



## **Community Reinvestment Act Notice Main Office**

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 our 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, Division of Risk Management Supervision, FDIC, 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606. You may send written comments about our performance in helping to meet community credit needs to Attn: Compliance Officer, Farmers & Merchants State Bank, 210 W. Madison St., P.O. Box 96, Waterloo, WI 53594 and FDIC Regional Director. You may also submit comments electronically through the FDIC's Web site [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 Mauneshia Bancshares, Inc., a bank holding company. You may request from the, Federal Reserve Bank of Chicago, 230 South LaSalle Street, Chicago, IL 60604 an announcement of applications covered by the CRA filed by bank holding companies.

Community Reinvestment Act  
Branch Locations & Hours

Main Office

Farmers & Merchants State Bank  
210 W Madison St  
Waterloo, WI 53594  
Phone: 920-478-2181  
Fax: 920-478-3592

Branch Office

Farmers & Merchants State Bank  
218 W Main St  
Marshall, WI 53559  
Phone: 608-655-3541  
Fax: 608-655-4608

Branch Office

Farmers & Merchants State Bank  
550 W Tyrannena Park Rd  
Lake Mills, WI 53551  
Phone: 920-630-5550  
Fax: 920-478-3592

Drive-Up Hours:

Monday – Friday 8:00 am – 5:00pm  
Saturday 9:00am – Noon

Lobby Hours:

Monday – Friday 9:00am – 5:00pm  
Saturday 9:00am – Noon

There were no branches opened in 2023, however there was a new branch in Lake Mills opened in 2024.

## Branch Services

All services are available at the main location in Waterloo and the branch offices in Marshall and Lake Mills

Personal Checking:	Freedom Prime Legacy Rewards	Corporate:	Application Business Online Banking Remote Deposit Services Business Mobile ACH Origination
Business Checking:	Business Small Business Interest Checking Non-Profit/Organizations Municipal	Deposit Services:	Debit Card ATM Card Overdraft Protection Overdraft Opt-In/ Out Direct Deposit Check Orders Check Copies Image Statements Research Account Reconciliation Statement Copies Comfort Zone Stop Payment Bank by Mail 24 hour Telebanking 24 hour Internet Banking Mobile Banking Mobile Deposit Bill Pay Remote Account Opening Returned Check Cashiers Checks Personal Money Orders Prepaid Access Cards Series EE & I Savings Bonds Redemption Coin Counting Wire Transfers ACH Transfers Check Collection Garnishments/Lievies Safe Deposit Box (not available in Lake Mills) Night Deposit Bags Notary Fax/Photocopies ID TheftSmart™ w/credit Monitoring ID TheftSmart™ Integrity Scan Card Valet Click Switch Notifi Alerts Foreign Currency Exchange Medallion Signature Retirement Plan Management Financial Planning Services
Savings:	Personal Savings Platinum Savings Youth Savings Custodial Savings Holiday Savings Business Savings Business Platinum Savings Muni Savings Money Market Premium Money Market Business Money Market Business Prime MM Premium Business MM Municipal MM IRA Passbook Savings		
Health Savings:	Checking Certificates		
Certificates/IRA's:	6 Month 9 Month- 90 Day Option 12 Month 18 Month 20 Month Dream Builder 24 Month 24 Month Reverse CD 25 Month 36 Month 36 Month Reverse CD 48 Month Reverse CD 60 Month 60 Month Reverse CD Conventional Mortgage Rural Housing ARM Mortgage Second Mortgage Bridge Loan Home Equity Line of Credit Ag Production Construction Commercial R/E & C&I Installment Single Payment Credit Insurance Amortization Schedules On-Line Consumer Mortgage & HELOC Application On-Line Consumer Loan	Exchange Services:	
		Other:	
Loans:		Investment:	

## Farmers & Merchants State Bank Fee Schedule

### Checking:

Check Copies : (5 free) ; Over 5	\$ 5.00/ea
Check Printing:	Varies
Checks Imaged with Monthly Statements:	\$ 6.00
Paper Statement:	\$ 3.00/month
Stop Payment:	\$32 .00

### Overdrafts:

Overdrafts - per item, per presentment	\$32.00
Paid                                      Returned	\$32.00
Daily Limit	\$160.00
Returned Deposit Items	\$11.00

Overdrawn 45 Calendar Days:	\$90.00
Overdraft Protection Transfer	
Per occurrence:	\$ 5.00

### Cash Handling: (Minimum Fee: \$2.50)

Coin Counting      Non-Customer	1% of total
Rolled Coin	\$ 0.15/roll
Strapped Currency:	\$ 0.25/strap

### ATM/Debit Cards:

ATM Instant Issue:	\$ 5.00
Damaged/Lost Card:	\$10.00
PIN Replacement:	\$ 5.00

### Safe Deposit Box:

Drilling & Replacement Lock	\$350.00
Replacement Lock	\$100.00
3 X 5	\$ 15.00
3 X 10	\$ 30.00
5 X 5	\$ 25.00
5 X 10	\$ 40.00
10 X 10	\$ 65.00

### Loan Fees:

Coupon Book:	\$ 25.00
Commercial Payoff Fee:	\$ 25.00
Second Payoff Within 30 Days:	\$ 25.00
Duplicate Lien Release:	\$ 10.00
Insufficient Fund Payment:	\$ 15.00
Overlimit Fee:	\$ 10.00
Partial Release:	\$ 35.00
Payment Modification Fee:	\$ 15.00
Phone Transfer Fee:	\$ 3.00
Satisfaction Fee:	\$ 35.00
Stop Payment Fee:	\$ 32.00
Subordination:	\$100.00
Verification of Loan:	\$ 10.00

### Other:

ACH Origination Set-up Fee to Another Institution(one time or repetitive)	\$ 30.00
ACH International Transfer of Funds	\$ 60.00
Account Reconciliation (1 hour min.)	\$ 25.00/Hr
Cashiers Checks      Non-customer	\$ 7.50
Check Cashing      Non-customer	\$ 20.00
Check Collection	\$ 30.00
Garnishment/Levy	\$ 100.00
Night Deposit Bags      Zipper	\$ 5.00
Locked	\$ 30.00
Keys (2 free)	\$ 5.00/each
Notary Public	Free
Money Order: (\$1,000 limit)	
Non-customer	\$ 7.50
Phone Transfers	\$ 3.00
Photocopy      Black & White	\$ 0.35/page
Color	\$ 0.50/page
Research (1 hour min.)	\$ 33.00/Hr
Statement copy	\$ 3.00 each
Prepaid Access Card      New	\$ 12.95
Prepaid Access Card      Reload	\$ 4.95
Undeliverable Mail (per month)	\$ 5.00
Wires      Incoming	\$ 20.00
Outgoing	\$ 25.00
Foreign	\$ 55.00

Referred to as Schedule of Charges in account terms and conditions

Additional fees and charges may apply, please see account specific Truth-In-Savings Disclosures

Effective 8-2022



## Quarterly Loans to Deposit Ratio

03/2024	116.82%
06/2024	115.97%
09/2024	111.93%
12/2024	113.48%

210 W. Madison St. PO Box 96 Waterloo WI 53594

PH: 920-478-2181

550 W. Tyrannena Park Rd. PO Box 830 Lake Mills WI 53551

PH: 920-630-5550

218 W. Main St. PO Box 660 Marshall WI 53559

PH: 608-655-3451



Toll Free: 888-478-3007

FandMstbk.com





## Quarterly Loans to Deposit Ratio

03/2023	113.84%
06/2023	118.39%
09/2023	115.26%
12/2023	116.69%

210 W. Madison St. PO Box 96 Waterloo WI 53594  
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## CRA Assessment Area Census Tracts

### Census Tract

### Coverage Area

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All of Dane County, WI - County Code 25 - See Attached  
All of Jefferson County, WI - County Code 55 - See Attached

9617	Town of Shields, Town of Clyman
9618	Village of Reeseville, Village of Lowell, Town of Portland, Town of Elba
9619	City of Watertown
9620	City of Watertown
9712	City of Columbus

2024 FFIEC Census Report - Summary Census Overview Information

State: WISCONSIN

County: 025 - DANE COUNTY

All Tracts: 125



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
WI	DANE COUNTY	0001.00	Upper	126.16	No	\$121,200	\$122,800	2813	656	23.32	766	863
WI	DANE COUNTY	0002.01	Upper	136.39	No	\$121,200	\$132,763	2179	363	16.66	814	914
WI	DANE COUNTY	0002.02	Middle	99.74	No	\$121,200	\$97,083	3120	715	22.92	803	1011
WI	DANE COUNTY	0002.04	Middle	97.25	No	\$121,200	\$94,665	5436	2251	41.41	983	1327
WI	DANE COUNTY	0002.05	Upper	149.01	No	\$121,200	\$145,043	5271	938	17.80	1721	1945
WI	DANE COUNTY	0003.01	Moderate	54.22	No	\$121,200	\$52,778	3718	1772	47.66	279	152
WI	DANE COUNTY	0003.02	Upper	135.31	No	\$121,200	\$131,711	2176	480	22.06	804	901
WI	DANE COUNTY	0004.01	Upper	128.86	No	\$121,200	\$125,431	3705	569	15.36	1234	1385
WI	DANE COUNTY	0004.02	Middle	116.04	No	\$121,200	\$112,950	2641	546	20.67	963	1126
WI	DANE COUNTY	0004.06	Middle	105.37	No	\$121,200	\$102,566	3882	1138	29.31	676	738
WI	DANE COUNTY	0004.07	Moderate	65.19	No	\$121,200	\$63,454	5712	2618	45.83	1208	1685
WI	DANE COUNTY	0004.08	Low	43.42	No	\$121,200	\$42,266	1989	468	23.53	132	76
WI	DANE COUNTY	0004.09	Upper	128.87	No	\$121,200	\$125,435	4422	2008	45.41	966	965
WI	DANE COUNTY	0004.10	Moderate	53.42	No	\$121,200	\$52,000	1790	584	32.63	63	297
WI	DANE COUNTY	0005.01	Middle	88.26	No	\$121,200	\$85,914	4893	1525	31.17	1179	1727
WI	DANE COUNTY	0005.04	Middle	109.62	No	\$121,200	\$106,698	7139	2102	29.44	1603	1960
WI	DANE COUNTY	0005.05	Upper	122.53	No	\$121,200	\$119,265	3931	1334	33.94	934	1049
WI	DANE COUNTY	0005.06	Moderate	78.46	No	\$121,200	\$76,370	3535	1817	51.40	669	925
WI	DANE COUNTY	0006.00	Low	40.60	No	\$121,200	\$39,518	5821	4110	70.61	651	1168
WI	DANE COUNTY	0007.00	Upper	159.79	No	\$121,200	\$155,536	3359	495	14.74	1113	1224
WI	DANE COUNTY	0008.00	Middle	106.29	No	\$121,200	\$103,466	3933	831	21.13	1021	1520
WI	DANE COUNTY	0009.01	Upper	171.55	No	\$121,200	\$166,979	2246	338	15.05	674	697
WI	DANE COUNTY	0009.02	Upper	171.65	No	\$121,200	\$167,083	5695	1192	20.93	801	1275
WI	DANE COUNTY	0010.00	Upper	130.67	No	\$121,200	\$127,188	2518	304	12.07	643	827
WI	DANE COUNTY	0011.01	Low	11.74	No	\$121,200	\$11,429	5511	2188	39.70	0	287



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WI	DANE COUNTY	0011.02	Unknown	0.00	No	\$121,200	\$0	4556	1449	31.80	0	14
WI	DANE COUNTY	0012.00	Middle	113.32	No	\$121,200	\$110,302	6436	1497	23.26	764	1979
WI	DANE COUNTY	0013.00	Middle	91.73	No	\$121,200	\$89,293	2399	473	19.72	543	993
WI	DANE COUNTY	0014.01	Moderate	57.21	No	\$121,200	\$55,688	6037	4143	68.63	979	1700
WI	DANE COUNTY	0014.02	Moderate	68.99	No	\$121,200	\$67,158	5429	2761	50.86	867	1272
WI	DANE COUNTY	0014.04	Upper	147.81	No	\$121,200	\$143,879	5312	2490	46.88	1043	1055
WI	DANE COUNTY	0014.05	Moderate	77.53	No	\$121,200	\$75,469	3380	993	29.38	998	776
WI	DANE COUNTY	0015.01	Moderate	65.49	No	\$121,200	\$63,750	2377	1024	43.08	470	483
WI	DANE COUNTY	0015.02	Middle	102.27	No	\$121,200	\$99,545	5614	3336	59.42	1065	1073
WI	DANE COUNTY	0016.03	Unknown	0.00	No	\$121,200	\$0	6733	2648	39.33	4	119
WI	DANE COUNTY	0016.04	Low	32.07	No	\$121,200	\$31,219	6598	1691	25.63	0	280
WI	DANE COUNTY	0016.05	Middle	111.19	No	\$121,200	\$108,229	3324	799	24.04	129	306
WI	DANE COUNTY	0016.06	Unknown	0.00	No	\$121,200	\$0	7514	2056	27.36	0	404
WI	DANE COUNTY	0017.04	Upper	153.78	No	\$121,200	\$149,688	4154	994	23.93	721	239
WI	DANE COUNTY	0017.06	Unknown	0.00	No	\$121,200	\$0	2788	679	24.35	227	442
WI	DANE COUNTY	0017.07	Unknown	0.00	No	\$121,200	\$0	1680	418	24.88	31	380
WI	DANE COUNTY	0018.02	Upper	168.78	No	\$121,200	\$164,281	3705	735	19.84	649	1113
WI	DANE COUNTY	0018.04	Middle	84.82	No	\$121,200	\$82,563	4431	1213	27.38	498	999
WI	DANE COUNTY	0019.01	Middle	116.91	No	\$121,200	\$113,796	4232	711	16.80	541	1476
WI	DANE COUNTY	0019.02	Middle	93.64	No	\$121,200	\$91,145	2805	448	15.97	621	1089
WI	DANE COUNTY	0020.00	Middle	98.75	No	\$121,200	\$96,120	6332	1475	23.29	1679	2729
WI	DANE COUNTY	0021.00	Middle	85.13	No	\$121,200	\$82,870	4761	1078	22.64	1171	2037
WI	DANE COUNTY	0022.00	Moderate	71.75	No	\$121,200	\$69,844	4313	1485	34.43	1116	1541
WI	DANE COUNTY	0023.01	Moderate	64.89	No	\$121,200	\$63,167	3189	1669	52.34	658	855
WI	DANE COUNTY	0023.02	Middle	97.74	No	\$121,200	\$95,139	1851	478	25.82	424	558
WI	DANE COUNTY	0024.01	Middle	81.18	No	\$121,200	\$79,020	3387	798	23.56	1175	1276
WI	DANE COUNTY	0024.02	Middle	84.40	No	\$121,200	\$82,150	3756	1654	44.04	960	1014
WI	DANE COUNTY	0025.00	Low	40.03	No	\$121,200	\$38,967	2409	1294	53.72	426	753
WI	DANE COUNTY	0026.01	Moderate	73.92	No	\$121,200	\$71,953	1847	646	34.98	523	822

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WI	DANE COUNTY	0026.02	Moderate	73.49	No	\$121,200	\$71,536	6036	2576	42.68	1077	1314
WI	DANE COUNTY	0026.03	Middle	99.81	No	\$121,200	\$97,150	5409	2390	44.19	925	1351
WI	DANE COUNTY	0027.00	Moderate	63.56	No	\$121,200	\$61,875	3427	552	16.11	1224	1441
WI	DANE COUNTY	0028.00	Middle	83.47	No	\$121,200	\$81,250	2196	336	15.30	749	943
WI	DANE COUNTY	0029.00	Moderate	71.18	No	\$121,200	\$69,286	3315	828	24.98	1011	1125
WI	DANE COUNTY	0030.01	Middle	93.39	No	\$121,200	\$90,909	4775	1020	21.36	1634	1749
WI	DANE COUNTY	0030.02	Moderate	65.25	No	\$121,200	\$63,512	3558	1731	48.65	550	894
WI	DANE COUNTY	0031.00	Middle	103.74	No	\$121,200	\$100,982	6228	1490	23.92	2074	2296
WI	DANE COUNTY	0032.00	Moderate	53.66	No	\$121,200	\$52,232	2436	1665	68.35	51	501
WI	DANE COUNTY	0101.00	Upper	169.30	No	\$121,200	\$164,792	2135	526	24.64	505	554
WI	DANE COUNTY	0102.00	Upper	207.61	No	\$121,200	\$202,083	1335	105	7.87	466	521
WI	DANE COUNTY	0103.00	Middle	109.80	No	\$121,200	\$106,875	3804	475	12.49	1126	1290
WI	DANE COUNTY	0104.00	Middle	96.98	No	\$121,200	\$94,395	3569	430	12.05	914	1149
WI	DANE COUNTY	0105.01	Middle	106.35	No	\$121,200	\$103,523	4132	1045	25.29	991	1258
WI	DANE COUNTY	0105.03	Middle	111.47	No	\$121,200	\$108,500	5090	477	9.37	1598	1809
WI	DANE COUNTY	0105.04	Middle	83.87	No	\$121,200	\$81,641	3591	455	12.67	867	1364
WI	DANE COUNTY	0106.00	Middle	111.20	No	\$121,200	\$108,245	5111	471	9.22	2142	2463
WI	DANE COUNTY	0107.01	Upper	150.78	No	\$121,200	\$146,767	6351	1115	17.56	2133	2312
WI	DANE COUNTY	0107.02	Upper	121.75	No	\$121,200	\$118,513	9079	1836	20.22	2543	2859
WI	DANE COUNTY	0108.01	Upper	127.27	No	\$121,200	\$123,884	6654	1432	21.52	1721	1759
WI	DANE COUNTY	0108.02	Upper	132.08	No	\$121,200	\$128,561	5415	741	13.68	1797	1993
WI	DANE COUNTY	0109.03	Upper	133.39	No	\$121,200	\$129,839	4530	1030	22.74	1001	1076
WI	DANE COUNTY	0109.05	Upper	128.44	No	\$121,200	\$125,020	5288	1300	24.58	1098	1075
WI	DANE COUNTY	0109.06	Upper	165.66	No	\$121,200	\$161,250	4849	1647	33.97	1120	1116
WI	DANE COUNTY	0109.07	Upper	166.55	No	\$121,200	\$162,112	5614	875	15.59	1400	1375
WI	DANE COUNTY	0109.08	Upper	126.16	No	\$121,200	\$122,798	5221	734	14.06	1435	1488
WI	DANE COUNTY	0110.00	Middle	115.65	No	\$121,200	\$112,569	4566	725	15.88	1228	1308
WI	DANE COUNTY	0111.01	Moderate	55.45	No	\$121,200	\$53,977	5107	1536	30.08	886	1336
WI	DANE COUNTY	0111.03	Middle	103.75	No	\$121,200	\$100,990	5382	1092	20.29	1100	1569

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WI	DANE COUNTY	0111.04	Upper	164.66	No	\$121,200	\$160,278	4415	831	18.82	1241	1276
WI	DANE COUNTY	0112.01	Upper	121.53	No	\$121,200	\$118,295	3967	505	12.73	1491	1218
WI	DANE COUNTY	0112.02	Upper	167.59	No	\$121,200	\$163,125	6464	777	12.02	1950	2043
WI	DANE COUNTY	0113.01	Upper	133.23	No	\$121,200	\$129,682	7366	783	10.63	1926	1941
WI	DANE COUNTY	0113.02	Middle	101.02	No	\$121,200	\$98,333	3035	426	14.04	780	970
WI	DANE COUNTY	0114.03	Upper	139.00	No	\$121,200	\$135,303	2925	700	23.93	962	977
WI	DANE COUNTY	0114.04	Middle	112.02	No	\$121,200	\$109,036	7833	1921	24.52	2096	2416
WI	DANE COUNTY	0114.05	Middle	104.09	No	\$121,200	\$101,316	4990	1518	30.42	751	859
WI	DANE COUNTY	0114.06	Middle	111.57	No	\$121,200	\$108,603	4865	1361	27.98	1162	1038
WI	DANE COUNTY	0114.07	Middle	110.44	No	\$121,200	\$107,500	1929	373	19.34	655	482
WI	DANE COUNTY	0115.04	Upper	128.92	No	\$121,200	\$125,491	4989	1587	31.81	1002	1255
WI	DANE COUNTY	0115.05	Middle	96.10	No	\$121,200	\$93,542	4400	1654	37.59	778	1155
WI	DANE COUNTY	0115.06	Moderate	70.60	No	\$121,200	\$68,727	6815	1881	27.60	984	1310
WI	DANE COUNTY	0115.07	Middle	109.37	No	\$121,200	\$106,458	5397	1057	19.58	1685	1898
WI	DANE COUNTY	0115.08	Upper	143.71	No	\$121,200	\$139,886	4288	629	14.67	1172	1348
WI	DANE COUNTY	0116.00	Middle	100.91	No	\$121,200	\$98,225	7398	1453	19.64	2255	2475
WI	DANE COUNTY	0117.00	Middle	118.68	No	\$121,200	\$115,524	4431	521	11.76	1260	1464
WI	DANE COUNTY	0118.00	Middle	83.35	No	\$121,200	\$81,135	5828	1127	19.34	1609	2308
WI	DANE COUNTY	0119.00	Middle	96.97	No	\$121,200	\$94,388	7172	696	9.70	2234	2805
WI	DANE COUNTY	0120.02	Middle	99.93	No	\$121,200	\$97,269	4864	370	7.61	1964	2221
WI	DANE COUNTY	0120.03	Middle	115.58	No	\$121,200	\$112,500	6548	880	13.44	1796	2074
WI	DANE COUNTY	0120.04	Middle	112.04	No	\$121,200	\$109,054	2676	306	11.43	947	972
WI	DANE COUNTY	0121.00	Middle	94.39	No	\$121,200	\$91,875	2834	281	9.92	821	1105
WI	DANE COUNTY	0122.01	Middle	93.23	No	\$121,200	\$90,750	1945	174	8.95	752	956
WI	DANE COUNTY	0122.02	Middle	83.12	No	\$121,200	\$80,906	6751	771	11.42	1928	2241
WI	DANE COUNTY	0123.00	Middle	97.67	No	\$121,200	\$95,068	5765	640	11.10	1645	1919
WI	DANE COUNTY	0124.00	Middle	116.45	No	\$121,200	\$113,355	4980	376	7.55	1585	1803
WI	DANE COUNTY	0125.01	Middle	102.54	No	\$121,200	\$99,813	6657	658	9.88	1949	2343
WI	DANE COUNTY	0125.02	Upper	126.20	No	\$121,200	\$122,839	6958	1151	16.54	1771	2113

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WI	DANE COUNTY	0126.00	Middle	96.68	No	\$121,200	\$94,107	4460	340	7.62	1472	1833
WI	DANE COUNTY	0127.00	Middle	114.55	No	\$121,200	\$111,500	4215	262	6.22	2598	2908
WI	DANE COUNTY	0128.00	Middle	107.48	No	\$121,200	\$104,620	8313	753	9.06	1947	2608
WI	DANE COUNTY	0129.00	Middle	106.84	No	\$121,200	\$104,000	3929	190	4.84	1326	1611
WI	DANE COUNTY	0130.00	Middle	114.05	No	\$121,200	\$111,010	4708	454	9.64	1363	1602
WI	DANE COUNTY	0131.00	Middle	91.89	No	\$121,200	\$89,444	4845	377	7.78	1559	1883
WI	DANE COUNTY	0132.01	Middle	117.19	No	\$121,200	\$114,068	3879	403	10.39	1106	1338
WI	DANE COUNTY	0132.02	Upper	139.87	No	\$121,200	\$136,150	8000	1014	12.68	1781	2135
WI	DANE COUNTY	0133.01	Middle	94.34	No	\$121,200	\$91,833	5104	718	14.07	1476	1861
WI	DANE COUNTY	0133.02	Middle	110.87	No	\$121,200	\$107,917	5472	710	12.98	1862	2059
WI	DANE COUNTY	0137.00	Middle	113.59	No	\$121,200	\$110,568	7107	1043	14.68	1706	1784
WI	DANE COUNTY	9917.02	Unknown	0.00	No	\$121,200	\$0	0	0	0.00	0	0
WI	DANE COUNTY	9917.03	Unknown	0.00	No	\$121,200	\$0	0	0	0.00	0	0

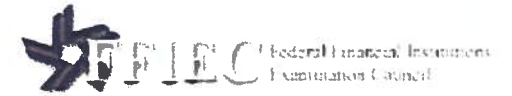


2024 FFIEC Census Report - Summary Census Overview Information

State: WISCONSIN

County: 055 - GREENE COUNTY

All Tracts: 21



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
WI	JEFFERSON COUNTY	1001.00	Middle	100.06	No	\$86,700	\$71,452	5396	855	15.85	1396	1836
WI	JEFFERSON COUNTY	1002.00	Middle	84.18	No	\$86,700	\$60,112	3586	702	19.58	750	1310
WI	JEFFERSON COUNTY	1003.01	Middle	94.88	No	\$86,700	\$67,750	3737	456	12.20	1161	1316
WI	JEFFERSON COUNTY	1003.02	Moderate	72.29	No	\$86,700	\$51,622	2358	513	21.76	290	668
WI	JEFFERSON COUNTY	1004.00	Middle	114.70	No	\$86,700	\$81,902	5921	1002	16.92	1983	2505
WI	JEFFERSON COUNTY	1005.00	Upper	120.98	No	\$86,700	\$86,384	6837	706	10.33	1857	2595
WI	JEFFERSON COUNTY	1006.01	Upper	183.15	No	\$86,700	\$130,781	1656	70	4.23	555	658
WI	JEFFERSON COUNTY	1006.02	Upper	138.48	No	\$86,700	\$98,883	3437	229	6.66	1120	1611
WI	JEFFERSON COUNTY	1007.00	Upper	136.22	No	\$86,700	\$97,269	4982	730	14.65	1490	1833
WI	JEFFERSON COUNTY	1008.00	Upper	124.18	No	\$86,700	\$88,674	4038	249	6.17	1247	1657
WI	JEFFERSON COUNTY	1009.00	Upper	120.67	No	\$86,700	\$86,167	3801	299	7.87	1378	1668
WI	JEFFERSON COUNTY	1010.00	Middle	104.93	No	\$86,700	\$74,924	3678	485	13.19	1114	1556
WI	JEFFERSON COUNTY	1011.00	Middle	98.21	No	\$86,700	\$70,125	4373	956	21.86	1229	1801
WI	JEFFERSON COUNTY	1012.01	Middle	112.39	No	\$86,700	\$80,250	2277	143	6.28	739	1131
WI	JEFFERSON	1012.02	Upper	143.26	No	\$86,700	\$102,292	1678	127	7.57	539	647

State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
	COUNTY											
WI	JEFFERSON COUNTY	1013.00	Upper	136.71	No	\$86,700	\$97,621	6017	816	13.56	1781	2246
WI	JEFFERSON COUNTY	1014.00	Middle	100.08	No	\$86,700	\$71,463	3355	769	22.92	773	1012
WI	JEFFERSON COUNTY	1015.00	Middle	100.13	No	\$86,700	\$71,500	3976	560	14.08	1047	1464
WI	JEFFERSON COUNTY	1016.00	Middle	111.03	No	\$86,700	\$79,281	6844	1421	20.76	1405	1922
WI	JEFFERSON COUNTY	1017.01	Upper	142.48	No	\$86,700	\$101,736	1434	132	9.21	495	611
WI	JEFFERSON COUNTY	1017.02	Upper	136.66	No	\$86,700	\$97,586	5519	355	6.43	1402	1660

2024 FFIEC Census Report - Summary Census Overview Information

State: WISCONSIN

County: 027 - CLAY COUNTY

All Tracts: 20



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
WI	DODGE COUNTY	9601.00	Middle	107.06	No	\$86,700	\$76,445	6240	509	8.16	1586	2030
WI	DODGE COUNTY	9602.00	Upper	121.84	No	\$86,700	\$87,000	3006	153	5.09	1079	1258
WI	DODGE COUNTY	9603.00	Middle	89.51	No	\$86,700	\$63,919	8155	2242	27.49	1672	2188
WI	DODGE COUNTY	9604.00	Upper	122.41	No	\$86,700	\$87,407	4426	485	10.96	1491	1807
WI	DODGE COUNTY	9605.00	Middle	99.83	No	\$86,700	\$71,288	4078	967	23.71	787	1665
WI	DODGE COUNTY	9606.00	Middle	103.84	No	\$86,700	\$74,152	4046	359	8.87	1252	1674
WI	DODGE COUNTY	9607.00	Middle	95.88	No	\$86,700	\$68,462	4698	662	14.09	1170	1667
WI	DODGE COUNTY	9608.00	Middle	107.95	No	\$86,700	\$77,083	3588	549	15.30	1129	1515
WI	DODGE COUNTY	9609.00	Middle	112.85	No	\$86,700	\$80,583	4364	844	19.34	912	1450
WI	DODGE COUNTY	9610.00	Middle	92.89	No	\$86,700	\$66,333	4590	999	21.76	980	1674
WI	DODGE COUNTY	9611.00	Middle	112.33	No	\$86,700	\$80,208	4389	493	11.23	1144	1554
WI	DODGE COUNTY	9612.00	Moderate	72.82	No	\$86,700	\$52,000	3436	379	11.03	1034	1358
WI	DODGE COUNTY	9613.00	Middle	86.73	No	\$86,700	\$61,932	5373	509	9.47	1394	1650
WI	DODGE COUNTY	9614.00	Middle	113.85	No	\$86,700	\$81,293	4033	238	5.90	1312	1621
WI	DODGE	9615.00	Upper	126.67	No	\$86,700	\$90,450	5261	320	6.08	1708	2016

State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
	COUNTY											
WI	DODGE COUNTY	9616.00	Upper	124.02	No	\$86,700	\$88,558	4278	296	6.92	1345	1784
WI	DODGE COUNTY	9617.00	Middle	110.84	No	\$86,700	\$79,150	3137	233	7.43	961	1107
WI	DODGE COUNTY	9618.00	Middle	115.41	No	\$86,700	\$82,411	4471	358	8.01	1406	1882
WI	DODGE COUNTY	9619.00	Upper	124.16	No	\$86,700	\$88,657	5548	635	11.45	1396	1694
WI	DODGE COUNTY	9620.00	Moderate	55.25	No	\$86,700	\$39,453	2279	321	14.09	512	937



2024 FFIEC Census Report - Summary Census Overview Information

State: WISCONSIN

County: 021 - COLUMBIA COUNTY

All Tracts: 13



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2024 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
WI	COLUMBIA COUNTY	9701.00	Middle	84.06	No	\$121,200	\$81,827	4099	337	8.22	1249	1562
WI	COLUMBIA COUNTY	9702.00	Moderate	78.30	No	\$121,200	\$76,217	5921	411	6.94	1837	2493
WI	COLUMBIA COUNTY	9703.00	Moderate	77.95	No	\$121,200	\$75,878	4046	428	10.58	1478	2061
WI	COLUMBIA COUNTY	9704.01	Moderate	70.22	No	\$121,200	\$68,350	2968	856	28.84	414	480
WI	COLUMBIA COUNTY	9704.02	Moderate	77.21	No	\$121,200	\$75,160	3878	469	12.09	1075	1513
WI	COLUMBIA COUNTY	9705.00	Moderate	65.11	No	\$121,200	\$63,375	4334	545	12.57	1102	1675
WI	COLUMBIA COUNTY	9706.00	Middle	90.03	No	\$121,200	\$87,639	4818	241	5.00	1947	2515
WI	COLUMBIA COUNTY	9707.00	Middle	89.25	No	\$121,200	\$86,875	4386	296	6.75	1387	1830
WI	COLUMBIA COUNTY	9708.00	Middle	99.07	No	\$121,200	\$96,436	5770	418	7.24	1871	2681
WI	COLUMBIA COUNTY	9709.00	Middle	108.71	No	\$121,200	\$105,815	4823	265	5.49	1712	2219
WI	COLUMBIA COUNTY	9710.00	Middle	82.32	No	\$121,200	\$80,129	3937	201	5.11	1384	1785
WI	COLUMBIA COUNTY	9711.00	Middle	91.27	No	\$121,200	\$88,839	3733	367	9.83	1031	1399
WI	COLUMBIA COUNTY	9712.00	Middle	84.08	No	\$121,200	\$81,848	5777	619	10.71	1654	2095

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247: 391–396  
DOI: 10.1046/j.1365-2796.2000.01700.x  
The Journal of Internal Medicine  
247: 391–396, 2000  
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Journal of Internal Medicine  
247: 391–396

Sheet 1 of 4 PARENT sheets  
Total Sheets: 1 (Index 0 Parent 1 Sheet 0)  
NAME: Dana County (023)  
10/17/2019, County on the South edge of the county  
17 10/17/2019





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1  let f :: Int -> Int -> Int -> Int
2  f x y z = 0
3  g x y z = 1
4  h x y z = 2
5  i x y z = 3
6  j x y z = 4
7  k x y z = 5
8  l x y z = 6
9  m x y z = 7
10 n x y z = 8
11 o x y z = 9
12 p x y z = 10
13 q x y z = 11
14 r x y z = 12
15 s x y z = 13
16 t x y z = 14
17 u x y z = 15
18 v x y z = 16
19 w x y z = 17
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Sheet 1 of 1 PARENTH sheets  
Total Sheets 1 (Index 0 Parent 1 Inset 0)  
NAME: Jefferson County (053)  
ENTERING Cause or date lastly equal d of 1 ending  
03 00000000 (00)





2020 CENSUS - CENSUS TRACT REFERENCE MAP: Dodge County, WI

The map displays the following census tracts and their colors:

- Yellow:** 9601, 9602, 9603, 9604, 9605, 9606, 9607, 9608, 9609, 9610, 9611, 9612, 9613, 9614, 9615, 9616, 9617, 9618, 9619, 9620, 9621, 9622, 9623, 9624, 9625, 9626, 9627, 9628, 9629, 9630, 9631, 9632, 9633, 9634, 9635, 9636, 9637, 9638, 9639, 9640, 9641, 9642, 9643, 9644, 9645, 9646, 9647, 9648, 9649, 9650, 9651, 9652, 9653, 9654, 9655, 9656, 9657, 9658, 9659, 9660, 9661, 9662, 9663, 9664, 9665, 9666, 9667, 9668, 9669, 9670, 9671, 9672, 9673, 9674, 9675, 9676, 9677, 9678, 9679, 9680, 9681, 9682, 9683, 9684, 9685, 9686, 9687, 9688, 9689, 9690, 9691, 9692, 9693, 9694, 9695, 9696, 9697, 9698, 9699, 9700.
- Pink:** 9601, 9602, 9603, 9604, 9605, 9606, 9607, 9608, 9609, 9610, 9611, 9612, 9613, 9614, 9615, 9616, 9617, 9618, 9619, 9620, 9621, 9622, 9623, 9624, 9625, 9626, 9627, 9628, 9629, 9630, 9631, 9632, 9633, 9634, 9635, 9636, 9637, 9638, 9639, 9640, 9641, 9642, 9643, 9644, 9645, 9646, 9647, 9648, 9649, 9650, 9651, 9652, 9653, 9654, 9655, 9656, 9657, 9658, 9659, 9660, 9661, 9662, 9663, 9664, 9665, 9666, 9667, 9668, 9669, 9670, 9671, 9672, 9673, 9674, 9675, 9676, 9677, 9678, 9679, 9680, 9681, 9682, 9683, 9684, 9685, 9686, 9687, 9688, 9689, 9690, 9691, 9692, 9693, 9694, 9695, 9696, 9697, 9698, 9699, 9700.

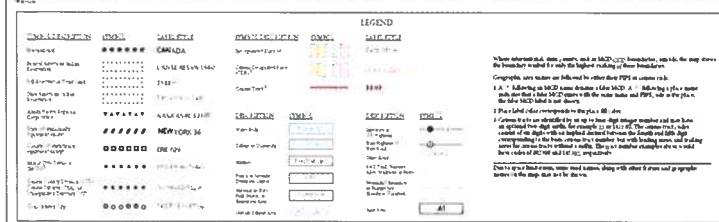


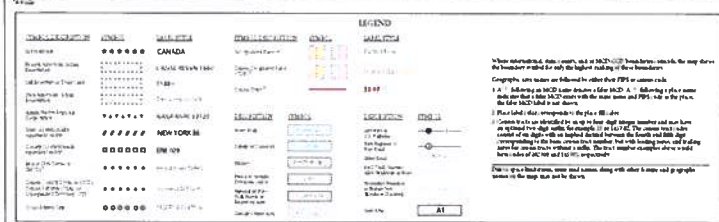
Figure 1 shows a schematic diagram of a 1D lattice chain. The chain is represented by a horizontal line with several vertical bars (sites) attached. The sites are labeled with 'a' and 'b' in superscript, indicating different types of sites. The chain is connected by horizontal lines, representing the lattice structure.



Sheet 2 of 1 PARENT sheets  
Total Sheets 3 (Input 0, Parent 1, Input 0)  
NAME: Dodge County (027)  
ENTRY TYPE: County or Municipality independent entry  
EE assignment 00  
2025-01-01 00:00:00







OFF RESERVATION TEST LAND RANGES  
T1419 No (Thurs) 5/1/00



Sheet 1 of 1 PARENT sheets  
Total Sheets: 1 (Indiana), 0 (Parent), 1 (Total)  
NAME: Columbia County (024)  
COUNTY: County is statistically insignificant entity  
00 missing p.s.

2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 26



# **PUBLIC DISCLOSURE**

August 21, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Farmers & Merchants State Bank  
Certificate Number: 13242

210 West Madison Street  
Waterloo, Wisconsin 53594

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 areas (AAs), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Farmers & Merchants State Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's CRA performance:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and credit needs of the AAs.
- The bank made a majority of its home mortgage and small business loans, by number and dollar amount, in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Farmers & Merchants State Bank (FMSB) is a full-service community bank headquartered in Waterloo, Wisconsin, operating in the southeastern part of the state. FMSB is wholly owned by Mauneshia Bancshares, Incorporated, which is a one-bank holding company also located in Waterloo, Wisconsin. FMSB does not have any subsidiaries, nor have there been any acquisition activities since the previous evaluation. FMSB received a "Satisfactory" rating at its previous FDIC Performance Evaluation, dated August 7, 2017, based on Interagency Small Institution Examination Procedures.

FMSB operates two full-service locations, including its main office in Waterloo, Wisconsin, located in Jefferson County. FMSB operates an additional office in Marshall, Wisconsin, located in Dane County. The bank also operates two deposit-taking ATMs, located in each of the bank's branches. Available hours of operation are the same for both branches, including available drive-thru hours on Saturday. Both offices and their corresponding ATMs are located in middle-income census tracts (CTs) as designated by the 2020 U.S. Census data. The bank did not open or close any branches since the previous evaluation.



In May of 2021, management opened a loan production office (LPO) in Oconomowoc, Wisconsin. However, by 2022, management closed the LPO. Due to the brief duration, and the lack of a deposit taking facility at the LPO, this does not affect the AAs for this evaluation.

FMSB offers traditional consumer and commercial deposit and credit products. Its primary business strategy focuses on multifamily residential lending and 1-4 family residential lending. The bank offers various types of lending products including commercial, agriculture, home mortgage, and consumer loans. In 2021, to aid small businesses impacted by the COVID-19 pandemic, the bank participated in the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP), which was part of the Coronavirus Aid, Relief, and Economic Security Act. These loans assisted businesses negatively impacted by the pandemic to retain their workforce. Also in response to the COVID-19 crisis, FMSB offered assistance for both commercial and consumer loan customers in the form of deferments and modifications.

FMSB provides a variety of deposit services including checking, savings, money market deposit accounts, individual retirement accounts, certificates of deposit, health savings accounts, and Coverdell education accounts. Alternative banking services include internet banking, mobile banking, electronic bill pay, mobile check deposit, account-to-account transfer abilities, and two bank-owned ATMs.

FMSB's assets totaled \$237.6 million as of June 30, 2023. As of the same financial date, the bank had total loans of \$197.3 million, securities totaling \$30.9 million, and deposits totaling \$166.7 million. Assets increased by \$69.7 million from the March 31, 2017, financial date at the previous evaluation. Part of the increase in total assets is due to a \$53.8 million increase in total loans during the same timeframe. The additional increase in assets results from organic growth, as management did not open any branch locations, purchase additional assets, or make notable changes in business strategy between evaluations.

Deposits increased \$44.3 million from the March 31, 2017, financial date at the previous evaluation. Bank management attributes the increase in deposits to organic growth and deposit advertising, resulting in an increased deposit customer base.

The following table illustrates FMSB's loan portfolio:

<b>Loan Portfolio Distribution as of 6/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	2,332	1.2
Secured by Farmland	11,026	5.6
Secured by 1-4 Family Residential Properties	50,878	25.8
Secured by Multifamily (5 or more) Residential Properties	83,455	42.3
Secured by Nonfarm Nonresidential Properties	44,848	22.7
<b>Total Real Estate Loans</b>	<b>192,539</b>	<b>97.6</b>
Commercial and Industrial Loans	2,036	1.0
Agricultural Production and Other Loans to Farmers	337	0.2
Consumer Loans	1,451	0.7
Obligations of State and Political Subdivisions in the U.S.	936	0.5
Other Loans	8	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>197,307</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0 percent.</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

CRA requires each financial institution to define one or more AAs within which examiners will evaluate the bank's performance. FMSB has two AAs. One AA contains the bank's Marshall Branch and consists of all of Dane County and one CT in neighboring Columbia County. Both Dane and Columbia Counties are part of the Madison Metropolitan Statistical Area (MSA) within the State of Wisconsin. This AA will be called the Madison MSA AA. The other AA contains the bank's main office and comprises parts of non-metropolitan Wisconsin. This includes all of Jefferson County, located adjacent to the east side of Dane County, along with four additional CTs in neighboring Dodge County. This AA will be called the Wisconsin Non-MSA AA. Following the last evaluation, FMSB extended the Wisconsin Non-MSA AA to include Dodge County CTs 9619 and 9620. Both CTs are located immediately north of Jefferson County, but do not substantially exceed the county boundary. All of the CTs within the AAs are contiguous. The bank's AAs do not arbitrarily exclude any low- or moderate-income CTs, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulation.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated August 7, 2017, to the current evaluation date of August 21, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance. The procedures consist of evaluating the bank's performance under the Lending Test. The Appendix details the performance criteria for this

test, while the Glossary provides for pertinent definitions. This evaluation does not include any lending activity performed by affiliates.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, Call Report data, and the number and dollar volume of loans originated during the evaluation period. Bank records and discussions with management indicate that the lending focus and product mix remained consistent throughout the evaluation period, as the bank continues to focus on home mortgage and multifamily lending.

Given the number and dollar volume, the bank has a larger record of originating home mortgage loans. Therefore, examiners gave heavier consideration to the home mortgage lending performance in arriving at overall conclusions, followed by consideration of small business lending performance. No other loan types, such as agriculture or consumer loans, represent a major product line. Therefore, these products provided no material support for conclusions or ratings, and they were not included in the analysis.

Examiners reviewed the universe of home mortgage loans recorded on the 2021 and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. FMSB originated 267 home mortgage loans, totaling \$71.5 million in 2021. For 2022, FMSB originated 111 home mortgage loans, totaling \$42.8 million.

Examiners reviewed small business loans originated during the period of January 1, 2021, through December 31, 2022. FMSB originated 23 small business loans totaling \$6.2 million in 2021, and 39 small business loans totaling \$9.1 million in 2022. Due to the lower levels of lending, examiners reviewed the full universe of 2021 small business loans. In 2021, the bank also originated SBA PPP loans; however, due to the unavailability of relevant data, SBA PPP loans were not included in the 2021 small business universe. For 2022, examiners randomly sampled 30 small business loans totaling \$6.1 million. Due to readily available revenue data, examiners expanded the 2022 small business loans to all 39 loans totaling \$9.1 million for the borrower profile criterion.

This evaluation presents home mortgage and small business information for 2021 and 2022 as bank management noted this performance is representative of the entire evaluation period. The 2021 lending performance is analyzed using the 2015 American Community Survey (ACS) and 2010 Census boundary data and compared to 2021 aggregate lending data. The 2022 home mortgage lending performance is analyzed using the 2015-2020 ACS and selected 2020 Census data and is compared to 2022 aggregate data. D&B data for 2021 and 2022 provides a standard of comparison for the small business loans.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

FMSB demonstrated reasonable performance under the Lending Test. The institution's LTD ratio, AA Concentration, Geographic Distribution, and Borrower Profile performance supports this conclusion.

#### Loan-to-Deposit Ratio

FMSB's average net LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. The ratio, calculated from Call Report data, averaged 106.6 percent over the past 23 calendar quarters from September 30, 2017 to March 31, 2023. The ratio ranged from a low of 92.7 percent as of June 30, 2022, to a high of 119.6 percent as of September 30, 2018. The ratio had generally declined until September 30, 2022, after which the LTD ratio began to increase. This recent increase is mainly due to decreasing total deposits, as customers draw on funds in the current economic environment.

The bank maintained a ratio that is above similarly-situated institutions (SSIs) as shown in the following table. Examiners selected SSIs based on their asset size, banking structure, geographic location, and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 3/31/2023 (\$000s)	Average Net LTD Ratio (%)
<b>Farmers &amp; Merchants State Bank</b>	<b>244,012</b>	<b>106.6</b>
Similarly-Situated Institution #1	71,340	90.6
Similarly-Situated Institution #2	192,494	71.1
Similarly-Situated Institution #3	345,984	96.9
Similarly-Situated Institution #4	349,889	84.8
<i>Source: Reports of Condition and Income 9/30/2017 – 3/31/2023</i>		

#### Assessment Area Concentration

The bank made a majority of both home mortgage and small business loans, by number and dollar volume, within its AAs. See the following table, which reflects the bank's lending activity inside and outside of the AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans \$(000s)				Total  \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	174	65.2	93	34.8	267	44,617	62.4	26,832	37.6	71,449
2022	80	72.1	31	27.9	111	31,749	74.2	11,041	25.8	42,790
Subtotal	254	67.2	124	32.8	378	76,366	66.8	37,873	33.2	114,239
Small Business										
2021	19	82.6	4	17.4	23	4,123	66.6	2,071	33.4	6,194
2022	32	82.1	7	17.9	39	6,642	73.3	2,423	26.7	9,065
Subtotal	51	82.3	11	17.7	62	10,765	70.5	4,494	29.5	15,259
Total	305	69.3	135	30.7	440	87,131	67.3	42,367	32.7	129,498
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. The reasonable performance of home mortgage and small business loans supports this conclusion. Performance is consistent among AAs. Examiners analyzed and presented this criterion separately for each AA in the subsequent sections of this evaluation.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels and businesses of different sizes. The reasonable performance of home mortgage and small business loans support this conclusion. Performance is consistent among AAs. Examiners analyzed and presented this criterion separately for each AA in the subsequent 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**

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

## MADISON MSA AA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MADISON MSA AA

The Madison MSA AA includes contiguous tracts that encompass all of Dane County and one CT in Columbia County. The bank operates one branch in this AA in the Village of Marshall, Wisconsin. The branch is located in CT 118, which is designated as middle-income. Considering that majority of the bank’s lending occurs in the Madison MSA AA, conclusions on lending performance within this AA will receive more consideration for the overall rating.

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

Of the 126 CTs in FMSB’s Madison MSA AA, 34 are designated as upper-income, 62 are middle-income, 18 are moderate-income, 5 are low-income, and 7 have no income designation. The following table illustrates additional, select demographic characteristics of the AA.

Demographic Information of the Assessment Area Assessment Area: Madison MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	126	4.0	14.3	49.2	27.0	5.6
Population by Geography	567,281	3.9	12.7	51.5	27.7	4.1
Housing Units by Geography	238,751	3.7	14.4	52.6	26.5	2.9
Owner-Occupied Units by Geography	135,349	0.9	10.1	58.3	30.6	0.2
Occupied Rental Units by Geography	93,641	7.2	20.6	44.8	20.9	6.5
Vacant Units by Geography	9,761	8.5	15.3	48.4	22.4	5.4
Businesses by Geography	50,530	5.1	12.4	50.7	28.2	3.6
Farms by Geography	1,985	1.6	5.9	67.4	24.7	0.5
Family Distribution by Income Level	127,378	17.1	18.0	23.4	41.5	0.0
Household Distribution by Income Level	228,990	22.1	16.9	18.6	42.4	0.0
Median Family Income MSA - 31540 Madison, WI MSA		\$97,334	Median Housing Value			\$273,240
			Median Gross Rent			\$1,128
			Families Below Poverty Level			4.9%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) levels. According to 2023 D&B data, there were 64,149 reporting businesses in the AA. GARs for these businesses are below.

- 87.9 percent have \$1 million or less
- 3.7 percent have more than \$1 million
- 8.3 percent have unknown revenues

Service industries represent the largest portion of AA businesses at 37.8 percent, with non-classifiable establishments at 23.5 percent, and retail trade at 9.2 percent. In addition, based on D&B data, 61.0 percent of area businesses have four or fewer employees, and 91.7 percent of businesses operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates in Dane and Columbia Counties were generally improving throughout most of the evaluation period. However, a sharp increase occurred in the second quarter of 2020. Specifically, the unemployment rates in Dane and Columbia Counties peaked in April 2020 at 10.6 percent and 14.1 percent, respectively, due to COVID-19 impacts. The rates returned to pre-COVID-19 levels by year-end of 2021, and were even lower in June of 2023. The following table shows the unemployment rates in Dane and Columbia Counties since the previous evaluation.

Unemployment Rates						
Area	2018	2019	2020	2021	2022	June 2023
	%	%	%	%	%	%
Dane County	2.2	2.3	4.9	2.9	2.2	2.8
Columbia County	2.7	2.9	6.0	3.4	2.6	3.1
Statewide	3.0	3.2	6.4	3.8	2.9	3.4
Nationwide	3.9	3.7	8.1	5.4	3.6	3.6
<i>Source: Year End Bureau of Labor Statistics.</i>						

According to the Wisconsin Department of Workforce Development, major employers in the Madison MSA AA include EPIC Systems Corporation, UW University Hospital, WPS Health Insurance, and Labcorp Drug Development. Other large employers include insurance agencies and brokerages.

The current AA population, based on 2020 U.S. Census data, has increased by approximately 10 percent from the 2015 ACS figure. Of the 238,751 housing units in the AA, 56.7 percent are owner-occupied, 39.2 percent are occupied rental units, and 4.1 percent are vacant. This data gives some insight as to AA housing credit opportunities.

Information from the Wisconsin Realtors Association (WRA) indicates that housing sales prices have steadily increased in this AA since the previous evaluation. In Dane and Columbia Counties, median sales prices exceed statewide median housing costs. The median housing costs provide insight into the potential affordability of housing for low- and moderate-income people. Median housing costs are detailed in the following table for the period since the previous evaluation.



Area	Median Housing Cost 2018 (\$)	Median Housing Cost 2019 (\$)	Median Housing Cost 2020 (\$)	Median Housing Cost 2021 (\$)	Median Housing Cost 2022 (\$)
Dane County	279,900	297,500	315,625	351,000	385,000
Columbia County	197,990	207,000	225,000	235,225	267,700
Statewide	184,000	198,000	220,000	240,000	264,500
<i>Source: WRA</i>					

Housing sales volume gives insight into the home mortgage lending needs and opportunities within the AA. Housing sales data is detailed below for the period since the previous evaluation.

Area	Housing Sales 2018	Housing Sales 2019	Housing Sales 2020	Housing Sales 2021	Housing Sales 2022
Dane County	8,329	8,229	8,891	9,081	7,742
Columbia County	846	766	876	864	683
<i>Source: WRA</i>					

Examiners use the 2021 and 2022 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Madison, WI MSA Median Family Income (31540)				
2021 (\$99,000)	<\$49,500	\$49,500 to <\$79,200	\$79,200 to <\$118,800	≥\$118,800
2022 (\$111,800)	<\$55,900	\$55,900 to <\$89,440	\$89,440 to <\$134,160	≥\$134,160
<i>Source: FFIEC</i>				

## **Competition**

The Madison MSA AA is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, 44 financial institutions operated 136 full-service branches within the AA. Of these institutions, FMSB ranked 29<sup>th</sup> with .24 percent of the deposit market share.

The most recent aggregate data available for home mortgage lending is from 2022, which reflects that 398 lenders reported 20,822 home mortgage loans in the AA. Of these lenders, FMSB ranked 50<sup>th</sup> with .21 percent of the market share. This volume indicates a high degree of credit opportunities and competition for home mortgage lending.

The bank is not required to collect or report small business data, and it has elected not to do so. Therefore, the analysis of loans under the Lending Test does not include direct comparisons against aggregate data. However, the aggregate data provides insight as to the level of demand and competition for business lending. The most recent aggregate data available for small business lending is from 2021, which shows 121 lenders reported 11,845 small business loans in Dane and Columbia Counties. The aforementioned aggregate data indicates a high degree of competition in



small business lending. Like FMSB, many institutions are not required to report small business lending data; therefore, competition for this loan type is greater than the aggregate data reflects.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners conducted a community contact interview with an employee of Dane County, who was familiar with the economics and demographics of the area. According to the contact, the AA's economy is growing marginally each year. The workforce is varied, with employment opportunities in downtown Madison attracting professional workers. Conversely, other areas in Dane County, such as DeForest, have more opportunities for labor-based workers. As such, the entire AA has a need for affordable housing to support the growth of the workforce. Additionally, the contact noted there is a need for multifamily housing as it would be a more specific solution to the exponential growth in demand for housing. Furthermore, the contact noted there are options to invest in small businesses, as areas such as Sun Prairie, have seen expansion in retail development, attracting more small businesses. In addition, many municipalities offer tax increment financing districts to support economic development in the area.

The contact also noted the increasing trend of home values and competitive bidding has made purchasing homes difficult for low- and moderate-income borrowers. As a result, the contact feels multifamily and affordable housing is needed to meet workforce needs, but that the availability is not matching the demand.

### **Credit Needs**

Considering information from the community contact, demographic and economic data, and comments from management, examiners determined that multifamily construction and affordable housing represent primary credit needs for the AA. Comments from the community contact, as well as the median housing values for the area, and the low availability of housing stock support this conclusion. Additionally, there is a credit need to invest in small businesses. The significant percentage of businesses with GARs of \$1 million or less and the percentage of businesses with four or fewer employees support this conclusion.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MADISON MSA AA**

### **LENDING TEST**

FMSB demonstrates reasonable performance under the Lending Test in the Madison MSA AA. The borrower profile and geographic distribution performance primarily support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans throughout the AA reflects reasonable dispersion among the CTs of various income levels, including low- and moderate-income geographies. The bank's reasonable home mortgage and small business performance supports this conclusion. Examiners compared the bank's home mortgage lending performance to demographic and aggregate data and small business lending performance to the available D&B data.

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

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. Although the below table does not display lending in low-income CTs in 2021 or 2022, this performance is deemed reasonable. Less than one percent of all owner-occupied housing in the AA is located within low-income CTs, suggesting limited lending opportunities. Additionally, the low-income tracts surround downtown and eastern Madison, areas that have a significant volume of financial institutions, and therefore, increased competition for lending. As noted above, FMSB ranked 50<sup>th</sup> with .21 percent of the home mortgage market share in the AA. Further, FMSB's closest office is located approximately 20 miles from downtown Madison, which exacerbates challenges in penetrating these areas.

Overall, the bank originated 7.8 percent by number of home mortgage loans in the moderate-income CTs in 2021 and 13.6 percent in 2022. However, a portion of the bank's lending includes multifamily properties which somewhat skews the data in the following table. The bank originated 90 owner-occupied housing loans in 2021, of which 4.4 percent were in moderate-income CTs. This trails the demographic and aggregate. Of the 13 multifamily loans originated in 2021, the bank originated 30.8 percent in moderate-income geographies, which significantly exceeds the percentage of multifamily units within each geography (19.8 percent) and aggregate performance for this type of lending.

In 2022, the bank originated 23 owner-occupied housing loans, of which 4.3 percent were in moderate-income CTs. This trails the aggregate of 9.8 percent. The bank originated 21 multifamily loans in 2022, of which 23.8 percent were in moderate-income CTs. This is comparable to the percentage of multifamily units within each geography (21.8 percent) and aggregate data (22.4 percent) for this type of lending.

Examiners determined the lending dispersion within the AA reasonably penetrates moderate-income CTs, and is not arbitrarily excluding any low- or moderate-income areas. Considering demographics and the bank's lending focus, performance is reasonable overall.

Geographic Distribution of Home Mortgage Loans Assessment Area: Madison MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.8	0.7	0	0.0	0	0.0
2022	0.9	0.7	0	0.0	0	0.0
Moderate						
2021	8.6	8.2	8	7.8	4,613	15.0
2022	10.1	9.8	6	13.6	5,916	25.4
Middle						
2021	58.0	55.9	73	70.9	18,114	59.0
2022	58.3	58.1	34	77.3	13,658	58.6
Upper						
2021	32.5	35.1	22	21.4	7,994	26.0
2022	30.6	31.1	4	9.1	3,726	16.0
Not Available						
2021	0.0	0.1	0	0.0	0	0.0
2022	0.2	0.3	0	0.0	0	0.0
Totals						
2021	100.0	100.0	103	100.0	30,721	100.0
2022	100.0	100.0	44	100.0	23,300	100.0
Source (2021): 2015 ACS; Bank Data, 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						
Source (2022): 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

### **Small Business Loans**

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. The bank did not lend in low-income CTs. As mentioned above, the low-income CTs surround areas with many financial institutions and have increased competition for lending, and FMSB's closest office is located approximately 20 miles from downtown Madison. Peer data for small business loans shows 121 lenders also operating in the AA.

The bank originated 44.4 percent and 40.0 percent by number of loans in the moderate-income CTs in 2021 and 2022, respectively. This level of lending significantly exceeds the presented demographic for moderate-income geographies in both years. Given the bank's level of small business lending is above the presented demographic for moderate-income demographics for both years, and considering the lower volume of loans, the geographic distribution of small business loans is reasonable.

Examiners determined the lending dispersion within the AA reasonably penetrates moderate-income CTs, and is not arbitrarily excluding any low- or moderate-income areas.

Geographic Distribution of Small Business Loans Assessment Area: Madison MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	2.5	0	0.0	0	0.0
2022	5.1	0	0.0	0	0.0
Moderate					
2021	13.2	4	44.4	110	5.3
2022	12.4	6	40.0	336	11.7
Middle					
2021	49.5	4	44.4	1,813	87.8
2022	50.7	7	46.7	1,553	53.9
Upper					
2021	32.7	1	11.1	142	6.9
2022	28.2	2	13.3	990	34.4
Not Available					
2021	2.2	0	0.0	0	0.0
2022	3.6	0	0.0	0	0.0
Totals					
2021	100.0	9	100.0	2,065	100.0
2022	100.0	15	100.0	2,879	100.0
Source (2021): 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					
Source (2022): 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 individuals of different income levels and businesses of different sizes in the AA. The bank's reasonable performance of home mortgage lending and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by dollar amount of small business loans to businesses with GARs of \$1 million or less.

### **Home Mortgage Loans**

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The following table shows that FMSB's percentage of loans originated to low-income and moderate-income borrowers trailed the presented demographics in 2021 and significantly trailed in 2022. However, due to the bank's lending focus on multifamily properties, the record of lending is skewed to the "Not Available" category, particularly in 2022, which includes the non-owner occupied housing lending where income is not required to be reported.

If the loans for which income was not available were excluded from the 2021 analysis, the bank's level of lending to low-income borrowers would improve to 4.4 percent, still trailing the adjusted

aggregate data (7.6 percent). The percentage of lending to low-income individuals in 2022 increases to 5.3 percent by number of loans, which trails the adjusted aggregate (9.1 percent) and demographic data. However, a low-income family in the AA would face challenges in qualifying for a mortgage under conventional underwriting standards, especially considering the 2022 median housing value of \$385,000 in Dane County and \$267,700 in Columbia County. The 2020 U.S. Census data shows a poverty level of 4.9 percent. Families in poverty face increased challenges, as this segment is not typically able to support a traditional mortgage loan. Therefore, the demand and opportunity for lending to low-income families is more limited than the demographic suggests. This assists in explaining the contrast between the presented demographic of low-income families and aggregate data and the bank's performance. Overall, lending to low-income families is reasonable.

Examiners completed the same analysis for moderate-income borrowers. If the loans for which income was not available were excluded from the 2021 analysis, the bank's level of lending to moderate-income borrowers improves to 21.1 percent and compares reasonably to the adjusted aggregate data (22.0 percent). In 2022, the adjusted percentage of lending to moderate-income individuals is 15.8 percent by number of loans. While still trailing the adjusted aggregate data (21.8 percent), this performance is much more comparable. Further, the number of aggregate reporters is an indicator of strong competition within the AA. To illustrate, FMSB ranked 50<sup>th</sup>, among 398 lenders, with .21 percent of the home mortgage market share. Considering area housing costs, market share competition, and aggregate data, the distribution of home mortgage loans to moderate-income individuals is also reasonable. The below table reflects the levels of lending to borrowers of different incomes within the bank's Madison MSA AA.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Madison MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.0	6.9	4	3.9	581	1.9
2022	17.1	8.4	1	2.3	225	1.0
Moderate						
2021	16.7	20.1	19	18.4	3,334	10.9
2022	18.0	20.1	3	6.8	644	2.8
Middle						
2021	22.7	25.0	28	27.2	5,279	17.2
2022	23.4	25.9	7	15.9	1,974	8.5
Upper						
2021	41.6	39.3	39	37.9	12,031	39.2
2022	41.5	37.9	8	18.2	4,159	17.8
Not Available						
2021	0.0	8.7	13	12.6	9,497	30.9
2022	0.0	7.8	25	56.8	16,299	70.0
Totals						
2021	100.0	100.0	103	100.0	30,721	100.0
2022	100.0	100.0	44	100.0	23,300	100.0
Source (2021): 2015 ACS; Bank Data, 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						
Source (2022): 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

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

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that loans to businesses with GARs of \$1 million or less trailed the presented demographic in 2021 and 2022 by number of loans originated. However, the percentage of loans originated by dollar amount was much closer to the presented demographic for business with GARs of \$1 million or less. Further, small business lending peer data shows 121 other lenders operating the AA, suggesting a high level of competition for small business lending. See below for details.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Madison MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	82.1	4	44.4	1,680	81.4
2022	85.7	7	46.7	2,233	77.5
>\$1,000,000					
2021	6.1	5	55.6	385	18.6
2022	4.7	8	53.3	646	22.5
Revenue Not Available					
2021	11.8	0	0.0	0	0.0
2022	9.5	0	0.0	0	0.0
Totals					
2021	100.0	9	100.0	2,066	100.0
2022	100.0	15	100.0	2,879	100.0
Source (2021): 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					
Source (2022): 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

## WISCONSIN NON-MSA AA – Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WISCONSIN NON-MSA AA

The Wisconsin Non-MSA AA includes contiguous tracts that encompass all of Jefferson County and four tracts in Dodge County. The bank operates its main office in this AA in the City of Waterloo, Wisconsin. The office is located in CT 1004, which is designated as middle-income.

#### Economic and Demographic Data

Of the 25 CTs in FMSB's Wisconsin Non-MSA AA, 11 are designated as upper-income, 12 are middle-income, and 2 are moderate-income. There are no low-income CTs in this AA. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area Assessment Area: Wisconsin Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	0.0	8.0	48.0	44.0	0.0
Population by Geography	100,335	0.0	4.6	50.6	44.8	0.0
Housing Units by Geography	42,461	0.0	4.8	51.4	43.8	0.0
Owner-Occupied Units by Geography	28,026	0.0	2.9	49.8	47.3	0.0
Occupied Rental Units by Geography	11,309	0.0	10.4	56.1	33.5	0.0
Vacant Units by Geography	3,126	0.0	2.4	48.2	49.4	0.0
Businesses by Geography	6,569	0.0	4.2	50.2	45.5	0.0
Farms by Geography	536	0.0	1.9	52.1	46.1	0.0
Family Distribution by Income Level	26,421	14.8	15.9	22.8	46.5	0.0
Household Distribution by Income Level	39,335	18.6	16.6	16.5	48.2	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$198,973
			Median Gross Rent			\$871
			Families Below Poverty Level			5.8%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

As stated previously, the analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR levels. According to 2023 D&B data, there were 8,282 reporting businesses in the AA. GARs for these businesses are below.

- 87.5 percent have \$1 million or less
- 3.9 percent have more than \$1 million
- 8.7 percent have unknown revenues

Service industries represent the largest portion of AA businesses at 30.6 percent, followed by non-classifiable establishments at 21.4 percent, and retail trade at 10.7 percent. In addition, based on D&B data, 62.2 percent of area businesses have four or fewer employees, and 91.9 percent of businesses operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the unemployment rates in Jefferson and Dodge Counties were generally improving throughout most of the evaluation period. However, a sharp increase occurred in the second quarter of 2020. Specifically, the unemployment rates in Jefferson and Dodge Counties peaked in April 2020 at 12.4 percent and 11.1 percent, respectively, due to COVID-19 impacts. The rates returned to pre-COVID-19 levels by year-end of 2021, and were even lower in June of 2023. The following table shows the unemployment rates in Dodge and Jefferson Counties since the previous evaluation.



Unemployment Rates						
Area	2018	2019	2020	2021	2022	June 2023
	%	%	%	%	%	%
Jefferson County	2.8	3.0	5.5	3.4	2.7	3.1
Dodge County	2.6	2.9	5.3	3.2	2.6	3.1
Statewide	3.0	3.2	6.4	3.8	2.9	3.4
Nationwide	3.9	3.7	8.1	5.4	3.6	3.6
Source: Year End Bureau of Labor Statistics.						

According to the Wisconsin Department of Workforce Development, major employers in the AA include Trek Bicycle Corporation, Nasco International Incorporation, OSI Industries, Watertown Regional Medical Center, and Seneca Foods-Clyman. Other large employers include area general merchandise retailers, manufacturing companies, and department stores.

The current AA population, based on 2020 U.S. Census data, remains generally unchanged from the 2015 ACS, with 0.5 percent increase. Of the 42,461 housing units in the AA, 66.0 percent are owner-occupied, 26.6 percent are occupied rental units, and 7.4 percent are vacant. This data gives some insight as to AA housing credit opportunities.

Information from the WRA indicates that housing sales prices have steadily increased in this AA since the previous evaluation. In Dodge County, sales prices remain below the statewide median housing costs. However, sales prices in Jefferson County typically exceed the statewide median housing costs. The median housing costs provide insight into the potential affordability of housing for low- and moderate-income people. Median housing costs are detailed below.

Area	Median Housing Cost 2018 (\$)	Median Housing Cost 2019 (\$)	Median Housing Cost 2020 (\$)	Median Housing Cost 2021 (\$)	Median Housing Cost 2022 (\$)
Jefferson County	210,000	229,900	244,500	272,000	296,000
Dodge County	149,000	161,950	182,750	210,000	220,000
Statewide	184,000	198,000	220,000	240,000	264,500
Source: WRA					

Housing sales volume gives insight into the home mortgage lending needs and opportunities within the AA. Housing sales data is detailed below.

Area	Housing Sales 2018	Housing Sales 2019	Housing Sales 2020	Housing Sales 2021	Housing Sales 2022
Jefferson County	1,248	1,287	1,353	1,443	1,216
Dodge County	1,079	1,020	1,164	1,199	1,032
Source: WRA					

Examiners use the 2021 and 2022 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

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 (\$99,000)	<\$49,500	\$49,500 to <\$79,200	\$79,200 to <\$118,800	≥\$118,800
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
Source: FFIEC				

### **Competition**

The AA is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, 16 financial institutions operated 28 full-service branches within the AA. Of these institutions, FMSB ranked 9<sup>th</sup> with 4.8 percent of the deposit market share.

The 2022 aggregate data reflects that 232 lenders reported 3,200 home mortgage loans in the AA. Of these lenders, FMSB ranked 17<sup>th</sup> with 1.13 percent of the market share. This volume indicates a high degree of credit opportunities and competition for home mortgage lending. Many institutions are not required to report lending data; therefore, competition and opportunities for this loan type would be greater than the aggregate data indicates.

The most recent aggregate data available for small business lending is from 2021, which shows 70 lenders reported 2,522 small business loans in Jefferson and Dodge Counties. The aforementioned aggregate data indicates a moderate degree of competition in small business lending. Like FMSB, many institutions are not required to report small business lending data; therefore, competition for this loan type is greater than the aggregate data reflects.

### **Community Contacts**

Examiners conducted community contact interviews with municipal employees from the Village of Marshall and City of Waterloo, both of whom were familiar with the demographics and economics of the Wisconsin Non-MSA area.

According to both contacts, the AA's economy is doing well and experiencing small, incremental growth each year. Overall, the economy has been improving following the COVID-19 pandemic, but still experiences some economic struggles related to pandemic recovery. The majority of residents in the region are currently seeking affordable single-family homes in a competitive market with rising interest rates. The contacts also noted the increasing trend of home values has resulted in a significant decline in affordable housing stock. As a result, the contacts felt affordable single-family and multifamily units are credit needs in the area; specifically, more construction of these units is needed.

Additionally, the contacts noted the region consists of many small businesses, but growth of new businesses has been rather stagnant in many areas. To illustrate, one contact stated there has been no upward trend in small business growth, while the other mentioned very small growth figures in

their specific city. As such, there are lending opportunities to assist and maintain existing small businesses in the area.

### **Credit Needs**

Considering information from the community contact, demographic and economic data, and comments from management, examiners determined that there is a significant community development need for affordable housing in the AA, including both single family and multifamily housing. Additionally, there is the opportunity to assist and maintain existing small businesses, which is supported by the significant percentage of businesses with GARs of \$1 million or less and the percentage of businesses with four or fewer employees in the AA.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WISCONSIN NON-MSA AA**

### **LENDING TEST**

FMSB demonstrates reasonable performance under the Lending Test in the Wisconsin Non-MSA AA. The geographic distribution and borrower profile performances primarily support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Wisconsin Non-MSA AA. The bank's reasonable home mortgage and small business performance support this conclusion.

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

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The bank's Wisconsin Non-MSA AA does not have any low-income CTs, and the bank did not lend in moderate-income CTs.

The Wisconsin Non-MSA AA contains only two moderate-income CTs, located adjacent to one another, mainly consisting of the City of Watertown. These tracts have limited opportunity for home mortgage lending as the number of owner-occupied units in these tracts makes up less than three percent of all the housing units. The nearest FMSB branch is located approximately 12 miles from the moderate-income CTs, and a number of competitor banks are located around Watertown, including six branch locations from five competitor banks. Overall, FMSB ranked 17<sup>th</sup> with a 1.13 percent of the market share for home mortgage lending in this AA. Given the bank's distance from the moderate-income tracts and high level of competition, lending in the two moderate-income CTs is considered reasonable.

The bank's performance of lending in the moderate-income CTs is substantially similar to three SSIs that were assessed as having reasonable performance. Overall, the bank's lending performance to the moderate-income geographies is reasonable.

Geographic Distribution of Home Mortgage Loans Assessment Area: Wisconsin Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	2.6	3.2	0	0.0	0	0.0
2022	2.9	4.6	0	0.0	0	0.0
Middle						
2021	58.1	55.0	22	31.0	4,239	30.5
2022	49.8	46.9	27	75.0	5,505	65.2
Upper						
2021	39.3	41.8	49	69.0	9,657	69.5
2022	47.3	48.5	9	25.0	2,945	34.8
Totals						
2021	100.0	100.0	71	100.0	13,896	100.0
2022	100.0	100.0	36	100.0	8,450	100.0
Source (2021): 2015 ACS; Bank Data. 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						
Source (2022): 2020 U.S. Census; Bank Data. 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

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

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

The bank did not originate any small business loans within the moderate-income CTs. The Wisconsin Non-MSA AA contains only two moderate-income CTs, located adjacent to one another, and the nearest FMSB branch is located approximately 12 miles from the moderate-income CTs. As noted in the section above, the moderate-income CTs are located within the City of Watertown, an area with increased competition. Overall, small business loan peer data shows 70 other lenders also operating in this AA. Given the bank's distance from the moderate-income tracts and moderate level of competition, lending in the two moderate-income CTs is considered reasonable.

The bank's performance of lending in the moderate-income CTs is substantially similar to three SSIs that were assessed as having reasonable performance. Overall, the bank's lending performance to the moderate-income geographies is reasonable.

Geographic Distribution of Small Business Loans Assessment Area: Wisconsin Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2021	5.6	0	0.0	0	0.0
2022	4.2	0	0.0	0	0.0
Middle					
2021	55.2	3	30.0	253	12.3
2022	50.2	15	88.2	2,315	61.5
Upper					
2021	39.2	7	70.0	1,804	87.7
2022	45.5	2	11.8	1,448	38.5
Totals					
2021	100.0	10	100.0	2,057	100.0
2022	100.0	17	100.0	3,763	100.0
Source (2021): 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					
Source (2022): 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 individuals of different income levels and businesses of different sizes in the AA. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers compared to aggregate lending and the percentage of small business loans to businesses with GARs of \$1 million or less compared to demographic data.

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

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The following table shows that FMSB's percentage of loans originated to low-income borrowers significantly trailed the demographic in 2021 and 2022. A low-income family in the AA would face challenges in qualifying for a mortgage under conventional underwriting standards, especially considering the median housing value of \$296,000 in Jefferson County and \$220,000 in Dodge County. Further, 2020 U.S. Census data shows a poverty level of 5.8 percent. Families in poverty face increased challenges, as this segment is not typically able to support a traditional mortgage loan. Therefore, the demand and opportunity for lending to low-income families is more limited than the demographic suggests. This assists in explaining the contrast between the 13.3 percent and 14.8 percent of families with a low-income level and the bank's performance, as well as aggregate data. The bank's performance to low-income borrowers in 2021 is reasonable based on comparisons to aggregate data. In 2022, the bank's lending is somewhat skewed to the "Not Available" category, which includes the non-owner occupied housing lending. If this category of loans are removed from the analysis, the bank's performance improves to 8 percent, which exceeds the adjusted aggregate of 5.5 percent.

FMSB's lending to moderate-income borrowers is below the demographic benchmark and aggregate in 2021 and significantly trails in 2022. While the 2022 data is slightly skewed to the "Not Available" income category, an adjusted analysis still shows trailing performance. Specifically, the 2022 percentage of lending to moderate-income individuals increases to 6.9 percent by number of loans, which significantly trails the adjusted aggregate (22.1 percent).

Considering presented demographic information in the table, area housing costs, and competition, the overall distribution of home mortgage loans to individuals of different income levels is reasonable. Reasonable performance to low-income families throughout the review period and to moderate-income families in 2021 mitigates weaker performance to moderate-income borrowers in 2022. The below table reflects the levels of lending to borrowers of different incomes within the bank's Wisconsin Non-MSA AA.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Wisconsin Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	13.3	3.4	2	2.8	153	1.1
2022	14.8	5.0	2	5.6	147	1.7
Moderate						
2021	17.2	16.6	9	12.7	1,226	8.8
2022	15.9	20.2	2	5.6	162	1.9
Middle						
2021	22.5	24.0	25	35.2	5,091	36.6
2022	22.8	26.1	10	27.8	2,282	27.0
Upper						
2021	47.0	43.7	29	40.8	6,285	45.2
2022	46.5	40.2	15	41.7	4,004	47.4
Not Available						
2021	0.0	12.2	6	8.5	1,141	8.2
2022	0.0	8.5	7	19.4	1,856	22.0
Totals						
2021	100.0	100.0	71	100.0	13,896	100.0
2022	100.0	100.0	36	100.0	8,450	100.0
Source (2021): 2015 ACS; Bank Data, 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						
Source (2022): 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

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

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that the loans to businesses with GARs of



\$1 million or less exceeded the presented demographic in 2021, but trailed the demographic in 2022. The level of lending in 2021 reflects excellent penetration of businesses with GARs of \$1 million or less. Despite this decline in 2022 lending activity, there have been no changes to the business strategy, nor the bank's customer base. See below for details.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Assessment Area: Wisconsin Non-MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2021	81.1	9	90.0	1,747	84.9
2022	85.4	10	58.8	817	21.7
<b>&gt;\$1,000,000</b>					
2021	6.5	1	10.0	310	15.1
2022	4.8	7	41.2	2,946	78.3
<b>Revenue Not Available</b>					
2021	12.5	0	0.0	0	0.0
2022	9.8	0	0.0	0	0.0
<b>Totals</b>					
2021	100.0	10	100.0	2,057	100.0
2022	100.0	17	100.0	3,763	100.0
Source (2021): 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					
Source (2022): 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

## **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.