

PUBLIC DISCLOSURE

May 28, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Madison Valley Bank
Certificate Number: 19544

213 E Main St
Ennis, Montana 59729

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

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San Francisco, California 94105

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 COMMUNITY REINVESTMENT ACT (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 (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable considering seasonal variation and considering lending related activities given the institution's size, financial condition, and credit needs of the AA.
- A substantial majority of institution's small business and home mortgage loans are inside its AA.
- The geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes.
- The bank did not receive any complaints regarding its (CRA) performance since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Madison Valley Bank (MVB) is a state-chartered bank headquartered in Ennis, Montana. MVB is wholly owned by Jackass Creek Land & Livestock Company. The bank does not have any additional affiliates or subsidiaries. MVB received a rating of "Satisfactory" at its previous FDIC CRA Performance Evaluation dated August 13, 2018, based on Interagency Small Institution Examination Procedures.

MVB operates five full-service offices in Montana. In June 2019, MVB opened a branch in Bozeman, Montana, located in a moderate-income census tract (CT). The bank has not closed any branches or been involved with any merger or acquisition activity since the previous examination. MVB offers traditional lending and deposit products to consumer and commercial customers. The bank's primary lending focus is commercial, followed by residential real estate lending. The bank offers a variety of loan products to include commercial, agriculture, home mortgage, and consumer loans. In addition, the bank originates and sells home mortgage loans to secondary market investors. The bank provides a variety of deposit services including checking, savings, money market deposit accounts, individual retirement accounts, health savings accounts, and certificates of deposit. Alternate banking services include online and mobile banking, electronic bill pay, and ten ATMs.

According to the June 30, 2023, FDIC Deposit Market Share Report, MVB's main office holds the greatest amount of deposits with a total of \$128.2 million. This is followed by the Boulder branch holding \$33.5 million in deposits, the West Yellowstone branch holding \$31.6 million in deposits; the Clancy branch holding \$32.0 million in deposits, and the Bozeman branch holding \$6.4 million in deposits.

As of the March 31, 2024, Consolidated Reports of Condition and Income (Call Report), MVB reported \$270.5 million in total assets, \$229.5 million in total deposits, and \$130.6 in total loans. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 03/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	17,716	13.6
Secured by Farmland	2,275	1.7
Secured by 1-4 Family Residential Properties	50,270	38.5
Secured by Multifamily (5 or more) Residential Properties	1,600	1.2
Secured by Nonfarm Nonresidential Properties	44,238	33.9
Total Real Estate Loans	116,099	88.9
Commercial and Industrial Loans	8,460	6.5
Agricultural Production and Other Loans to Farmers	1,651	1.3
Consumer Loans	4,355	3.3
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	23	0.0
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	130,588	100.0
<i>Source: Call Report, Due to rounding, totals may not equal 100.0%</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its AA.

DESCRIPTION OF ASSESSMENT AREA

MVB has delineated its AA as Gallatin, Jefferson, Madison, and Lewis & Clark Counties. The following sections discuss demographic and economic information for the bank's AA. The AA composition has changed since the previous evaluation. Specifically, the bank has taken all of Gallatin County with the opening of Bozeman branch. Additionally, some CT designation throughout the AA changed based on 2020 United States Census (U.S. Census). The AA includes 50 CTs. These CTs reflect the following income designation, according to 2020 U.S. Census data:

- 0 low-income tracts;
- 5 moderate-income tracts;
- 18 middle-income tracts; and
- 27 upper-income tracts.

Economic and Demographic Data

The following table illustrates the demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	-	10.0	36.0	54.0	-
Population by Geography	210,641	-	8.0	34.9	57.1	-
Housing Units by Geography	94,906	-	8.1	37.0	54.9	-
Owner-Occupied Units by Geography	54,743	-	3.8	36.1	60.1	-
Occupied Rental Units by Geography	27,198	-	15.9	34.3	49.8	-
Vacant Units by Geography	12,965	-	9.5	46.6	43.9	-
Businesses by Geography	54,512	-	6.7	24.7	68.6	-
Farms by Geography	2,133	-	5.8	29.9	64.3	-
Family Distribution by Income Level	48,882	12.6	14.8	20.0	52.6	-
Household Distribution by Income Level	81,941	18.0	13.6	17.4	50.9	-
Median Family Income FFIEC-Estimated Median Family Income for 2023		\$70,967 \$85,100	Median Housing Value Median Gross Rent Families Below Poverty Level			\$349,042 \$1,025 4.9%
Source: 2020 Census Data; 2023 D&B Data; FFIEC Estimated Median Family Income; Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

According to the 2023 D&B data, the services industry represents the largest portion of business in the AA at 31.8 percent; followed by non-classifiable establishments at 30.7 percent; and finance, insurance & real estate at 10.8 percent. In addition, 60.6 percent of the businesses have four or fewer employees, and 96.0 percent operate from a single location.

The Federal Financial Institutions Examinations Council (FFIEC) provides updated median family incomes (MFI) that are used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the AA MFI.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2023 (\$85,100)	<\$42,550	\$42,550 to <\$68,080	\$68,080 to <\$102,120	≥\$102,120
<i>Source: FFIEC</i>				

Competition

According to the June 30, 2023, FDIC Deposit Market Share Report, MVB faces strong competition from 18 institutions operating 74 offices within the AA. MVB ranks ninth and holds 3.1 percent of the total deposit market share within the AA. The top five institutions control approximately 74.8 percent of the AA's deposit market share with a combined \$5.5 billion in deposits.

Community Contacts

As a part of the evaluation process, examiners reviewed a community contact from the FFIEC Community Contact database to assist in identifying credit needs. Examiners leveraged an existing community contact based in the Bozeman area. The contact interviewed is a representative from an economic development organization that serves the AA.

The contact stated that Bozeman has seen increases in population in all age groups. Individuals move to the Bozeman area to attend Montana State University and continue to live in the area after graduation. The area has struggled with rapid growth after the COVID-19 pandemic. The contact stated high wealth individuals were purchasing property around the AA and developers are focusing on building luxury housing rather than affordable housing. The median listing home price in Gallatin County has increased significantly since the COVID-19 pandemic. The contact noted that there is a significant shortage of housing stock in the Bozeman area.

Credit Needs

Considering area demographics, economic data, and conversations with management and a community contact, examiners determined that affordable housing are the most significant credit needs of the AA. Although affordable housing represents a critical need of the AA, opportunities are limited due to low supply.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated August 13, 2018, to the current evaluation as of May 28, 2024. Examiners used Interagency Small Institution CRA Examination Procedures to evaluate performance. Examiners conducted a full-scope review for the bank's AA.

Activities Reviewed

Based on the bank's business strategy, discussion with management, demographic data, and the number and dollar volume of loans originated during the evaluation period, examiners determined the bank's major product lines were small business and home mortgage loans. Small farm loans were not reviewed as they do not represent a major product line or lending focus of the bank.

Examiners used full-scope procedures to analyze MVB's lending performance in the AA from January 1, 2023, through December 31, 2023. Examiners only presented lending data for 2023

since the bank does not collect or report CRA data. In 2023, MVB's universe of small business loans was 85 loans totaling \$9.5 million and the universe of home mortgage loans was 50 loans totaling \$10.3 million. Examiners selected a sample of 41 small business loans totaling \$3.6 million and 30 home mortgage loans totaling \$5.7 million for borrower profile analysis. The universe of small business and home mortgage loans are representative of the institution's performance during the evaluation period. For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized the number of loans, as it is a stronger indicator of number of individuals and businesses served.

Small business lending performance received more weight in the Lending Test analysis based the bank's business strategy and the number of small business loans originated during the review period, followed by home mortgage performance. Bank records indicate that the lending focus and product mix remained consistent throughout the evaluation period.

Given the AA does not contain any low-income CTs, and five moderate-income CTs, greater weight was given to the borrower profile performance, followed by geographic distribution performance, AA concentration, and the average net LTD Ratio.

The 2020 U.S. Census data is presented for comparative purposes in the analyses of borrower profiles and geographic distribution of home mortgage loans showing the percentage of families by borrower income level and percentage of owner-occupied housing units by tract income level in the institution's AA.

The 2023 D&B data is provided for comparative purposes in the analyses of the borrower profile and geographic distribution of small business loans in the institution's AA. The data is based on geographic location using the 2020 U.S. Census data boundaries for the total number of businesses within the AA and the gross annual revenue (GAR) of those businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

MVB demonstrated reasonable performance under the Lending Test. The bank's reasonable LTD ratio, a substantial majority of loans originated in the AA, a reasonable dispersion of loans throughout the AA, and a reasonable penetration among businesses of different revenue sizes and borrower incomes support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable, considering seasonal variations and taking into account lending related activities, given the institution's size, financial condition, and AA credit needs. The ratio ranged during the 24 quarters from a low of 55.1 percent as of September 31, 2023, to a high of 71.2 percent as of June 30, 2020. The bank's LTD ratio has increased since the prior evaluation. Additionally, the bank sells a significant portion of its home mortgage loans to the secondary market. Since the prior

examination, the bank sold a total of 45 loans to the secondary market. Loans sold to the secondary market are not reflected in the LTD ratio.

The following table illustrates MVB's average net LTD ratio since the previous CRA evaluation along with a similarly situated institution considering the asset sizes, loan portfolios, market area, and product area.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 03/31/2024 (\$000s)	Average Net LTD Ratio (%)
Madison Valley Bank	270,480	60.8
Similarly Situated Institution #1	253,693	73.5
<i>Source: Call Report 09/30/2018 - 03/31/2024</i>		

Assessment Area Concentration

A substantial majority of loans and other lending related activities are in the institution's AA. MVB made a substantial majority of home mortgage loans and small business loans within the AA by both number and dollar value. The following table shows the distribution of small businesses and home mortgage loans by both number and dollar volume during the evaluation period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business	77	90.6	8	9.4	85	8,612	90.3	930	9.7	9,542
Home Mortgage	42	84.0	8	16.0	50	9,036	87.2	1,332	12.8	10,367
Source: Bank Data, Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the AA. MVB's reasonable performance of small business lending and home mortgage lending supports this conclusion. MVB AA does not contain any low-income CTs; therefore, low-income CTs are not presented.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. The Geographic Distribution of Small Business Loans table illustrates the bank's small business lending performance throughout all income tracts of the bank's AA.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	6.7	0	0.0	0	0.0
Middle	24.7	58	75.3	5,309	61.7
Upper	68.6	19	24.7	3,303	38.3
Total	100.0	77	100.0	8,612	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to Rounding, totals may not equal 100.0%</i>					

MVB did not originate any small business loans in the moderate-income CTs. It should be noted that four of the bank's moderate-income CTs are located in the Bozeman area. Management stated that loan officers continue to attend and host outreach events to attract new small businesses in these areas; however, it takes time to build new relationships. Further, as previously discussed, competition for financial services is high in the Bozeman area. The additional moderate-income CT is located on the north end of Lewis & Clark County. There is no bank branch in or near the moderate-income CT in Lewis & Clark County. The nearest bank branch is significantly south in Jefferson County. In order to obtain services from MVB, individuals would need to travel to another county and pass several financial institutions, including those located in Montana's capital, Helena. Finally, D&B data includes all businesses in a given area that voluntarily respond to a survey request, including a large number of very small businesses that have limited or no credit needs from traditional financial institutions. Considering all of these factors, the geographic distribution for small business lending is reasonable.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The Geographic Distribution of Home Mortgage Loans table illustrates the bank's record of home mortgage lending throughout the AA.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	3.8	0	0.0	0	0.0
Middle	36.1	35	83.3	7,060	78.1
Upper	60.1	7	16.7	1,976	21.9
Total	100.0	42	100.0	9,036	100.0
<i>Source: 2020 Census; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Although the bank did not originate any home mortgage loans in moderate-income CTs, the percentage of owner-occupied housing in these geographies indicates that there is limited opportunity to originate loans. Additionally, the majority of moderate-income geographies are located in close proximity to Montana State University. Students attending the university have a limited capacity to borrow and typically rent instead of purchasing a home. As mentioned previously, the moderate-income CT located in Lewis & Clark County is significantly north from the nearest branch in Jefferson County.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes and borrowers of different income levels within the AA. The bank's reasonable performance of small business and home mortgage lending supports this conclusion. Examiners focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less and on the percentage by number of home mortgage loans to LMI borrowers.

Small Business Loans

MVB's record of lending to businesses with GARs of \$1 million or less reflects reasonable penetration. The following table illustrates the bank's record of small business lending to businesses with GARs of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	93.2	34	82.9	2,026	56.8
> \$1,000,000	1.7	7	17.1	1,541	43.2
Revenue Not Available	5.1	0	0.0	0	0.0
Total	100.0	41	100.0	3,567	100.0
<i>Source: 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The distribution of home mortgage loans among borrowers of different income levels reflects reasonable penetration within the bank's AA. Although the bank's performance of lending to low-income families is below the percentage of low-income families that reside in the AA, the performance to moderate-income families is nearly double the demographics. The distribution of Home Mortgage Loans by Borrower Income Level table illustrates the bank's reasonable dispersion.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	12.6	1	3.3	117	2.1
Moderate	14.8	8	26.7	848	15.0
Middle	20.0	7	23.3	959	16.9
Upper	52.6	14	46.7	3,749	66.1
Total	100.0	30	100.0	5,673	100.0
<i>Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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