



PUBLIC DISCLOSURE

January 9, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FirstOak Bank
RSSD# 916857

113 North Penn Street
Independence, Kansas 67301

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE:

This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

FirstOak Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is more than reasonable given the bank's size, financial condition, and assessment areas' (AAs) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Additionally, for home mortgage lending, emphasis was placed on the bank's performance in comparison to aggregate lending data (aggregate lending) rather than in comparison to respective demographic figures, as aggregate lending is considered representative of credit demand. Further, for commercial lending, available aggregate data for the most recent three years (2018, 2019, and 2020) was referenced for additional perspective on credit demand within the bank's AAs. Lending performance was assessed within the bank's two AAs, which include the Southeast Kansas AA in the state of Kansas and the Pueblo Metropolitan Statistical Area (MSA) AA in Colorado. Both AAs were assessed using a full scope review. Examiners reviewed the following data:

- The bank's 20-quarter average NLTD ratio;
- A statistical sample of 46 small business loans selected from a universe of 59 loans originated between January 1, 2021 and December 31, 2021; and,
- The universe of 179 home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan/Application Registers originated between January 1, 2020 and December 31, 2021.

In determining the overall institution rating, the bank's lending performance in the state of Kansas carried the greatest weight given the higher volume of reported loans and deposits, greater market share, and number of branch locations in the state. Specific to

the lending analysis, more emphasis was placed on small business lending given the bank is primarily a commercial lender.

DESCRIPTION OF INSTITUTION

FirstOak Bank is a community bank headquartered in Independence, Kansas. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of FNB Bancshares, Inc., also located in Independence, Kansas.
- The bank has total assets of \$232.0 million as of September 30, 2022.
- The bank acquired The State Bank of Kansas effective May 4, 2018, which added the branch located in Fredonia, Kansas, and approximately \$63 million in assets.
- In addition to the main office in Independence, Kansas, the bank operates one full-service branch in Pueblo, Colorado and one full-service branch in Fredonia, Kansas. The bank also operates a drive-up facility in Independence, Kansas and a limited-service branch in Elk City, Kansas, in addition to a loan production office (LPO) in Nashville, Tennessee.
- The bank operates four cash-only automated teller machines, one at each location except in Elk City, Kansas.
- As shown in Table 1, the bank’s primary business focus is commercial lending followed by residential real estate lending.

Table 1

Composition of Loan Portfolio as of September 30, 2022		
Loan Type	\$(000)	%
Construction and Land Development	20,908	11.3
Farmland	21,141	11.4
1-to 4-Family Residential Real Estate	64,265	34.8
Multifamily Residential Real Estate	912	0.5
Non-Farm Non-Residential Real Estate	49,108	26.6
Agricultural	5,532	3.0
Commercial and Industrial	19,482	10.5
Consumer	3,081	1.7
Other	274	0.1
Gross Loans	184,703	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its May 7, 2018 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA¹

This performance evaluation first discusses the bank's overall performance, followed by an in-depth evaluation of the bank's performance in the states of Kansas and Colorado, including the one AA located in each of the states.

The bank's overall lending test performance is Satisfactory. This is based on a reasonable NLTD ratio, a majority of loans originated within the bank's AAs, a reasonable geographic distribution, and a reasonable borrower distribution of loans within both bank AAs. As noted, the state of Kansas was given more weight in the analysis, as was small business lending.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison, to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on asset size, location, and loan portfolio composition. The bank's NLTD ratio of 82.9 percent is above the range of the four similarly situated banks and is considered more than reasonable.

Table 2

Comparative NLTD Ratios December 31, 2017 – September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			20 Quarter Average
FirstOak Bank	Independence, Kansas	232,025	82.9
Similarly Situated Institutions			
Kansas State Bank	Ottawa, Kansas	172,114	45.4
Kanza Bank	Kingman, Kansas	278,627	74.1
ESB Financial	Emporia, Kansas	351,331	69.6
First National Bank, Cortez	Cortez, Colorado	139,953	61.9

¹ The NLTD and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to states, multistate metropolitan areas, and AAs.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. The bank originated a majority of loans inside the AAs by number, but outside the AAs by dollar. An additional review of the bank’s total home mortgage and small business loans showed that 22 of the 225 loans, totaling \$9.7 million, were loans originated at the bank’s LPO located in Nashville, Tennessee, and outside of the bank’s designated AAs. The \$9.7 million represents 29.9 percent of the bank’s total loan amount originated outside of the bank’s designated AAs, and 18.5 percent of the bank’s total loan amount originated over the 2020-2021 review period.

Table 3

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Home Purchase - Conventional	23	46.0	2,202	16.2	27	54.0	11,428	83.8
Home Improvement	4	57.1	604	43.7	3	42.9	779	56.3
Other Purpose Closed-End	1	33.3	407	44.6	2	66.7	505	55.4
Refinancing	83	69.7	13,148	43.8	36	30.3	16,876	56.2
Total HMDA related	111	62.0	16,361	35.6	68	38.0	29,588	64.4
Small Business	39	84.8	3,820	56.3	7	15.2	2,965	43.7
Total Loans	150	66.7	20,181	38.3	75	33.3	32,553	61.7

Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts with consideration given to the dispersion of loans throughout the AAs. The bank’s overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AAs. The state ratings for Kansas and Colorado are consistent with the overall rating, and there were no material differences between the conclusions of each AA.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending has an overall reasonable distribution among individuals of different income levels and businesses of different sizes. The state ratings for Kansas and Colorado are consistent with the overall rating, and there were no material differences between the conclusions of each AA.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**STATE OF KANSAS
SOUTHEAST KANSAS ASSESSMENT AREA
NONMETROPOLITAN AREA
(Full Scope Review)**

COMMUNITY INVESTMENT ACT RATING FOR KANSAS: Satisfactory

This rating is based on the following conclusions with respect to the performance criteria:

- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.

SCOPE OF EXAMINATION

The scope of review for the state of Kansas was consistent with the overall scope for the institution. A full-scope review was conducted for the Southeast Kansas AA, which is the bank's only AA in the state and was evaluated concurrently with its overall state performance. The State of Kansas analysis included an evaluation of 31 small business loans and 82 home mortgage loans originated inside the Southeast Kansas AA.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN KANSAS/SOUTHEAST KANSAS AA

The bank's Southeast Kansas AA consists of Montgomery and Wilson counties in their entirety (see Appendix B for an AA map and Appendix C for additional demographic data).

- The bank's AA has changed since the previous examination. The previous AA in Kansas, which included Montgomery County only, was expanded to include Wilson County and renamed the Southeast Kansas AA with the acquisition of The State Bank of Kansas, Fredonia, Kansas, effective May 4, 2018.
- In addition to its main office in Independence, Kansas, the bank operates one full-service branch in Fredonia, Kansas, one drive-up facility in Independence, Kansas, and a limited-service location in Elk City, Kansas.
- The AA is comprised of nine moderate- and eight middle-income census tracts. At the previous evaluation on May 7, 2018, the AA had one low-, one moderate-, ten middle-, and one upper-income census tracts.
- According to the June 30, 2022 FDIC Market Share Report, the bank's deposit market share was 12.6 percent for the Southeast Kansas AA, which ranked 3rd out of the 9 FDIC-insured institutions operating in the AA.

- To further augment the CRA evaluation, an interview with a member of the community within the bank’s AA was conducted to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community member represented an organization focused on economic development.

Table 4

Population Change			
Assessment Area: Southeast Kansas			
Area	2010 Population	2015 Population	Percent Change
Southeast Kansas	44,880	43,245	(3.6)
Montgomery County, Kansas	35,471	34,184	(3.6)
Wilson County, Kansas	9,409	9,061	(3.7)
NonMSA Kansas	929,981	922,403	(0.8)
Kansas	2,853,118	2,892,987	1.4

*Source: 2010 U.S. Census Bureau Decennial Census
2011 – 2015 U.S. Census Bureau: American Community Survey*

- At 18.4 percent, the proportion of the AA population age 65 and older is greater than the statewide figure of 14.0 percent and other non-metropolitan areas (NonMSAs) in Kansas at 17.1 percent. Further, a community member acknowledged the AA’s aging population and decline in population overall as it pertains to Montgomery County, Kansas.

Table 5

Median Family Income Change			
Assessment Area: Southeast Kansas			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Southeast Kansas	54,910	49,803	(9.3)
Montgomery County, Kansas	55,824	50,042	(10.4)
Wilson County, Kansas	52,495	49,007	(6.6)
NonMSA Kansas	57,322	57,229	(0.2)
Kansas	67,977	66,389	(2.3)

*Source: 2006 - 2010 U.S. Census Bureau: American Community Survey
2011 - 2015 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- The AA contains a concentration of families below the poverty level at 13.1 percent, which is above both the statewide figure of 9.1 percent and the non-metropolitan figure of 10.2 percent.

Table 6

Housing Cost Burden						
Assessment Area: Southeast Kansas						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Southeast Kansas	66.2	31.3	36.1	57.4	24.5	15.7
Montgomery County, Kansas	66.5	28.0	35.4	56.8	26.5	16.2
Wilson County, Kansas	64.8	43.6	38.9	59.6	18.2	14.0
NonMSA Kansas	67.5	29.3	34.1	56.8	24.9	15.6
Kansas	74.7	35.9	38.8	61.9	29.8	16.3

Cost Burden is housing cost that equals 30 percent or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy

- The median housing value in the AA, at \$68,580, is below the statewide figure of \$132,000 and the nonmetropolitan figure of \$88,625.
- The AA median gross rent of \$618 is below the statewide figure of \$757 and the nonmetropolitan figure of \$623.

Table 7

Unemployment Rates					
Assessment Area: Southeast Kansas					
Region	2017	2018	2019	2020	2021
Southeast Kansas	5.1	4.2	4.0	7.2	3.9
Montgomery County, Kansas	5.2	4.2	4.0	7.1	3.9
Wilson County, Kansas	4.7	4.2	3.9	7.6	4.0
NonMSA Kansas	3.5	3.1	3.0	4.4	2.7
Kansas	3.6	3.3	3.1	5.7	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The major industries operating in the AA include manufacturing, health care and social assistance, retail trade, and educational services.
- A community member indicated the largest employers in the AA include Coffeyville Resources, Bartlett’s Soybean Crushing Plant, FedEx, Precision Railway Equipment Company, and the Loren Cook Manufacturing Company.

Table 8

Small Business Loan Trends					
Assessment Area: Southeast Kansas					
Area	2016	2017	2018	2019	2020
Southeast Kansas	285	291	271	305	257
Montgomery County, Kansas	221	228	208	220	208
Wilson County, Kansas	64	63	63	85	49
NonMSA Kansas	8,330	8,291	8,875	9,619	9,303
Kansas	37,560	38,677	40,252	43,504	49,225

Source: FFIEC CRA Aggregate Data

- As indicated in Table 8, lending to small businesses within the Southeast Kansas AA decreased 9.8 percent between 2016 and 2020. This figure is in contrast to the increasing statewide and nonmetropolitan figures of 31.1 percent and 11.7 percent, respectively, over the same period.

Table 9

Home Mortgage Loan Trends			
Assessment Area: Southeast Kansas			
Area	2018	2019	2020
Southeast Kansas	483	458	588
Montgomery County, Kansas	419	382	490
Wilson County, Kansas	64	76	98
NonMSA Kansas	9,653	10,605	14,401
Kansas	53,329	62,378	99,184

Source: FFIEC Home Mortgage Disclosure Act Aggregate Data

- Table 9 reflects an increase in home mortgage lending demand at 21.7 percent for the Southeast Kansas AA between 2018 and 2020. This figure is below the statewide and nonmetropolitan figures of 86.0 percent and 49.2 percent, respectively, over the same period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN KANSAS/SOUTHEAST KANSAS AA

The bank's performance under the lending test in the Southeast Kansas AA is reasonable, and the state of Kansas is rated Satisfactory. This is based on reasonable small business and home mortgage loan penetration among geographies of different income levels, reasonable levels of lending to borrowers of different income levels, and reasonable levels of lending to businesses of different revenue sizes.

Geographic Distribution of Loans

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA given relevant performance context. As referenced, there are no low-income census tracts in the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The distribution of 2021 home mortgage lending in the moderate-income census tracts was comparable to aggregate lending by number and dollar volume, and comparable to the demographic figure.

The bank's lending performance for 2020 was below 2021 performance levels. However, greater weight was placed on the bank's 2021 performance based on higher lending volume in 2021, which contributed to the overall reasonable rating. Consideration was also given to the early and dramatic impacts resulting from the initial onset of the Corona Virus Disease Pandemic (pandemic) in 2020.

An evaluation of the bank's dispersion of home mortgage lending revealed no material gaps or lapses throughout the AA.

Table 10

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Southeast Kansas													
Geographic Income Level	Bank And Aggregate Loans By Year												
	2020						2021						Owner Occupied Units %
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Moderate	5	13.9	30.8	320	7.4	24.2	13	28.3	35.7	1,280	21.8	28.8	38.7
Middle	31	86.1	69.2	3,992	92.6	75.8	33	71.7	64.3	4,583	78.2	71.2	61.3
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	36	100.0	100.0	4,312	100.0	100.0	46	100.0	100.0	5,863	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. The distribution of 2021 small business lending in the moderate-income census tracts was below the

demographic figure. According to the June 30, 2022 Deposit Market Share Report, there are 8 additional FDIC-insured institutions operating out of 18 offices located within the AA, one of which is a large institution with a regional branch network that operates 7 of those 18 offices. An additional analysis also determined there are five National Credit Union Administration-regulated credit unions also operating within the bank’s AA.

Furthermore, information obtained from a community member indicated that the general economic conditions of Montgomery County has declined since the start of the pandemic, noting that business closings have increased, especially in the retail and restaurant sector, which is further supported by the decrease in small business loan demand illustrated in Table 8.

When factoring in the level of competition along with performance context provided by a community member, the bank’s level of penetration in moderate-income census tracts is reasonable.

Lastly, an evaluation of the bank’s dispersion of small business lending revealed some gaps; however, this did not impact the overall conclusion.

Table 11

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Southeast Kansas					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	11	35.5	1,197	42.9	54.2
Middle	20	64.5	1,594	57.1	45.8
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	31	100.0	2,790	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. In 2021, the bank’s home mortgage lending to both low- and moderate-income borrowers was below aggregate and demographic figures. The bank’s total home mortgage lending in 2020 was above the performance in 2021.

Approximately 66.2 percent of low-income renters in the Southeast Kansas AA are cost burdened, which indicates an income constraint for those individuals trying to accumulate a down payment for a mortgage loan. Additionally, information obtained from a community member acknowledged that inventories of affordable housing in Montgomery County are low, especially for LMI families, which would represent a barrier for LMI borrowers to successfully obtain housing in the AA.

Further supporting the reasonable rating is the bank’s participation in a loan referral program with Mortgage Investment Services Corporation (MISC) that resulted in nine home mortgage originations to LMI borrowers located in the bank’s Southeast Kansas AA during the 2020 and 2021 review periods. This unique referral-based lending program helps borrowers that would not typically qualify for the bank’s more conservative home mortgage lending products to potentially obtain a loan from MISC. Based on this additional supporting information, the borrower distribution of home mortgage lending is considered reasonable.

Table 12

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Southeast Kansas													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	2	5.6	12.6	59	1.4	7.0	2	4.3	9.8	81	1.4	5.2	22.7
Moderate	6	16.7	19.2	428	9.9	15.4	5	10.9	17.7	365	6.2	14.0	21.9
Middle	5	13.9	18.1	434	10.1	18.3	14	30.4	20.7	1,220	20.8	19.5	22.6
Upper	22	61.1	26.7	3,292	76.3	36.4	25	54.3	29.1	4,197	71.6	39.6	32.8
Unknown	1	2.8	23.4	99	2.3	22.8	0	0.0	22.7	0	0.0	21.6	0.0
Total	36	100.0	100.0	4,312	100.0	100.0	46	100.0	100.0	5,863	100.0	100.0	100.0

*Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey*

*Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.*

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's lending to businesses with revenues of \$1 million or less is comparable to the demographic figure, which represents the percentage of small businesses in the AA.

A review of the 3-year average aggregate lending reported by all CRA reporters in the bank's AA revealed that 39.2 percent of loans by number and 30.9 percent by dollar were made to small businesses with revenues of \$1 million or less. This aggregate lending was considered as additional context in understanding credit demand by size of businesses in the AA, which further supports the bank's reasonable small business lending performance.

Table 13

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Southeast Kansas					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	23	74.2	2,055	73.7	89.8
Over \$1 Million	3	9.7	623	22.3	8.7
Revenue Unknown	5	16.1	113	4.1	1.5
Total	31	100.0	2,790	100.0	100.0
By Loan Size					
\$100,000 or Less	24	77.4	874	31.3	
\$100,001 - \$250,000	2	6.5	379	13.6	
\$250,001 - \$1 Million	5	16.1	1,538	55.1	
Total	31	100.0	2,790	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	17	73.9	561	27.3	
\$100,001 - \$250,000	2	8.7	379	18.4	
\$250,001 - \$1 Million	4	17.4	1,115	54.3	
Total	23	100.0	2,055	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**STATE OF COLORADO
PUEBLO MSA ASSESSMENT AREA
METROPOLITAN AREA
(Full Scope Review)**

COMMUNITY INVESTMENT ACT RATING FOR COLORADO: Satisfactory

This rating is based on the following conclusions with respect to the performance criteria:

- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.

SCOPE OF EXAMINATION

The scope of review for the state of Colorado was consistent with the overall scope for the institution. A full-scope review was conducted for the Pueblo MSA AA, which is the bank's only AA in the state and was evaluated concurrently with its overall state performance. The State of Colorado analysis included an evaluation of 8 small business loans and 29 home mortgage loans originated inside the Pueblo MSA AA.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN COLORADO/PUEBLO MSA AA

The bank's Pueblo MSA AA consists of the entire Pueblo, Colorado MSA, which is comprised of Pueblo County in its entirety (see Appendix B for an AA map and Appendix C for additional demographic data).

- The bank's AA has not changed since the previous examination.
- The bank operates one full-service branch in Pueblo, Colorado.
- The AA is comprised of 3 low-, 16 moderate-, 18 middle-, 15 upper-, and 3 unknown-income census tracts. At the previous evaluation on May 7, 2018, the AA was comprised of 4 low-, 16 moderate-, 17 middle-, 15 upper-, and 3 unknown-income census tracts.
- According to the June 30, 2022 FDIC Market Share Report, the bank's deposit market share was 3.5 percent for the Pueblo, Colorado MSA AA, which ranked 9th out of the 14 FDIC-insured institutions operating in the county.
- An interview with a community member within the bank's AA was conducted to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community member represented an area economic development organization.

Table 14

Population Change			
Assessment Area: Pueblo MSA			
Area	2010 Population	2015 Population	Percent Change
Pueblo MSA	159,063	161,519	1.5
Colorado	5,029,196	5,278,906	5.0

*Source: 2010 U.S. Census Bureau Decennial Census
2011 – 2015 U.S. Census Bureau: American Community Survey*

- At 16.5 percent, the proportion of the AA population age 65 and older is greater than the statewide figure of 12.2 percent. This figure was further supported when a community member acknowledged that Pueblo County’s residents consist of a significantly older population.

Table 15

Median Family Income Change			
Assessment Area: Pueblo MSA			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Pueblo MSA	54,995	51,986	(5.5)
Colorado	76,277	74,826	(1.9)

*Source: 2006 – 2010 U.S. Census Bureau: American Community Survey
2011 – 2015 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.

- The AA contains a concentration of families below the poverty level at 15.1 percent, which is above the statewide figure of 8.5 percent.

Table 16

Housing Cost Burden						
Assessment Area: Pueblo MSA						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Pueblo MSA	74.4	46.2	49.2	61.9	42.0	22.2
Colorado	80.3	56.4	46.4	65.8	43.6	21.5

Cost Burden is housing cost that equals 30 percent or more of household income.

Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy

- The median housing value in the AA at \$138,626 is below the statewide figure of \$247,800.
- The AA median gross rent of \$774 is below the statewide figure of \$1,002.

Table 17

Unemployment Rates					
Assessment Area: Pueblo MSA					
Region	2017	2018	2019	2020	2021
Pueblo MSA	4.0	4.5	3.9	7.8	7.9
Colorado	2.6	3.0	2.6	6.9	5.4

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The major industries operating in the AA include health care & social assistance, retail trade, and educational services.
- A community member indicated the largest employers in the AA include CS Wind, the Convergys Corporation, Target Distribution Center, EVRAZ steel mill, and Atlas Pacific Engineering.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN COLORADO/PUEBLO MSA AA

The bank’s performance under the lending test in the Pueblo MSA AA is reasonable and the state of Colorado is rated Satisfactory. This is based on reasonable small business and home mortgage loan penetrations among geographies of different income levels, reasonable levels of lending to borrowers of different income levels, and reasonable levels of lending to businesses of different revenue sizes.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The distribution of 2021 home mortgage lending in low-income census tracts was comparable to aggregate lending by number and dollar volume, and to the demographic figure. The distribution of 2021 home mortgage lending in moderate-income census tracts was comparable to aggregate lending by number, below by dollar volume, and comparable to the demographic figure.

The bank’s lending performance for 2020 was below 2021 performance levels. However, greater weight was placed on the bank’s 2021 performance based on higher lending volume in 2021, which contributed to the overall reasonable rating. Consideration was also given to the early and dramatic impacts resulting from the initial onset of the pandemic in 2020.

An evaluation of the bank's dispersion of home mortgage lending revealed significant gaps, including in LMI tracts. However, when considering the relatively low numbers of bank loans originated in an AA comprised of 55 census tracts in total, including 19 LMI census tracts, the lending dispersion did not impact the overall conclusion.

Table 18

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Pueblo MSA													
Geographic Income Level	Bank And Aggregate Loans By Year											Owner Occupied Units %	
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%		\$%
Low	0	0.0	2.0	0	0.0	1.5	0	0.0	2.6	0	0.0	1.7	3.5
Moderate	1	8.3	17.8	124	4.9	13.0	4	23.5	21.3	300	8.2	16.0	23.6
Middle	2	16.7	24.6	153	6.1	20.5	6	35.3	24.5	1,974	53.8	21.4	30.7
Upper	9	75.0	55.6	2,240	89.0	65.1	7	41.2	51.7	1,395	38.0	60.9	42.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	12	100.0	100.0	2,517	100.0	100.0	17	100.0	100.0	3,669	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. The distribution of 2021 small business lending in low-income census tracts was above the demographic figure. Comparatively, lending in the moderate-income census tracts was below the demographic figure.

While the bank does not report CRA data, a review of the 3-year average aggregate lending (2018 - 2020) reported by all CRA-reporters in the AA revealed that 2.6 percent of loans by number and 3.2 percent by dollar were made in low-income census tracts, while loans at 22.4 percent by number and 20.9 percent by dollar were made in moderate-income census tracts to small businesses. Aggregate CRA data is not used as a direct comparator for performance; however, it reflects small business loan demand in the area, which further supports the bank's reasonable small business lending performance. As such, when evaluating the bank's combined lending performance within LMI census tracts, the bank's performance is considered reasonable.

Lastly, an evaluation of the bank's dispersion of small business lending revealed significant gaps. However, when considering the low number of bank loans originated in

an AA comprised of 55 census tracts in total, including 19 LMI census tracts, this did not impact the overall conclusion.

Table 19

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Pueblo MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	1	12.5	80	7.8	3.2
Moderate	1	12.5	250	24.3	28.4
Middle	4	50.0	481	46.7	30.0
Upper	2	25.0	218	21.2	38.0
Unknown	0	0.0	0	0.0	0.4
Tract-Unk	0	0.0	0	0.0	
Total	8	100.0	1,029	100.0	100.0

*Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey*

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. In 2021, the bank’s home mortgage lending to low-income borrowers was comparable to aggregate lending but below the demographic figure. Lending to moderate-income borrowers was comparable to both aggregate lending and the demographic figure. The bank’s total home mortgage lending in 2020 was comparable to the overall performance in 2021.

Information obtained from a community member acknowledged there is a significant shortage of homes and rental properties affordable for LMI individuals in the area. The community member referenced a recent housing study conducted in 2021 by the City of Pueblo’s Housing and Citizen Services which indicated that the “for-sale” housing market in Pueblo County is operating on less than one month’s supply, with an average loan price exceeding \$300,000.

Table 20

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Pueblo MSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%	%	
Low	0	0.0	5.2	0	0.0	2.9	1	5.9	5.0	199	5.4	2.6	22.6
Moderate	2	16.7	14.7	252	10.0	11.0	3	17.6	16.3	311	8.5	12.0	17.6
Middle	0	0.0	23.8	0	0.0	22.6	2	11.8	23.5	235	6.4	22.6	18.7
Upper	8	66.7	36.2	1,941	77.1	41.2	7	41.2	38.0	2,654	72.3	43.9	41.1
Unknown	2	16.7	20.2	324	12.9	22.3	4	23.5	17.2	270	7.4	19.0	0.0
Total	12	100.0	100.0	2,517	100.0	100.0	17	100.0	100.0	3,669	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with revenues of \$1 million or less is comparable to the demographic figure, which represents the percentage of small businesses in the AA.

A review of the 3-year aggregate lending reported by CRA reporters in the bank’s AA revealed that 45.7 percent of loans by number and 36.1 percent by dollar were made to small businesses with revenues of \$1 million or less. This aggregate lending was considered as additional context in understanding credit demand by size of businesses in the AA, which further supports the bank’s reasonable small business lending performance.

Table 21

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Pueblo MSA					
	Bank Loans				Total Businesses
	#	%	\$(000)	%	
By Revenue					
\$1 Million or Less	6	75.0	653	63.5	93.9
Over \$1 Million	2	25.0	376	36.5	5.5
Revenue Unknown	0	0.0	0	0.0	0.6
Total	8	100.0	1,029	100.0	100.0
By Loan Size					
\$100,000 or Less	5	62.5	295	28.7	
\$100,001 - \$250,000	2	25.0	418	40.6	
\$250,001 - \$1 Million	1	12.5	316	30.7	
Total	8	100.0	1,029	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	4	66.7	235	36.0	
\$100,001 - \$250,000	2	33.3	418	64.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	6	100.0	653	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

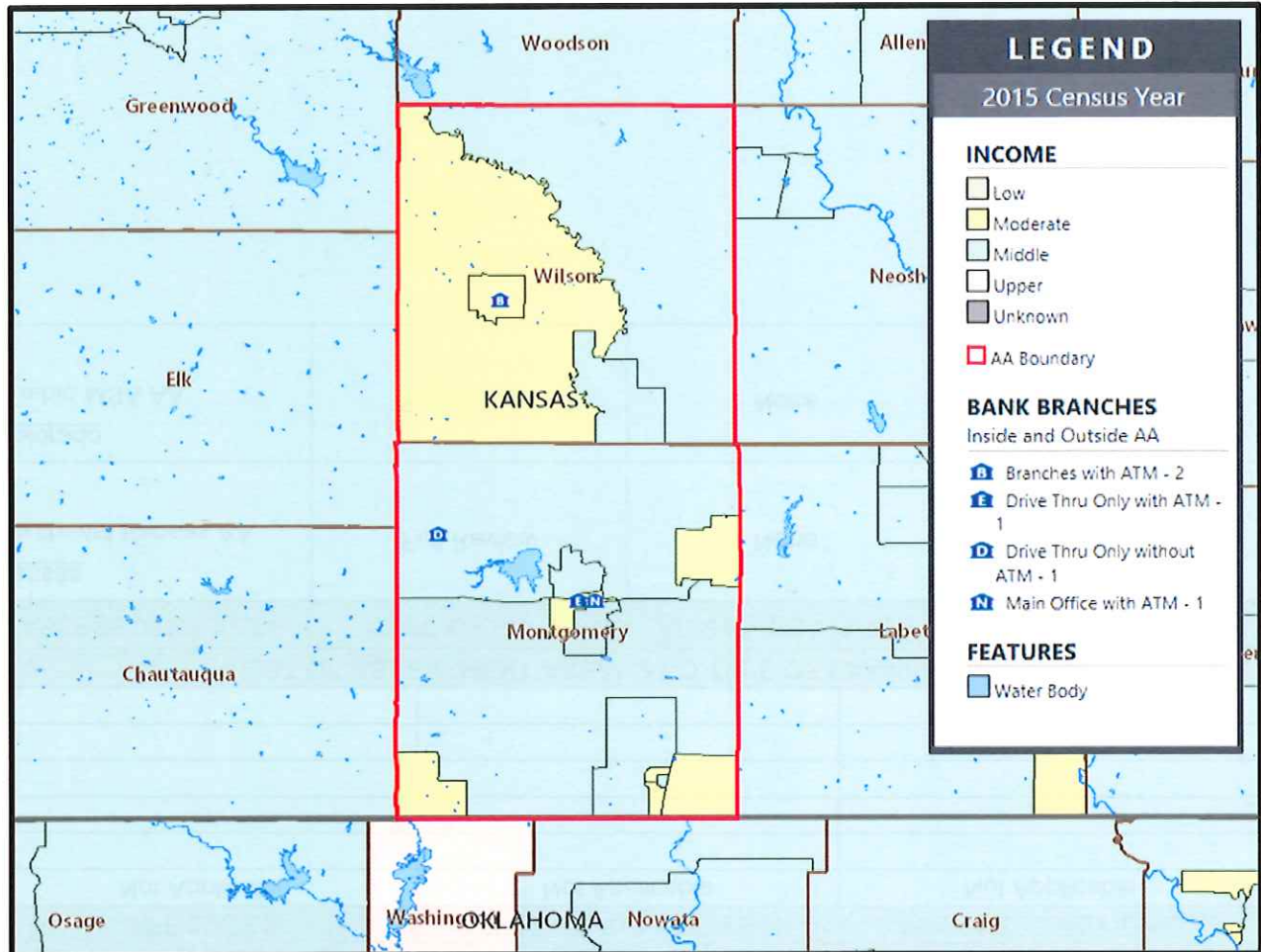
APPENDIX A – SCOPE OF EXAMINATION TABLE

Table A-1

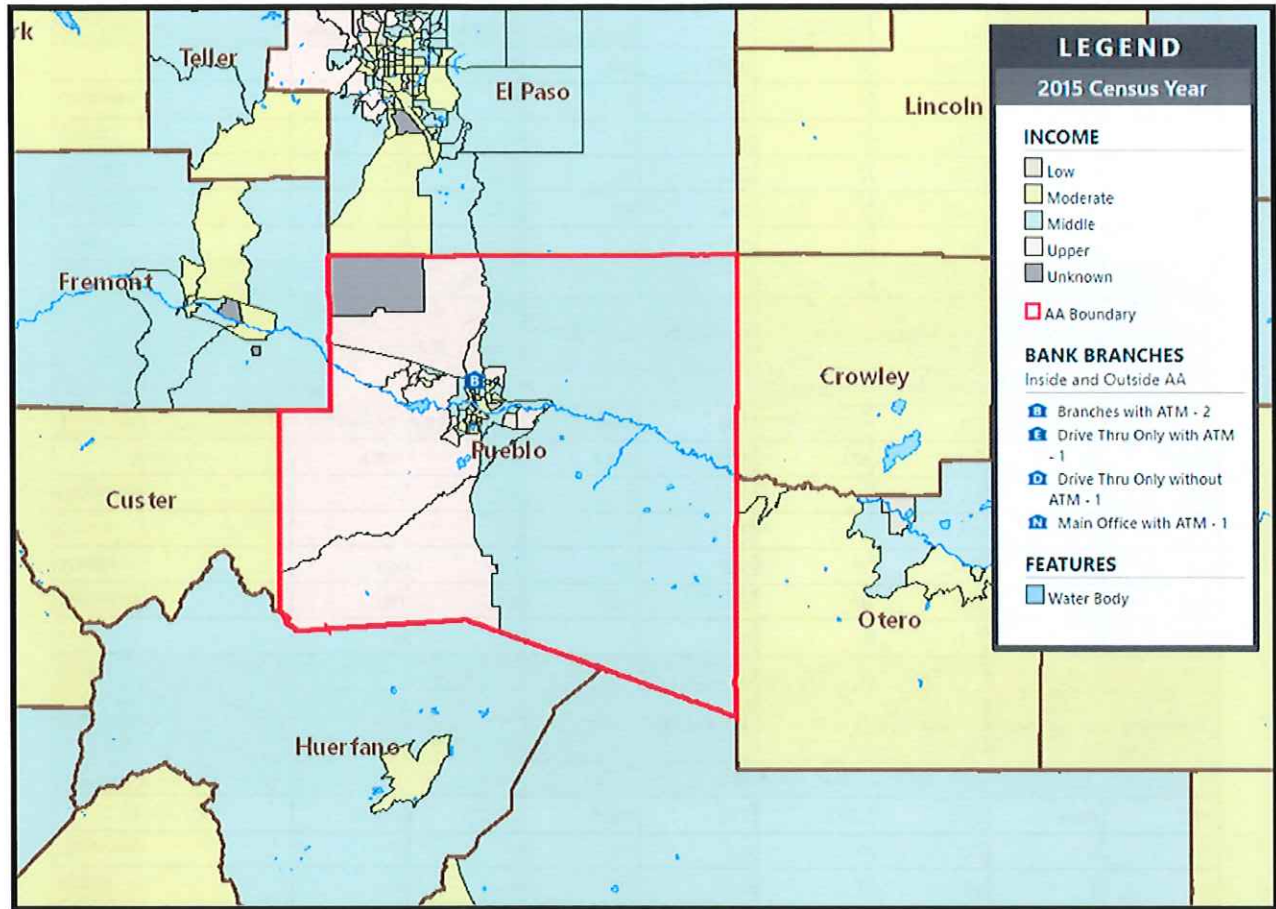
SCOPE OF EXAMINATION			
FINANCIAL INSTITUTION		PRODUCTS/SERVICES REVIEWED	
FirstOak Bank Independence, Kansas		<ul style="list-style-type: none"> • Small Business • HMDA Loans 	
TIME PERIODS REVIEWED			
<u>Small Business:</u>		January 1, 2021 – December 31, 2021	
<u>HMDA Loans:</u>		January 1, 2020 – December 31, 2021	
LIST OF AFFILIATES CONSIDERED IN THIS EVALUATION			
AFFILIATES	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
Not Applicable	Not Applicable	Not Applicable	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAM	BRANCHES VISITED	OTHER INFORMATION
<u>Kansas</u> Southeast Kansas AA	Full Review	None	1 community contact
<u>Colorado</u> Pueblo MSA AA	Full Review	None	1 community contact

APPENDIX B – MAPS OF THE ASSESSMENT AREAS

B-1: Southeast Kansas AA



B-2: Pueblo MSA AA



APPENDIX C – DEMOGRAPHIC INFORMATION

Table C-1

2021 Southeast Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,528	22.7
Moderate	9	52.9	4,319	38.8	844	19.5	2,439	21.9
Middle	8	47.1	6,819	61.2	614	9.0	2,517	22.6
Upper	0	0.0	0	0.0	0	0.0	3,654	32.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	17	100.0	11,138	100.0	1,458	13.1	11,138	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	9,071	4,701	38.7	51.8	2,291	25.3	2,079	22.9
Middle	12,066	7,446	61.3	61.7	2,766	22.9	1,854	15.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	21,137	12,147	100.0	57.5	5,057	23.9	3,933	18.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	780	54.2	704	54.5	64	51.2	12	54.5
Middle	658	45.8	587	45.5	61	48.8	10	45.5
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,438	100.0	1,291	100.0	125	100.0	22	100.0
Percentage of Total Businesses:				89.8		8.7		1.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	31	29.5	29	29.0	2	50.0	0	0.0
Middle	74	70.5	71	71.0	2	50.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	105	100.0	100	100.0	4	100.0	1	100.0
Percentage of Total Farms:				95.2		3.8		1.0
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table C-2

2020 Southeast Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,528	22.7
Moderate	9	52.9	4,319	38.8	844	19.5	2,439	21.9
Middle	8	47.1	6,819	61.2	614	9.0	2,517	22.6
Upper	0	0.0	0	0.0	0	0.0	3,654	32.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	17	100.0	11,138	100.0	1,458	13.1	11,138	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	9,071	4,701	38.7	51.8	2,291	25.3	2,079	22.9
Middle	12,066	7,446	61.3	61.7	2,766	22.9	1,854	15.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	21,137	12,147	100.0	57.5	5,057	23.9	3,933	18.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	799	54.0	715	54.0	73	54.5	11	52.4
Middle	681	46.0	610	46.0	61	45.5	10	47.6
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,480	100.0	1,325	100.0	134	100.0	21	100.0
Percentage of Total Businesses:				89.5		9.1		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	33	29.7	31	29.0	2	66.7	0	0.0
Middle	78	70.3	76	71.0	1	33.3	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	111	100.0	107	100.0	3	100.0	1	100.0
Percentage of Total Farms:				96.4		2.7		0.9

Source: 2020 FFIEC Census Data
 2020 Dun & Bradstreet Data
 2011-2015 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

Table C-3

2021 Pueblo MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	3	5.5	1,876	4.6	858	45.7	9,187	22.6
Moderate	16	29.1	10,789	26.5	2,493	23.1	7,160	17.6
Middle	18	32.7	12,183	30.0	1,755	14.4	7,616	18.7
Upper	15	27.3	15,808	38.9	1,025	6.5	16,697	41.1
Unknown	3	5.5	4	0.0	4	100.0	0	0.0
Total AA	55	100.0	40,660	100.0	6,135	15.1	40,660	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,961	1,418	3.5	35.8	2,084	52.6	459	11.6
Moderate	21,983	9,541	23.6	43.4	9,908	45.1	2,534	11.5
Middle	21,420	12,377	30.7	57.8	7,032	32.8	2,011	9.4
Upper	22,585	17,033	42.2	75.4	3,485	15.4	2,067	9.2
Unknown	10	0	0.0	0.0	10	100.0	0	0.0
Total AA	69,959	40,369	100.0	57.7	22,519	32.2	7,071	10.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	207	3.2	198	3.2	9	2.5	0	0.0
Moderate	1,845	28.4	1,714	28.1	118	33.1	13	33.3
Middle	1,952	30.0	1,828	30.0	113	31.7	11	28.2
Upper	2,469	38.0	2,341	38.4	113	31.7	15	38.5
Unknown	26	0.4	22	0.4	4	1.1	0	0.0
Total AA	6,499	100.0	6,103	100.0	357	100.0	39	100.0
Percentage of Total Businesses:				93.9	5.5	0.6		
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	1	0.5	1	0.5	0	0.0	0	0.0
Moderate	12	6.2	12	6.3	0	0.0	0	0.0
Middle	87	45.1	84	44.4	3	75.0	0	0.0
Upper	92	47.7	91	48.1	1	25.0	0	0.0
Unknown	1	0.5	1	0.5	0	0.0	0	0.0
Total AA	193	100.0	189	100.0	4	100.0	0	0.0
Percentage of Total Farms:				97.9	2.1	0.0		

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-4

2020 Pueblo MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	3	5.5	1,876	4.6	858	45.7	9,187	22.6
Moderate	16	29.1	10,789	26.5	2,493	23.1	7,160	17.6
Middle	18	32.7	12,183	30.0	1,755	14.4	7,616	18.7
Upper	15	27.3	15,808	38.9	1,025	6.5	16,697	41.1
Unknown	3	5.5	4	0.0	4	100.0	0	0.0
Total AA	55	100.0	40,660	100.0	6,135	15.1	40,660	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,961	1,418	3.5	35.8	2,084	52.6	459	11.6
Moderate	21,983	9,541	23.6	43.4	9,908	45.1	2,534	11.5
Middle	21,420	12,377	30.7	57.8	7,032	32.8	2,011	9.4
Upper	22,585	17,033	42.2	75.4	3,485	15.4	2,067	9.2
Unknown	10	0	0.0	0.0	10	100.0	0	0.0
Total AA	69,959	40,369	100.0	57.7	22,519	32.2	7,071	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	217	3.3	206	3.4	11	2.9	0	0.0
Moderate	1,837	28.3	1,703	28.0	121	32.4	13	36.1
Middle	1,961	30.2	1,832	30.1	121	32.4	8	22.2
Upper	2,456	37.8	2,324	38.2	117	31.3	15	41.7
Unknown	28	0.4	24	0.4	4	1.1	0	0.0
Total AA	6,499	100.0	6,089	100.0	374	100.0	36	100.0
Percentage of Total Businesses:				93.7		5.8		0.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	0.5	1	0.5	0	0.0	0	0.0
Moderate	10	5.2	10	5.3	0	0.0	0	0.0
Middle	86	45.0	83	44.4	3	75.0	0	0.0
Upper	93	48.7	92	49.2	1	25.0	0	0.0
Unknown	1	0.5	1	0.5	0	0.0	0	0.0
Total AA	191	100.0	187	100.0	4	100.0	0	0.0
Percentage of Total Farms:				97.9		2.1		0.0
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

APPENDIX D – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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, 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.