	53.6	115	46.4	248	33,410	57.7	24,509	42.3	57,920
Subtotal	243	55.1	198	44.9	441	61,915	57.7	45,421	42.3	107,336
Small Business										
2023	93	80.2	23	19.8	116	18,618	79.8	4,721	20.2	23,339
Source: Bank Data										
Due to rounding, totals may not equal 100.0%										

## Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AAs. Performance for each reviewed loan product was consistent

between the two AAs. Examiners gave the Minneapolis-St. Paul-Bloomington, MN-WI MSA AA heavier evaluation consideration. Refer to each individual AA section below for further details.

### **Borrower Profile**

The distribution of borrowers reflects poor penetration among borrowers of different income levels and businesses of different sizes. Performance was not consistent among AAs and loan products. While the small business performance was reasonable in both AAs and the home mortgage performance was reasonable in the WI Non-MSA AA, the poor home mortgage performance in the Minneapolis-St. Paul-Bloomington, MN-WI MSA AA carries the greatest weight in arriving at this assessment. See each separate AA analysis for details.

### **Response to Complaints**

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

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

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

### **MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI MSA AA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI MSA AA**

The Minneapolis-St. Paul-Bloomington, MN-WI MSA AA consists of 557 CTs and includes the whole counties of Hennepin, Ramsey, and Washington in Minnesota and Pierce and St. Croix in Wisconsin. Refer to the below CT designations.

<b>Minneapolis-St. Paul-Bloomington MN-WI MSA AA</b>									
<b># of Census Tracts</b>									
<b>Prior Evaluation*</b>					<b>Current Evaluation**</b>				
<b>Low-income</b>	<b>Moderate-Income</b>	<b>Middle - Income</b>	<b>Upper-Income</b>	<b>N/A</b>	<b>Low-income</b>	<b>Moderate-Income</b>	<b>Middle - Income</b>	<b>Upper - Income</b>	<b>N/A</b>
54	113	200	134	7	48	124	208	166	11

*Sources: \*2010 U.S. Census; \*\*2020 U.S. Census*

CSB has three branches located in St. Croix County. One branch is located in a moderate-income CT, one in a middle-income CT, and one in an upper-income CT. There is one additional branch located in Pierce County in a moderate-income CT.

Sources for the data used in this section include: FFIEC; 2020 U.S. Census data; 2023 D&B data; U.S. Bureau of Labor Statistics; Wisconsin Department of Workforce Development; Wisconsin Realtors Association; Minnesota Realtors Association and HMDA loan data.

### **Economic and Demographic Data**

The following table illustrates demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Minneapolis-St. Paul-Bloomington MN-WI MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	557	8.6	22.3	37.3	29.8	2.0
Population by Geography	2,237,233	8.0	21.2	38.5	31.0	1.3
Housing Units by Geography	913,079	7.3	21.0	39.9	30.9	0.9
Owner-Occupied Units by Geography	563,913	3.7	17.0	43.0	36.2	0.1
Occupied Rental Units by Geography	306,738	13.7	28.1	34.6	21.2	2.4
Vacant Units by Geography	42,428	10.0	22.1	35.8	30.7	1.4
Businesses by Geography	279,861	5.5	17.7	37.1	38.5	1.1
Farms by Geography	5,672	2.9	18.7	40.7	37.4	0.3
Family Distribution by Income Level	518,888	20.8	17.9	21.3	40.1	0.0
Household Distribution by Income Level	870,651	24.9	17.0	18.3	39.8	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$103,977	Median Housing Value			\$293,329
			Median Gross Rent			\$1,154
			Families Below Poverty Level			6.0%
Sources: 2020 U.S. Census and 2023 D&B Data; Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

There are 913,079 housing units in the AA, of which 61.8 percent are owner-occupied, 33.6 percent are occupied rental units, and 4.6 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

The FFIEC-updated median family income (MFI) level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.



Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Minneapolis-St. Paul-Bloomington, MN-WI MSA Median Family Income (33460)				
2022 (\$117,800)	<\$58,900	\$58,900 to <\$94,240	\$94,240 to <\$141,360	≥\$141,360
2023 (\$124,300)	<\$62,150	\$62,150 to <\$99,440	\$99,440 to <\$149,160	≥\$149,160
Source: FFIEC				

The number of home sales continues to decline across all counties in this AA. Notably, housing prices continue to rise, with the exception of Washington County. The following table details home sales data for this AA's counties. This information indicates that housing affordability may be challenging for low- and moderate-income individuals.

Home Sales and Median Housing Prices				
County	Total Annual Sales (#)		Median Sale Price (\$)	
	2022	2023	2022	2023
St. Croix (WI)*	992	760	340,000	367,000
Pierce (WI)*	426	332	290,000	312,000
Washington (MN)**	4,406	3,572	419,000	410,000
Ramsey (MN)**	6,563	5,322	305,000	310,000
Hennepin (MN)**	18,470	15,236	367,855	373,000
Sources: *Wisconsin Realtors Association year-end figures; **Minnesota Realtors Association year-end figures				

The evaluation period starts after the height of the COVID-19 pandemic and after the unemployment rates had reached their peak in April 2020 due to state, local, and national government measures to restrict certain aspects of public activity. The unemployment rates for the Minneapolis-St. Paul-Bloomington MN-WI MSA AA have returned to their pre-COVID levels, dropping to the lowest in 2022. The Wisconsin counties typically have higher unemployment rates than the Minnesota counties. Unemployment rates for this AA during the evaluation period are detailed below.

Annual Unemployment Rates – Minneapolis-St. Paul-Bloomington MN-WI MSA AA			
Assessment Area Counties	2021	2022	2023
	%	%	%
St. Croix (WI)	3.5	3.1	3.5
Pierce (WI)	3.7	3.3	3.5
Wisconsin – Statewide	3.9	2.9	3.0
Washington (MN)	3.2	2.2	2.4
Ramsey (MN)	4.2	2.6	2.7
Hennepin (MN)	3.8	2.4	2.6
Minnesota – Statewide	3.7	2.6	2.8
Source: Bureau of Labor Statistics			

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of business loans by gross annual revenue (GAR) levels. According to 2023 D&B data, there were 248,929 reporting non-farm businesses in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA. The service industry represents the largest sector of businesses at 40.0 percent. This is followed by non-classified establishments at 20.8 percent; finance, insurance, and real estate at 12.2 percent; and retail trade businesses at 9.0 percent. In addition, 64.3 percent of area businesses have four or fewer employees, and 92.6 percent of businesses operate from a single location. This data gives insight into the level and types of small business lending opportunities within this AA.

### **Competition**

The Minneapolis-St. Paul-Bloomington MN-WI MSA AA is highly competitive in the financial services market. According to the FDIC Deposit Market Share data as of December 31, 2023, 135 financial institutions operated 466 full-service offices within the bank's Minneapolis-St. Paul-Bloomington MN-WI MSA AA counties. Of these institutions, CSB ranked 47<sup>th</sup> with a 0.1 percent deposit market share.

The 2022 aggregate home mortgage data reflects that 659 lenders reported 70,055 home mortgage loans in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA counties, indicating a high level of competition for such loans in this AA. CSB ranked 100<sup>th</sup> by number of loans, with a market share of 0.2 percent. This bank's average home mortgage loan amount within this AA was \$266,000, which is lower than the aggregate reporters' average of \$341,000. Within the counties that CSB maintains branches, CSB ranked 35<sup>th</sup> with a market share of 0.8 percent. The average loan amount for CSB was \$204,000 compared to the aggregate reporters' average of \$315,000.

There is a high level of competition in this AA for small business loans. The bank is not required to collect and report small business data, and opted not to do so; however, aggregate small business data provides insight into related loan demand and opportunities within the AA. According to the 2022 aggregate small business data (most recent available), there were 151 reporting institutions within this AAs' counties that originated 52,180 small business loans. In counties that CSB maintains branches, there were 69 lenders that originated 2,418 small business loans.

### **Community Contacts**

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 aids in determining what credit and community development opportunities are available. Examiners obtained information from representatives of an affordable housing organization and an economic development organization that operate in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA.

The first contact stated that large increases in home values and interest rates have negatively impacted home purchase affordability. The contact stated that a countermeasure is an increasing trend of sellers contributing to closing costs for purchases, including low- and moderate-income purchasers. The contact further stated that new construction costs have significantly increased, leading to housing developers struggling to price projects to the market and keep projects funded.

Regarding affordable housing, the contact stated that rents increased after the COVID-19 pandemic, thereby decreasing the stock of affordable housing units. The contact stated that there are various barriers to low- and moderate-income renters, such as less landlords willing to accept Section 8 vouchers or work with tenants who receive supportive assistance, such as disability income.

The first contact also stated that, while unemployment rates are low across the metropolitan area, there are areas in north Minneapolis and in St. Paul where unemployment reaches up to 17.0 percent due to low employment opportunities. The contact further stated that some areas require transportation for jobs with livable wages and that some households spend up to 25.0 percent of their monthly income on transportation due to high-interest vehicle loans and the cost of gas.

The second contact stated that, since the COVID-19 pandemic, the area has improved and stabilized. Many businesses in the area are expanding or starting up; however, the lack of skilled employment is still a barrier to businesses. The contact stated that, among banks, there is significant competition for loans to businesses and consumers, which affects interest rates. Furthermore, this contact stated that lending standards, regulatory limits, and credit education are challenges to all prospective applicants.

Both contacts stated that financial institutions are active in the area but offered suggestions on how financial institutions can better contribute to their areas. The contacts stated that banks should consider programs, as referenced below:

- Use of down payment assistance programs.
- Implement proprietary programs that specifically serve low- and moderate-income borrowers.
- Offer products with alternative credit underwriting criteria for households that are shut out by the credit scoring system.
- Implement affordable small dollar loans with flexible repayment schedules.
- Offer flexible lending products for low- and moderate-income applicants and small businesses.
- Increase participation with community development organizations.

### **Credit Needs**

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that a primary AA credit need is more affordable housing and affordable home loan programs. This is substantiated by the community contact comments as well as area housing costs compared to MFI levels of low- and moderate-income people. Based on demographic data and community contact information, examiners also conclude that there is a need for small business loans, for purchase and start-ups, ongoing operations, and expansions. The number of businesses with GARs of \$1 million and less and consisting of four or fewer employees also supports this conclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI MSA AA**

### **LENDING TEST**

CSB demonstrated reasonable performance under the Lending Test within the Minneapolis-St. Paul-Bloomington MN-WI MSA AA.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Minneapolis-St. Paul-Bloomington MN-WI MSA AA. The bank's reasonable performance for both home mortgage loans and small business loans supports this conclusion.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA is reasonable. By number and dollar amount, CSB's lending in low-income CTs exceeds both the percentage of owner-occupied housing units in the AA and aggregate performance in both years, as applicable.

By number of loans, CSB's lending in moderate-income CTs exceeds aggregate performance by 6.3 percentage points and the percentage of owner-occupied housing units by 8.0 percentage points in 2022. Notably, there is a decline in performance in 2023, with the number of loans made to moderate-income CTs decreasing by 15.3 percentage points. However, when considering the performance for low- and moderate-income geographies in both years, the decrease in performance is isolated to moderate-income CTs in 2023. All other years exceed aggregate data and the percentage of owner-occupied housing units. Refer to the following table.

Geographic Distribution of Home Mortgage Loans Minneapolis-St. Paul-Bloomington MN-WI MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	3.7	4.7	8	7.7	2,103	7.6
2023	3.7	--	7	5.6	1,555	4.8
Moderate						
2022	17.0	18.7	26	25.0	6,006	21.8
2023	17.0	--	12	9.7	1,829	5.7
Middle						
2022	43.0	40.2	50	48.1	13,075	47.4
2023	43.0	--	64	51.6	14,541	45.2
Upper						
2022	36.2	36.1	20	19.2	6,410	23.2
2023	36.2	--	40	32.3	14,217	44.2
Not Available						
2022	0.1	0.3	0	0.0	0	0.0
2023	0.1	--	1	0.8	45	0.1
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>27,595</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>--</b>	<b>124</b>	<b>100.0</b>	<b>32,188</b>	<b>100.0</b>
Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The geographic distribution of small business loans in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA is reasonable.

By number of loans, CSB trails the percentage of businesses located in low-income CTs by 3.0 percentage points. Notably, there are no low-income CTs near any of the bank's branches. Low-income areas in the AA range from approximately 15 to more than 30 air miles from the nearest branch, located in Hudson. When considering the strong competitive forces, as discussed previously, and distance to these CTs, the bank's lending in low-income areas is reasonable.

By number of loans, CSB trails the percentage of business located in moderate-income CTs by 3.8 percentage points. Examiners considered the distribution of CTs and branches of the institution. For example, the Woodville and Elmwood branches are located in moderate-income CTs. Relative to the metropolitan area, the surrounding townships are smaller areas, with low populations and substantially less businesses. There are approximately 2,112 business in the moderate-income areas near the branches in the Wisconsin counties of the AA. This represents less than one percent of all businesses in the AA. Furthermore, the percentage of loans is representative of the branching structure. The two

branches are smaller in the scope of their operations, with the Woodville branch comprising of 15.7 percent of all of the bank's deposits and the Elmwood branch comprising of 10.8 percent of all of the bank's deposits.

Despite trailing in both low- and moderate-income CTs, area demographics, opportunity, and scope of operations support reasonable performance. Refer to the below table.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Minneapolis-St. Paul-Bloomington MN-WI MSA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2023	5.5	2	2.5	680	3.9
Moderate					
2023	17.7	11	13.9	1,853	10.7
Middle					
2023	37.1	55	69.6	11,360	65.4
Upper					
2023	38.5	11	13.9	3,481	20.0
Not Available					
2023	1.1	0	0.0	0	0.0
<b>Totals</b>					
<b>2023</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>	<b>17,374</b>	<b>100.0</b>
Sources: 2023 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%					

## **Borrower Profile**

The distribution of loans to borrowers reflects poor penetration among individuals of different income levels and businesses of various sizes in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA. The bank's poor home mortgage loan performance primarily supports this conclusion. While performance is reasonable for small business loans, this product does not outweigh home mortgage lending.

## ***Home Mortgage Loans***

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels including low- and moderate-income individuals.

In 2022, CSB's lending to low-income borrowers trails the percentage of low-income families by 14.1 percentage points and aggregate performance by 4.6 percentage points. In 2023, aggregate data is not available. However, CSB's 2023 lending to low-income borrowers similarly trails the percentage of low-income families by 16.0 percentage points. Even considering the poverty level of 6.0 percent (based on 2020 U.S. Census), the bank's performance is poor.

Examiners evaluated how additional economic factors impacted both aggregate data and the bank's performance. The economic factors resulted in aggregate data trailing the demographic for low-income borrowers. Since the previous examination, aggregate reporters have improved their performance to low-income borrowers, while CSB remains relatively stagnant.

CSB's lending to moderate-income borrowers in 2022 trails aggregate performance by 13.2 percentage points and trails the percentage of moderate-income families by 8.3 percentage points. For 2023, aggregate data is not available. However, the bank's 2023 performance improves to slightly trail the percentage of moderate-income families by 3.4 percentage points.

Despite trailing the percentage of families and aggregate performance, the number of loans and respective percentage of loans have slightly increased since the prior evaluation. Nevertheless, the performance does not outweigh the above disparities.

Distribution of Home Mortgage Loans by Borrower Income Level						
Minneapolis-St. Paul-Bloomington MN-WI MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.8	11.3	7	6.7	625	2.3
2023	20.8	--	6	4.8	1,011	3.1
Moderate						
2022	17.9	22.7	10	9.6	1,106	4.0
2023	17.9	--	18	14.5	1,856	5.8
Middle						
2022	21.3	20.4	21	20.2	4,961	18.0
2023	21.3	--	23	18.5	3,773	11.7
Upper						
2022	40.1	29.3	42	40.4	10,183	36.9
2023	40.1	--	55	44.4	16,784	52.1
Not Available						
2022	0.0	16.1	24	23.1	10,720	38.8
2023	0.0	--	22	17.7	8,765	27.2
Totals						
2022	100.0	100.0	104	100.0	27,595	100.0
2023	100.0	--	124	100.0	32,188	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses of different sizes in the Minneapolis-St. Paul-Bloomington MN-WI MSA AA. The bank's lending to businesses with GARs below \$1 million trails the percentage of businesses by 29.4 percentage points. The percentage of loans, by number, has increased from 50.0 percent since the previous evaluation.

Given the large disparity from D&B data, examiners compared CSB's performance to six similarly situated institutions (SSIs) based on asset size, product mix, AA composition, and lending foci. CSB's performance in originating loans to businesses with GARs of \$1 million and less is in line with all five SSIs, which received "reasonable" conclusions for their small business borrower profile criterion. These five SSIs had distributions of small business loans to businesses with GARs of \$1 million and less within their respective AAs ranging from 50.0 percent to 61.3 percent. The remaining SSI's distribution was 38.3 percent which examiners evaluated as poor. CSB's performance far exceeds this SSI. Refer to the following table for more information on CSB's performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Minneapolis-St. Paul-Bloomington MN-WI MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000					
2023	88.9	47	59.5	10,221	58.8
>\$1,000,000					
2023	4.0	31	39.2	7,076	40.7
Revenue Not Available					
2023	7.1	1	1.3	77	0.4
<b>Totals</b>					
<b>2023</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>	<b>17,374</b>	<b>100.0</b>
<i>Sources: 2023 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

## **WISCONSIN NON-MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WISCONSIN NON-MSA AA**

The WI Non-MSA AA consists of nine CTs and includes all of Dunn County, Wisconsin. CSB maintains one branch, located in a middle-income CT. Refer to the below CT designations. At the prior evaluation, based on 2010 U.S. census data, the AA included 8 middle-income CTs. Due to changes resulting from the 2020 U.S. census, the AA includes 8 middle-income CTs and 1 low-income CT.



WI Non-MSA AA									
# of Census Tracts									
Last Evaluation*					Current Evaluation**				
Low-income	Moderate-Income	Middle - Income	Upper-Income	N/A	Low-income	Moderate-Income	Middle - Income	Upper - Income	N/A
0	0	8	0	0	1	0	8	0	0
Source: *2010 U.S. Census; **2020 U.S. Census									

The new low-income CT is located in an approximately one square mile area of Menomonie, which includes the University of Wisconsin – Stout and the surrounding residential blocks. The bank’s one branch in this AA is located in northern Menomonie, which is in a middle-income CT.

Sources for the data used in this section include: FFIEC; 2020 U.S. Census data; 2023 D&B data; U.S. Bureau of Labor Statistics; Wisconsin Department of Workforce Development; Wisconsin Realtors Association; Minnesota Realtors Association, and HMDA-reported loan data.

### **Economic and Demographic Data**

The following table illustrates demographic characteristics of the AA.

Demographic Information of the Assessment Area						
WI Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	11.1	0.0	88.9	0.0	0.0
Population by Geography	45,440	6.1	0.0	93.9	0.0	0.0
Housing Units by Geography	18,571	2.3	0.0	97.7	0.0	0.0
Owner-Occupied Units by Geography	11,505	0.1	0.0	99.9	0.0	0.0
Occupied Rental Units by Geography	5,619	7.2	0.0	92.8	0.0	0.0
Vacant Units by Geography	1,447	0.7	0.0	99.3	0.0	0.0
Businesses by Geography	3,516	4.5	0.0	95.5	0.0	0.0
Farms by Geography	427	0.2	0.0	99.8	0.0	0.0
Family Distribution by Income Level	10,248	17.7	16.6	23.0	42.8	0.0
Household Distribution by Income Level	17,124	23.1	15.2	18.5	43.2	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$167,108
			Median Gross Rent			\$825
			Families Below Poverty Level			5.4%
Sources: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

There are 18,571 housing units in the AA, of which 62.0 percent are owner-occupied, 30.3 percent are occupied rental units, and 7.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

The FFIEC-updated MFI level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the table below.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>WI NA Median Family Income (99999)</b>				
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
2023 (\$86,000)	<\$43,000	\$43,000 to <\$68,800	\$68,800 to <\$103,200	≥\$103,200
<i>Source: FFIEC</i>				

The number of home sales continues to decline in Dunn County. Notably, housing prices continue to rise. The following table details home sales data for Dunn County. This information indicates that housing affordability may be challenging for low- and moderate-income individuals.

<b>Home Sales and Median Housing Prices</b>				
<b>County</b>	<b>Total Annual Sales</b>		<b>Median Sale Price</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
Dunn (WI)	574	476	260,000	279,900
<i>Source: Wisconsin Realtors Association year-end figures</i>				

The evaluation period starts after the height of the COVID-19 pandemic and after the unemployment rates had reached their peak in April 2020 due to state, local, and national government measures to restrict certain aspects of public activity. The unemployment rates for the WI Non-MSA AA have returned to their pre-COVID levels, dropping to the lowest in 2022. Unemployment rates for this AA during the evaluation period are detailed below.

<b>Annual Unemployment Rates - WI Non-MSA AA</b>			
<b>Assessment Area Counties</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Dunn	3.7	3.1	3.7
Wisconsin – Statewide	3.9	2.9	3.0
<i>Source: Bureau of Labor Statistics</i>			

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of business loans by GAR levels. According to 2023 D&B data, there were 3,050 reporting non-farm businesses in the WI Non-MSA AA. The service industry represents the largest sector of businesses at 30.7 percent. This is followed by non-classified establishments at 19.9 percent; agriculture, forestry, and fishing at 10.8 percent; and retail trade businesses at 10.1 percent. In

addition, 64.6 percent of area businesses have four or fewer employees, and 91.5 percent of businesses operate from a single location. This data gives insight into the level and types of small business lending opportunities within this AA.

### **Competition**

The WI Non-MSA AA is modestly competitive in the financial services market. According to the FDIC Deposit Market Share data as of December 31, 2023, 9 financial institutions operated 15 full-service offices within the bank's WI Non-MSA AA. Of these institutions, CSB ranked 7<sup>th</sup> with a 1.7 percent deposit market share.

The 2022 aggregate home mortgage data reflects that 147 lenders reported 1,178 home mortgage loans in Dunn County, indicating a high level of competition for such loans in this AA. Notably, two credit unions maintained 38.0 percent of the market share by number of loans. CSB ranked 32<sup>nd</sup> by number of loans with a market share of 0.5 percent. The bank's average home mortgage loan amount within this AA was \$153,000, which is lower than the aggregate reporters' average of \$191,000.

There is a moderate level of competition in this AA for small business loans. The bank is not required to collect and report small business data, and opted not to do so; however, aggregate small business data provides insight into related loan demand and opportunities within the AA. According to the 2022 aggregate small business data (most recent available), there were 37 reporting institutions within this AAs' counties that originated 515 small business loans.

### **Credit Needs**

Considering information from the bank management and economic and demographic data, examiners determined that a primary AA credit need within this AA is for more affordable housing and affordable home loan programs. This is substantiated by the area housing costs compared to MFI levels of low- and moderate-income people. Based on demographic data, examiners also conclude that there is a need for more small business loans, for purchase and start-ups, ongoing operations, and expansions. The number of businesses with GARs of \$1 million and less and consisting of four or fewer employees supports this conclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WISCONSIN NON-MSA AA**

### **LENDING TEST**

CSB demonstrated reasonable performance under the Lending Test within the WI Non-MSA AA. The bank's performance under the Borrower Profile and Geographic Distribution criteria supports this conclusion. While volume in this AA is low, examiners concluded that the bank is meeting the credit needs of its community. The loan volume is commensurate with the scope of the bank's operations.

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the WI Non-MSA AA. Examiners gave equal consideration to the bank's distribution of home mortgage and small business loans.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans in the WI Non-MSA AA is reasonable. CSB only originated six loans in 2022 and nine loans in 2023. As a result, the small number of loans augments the percentage of loans by number and dollar amount to substantially exceed the aggregate performance and demographic benchmarks in the low-income CT in 2022. While there were no loans made in the low-income CT in 2023, this is reasonable given the limited number of owner-occupied housing units in the CT. Overall, CSB's lending is reasonable when considering the percentage of owner-occupied housing units and aggregate performance, and the volume is comparable to the bank's branching strategy, deposit portfolio, and staffing.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>WI Non-MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2022	0.1	1.4	1	16.7	345	37.9
2023	0.1	--	0	0.0	0	0.0
Middle						
2022	99.9	98.6	5	83.3	564	62.1
2023	99.9	--	9	100.0	1,223	100.0
<b>Totals</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>909</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>--</b>	<b>9</b>	<b>100.0</b>	<b>1,223</b>	<b>100.0</b>
<i>Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans in the WI Non-MSA AA is reasonable. In 2023, the bank originated one of fourteen loans in the low-income CT in 2023. By number, this represents 7.1 percent of loans, which is slightly higher and comparable to the percentage of businesses at 4.5 percent.

## **Borrower Profile**

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the WI Non-MSA AA. The bank's reasonable performance for both categories of loans supports this conclusion.

### Home Mortgage Loans

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels. CSB originated six loans in 2022 and nine loans in 2023 in this AA. Of these, CSB originated one loan in each year to low-income families, which exceeded aggregate performance and was consistent with the percentage of low-income families. In addition, CSB originated one loan in each year to moderate-income families, which is consistent with the percentage of families in 2022 but slightly trails in 2023.

Distribution of Home Mortgage Loans by Borrower Income Level						
WI Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	17.7	6.0	1	16.7	108	11.9
2023	17.7	--	1	11.1	306	25.0
Moderate						
2022	16.6	21.9	1	16.7	70	7.7
2023	16.6	--	1	11.1	135	11.0
Middle						
2022	23.0	25.0	1	16.7	50	5.5
2023	23.0	--	3	33.3	131	10.7
Upper						
2022	42.8	34.7	1	16.7	120	13.2
2023	42.8	--	3	33.3	411	33.6
Not Available						
2022	0.0	12.4	2	33.3	561	61.7
2023	0.0	--	1	11.1	240	19.6
Totals						
2022	100.0	100.0	6	100.0	909	100.0
2023	100.0	--	9	100.0	1,223	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes in the WI Non-MSA AA. In 2023, CSB originated 10 of 14 loans to businesses with GARs below \$1 million, which represents 71.4 percent of all loans. While this trails the 86.7 percent of business with GARs below \$1 million, the bank's performance is reasonably in line with the D&B demographic. Considering the D&B data, AA demographics, competition, and credit needs and opportunities, CSB's distribution of small business loans to businesses of different sizes in this AA is reasonable.

## **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 institution'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 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).

**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.