

PUBLIC DISCLOSURE

September 16, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Oakwood Bank
Certificate Number: 13030

40214 S Ekern Avenue
Pigeon Falls, Wisconsin 54760

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago 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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The following criteria were used to evaluate the bank's Community Reinvestment Act (CRA) performance under the Lending Test:

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs in the AAs.
- The bank originated a majority of loans in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs, including moderate-income census tracts.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different 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

Oakwood Bank is a full-service financial institution headquartered in Pigeon Falls, Wisconsin. The bank is a wholly owned subsidiary of PF Investors, Inc., a one-bank holding company also located in Pigeon Falls. No merger or acquisition activities have occurred since the previous evaluation. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated October 15, 2019, based on Interagency Small Institution Examination Procedures.

Oakwood Bank conducts business from four offices. In addition to the main bank in Pigeon Falls, the bank operates full-service branches in Augusta, Wisconsin; Eau Claire, Wisconsin; and Rollingstone, Minnesota. There have been multiple changes in the branching structure since the previous evaluation. The bank opened the Eau Claire branch on November 1, 2019. They also opened a new branch in Rollingstone, Minnesota on June 1, 2021. In addition, they closed the Whitehall, Wisconsin branch on November 30, 2021, as it was in the same county, census tract, and in close proximity to the main office. Because of these factors, this closure had little to no impact on low- and moderate-income areas. All bank offices are in middle-income census tracts with the exception of Eau Claire, which is in a moderate-income census tract. All offices offer drive-up services and hours are the same at all locations.

Oakwood Bank offers a variety of credit and deposit services to businesses, farms, and consumers. Loan offerings include commercial, agricultural, home mortgage, and consumer loans. Deposit products include checking, savings, individual retirement accounts, and certificates of deposit. The

bank compliments its traditional service offerings with alternative banking services such as online banking, automated bill payment, and mobile banking services.

To help satisfy the credit needs of small businesses, the bank participates in various government-sponsored loan guarantee programs offered by the Small Business Administration (SBA). The SBA 7(a) loan program is designed to help finance the establishment of a new business or assist in the operation, acquisition, or expansion of an existing small business. The SBA 504 program offers long-term, fixed-rate financing to small businesses to acquire major fixed assets for expansion and modernization. Since the previous evaluation, the bank has originated one SBA 504 loan (\$200,000) and while offered, no loans were originated in the 7a program. SBA Paycheck Protection Program (PPP) loans were also offered in 2020 and 2021 during the COVID-19 pandemic to help businesses keep their workforce employed. The bank originated 41 PPP loans (totaling \$1.9 million) in 2020 and 89 PPP loans (totaling \$2.1 million) in 2021. Oakwood Bank's participation in these loan programs shows its willingness to assist small businesses obtain the financing they need.

Additional special loan programs are offered through the U.S. Department of Agriculture's Farm Services Agency (FSA), the Minnesota Department of Agriculture, and the Minnesota Department of Education. These programs offer guaranteed farm loans and low interest farm loans to assist local farmers and charter school funding. The bank has originated four FSA loans (totaling \$4.5 million), four Department of Agriculture loans (totaling \$148,000), and six Department of Education loans (totaling \$496,000) since the previous evaluation.

Oakwood Bank's primary lending focus is commercial and agricultural lending. The lending focus has been consistent throughout the review period. According to the bank's June 30, 2024, Call Report, Oakwood Bank reported total assets of \$132.2 million, total loans of \$112.1 million, and total deposits of \$101.1 million. Agricultural and commercial credits are the predominant loan products by dollar volume, representing 47.6 and 26.4 percent of the loan portfolio holdings, respectively. Portfolio lending volume is presented in the following table.

Loan Portfolio Distribution as of 6/30/2024		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	3,802	3.4
Secured by Farmland	33,663	30.0
Secured by 1-4 Family Residential Properties	19,256	17.2
Secured by Multifamily (5 or more) Residential Properties	3,571	3.2
Secured by Nonfarm Nonresidential Properties	12,239	10.9
Total Real Estate Loans	72,531	64.7
Commercial and Industrial Loans	17,434	15.5
Agricultural Production and Other Loans to Farmers	19,692	17.6
Consumer Loans	669	0.6
Obligations of State and Political Subdivisions in the U.S.	741	0.7
Other Loans	1,048	0.9
Total Loans	112,115	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate CRA performance. Oakwood Bank has designated three AAs within the states of Wisconsin and Minnesota. In Wisconsin, the bank has designated two AAs. One is the Eau Claire Metropolitan Statistical Area (MSA) AA which includes the full counties of Chippewa and Eau Claire that comprise the Eau Claire MSA (#20740). The other Wisconsin AA is the Non-MSA AA which includes all of Trempealeau County. At the prior evaluation, the Non-MSA AA also included three census tracts in Jackson County, and one in Clark County. Management eliminated these census tracts due to the changes in the branching structure. Additionally, in Minnesota, the bank has designated a Non-MSA AA which includes all of Winona County, this AA is new since the last evaluation. The Augusta and Eau Claire branches are in the Eau Claire MSA AA, the main office in Pigeon Falls is in the Wisconsin Non-MSA AA, and the Rollingsstone branch is in the Minnesota Non-MSA AA.

The three AAs are contiguous. There are 55 census tracts that comprise the four counties in the bank's AAs. Of these census tracts, 7 are moderate-income, 38 are middle-income, and 10 are upper-income. There are no low-income census tracts in the AAs. Additionally, all moderate-income census tracts are in the Eau Claire MSA AA. Sources of data used in this evaluation include 2020 U.S. Census data, 2022 and 2023 D&B data, 2022 USDA Census of Agriculture data, and data from the U.S. Bureau of Labor Statistics.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated October 15, 2019, to the current evaluation dated September 16, 2024. Examiners used Small Institution Examination Procedures to evaluate Oakwood Bank's CRA performance which includes a Lending Test. Please refer to the Appendix for a description of this test.

Examiners assigned an overall rating based on two rated areas, including the state of Wisconsin and the state of Minnesota. All three AAs are analyzed separately and received full-scope reviews. Examiners reviewed the bank's primary lending products in each AA. This included small business and small farm loans for 2022 and 2023.

Examiners evaluated the bank's CRA performance for each individual AA and assigned ratings for each state, as well as a rating based on overall performance. Considering a variety of factors including branch locations and overall deposit and lending activities, performance in Wisconsin received more weight than Minnesota. Refer to discussions of performance for each state for information about the weighting of AAs.

Activities Reviewed

Examiners determined that the bank's major product lines are small business and 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 types, such as home mortgage or consumer loans represent a major product line. Therefore, examiners did not analyze these loan types, as they provided no material support for conclusions or ratings.

Examiners reviewed all small business and small farm loans for 2022 and 2023. The bank originated 64 small business loans totaling \$12.2 million in 2022 and 48 small business loans totaling \$8.2 million in 2023. Additionally, the bank originated 53 small farm loans totaling \$6.9 million in 2022 and 50 small farm loans totaling \$5.7 million in 2023. While small farm lending makes up a larger portion of the loan portfolio, the number of originations is largely similar to small business lending during the review period. Therefore, these loan products are weighted equally when arriving at overall conclusions. Bank records and discussion with management indicate that the lending focus and loan products remained consistent since the previous evaluation. Examiners determined that the bank's performance for 2022 and 2023 is representative of their performance for the evaluation period. Oakwood Bank is not required to collect or report small business and small farm data and has elected not to do so. As such, D&B data is the standard of comparison for small business and small farm lending performance. Please refer to the individual AA sections for more details on economic, demographic, competition, and credit needs data.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Oakwood Bank demonstrated satisfactory performance under the Lending Test. Loan-To-Deposit ratio, AA Concentration, Geographic Distribution, and Borrower Profile performance supports this conclusion.

Loan-to-Deposit Ratio

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2024 (\$000s)	Average Net Loan-to- Deposit Ratio (%)
Oakwood Bank	\$132,229	97.1
Similarly-Situated Institution #1	\$286,675	61.8
Similarly-Situated Institution #2	\$625,564	88.5
Similarly-Situated Institution #3	\$78,196	77.7
Similarly-Situated Institution #4	\$217,060	69.0
Similarly-Situated Institution #5	\$98,536	85.6
<i>Source: Reports of Condition and Income 12/31/2019 through 6/30/2024</i>		

The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and AA credit needs and opportunities. The bank's ratio, calculated from Call Report data, averaged 97.1 percent over the previous 19 calendar quarters from December 31, 2019, to June 30, 2024. This ratio ranged from a low of 87.2 percent on March 31, 2021, to a high of 111.6 percent on March 31, 2024. Oakwood Bank's average loan-to-deposit ratio exceeded that of comparable institutions as noted in the table. Examiners selected similarly-situated banks based on size, location, and lending focus.

Assessment Area Concentration

Overall, the bank originated a majority of loans in the AAs. The following table shows that the bank made a substantial majority of its small business loans and a majority of its small farm loans in the AAs.

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										
2022	60	93.8	4	6.2	64	11,904	97.2	338	2.8	12,242
2023	44	91.7	4	8.3	48	7,639	93.0	578	7.0	8,217
Subtotal	104	92.9	8	7.1	112	19,543	95.5	916	4.5	20,459
Small Farm										
2022	36	67.9	17	32.1	53	4,057	58.6	2,861	41.4	6,918
2023	32	64.0	18	36.0	50	3,264	57.5	2,415	42.5	5,679
Subtotal	68	66.0	35	34.0	103	7,321	58.1	5,276	41.9	12,597
Total	172	80.0	43	20.0	215	26,864	81.3	6,192	18.7	33,056
Source: Bank Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the institution's AAs. This conclusion is based solely on performance in the Eau Claire MSA AA. The other AAs do not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated for those areas. Examiners reviewed only those loans extended within the AAs to perform this analysis. The bank's geographic distribution lending performance is discussed in the individual AA section.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. Performance is consistent throughout the rated areas. Examiners focused on the percentage by number of small business and small farm loans to entities with gross annual revenues of \$1 million or less. Examiners reviewed only those loans extended within the AAs to perform this analysis. A complete discussion of the bank's borrower profile lending performance is in the individual AA sections.

Response to Complaints

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

STATE OF WISCONSIN – Full Scope Review

CRA RATING FOR THE STATE OF WISCONSIN: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF WISCONSIN

Oakwood Bank has two AAs in the State of Wisconsin. This includes the Eau Claire MSA AA and the Non-MSA AA. Examiners gave more weight to performance in the Eau Claire MSA AA due to a greater volume in lending activity; however, the Non-MSA AA has slightly more deposits.

Oakwood Bank operates three banking offices in Wisconsin. The Augusta and Eau Claire branches are in the Eau Claire MSA AA and the main office in Pigeon Falls is in the Non-MSA AA. Both AAs encompass full counties. Chippewa and Eau Claire Counties comprise the Eau Claire MSA AA and Trempealeau County comprises the Non-MSA AA.

Data sources used in this section include 2020 U.S. Census data, 2022 and 2023 D&B data, 2022 USDA Census of Agriculture data, and data from the U.S. Bureau of Labor Statistics.

SCOPE OF EVALUATION – STATE OF WISCONSIN

Examiners reviewed small business and small farm loans in both AAs. Examiners conducted full scope reviews for both AAs. Please refer to the overall Scope of Evaluation section for information about the review procedures used and the weighting of the products.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF WISCONSIN

LENDING TEST

Oakwood Bank demonstrated satisfactory performance under the Lending Test in the state of Wisconsin. The Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the state of Wisconsin. Overall, the bank has a reasonable lending performance in making small business and small farm loans in moderate-income census tracts, in light of its performance context. As previously stated, this criterion is only considered in the Eau Claire MSA AA, as the Non-MSA AA does not have any low- or moderate-income census tracts.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. Overall, performance was consistent among the AAs.

EAU CLAIRE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN EAU CLAIRE MSA AA

The Eau Claire MSA AA includes all census tracts in Chippewa and Eau Claire Counties which comprise the Eau Claire MSA (#20740). The Eau Claire branch is located in a moderate-income census tract while the Augusta branch is in a middle-income census tract. The Eau Claire branch is new since the previous evaluation. Both branches are in Eau Claire County.

Economic and Demographic Data

According to 2020 U.S. Census data, the Eau Claire MSA AA is comprised of 7 moderate-, 20 middle-, and 7 upper-income census tracts. Three of the seven moderate-income census tracts are in Eau Claire County, with the remaining four located in Chippewa County. The bank does not have any office locations in Chippewa County. The following table illustrates selected demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: WI Eau Claire MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	34	0.0	20.6	58.8	20.6	0.0
Population by Geography	172,007	0.0	19.0	60.0	21.0	0.0
Housing Units by Geography	73,045	0.0	20.4	60.3	19.3	0.0
Owner-Occupied Units by Geography	45,766	0.0	17.3	65.2	17.5	0.0
Occupied Rental Units by Geography	21,880	0.0	26.8	50.3	23.0	0.0
Vacant Units by Geography	5,399	0.0	20.7	60.3	19.1	0.0
Businesses by Geography	16,082	0.0	22.4	60.2	17.4	0.0
Farms by Geography	943	0.0	14.0	65.2	20.8	0.0
Family Distribution by Income Level	41,232	18.9	18.9	23.9	38.4	0.0
Household Distribution by Income Level	67,646	22.9	17.0	19.0	41.2	0.0
Median Family Income MSA - 20740 Eau Claire, WI MSA		\$79,795	Median Housing Value			\$182,891
			Median Gross Rent			\$837
			Families Below Poverty Level			5.8%
Sources: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR). According to 2023 D&B data, there were 16,082 businesses operating in the AA. A summary of GARs for these entities is shown below.

- 86.7 percent have GARs \$1 million or less
- 3.7 percent have GARs more than \$1 million
- 9.6 percent have unknown revenues (not available)

Service industries represent the largest portion of businesses at 35 percent; followed by non-classifiable establishments at 23 percent; retail trade at 12 percent; and finance/insurance at 11 percent. In addition, 61 percent of area businesses have four or fewer employees, and 90 percent operate from a single location. The demographic data demonstrates that while large businesses do exist, small businesses represent a significant portion of overall businesses in the AA.

The analysis of small farm loans under the Borrower Profile criterion compares the distribution of farms by GAR. According to 2023 D&B data, there were 943 farms operating in the AA. According to 2022 USDA Census of Agriculture data, 97 percent of AA farms are family owned. A summary of GARs for these entities is shown below.

- 97.9 percent have GARs \$1 million or less
- 1.6 percent have GARs more than \$1 million
- 0.5 percent have unknown revenues (not available)

The following table shows unemployment data from the U.S. Bureau of Labor Statistics since the previous Performance Evaluation. The rates significantly increased during the COVID-19 pandemic, peaking in April 2020; however, they have since significantly improved during the review period, coming back down to pre-pandemic levels.

Unemployment Rates						
Area	2019	2020	2021	2022	2023	2024*
	%	%	%	%	%	%
Chippewa County	3.7	6.4	4.0	3.4	3.5	3.0
Eau Claire County	2.9	5.7	3.3	2.5	2.7	3.0
State of Wisconsin	3.2	6.4	3.9	2.9	3.0	3.3
United States	3.7	8.1	5.3	3.6	3.6	4.3
Source: U.S. Bureau of Labor Statistics annual unemployment rates (not seasonally adjusted); *2024 is June						

Competition

Oakwood Bank operates in a competitive environment where several credit unions and large national banks pose the greatest degree of competition for financial services. According to the June 30, 2023, FDIC Summary of Deposits, 22 financial institutions conduct business from 51 offices in the AA with \$3.7 billion in deposits. This data does not include credit unions. Oakwood Bank ranks 16th with a deposit market share of 1.3 percent.

Oakwood Bank is not required to collect or publicly report small business and small farm lending data and has not elected to do so; therefore, the analysis of small business and small farm loans under the Lending Test does not include a direct comparison against aggregate data. However,

aggregate data is considered throughout this analysis to assist examiners in determining performance context and loan demand.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also aids in determining what credit opportunities are available. Examiners obtained information from a local economic development organization that operates in the Eau Claire MSA AA. According to community representatives, financial institutions are meeting the credit needs within the community. The local economy is strong but there has been some recent slowing in the economy along with slight increases in unemployment rates. Notably, there have been recent layoffs at a manufacturing company and a closure of a hospital. An issue has been a shortage of laborers which varies by field. Small businesses struggle to afford to pay employees the wages that larger employers in the area are paying.

Credit Needs

Considering information from bank management and demographic and economic data, as well as community contact information, examiners determined that the primary credit needs are for small business loans in the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN EAU CLAIRE MSA AA

LENDING TEST

Oakwood Bank demonstrated satisfactory performance under the Lending Test for this AA. Geographic Distribution and Borrower Profile performances support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Reasonable performance in small farm and small business lending supports an overall reasonable rating. Examiners focused on the percentage by number of loans in the moderate-income census tracts and comparisons to demographic data. In the analysis below, examiners considered the location of the moderate-income census tracts in relation to bank branches. Specifically, examiners note that four of the seven moderate-income census tracts are in Chippewa County where the bank has no branch locations.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in this AA. The bank's performance is below the percentage of businesses located in the moderate-income census tracts; however, examiners considered several performance context factors to arrive at the overall

conclusion. Location of the bank's branches, location of the moderate-income census tracts, and competition affects bank performance.

Of the seven moderate-income census tracts in the AA, three are located within Eau Claire County, in closer proximity to the bank's Eau Claire office. The Eau Claire branch is over 20 air miles southwest of the two census tracts that are in the northeast portion of Chippewa County, and approximately 10 air miles from another Chippewa County census tract. This distance coupled with competition creates challenges in serving those areas. There are at least twenty financial institutions with branch locations in Chippewa County that would be more accessible to small business owners in the County looking for financing opportunities. The bank primarily originates loans around its branches and made some loans in the moderate-income tracts around its Eau Claire branch.

Examiners also considered the aggregate data as a basis for lending demand, as the demographic data represents the percentage of businesses operating within moderate-income census tracts in the AA; however, it does not represent the percentage of businesses that are seeking traditional bank financing. The 2022 aggregate data reports 2,552 small business loan originations in the AA, of which 21.3 percent were originated in moderate-income census tracts. Oakwood Bank's performance continues to trail this performance. However, it is noted that of the 2,552 small business loans originated, 69.2 percent were originated by four large national banks. While there is small business loan demand, there is also heavy competition in these Eau Claire County tracts.

The bank's performance increased slightly during the review period, with an additional origination in the moderate-income census tracts. See the following table for additional information.

Geographic Distribution of Small Business Loans					
Assessment Area: WI Eau Claire MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2022	23.0	2	5.3	1,152	17.0
2023	22.4	3	9.7	1,319	27.8
Middle					
2022	59.9	33	86.8	5,483	81.0
2023	60.2	25	80.6	2,858	60.4
Upper					
2022	17.1	3	7.9	131	2.0
2023	17.4	3	9.7	559	11.8
Totals					
2022	100.0	38	100.0	6,766	100.0
2023	100.0	31	100.0	4,736	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Small Farm Loans

Despite the bank not originating any small farm loans in the moderate-income census tracts during the evaluation period, this performance is considered reasonable given the limited lending opportunities. Of the seven moderate-income census tracts, only two are in rural areas offering farm lending opportunities as the other five are in the cities of Eau Claire and Chippewa Falls. Notably, the two rural moderate-income census tracts are in the northeast corner of Chippewa County, more than 20 air miles from the nearest Oakwood branch. As previously stated, there are at least seven other financial institutions operating in or near those tracts.

When analyzing the location of the small farm loans in the AA, examiners determined that 11 of the 16 loans originated in 2022 were in Eau Claire County, primarily in the rural area surrounding the Augusta branch. The 2023 loan dispersion was similar. Of the 16 small farm loans, 13 were in Eau Claire County, with nine in the same census tracts as the Augusta branch, and 1 in the neighboring census tract. This demonstrates that the majority of the bank's small farm loans are originated within close proximity to its offices. However, the moderate-income census tracts around the Eau Claire branch have more limited farm loan opportunities.

Aggregate data further demonstrates the limited small farm lending opportunities. The most recent aggregate data reports only 154 small farm loans were originated in the AA by reporting institutions in 2022. Of these, 29 were originated in the moderate-income census tracts. The top three reporting financial institutions for small farm loans in the AA were a large national bank, a national federal credit union, and John Deere Financial, originating a combined 60.0 percent of all small farm loans in the AA.

The bank's lack of small farm loan originations in these census tracts is considered reasonable, taking into consideration the location of the rural moderate-income census tracts in comparison to the bank's branch locations, the overall level of demand for farm loans in the AA, and the level of competition in the AA.

Geographic Distribution of Small Farm Loans					
Assessment Area: WI Eau Claire MSA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2022	13.6	0	0.0	0	0.0
2023	14.0	0	0.0	0	0.0
Middle					
2022	64.9	16	100.0	1,088	100.0
2023	65.2	15	93.7	796	67.7
Upper					
2022	21.5	0	0.0	0	0.0
2023	20.8	1	6.3	380	32.3
Totals					
2022	100.0	16	100.0	1,088	100.0
2023	100.0	16	100.00	1,176	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among businesses and farms of different sizes. The reasonable performance of small business and small farm lending supports this conclusion.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: WI Eau Claire MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000					
2022	83.9	33	86.8	4,251	62.8
2023	86.7	17	54.8	1,886	39.8
> \$1,000,000					
2022	4.7	5	13.2	2,515	37.2
2023	3.7	14	45.2	2,850	60.2
Revenue Not Available					
2022	11.4	0	0.0	0	0.0
2023	9.6	0	0.0	0	
Total					
2022	100.0	38	100.0	6,766	100.0
2023	100.0	31	100.0	4,736	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data</i>					

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The table shows that the percentage of loans originated to businesses with GARs of \$1 million or less is slightly above the demographic benchmark in 2022. However, performance decreases and drops below the demographics in 2023. Although Oakwood Bank does not report small business lending data, the 2022 aggregate data, the most recent reported data at the time of the evaluation, shows that 48.7 percent of AA small business loans were originated to businesses with GARs of \$1 million or less. While not used as a direct comparator for evaluation purposes, the aggregate data gives insight to the demand for small business loans. The demographic represents the distribution of businesses by GAR level and does not necessarily represent those businesses that need financing. Many of the smallest businesses finance their operations through use of credit cards or alternative funding sources. The difference in aggregate data to demographic data suggest that the lending opportunities in the AA also trail the demographic. The bank's performance in both years exceeded aggregate performance. Based on demographics, aggregate data, demand, and significant competition in this AA, the bank's performance is considered reasonable overall.

Small Farm Loans

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: WI Eau Claire MSA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000					
2022	97.8	16	100.0	1,088	100.0
2023	97.9	15	93.8	1,076	91.5
> \$1,000,000					
2022	1.8	0	0.0	0	0.0
2023	1.6	1	6.2	100	8.5
Revenue Not Available					
2022	0.4	0	0.0	0	0.0
2023	0.5	0	0.0	0	0.0
Total					
2022	100.0	16	100.0	1,088	100.0
2023	100.0	16	100.0	1,076	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data</i>					

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. The table shows that the bank’s performance is comparable to the demographic data benchmark for both years.

NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA AA

The Wisconsin Non-MSA AA includes all census tracts in Trempealeau County. The main office in Pigeon Falls is located in this AA and is in a middle-income census tract.

Economic and Demographic Data

According to 2020 U.S. Census data, the Non-MSA AA is comprised of all middle-income census tracts. The following table illustrates selected demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: WI Non-MSA Trempealeau County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	0.0	100.0	0.0	0.0
Population by Geography	30,760	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	13,219	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	8,767	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	3,376	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,076	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	2,520	0.0	0.0	100.0	0.0	0.0
Farms by Geography	318	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	7,702	16.0	19.1	25.3	39.6	0.0
Household Distribution by Income Level	12,143	19.4	17.4	20.9	42.2	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$160,808
			Median Gross Rent			\$761
			Families Below Poverty Level			3.7%
Sources: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR. According to 2023 D&B data, there were 2,520 businesses operating in the AA. A summary of GARs for these entities is shown below.

- 85.8 percent have GARs \$1 million or less
- 3.6 percent have GARs more than \$1 million
- 10.6 percent have unknown revenues (not available)

Service industries represent the largest portion of businesses at 29 percent; followed by non-classifiable establishments at 25 percent; retail trade at 12 percent; and finance/insurance at 9 percent. In addition, 63 percent of area businesses have four or fewer employees, and 91 percent operate from a single location. The demographic data demonstrates that while large businesses do exist, small businesses represent a significant portion of overall businesses in the AA.

According to 2023 D&B data, there were 318 farms operating in the AA. According to 2022 USDA Census of Agriculture data, 92 percent of AA farms are family owned. A summary of GARs for these entities is shown below.

- 98.1 percent have GARs \$1 million or less
- 0.9 percent have GARs more than \$1 million
- 0.9 percent have unknown revenues (not available)

The following table shows unemployment data from the U.S. Bureau of Labor Statistics since the previous Performance Evaluation. The rates significantly increased during the COVID-19 pandemic, peaking in April 2020; however, they have since significantly improved during the review period, coming back down to pre-pandemic levels.

Unemployment Rates						
Area	2019	2020	2021	2022	2023	2024*
	%	%	%	%	%	%
Trempealeau County	3.5	7.1	3.8	3.1	3.5	3.1
State of Wisconsin	3.2	6.4	3.9	2.9	3.0	3.3
United States	3.7	8.1	5.3	3.6	3.6	4.3
<i>Source: U.S. Bureau of Labor Statistics annual unemployment rates (not seasonally adjusted); *2024 is June</i>						

Competition

Oakwood Bank operates in a competitive environment where several credit unions, large national banks, and community banks pose significant competition for financial services. According to the June 30, 2023, FDIC Summary of Deposits, 8 financial institutions conduct business from 17 offices in the AA with \$661.3 million in deposits. This data does not include credit unions. Oakwood Bank ranks 7th with a deposit market share of 6.7 percent.

Oakwood Bank is not required to collect or publicly report small business and small farm lending data and has not elected to do so; therefore, the analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data.

Credit Needs

This AA is primarily rural in nature. Considering information from bank management and demographic and economic data, examiners determined that the primary credit needs are for small farm loans in the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA AA

LENDING TEST

Oakwood Bank demonstrated satisfactory performance under the Lending Test for this AA. Borrower Profile performance supports this conclusion. While the bank originated a small number of loans in this AA and it contributes little to the overall rating, performance for both loan products was reasonable.

Geographic Distribution

The Wisconsin Non-MSA AA does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among businesses and farms of different sizes.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: WI Non-MSA Trempealeau County					
Gross Revenue Level		% of Businesses	#	%	\$(000s)
≤ \$1,000,000					
2022		83.6	2	100.0	410
2023		85.8	4	80.0	220
> \$1,000,000					
2022		4.6	0	0.0	0
2023		3.6	1	20.0	376
Revenue Not Available					
2022		11.8	0	0.0	0
2023		10.6	0	0.0	0
Total					
2022		100.0	2	100.0	410
2023		100.0	5	100.0	596
<i>Sources: 2022 & 2023 D&B Data; Bank Data</i>					

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The percentage of loans originated to businesses with GARs of \$1 million or less is above the demographic benchmark in 2022 and slightly below in 2023. Based on demographics and competition in this AA, the bank's performance is considered reasonable overall.

Small Farm Loans

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: WI Non-MSA Trempealeau County					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000					
2022	97.8	6	85.7	960	90.8
2023	98.1	7	87.5	654	56.7
> \$1,000,000					
2022	1.4	1	14.3	97	9.2
2023	0.9	1	12.5	500	43.3
Revenue Not Available					
2022	0.9	0	0.0	0	0.0
2023	0.7	0	0.0	0	0.0
Total					
2022	100.0	7	100.0	1,057	100.0
2023	100.0	8	100.0	1,154	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data</i>					

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. The table above shows that the percentage of loans originated to farms with GARs of \$1 million or less is slightly below the demographic benchmark in 2022 and 2023. Although Oakwood Bank does not report small farm lending data, 2022 aggregate data, the most recent reported data at the time of the evaluation, shows that 31.7 percent of AA small farm loans were originated to farms with GARs of \$1 million or less. The bank's performance in both years exceeded this performance. Based on demographics, aggregate data, and competition in this AA, the bank's performance is considered reasonable overall.

STATE OF MINNESOTA – Full-Scope Review

CRA RATING FOR THE STATE OF MINNESOTA: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF MINNESOTA

Oakwood Bank has one AA in the State of Minnesota, the Minnesota Non-MSA AA. This AA includes all census tracts in Winona County. This is a new AA and market for the bank since the previous evaluation.

Oakwood Bank operates one branch office in Minnesota, which is in Rollingstone located in Winona County. The branch is in a middle-income census tract. This new branch opened June 1, 2021. Data sources used in this section include 2020 U.S. Census data, 2022 and 2023 D&B data, 2022 USDA Census of Agriculture data, and data from the U.S. Bureau of Labor Statistics.

Economic and Demographic Data

According to 2020 U.S. Census data, the Minnesota Non-MSA AA is comprised of ten middle- and three upper-income census tracts. The following table illustrates selected demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: MN Non-MSA Winona County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	0.0	76.9	23.1	0.0
Population by Geography	49,671	0.0	0.0	72.8	27.2	0.0
Housing Units by Geography	21,258	0.0	0.0	75.4	24.6	0.0
Owner-Occupied Units by Geography	14,012	0.0	0.0	71.7	28.3	0.0
Occupied Rental Units by Geography	5,454	0.0	0.0	82.9	17.1	0.0
Vacant Units by Geography	1,792	0.0	0.0	81.6	18.4	0.0
Businesses by Geography	3,852	0.0	0.0	73.1	26.9	0.0
Farms by Geography	403	0.0	0.0	77.2	22.8	0.0
Family Distribution by Income Level	11,064	14.6	16.7	23.8	44.9	0.0
Household Distribution by Income Level	19,466	23.0	16.9	17.7	42.4	0.0
Median Family Income Non-MSAs - MN		\$74,737	Median Housing Value			\$180,963
			Median Gross Rent			\$674
			Families Below Poverty Level			5.2%
Sources: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR. According to 2023 D&B data, there were 3,852 businesses operating in the AA. A summary of GARs for these entities is shown below.

- 83.3 percent have GARs \$1 million or less
- 5.5 percent have GARs more than \$1 million
- 11.1 percent have unknown revenues (not available)

Service industries represent the largest portion of businesses at 38 percent; followed by non-classifiable establishments at 13 percent; retail trade at 12 percent; and finance/insurance at 11 percent. In addition, 68 percent of area businesses have four or fewer employees, and 89 percent operate from a single location. The demographic data demonstrates that while large businesses do exist, small businesses represent a significant portion of overall businesses in the AA.

The analysis of small farm loans under the Borrower Profile criterion compares the distribution of farms by GAR. According to 2023 D&B data, there were 403 farms operating in the AA. According to 2022 USDA Census of Agriculture data, 92 percent of AA farms are family owned.

A summary of GARs for these entities is shown below.

- 98.0 percent have GARs \$1 million or less
- 1.5 percent have GARs more than \$1 million
- 0.5 percent have unknown revenues (not available)

The following table shows unemployment data from the U.S. Bureau of Labor Statistics since the previous Performance Evaluation. The rates significantly increased during the COVID-19 pandemic, peaking in April 2020; however, they have since significantly improved during the review period, coming back down to pre-pandemic levels.

Unemployment Rates						
Area	2019	2020	2021	2022	2023	2024*
	%	%	%	%	%	%
Winona County	2.9	5.0	3.1	2.1	2.3	3.5
State of Minnesota	3.3	6.3	3.7	2.7	2.8	3.8
United States	3.7	8.1	5.3	3.6	3.6	4.3
Source: U.S. Bureau of Labor Statistics annual unemployment rates (not seasonally adjusted); *2024 is June						

Competition

Oakwood Bank operates in a competitive environment where several credit unions and large national banks pose the greatest degree of competition for financial services. According to the June 30, 2023, Summary of Deposits compiled by the FDIC, 9 financial institutions conduct business from 15 offices in the AA with \$1.4 billion in deposits. This data does not include credit unions. Oakwood Bank ranks 8th with a deposit market share of 0.7 percent.

Credit Needs

Considering information from bank management and demographic and economic data, examiners determined that the primary credit needs are for small business and small farm loans in the AA.

SCOPE OF EVALUATION – STATE OF MINNESOTA

Examiners conducted a full-scope review of the sole AA in this rated area. Please refer to the overall Scope of Evaluation section for information about the review procedures used and the weighting of the products. Examiners analyzed lending performance in relation to bank resources, market presence, and lending opportunities.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF MINNESOTA

LENDING TEST

Oakwood Bank demonstrated satisfactory performance under the Lending Test. Borrower Profile performance supports this conclusion.

Geographic Distribution

The Minnesota Non-MSA AA does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among businesses and farms of different sizes.

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: MN Non-MSA Winona County					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000					
2022	83.9	18	90.0	4,048	85.6
2023	83.3	4	50.0	1,503	65.2
> \$1,000,000					
2022	5.3	2	10.0	679	14.4
2023	5.5	4	50.00	803	34.8
Revenue Not Available					
2022	10.8	0	0.0	0	0.0
2023	11.1	0	0.0	0	
Total					
2022	100.0	20	100.0	4,727	100.0
2023	100.0	8	100.0	2,306	100.0
Sources: 2022 & 2023 D&B Data; Bank Data					

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The table shows that the percentage of loans originated to businesses with GARs of \$1 million or less is above the demographic benchmark in 2022 and below in 2023. As discussed previously, aggregate data is not used as a direct comparator since the bank does not report small business lending data; still, this information gives examiners insight to the demand for such loans in the AA. The 2022 aggregate data, the most recent reported data at the time of the

evaluation, shows that 52.5 percent of AA small business loans were originated to businesses with GARs of \$1 million or less. The bank's performance in 2023 is consistent with this performance, indicating the bank is meeting the demand for small business loans in the AA. Based on demographics, aggregate data, demand, and competition in this AA, the bank's performance is considered reasonable overall.

Small Farm Loans

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: MN Non-MSA Winona County					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000					
2022	97.9	5	38.5	765	40.0
2023	98.0	4	50.0	592	63.4
> \$1,000,000					
2022	1.5	8	61.5	1,146	60.0
2023	1.5	4	50.0	341	36.6
Revenue Not Available					
2022	0.5	0	0.0	0	0.0
2023	0.5	0	0.0	0	0.0
Total					
2022	100.0	13	100.0	1,911	100.0
2023	100.0	8	100.0	933	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data</i>					

The table shows that the bank's performance trails demographics. Notably, demographic data represents the percentage of farms of different sizes operating within the AA but does not represent the percentage of farms seeking financing. Examiners considered aggregate data to gain insight on the demand for such loans. The 2022 aggregate data shows that 76.7 percent of loans were made to farms with GARs of \$1 million or less.

The bank's performance significantly trails demographic and aggregate data; however, when determining this impact on the overall assessment, examiners noted that their performance (as a percentage of total lending) improved during the review period. This is a reflection that the bank has maintained their lending to small farms despite an overall decrease in loans. Additionally, competition impacts the bank's ability to originate loans in the AA. Notably, this is a relatively new market where the bank is establishing a market presence. The bank opened its first branch in the State of Minnesota in year-end 2021.

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 institution'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).

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Rating
WISCONSIN	Satisfactory
MINNESOTA	Satisfactory

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 institution 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.