

PUBLIC DISCLOSURE

March 20, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Security Bank of Nevada
Certificate Number: 58443

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Las Vegas, Nevada 89148

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

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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.

First Security Bank of Nevada (FSBN)'s satisfactory Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

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

DESCRIPTION OF INSTITUTION

FSBN is a state-chartered, non-member commercial bank headquartered in Las Vegas, Nevada. FSNB is privately held and does not have a holding company and NSB Holdings, Inc., is the bank's subsidiary. There has not been any merger or acquisition activity since the prior evaluation. The institution received an Outstanding rating at its previous FDIC Performance Evaluation dated May 8, 2017, based on Interagency Small Institution Examination Procedures.

FSBN continues to be primarily a commercial lender, and operates one full-service branch in Las Vegas, Nevada, which also encompasses the main headquarters. The single branch is located in a middle-income census tract.

FSBN offers various loan products primarily focused on business banking. Business loan products include commercial lines of credit, commercial term loans, equipment loans and leasing, commercial real estate loans, construction loans, and Small Business Administration (SBA) 7a and 504 loans. FSNB offers a variety of deposit products for both business and personal customers, including checking, savings, money market deposit accounts, and business certificate of deposits. Alternative banking services include online banking and bill payment, mobile banking, night depository services, merchant remote capture, and automated check fraud detection. The bank maintains one proprietary Automated Teller Machine, located at the sole branch location.

Bank assets totaled \$281.8 million according to the December 31, 2022 Reports of Condition and Income (Call Report), including total loans of \$162.1 million, and total deposits of \$216.3 million. The distribution of the loan portfolio by loan type is illustrated in the following table.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	24,422	15.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	4,114	2.5
Secured by Multifamily (5 or more) Residential Properties	6,634	4.1
Secured by Nonfarm Nonresidential Properties	115,498	71.2
Total Real Estate Loans	150,668	92.9
Commercial and Industrial Loans	12,104	7.5
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	0	0.0
Obligations of State and Political Subdivisions in the U. S.	0	0.0
Other Loans	71	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(730)	(0.5)
Total Loans	162,113	100.0
<i>Source: 12/31/2022 Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

FSBN designated the single assessment area of Clark County, Nevada, which is wholly contained in the Las Vegas-Henderson-Paradise, NV Metropolitan Statistical Area #29820, as its sole assessment area, referred to as the Clark County assessment area in this evaluation.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Clark County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	535	6.9	23.9	39.1	29.5	0.6
Population by Geography	2,265,461	6.8	23.8	39.7	29.5	0.2
Housing Units by Geography	912,465	6.9	24.4	39.1	29.4	0.2
Owner-Occupied Units by Geography	443,247	2.4	15.7	42.7	39.0	0.2
Occupied Rental Units by Geography	365,779	11.7	33.7	36.8	17.6	0.2
Vacant Units by Geography	103,439	8.7	29.1	31.8	29.9	0.4
Businesses by Geography	226,379	3.5	25.1	34.1	37.0	0.3
Farms by Geography	2,529	3.4	23.4	35.5	37.6	0.1
Family Distribution by Income Level	516,891	20.9	18.0	20.2	40.9	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income MSA - 29820 Las Vegas-Henderson-Paradise, NV MSA		\$71,896	Median Housing Value			\$282,327
			Median Gross Rent			\$1,203
			Families Below Poverty Level			9.8%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Since the previous evaluation, the number of census tracts in the assessment area increased from 487 to 535, due to changes brought about by the 2020 U.S. Census data. Within the assessment area, the percentage of low-income census tracts increased from 5.7 percent to 6.9 percent, while the number of moderate-income census tracts decreased from 26.3 percent to 23.9 percent. The number of businesses increased from 137,264 to 226,379, while the percentage of families below poverty level declined from 11.9 percent to 9.8 percent.

Examiners obtained the following economic information from Moody's Analytics as of November 2022.

The economy in Clark County is outperforming other cities in the West. Employment growth has been strong across many private sector industries, but healthcare and leisure/hospitality have been leading job creation sectors. The area has also benefitted from strong migration trends and favorable trends in domestic travel. The jobless rate remains low and within one percent of its pre-pandemic level despite upward pressure from workers quickly returning to the workforce. Housing price correction remains the biggest downside risk as the Las Vegas area is identified as having one of the most over-valued housing markets in the country. The largest employers in the area are Nellis Air Force Base, Mandalay Bay Resort & Casino, Las Vegas Sands Corp., Caesars Entertainment Corp., and MGM Resorts International.

Competition

The market for financial services in the assessment area is highly competitive. Competing institutions range from small community banks to larger national financial institutions. According to the June 30, 2022 FDIC Deposit Market Share Report, 42 banks operate 286 offices in the assessment area. The top 5 institutions account for 55.6 percent of the branches, and 65.6 percent of the deposits. FSNB ranks 22nd with a deposit market share of less than 1.0 percent.

Community Contact

Examiners contacted a local small business development center and completed a community contact to gain additional information on local economic conditions and community credit needs. The contact stated that the two biggest challenges facing existing small businesses right now are continued high inflation and developing plans to grow their business, given the growth of the Clark County area. The contact further added that for start-up businesses, securing financing and developing a marketing strategy are their biggest challenges. The contact noted that while the area has weathered challenges presented by the pandemic, the area still has a shortage of labor in certain industries, and that the availability of water remains a challenge. However, future events like hosting the Super bowl and Formula-1 racing present opportunities for the area to expand beyond gaming and services and into sports entertainment.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that there is a demand for small business loans representing a primary assessment area credit need. The significant percentage of businesses with revenues of \$1.0 million or less and those with 9 or fewer employees help to support this conclusion. There is also a need for business capital and more affordable housing.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated May 8, 2017, to the current evaluation dated March 20, 2023. Examiners used Interagency Small Institution Examination Procedures to evaluate FSNB's CRA performance. These procedures focus on the bank's performance under the Lending Test. Examiners relied on records provided by the institution, public financial and economic information, demographic data, and a community contact.

Activities Reviewed

Examiners determined that FSNB's major product line is small business loans based on the bank's business strategy, loan portfolio composition, and the lending activity during the evaluation period. A review of the Call Report as of December 31, 2022 showed that 78.7 percent of the loan composition is attributed to commercial real estate, and commercial and industrial lending. Bank records indicate that the lending focus and product mix remained largely unchanged over the review period. A minimal amount, 6.6 percent, of home mortgage and multifamily loans are included in the loan portfolio and are too nominal to be analyzed or presented in the evaluation. Additionally, FSNB does not offer consumer or small farm loans.

Examiners analyzed the universe of CRA small business loans originated or purchased from January 1, 2021, to December 31, 2022. In 2021, FSNB originated 177 small business loans totaling \$13.1 million. Of the 177 originated loans 137 were made under the SBA's Paycheck Protection Program (PPP), in response to the COVID-19 public health declaration, totaling \$9.9 million. For 2021 analysis, examiners sampled 51 small business loans totaling \$3.5 million. This sample is statistically significant and representative of the full 2021 universe of CRA small business loans. In 2022, FSNB originated 15 small business loans totaling \$4.5 million. For 2022 analysis, examiners included all 15 originated small business loans. FSNB's small business lending origination number in 2022 declined significantly compared to 2021. The significant portion of the 2021 small business loan origination involves SBA PPP lending. Even after adjusting for SBA PPP lending, the bank's 2022 small business loan origination number shows a declining trend compared to its historical performance. The decline in small business loan origination is attributed to competition with large institutions that are able to offer lower interest rates. Examiners compared the bank's small business lending performance against the 2021 and 2022 D&B data.

Examiners further evaluated loan amounts of PPP loans as a proxy for business size. Of the 137 evaluated PPP loans originated in the assessment area in 2021, 78.9 percent had loan amounts of less than \$50,000. This level is significant because in order to qualify for a PPP loan of that amount, the average monthly business payroll expense could not exceed \$20,000. While business payroll expenses vary by industry and business, it is likely that businesses that qualified for PPP loans in amounts of less than \$50,000 were small businesses. The PPP lending reflects positively on the small business lending performance and indicates that the institution was responsive to increased loan demand during the COVID-19 pandemic. The following table displays 2021 PPP loans in the assessment area by loan size.

Distribution of PPP Loans Made in the Assessment Area by Loan Size				
Loan Size	#	%	\$(000s)	%
< \$50,000	108	78.9	1,529	15.4
\$50,000 - \$99,999	10	7.3	776	7.8
\$100,000 - \$249,999	8	5.8	1,164	11.7
\$250,000 - \$1,000,000	11	8.0	6,467	65.1
Total	137	100.0	9,936	100.0
<i>Source: Bank Data, 2021</i> <i>Due to rounding, totals may not equal 100.0%</i>				

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FSBN demonstrated reasonable performance under the Lending Test, which is supported by a reasonable LTD ratio; a substantial majority of loans originated within the assessment area; a reasonable geographic dispersion of loans throughout the assessment area; a reasonable penetration of loans among businesses of different revenue sizes; and FSBN did not receive any CRA-related complaints.

Loan-to-Deposit Ratio

FSBN's LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The LTD ratio averaged 77.1 percent over the past 23 calendar quarters from June 30, 2017, to December 31, 2022. The ratio ranged from a low of 56.1 percent as of March 31, 2022 to a high of 98.9 percent as of June 30, 2017. The LTD ratio fluctuated during the evaluation period. Based on the institution's asset size, geographic location, and lending focus, examiners did not identify a similarly situated institution for comparison.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2022 (\$000s)	Average Net Loan-to Deposit Ratio (%)
First Security Bank of Nevada	281.8	77.1
<i>Source: Reports of Condition and Income 6/30/2017 – 12/31/2022</i>		

Assessment Area Concentration

FSBN originated a substantial majority of its small business loans within its assessment area during the review period. Although the institution's overall performance within the assessment area is substantial by number, its performance shows a declining trend in 2022 by number and dollar. The following table shows the distribution of the bank's small business lending.

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 Business										
2021	46	90.2	5	9.8	51	3,039	87.6	430	12.4	3,469
2022	13	86.7	2	13.3	15	2,933	65.8	1,525	34.2	4,458
Total	59	89.4	7	10.6	66	5,972	75.3	1,955	24.7	7,927
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Two tables are presented due to the use of 2020 U.S. Census and demographic data for analysis. The first table presents lending year 2021 data analyzed using 2015 American Community Survey (ACS) and 2010 Census data. The second table presents lending year 2022 data, analyzed using 2020 Census data. Additionally, the 2021 lending data include FSNB's lending under the SBA's PPP, which creates an anomalous year of lending volume. Both years are presented and analyzed below.

Geographic Distribution of Small Business Loans					
Assessment Area: 2021 Clark County for Census 2010					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	3.8	3	6.5	259	8.5
Moderate					
2021	20.8	5	10.9	269	8.9
Middle					
2021	38.7	15	32.6	1,203	39.6
Upper					
2021	36.1	23	50.0	1,308	43.0
Not Available					
2021	0.6	0	0.0	0	0.0
Totals					
2021	100.0	46	100.0	3,039	100.0
Source: 2021 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Geographic Distribution of Small Business Loans Assessment Area: 2022 Clark County for Census 2020					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2022	3.5	2	15.4	639	21.8
Moderate					
2022	25.1	4	30.8	1,310	44.7
Middle					
2022	34.1	2	15.4	350	11.9
Upper					
2022	37.0	5	38.5	634	21.6
Not Available					
2022	0.3	0	0.0	0	0.0
Totals					
2022	100.0	13	100.0	2,933	100.0
<i>Source: 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

In 2021, FSNB's performance in low-income census tracts compares favorably with the percent of businesses located in low-income census tracts. In moderate-income census tracts, the bank's small business lending percentage is below the percent of businesses in moderate-income census tracts.

In 2022, while the bank's small business lending in low-and moderate-income census tracts declined by number, the percentage of lending significantly exceeded the percentage of businesses in low- and moderate-income census tracts.

Borrower Profile

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. Examiners focused on the percentage by number of small business loans to businesses with gross annual revenues (GARs) of \$1 million or less. Two tables are presented due to the use of 2020 U.S. Census and demographic data for analysis. The first table presents lending year 2021 data analyzed using 2015 ACS and 2010 Census data. The second table presents lending year 2022 data, analyzed using 2020 Census data. Additionally, the 2021 lending data include FSNB's lending under the SBA's PPP, which creates an anomalous year of lending volume. Both years are presented and analyzed below.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: 2022 Clark County for Census 2010					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	86.8	36	78.3	2,071	68.1
>\$1,000,000					
2021	4.3	10	21.7	968	31.9
Revenue Not Available					
2021	8.9	0	0.0	0	0.0
Totals					
2021	100.0	46	100.0	3,039	100.0
Source: 2021 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: 2022 Clark County for Census 2020					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2022	91.8	8	61.5	1,753	59.8
>\$1,000,000					
2022	2.6	5	38.5	1,180	40.2
Revenue Not Available					
2022	5.6	0	0.0	0	0.0
Totals					
2022	100.0	13	100.0	2,933	100.0
Source: 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

The bank's 2021 performance percentage is lower when compared to the 2021 percentage of businesses with GARs of \$1 million or less.

The bank's 2022 performance is also lower when compared to the 2022 percentage of businesses with GARs of \$1 million or less and showed a downward trend compared to the 2021 performance. The decline in 2022 performance is largely attributed to the cessation of the PPP lending facility. Although the bank's performance is below the D&B percentage of businesses, it should be noted, that D&B data includes all businesses in a given area that voluntarily respond to a survey request, including a large number of small businesses that have limited or no credit needs. The D&B data is primarily considered an indicator of business demographics in the AA and is not considered an

absolute distribution of credit needs or commercial lending opportunities. Considering this factor, the bank's overall performance is reasonable.

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 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.