

PUBLIC DISCLOSURE

May 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First United Bank
Certificate Number: 15472

503 Briggs Avenue South
Park River, North Dakota 58270

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.

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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 following points summarize the bank's Community Reinvestment Act (CRA) performance:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The institution made a substantial majority of its small farm and small business loans within its assessment area.
- The geographic distribution of small farm and small business loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

First United Bank is wholly-owned by First Holding Company of Park River, Inc., a one-bank holding company located in Park River, North Dakota. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated September 14, 2020, based on Interagency Small Institution Examination Procedures. Effective September 12, 2022, First United Bank merged with affiliate Ramsey National Bank, Devils Lake, North Dakota. Ramsey National Bank received an Outstanding rating at its previous Performance Evaluation, also dated September 14, 2020, which was conducted by the Office of the Comptroller of the Currency using Interagency Small Institution Examination Procedures.

First United Bank continues to operate from its main office in Park River, as well as nine full-service branches in eastern North Dakota. The merger with Ramsey National Bank added six branch locations in Cando, Cavalier, Devils Lake, Fargo, Maddock, and Rugby, North Dakota, for a total of 16 full-service offices.

The bank offers various traditional loan products including agricultural, commercial, home mortgage, and consumer loans. Agricultural loans continue to represent the institution's primary lending focus, followed by commercial loans. First United Bank also offers loans through the Small Business Administration (SBA) and participated in the SBA-administered Paycheck Protection Program. The bank originates secondary market mortgage loans as well, which provide qualified borrowers with long-term mortgage financing options and special programs through the North Dakota Housing Finance Agency.

First United Bank provides a variety of deposit products, including checking and savings accounts and certificates of deposit. Debit/ATM cards and gift cards are also offered. In addition to traditional banking services, customers have access to online banking, bill pay, electronic periodic statements, and mobile banking, including mobile check deposit. Finally, the bank operates five proprietary cash-dispensing ATMs, two of which are new since the merger.

As of March 31, 2023, First United Bank reported total assets of \$653.1 million, total loans of \$386.4 million, and total deposits of \$591.4 million. The following table illustrates the bank's loan portfolio; however, secondary market loans are not included within the table as they are not held within the portfolio. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment areas.

Loan Portfolio Distribution as of March 31, 2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	10,832	2.8
Secured by Farmland	93,430	24.2
Secured by 1-4 Family Residential Properties	31,318	8.1
Secured by Multi-family (5 or more) Residential Properties	22,360	5.8
Secured by Nonfarm Nonresidential Properties	53,162	13.8
Total Real Estate Loans	211,102	54.6
Agricultural Production and Other Loans to Farmers	116,003	30.0
Commercial and Industrial Loans	45,166	11.7
Consumer Loans	10,069	2.6
Obligations of States and Political Subdivisions in the U.S.	3,830	1.0
Other Loans	269	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	386,439	100.0
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100.0%</i>		

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. First United Bank has designated two contiguous assessment areas, one comprised of counties in the nonmetropolitan portion of North Dakota and one encompassing the Fargo, ND-MN Metropolitan Statistical Area (MSA). Due to the merger and the locations of the new branches described earlier, the bank's assessment area in nonmetropolitan North Dakota was expanded to include all of Benson, Pierce, Ramsey, and Towner counties. The Fargo, ND-MN MSA assessment area is new following the merger and is comprised of the entirety of the MSA (Cass County in North Dakota and Clay County in Minnesota). However, due to the timing of the merger, only lending activities in the original nonmetropolitan assessment area will be included in the current evaluation.

Pre-merger, First United Bank's assessment area in the nonmetropolitan portion of North Dakota included all of Barnes, Cavalier, Grand Forks, Griggs, Nelson, Pembina, Steele, and Walsh counties in eastern North Dakota. The assessment area changed slightly since the last evaluation, as only portions of Barnes, Cavalier, Grand Forks, and Pembina counties were included in the assessment area at that time. According to the 2020 U.S. Census, the assessment area includes 1 low-income, 10 moderate-income, 24 middle-income, and 5 upper-income census tracts, as well as 1 tract that has not been assigned an income classification. For this evaluation, examiners analyzed lending activities conducted by the bank's ten full-service branches in Adams, Aneta, Cooperstown, Crystal, Grafton, Hoople, Michigan, Park River, Petersburg, and Sharon, North Dakota. All of the offices are located in middle-income census tracts, with the exception of the Grafton branch, which is located in a moderate-income tract.

Economic and Demographic Data

The table below provides select demographic characteristics for the assessment area prior to the merger with Ramsey National Bank.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	2.4	24.4	58.5	12.2	2.4
Population by Geography	112,253	2.1	23.2	53.1	19.5	2.1
Housing Units by Geography	55,644	1.3	22.5	58.0	15.7	2.5
Owner-Occupied Units by Geography	28,473	0.0	16.1	62.0	19.9	2.0
Occupied Rental Units by Geography	20,375	2.8	34.9	45.2	13.3	3.8
Vacant Units by Geography	6,796	2.4	12.5	79.2	5.2	0.7
Businesses by Geography	11,924	0.3	22.2	57.0	19.1	1.4
Farms by Geography	1,557	0.0	5.6	85.6	8.6	0.2
Family Distribution by Income Level	26,287	22.5	17.0	22.5	38.1	0.0
Household Distribution by Income Level	48,848	25.6	16.4	17.8	40.2	0.0
Median Family Income – Grand Forks, ND-MN MSA		\$82,257	Median Housing Value Median Gross Rent			\$162,260 \$808
Median Family Income – Nonmetropolitan North Dakota		\$82,366	Families Below Poverty Level			7.3%
<i>Source: 2020 U.S. Census; 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is rural in nature and dependent upon agriculture and related industries. Per bank management, the economy as a whole has remained strong throughout the past several years despite the COVID-19 pandemic. Per 2022 D&B data, service industries represent the largest segment of businesses in the assessment area at 29.7 percent, followed by non-classifiable establishments (18.8 percent) and agriculture, forestry, and fishing (11.6 percent). The majority of businesses are considered small, with 88.3 percent operating from a single location and 62.8 percent employing four or fewer individuals.

Competition

First United Bank operates in a moderately competitive market for financial services. According to 2022 FDIC Deposit Market Share data, 24 financial institutions operate 73 offices within the assessment area. Of these institutions, First United Bank ranked 6th with a deposit market share of 5.7 percent. However, each of the five institutions with the greatest market shares has assets in excess of \$2.5 billion. Further, three of the five banks with the greatest market shares are only located within the City of Grand Forks, where First United Bank does not have a presence. In the counties in which First United Bank maintains a physical branch, the institution has the largest deposit market share at 19.1 percent.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs of the area. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners referenced an existing interview with an individual that is knowledgeable of the local agricultural economy.

The contact noted that current conditions with respect to the agricultural economy are quite strong. Overall, the COVID-19 pandemic did not have a significant impact on the agricultural industry or the area economy in general. The contact stated that sugar beets, soybeans, corn, and wheat are the primary crops, and recent years have resulted in good yields with high commodity prices. The size of farms continues to grow, as many larger operators are taking over smaller family farms. The contact noted that there is currently a labor shortage throughout rural North Dakota, as there are significant labor demands in most sectors. The contact indicated that agricultural loans are the area's primary credit need. Lastly, the contact opined that financial institutions are active in the area and are meeting the credit needs.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural lending represents the primary credit need of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated September 14, 2020, to the current evaluation dated May 30, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate First United Bank's CRA performance. These procedures evaluate the institution's performance according to the Lending Test criteria as detailed in the Appendices.

Activities Reviewed

Bank records and discussions with management determined that the lending focus and product mix remained relatively consistent throughout the evaluation period. Therefore, examiners selected 2022, the most recent full calendar year, as the review period. This timeframe was considered representative of the bank's performance during the entire evaluation period. However, as described earlier, lending activity from the six acquired branches was not considered during this evaluation due to the timing of the merger with Ramsey National Bank.

Examiners reviewed Reports of Condition and Income data, as well as the institution's lending activity throughout the evaluation period, and confirmed that First United Bank focuses on agricultural and commercial lending. Given this information, examiners reviewed all small farm and small business loans originated or extended in 2022 for the Assessment Area Concentration

analysis. Specifically, examiners reviewed 208 small farm loans totaling \$24.6 million and 79 small business loans totaling \$6.5 million. To evaluate the Geographic Distribution criterion, examiners reviewed all loans made within the assessment area. Finally, as revenue information was not readily available, examiners selected random samples of the loans that were located in the assessment area for the Borrower Profile analysis. The samples included 51 small farm loans and 36 small business loans, totaling \$6.2 million and \$3.0 million, respectively. D&B data for 2022 provided a standard of comparison for small farm and small business lending.

First United Bank’s small farm lending performance was given more weight during the evaluation as agricultural lending is the institution’s primary focus and represents a larger portion of the loan portfolio (54.2 percent) than commercial loans (25.5 percent). Home mortgage loans were not included in the evaluation as they are not a lending focus of the bank. Finally, although both the number and dollar volume of loans are presented, examiners emphasized performance by number because the number of loans is a better indicator of the number of farms and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

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

Loan-to-Deposit Ratio

First United Bank’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and credit needs of the assessment area. The institution’s net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 65.9 percent over the past 11 calendar quarters. The ratio has been declining during the evaluation period. Management attributed the downward trend in the ratio in part to the economic impact payments received by customers during the COVID-19 pandemic. Further, management stated that the ratio fluctuates in response to the seasonal nature of agricultural lending. These factors have caused deposit growth to outpace lending growth. Although the merger with Ramsey National Bank in September 2022 nearly doubled the bank’s loan and deposit volume, this had minimal effect on the overall loan-to-deposit ratio. As depicted in the following table, First United Bank maintained a lower ratio than comparable banks, which were selected based on asset size, branching structure, geographic location, and lending focus. However, given the performance context, the loan-to-deposit ratio is considered reasonable.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
First United Bank, Park River, North Dakota	653,096	65.9
BankNorth, Arthur, North Dakota	514,931	88.8
United Valley Bank, Cavalier, North Dakota	606,768	73.4
<i>Source: Reports of Condition and Income 9/30/2020 – 3/31/2023</i>		

Assessment Area Concentration

As detailed in the table below, First United Bank made a substantial majority of its small farm and small business loans within its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	195	93.8	13	6.3	208	23,695	96.5	856	3.5	24,551
Small Business	72	91.1	7	8.9	79	6,259	96.8	210	3.2	6,469

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. This conclusion is supported by the bank’s small farm and small business lending performance. When deriving conclusions for this criterion, examiners focus on lending in low- and moderate-income census tracts.

Small Farm Loans

As depicted in the table below, the geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area when compared to D&B data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	5.6	9	4.6	1,015	4.3
Middle	85.6	185	94.9	22,559	95.2
Upper	8.6	1	0.5	121	0.5
Not Available	0.2	0	0.0	0	0.0
Total	100.0	195	100.0	23,695	100.0

*Source: 2022 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area when compared to D&B data, which is illustrated in the following table.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.3	0	0.0	0	0.0
Moderate	22.2	18	25.0	1,461	23.3
Middle	57.0	53	73.6	4,782	76.4
Upper	19.1	1	1.4	16	0.3
Not Available	1.4	0	0.0	0	0.0
Total	100.0	72	100.0	6,259	100.0

*Source: 2022 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. The bank’s small farm and small business lending performance supports this conclusion. Examiners focused on the percentage of lending to farms and businesses with gross annual revenues of \$1 million or less.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farm operations with gross annual revenues of \$1 million or less. As illustrated in the table below, the bank’s lending is slightly lower than comparable demographic data. However, the 2017 Census of Agriculture shows that 45.3 percent of producers in the assessment area do not list farming as their primary occupation. Further, 50.2 percent of farm operations did not report interest expense, indicating less opportunity for the institution to lend to smaller operations. Given this information, the bank’s performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	97.4	46	90.2	5,361	86.5
> \$1,000,000	2.1	5	9.8	836	13.5
Revenue Not Available	0.5	0	0.0	0	0.0
Total	100.0	51	100.0	6,197	100.0

*Source: 2022 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. Although the bank’s performance slightly lags the comparable data, D&B collects information for all businesses that chose to report, including those that may not need credit. Therefore, the bank’s performance is considered reasonable. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	81.8	27	75.0	1,385	46.1
> \$1,000,000	4.8	9	25.0	1,619	53.9
Revenue Not Available	13.4	0	0.0	0	0.0
Total	100.0	36	100.0	3,004	100.0
<i>Source: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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.

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 market, 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.