

PUBLIC DISCLOSURE

March 25, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

River Bank
Certificate Number: 14995

145 N Main St
Stoddard, Wisconsin 54658

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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.

River Bank’s “Satisfactory” Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test support the overall rating. The following points summarize the bank’s Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and the assessment areas’ (AA) credit needs.
- The bank made a substantial majority of its small business and home mortgage loans in the AAs.
- The geographic distribution of small business loans and home mortgage loans reflects reasonable dispersion throughout the AAs.
- The distribution of loans to borrowers reflects, given the demographics of the AAs, reasonable penetration of loans among businesses of different 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.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the AAs.

DESCRIPTION OF INSTITUTION

River Bank is a \$1.073 billion full-service commercial bank headquartered in Stoddard, Wisconsin. The bank remains wholly owned by River Holding Company, a two-bank holding company, also located in Stoddard, Wisconsin. Through common ownership by the holding company, River Bank has one affiliate, Wisconsin River Bank, which operates as a separate, full-service bank. The evaluation does not consider the activities of the affiliate. The prior Performance Evaluation, conducted by the Federal Deposit Insurance Corporation, on May 17, 2021, resulted in a “Satisfactory” rating, using Interagency Intermediate Small Institution Examination Procedures.

River Bank operates out of 14 offices, all located in Western Wisconsin. Since the last evaluation, management closed one limited-service branch, located in Sparta, Wisconsin, which was located

within 0.3 miles of the bank’s other locations in the town. There was minimal to no effect on serving the community, particularly to low- and moderate-income areas. Remaining branches are located in the counties of Crawford, La Crosse, Monroe, West Salem, and Vernon.

River Bank offers a variety of loan products, including home mortgage, commercial, agricultural, and consumer loans. Predominate lending during the evaluation period is multifamily home mortgage loans, representing 39.9 percent of the loan portfolio as of December 31, 2023 Call Report data, growing by just over 12.5 percent since the prior evaluation, followed by commercial lending at 32.5 percent of the portfolio, and 1-4 family (single family) home mortgage loans, representing 10.5 percent of the portfolio. The institution also offers several deposit product options including checking, savings, money market, and certificate of deposit accounts for both consumers and businesses. River Bank also offers investment and insurance products through River Investment Consultants. Alternative banking services include online and bill pay services, mobile banking, mobile deposit, person-to person transactions, and a 24-hour telebanking service.

As of December 31, 2023, assets totaled \$1.073 billion, and included total loans of \$865 million, and total securities of \$70 million. There have not been any material changes to the bank’s financial condition since the previous evaluation. The following table details the bank’s loan distributions as of the December 31, 2023 Call Report.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	87,277	10.1
Secured by Farmland	34,327	4.0
Secured by 1-4 Family Residential Properties	91,121	10.5
Secured by Multifamily (5 or more) Residential Properties	345,410	39.9
Secured by Nonfarm Nonresidential Properties	259,784	30.0
Total Real Estate Loans	817,919	94.5
Commercial and Industrial Loans	21,173	2.5
Agricultural Production and Other Loans to Farmers	1,715	0.2
Consumer Loans	808	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	23,581	2.7
Total Loans	865,196	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect River Bank’s ability to meet the credit needs of their AAs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which examiners evaluate the bank’s performance. River Bank has two contiguous AAs. The first AA includes all census tracts in La Crosse County, which is part of the La Crosse – Onalaska, Wisconsin-Minnesota Metropolitan Statistical Area (MSA). Of the bank’s 14 office locations, six are in this AA. The

second AA, consisting of census tracts in Non-MSAs, includes one census tract in Crawford County, all census tracts in Monroe County, two census tracts in Trempealeau County, and five census tracts in Vernon County. The remaining eight office locations, including the main office are located in this AA. The AAs do not arbitrarily exclude any low- or moderate-income census tracts and are consistent with the regulatory requirements.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
La Crosse MSA AA	La Crosse	28	6
Non-MSA AA	Crawford, Monroe, Trempealeau, and Vernon	17	8
<i>Source: Bank Data</i>			

Although the AA boundaries have not changed since the prior evaluation, due to census data changes from 2010 to the 2020 U.S. Census, there have been some changes to the number of census tracts and income designations of the census tracts. At the prior evaluation, there were 42 census tracts in both of the AAs, increasing to 45 as of the current evaluation. Those census tracts designated as NA are comprised of the Mississippi River Lagoon area and the University of Wisconsin La Crosse Campus. The following table depicts the change in composition of the census tracts since the prior evaluation.

Description of AA									
# of Census Tracts									
Last Evaluation*					Current Evaluation**				
Low-income	Moderate-Income	Middle - Income	Upper-Income	NA	Low-income	Moderate-Income	Middle - Income	Upper - Income	NA
1	5	30	5	1	1	7	29	6	2
<i>Source: *2010 U.S. Census; **2020 U.S. Census</i>									

Examiners discuss the details of each AA in the following sections under the La Crosse MSA AA and the Non-MSA AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated May 17, 2021, through December 31, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate River Bank’s CRA performance. These procedures include two tests, the Lending Test and the Community Development Test. The Appendix details the performance criteria for both tests, and the Glossary provides all pertinent definitions. Institutions must receive at least a “Satisfactory” rating under each test to obtain an overall “Satisfactory” rating.

Examiners completed a full-scope review of each AA and evaluated each AA separately. In determining the overall rating of the institution, examiners apply equal weight to the lending performance of each AA. Consistent lending for both home mortgage and small business loans in both AAs, as well as the distribution of offices and resources in each AA, supports this weighting.

Activities Reviewed

River Bank’s Lending Test includes a review of home mortgage and small business lending, as these represent the most significant lending activities as determined by the Call Report during the evaluation period. Given the substantial percentage of multifamily home mortgage lending, home mortgage and small business lending receive equal weight in the analysis. Small farm lending and consumer lending represent an insignificant portion of the bank’s overall business focus; therefore, examiners did not include these products in the evaluation, as the analysis would not lead to meaningful conclusions about the bank’s performance during the review period.

For the Lending Test, examiners reviewed the full universe of bank’s HMDA-reported loans for 2021, 2022, and 2023. In addition, examiners reviewed the full universe of small business loans from January 1, 2023 to December 31, 2023. The following table includes the full universe of each loan product reviewed.

Loan Category	Universe	
	#	\$(000s)
Home Mortgage		
2021	403	208,730
2022	167	88,719
2023	72	90,375
Small Business	161	28,970
<i>Source: Bank Reports; Reported HMDA Data</i>		

For home mortgage loans, examiners used the 2010 and 2020 census demographic data as a standard of comparison. Specifically, 2021 HMDA data is compared to 2015 American Community Survey (ACS) data using the 2010 Census boundary data, and 2022 and 2023 HMDA data is compared to 2020 Census data. Further, performance was compared to the corresponding HMDA aggregate data for each year analyzed. Examiners focus more on comparisons to aggregate data, as this data provides insight into the demand for home mortgage loans throughout the AA. Due to the bank’s significant portfolio of multifamily lending, examiners conducted a separate analysis of multifamily lending under the Geographic Distribution and Borrower Profile criteria. D&B data for 2023 provides a standard of comparison for the small business loan performance. While examiners include the number and volume of loans, the emphasis is on the performance by number of loans under the Geographic Distribution and Borrower Profile criteria because the number of loans is a better indicator of the number of individuals and businesses served.

While evaluating the Lending Test, examiners allotted more weight overall to Borrower Profile performance, than other Lending Test criteria. This is due in part to the limited number of low- and moderate-income census tracts in the AAs. Further, Borrower Profile directly measures how the bank serves the traditionally underserved segments of the population, specifically low- and moderate-income individuals and smaller businesses.

For the Community Development Test, management provided data on community development activities, including loans, investments, and services from the date of the prior evaluation, May 17, 2021 through December 31, 2023. Examiners consider the number and dollar volumes of these activities, as applicable.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending test is rated “Satisfactory”. The bank’s Loan-to-Deposit Ratio, AA Concentration, Geographic Distribution, and Borrower Profile performances support this conclusion. The analysis for each criterion is detailed below.

Loan-to-Deposit Ratio

River Bank’s loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size, financial condition, and AA needs and opportunities. The LTD ratio, calculated from Call Report data, averaged 113.4 percent over the past 11 quarters from June 30, 2021 to December 31, 2023. The ratios ranged from a low of 110.1 percent realized December 31, 2023 to a high of 116.1 percent as of March 31, 2023. As reflected in the following table, the bank’s performance surpassed that of four similarly-situated institutions (SSIs). SSI selection is based on asset size, banking structure, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
River Bank	1,073	113.4
Citizens State Bank La Crosse	628	109.9
Union State Bank West Salem	115	68.8
State Bank Financial La Crosse	484	62.2
Coulee Bank La Crosse	564	94.6

Source: Reports of Condition and Income 6/30/2021 through 12/31/2023

Assessment Area Concentration

River Bank originated a substantial majority of home mortgage and small business loans, by number, and a majority by dollar volume, within the AAs. Management noted the decrease in home mortgage loan originations over the course of the evaluation period is intentional, and is part of the bank’s strategic plan. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	330	81.9	73	18.1	403	134,842	64.6	73,888	35.4	208,730
2022	144	86.2	23	13.8	167	64,770	73.0	23,949	27.0	88,719
2023	57	79.2	15	20.8	72	43,475	48.1	46,900	51.9	90,375
Subtotal	531	82.7	111	17.3	642	243,087	62.7	144,737	37.3	387,824
Small Business										
2023	132	82.0	29	18.0	161	21,254	73.4	7,716	26.6	28,970

*Source: 2021 – 2023 HMDA; Bank Data
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AAs. The excellent performance in the La Crosse MSA AA and the reasonable performance in the Non-MSA AA supports this conclusion. The AAs have limited diversity of the census tracts. The La Crosse MSA AA has one low-income and five moderate-income census tracts, and the Non-MSA AA has no low-income and two moderate-income census tracts. Specific details for each AA are included under the respective AA analysis.

Borrower Profile

The distribution of loans to borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income), and among businesses of varying sizes. Performance is consistent in both AAs. Examiners focused on the number of home mortgage loans compared to low- and moderate-income borrowers and the aggregate performance levels. Examiners focused on the percentage by number of small business loans to businesses with gross annual revenue (GARs) of \$1 million or less, with D&B data as a comparator. Specific details for each AA are included under the respective AA analysis below.

Response to Complaints

River Bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion has no effect on the rating.

COMMUNITY DEVELOPMENT TEST

River Bank demonstrates adequate responsiveness to the community needs in its AAs through community development loans, qualified investments, and community development services. The bank's performance in both AAs support this conclusion.

Community Development Loans

River Bank originated 23 community development loans, totaling \$40,325 million during the evaluation period. This represents 3.8 percent of total assets and 4.7 percent of total net loans as of December 31, 2023. Community development loans include four loans originated outside of the AAs, but within the broader statewide area, totaling \$3.4 million and an additional two loans originated in the regional area. Each of these loans outside the AAs provide affordable housing. The bank’s level of activity represents an increase from last evaluation, when excluding COVID–related Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, the bank reported 19 community development loans, totaling \$19 million.

This community development lending performance is consistent with the performance of SSIs in Wisconsin evaluated under the Interagency Intermediate Small Institution procedures. The SSIs reported community development loans as a percentage of assets ranging from 2.6 percent to 27.8 percent, and as a percentage of total net loans from 4.2 percent to 32.9 percent.

See the following tables and the individual AA analysis for details.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
La Crosse MSA AA	3	1,688	-	-	9	7,491	3	17,700	15	26,879
Non-MSA AA	-	-	-	-	2	8,526	-	-	2	8,526
Statewide Activities	4	3,446	-	-	-	-	-	-	4	3,446
Regional Activities	2	1,474	-	-	-	-	-	-	2	1,474
Total	9	6,608	-	-	11	16,017	3	17,700	23	40,325

Source: Bank Data

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	3	1,353	-	-	-	-	3	17,700	6	19,053
2022	6	5,255	-	-	9	15,057	-	-	15	20,312
2023	-	-	-	-	2	960	-	-	2	960
Total	9	6,608	-	-	11	16,017	3	17,700	23	40,325

Source: Bank Data

Qualified Investments

River Bank has 35 qualifying investments, totaling \$6.9 million, including current and prior period investments. These totals include eight investments in various school district bonds primarily serving low- and moderate-income students located outside of the bank’s AAs. The bank’s performance represents 0.6 percent of total assets, 9.8 percent of total securities, and 6.6 percent of

equity capital. This is a substantial increase from the last evaluation, when the bank reported 10 qualifying investments, totaling just over \$2 million. The notable decrease in investments during the course of the evaluation period, particularly in the purchasing of bonds in 2023 was intentional and part of the bank’s strategic plan.

River Bank’s qualified investment ratios are comparable to SSI’s ratios, which ranged from 0.1 percent to 2.7 percent of total assets, 0.5 percent to 10.8 percent of total securities, and from 1.7 percent to 43.6 percent of total equity capital.

See the following tables and the individual AA analysis for additional details.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
La Crosse MSA AA	1	1,006	11	6	-	-	-	-	12	1,012
Non-MSA AA	2	1,973	13	1,382	-	-	-	-	15	3,355
Statewide Activities	-	-	8	2,524	-	-	-	-	8	2,524
Total	3	2,979	32	3,912	-	-	-	-	35	6,891
<i>Source: Bank Data</i>										

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	6	1,825	-	-	-	-	6	1,825
2021	-	-	14	1,273	-	-	-	-	14	1,273
2022	3	2,979	10	812	-	-	-	-	13	3,791
2023	-	-	2	2	-	-	-	-	2	2
Total	3	2,979	32	3,912	-	-	-	-	35	6,891
<i>Source: Bank Data</i>										

Community Development Services

During the evaluation period, River Bank staff provided 21 instances of community development services within their AAs. This performance is slightly below the 30 instances reported at the last evaluation. This is due in part to the last evaluation including several services conducted as a result of the COVID-19 pandemic.

This performance is similar to the SSIs, who conducted community development services ranging from eight to 50 during their evaluation periods.

See the following table and the individual AA analysis for further details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
La Crosse MSA AA	-	7	4	-	11
Non-MSA AA	1	6	3	-	10
Total	1	13	7	-	21
<i>Source: Bank Data</i>					

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021	-	-	3	-	3
2022	1	1	2	-	4
2023	-	12	2	-	14
Total	1	13	7	-	21
<i>Source: Bank Data</i>					

In addition to the services detailed in the table above, the bank also offers various retail banking services targeted to low- and moderate-income individuals.

- Easy Checking: No fees and no minimum balance requirements
 - 5,171 current accounts
- Rewards Checking: No fees, no minimum balance requirements, free debit card
 - 504 current accounts
- Student Checking: No fees and no minimum balance requirements
 - 186 current accounts
- Youth Savings: No minimum balance requirements
 - 323 current accounts
- Interest on Lawyers Trust Accounts (IOLTA)
 - 11 accounts in 2022, providing \$335 in IOLTA grants
 - 10 accounts in 2023, providing \$3,581 in IOLTA grants

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.

LA CROSSE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN LA CROSSE MSA AA

The following sections discuss economic and demographic data, competition for deposits and loans, community contact information, and credit and community development needs and opportunities in the La Crosse MSA AA. Sources for the data used include the following: Federal Financial Institutions Examination Council (FFIEC), 2010 and 2020 U.S. Census, 2023 D&B, Home Mortgage Disclosure Act (HMDA) aggregate data, U.S. Department of Labor Statistics, Wisconsin Department of Workforce Development (DWD), and the Wisconsin Realtors Association (WRA).

Economic and Demographic Data

The La Crosse MSA AA based on 2020 U.S. Census data includes all 28 census tracts in La Crosse County. The census tracts have the following income designations:

- 1 low-income
- 5 moderate-income
- 15 middle-income
- 5 upper-income
- 2 no income classification (NA)

The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census data, which is the most recent available.

Demographic Information of the Assessment Area						
Assessment Area: La Crosse MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	3.6	17.9	53.6	17.9	7.1
Population by Geography	120,784	2.1	18.8	57.8	16.7	4.7
Housing Units by Geography	50,680	1.8	18.6	58.6	15.8	5.1
Owner-Occupied Units by Geography	30,074	0.0	13.0	66.9	19.5	0.5
Occupied Rental Units by Geography	18,031	4.9	27.2	44.8	10.8	12.3
Vacant Units by Geography	2,575	0.7	24.3	58.5	7.8	8.6
Businesses by Geography	10,215	1.7	17.4	52.5	16.9	11.6
Farms by Geography	390	0.5	7.4	70.3	19.0	2.8
Family Distribution by Income Level	27,311	16.6	19.1	24.4	40.0	0.0
Household Distribution by Income Level	48,105	22.6	17.1	19.5	40.9	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$81,684	Median Housing Value			\$176,536
			Median Gross Rent			\$882
			Families Below Poverty Level			4.1%
Source: 2020 U.S. Census and 2023 D&B Data						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

Examiners use FFIEC-updated median family income levels of the AA to analyze home mortgage loans under the Borrower Profile criterion. The table below provides the low-, moderate-, middle-, and upper-income categories and corresponding ranges for each year of the evaluation period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
La Crosse-Onalaska, WI-MN MSA Median Family Income (29100)				
2021 (\$85,100)	<\$42,550	\$42,550 to <\$68,080	\$68,080 to <\$102,120	≥\$102,120
2022 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
2023 (\$93,400)	<\$46,700	\$46,700 to <\$74,720	\$74,720 to <\$112,080	≥\$112,080
Source: FFIEC				

The Geographic Distribution criterion compares single family home mortgage loans to the distribution of owner-occupied housing units. Given the bank's strong multifamily lending focus, this analysis separately compares multifamily lending to the distribution of multifamily units in the AA. According to the 2020 U.S. Census, of the 50,680 housing units in the AA, 59.3 percent are owner-occupied, 35.6 percent are occupied rental units, and 5.1 percent are vacant housing units.

During the course of the evaluation period, housing sales have been decreasing, while prices continually increased. This is primarily due to interest rate environment, creating a sellers' market.

According to the WRA, the median sale price of homes in the La Crosse MSA AA, ranged from a low of \$235,000 in 2021, increasing by just over 19 percent, to \$280,000 at year-end 2023. Total sales during the evaluation range from 1,619 at year-end 2021, decreasing to 1,234 at year-end 2023. This data indicates the availability and affordability of home purchasing in the AA for low- and moderate-income borrowers.

Unemployment rates in the La Crosse MSA AA historically have been lower than the State of Wisconsin and the U.S. unemployment rates. According to the Bureau of Labor Statistics, as seen in the following table, the unemployment rate has continued to decrease during the evaluation period, remaining below the State and the national statistics.

Unemployment Rates			
	2021*	2022*	2023**
	%	%	%
La Crosse County	4.9	2.9	2.7
State	6.4	3.8	3.2
National	8.1	5.3	3.6

*Source: Bureau of Labor Statistics; * Annual; **As of December 31, 2023*

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of loans by GAR levels. D&B comparative data used for analysis purposes is included in the tables throughout the evaluation. According to the 2023 D&B data, there are 10,215 non-farm businesses operating in the La Crosse MSA AA, of which, 84.3 percent report GARs of \$1 million or less. Based on DWD data, education and healthcare continue to be the largest employment industries in the county. The Mayo Clinic, Gunderson Health Systems, and the University of Wisconsin-La Crosse are three of the largest employers in the county.

Competition

The La Crosse MSA AA has a moderate level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 17 financial institutions serve the AA, operating 40 full-service locations. Of these, River Bank ranks 2nd, holding 10.4 percent of the market share.

The 2022 peer mortgage data reflects 182 lenders originated 3,614 home mortgage loans in the AA. This indicates a significant level of competition for home mortgage loans, River Bank ranks 8th, holding 2.3 percent of the market share. A federal credit union ranks first, holding 38.4 percent of the market share.

The 2022 peer mortgage data for multifamily home mortgage loans identifies 16 lenders originated 93 loans in the AA. Of the 16 lenders, River Bank ranked first holding 44.1 percent of the market share, exceeding its closest competitor by 33.3 percentage points.

There is also a moderate level of competition for small business loans in the AA. While the bank is not required to collect and report small business loan data, and has not opted to do so, the peer data provides insight into the demand for small business loans in the AA. The most recent data, from

year-end 2022, reports 52 lenders originated 1,435 small business loans in the AA. The top five small business lenders are national banks, holding a combined 69.7 percent market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs and opportunities. This information helps determine whether local financial institutions are responsive to the needs. Examiners obtained information from a community development and housing organization serving La Crosse County.

The contact stated the housing supply is restricted within the county dating back to the 2008 recession. As a result, there has been an overall lack of housing development since that time. In addition, the contact stated due to the continual increase in housing prices and demand, potential buyers need to offer above asking price to secure the purchase. This problem is quite prevalent in the available housing outside of the La Crosse city limits. The contact stated that these issues make it very difficult for low- and moderate-income families to afford purchasing a home throughout the county.

The contact also stated that recent expansions of the hospitals in the area are bringing an influx of higher quality jobs, placing additional pressures on the housing stock. Furthermore, the contact stated that rental supply has not increased with the needs identified for the area, indicating a need for additional rental units. While the demand continues to rise, a lack of higher-end rentals for professionals due to the costs and lack of development also persists.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and other available demographic and economic data, examiners determine the AA has significant credit and community development needs for affordable housing for low- and moderate-income individuals, as well as additional workforce housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LA CROSSE MSA AA

LENDING TEST

River Bank demonstrates reasonable lending performance within the La Crosse MSA AA. Geographic Distribution and Borrower Profile performance in the AA supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects excellent penetration throughout the AA. The excellent performance in home mortgage lending, and reasonable performance in small business lending supports this conclusion. As previously mentioned, this criterion carries less weight due to the limited low- and moderate-income census tracts in the AA.

Home Mortgage Loans

River Bank’s geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. The bank’s reasonable performance in the low-income census tract and excellent performance in the moderate-income census tracts supports this conclusion. The following table includes data for both single family and multifamily housing.

Geographic Distribution of Home Mortgage Loans Assessment Area: La Crosse MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.4	1.0	14	6.9	3,012	2.8
2022	0.0	0.3	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2021	7.8	8.4	80	39.4	30,282	28.4
2022	13.0	15.0	16	19.0	4,020	8.8
2023	13.0	--	8	33.3	16,015	42.8
Middle						
2021	68.2	68.3	93	45.8	51,556	48.4
2022	66.9	64.3	47	56.0	21,915	47.9
2023	66.9	--	10	41.7	3,165	8.5
Upper						
2021	23.2	21.7	16	7.9	21,667	20.3
2022	19.5	19.2	16	19.0	17,468	38.1
2023	19.5	--	5	20.8	18,099	48.3
Not Available						
2021	0.4	0.5	0	0.0	0	0.0
2022	0.5	1.2	5	6.0	2,393	5.2
2023	0.5	--	1	4.2	165	0.4
Totals						
2021	100.0	100.0	203	100.0	106,518	100.0
2022	100.0	100.0	84	100.0	45,796	100.0
2023	100.0	--	24	100.0	37,443	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

The bank’s performance appears strong from the above table; however, the high concentration of multifamily lending warrants further analysis to better understand these results. Therefore, given the bank’s lending focuses and the bank’s leadership in the market for multifamily lending based on aggregate data, examiners conducted a separate analysis of single family loans and multifamily

loans to arrive at more accurate conclusions. In the following analyses, single family loans and multifamily loans are compared to the applicable aggregate data and the respective benchmark demographics (as appropriate). Overall, performance for both types of lending continues to be strong compared to the respective benchmarks, particularly in the moderate-income census tracts.

Home Mortgage Loans – Multifamily

The following table presents the geographic distribution of multifamily home mortgage loans compared to the percentage of multifamily units in the AA census tracts.

Performance in the one low-income census tract slightly trails, but is reasonably comparable to, aggregate and demographic data in 2021, however, the bank did not report any multifamily home mortgage loans in this census tract in 2022 or 2023. While the bank’s performance decreased substantially, the trend is consistent with the demographic and aggregate data.

River Bank exceeded both demographics and aggregate lending data in the moderate-income census tracts, consistently throughout the review period.

Geographic Distribution of Home Mortgage Loans - Multifamily Assessment Area: La Crosse MSA AA						
Tract Income Level	% of Multifamily Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	9.9	11.9	12	10.4	2,712	2.9
2022	4.9	3.1	0	0.0	0	0.0
2023	4.9	--	0	0.0	0	0.0
Moderate						
2021	40.6	41.1	49	42.6	26,402	28.4
2022	23.3	17.3	8	18.2	3,032	8.0
2023	23.3	--	3	37.5	15,340	43.3
Middle						
2021	37.9	39.3	47	40.9	43,629	47.0
2022	49.6	54.1	24	54.5	17,510	46.5
2023	49.6	--	3	37.5	2,423	6.8
Upper						
2021	6.5	4.8	7	6.1	20,100	21.6
2022	5.3	14.3	8	18.2	14,847	39.4
2023	5.3	--	1	12.5	17,500	49.4
Not Available						
2021	5.1	3.2	0	0.0	0	0.0
2022	16.9	11.8	5	8.9	2,393	5.9
2023	16.9	-	1	10.0	165	0.5
Totals						
2021	100.0	100.0	115	100.0	92,842	100.0
2022	100.0	100.0	45	100.0	37,782	100.0
2023	100.0	--	8	100.0	35,428	100.0
Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans – Single Family

The following table compares River Bank’s reported single family housing loans to the percentage of owner-occupied housing units and aggregate data. Performance in the one low-income census tract compares well to aggregate and demographic data in 2021, however, the bank did not report any loans in this census tract in 2022 or 2023. Despite this lack of activity, performance is not significantly disparate from demographic data or aggregate performance, highlighting the limited demand for single family homes in these geographies.

River Bank significantly exceeded both demographics and aggregate lending data in the moderate-income census tracts, demonstrating excellent performance. The 2023 aggregate data is not yet

available, but the bank’s performance considerably exceeds the demographic. Considering all factors, the bank’s home mortgage lending performance in the low- and moderate-income census tracts is excellent.

Geographic Distribution of Home Mortgage Loans							
Assessment Area: La Crosse MSA AA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2021	0.4	0.7	2	2.3	300	2.2
	2022	0.0	0.2	0	0.0	0	0.0
	2023	0.0	--	0	0.0	0	0.0
Moderate							
	2021	7.8	7.5	31	35.2	3,880	28.4
	2022	13.0	14.9	8	20.0	988	12.2
	2023	13.0	--	5	31.3	674	33.5
Middle							
	2021	68.2	69.1	46	52.3	7,928	58.0
	2022	66.9	64.6	23	57.5	4,405	54.3
	2023	66.9	--	7	43.8	742	36.8
Upper							
	2021	23.2	22.2	9	10.2	1,568	11.5
	2022	19.5	19.3	8	20.0	2,621	32.3
	2023	19.5	--	4	25.0	599	29.7
Not Available							
	2021	0.4	0.5	0	0.0	0	0.0
	2022	0.5	0.9	1	2.5	98	1.2
	2023	0.5	--	0	0.0	0	0.0
Totals							
	2021	100.0	100.0	88	100.0	13,676	100.0
	2022	100.0	100.0	40	100.0	8,112	100.0
	2023	100.0	--	16	100.0	2,015	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the AA.

As shown in the following table, the bank’s performance in the low-income census tract is comparable to the D&B demographic data, indicating the bank is reasonably serving the 1.7 percent of businesses

within the low-income census tract. In the moderate-income census tracts, the bank’s performance is significantly above demographic data, exceeding demographics by 11.0 percentage points.

Geographic Distribution of Small Business Loans					
Assessment Area: La Crosse MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	1.7	1	1.4	638	4.1
Moderate					
2023	17.4	21	28.4	4,878	31.5
Middle					
2023	52.5	34	45.9	5,993	38.7
Upper					
2023	16.9	13	17.6	3,128	20.2
Not Available					
2023	11.6	5	6.8	858	5.5
Totals					
2023	100.0	74	100.0	15,495	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the La Crosse MSA AA. The analysis of River Bank’s home mortgage lending and the analysis of small business lending supports the overall reasonable conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of differing income levels, including low- and moderate-income borrowers is reasonable. The following table presents each year of the evaluation period, comparing River Bank’s performance to demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: La Crosse MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	18.3	9.5	9	4.4	864	0.8
2022	16.6	11.2	4	4.8	358	0.8
2023	16.6	--	2	8.3	155	0.4
Moderate						
2021	18.9	20.4	14	6.9	1,732	1.6
2022	19.1	21.0	8	9.5	796	1.7
2023	19.1	--	5	20.8	423	1.1
Middle						
2021	22.1	23.7	8	3.9	1,324	1.2
2022	24.4	23.7	4	4.8	860	1.9
2023	24.4	--	4	16.7	719	1.9
Upper						
2021	40.6	32.5	22	10.8	4,868	4.6
2022	40.0	33.0	12	14.3	3,341	7.3
2023	40.0	--	1	4.2	272	0.7
Not Available						
2021	0.0	13.9	150	73.9	97,731	91.8
2022	0.0	11.2	56	66.7	40,442	88.3
2023	0.0	--	12	50.0	35,874	95.8
Totals						
2021	100.0	100.0	203	100.0	106,518	100.0
2022	100.0	100.0	84	100.0	45,796	100.0
2023	100.0	--	24	100.0	37,443	100.0
<i>Source: 2010, 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

For each year, River Bank’s performance in lending to both low-income and moderate-income borrowers is significantly below both the demographic and aggregate data. However, as previously mentioned, River Bank has a strong focus in multifamily lending. These products are included in the “Not Available” category as income is not collected or reported. As detailed in the table, while aggregate lenders also have loans for which income was not collected or reported, the aggregate performance is approximately 60 percentage points lower than that of River Bank.

To account for this variance and arrive at more sound conclusions about performance, examiners removed all loans for which income was not collected or reported (which includes multifamily loans) for both River Bank, as well as the aggregate data. By excluding these loans, examiners are

able to analyze the data for borrowers with reported income only, to highlight the actual penetration among individuals of varying income levels. Refer to the following table for this information.

River Bank’s distribution of home mortgage loans to individuals reporting low-income is comparable to the percentage of low-income families throughout the AA. In relation to aggregate lenders, the bank exceeds these lenders in both 2021 and 2022. Examiners note that 2023 aggregate lender data is not yet available. River Bank’s adjusted performance in lending to moderate-income borrowers slightly exceeds aggregate data in 2021 and 2022. While lending volume decreased, performance as a percentage of the total loans increased in 2023.

Distribution of Home Mortgage Loans by Borrower Income Level – Excluding Multifamily Assessment Area: La Crosse MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	18.3	11.0	9	17.0	864	9.8
2022	16.6	12.6	4	14.3	358	6.7
2023	16.6	--	2	16.7	155	9.9
Moderate						
2021	18.9	23.7	14	26.4	1,732	19.7
2022	19.1	23.6	8	28.6	796	14.9
2023	19.1	--	5	41.7	423	26.9
Middle						
2021	22.1	27.6	8	15.1	1,324	15.1
2022	24.4	26.7	4	14.3	860	16.1
2023	24.4	--	4	33.3	719	45.8
Upper						
2021	40.6	37.7	22	41.5	4,868	55.4
2022	40.0	37.1	12	42.9	3,341	62.4
2023	40.0	--	1	8.3	272	17.3
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	53	100.0	8,788	100.0
2022	100.0	100.0	28	100.0	5,354	100.0
2023	100.0	--	12	100.0	1,569	100.0
<i>Source: 2010, 2020 U.S. Census; Bank Data 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less.

Although the bank’s performance is lower than the demographic data, it is within reason. Not all reporting businesses in the AA are seeking financing, or may be seeking non-traditional financing, such as personal loans or credit card lending. While the bank is not a small business loan reporter, the aggregate lender performance does serve as a metric for the level of demand for small business loans in the AA. Based on the 2022 data, aggregate lenders reported 46.9 percent of their small business loans were to businesses with GARs of \$1 million or less. Additionally, an SSI in the AA originated approximately 59.6 of their 2022 small business loans to businesses with GARs of \$1 million or less. This information demonstrates that the demand for such loans does trail the demographic. River Bank’s performance at 56.8 percent exceeds this performance.

Considering demographic and aggregate data, examiners determine River Bank’s performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: La Crosse MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	84.3	42	56.8	7,626	49.2
>\$1,000,000					
2023	4.7	32	43.2	7,869	50.8
Revenue Not Available					
2023	11.1	0	0.0	0	0.0
Totals					
2023	100.0	74	100.0	15,495	100.0

*Source: 2023 D&B Data; Bank Data: "-" data not available.
Due to rounding, totals may not equal 100.0%*

COMMUNITY DEVELOPMENT TEST

River Bank has demonstrated adequate responsiveness to the community development needs of its La Crosse MSA AA through community development loans, qualified donations and investments, and community development services. Examiners considered the bank’s capacity, as well as the need for and availability of such opportunities. The community development lending performance primarily supports overall conclusions.

Community Development Loans

River Bank's community development lending in the AA is similar to the last examination in terms of number, but increased substantially by dollar amount. Excluding PPP loans, the bank originated 12 community development loans, totaling \$12.9 million in the AA at the last evaluation. During this evaluation period, the bank originated 15 community development loans in the AA, totaling \$26.9 million. The majority of the loans, representing 46.7 percent by dollar volume, were SBA 504 loans benefitting economic development in the AA. In addition, three of the community development loans in the AA are for multifamily affordable housing, totaling \$1.7 million. The three loans allocated to Revitalization and Stabilization were to a business that is constructing multifamily and single family housing units in a brownstone area that is part of a local revitalization program including tax incremental and grant funding.

Qualified Investments

The bank's qualified investments in the AA include one mortgage-backed security for affordable housing, totaling \$1 million, and eleven additional donations to various community service organizations, totaling \$6,000. This is a significant increase in performance from the last evaluation, when the bank reported four qualifying investments, totaling \$330,000.

Community Development Services

River Bank's staff provided 11 community development services in the AA during the evaluation period. This is slightly less than the 13 community development services reported at the prior evaluation. The majority of the services provided are allocated to community service, and include staff members on the Board of a local non-profit organization assisting low- and moderate-income families with services to at-risk youth, as well as staff members teaching financial literacy to low- and moderate-income students at local schools.

NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA AA

The following sections discuss economic and demographic data, competition for deposits and loans, community contact information, and credit and community development needs and opportunities in the Non-MSA AA. Sources for the data used include the following: FFIEC, 2010 and 2020 U.S. Census, 2023 D&B, 2021 and 2022 HMDA aggregate data, U.S. Department of Labor Statistics, DWD, and the WRA.

Economic and Demographic Data

The Non-MSA AA is comprised of all census tracts in Monroe County, two census tracts in Southern Trempealeau County, five census tracts in Western Vernon County, and one census tract in Northern portion of Crawford County. The census tracts have the following income designations:

- 2 moderate-income
- 14 middle-income
- 1 upper-income

The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census data, which is the most recent available.

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	0.0	11.8	82.4	5.9	0.0
Population by Geography	80,084	0.0	11.5	81.2	7.2	0.0
Housing Units by Geography	36,484	0.0	12.6	81.4	6.0	0.0
Owner-Occupied Units by Geography	23,743	0.0	8.7	84.1	7.2	0.0
Occupied Rental Units by Geography	8,429	0.0	24.9	72.2	3.0	0.0
Vacant Units by Geography	4,312	0.0	9.7	84.9	5.4	0.0
Businesses by Geography	6,767	0.0	17.3	76.5	6.3	0.0
Farms by Geography	765	0.0	6.3	82.2	11.5	0.0
Family Distribution by Income Level	20,969	17.8	18.4	23.6	40.2	0.0
Household Distribution by Income Level	32,172	21.3	17.0	19.3	42.4	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$161,467
			Median Gross Rent			\$805
			Families Below Poverty Level			6.6%
<i>Source: 2020 U.S. Census and 2023 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Examiners use FFIEC-updated median family income levels of the AA to analyze home mortgage loans under the Borrower Profile criterion. The table below provides the low-, moderate-, middle-, and upper-income categories and corresponding ranges for each year of the evaluation period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
WI NA Median Family Income (99999)				
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
2023 (\$86,000)	<\$43,000	\$43,000 to <\$68,800	\$68,800 to <\$103,200	≥\$103,200
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares single family home mortgage loans to the distribution of owner-occupied housing units and compares multifamily home mortgage loans to the distribution of multifamily units. According to the 2020 U.S. Census, of the 36,484 housing units in

the AA, 65.1 percent are owner-occupied, 23.1 percent are occupied rental units, and 11.8 percent are vacant housing units.

During the evaluation period, the median house prices continue to rise in the Non-MSA AA as well, while the number of sales over the same period decreased. The following table shows the median house price and corresponding number of sales for each year, by the designated county in the AA.

Housing Sales and Median Sale Price						
County	2021		2022		2023	
	#	\$(000)	#	\$(000)	#	\$(000)
Crawford	187	165	186	172.5	160	189.5
Monroe	599	190	478	214	405	225.5
Trempealeau	366	189.9	328	205	227	223
Vernon	328	180	259	215	251	229
<i>Source: WRA</i>						

This data, in correlation with the income levels for the AA detailed above, is an indication of a lack of availability and affordability of homes throughout the AA for low- and moderate-income borrowers.

The following table presents the various unemployment rates, by county, in the AA. Each of the counties, with the exception of Crawford County, has experienced continual declines in the unemployment rate over the three-year period. All counties, again with the exception of Crawford, report lower unemployment rates than those experienced by the State of Wisconsin and the Nation as a whole. Per the DWD, the increase observed in Crawford County is partially attributed to a slow return to pre-pandemic levels of employment in the manufacturing industry in the County.

Unemployment Rates			
	2021*	2022*	2023**
	%	%	%
Crawford County	4.5	3.8	4.5
Monroe County	3.3	2.7	2.6
Trempealeau County	3.8	3.1	2.9
Vernon County	3.3	2.7	2.7
State	6.4	3.8	3.2
National	8.1	5.3	3.6
<i>Source: Bureau of Labor Statistics; * Annual **As of December 31, 2023</i>			

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of loans by GAR levels. According to 2023 D&B data, there are 6,767 non-farm businesses operating in the Non-MSA AA, of which 85.7 percent report GARs of \$1 million or less. Based on DWD data, education and healthcare, trade, transportation, and utilities, and manufacturing are the three largest employment industries in the AA. Fort McCoy, the United States Veterans Memorial Medical Center, Walmart Distribution, Northern Engraving, and Nelson Global Products are some of the AA's largest employers.

Competition

The Non-MSA AA has a moderate level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 21 financial institutions serve the AA, operating 56 office locations. Of these, River Bank ranks 2nd, holding 12.9 percent of the market share.

The 2022 peer mortgage data reflects 173 lenders originated 1,966 home mortgage loans in the AA. This indicates a moderate level of competition for home mortgage loans. River Bank ranks 6th, with a 3.1 percent market share. A federal credit union and two national banks hold a combined market share of 26.8 percent, as the top three lenders.

In terms of multifamily loans, the 2022 peer mortgage data reflects 13 lenders originated 40 multifamily loans in the AA. River Bank ranked first, holding 55 percent of the market share, exceeding its closest competitor by 45 percentage points.

Despite the rural nature of the AA, there is a moderate level of competition for small business loans. While the bank is not required to collect and report small business loan data, and has not opted to do, the peer data presents insight into the demand for small business loans. The most recent small business loan data, from 2022, reports 65 lenders originated 1,605 small business loans in the AA. The top four small business lenders are national banks, holding a combined 49.3 percent of the market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs and opportunities. This information helps determine whether local financial institutions are responsive to the needs. Examiners contacted a third party from a local community development organization serving the Non-MSA AA, with a focus on small businesses.

The contact stated that the area, for the most part, has rebounded from the stressors of the pandemic. The organization has been consistently busy with two main areas, new business start-ups, and business owners looking to transition their current business to new owners, and retire. The contact stated there are limited assistance programs to assist with the transition of ownership, and has found limited credit options for the transfer of ownership. The contact stated more financial institutions could be creating and participating in creative financing options for this need. The contact mentioned banks could assist businesses by getting involved using SBA financing, and working with state and county government to assist with tax incremental financing and new market tax credits would create more opportunities for transitioning of businesses and new businesses within the AA.

The contact further stated that during the pandemic many local businesses relied upon grants to help bolster capital, and although the pandemic is over, several industries, particularly service industries, like restaurants, continue to face hardships. These include a lack of workforce, lack of customers, and lack of financial institutions taking risks on providing capital loans.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and other available demographic and economic data, examiners determine the AA has significant credit and community development needs for small business financing. This is particularly noted in the area of ownership transition of existing businesses, and new start-up businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA AA

LENDING TEST

River Bank demonstrates reasonable lending performance within the Non-MSA AA. Geographic Distribution and Borrower Profile performance in the AA supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage loans and small business loans reflects reasonable dispersion throughout the AA. Examiners focus on the percentage of number of loans in moderate-income census tracts. As previously mentioned, this criterion carries less weight in overall conclusions as there are no low-income census tracts and only two moderate-income census tracts in the AA.

Home Mortgage Loans

River Bank's geographic distribution of home mortgage loans reflects overall reasonable dispersion throughout the Non-MSA AA. The following table, shows performance of all home mortgage loans, which is reasonable when compared to both demographic data, and aggregate lender performance.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	3.3	4.5	8	6.3	1,447	5.1
2022	8.7	10.7	5	8.3	794	4.2
2023	8.7	--	2	6.1	280	4.6
Middle						
2021	96.7	95.5	119	93.7	26,878	94.9
2022	84.1	83.1	49	81.7	16,863	88.9
2023	84.1	--	28	84.8	4,834	80.1
Upper						
2021	0.0	0.0	0	0.0	0	0.0
2022	7.2	6.2	6	10.0	1,317	6.9
2023	7.2	--	3	9.1	918	15.2
Totals						
2021	100.0	100.0	127	100.0	28,324	100.0
2022	100.0	100.0	60	100.0	18,974	100.0
2023	100.0	--	33	100.0	6,031	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Similar to the La Crosse MSA AA, the bank’s multifamily lending affects the Non-MSA AA. Therefore, separate analyses were completed to better understand the results. These separate analyses continue to support that overall performance is reasonable.

Home Mortgage Loans - Multifamily

River Bank’s geographic distribution of multifamily home mortgage loans reflects reasonable dispersion throughout the Non-MSA AA. The bank’s performance in the two moderate-income census tracts exceeds the percentage of multifamily units and is comparable to aggregate data for both 2021 and 2022. Although performance declined in 2023, it is still comparable to the most recent demographic data.

Geographic Distribution of Home Mortgage Loans - Multifamily						
Assessment Area: Non-MSA AA						
Tract Income Level	% of Multifamily Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	3.3	9.6	4	10.3	872	6.0
2022	8.7	13.3	3	12.5	482	3.8
2023	8.7	--	0	0.0	0	0.0
Middle						
2021	96.7	90.4	35	89.7	13,682	94.0
2022	84.1	84.4	20	83.3	12,134	95.3
2023	84.1	--	11	91.7	2,560	89.7
Upper						
2021	0.0	0.0	0	0.0	0	0.0
2022	7.2	2.2	1	4.2	110	0.9
2023	7.2	--	1	8.3	293	10.3
Totals						
2021	100.0	100.0	39	100.0	14,554	100.0
2022	100.0	100.0	24	100.0	12,726	100.0
2023	100.0	--	12	100.0	2,853	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans – Single Family

River Bank’s geographic distribution of single family home mortgage loans reflects reasonable dispersion throughout the Non-MSA AA. The bank’s performance in the two moderate-income census tracts is comparable to both the percentage of owner-occupied housing units and aggregate performance in 2021. While performance trails in 2022, the bank’s percentage of loans, by number, improves to 0.8 percentage points above the percentage of owner-occupied housing units in 2023.

Geographic Distribution of Single Family Home Mortgage Loans							
Assessment Area: Non-MSA AA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate							
	2021	3.3	4.4	4	4.5	575	4.2
	2022	8.7	10.7	2	5.6	312	5.0
	2023	8.7	--	2	9.5	280	8.8
Middle							
	2021	96.7	95.6	84	95.5	13,196	95.8
	2022	84.1	83.1	29	80.6	4,730	75.7
	2023	84.1	--	17	81.0	2,274	71.5
Upper							
	2021	0.0	0.0	0	0.0	0	0.0
	2022	7.2	6.2	5	13.9	1,207	19.3
	2023	7.2	--	2	9.5	625	19.7
Totals							
	2021	100.0	100.0	88	100.0	13,771	100.0
	2022	100.0	100.0	36	100.0	6,248	100.0
	2023	100.0	--	21	100.0	3,178	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. While performance trails the comparable demographic, it is understood that not all businesses located in these two census tracts are seeking financing. Further, other financial institutions operate within the moderate-income census tracts offering business financing. For example, River Bank's Westby branch is located approximately six miles from a moderate-income census tract in Viroqua, where at least five other financial institutions operate.

Notably, the dispersion of small business loans throughout the AA does not show any usual patterns or gaps in lending, and small business loan concentrations are greater around the bank's physical locations. Finally, examiners noted that the bank has gained more of a market presence in these moderate-income areas during the review period and improved performance since the prior evaluation. Considering performance context, performance is reasonable.

Geographic Distribution of Small Business Loans					
Assessment Area: Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	17.3	6	10.3	1,065	18.5
Middle	76.5	47	81.0	4,535	78.7
Upper	6.3	5	8.6	159	2.8
Totals	100.0	58	100.0	5,759	100.0
<i>Source: 2023 D&B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, and businesses of different sizes. The conclusion is supported by reasonable performance of home mortgage lending and excellent performance of small business lending.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of differing income levels, including low- and moderate-income borrowers is reasonable. The following table presents each year of the evaluation period, comparing the bank’s performance to demographic and aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.2	4.6	6	4.7	432	1.5
2022	17.8	8.0	4	6.7	367	1.9
2023	17.8	--	3	9.1	171	2.8
Moderate						
2021	17.5	17.0	22	17.3	2,760	9.7
2022	18.4	21.9	6	10.0	748	3.9
2023	18.4	--	3	9.1	347	5.7
Middle						
2021	23.6	23.8	20	15.7	2,743	9.7
2022	23.6	24.1	8	13.3	1,495	7.9
2023	23.6	--	3	9.1	430	7.1
Upper						
2021	39.7	37.0	41	32.3	6,959	24.6
2022	40.2	35.0	16	26.7	3,042	16.0
2023	40.2	--	10	30.3	1,790	29.7
Not Available						
2021	0.0	17.6	38	29.9	15,431	54.5
2022	0.0	11.0	26	43.3	13,322	70.2
2023	0.0	--	14	42.4	3,295	54.6
Totals						
2021	100.0	100.0	127	100.0	28,324	100.0
2022	100.0	100.0	60	100.0	18,974	100.0
2023	100.0	--	33	100.0	6,031	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Performance compares reasonably to the demographics; however, the bank originated a significant portion of multifamily loans. In the table below, the “Not Available” category includes multifamily loans. As detailed in the table, while aggregate lenders do participate in multifamily lending within the AA, aggregate lenders performance range from 12 to 32 percentage points below River Bank. Therefore, the data is skewed. Examiners completed this analysis by excluding loans without reported incomes for both the bank and aggregate lenders to arrive at more relevant conclusions.

Distribution of Home Mortgage Loans by Borrower Income Level – Excluding NA Loans						
Assessment Area: River Bank Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.2	5.6	6	6.7	432	3.3
2022	17.8	9.0	4	11.8	367	6.5
2023	17.8	--	3	15.8	171	6.2
Moderate						
2021	17.5	20.7	22	24.7	2,760	21.4
2022	18.4	24.6	6	17.6	748	13.2
2023	18.4	--	3	15.8	347	12.7
Middle						
2021	23.6	28.8	20	22.5	2,743	21.3
2022	23.6	27.1	8	23.5	1,495	26.5
2023	23.6	--	3	15.8	430	15.7
Upper						
2021	39.7	44.9	41	46.1	6,959	54.0
2022	40.2	39.3	16	47.1	3,042	53.8
2023	40.2	--	10	52.6	1,790	65.4
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	89	100.0	12,894	100.0
2022	100.0	100.0	34	100.0	5,652	100.0
2023	100.0	--	19	100.0	2,737	100.0
<i>Source: 2010, 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

River Bank’s performance in comparison to aggregate lenders to low-income borrowers exceeds aggregate lender performance in both years with available data. While there is no available 2023 aggregate data for comparison, the bank’s performance as a percentage of the total loans increases to low-income borrowers. The data also shows performance surpasses aggregate lender performance in 2021 to moderate-income borrowers. While 2022 data shows the bank does dip below the aggregate, it is comparable.

When considering the bank’s lending performance, demographic data, aggregate lending performance, and the mitigating factor of multifamily lending focus, the bank’s distribution of home mortgage loans to borrowers of difference income levels is reasonable.

Small Business Loans

The bank’s distribution of small business loans reflects excellent penetration among businesses with GARs of \$1 million or less.

The following table indicates the bank’s performance exceeds demographics, however, as previously mentioned, not all business are seeking financing. Therefore, to help identify the demand for loans to these businesses, examiners considered aggregate lender information. In 2022, aggregate lenders reported 51.3 percent of their loans to businesses with GARs of \$1 million or less; significantly lower than River Bank’s performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.7	50	86.2	4,604	79.9
>\$1,000,000	3.3	8	13.8	1,155	20.1
Revenue Not Available	10.9	0	0.0	0	0.0
Total	100.0	58	100.0	5,759	100.0
<i>Source: 2023 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

River Bank has demonstrated adequate responsiveness to the community development needs of its Non-MSA AA through community development loans, qualified donations and investments, and community development services. Examiners considered the bank’s capacity, as well as the need for and availability of such opportunities. The community development lending performance primarily supports overall conclusions.

Community Development Loans

River Bank originated or renewed two community development loans in the Non-MSA AA during the evaluation period, totaling \$8.5 million. One loan was an economic development loan used to construct a new hotel, generating several low-income jobs in the community. The second is the renewal of an SBA 504 loan.

Qualified Investments

The bank reported 15 qualifying investments, totaling \$3.4 million for the evaluation period. Qualified investments increased substantially from the prior evaluation, when the bank reported one qualifying investment, totaling \$5,000. The bank’s qualifying investments reported this evaluation include two mortgage-backed security bonds, collateralized by loans to low-and moderate-income borrowers in the AA, totaling \$1.9 million for affordable housing. In addition, the bank purchased two municipal bonds used to construct a community-based residential facility in the town of Sparta. Another notable investment was the school bond purchased to help a local school district serving the AA that serves primarily low- and moderate-income students.

Community Development Services

River Bank staff provided 10 community development services in the AA during the evaluation period. This performance is similar to last evaluation. Services provided include serving on a local economic development loan program committee, assisting a local food pantry with financial expertise, and providing assistance for low- and moderate-income borrowers to apply for down-payment loan grants for home purchase loans.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.