Peoples State Bank

COMMUNITY REINVESTMENT ACT NOTICE

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Federal Deposit Insurance Corporation also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Federal Deposit Insurance Corporation; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Federal Deposit Insurance Corporation publishes a list of the banks that are scheduled for CRA examination by the Federal Deposit Insurance Corporation in that quarter. This list is available from the FDIC Regional Director, Division of Depositor and Consumer Protection, 1100 Walnut Street, Suite 2100. Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to the President, *Bart Schouweiler, 201 Main Ave, PO Box 227, Fairmount, ND 58030* and the FDIC, Regional Director. You may also submit comments electronically through the FDIC's Website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the Federal Deposit Insurance Corporation in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of *Dakotah Bankshares, Inc.*, a bank holding company. You may request from the Officer in Charge of Supervision, Federal Reserve Bank of Minneapolis, 90 Hennepin Ave, Minneapolis, MN 55480-0291, an announcement of applications covered by the CRA filed by bank holding companies.

11/05/2026

Peoples State Bank

2026 Community Reinvestment Act Statement

Peoples State Bank with its main office located at 201 Main Street, Fairmount, ND 58030, and branch location at 1900 North 11th Street, Wahpeton, ND 58075 adopts and publishes this Community Reinvestment Act Statement in compliance with the Federal Community Reinvestment Act (CRA).

LOCAL COMMUNITY

The bank seeks to meet the credit needs of individuals and firms living and doing business within its community and delineated by the attached map. Our assessment area includes the Census Tract areas of 9708, 9709, 9710, and 9711 in Richland County of North Dakota and the CT 9501 and 9502 in Wilkin County, MN and 4601 for Traverse County, MN. Peoples State Bank, Fairmount, ND is located in CT 9711 and our Wahpeton branch is located in CT 9709.

CREDIT PRODUCTS

The bank seeks to meet the credit needs of individuals and firms living and doing business within its assessment area by making the following types of loans available to qualified borrowers based on demonstrated proper purpose and borrower qualifications:

Agricultural Loans, including, but not limited to:
- Farm Service Agency (FSA)

Commercial Loans, including, but not limited to:
- Small Business Administration (SBA)

Construction Loans
Small Business Loans
Home Improvement Loans
Community Development Loans
Consumer Loans, including, but limited to:
- Vehicle Loans
- Debt Consolidation
- Personal Loans
- Ready Reserve loans
- Consumer Real Estate

The Bank makes available to its customers a Mastercard Debit Card. The Bank has two ATM locations and provides online banking at *www.peoples-state.com*. Mobile banking with Picture Pay and Remote Deposit is available for customers' accounts.

COMMUNITY CREDIT NEEDS

The Bank currently participates in and will continue to participate in a broad range of community-based programs designed to meet the credit needs of its local community through credit services, direct personal involvement of its employees, and cooperation with community officials and agencies.

DEPOSIT PRODUCTS

The bank seeks to make available deposit products that would be available to segments of our assessment area. The following are the products the bank offers:

Complimentary Checking Account
No minimum balance; No service monthly charge. *$100.00 required to open.*

NOW Account
$8.00 Service Charge if balance falls below $500.00 any day of the cycle.
Maintain *$500 minimum balance* to earn disclosed APY.

Regular Savings Account
$1.00 Service charge if the balance falls below $100.00 any day of the month.

Growing Investors Club
This account is available to youth 18 years of age and under.
You must deposit $25.00 to open the account.

Money Market Savings Account
$8.00 Service Charge if the balance falls below $500 any day of the cycle.
Maintain *$500.00 minimum balance* to earn the disclosed APY.

Certificates of Deposit
$1,000 minimum to open the account.

Individual Retirement Accounts
$1,000 minimum to open the account.

LOAN TO DEPOSIT RATIO:

03/31/2024 59.58%	03/31/2025 56.74%	03/31/2026 57.81%
06/30/2024 70.39%	06/30/2025 60.22%	06/30/2026 64.03%
09/30/2024 66.89%	09/30/2025 61.44%	09/30/2026 69.68%
12/31/2024 68.04%	12/31/2025 69.18%	12/31/2026 —

HOURS:

The bank is available to conduct transactions and to assist its customers and the community during the following hours:

Main Bank — Fairmount
201 Main Avenue
Fairmount, ND 58030
(701) 474-5515

Lobby
Monday - Friday 9am to 4pm
Drive Up
Monday - Friday 8:30am to 4:30pm

Branch — Wahpeton
1900 11th Street North
Wahpeton, ND 58075
(701) 642-2900

Lobby
Monday - Friday 9am to 4pm
Drive Up
Monday - Friday 7:30am to 5:30pm

FEES:

Deposit Fees:

Account Research	$20.00 Per Hour
Overdraft Fee	$25.00 per item
Continuous Overdraft	$25.00 every ten business days
Return Item Fee	$25.00 per occurrence
Returned Deposited Item Fee	$2.00 per item
Stop Payments	$25.00 per item
Card Replacement	$10.00 per card
Early Account Closing Fee (less than 90 days)	$20.00
Statement Copies	$1.00 per statement
Bank Printed Checks	4 for $2.00
Personal Money Orders	$2.00 each
Safe Deposit Boxes	$15.00, $20.00, $30.00 (varies by size)
Outgoing Wire Transfer	$15.00 each
Incoming Wire Transfer	$5.00 each
Outgoing International Wire	$50.00 each
Collection Items	$20.00 per item for 30 days
Bank Money Orders/Cashier Checks	$5.00 per check
Fax fee	$2.00 for 1st page/$1.00 each additional
Copies	$0.25 Per copy over 1

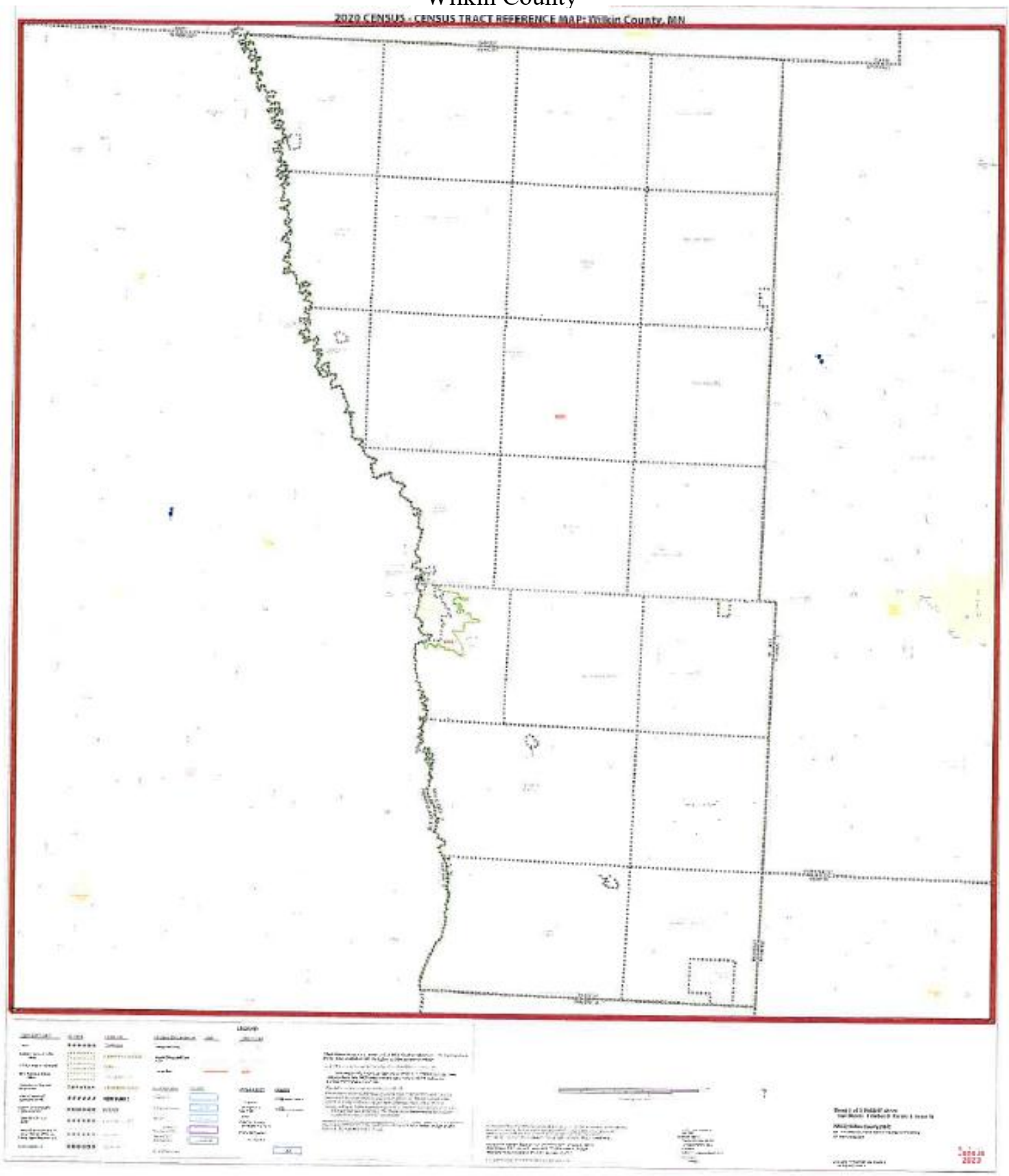
Loan Fees:

Filing Fee	Exact cost of filing
Late payment fee	$25.00 (10-day grace)
Loan origination fee (Consumers)	$195.00
Loan origination fee (Commercial)	$150.00
Loan origination fee (Agricultural)	$100.00
Extension Fee	$195.00

Richland County



Wilkin County



Traverse County



PUBLIC DISCLOSURE

February 16, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples State Bank, Fairmount, N.D.
Certificate Number: 17174

201 Main Avenue
Fairmount, North Dakota 58030

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 4

CONCLUSIONS ON PERFORMANCE CRITERIA 5

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 6

APPENDICES 7

- SMALL BANK PERFORMANCE CRITERIA 7
- GLOSSARY 8

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.

Peoples State Bank, Fairmount, N.D.'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, competition, and assessment area credit needs.
- The bank made a majority of its small business and small farm loans within its assessment area.
- The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

Peoples State Bank, Fairmount, N.D. is headquartered in Fairmount, North Dakota, and is wholly owned by Dakotah Bankshares, Inc., a one-bank holding company also in Fairmount. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated February 9, 2015, based on Interagency Small Institution Examination Procedures.

In addition to its main office in Fairmount, the institution continues to operate a full-service branch in Wahpeton, North Dakota. It also operates two cash dispensing ATMs that are located in convenience stores in Fairmount and Wahpeton. No branches have been opened or closed, and no merger or acquisition activities have occurred since the prior evaluation.

Peoples State Bank, Fairmount, N.D. offers a variety of loan products, including commercial, agricultural, home mortgage, and consumer loans. The primary lending focus continues to be commercial and agricultural lending. In addition to conventional lending, the bank has a referral arrangement to offer secondary market loans. Furthermore, the bank originated loans totaling $4 million through the Small Business Administration's Paycheck Protection Program, which assisted small businesses struggling with the impact of the Coronavirus pandemic. The institution also provides a variety of traditional deposit products, including checking, savings, and certificates of deposits accounts. Alternative banking services include internet and mobile banking, bill pay, mobile check deposit, and electronic periodic statements. These services allow individuals throughout the assessment area easy and quick access to their accounts.

As of December 31, 2020, the bank reported total assets of $33 million, total loans of $22 million, and total deposits of $30 million. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	42	0.2
Secured by Farmland	3,148	14.4
Secured by 1-4 Family Residential Properties	1,510	6.9
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	788	3.6
Total Real Estate Loans	**5,488**	**25.1**
Commercial and Industrial Loans	7,132	32.7
Agricultural Production and Other Loans to Farmers	3,351	15.4
Consumer Loans	718	3.3
Obligations of State and Political Subdivisions in the U.S.	620	2.8
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	4,517	20.7
Less: Unearned Income	(0)	(0.0)
Total Loans	**21,826**	**100.0**
Source: Reports of Condition and Income		

With the exception of the bank's legal lending limit, examiners did not identify any financial, legal, or other impediments that would limit the bank's ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The institution operates in one nonmetropolitan assessment area in rural southeastern North Dakota and west central Minnesota. The assessment area is comprised of portions of Richland County in North Dakota, along with all of Wilkin County and portions of Traverse County in Minnesota. Specifically, the assessment area includes census tracts 9708 – 9711 in Richland County; census tracts 9501 and 9502 that make up Wilkin County; and census tract 4601 in Traverse County. The main office is located in census tract 9711 and the Wahpeton branch is located in census tract 9709.

Economic and Demographic Data

The delineation of the assessment area has not changed since the previous evaluation; however, the demographics within it have changed. At the last evaluation, the assessment area was comprised of five middle-income and two upper-income census tracts, whereas the assessment area is now comprised of all middle-income geographies based on 2015 American Community Survey (ACS) data. The following table provides additional demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	7	0.0	0.0	100.0	0.0	0.0
Population by Geography	20,033	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	9,518	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,904	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	2,447	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,167	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,777	0.0	0.0	100.0	0.0	0.0
Farms by Geography	405	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,130	17.0	18.9	24.7	39.4	0.0
Household Distribution by Income Level	8,351	24.3	17.0	19.5	39.2	0.0
Median Family Income - Nonmetropolitan Minnesota		$63,045	Median Housing Value			$108,533
Median Family Income - Nonmetropolitan North Dakota		$72,414	Median Gross Rent			$510
			Families Below Poverty Level			7.1%

Source: 2015 ACS and 2020 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%

Competition

According to June 30, 2020 FDIC Summary of Deposit data, 14 FDIC-insured institutions operate 22 offices in the counties that comprise the assessment area. Peoples State Bank ranked 8th with 3.5 percent of the deposit market share in these counties. In addition to the FDIC-insured institutions operating within the assessment area, the bank also faces competition from nonbank lenders such as Farm Credit Services, credit unions, and alternative financing choices such as local agricultural cooperatives, machinery dealers, and internet financing options. Competition for loans is high given the number of choices available when compared to the assessment area population.

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

Examiners conducted an interview with an individual familiar with the agricultural industry in the assessment area. The contact indicated that Richland County's economy is very strong and highly dependent on agriculture and agricultural-related businesses, but added that the commercial economy also appears to be doing well. The individual further indicated that agricultural and commercial loans are the primary credit needs, both of which are generally being met by local financial institutions in the assessment area.

Credit Needs
Considering available demographic and economic data, along with information from bank management and the community contact, examiners determined that small business and small farm lending represent primary credit needs in the assessment area.

SCOPE OF EVALUATION

General Information
This evaluation covers the period from the prior evaluation dated February 9, 2015, to the current evaluation dated February 16, 2021. Examiners used Interagency Small Institution Examination Procedures to evaluate the institution's CRA performance.

Activities Reviewed
Bank records and management indicated that the lending focus and product mix generally remained consistent throughout the evaluation period; however, management added that the bank originated more commercial loans in 2020 due to the demand for loans through the Small Business Administration's Paycheck Protection Program. Nonetheless, management confirmed commercial and agricultural lending as the bank's primary lending focus. Therefore, examiners analyzed all small business and small farm loans originated, renewed, or extended, including those that were subsequently paid off, in the most recent one-year period ending December 31, 2020. No other loan types, such as home mortgage loans or consumer loans, were analyzed as they do not represent a major product line.

Examiners used the bank's loan download to determine the universes of the loan products reviewed. During the one-year period, the institution originated, renewed, or extended 104 small business loans totaling $9.5 million and 50 small farm loans totaling $7.7 million. All small business and small farm loans were analyzed for the Assessment Area Concentration criterion. A sample of these loans located within the bank's assessment area was reviewed for the Borrower Profile criterion, as revenue information was not readily available to analyze the entire universe. The sample included 36 small business loans totaling $3.2 million and 30 small farm loans totaling $4.9 million. D&B data from 2020 provided a standard of comparison for the small business and small farm loans.

The institution's small business and small farm lending performance contributed equal weight to overall conclusions since they are both a lending focus of the institution. Examiners reviewed both the number and dollar volume of loans throughout the evaluation; however, examiners placed greater emphasis on the number of loans rather than dollar volume because it is a better indicator of the number of businesses and farms served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The institution demonstrated overall reasonable performance under the Lending Test. The performance in each of the applicable Lending Test categories supports this conclusion.

Loan-to-Deposit Ratio

The institution's average net loan-to-deposit ratio is reasonable given its size, financial condition, and assessment area credit needs. As reflected in the following table, the bank's net loan-to-deposit ratio averaged 67 percent over the past 24 calendar quarters, which is similar to comparable institutions. Examiners selected comparable institutions based on their asset size, branching structure, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 12/31/2020 ($000s)**	**Average Net Loan-to-Deposit Ratio (%)**
Union State Bank of Browns Valley, Browns Valley, Minnesota	27,737	41.6
Peoples State Bank, Fairmount, N.D., Fairmount, North Dakota	**32,824**	**67.0**
Lincoln State Bank, Hankinson, North Dakota	92,507	60.3
State Bank of Wheaton, Wheaton, Minnesota	99,894	103.3
Source: Reports of Condition and Income 3/31/2015 – 12/31/2020; Bank listed alphabetically by city		

Assessment Area Concentration

The bank made a majority of its small business and small farm loans, by number, within its assessment area. As reflected in the following table, the dollar volume of small business loans originated, renewed, or extended within the assessment area in 2020 is less than 50 percent; however, the majority of the loans were for smaller amounts ($50,000 or less), which distorts the data.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans $(000s)**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Small Business	53	51.0	51	49.0	104	3,991	42.2	5,463	57.8	9,454
Small Farm	43	86.0	7	14.0	50	6,771	88.4	890	11.6	7,661
Total	**96**	**62.3**	**58**	**37.7**	**154**	**10,762**	**62.9**	**6,353**	**37.1**	**17,115**
Source: Bank Data. *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution

The bank's assessment area does not include any low- or moderate-income geographies, and a review of Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, overall reasonable penetration among businesses and farms of different sizes. This is supported by the bank's reasonable performance for small business and small farm lending. Examiners focused on the percentage of small business and small farm loans to businesses and farms with gross annual revenues of $1 million or less.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of $1 million or less. As shown in the following table, the bank's small business lending performance, by number of loans, is comparable to D&B data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	77.2	29	80.6	1,403	44.5
>1,000,000	6.0	7	19.4	1,749	55.5
Revenue Not Available	16.8	0	0.0	0	0.0
Total	**100.0**	**36**	**100.0**	**3,152**	**100.0**
Source: 2020 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%*					

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms with gross annual revenues of $1 million or less when compared to D&B data. Although the bank's performance is less than demographic data, four of the six loans to farms with gross annual revenues greater than $1 million were originated to the same borrower, which somewhat skews the data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	98.3	24	80.0	3,932	79.5
>1,000,000	1.5	6	20.0	1,016	20.5
Revenue Not Available	0.2	0	0.0	0	0.0
Total	**100.0**	**30**	**100.0**	**4,948**	**100.0**
Source: 2020 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%*					

Response to Complaints

The institution has not received any CRA-related complaints since the 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 practices inconsistent with helping meet community credit needs; therefore, this consideration did not affect the institution's 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 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.