

Garfield County Bank

2024 Community Reinvestment Act Statement

Garfield County Bank located at 444 Main Street, Jordan, Montana 59337 and Redwater Valley Bank located at 300 Main Street, Circle, Montana 59215 (the “Bank” or “Garfield County Bank”) adopts and publishes this Community Reinvestment Act Statement in compliance with the Federal Community Reinvestment Act (“CRA”).

Local Community

The Bank seeks to meet the credit needs of individuals and firms living and doing business within its community and delineated by the attached map. Its assessment area includes Garfield County in Census Tract 0001, McCone County in Census Tract 9540, and Petroleum County in Census Tract 0001.

Credit Products

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

Agricultural Loans

- Operating Loans
- Livestock Loans
- Equipment Loans
- Farm and Ranch Real Estate Loans

Business Loans

- Operating Loans
- Equipment Loans
- Commercial Real Estate Loans

Consumer Loans

- Personal Loans
- Vehicle Loans
- Housing Loans

Community Credit Needs

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

Deposit Products

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

Standard Checking

- \$200.00 minimum balance to open account.
- Service charges and per debit transaction fee will be assessed if the balance falls below \$200.00.

Payless Checking

- No minimum balance requirements.
- Two Payless Checking options:
 1. No Service Charge and Check Safekeeping (Check Images are not returned with the statement.)
 2. \$6.75 Service Charge without Check Safekeeping (Check Images will be included with the statement.)

Money Market Checking

- Money Market Checking accounts are an interest-bearing checking account.
- Money Market Checking accounts require a \$1,000.00 minimum balance to obtain APY.
- A service fee and a per debit transaction fee will be assessed if the balance falls below \$1,000.00.
- APY will not be reached if the balance falls below \$1,000.00 any day of the month.

Money Market Savings

- \$2,500.00 minimum balance to open account.
- If balance falls below \$2,500.00 on any day in the month, a service charge will apply.
- Limitations: during any calendar month, no more than six (6) transfers, withdrawals, or automatic payments may be made.

Passbook Savings Account

- \$50.00 minimum balance to open account.
- A service fee will apply if balance falls below \$50.00. Customers under the age of 18 will not be assessed a service fee.
- The minimum amount a customer may withdraw is \$10.00.
- Limitations: during any calendar month, a maximum of six (6) transfers, withdrawals, or automatic payments may be made.

Certificates of Deposit

- Garfield County Bank offers several options for Certificates of Deposit.

Individual Retirement Accounts (IRAs)

- IRAs are offered at Garfield County Bank at a set rate for a certain term.
- The minimum deposit to open an IRA is \$500.00.
- A penalty may apply for early withdrawal on a fixed rate IRA.

Fees

Bank Money Order	\$3.00 per item
Personal Money Order	\$1.00 per item
Balance Protection	\$5.00 per transaction
Counter Check	\$1.00 per check
Collection Item/Oil Lease Fees	\$30.00 per item

ACH

ACH Set-up Fee (if outgoing) No charge

ACH Fee \$5.00 per transfer

Bill Pay \$5.00 per month

Two Signature Account \$10.00

Overdraft Fees*

Overdraft Fee \$25.00 per occurrence

Return Item Fee \$25.00

Continuous Overdraft Fee (after 5 business days)..... \$7.00 per business day

Escrow Fees

Escrow Set-up Fee \$275.00

Monthly Fee \$14.00

Annual Fee \$40.00

Advance Line Fee \$5.00 per transaction

Safe Deposit Box

Large Safe Deposit Box \$40.00 per year

Medium Safe Deposit Box \$30.00 per year

Small Safe Deposit Box \$20.00 per year

Broken Lock \$50.00

Lost Key \$50.00

Statement Copy \$5.00

Duplicate Statement Fee \$120 per year

Account Research \$10.00 per hour/\$10.00 minimum

Account Balancing No charge

Dormant Account (if account below \$50.00) \$10 per month

Stop Payment \$20.00/\$1.00 per day after 10 days

Wire Transfer Fees

Outgoing Wire \$25.00

Incoming Wire (for non-customers) \$20.00

Foreign Wire \$50.00

Posting Fee \$375 per year

Transfer Fee No charge

Replace ATM Card or Debt Card \$5.00

Letter of Credit \$50 with note

Fax (incoming and outgoing)..... \$2.00 per page; No charge for cover page

Photo Copies \$.50 per page

Night Depository Bag No charge

Zipper Bag No charge

Savings Account Closing (if closed within 90 days) No charge

Reorder Loan Payment Book No charge

Notary No charge

*Fees created by check, in person withdrawal, ATM withdrawal, or other electronic means.

Loan to Deposit Ratio

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
2017	86.70%	89.39%	90.26%	75.33%
2018	85.08%	90.78%	101.37%	81.87%
2019	88.10%	90.36%	94.03%	80.10%
2020	81.66%	76.34%	72.82%	58.29%
2021	66.00%	61.99%	64.20%	57.56%
2022	54.97%	59.78%	64.31%	59.42%
2023	67.08%	67.02%	74.53%	61.12%

Hours

The Bank is available to conduct transactions and for assistance for its customers and the community during the following hours:

By Phone:

Garfield County Bank: (406) 557-2201

Redwater Valley Bank: (406) 485-4782

Lobby:

Monday – Friday: 9:00 A.M. to 4:00 P.M.

Saturday – Sunday: Closed

In addition, accounts may be accessed via Internet Banking utilizing the Bank’s mobile banking app or website:

<http://www.garfieldcountybank.com/>

<http://www.redwatervalleybank.com/>

Adopted by the Board of Directors this 13th day of March 2024.


Secretary of the Board

** INSTITUTION TOTALS **

TYPE ACCT. NO 10	PRINCIPAL 25,900,413.34	INST PRINCIPAL 22,966,444.81	INV PRINCIPAL 2,310,968.53	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 348 CLOSED 2,787	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 850.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 3,135	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 24,759,690.22	INST WTD AVG RATE 8.69518	MTD # NEW LOANS 19	MTD AMT NEW LOANS 1,890,555.93
	MTD # PAIDOFF 10	MTD. AMT. PAID OFF 217,093.99	LOST INT/CHG OFF 237,616.99	YTD/LIP YTD IN 410,275.28		
TYPE ACCT. NO 20	PRINCIPAL 18,924,382.70	INST PRINCIPAL 16,749,616.87	INV PRINCIPAL 2,174,765.83	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 90 CLOSED 152	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 370.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 242	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 500,000.00	INST WTD AVG RATE 7.57371	MTD # NEW LOANS 1	MTD AMT NEW LOANS 100,000.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 108,553.40	YTD/LIP YTD IN 288,376.65		
TYPE ACCT. NO 30	PRINCIPAL 2,351,023.93	INST PRINCIPAL 2,351,023.93	INV PRINCIPAL 0.00	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 29 CLOSED 75	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 225.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 104	DEF. FEE/DISC 11,874.30	DEF. COST/PREM 0.00	CREDIT LIMIT 0.00	INST WTD AVG RATE 6.81261	MTD # NEW LOANS 0	MTD AMT NEW LOANS 0.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 0.00	YTD/LIP YTD IN 42,978.53		
TYPE ACCT. NO 40	PRINCIPAL 1,019,082.20	INST PRINCIPAL 1,019,082.20	INV PRINCIPAL 0.00	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 7 CLOSED 11	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 5.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 18	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 500,000.00	INST WTD AVG RATE 5.67217	MTD # NEW LOANS 0	MTD AMT NEW LOANS 0.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 0.00	YTD/LIP YTD IN 12,900.92		
TYPE ACCT. NO 50	PRINCIPAL 4,956,399.78	INST PRINCIPAL 4,787,772.74	INV PRINCIPAL 168,627.04	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 119 CLOSED 435	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 725.64	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 554	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 2,273,726.74	INST WTD AVG RATE 7.21791	MTD # NEW LOANS 1	MTD AMT NEW LOANS 5,000.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 832.47	YTD/LIP YTD IN 65,119.29		

03-30-24

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MANAGEMENT SUMMARY BY LOAN TYPE - AUDIT

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TYPE ACCT. NO 70	PRINCIPAL 1,249,164.14	INST PRINCIPAL 1,249,164.14	INV PRINCIPAL 0.00	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 97 CLOSED 768	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 450.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 865	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 6,500.00	INST WTD AVG RATE 8.47378	MTD # NEW LOANS 11	MTD AMT NEW LOANS 70,012.53
	MTD # PAIDOFF 5	MTD. AMT. PAID OFF 5,681.70	LOST INT/CHG OFF 0.00	YTD/LIP YTD IN 25,312.10		

TYPE ACCT. NO 90	PRINCIPAL 5,399,472.03	INST PRINCIPAL 0.00	INV PRINCIPAL 5,399,472.03	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 20 CLOSED 31	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 0.00	SUBSIDY BAL 0.00	ESCROW 93.00	RESERVE 0.00
TOTAL 51	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 0.00	INST WTD AVG RATE .000	MTD # NEW LOANS 0	MTD AMT NEW LOANS 0.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 0.00	YTD/LIP YTD IN 86,666.71		

TYPE ACCT. NO 99	PRINCIPAL 0.00	INST PRINCIPAL 0.00	INV PRINCIPAL 0.00	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 0 CLOSED 8	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 0.00	SUBSIDY BAL 0.00	ESCROW 0.00	RESERVE 0.00
TOTAL 8	DEF. FEE/DISC 0.00	DEF. COST/PREM 0.00	CREDIT LIMIT 0.00	INST WTD AVG RATE .000	MTD # NEW LOANS 0	MTD AMT NEW LOANS 0.00
	MTD # PAIDOFF 0	MTD. AMT. PAID OFF 0.00	LOST INT/CHG OFF 0.00	YTD/LIP YTD IN 0.00		

GRAND TOTALS	PRINCIPAL 59,799,938.12	INST PRINCIPAL 49,123,104.69	INV PRINCIPAL 10,053,833.43	LIP UNDSP INS BAL 0.00	LIP UNDSP INV BAL 0.00	LIP CST DPST BAL 0.00
NO. OF ACCTS. OPENED 710 CLOSED 4,267	MISC FUNDS 0.00	PART PMTS 0.00	LT CHARGES/FEES 2,625.64	SUBSIDY BAL 0.00	ESCROW 93.00	RESERVE 0.00
TOTAL 4,977	DEF. FEE/DISC 11,874.30	DEF. COST/PREM 0.00	CREDIT LIMIT 28,039,916.96	INST WTD AVG RATE 8.01036	MTD # NEW LOANS 32	MTD AMT NEW LOANS 2,065,568.46
	MTD # PAIDOFF 15	MTD. AMT. PAID OFF 222,775.69	LOST INT/CHG OFF 347,002.86	YTD/LIP YTD IN 931,629.48		

CHARGES EFFECTIVE – 8/16/2018

Bank Money Order Fee

\$3.00

Personal Money Order Fee

\$1.00

Photo Copy Fee

\$0.50 per copy

Balance Protection

\$5 per transaction

Counter Checks

\$1.00 each check written

ACH Fees

\$5 per transfer

Overdrafts

\$25 Overdraft Fee* (per occurrence)

\$25 Returned Item Fee

\$7 per business day Continuous Overdraft

Charge (after 5 business days)

*Fees created by check, in person withdrawal, ATM withdrawal, or other electronic means

Inactive DDA Charge

\$10 per month if account falls below \$50.

Account inactive if no transactions for 6 mo.

Escrow Fees

Set up \$275

Monthly \$14

Annual \$40

Collection/Oil Lease Fees

\$30 per collection

Bill Pay

\$5 per month

Stop Payment Fee

\$20

\$1.00 per day after 10-day watch for lost check book

Check Cashing Fee

\$10 per check (non-customers)

Money Wire Fee

\$25.00

\$60.00 foreign wire

\$20.00 incoming wire for non-customers

Advance Line Fee

\$5.00 per transaction

Safe Deposit Boxes

Large \$40.00

Medium \$30.00

Small \$20.00

Broken Lock \$50.00

Lost Keys \$50.00

Fax Machine

\$2 per page for both incoming and outgoing

No charge for cover page

Research Fees

\$10.00 per statement – RJS

\$1.00 per item – RJS

\$10.00 per hour/\$10 min. – RJS

\$1.00 per check image copy

\$5.00 image statement reprint

Over 15 minutes charge research fee

\$120 per year Duplicate Statement

Posting Fee

\$375 every December

Two Signature Account

\$10 per month

Letter of Credit

\$50 with note

Debit Card Replacement

\$5.00 per card

**Products and Services
of
Garfield County Bank
444 Main Street
P.O. Box 6
Jordan, MT 59337
and
Redwater Valley Bank
300 Main Street
P.O. Box 60
Circle, MT 59215**

Hours: Monday – Friday 9:00 a.m. - 4:00 p.m.

Garfield County Bank and Redwater Valley Bank are proud to offer the following banking products and services to its community. The Bank is able to offer a full-line of banking services to meet its customers various needs. Please contact us if we can help you in any way.

Checking Accounts

Regular
Money Market
Pay Less

Automatic Payments
Automatic Transfers
Direct Deposit
Automated Clearing House
Bank by mail
Wire Transfers
Money Orders
MasterCard/VISA Credit Cards
VISA Debit Cards

Savings Plans

Regular
Money Market
Certificates of Deposit
IRAs
SEPs

Other Services

Notary Public
Clerk of Auction Sales
Escrows
Safe Deposit Boxes
Data Transmission Network
Photocopy Machine
FAX Service
Computer Cash Flows
Time & Temperature Display (GCB only)
Message Center (GCB only)
24-hour Answering Service
Night Depository (RVB only)
Drive-up Teller (RVB only)

Loans

Commercial Loans
Agricultural Loans
Real Estate Loans
Personal Loans
Installment Loans
Letters of Credit

Other Banking Products

Internet Banking
Mobile Banking
Image Statements
Balance Protection

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Garfield County, MT



TRACT NUMBER	NAME	POPULATION	AREA (SQ. MI.)	POP. DENSITY
00000	UNINCORPORATED			
00001	...			
00002	...			
00003	...			
00004	...			
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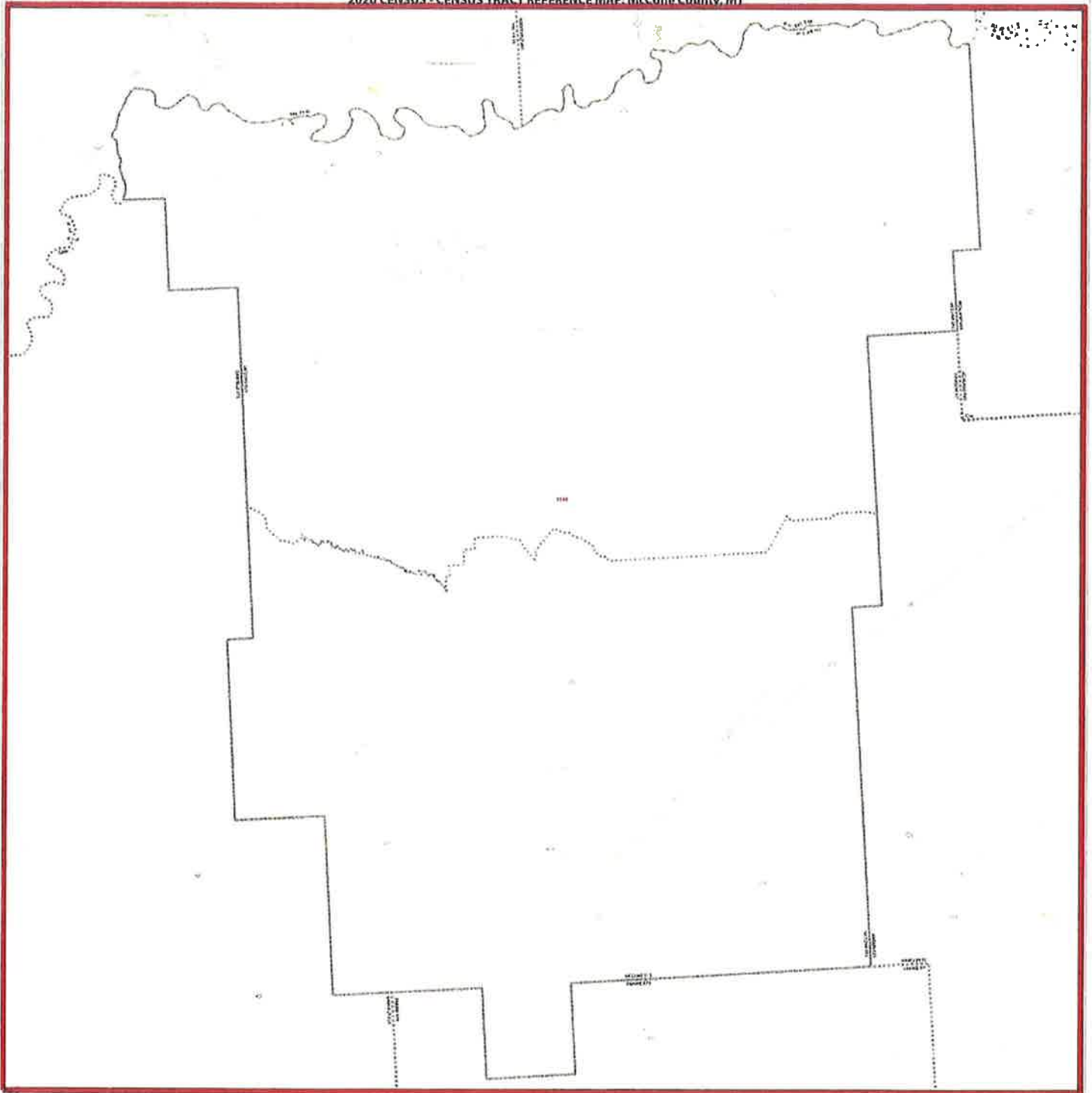
REGISTRATION STATE AND NAME

Scale: 0 to 10 Miles / 0 to 16 Kilometers

Garfield County, Montana

2020

2020 CENSUS - CENSUS TRACT REFERENCE MAP: McCone County, MT



SYMBOL	NAME	SYMBOL	NAME	SYMBOL	NAME
-----	STATE	-----	COUNTY	-----	CITY
-----	WATER	-----	UNINCORPORATED AREA	-----	INDIAN RESERVATION
-----	ROAD	-----	RAILROAD	-----	INDIAN RESERVATION
-----	RAILROAD	-----	INDIAN RESERVATION	-----	INDIAN RESERVATION
-----	INDIAN RESERVATION	-----	INDIAN RESERVATION	-----	INDIAN RESERVATION
-----	INDIAN RESERVATION	-----	INDIAN RESERVATION	-----	INDIAN RESERVATION
-----	INDIAN RESERVATION	-----	INDIAN RESERVATION	-----	INDIAN RESERVATION
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-----	INDIAN RESERVATION	-----	INDIAN RESERVATION	-----	INDIAN RESERVATION

EXPLANATION OF SYMBOLS AND ABBREVIATIONS
 This map shows the boundaries of the census tracts in McCone County, Montana. The symbols and abbreviations used on the map are explained in this section.

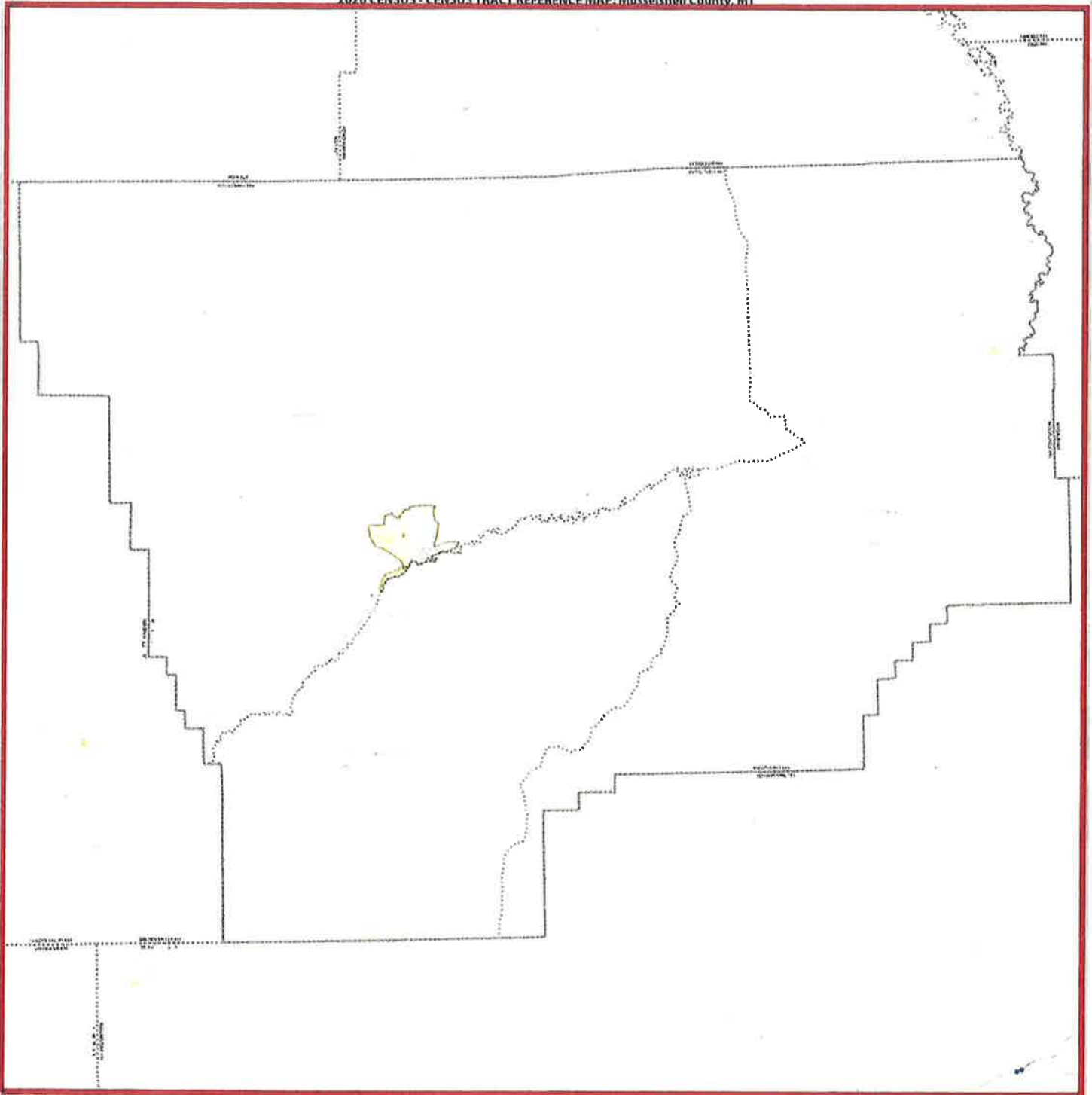
EXPLANATION OF SYMBOLS AND ABBREVIATIONS

This map shows the boundaries of the census tracts in McCone County, Montana. The symbols and abbreviations used on the map are explained in this section.



Sheet 1 of 1 PART 1 sheet
 Total sheets: 1 (Sheet 1 of 1, sheet 1)
 NAME: McCone County 1990
 1:100,000 Scale
 U.S. Census Bureau

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Musselshell County, MT



Legend	Symbol	Description
County Boundary	Thick solid line	County Boundary
State Boundary	Dashed line	State Boundary
Major Road	Thin solid line	Major Road
Minor Road	Dotted line	Minor Road
Water	Blue area	Water
Unincorporated Area	Yellow area	Unincorporated Area
City/Town	Red area	City/Town
County Seat	Green area	County Seat
Indian Reservation	Green area with pattern	Indian Reservation
Public Land	Blue area with pattern	Public Land
Private Land	White area	Private Land
Water	Blue area	Water
Unincorporated Area	Yellow area	Unincorporated Area
City/Town	Red area	City/Town
County Seat	Green area	County Seat
Indian Reservation	Green area with pattern	Indian Reservation
Public Land	Blue area with pattern	Public Land
Private Land	White area	Private Land

DISCLAIMER

This map is a reference map and does not constitute a warranty of accuracy. The boundaries shown on this map are based on the best available information and are subject to change. The user of this map should verify the accuracy of the information shown on this map for their specific needs. The user of this map should also verify the accuracy of the information shown on this map for their specific needs.

LEGEND

County Boundary
 State Boundary
 Major Road
 Minor Road
 Water
 Unincorporated Area
 City/Town
 County Seat
 Indian Reservation
 Public Land
 Private Land

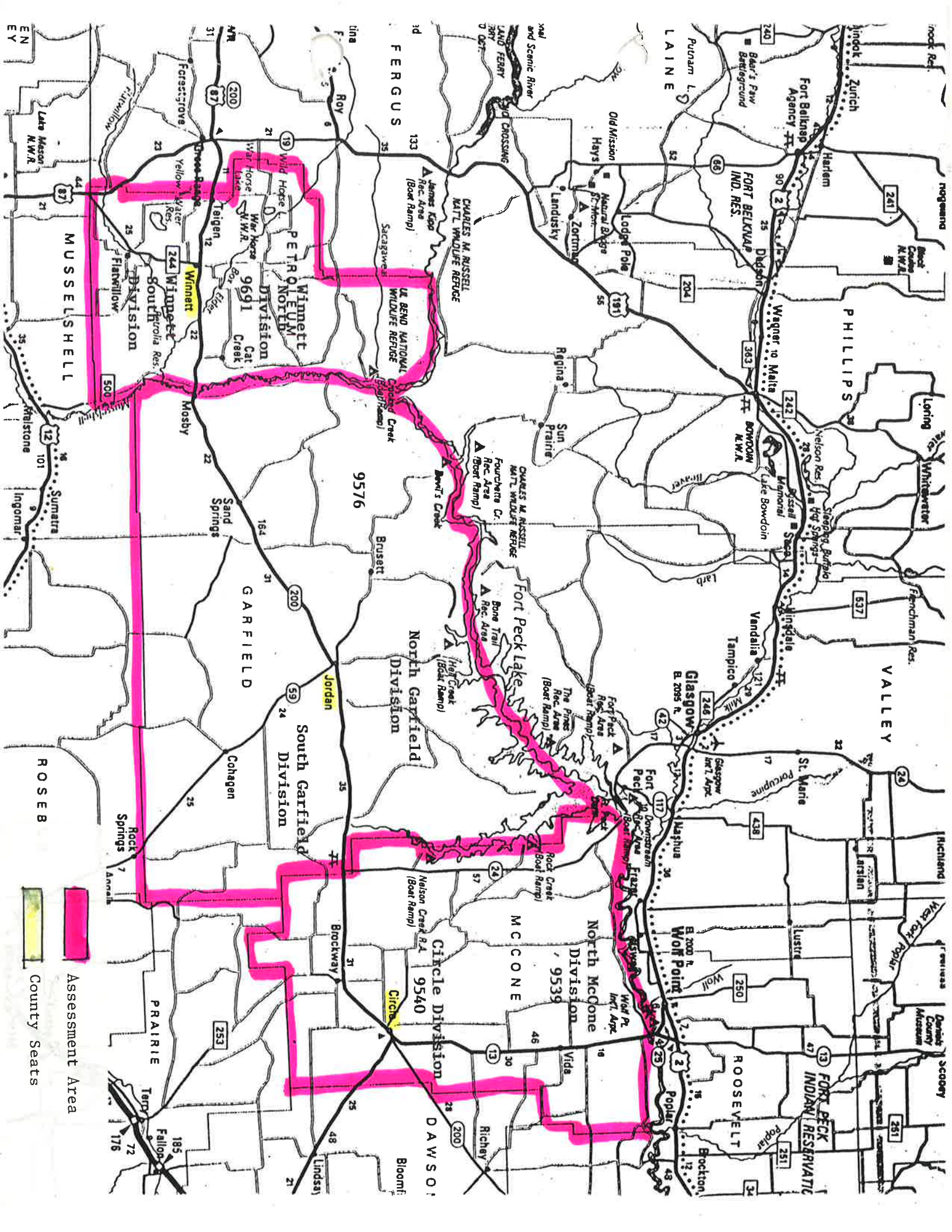
Scale

0 10 20 30 40 50 Miles

Scale

0 10 20 30 40 50 Kilometers

Map 1 of 1 PAGE 1 of 1
 David Roberts | State of Montana
 HARRIS, Musselshell County GIS
 2020 Census of Population and Housing
 10/2020



Assessment Area

County Seats

PUBLIC DISCLOSURE

June 12, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Garfield County Bank
Certificate Number: 18164

444 Main Street
Jordan, Montana 59337

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

25 Jessie Street at Ecker Square, Suite 2300
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 CRA RATING: Garfield County Bank (GCB) is rated **Outstanding**. An institution in this group has an outstanding record of helping to meet the credit needs of its assessment areas (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

GCB's outstanding Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test performance.

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

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated October 10, 2012, to the current evaluation dated June 12, 2018. Examiners used the Interagency Small Institution Examination Procedures to evaluate GCB's CRA performance. These procedures include the Lending Test which considers the following criteria:

- LTD ratio;
- AA Concentration;
- Geographic Distribution
- Borrower Profile; and
- Response to CRA-related Complaints.

Of these criteria, borrower profile was given the most weight, as there are very few LMI CTs within the bank's delineated AA.

Examiners relied upon records and reports provided by GCB, financial reporting data from the Federal Deposit Insurance Corporation (FDIC), demographic and economic information from various sources including D&B Data, 2010 U.S. Census Data, American Community Survey, Moody's Analytics, as well as information obtained from a community contact.

Loan Products Reviewed

Examiners determined that GCB's primary product line is small farm loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. No other loan type, such as home mortgage lending or small business loans, represented a major product line. Examiners analyzed the bank's small business lending, and found that many of the loans were used for agriculture-type equipment, but classified under commercial and industrial loans, per Consolidated Report of Condition and Income (Call Report) instructions. Therefore, examiners concluded that based on the limited lending volume and purpose of the loans, presenting the bank's performance for small business lending would have very little impact on the overall CRA Rating. The following table shows the bank's originations over the evaluation period by loan type. Loans secured by farmland and agricultural product represent 17.7 percent and 69.6 percent of the loans originated, respectively.

Loans Originated or Purchased through May 31, 2018				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	50	0.1	2	0.0
Secured by Farmland	11,940	17.7	26	3.6
1-4 Family Residential	1,408	2.1	17	2.3
Multi-Family Residential	0	0.0	0	0.0
Commercial Real Estate	2,534	3.7	27	3.7
Agricultural Production	47,299	69.6	451	61.6
Commercial and Industrial	4526	6.7	81	11.1
Consumer Purpose	0	0.0	0	0.0
Other Loans	220	0.3	128	17.5
Gross Loans	67,977	100.0	732	100.0
<i>Source: Bank Records</i>				

Bank records indicated that GCB's small farm lending focus and product mix remained consistent throughout the evaluation period. Examiners selected a random sample of small farm loans originated in the period of January 1, 2016, through December 31, 2017. During this time period, GCB originated 190 with a dollar amount of \$15.6 million in 2017, and 83 loans totaling \$7.1 million in 2016. Of this universe, 27 small farm loans totaling \$1.8 million for 2016, and 39 small farms loans totaling \$3.3 million for 2017 were sampled. The sample is considered representative of the bank's performance during the entire evaluation period.

D&B data for 2016 and 2017 is provided as a standard of comparison for the small farm loans reviewed, but not an absolute comparison. D&B data is an indicator of potential small farm credit opportunities, but not all farms included in the D&B data are creditworthy or have credit needs. Examiners did not identify any trends or anomalies that would materially affect the conclusions.

Examiners reviewed both the number and dollar volume of small farm loans. While the number and dollar volume of loans are presented, examiners placed more weight on the performance by the number of loans, because the number of loans is a better indicator of the number of farms served.

DESCRIPTION OF INSTITUTION

Background

GCB is a state-chartered community bank, headquartered in Jordan, Montana. GCB is wholly-owned by Garfield County Bancshares, Inc., a one-bank holding company. GCB has a second branch location in Circle, Montana, which is more than 60 miles east of Jordan in the neighboring county of McCone. GCB has the three affiliates Jordan Insurance Service, Central Montana Bancorporation, and First Security Bank of Roundup. Transactions with affiliates are limited to loan participations. The institution received an Outstanding rating in its previous FDIC Performance Evaluation, dated October 10, 2012, based on Interagency Small Institution Examination Procedures.

Operations

GCB operates from two locations in the eastern part of Montana, in Garfield and McCone Counties. The bank did not close any branches and no merger or acquisition activities occurred since the previous evaluation. GCB offers traditional loan products including agriculture, commercial loans, a limited amount of home mortgages, and consumer loans. Deposit products offered include checking and savings accounts. GCB also offers alternative banking services such as online banking, mobile banking, automatic payments, and night depository services. GCB operates a website that provides bank information including products and services, online banking capabilities, and hours and locations of branch offices. Loan and deposit applications are not accepted through online submissions.

Ability and Capacity

According to the bank's March 31, 2018 Call Report, GCB had total assets of \$88.1 million, total loans of \$65.3 million, and total deposits of \$76.7 million. Total loans represented 74.1 percent of the bank's total assets. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs. The following table illustrates GCB's loan portfolio distribution as of the Call Report dated March 31, 2018.

Loan Portfolio Distribution as of 03/31/18		
Loan Category	\$(000s)	%
Construction and Land Development	27	0.0
Secured by Farmland	16,618	25.6
1-4 Family Residential	2,703	4.1
Multi-family (5 or more) Residential	0	0.0
Commercial Real Estate	3,216	4.9
Total Real Estate Loans	22,564	34.6
Commercial and Industrial	3,870	5.9
Agricultural	36,236	55.5
Consumer	2460	3.8
Other	137	0.2
Less: Unearned Income	0	0.0
Total Loans	65,267	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. GCB has designated one AA, which includes all of Garfield, McCone, and Petroleum Counties. The counties are all located in Eastern Montana, are contiguous, and in non-metropolitan statistical areas. The bank's delineated AA meets regulatory requirements and does not arbitrarily exclude LMI geographies. The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The bank's delineated AA includes three census tracts (CTs). Each of the three counties in the AA consists of one CT. Of the three CT's, the AA consisted of one moderate CT, and two middle-income CTs. The following table shows select demographic characteristics of the AA as of December 31, 2016.

2016 Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	33.3	66.7	0.0	0.0
Population by Geography	3,434	0.0	14.4	85.6	0.0	0.0
Housing Units by Geography	2,281	0.0	16.0	84.0	0.0	0.0
Owner-Occupied Units by Geography	1,135	0.0	17.1	82.9	0.0	0.0
Occupied Rental Units by Geography	348	0.0	25.6	74.4	0.0	0.0
Vacant Units by Geography	798	0.0	10.4	89.6	0.0	0.0
Businesses by Geography	308	0.0	12.3	87.7	0.0	0.0
Farms by Geography	195	0.0	11.8	88.2	0.0	0.0
Family Distribution by Income Level	1,014	19.9	17.5	28.6	34.0	0.0
Household Distribution by Income Level	1,483	21.4	20.6	17.8	40.1	0.0
Median Family Income Non-MSAs - MT		\$54,061	Median Housing Value			\$81,170
<i>Source: 2010 U.S. Census and 2016 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.</i>			Median Gross Rent			\$445
			Families Below Poverty Level			9.0%

Based on the 2010 U.S. Census data, the estimated population of the AA consists of approximately 3,434 people. McCone County's population is approximately 1,734, which accounts for the largest representation of the AA. Garfield County's population is approximately 1,206, and Petroleum County's population is approximately 494. Petroleum County is the least populated county in Montana.

According to 2016 D&B data, the AA included 195 farms. Of these, approximately 23 farms are

located in Petroleum County, the only moderate-income CT in the AA. Gross annual revenues (GARs) reported for these farms are as follows: 99.5 percent reported \$1 million or less, and 0.5 percent did not report revenues.

In 2017, updated income information revealed that Petroleum County's CT changed to a middle-income category CT. The following table illustrates the demographic characteristics of the AA:

2017 Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	0.0	100.0	0.0	0.0
Population by Geography	3,218	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	2,173	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	1,072	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	294	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	807	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	302	0.0	0.0	100.0	0.0	0.0
Farms by Geography	193	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	933	20.0	23.0	20.0	36.9	0.0
Household Distribution by Income Level	1,366	21.3	21.7	18.1	38.9	0.0
Median Family Income Non-MSAs - MT		\$59,958	Median Housing Value			\$122,042
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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</i>			Median Gross Rent			\$551
			Families Below Poverty Level			7.0%

The total estimated population decreased by approximately 200 persons. Additionally, according to 2017 D&B reported data, the number of farms decreased by two.

The primary industry of the area is farming, which produces mostly small grains and livestock. The AA is susceptible to the volatile nature of commodity pricing; however, the economy has remained relatively stable during the evaluation period. According to Moody's analytics for the State of Montana, the economic forecast noted that cattle supply remains low despite higher-prices. The oil and energy industry is another major industry for the area, and experienced a decline since oil prices decreased during the evaluation period.

In 2016 and 2017, Garfield County and McCone County were considered underserved, and McCone County was also considered distressed due to population loss. When Petroleum County CT's changed from moderate- income to middle-income in 2017, it also received the underserved middle-income CT designation.

According to the Bureau of Labor Statistics, the unemployment rate in 2017 for Garfield, McCone, and Petroleum County was 2.8 percent, 2.3, and 5.6 percent, respectively. Garfield and

McCone Counties were lower than Montana's overall unemployment rate, which is approximately 4.0 percent. Petroleum County's higher than state unemployment rate could be explained by the low population, labor-force characteristic limitations, and rural environment.

Competition

There is little competition for financial services in the AA. During the review period, the AA was served by 3 financial institutions with over \$85.4 million in deposits. Of those three offices, GCB's branches made up two of the three, whereby the third office belongs to a nationally affiliated bank. GCB's markets share represented 88.6 percent of total deposits, ranking first for market share, according to the June 30, 2017 FDIC Deposit Market Share data. Bank management noted that during the review period, the nationally affiliated bank closed the existing branch. Currently, GCB is the only FDIC-insured financial institution in the AA.

Competition is present in neighboring counties with larger towns with similar economies; however, these towns are generally more than 80 miles outside of Jordan or Circle, Montana.

Community Contact

Community contacts were completed as part of the CRA Evaluation process in order to understand the demographic and economic conditions, the credit needs and opportunities, and the financial institutions' responsiveness to these needs within the AA. Examiners conducted one community contact from an economic development organization serving the AA and surrounding communities.

The contact stated that the AA relies on the sustainability of the existing farms, and commented that the population is aging, and the younger populations move to larger cities in Montana. Additionally, as with many rural communities, the area is in need of more funding to rehabilitate existing infrastructure, as well as create new infrastructure, such as adding more power, water, and sewer lines. The contact hoped that this would encourage a new generation of ranchers and farmers to seek new agriculture opportunities in undeveloped land. Additionally, the contact noted that the area is somewhat affected by the fluctuating oil prices. Since the recent downturn of the energy sector, the area has experienced some economic declines; however, in the contact's opinion, the area is more dependent on the local ranching and farming culture.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management and demographic and economic data, examiners determined that the credit need for the AA is agricultural lending. Examiners further determined that small farm lending specifically targeted to farms with low revenue sizes is a credit need of the AA. According to management and the community contact, opportunity exists within the AA for originating such loans.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

GCB is rated Outstanding under the Lending Test. The bank's LTD ratio, geographic distribution, and borrower profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

GCB's LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. Examiners calculated the ratio of net loans to total deposits to evaluate the extent to which the institution places funds from depositors back into the community through lending activity. To control for the fluctuations due to the agriculture seasonality, examiners calculated an average of quarter-end net LTD ratios since the previous Performance Evaluation.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/18 \$(000s)	Average Net LTD Ratio (%)
Garfield County Bank	\$88,063	83.8
Institution A	\$135,515	62.8
Institution B	\$96,746	50.1
Institution C	\$88,135	72.9

Source: Reports of Condition and Income 12/31/12 through 03/31/18

During the last four quarters, the ratio ranged from a low of 71.8 percent to a high of 97.3 percent, illustrating that loan demand is affected by the seasonality of agriculture lending.

Due to the lack of similarly situated institutions in the AA, examiners considered institutions in neighboring counties with similar markets, asset size, and products. GCB's LTD ratio far exceeded that of similar situated institutions, showing the bank's commitment to provide credit opportunities to the AA. The bank's LTD ratio, calculated from Call Report data, averaged 83.8 percent since the previous CRA Performance Evaluation, and remained more than reasonable during the evaluation period.

Assessment Area Concentration

The bank made a majority of small farm loans within its AA, by number and dollar. The following table summarizes the distribution of loans inside and outside the AA by number of loans and dollar volume.

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		
	#	%	#	%		\$	%	\$	%	
Small Farm										
2016	23	85.2	4	14.8	27	1,415	79.0	375	21.0	1,790
2017	29	74.4	10	25.6	39	2,249	68.7	1,027	31.3	3,276
Subtotal	52	78.8	14	21.2	66	3,664	72.3	1,402	27.7	5,066

Source: Bank Records

By number, the bank originated 78.8 percent of its loans inside the AA, and by dollar, the bank originated 72.3 percent in the AA. Management commented that the dollar number is slightly less than loans by number due to some of the farmers seeking funding from neighboring counties and applying for larger loan amounts. However, most of these borrowers are existing customers that have moved outside the AA. The existing borrowers still residing inside the AA generally seek loan renewals that are typically lower in loan amount.

Geographic Distribution

The Geographic Distribution of loans reflects excellent dispersion throughout the AA. Examiners noted no conscious gaps in the geographic distribution of loans. The following table summarizes GCB’s dispersion of small farm loans by number and CT income level.

Geographic Distribution of Small Farm Loans						
Tract Income Level		% of Farms	#	%	\$(000s)	%
Low						
	2016	0	0	0.0	0	0.0
	2017	0	0	0.0	0	0.0
Moderate						
	2016	11.8	3	13.0	258	18.2
	2017	0	0	0.0	0	0.0
Middle						
	2016	88.2	20	87.0	1,157	81.8
	2017	100.0	29	100.0	2,249	100.0
Upper						
	2016	0	0	0.0	0	0.0
	2017	0	0	0.0	0	0.0
Total						
	2016	100.0	23	100.0	1,415	100.0
	2017	100.0	29	100.0	2,249	100.0

Source: 2016 & 2017 D&B Data, Bank Records. Due to rounding, percentages may not add up to 100 percent.

During 2016, GCB’s AA consisted of three CTs. There were no low-income CTs and only one moderate-income CT, which was Petroleum County. Lending opportunities for GCB in Petroleum County are limited given the demographics, population size, and the lack of GCB branches in the county. Despite these challenges, GCB originated approximately 13.0 percent of

small farm loans inside this moderate-income CT, and slightly above the number of farms according to D&B data. Given this performance context and the comparison to D&B data, GCB's performance reflects excellent dispersion.

There were no LMI CTs in the AA as of 2017 so the Geographic Distribution analysis is limited to 2016. Furthermore, more weight was given to GCB's Borrower Profile performance.

Borrower Profile

Given the demographics of the AA, the distribution of borrowers reflects excellent penetration among farms of different revenue sizes. The table below illustrates the distribution of small farm loans by number and the GAR of the farm. For comparison purposes, the table includes the percentage of total farms within the AA reported by revenue levels.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000					
2016	99.5	22	95.7	1,215	85.9
2017	99.5	29	100.0	2,249	100.0
> \$1,000,000					
2016	0.0	1	4.3	200	14.1
2017	0.0	0	0.0	0	0.0
Revenue Not Available					
2016	0.5	0	0.0	0	0.0
2017	0.5	0	0.0	0	0.0
Total					
2016	100.0	23	100.0	1,415	100.0
2017	100.0	29	100.0	2,249	100.0

Source: 2016 & 2017 D&B Data, Bank Records. Due to rounding, percentages may not add up to 100 percent.

In 2016, GCB originated 95.7 percent of its loans to small farms with GARs of \$1 million or less. The sample of small farm loans resulted in one originated loan to a borrower with reported revenues of slightly more than \$1.0 million. Despite this, GCB's performance is comparable to D&B data.

In 2017, GCB originated 100.0 percent of its loans to small farms with GARs of \$1 million or less, which compares more favorably than the D&B data.

The distribution of the bank's small farm loans is compared to the number of farms by revenue sizes as reported by D&B data. It should be noted that D&B data includes all farms in a given area that voluntarily respond to a survey request, including a large number of very small farms that have limited or no credit needs. As such, D&B data is primarily considered an indicator of business demographics in the AA and is not considered an absolute reflection of AA credit

demand or needs or lending opportunities. Considering that GCB is one of only two institutions that lend in the AA, GCB's level of lending reflects excellent performance in meeting the needs of its community.

Response to Complaints

No CRA-related complaints have been received so this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

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.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

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

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.