



*We're the bank here.*

February 2024

**COMMUNITY REINVESTMENT ACT NOTICE  
FAIRFAX STATE SAVINGS BANK  
FAIRFAX, IOWA**

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC, 1100 Walnut St, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to Kirk Leiffert, Vice President, Fairfax State Savings Bank, P.O. Box 277, Fairfax, IA 52228 and the FDIC Regional Director. You may also submit comments electronically through the FDIC's Web site at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Vanderbilt Holding Company, Inc., a bank holding company. You may request from the Officer in Charge of Supervision, Federal Reserve Bank of Chicago, Seventh District, Supervision and Regulation Department, 230 South LaSalle Street, Chicago, IL 60604, an announcement of applications covered by the CRA filed by bank holding companies.

409 Vanderbilt Street, P.O. Box 277  
Fairfax, IA 52228-0277  
Phone - 319.846.2300  
Fax - 319.846.3463

[www.thebankhere.com](http://www.thebankhere.com)



# FAIRFAX STATE SAVINGS BANK

## OFFICE LOCATION:

Main Office: 409 Vanderbilt Street  
PO Box 277  
Fairfax, Iowa 52228-0277  
(Linn County Metropolitan Statistical Area  
MSA 16300; Census Tract 107.00)

Branches: 4304 220<sup>th</sup> Trail  
PO Box 38  
Amana, IA 52203 (Opened September 2016)  
(MSA NA-Outside of MSA; Census Tract 9601.00)

211 3<sup>rd</sup> Ave SW  
PO BOX 937  
Cedar Rapids, IA (Opened December 2021)  
(Linn County Metropolitan Statistical Area  
MSA 16300; Census Tract 22.00)

ATM Locations: 71 Williams Blvd, Fairfax, Iowa (2 Kiosk/ATMs)  
2800 Wiley Blvd SW, Cedar Rapids, IA (2 Kiosk/ATMs)  
4304 220<sup>th</sup> Trail, Amana  
Edge Fitness, 215 3<sup>rd</sup> Ave SW, Cedar Rapids, IA 52404  
Wild Hog Saloon & Eatery, 350 Commercial Dr, Walford, IA 52351  
Prairie High School, 401 76<sup>th</sup> Ave, Cedar Rapids, IA 52404  
Amana Colonies Visitors Center, 622 46<sup>th</sup> Ave, Amana, IA 52203  
Hotel Millwright Lobby, 800 48<sup>th</sup> Ave, Amana, IA 52203  
Whirlpool Corporation, 2800 220<sup>th</sup> Trail, Amana, IA 52203

Office Hours: Fairfax Office:  
Monday – Thursday: 9:00 am to 4:00 pm  
Friday: 9:00 am to 4:00 pm Lobby, extended drive-up until 6:00 pm  
Saturday – 9:00 am to 11:00 am

Kingston and Bankhaus Offices:  
Monday – Friday: 9:00 am to 4:00 pm

Bankhaus and Kingston Offices: Closed Monday – Friday: 12:00 pm to 1:00 pm

## LOAN-TO-DEPOSIT RATIOS:

March 31, 2023	65%
June 30, 2023	66%
September 30, 2023	71%
December 31, 2023	72%

February 2024

**FAIRFAX STATE SAVINGS BANK  
TYPES OF CREDIT OFFERED**

- A. 1-4 Family Dwelling
  - 1. Conventional Real Estate Mortgages (first lien & junior lien)
  - 2. Construction and permanent financing
  - 3. 15 & 30 year Real Estate Mortgages –sold on secondary market
  - 4. Home Equity Line of Credit
  
- B. Small Business and Commercial Loans
  - 1. Real Estate
  - 2. Equipment
  - 3. Seasonal Inventory
  - 4. Operating
  
- C. Farm Loans
  - 1. Real Estate
  - 2. Livestock
  - 3. Machinery and Equipment
  - 4. Building and Conservation Projects
  - 5. Operating
  
- D. Consumer Loans
  - 1. Automobiles
  - 2. Home Improvement
  - 3. Mobile Homes
  - 4. Personal
  - 5. Personal Line of Credit
  
- E. Community Development
  - 1. Housing, SBA, Disaster Loans, Government, FSA

**FAIRFAX STATE SAVINGS BANK  
TYPES OF DEPOSIT ACCOUNT OFFERED**

**Consumer Accounts:**

- Free Checking
- Super NOW Account
- Savings Account
- Money Market Savings Account
- Certificates of Deposit
- Retirement Accounts
- Coverdell Education Savings Accounts

**Business Accounts:**

- Business Checking
- Business Super NOW Account (must meet eligibility requirements)
- Savings Account
- Money Market Savings Account
- Certificates of Deposit

**Additional Services:**

- Debit Card
- Visa Travel Cards and Gift Cards
- Cashier's Checks
- Redeem Government Savings Bonds (EE Bond & I Bonds)
- Wire Transfer Services
- Safe Deposit Boxes (Amana and Fairfax Locations Only)
- On-Line Banking, Mobile Banking, Mobile Deposit and Bill Pay

Please refer to our Disclosure Brochure for Terms and Condition of accounts and Fee Schedule.



FAIRFAX STATE SAVINGS BANK  
PEER COMPARISON

LOAN-TO-DEPOSIT RATIO

December 31, 2023

	Loan-to-Deposits	Total Assets (thousands)
Fairfax State Savings Bank Fairfax, IA	72%	\$267,719
Atkins Savings Bank & Trust Atkins, IA	77%	\$146,434
BankIowa Cedar Rapids, IA	97%	\$834,128
Mount Vernon Bank & Trust Co Mount Vernon, IA	84%	\$189,419
Palo Savings Bank Palo, IA	53%	\$44,663
Central State Bank State Center, IA	102%	\$494,333
Solon State Bank Solon, IA	80%	\$123,397
Keystone Savings Bank Keystone, IA	72%	\$175,482

**FAIRFAX STATE SAVINGS BANK**

**ASSESSMENT AREA  
CENSUS TRACTS  
2023 FFIEC Census Report**

<u>COUNTY</u>	<u>CENSUS TRACT</u>	<u>CENSUS TRACT INCOME LEVEL</u>	<u>CENSUS TRACT</u>	<u>CENSUS TRACT INCOME LEVEL</u>
<u>Fairfax – Main Office (Census Tract 107.00)</u>				
<u>Kingston – Branch Office (Census Tract 22.00)</u>				
<b>LINN (113)</b>	1.01	Upper	11.01	Moderate
<b>(MSA 16300)</b>	1.02	Middle	11.02	Middle
	1.03	Middle	12.00	Moderate
	2.01	Moderate	13.00	Moderate
	2.05	Upper	14.00	Moderate
	2.08	Upper	15.00	Middle
	2.09	Upper	16.00	Middle
	2.10	Upper	17.00	Middle
	2.11	Upper	18.00	Moderate
	2.12	Moderate	19.00	Low
	2.13	Unknown	22.00	Moderate
	3.00	Middle	23.00	Middle
	4.00	Middle	24.00	Moderate
	5.00	Middle	25.00	Moderate
	6.00	Middle	26.00	Moderate
	7.00	Moderate	27.00	Moderate
	8.00	Moderate	28.00	Middle
	9.01	Middle	29.00	Middle
	9.02	Upper	30.03	Middle
	10.01	Middle	30.04	Middle
	10.02	Middle	30.05	Middle
	10.04	Middle	30.06	Middle
	10.05	Moderate	106.00	Upper
			107.00	Upper
<b>BENTON (11)</b>	9605.00	Middle		
<b>(MSA 16300)</b>				
<b>JOHNSON (103)</b>	102.00	Upper		
<b>(MSA 26980)</b>				
<u>Amana – Branch Office (located in a Non-MSA)</u>				
<b>OWA (95)</b>	9601.00	Upper		

# **PUBLIC DISCLOSURE**

January 16, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Fairfax State Savings Bank  
Certificate Number: 8083

409 Vanderbilt Street  
Fairfax, Iowa 52228

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Fairfax State Savings Bank's (FSSB) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize FSSB's performance.

- The loan-to-deposit ratio is reasonable, given the institution's size, financial condition, and the credit needs of the assessment areas.
- Overall, FSSB made a majority of its small business, home mortgage, and small farm loans in the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the institution's assessment areas.
- The distribution of borrowers reflects a reasonable penetration of lending among businesses and farms of different revenue sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

FSSB, headquartered in Fairfax, Iowa, is wholly owned by one-bank holding company Vanderbilt Holding Company, Inc., Fairfax, Iowa. In addition to its main office in Fairfax, FSSB operates two full-service branch offices in Amana and Cedar Rapids, Iowa. The Cedar Rapids branch opened on December 1, 2021. FSSB did not close any offices during the evaluation period. FSSB received a Satisfactory rating at its previous Federal Deposit Insurance Corporation Performance Evaluation, dated November 27, 2017, based on Interagency Small Institution Examination Procedures.

The institution offers various commercial, agricultural, residential real estate, and consumer loan products, with a focus on originating quality loans of all types. FSSB also assists small businesses and small farms with specialized commercial and agricultural lending products through the Small Business Administration and Farm Service Agency. Additionally, FSSB has the ability to refer long-term home mortgage loans for origination on the secondary market, including programs designed to assist first-time homebuyers. Finally, in response to the COVID-19 pandemic, the bank originated loans under the Small Business Administration's Paycheck Protection Program to assist business-related entities in the area.

FSSB provides a variety of deposit-related products that include checking, savings, money market, and certificate of deposit accounts. The bank also offers insurance, retirement, and trust services. Alternative banking products and services include debit cards, direct deposit, internet and mobile banking, electronic statements, mobile deposit, and electronic bill payment. Services are also provided through four deposit-taking and five cash-dispensing automated teller machines.

Assets totaled approximately \$243.6 million as of September 30, 2023, representing an increase of 71.3 percent since the September 30, 2017, Consolidated Reports of Condition and Income (Call Report). Total deposits equaled approximately \$202.1 million, representing a 63.5 percent increase, and total loans were approximately \$145.3 million, representing a 103.1 percent increase during the same timeframe. Loan portfolio concentrations have shifted somewhat during the review period. As a percentage of the institution's loan portfolio, commercial loan volume has increased substantially since the previous evaluation. Bank management primarily attributes the increase in commercial loan volume to the opening of the commercially-oriented branch office in Cedar Rapids. Management indicated that residential real estate and farm loan growth, as well as deposit growth since the prior evaluation has generally been organic. The following table illustrates the composition of the loan portfolio as of September 30, 2023.



<b>Loan Portfolio Distribution as of 9/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	6,404	4.4
Secured by Farmland	11,267	7.8
Secured by 1-4 Family Residential Properties	34,151	23.5
Secured by Multifamily (5 or more) Residential Properties	3,129	2.1
Secured by Nonfarm Nonresidential Properties	34,106	23.5
<b>Total Real Estate Loans</b>	<b>89,057</b>	<b>61.3</b>
Commercial and Industrial Loans	38,610	26.6
Agricultural Production and Other Loans to Farmers	11,847	8.1
Consumer Loans	5,757	4.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	19	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>145,290</b>	<b>100.0</b>
<i>Source: Call Report (9/30/2023)</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. FSSB has defined two assessment areas within the State of Iowa. The assessment areas are identified as Metropolitan and Nonmetropolitan. According to 2020 U.S. Census data, the combined assessment areas include 50 geographies, consisting of one low-, 15 moderate-, 22 middle-, and 11 upper-income census tracts, as well as one geography with no income designation. Management expanded the Metropolitan Assessment Area during the review period. The Nonmetropolitan Assessment Area has not changed. Refer to the individual assessment area sections for detailed information.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated November 27, 2017, to the current evaluation date of January 16, 2024. Examiners used Interagency Small Institution Examination Procedures to evaluate FSSB's CRA performance. These procedures include a Lending Test, which is further described in the Appendices.

Examiners conducted full-scope reviews of FSSB's two assessment areas to evaluate performance, after considering factors such as branching structure, loan volume, deposit volume, and market share. As shown in the following table, loan and deposit volume, as well as the number of offices are substantially higher in the Metropolitan Assessment Area. Examiners also considered management's assertions regarding the institution's lending focus and efforts, and determined that

significantly greater weight should be given to the results from the Metropolitan Assessment Area. The following table reflects the distribution of loans, deposits, and branches by assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Metropolitan Assessment Area	130,335	92.8	192,623	92.7	2	66.7
Nonmetropolitan Assessment Area	10,097	7.2	15,238	7.3	1	33.3
<b>Total</b>	<b>140,432</b>	<b>100.0</b>	<b>207,861</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits (6/30/2023)*

**Activities Reviewed**

Examiners determined that the institution’s major product lines include commercial, residential real estate, and agricultural loans. This conclusion considered the bank’s business focus, loan portfolio distribution, and the number and dollar volume of loans originated or renewed during the evaluation period. Management’s lending philosophy is to address the loan demand in the communities FSSB serves and to make quality loans of all kinds. Therefore, small business, home mortgage, and small farm lending was reviewed at the current evaluation. Due to the opening of the commercially-oriented branch office in Cedar Rapids, FSSB experienced increased demand for business operating, commercial real estate, and residential investment property financing. After considering loan portfolio percentages, lending activity during the evaluation period, and management’s stated business focus, examiners placed the greatest weight on small business lending, followed by home mortgage, and then small farm lending when arriving at overall Lending Test conclusions.

The universe of loans reviewed included all small business, home mortgage, and small farm loans on the bank’s loan download originated from January 1, 2022, through December 31, 2022. Management agreed that the loan activity reviewed is representative of the institution’s performance throughout the evaluation period. For the Assessment Area Concentration performance criterion, examiners reviewed the entire universe of small business, home mortgage, and small farm loans. For the Geographic Distribution performance criterion, examiners reviewed the entire universe of small business, home mortgage, and small farm loans originated or renewed inside the Metropolitan Assessment Area. For the Borrower Profile performance criterion, examiners analyzed a sample of small business and home mortgage loans, as well as all small farm loans originated or renewed inside the Metropolitan Assessment Area. Due to the limited universe of loans in the Nonmetropolitan Assessment Area, examiners reviewed all small business, small farm, and home mortgage loans originated or renewed inside the assessment area. The following table provides information on the universe of loans reviewed.



Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business	106	17,567	53	6,526
Home Mortgage	65	9,869	37	6,043
Small Farm	41	5,594	28	3,968
<i>Source: Bank Data</i>				

For small business and small farm conclusions, 2022 D&B data provided a standard of comparison. When arriving at home mortgage conclusions, 2020 U.S. Census data provided a standard of comparison. Examiners obtained the data necessary for this evaluation from institution loan data, individual customer loan files, and interviews with bank management. Examiners analyzed lending performance by both the number and dollar volume of loans; however, the performance by number of loans was emphasized as it is generally a better indicator of the number of businesses, individuals, and farms served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

FSSB demonstrated reasonable performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria supports this conclusion. The following sections describe each performance criterion and how they support the overall rating.

#### Loan-to-Deposit Ratio

FSSB's net loan-to-deposit is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas. The bank's net loan-to-deposit ratio, calculated from Call Report data, averaged 55.4 percent over the 23 calendar quarters from March 31, 2018, to September 30, 2023. The net loan-to-deposit ratio ranged from a low of 48.4 percent on June 30, 2021, to a high of 71.0 percent on September 30, 2023. The net loan-to-deposit ratio remained generally steady until the second quarter of 2022, when it began to rise sharply.

Although there has been fluctuation, net loans steadily increased over the evaluation period. In 2020, the bank experienced rapid deposit growth and mild loan growth, which management attributes to the influx of deposits from pandemic stimulus funds and Paycheck Protection Program loan funds. Since the opening of the Cedar Rapids branch office in December 2021, loan growth has substantially outpaced deposit growth. Comparison of December 31, 2021, and September 30, 2023, Call Reports indicate that net loans increased 41.8 percent, while deposits increased 1.2 percent. During that same period, the net loan-to-deposit ratio increased from 50.6 percent to 71.0 percent. As mentioned, FSSB has the ability to refer home mortgage applications to the secondary market for consumers requesting long-term, fixed-rate financing. Since the prior evaluation, 58 home mortgage loans totaling approximately \$11.5 million have been originated through this outlet. Because these loans are sold and not retained in FSSB's portfolio, they are not included in the calculation of the average net loan-to-deposit ratio.

Examiners compared the bank’s average net loan-to-deposit ratio to four similarly-situated institutions to help evaluate FSSB’s performance. Comparable institutions were selected based on their size, geographic location, markets served, and lending focus. While all four of the comparable banks experienced increases in loan and deposit volume, deposit growth outpaced loans for two of the banks, resulting in decreasing loan-to-deposit ratios. Loan growth moderately outpaced deposit growth for the other two comparable banks, moderately increasing their loan-to-deposit ratios. As reflected in the following table, FSSB’s average net loan-to-deposit ratio compares reasonably with the similarly-situated banks.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2023 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
Fairfax State Savings Bank, Fairfax, Iowa	243,602	55.4
Atkins Savings Bank & Trust, Atkins, Iowa	136,040	72.4
Chelsea Savings Bank, Belle Plaine, Iowa	179,875	43.4
Keystone Savings Bank, Marengo, Iowa	184,773	63.9
Mount Vernon Bank and Trust, Mount Vernon, Iowa	184,944	76.5

*Source: Call Reports 3/31/2018 - 9/30/2023*

**Assessment Area Concentration**

FSSB made a majority of its small business, home mortgage, and small farm loans, by number and dollar volume, within the assessment areas. The overall concentration of loans within the assessment areas demonstrates the bank’s willingness to meet local credit needs. See the following table for details.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%	\$	%	\$	%		
Small Business	77	72.6	29	27.4	106	12,179	69.3	5,388	30.7	17,567
Home Mortgage	48	73.8	17	26.2	65	7,375	74.7	2,494	25.3	9,869
Small Farm	28	68.3	13	31.7	41	3,968	70.9	1,626	29.1	5,594

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

**Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the institution’s assessment areas. This conclusion is supported by the reasonable performance in the Metropolitan Assessment Area. Emphasis under the Geographic Distribution criterion is placed on the bank’s record of lending in low- and moderate-income census tracts. Examiners reviewed only those loans granted within the Metropolitan Assessment Area to perform this analysis as the Nonmetropolitan Assessment Area does not contain any low- or moderate-income census tracts and an analysis would not yield meaningful results. A complete discussion of the bank’s geographic



distribution lending performance can be found in the separate assessment area sections of this evaluation.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. This conclusion is supported by the bank's reasonable performance in the Metropolitan Assessment Area, the most weighted assessment area. Examiners focused on the percentage, by number, of small business and small farms loans to entities generating gross annual revenues of \$1.0 million or less. For home mortgage lending, focus was placed on the percentage of loans, by number, to low- and moderate-income borrowers. Examiners reviewed only those loans granted within the assessment areas to perform this analysis. A complete discussion of the bank's borrower profile lending performance can be found in the separate assessment area sections of this evaluation.

### **Response to Complaints**

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

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## **METROPOLITAN ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE METROPOLITAN ASSESSMENT AREA**

The Metropolitan Assessment Area consists of census tracts 1.01 - 1.03, 2.01, 2.05, 2.08 - 2.13, 3 - 8, 9.01, 9.02, 10.01, 10.02, 10.04, 10.05, 11.01, 11.02, 12 - 19, 22 - 29, 30.03 - 30.06, 106, and 107 in Linn County, Iowa; census tract 9605 in Benton County, Iowa; and census tract 102 in Johnson County, Iowa. Linn and Benton counties are part of the Cedar Rapids, Iowa Metropolitan Statistical Area, while Johnson County is part of the Iowa City, Iowa Metropolitan Statistical Area. This assessment area encompasses the two FSSB offices located in Fairfax and Cedar Rapids.

#### **Economic and Demographic Data**

According to 2020 U.S. Census data, the income designations of the 49 geographies in the Metropolitan Assessment Area are one low-, 15 moderate-, 22 middle-, and 10 upper-income, as well as one census tract with no income designation. The main office in Fairfax is located in upper-income census tract 107 and the Cedar Rapids office is located in moderate-income census tract 22.

Since the prior CRA evaluation, management expanded the Metropolitan Assessment Area to include areas served by the Cedar Rapids branch office. Management added 28 Linn County census tracts that encompass Cedar Rapids, Hiawatha, and Marion. In addition, three Linn County census tracts that were included in the former assessment area were split due to population growth, creating an additional three geographies in the Cedar Rapids area.

At the prior evaluation, the Metropolitan Assessment Area was comprised of 18 census tracts. Based on 2010 U.S. Census data used at the prior evaluation, the assessment area consisted of 4 moderate-, 10 middle-, and 4 upper-income geographies. According to the 2015 American Community Survey, performed midway between the 2010 and 2020 U.S. Censuses, the former assessment area was comprised of 1 low-, 7 moderate-, 7 middle-, and 3 upper-income census tracts.

Since the prior evaluation, the number of low- and moderate-income census tracts within the Metropolitan Assessment Area has increased substantially. The composition of the assessment area and income designation of census tracts were affected by management’s expansion of the assessment area, splitting of certain census tracts, and U.S. Census data. Comparison of the former assessment area using 2010 U.S. Census data and the current assessment area using 2020 U.S. Census data indicates that the number of low- and moderate-income census tracts in the assessment area increased by 1 and 11, respectively. The number of middle- and upper-income census tracts increased, as well. Further, the previous assessment area did not include any geographies without an income classification. The following table illustrates select demographic characteristics of the current Metropolitan Assessment Area.



Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	2.0	30.6	44.9	20.4	2.0
Population by Geography	215,505	1.3	22.7	49.1	25.7	1.2
Housing Units by Geography	92,056	0.8	25.2	49.9	22.5	1.6
Owner-Occupied Units by Geography	63,697	0.1	20.4	50.1	29.0	0.3
Occupied Rental Units by Geography	22,090	2.2	37.4	49.5	5.9	5.0
Vacant Units by Geography	6,269	3.0	30.1	50.1	14.7	2.1
Businesses by Geography	27,775	6.0	22.8	42.2	26.1	2.9
Farms by Geography	1,038	3.3	12.7	41.1	41.8	1.1
Family Distribution by Income Level	53,359	18.8	18.4	22.3	40.5	0.0
Household Distribution by Income Level	85,787	21.3	17.4	18.9	42.4	0.0
Median Family Income - Cedar Rapids, Iowa Metropolitan Statistical Area		\$85,854	Median Housing Value			\$165,245
Median Family Income - Iowa City, Iowa Metropolitan Statistical Area		\$93,237	Median Gross Rent			\$758
			Families Below Poverty Level			6.3%

*Source: 2020 U.S. Census and 2023 D&B Data. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%*

According to 2023 D&B data, service industries represent the largest portion of commercial and agricultural operations in the assessment area at 34.1 percent by number; followed by non-classifiable establishments at 22.8 percent; finance, insurance, and real estate at 13.1 percent; and retail trade at 9.6 percent. Additionally, 63.4 percent of assessment area businesses and farms have four or fewer employees, and 92.5 percent operate from a single location.

The 2022 FFIEC-estimated median family income levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table details the low-, moderate-, middle-, and upper-income levels for the Cedar Rapids, Iowa Metropolitan Statistical Area and the Iowa City, Iowa Metropolitan Statistical Area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Cedar Rapids, Iowa Metropolitan Statistical Area Median Family Income</b>				
2022 (\$89,200)	<\$44,600	\$44,600 to <\$71,360	\$71,360 to <\$107,040	≥\$107,040
<b>Iowa City, Iowa Metropolitan Statistical Area Median Family Income</b>				
2022 (\$104,300)	<\$52,150	\$52,150 to <\$83,440	\$83,440 to <\$125,160	≥\$125,160

*Source: FFIEC*

### **Competition**

The Metropolitan Assessment Area is highly competitive with regard to financial services. According to Call Report data, 29 financial institutions operate 64 offices in the assessment area. These institutions range in size from small community banks to larger financial institutions with branch locations in the assessment area. FSSB ranks 9<sup>th</sup> amongst these institutions with 2.5 percent of deposit market share. The top five financial institutions own 63.1 percent of the deposit market share in the Metropolitan Assessment Area.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in understanding economic conditions and identifying credit needs. This information helps to determine whether local financial institutions are responsive to community credit needs and provides context regarding available lending opportunities. Examiners referenced a previous contact from an economic and workforce development organization serving the assessment area.

The community contact stated that the economy is generally stable, economic growth continues, and unemployment is low. Recovery from the effects of the COVID-19 pandemic and the 2020 derecho windstorm disaster are nearly complete. Commercial development in the assessment area is growing slowly, but steadily. One area of concern is the declining occupancy rate for commercial office space, fueled by the continuing trend for workers to perform their duties from remote workspaces. Commercial real estate vacancies are rising and some spaces are being converted for other uses. Main street businesses in rural areas are struggling due to the preference of shoppers to go to larger retail areas. Low unemployment has had an effect on both commercial and agricultural employers, forcing wages up and making hiring harder for smaller entities. The residential real estate market has strengthened over the past few years, as homeowners are spending funds to renovate and repair existing homes. Low new home inventory, high housing demand, and soaring construction costs have caused the price of new housing to rise substantially. The refinance market has cooled considerably due to rising interest rates. Affordable housing is a need throughout the assessment area. The agricultural sector has become stronger, mainly due to increasing commodity prices. Agricultural-related industries are doing well, especially the larger companies.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, home mortgage, and small farm loans are primary credit needs of the Metropolitan Assessment Area. Call Reports filed by area financial institutions also support this assertion.



## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE METROPOLITAN ASSESSMENT AREA

### LENDING TEST

FSSB demonstrated reasonable performance under the Lending Test in the Metropolitan Assessment Area. The results of the Geographic Distribution and Borrower Profile analyses support this conclusion. As previously mentioned, significantly greater weight was given to overall conclusions derived from this assessment area.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Metropolitan Assessment Area. The bank's reasonable lending performance in all three products supports this conclusion.

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area when considering additional factors. As shown in the following table, FSSB did not originate any small business loans in the sole low-income census tract. Examiners noted that competition is highly prevalent in the low-income geography. According to Call Report information, seven banks operate from seven locations within the low-income census tract. Four of those banks report that commercial loans comprise the largest segment of their loan portfolio. Management agreed that competition is a factor in the low-income census tract. FSSB's lending percentage in moderate-income census tracts compares reasonably to D&B data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	6.1	0	0.0	0	0.0
Moderate	22.7	12	17.4	2,344	20.3
Middle	42.3	34	49.3	4,823	41.9
Upper	25.8	23	33.3	4,355	37.8
Not Available	3.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>69</b>	<b>100.0</b>	<b>11,522</b>	<b>100.0</b>
<small>Source: 2022 D&amp;B Data; Bank Data            Due to rounding, totals may not equal 100.0%</small>					

#### *Home Mortgage Loans*

The distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area, including low- and moderate-income census tracts. As shown in the following table, the bank did not originate any home mortgage loans in the low-income geography; however, U.S. Census data shows that the percentage of owner-occupied housing units is negligible. FSSB's lending percentage in moderate-income census tracts compares reasonably to demographic data.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.1	0	0.0	0	0.0
Moderate	20.4	7	15.2	824	11.6
Middle	50.1	21	45.7	2,584	36.3
Upper	29.0	18	39.1	3,704	52.1
Not Available	0.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>7,112</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data  
Due to rounding, totals may not equal 100.0%*

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion. As demonstrated in the following table, FSSB did not originate any small farm loans in low- or moderate-income geographies during the review period. The low- and moderate-income census tracts are primarily located in the metropolitan area of Cedar Rapids, where limited agricultural lending opportunities exist. These census tracts contain very little land that can be used for agricultural production. D&B's reporting reflects that a small percentage of farms are located within these geography categories. Management stated that agricultural demand is significantly less in the metropolitan area in which the low- and moderate-income census tracts are located. As such, the bank's lending dispersion corresponds to the loan product and related opportunities, and reflects reasonable performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	3.2	0	0.0	0	0.0
Moderate	11.9	0	0.0	0	0.0
Middle	40.3	7	28.0	857	26.9
Upper	43.6	18	72.0	2,332	73.1
Not Available	1.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>3,189</b>	<b>100.0</b>

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

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and among individuals of different income levels. FSSB's reasonable performance in all three products supports this conclusion.



### ***Small Business Loans***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. Although lending to businesses with gross annual revenues of \$1 million or less is lower than D&B data, examiners considered other contextual information to arrive at an overall reasonable conclusion. The majority of the bank's small business lending, by number and dollar amount, is to businesses generating gross annual revenues of \$1 million or less, evidencing an intent to serve businesses in this revenue category. Management reports that many loans to businesses generating over \$1 million in gross annual revenues were to long-standing customers that have grown over time. FSSB offers Small Business Administration loan products designed specifically to assist small businesses with gross annual revenues of \$1 million or less. See the following table.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	88.0	34	75.6	4,064	69.2
>\$1,000,000	3.7	11	24.4	1,805	30.8
Revenue Not Available	8.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>45</b>	<b>100.0</b>	<b>5,869</b>	<b>100.0</b>

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

### ***Home Mortgage Loans***

FSSB's performance in extending home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The bank's level of lending to low-income borrowers exceeds demographics by 1.2 percent. Management indicated that the level of lending to low-income borrowers is boosted by the fact that FSSB originates loans for the purchase and refinance of mobile homes, whereas most area banks do not. FSSB's percentage of loans to moderate-income borrowers is slightly less than the level of moderate-income families in the assessment area; however, performance is reasonable when considering the following factors. FSSB originates a high percentage of its home mortgage loans to individuals and other entities for investment purposes. Twelve of the 35 home mortgage loans reviewed were for the purchase, refinance, or improvement of non-owner occupied, residential investment properties. These home mortgage loans for investment purposes were extended to corporate entities that do not report income. As illustrated in the following table, regulatory personnel noted that 34.3 percent of the bank's home mortgage loans are not categorized by borrower income level but reflected as "Not Available." Lending within the other categories is affected by the proportionally high level of loans not classified by borrower income level. The high percentage of loans for residential investment purposes skews the numbers when bank performance is compared to the percentage of assessment area families. When residential investment loans are removed from the analysis, the bank's level of lending to moderate-income individuals exceeds benchmarks. Given these factors, the bank's overall performance in this area is considered reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	18.8	7	20.0	347	6.0
Moderate	18.4	5	14.3	468	8.1
Middle	22.3	2	5.7	598	10.3
Upper	40.5	9	25.7	2,006	34.7
Not Available	0.0	12	34.3	2,361	40.8
<b>Total</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>	<b>5,780</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

### ***Small Farm Loans***

The penetration of small farm loans among agricultural operations of different sizes is reasonable. As demonstrated in the following table, FSSB's lending to small farms generating gross annual revenues equal to, or under \$1 million compares reasonably with D&B data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.6	24	96.0	3,128	98.1
>\$1,000,000	1.3	1	4.0	61	1.9
Revenue Not Available	1.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>3,189</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					



## NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area is comprised of Iowa County census tract 9601. This geography is part of the nonmetropolitan areas of Iowa. This assessment area encompasses FSSB’s Amana branch office.

#### **Economic and Demographic Data**

According to 2020 U.S. Census data, the Nonmetropolitan Assessment Area is comprised of one upper-income census tract. While there have been no changes in the delineation of this assessment area, the income designation of census tract 9601 changed since the prior CRA evaluation. According to the 2010 U.S. Census data used at the prior evaluation, this assessment area was comprised of one middle-income census tract. The 2015 American Community Survey did not affect the income designation of Iowa County census tract 9601. The following table illustrates select demographic characteristics of the current Nonmetropolitan Assessment Area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1	0.0	0.0	0.0	100.0	0.0
Population by Geography	3,808	0.0	0.0	0.0	100.0	0.0
Housing Units by Geography	1,799	0.0	0.0	0.0	100.0	0.0
Owner-Occupied Units by Geography	1,514	0.0	0.0	0.0	100.0	0.0
Occupied Rental Units by Geography	104	0.0	0.0	0.0	100.0	0.0
Vacant Units by Geography	181	0.0	0.0	0.0	100.0	0.0
Businesses by Geography	620	0.0	0.0	0.0	100.0	0.0
Farms by Geography	80	0.0	0.0	0.0	100.0	0.0
Family Distribution by Income Level	1,216	7.7	19.5	16.3	56.5	0.0
Household Distribution by Income Level	1,618	13.3	10.1	19.5	57.0	0.0
Median Family Income - Nonmetropolitan Iowa	\$71,763	Median Housing Value				\$195,800
		Median Gross Rent				\$790
		Families Below Poverty Level				5.3%

Source: 2020 U.S. Census and 2023 D&B Data. (\*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%

According to 2023 D&B data, service industries represent the largest portion of commercial and agricultural operations in the assessment area at 28.7 percent by number; followed by retail trade at 17.7 percent; non-classifiable establishments at 17.3 percent; and agriculture, forestry, and fishing at 11.4 percent. Additionally, 66.7 percent of assessment area businesses and farms have four or fewer employees, and 89.4 percent operate from a single location.



The 2022 FFIEC-estimated median family income levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table details the low-, moderate-, middle-, and upper-income levels for the Iowa nonmetropolitan areas.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Iowa Nonmetropolitan Median Family Income</b>				
2022 (\$78,900)	<\$39,450	\$39,450 to <\$63,120	\$63,120 to <\$94,680	≥\$94,680
<i>Source: FFIEC</i>				

**Competition**

Considering its small size, the Nonmetropolitan Assessment Area is moderately competitive with regard to financial services. According to Call Report data, two financial institutions operate two offices in the assessment area. These institutions range in size from a small community bank to a larger financial institution with a branch location in the assessment area. FSSB ranks 2<sup>nd</sup> among these institutions with 18.8 percent of deposit market share. The leading bank owns 81.2 percent of the deposit market share.

**Community Contact**

Examiners referenced a recent community contact with an individual possessing specific knowledge of the economic conditions of the Nonmetropolitan Assessment Area. The contact stated that most businesses in the area are tied directly to agriculture, and the agricultural economy of the area is strong. The combination of rising commodity prices and government assistance through the Paycheck Protection Program and other support programs have significantly improved cash flows, thus reducing the need for credit to a low level. The contact stated that farmers have been paying down their current liabilities and funding current needs with cash. Access to ready cash has caused inflation with regard to crop inputs and machinery. Supply chain issues have caused new equipment shortages, and used machinery has become very expensive. The contact stated that, at the current time, there is very little demand for short- and mid-term lending, and that most long-term lending is for land. Lenders in the area are very responsive to credit needs and specialty lenders have indicated that they would like to lend more, but credit demand is low.

**Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage loans are primary credit needs of the Nonmetropolitan Assessment Area. Call Reports filed by area financial institutions also support this assertion.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN ASSESSMENT AREA

### LENDING TEST

FSSB demonstrated overall excellent performance under the Lending Test in the Nonmetropolitan Assessment Area, supported by Borrower Profile performance.

#### Geographic Distribution

The Nonmetropolitan Assessment Area does 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 in this assessment area.

#### Borrower Profile

The distribution of borrowers reflects overall excellent penetration among businesses and farms of different sizes and individuals of different income levels. FSSB's excellent small business lending performance primarily supports this conclusion. Performance data for home mortgage and small farm lending was insufficient to draw any meaningful conclusions.

#### *Small Business Loans*

The distribution of small business loans among commercial operations with gross annual revenues of \$1 million or less reflects excellent penetration. As shown in the following table, all small business loans reviewed were extended to businesses generating gross annual revenues of \$1 million or less.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	84.2	8	100.0	657	100.0
>\$1,000,000	2.9	0	0.0	0	0.0
Revenue Not Available	12.9	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>657</b>	<b>100.0</b>
<small>Source: 2022 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</small>					

#### *Home Mortgage Loans*

FSSB originated only two home mortgage loans in the Nonmetropolitan Assessment Area, both of which were made for residential investment purposes. Both loans were granted to corporate entities and borrower income is reflected as "Not Available." No loans were originated to natural persons; therefore, no conclusions could be drawn from this review.

#### *Small Farm Loans*

FSSB originated only three small farm loans in the Nonmetropolitan Assessment Area, all to farms generating gross annual revenues of \$1 million or less. Due to the limited number of loans, no meaningful conclusions could be drawn from this review.



## 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).

## 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.





FAIRFAX STATE SAVINGS BANK

HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA

Fairfax State Savings Bank's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) website at: [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)

2/6/2024