COMMUNITY REINVESTMENT ACT PUBLIC FILE

Updated August 27, 2026

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INTRODUCTION

The Community Reinvestment Act (CRA), enacted in 1977, encourages banks and savings associations to help meet the credit needs of all segments of their local communities, including low- and moderate-income neighborhoods. Congress passed the CRA to address redlining, a discriminatory practice in which financial institutions avoided investing in or lending to neighborhoods based on race or working-class status. The CRA is intended to expand access to affordable credit, small business financing, and homeownership in underserved areas. The documentation in this file is maintained to comply with CRA requirements.

First Southwest Bank is committed to helping meet the credit needs of the communities it serves. Our policy is to support all creditworthy segments of our market, including individuals and families at all income levels. We believe serving creditworthy borrowers is both sound business practice and essential to the long-term vitality and financial success of First Southwest Bank.

This file is intended to provide the public with information about First Southwest Bank's CRA-related services, locations, products, assessment area, and other information required to be made available for public review.

This public file is maintained by the First Southwest Bank Compliance Department. Questions about its contents should be directed by email to:

John Patrick Rosch, CRCM, CAMS
Senior Vice President
Director of Compliance
Bank Secrecy Act and Community Reinvestment Act Officer
john.rosch@fswb.com

BANK INFORMATION

Founded as First National Bank in 1905 and established as First Southwest Bank in 2004, we've served the San Luis Valley and rural Colorado for over 120 years, offering personal and business banking, agricultural and business loans supporting rural people and communities.

FSWB is a locally owned, independent community bank with six Southern Colorado branches in Alamosa, Center, Cortez, Durango, Pagosa Springs, and Saguache. We are proud to be one of two Community Development Financial Institution banks in Colorado, and the only CDFI bank serving the Four Corners states.

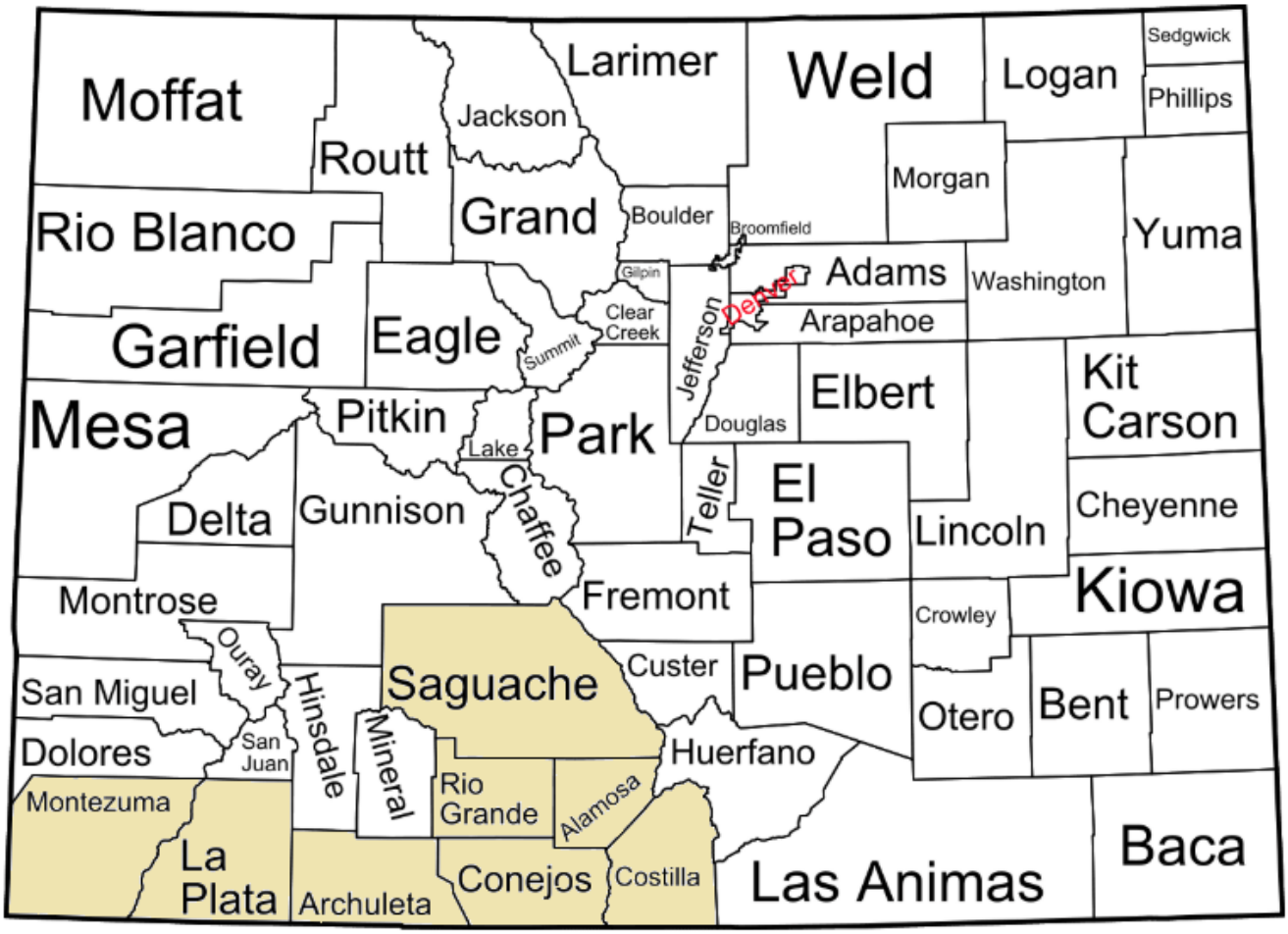
As a CDFI, FSWB is working to improve the social and economic landscape of rural Colorado. We do this, in part, by securing and deploying private and public resources unavailable to other banks. We provide access to capital through low-cost, fixed rate loans for agricultural and small businesses, workforce housing, mortgage and rental assistance, energy efficiency and solar enhancements, educational and healthcare facilities, and other community needs.

BRANCH INFORMATION

Branch and Service Location		Drive Up	ATM (All 24 Hours accessible)	Hours of Operation	Census Track Information
ALAMOSA Serving Alamosa County and the San Luis Valley	720 Main Street Alamosa, Colorado 81101	Yes	In facility and drive-up	8:30 AM-5:00 PM Monday-Friday (Lobby) 8:00AM-5:00PM Monday-Thursday (Drive Up) 8:00AM-6:00PM Friday (Drive Up) 8:30 AM-12:30 PM Saturday (Drive Up)	9602
CENTER Serving Center and the San Luis Valley	2060 East Highway 112 Center, Colorado 81125	Yes	Drive Up	8:30AM-4:30 PM Monday-Friday (Lobby) 8:00AM-5:00 PM Monday-Thursday (Drive Up) 8:00AM-5:30 PM Friday (Drive Up)	9770

CORTEZ Serving Cortez and Montezuma County	1510 East Main Street Cortez, Colorado 81321	Yes	Drive Up	8:30AM-5:00PM Monday-Friday (Lobby) 8:00AM-5:00PM Monday-Thursday (Drive Up) 8:00AM-6:00PM Friday (Drive Up)	9693
DURANGO Serving Durango and La Plata County	600 East 2nd Street Durango, Colorado 81301 ***(Corporate Office)***	Yes	In facility and drive-up	9:00AM-5:30 PM Monday-Friday (Lobby and Drive Up)	9711
PAGOSA SPRINGS Serving Pagosa Springs and Archuleta County	249 Navajo Trail Pagosa Springs, Colorado 81147	Yes	Drive Up	8:30AM-4:30PM Monday-Friday (Lobby) 8:00AM-5:00 PM Monday-Thursday (Drive Up) 8:00AM-6:00PM Friday (Drive Up)	9742
SAGUACHE Serving Saguache and the San Luis Valley	400 East 4th Street Saguache, Colorado 81149	No	In Facility	8:30 AM-4:30 PM Monday-Friday (Lobby) Closed for Lunch 12:30PM-1:30 PM Daily	9777

MAP OF ASSESSMENT AREA



DEPOSIT PRODUCTS

Personal Accounts:

- Checkless Checking (BankOn Certified product)
- Eagle Checking
- Silver Eagle Checking
- Golden Eagle Checking
- Golden Eagle Money Market
- Health Savings Account
- Eagle Savings
- Eagle Youth Savings (Under Age 18)
- Online Banking, E-statements, Bank to Bank Transfer, and Mobile Banking
- Other Services (Outlined in our Banking Services Brochures)

Business Accounts:

- Business Checking
- Business Checking with Interest
- Non-Profit Checking
- Public Funds Accounts
- COLTAF Accounts
- Business Savings
- Cash Management Services
- Online Banking, E-statements, Bank to Bank Transfer, and Mobile Banking
- Other Services (Outlined in our Banking Services Brochures)

Please refer to inclusive Brochures for Details. If you receive this electronically, additional details can be found at www.fswb.bank

CREDIT PRODUCTS

Loans to Consumers

- Overdraft Protection (Line of Credit)
- Automobile Loans – New and Used
- Home Improvement Loans
- Recreational Vehicle Loans – Camper, Travel Trailers, Motor Homes
- Deposit Secured Loans
- Credit Builder Loans
- Consumer Land Loans
- Licensed Motorcycle Loans
- Unsecured Personal Loans
- Land Development Loans for Commercial and Residential Purposes
- Home Equity Loans and Lines of Credit
- Personal Unsecured Credit Line
- Personal Loans
- Energy Efficiency loans (LPEA On-Bill financing)
- Consumer Credit Cards through Elan Credit Services

Loans to Businesses

- Small Business Loans and Lines of Credit
- Small Business Administration Guaranteed Loans
- Farm Loans
- Commercial LoanS
- Industrial Loans
- Commercial/Agriculture Credit Lines
- Commercial and Industrial Real Estate Loans
- Community Development Loans
- Affordable Housing Development Loans
- Energy Efficiency loans (LPEA On-Bill financing)
- Business Credit Cards through Elan Credit Services

Loans to Government Entities

- State, County, and Local Municipalities.

FEE SCHEDULE

FEES AND CHARGES. The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

An overdraft fee of $30.00 will be charged per item for covering overdrafts created by check or draft, in-person withdrawal, ATM withdrawal, or other electronic means.

ACCOUNT ACTIVITY FEES	
Draft Collection	$20.00
Overdraft Fee	$30.00
Returned Item Fee (per presentment for Insufficient Funds)	$30.00
Stop Payment (per request)	$30.00
Chargeback Fee (per presentment for Deposited Items)	$2.00
Redeposited Item Fee (per presentment)	$2.00
Daily Overdraft Fee (per day, after 5 business days overdrawn)	$3.00
Dormant Account Fee (per month, accounts are Dormant if there is no activity for 24 months)	$10.00
Early Account Closure Fee (closed within 90 days of opening)	$25.00
Private Levy / Garnishments (per occurrence)	$50.00
Bond Coupon Redemption (plus Bank cost)	$10.00
ACCOUNT RECONCILIATION/ RESEARCH	
Per Hour	$35.00
Per Copy	$2.00
SPECIAL CHECKS	
Cashier's Check	$5.00
Counter Checks (per sheet)	$1.00
ONLINE BANKING	
Online Bill Pay	$0.00
NOTARY FEES	
Non-Customer	$5.00
Customer	$0.00
STATEMENTS	
Duplicate / Historic	$2.00
Instant / Interim	$2.00
Hold Statement at Bank (per account, per month)	$5.00
Paper Statements (on applicable Account types)	$2.00
OTHER FEES	
Telephone Transfer	$0.00
Foreign Currency (buy for or from customer)	$35.00
DEBIT CARDS	
Debit Card Replacement	$10.00
WIRE TRANSFERS	
Wire Phone/ Fax Notification	$2.00
Wire Transfer Fee**********Incoming	$5.00
Wire Transfer Fee**********Outgoing Domestic	$20.00
Wire Transfer Fee**********Outgoing International	$50.00
ZIPPER BAGS	
With Lock	$25.00
Without Lock (1 free)	$5.00
COMMERCIAL SERVICES	
Remote Deposit Capture (per month)	$10.00
Cash Management Services - Basic	$0.00
Cash Management Services - Essentials (per month)	$10.00
Cash Management Services - Plus (per month)	$25.00

LOAN TO DEPOSIT RATIOS

The following represents the First Southwest Bank Loan-to-Deposit ratios for the preceding 8 quarters as required by 12 CFR 25.43(30)(1).

Financial Quarter Ending	Total Loans	Total Deposits	Loan to Deposit Ratio
6/30/2026	$341,891,000.00	$491,675,000.00	69.54%
3/31/2026	$338,009,000.00	$484,966,000.00	69.70%
12/31/2025	$334,091,000.00	$497,042,000.00	67.22%
9/30/2025	$319,625,000.00	$481,722,000.00	66.35%
6/30/2025	$314,579,000.00	$456,326,000.00	68.94%
3/31/2025	$303,187,000.00	$430,656,000.00	70.40%
12/31/2024	$303,587,831.00	$396,652,023.00	76.54%
9/30/2024	$290,484,445.00	$362,841,480.00	80.06%

PUBLIC DISCLOSURE

May 8, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Southwest Bank
Certificate Number: 57741

720 Main Street
Alamosa, Colorado 81101

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending-related activities), given the bank's size, financial condition, and assessment area credit needs.

- A majority of loans are in the assessment area.

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses and farms of different sizes.

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

The Community Development Test is rated Outstanding.

The intuition's community development (CD) performance demonstrates excellent responsiveness to CD needs in its assessment area through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's assessment area.

DESCRIPTION OF INSTITUTION

First Southwest Bank (FSWB) maintains its headquarters in Alamosa, Colorado. First Southwest Bancorporation, Inc., a one-bank holding company also located in Alamosa, wholly owns the bank. The institution received a Satisfactory rating at its July 20, 2020 FDIC Performance Evaluation based on Small Bank Procedures. No activities under the recently developed HelloBello Financial, L.L.C. affiliate were requested to be considered for this CRA evaluation.

The bank functions as a retail bank operating from its main office and five full service branch offices located in southwestern Colorado. Since the previous evaluation, the bank did not open or close any branches or participate in any merger or acquisition activity.

The bank offers various loan products including commercial, agricultural, and consumer loans, primarily focusing on commercial and agricultural lending. The institution also offered loans through the Small Business Administration (SBA) Paycheck Protection Program (PPP) and originated 768 PPP loans totaling approximately $41.8 million during the evaluation period. The SBA, with support from the Department of the Treasury, implemented the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA to retain employees through the COVID-19 pandemic. The program includes loan forgiveness subject to certain conditions.

FSWB also offers a variety of deposit products and services such as checking, savings, certificate of deposit, health savings, and individual retirement accounts. In addition, on April 25, 2023, FSWB introduced *Checkless Checking*, a certified National *BankOn* product. Alternative banking services include online banking, bill pay, mobile banking, and automated teller machines. The branches maintain office hours typical for the industry and areas served, including extended weekday and Saturday drive-thru hours at some locations.

The bank received the designation as a Community Development Financial Institution (CDFI) on October 18, 2014. Of the 20 total CDFIs in Colorado, FSWB represents one of only two that are banks. CDFIs have a primary mission of promoting community development, predominantly serving and maintaining accountability to eligible target markets, being a financing entity, providing development services, and being neither a government entity nor controlled by a government entity. FSWB was awarded nearly $5 million in grant funding from the U.S. Department of the Treasury's CDFI Fund in April 2023. CDFI Fund has awarded over $1.73 billion in grants to 604 CDFIs across the country through the CDFI Equitable Recovery Program (ERP). The funds help strengthen the ability of CDFIs to assist low- and moderate-income communities recover from the COVID-19 pandemic and invest in long-term prosperity.

As of March 31, 2023, the institution's assets totaled approximately $518.9 million, total loans equaled $367.2 million, and total deposits equaled $364.8 million. Since the prior evaluation, total assets increased by 36.2 percent, total loans increased by 2.2 percent, and total deposits increased by 10.4 percent. The following table illustrates the outstanding loan portfolio as of March 31, 2023, reflecting a distribution supportive of the institution's business focus, with commercial loans representing the largest portion of the loan portfolio.

Loan Portfolio Distribution as of 3/31/2023		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	8,007	2.9
Secured by Farmland	41,245	15.1
Secured by 1-4 Family Residential Properties	27,729	10.2
Secured by Multifamily (5 or more) Residential Properties	13	0.0
Secured by Nonfarm Nonresidential Properties	141,834	52.1
Total Real Estate Loans	**218,828**	**80.3**
Commercial and Industrial Loans	28,898	10.6
Agricultural Production and Other Loans to Farmers	15,054	5.5
Consumer Loans	7,501	2.8
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	1,001	0.4
Lease Financing Receivable (net of unearned income)	1,731	0.6
Less: Unearned Income	(534)	(0.2)
Total Loans	**272,479**	**100.0**
Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0.		

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

DESCRIPTION OF ASSESSMENT AREA

FSWB designated one Non-Metropolitan Statistical Area (Non-MSA) assessment area. The area consists of the following eight counties in southern Colorado: Alamosa, Archuleta, Conejos, Costilla, La Plata, Montezuma, Rio Grande, and Saguache. Portions of Montezuma, La Plata, and Archuleta counties include Indian reservations. The assessment area meets the technical requirements of the CRA.

Based on 2020 U.S. Census Data, the assessment area contains 40 census tracts with the following income designations: 13 moderate-, 20 middle- and upper-income tracts. Previously, the 2015 American Community Survey (ACS) data reflected 10 moderate-, 17 middle-, and 7 upper-income census tracts. The bank did not make any changes to the assessment area since the prior evaluation, but changes occurred to the area's census tracts as a result of the 2020 U.S. Census, which resulted in six new census tracts in the assessment area. In addition, 10 of the 20 middle-income census tracts received the underserved designation in 2022.

Economic and Demographic Data

The following table illustrates select demographic, housing, and business information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	40	0.0	32.5	50.0	17.5	0.0
Population by Geography	140,089	0.0	29.6	46.7	23.6	0.0
Housing Units by Geography	73,221	0.0	30.0	47.3	22.7	0.0
Owner-Occupied Units by Geography	39,359	0.0	28.2	50.1	21.7	0.0
Occupied Rental Units by Geography	16,890	0.0	36.3	39.3	24.4	0.0
Vacant Units by Geography	16,972	0.0	28.2	48.7	23.1	0.0
Businesses by Geography	25,631	0.0	21.5	42.7	35.9	0.0
Farms by Geography	1,564	0.0	26.4	57.4	16.2	0.0
Family Distribution by Income Level	35,466	23.2	18.6	20.1	38.2	0.0
Household Distribution by Income Level	56,249	27.3	18.2	17.0	37.5	0.0
Median Family Income – CO Non-MSAs	$72,390		Median Housing Value			$296,740
			Median Gross Rent			$916
			Families Below Poverty Level			8.5%

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 institution's assessment area contains some of the poorest cities in the state. According to ACS data, Alamosa ranked first and Cortez ranked seventh among the top ten poorest areas in Colorado. Data from the March 2023 Colorado Economic & Revenue Forecast also supports this fact. Among the nine economic regions identified in the forecast, the San Luis Valley (comprised of Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties) was named as the state's smallest population and its lowest household incomes.

Nearly the entire assessment area is located within designated Enterprise Zones (EZs). Currently, all of Alamosa, Conejos, Costilla, Montezuma, Rio Grande, and Saguache counties as well as sections of La Plata and Archuleta counties are designated EZ areas. The Colorado legislature created the EZ Program to encourage development in economically distressed areas of the state. The state's 16 designated enterprise zones have high unemployment rates, low per capita income, or slow population growth. All eight counties in the assessment area have also been designated as Enhanced Rural Enterprise Zones (EREZ). The EREZ program provides greater financial incentives to businesses to promote and encourage new job creation in designated economically lagging rural EZ counties.

According to the March 2023 Colorado Economic & Revenue Forecast report, the San Luis Valley's economy is largely agriculture driven. In addition, with 20 percent of its population aged 65 and over, compared to 16 percent statewide, the San Luis Valley economy faces labor force challenges, as well as shifting demands for housing, health care, and other services associated with an aging population. According to the Colorado Office of Economic Development and International Trade, the area's largest employers include San Luis Valley Rural Electric

Cooperative, San Luis Valley Health, Xcel Energy, San Luis and Rio Grande Railroad, and Creede Repertory Theatre.

Competition

The assessment area hosts a moderately competitive financial services market. According to FDIC Deposit Market Share data as of June 30, 2022, 18 financial institutions operate 54 offices in the assessment area. Of these institutions, FSWB ranked fourth with approximately 8.1 percent of area deposits.

Community Contact

As part of the evaluation process, examiners evaluate information from third parties active in the assessment area to assist in identifying credit and community needs. This information helps determine financial institutions' responsiveness to these needs and shows available credit opportunities.

Examiners reviewed an existing community contact with an economic development organization serving the assessment area. The organization works in concert with many of the area's local financial institutions to assist businesses with obtaining financing. The contact expressed that many of the local lenders in the area are active in commercial lending, especially to small businesses. However, the contact indicated that the primary credit need remains affordable housing, which proves difficult due to the shortage in housing supply and the limited construction industry.

Credit and Community Development Needs and Opportunities

Considering information from bank management, community contact, and demographic and economic data, examiners determined that small business and agricultural lending represent primary credit needs for the assessment area. With respect to the area's CD needs, several types of needs exist. The demographic data shows that 38.7 percent of the area's families reported low- or moderate-incomes, which suggests a need for activities that provide community services to these families. The demographic data showing 32.5 percent of the assessment areas census tracts considered moderate-income as well as the presence of EZs and underserved middle-income census tracts suggests a strong demand for activities that both revitalize and stabilize qualifying geographies as well as promote economic development. Community contact comments also suggest a need for affordable housing. Despite the stated needs, given the less populated and more rural nature of the area as well as economic challenges, fewer and less readily available opportunities exist to meet such needs.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 20, 2020, to the current evaluation dated May 20, 2023. Examiners used Intermediate Small Bank Procedures to evaluate FSWB's CRA performance. These procedures include two tests: the Lending Test and the Community Development Test. The appendix lists each tests' criteria.

Activities Reviewed

Intermediate Small Bank Procedures require examiners to determine the bank's major product lines from which to review. Examiners may select from the same loan categories used for Large Bank evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the bank's lending activity for 2022.

Loans Originated or Purchased				
Loan Category	**$(000s)**	**%**	**#**	**%**
Construction and Land Development	7,327	5.7	22	3.2
Secured by Farmland	12,832	10.0	25	3.6
Secured by 1-4 Family Residential Properties	11,848	9.2	48	7.0
Multi-Family (5 or more) Residential Properties	111	0.1	1	0.1
Commercial Real Estate Loans	57,467	44.7	56	8.1
Commercial and Industrial Loans	16,943	13.2	150	21.8
Agricultural Loans	14,973	11.6	100	14.5
Consumer Loans	4,338	3.4	285	41.4
Other Loans	2,680	2.1	2	0.3
Total Loans	**128,519**	**100.0**	**689**	**100.0**
Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.				

Considering management's stated business strategy, loan composition, and number and dollar volume of loans originated, examiners determined that FSWB's major product lines include commercial and agricultural loans. No other loans types, including home mortgage or consumer loans, represent major product lines and thus would not materially affect ratings or conclusions. Therefore, this evaluation does not include a review of them. Bank records indicate that while the bank's overall lending increased since the previous evaluation, the lending focus and product mix remained relatively stable.

For the Lending Test, examiners analyzed a sample of 51 small business loans totaling $10.4 million taken from a universe of 189 small business loans totaling $33.0 million originated or purchased in calendar year 2022, the most recent full calendar year of available data. Examiners also analyzed a sample of 47 small farm loans totaling $7.2 million taken from a universe of 109 small farm loans totaling $15.4 million originated or purchased in the same timeframe. Examiners used 2022 D&B data as the standard of comparison for lending performance.

Examiners considered the universe of small business and small farm loans when determining loan product weighting. The following table shows that small business loans represent a majority by both number and dollar volume of the loan categories reviewed. Therefore, small business loans received more weight when arriving at overall conclusions.

Loan Products Reviewed				
Loan Category	**Universe**			
	#	**%**	**$(000s)**	**%**
Small Business	189	63.4	33,021	68.2
Small Farm	109	36.7	15,403	31.8
Total	**298**	**100.0**	**48,424**	**100.0**
Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.				

While this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans when arriving at conclusions for the performance factors because the number of loans better indicates the number of businesses and farms served.

For the Community Development Test, bank management provided data on CD loans, QIs, and CD services since the previous CRA evaluation. The evaluation of QIs includes the book value of prior period investments still outstanding as of the date of this evaluation. Examiners evaluated the CD activity quantitatively based on the financial capacity of the institution as well as qualitatively based on responsiveness and the institution's ability and capacity to meet assessment area needs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FSWB demonstrated satisfactory performance regarding the Lending Test. Reasonable records regarding the loan-to-deposit ratio, geographic distribution, and borrower profile as well as a majority of loans originated in the assessment area support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The institution recorded an average net loan-to-deposit ratio of 64.0 percent since the prior evaluation, decreasing from the 80.1 percent reflected at the prior evaluation. The ratio fluctuated over the evaluation period, ranging from a low of 52.9 percent on March 31, 2022, to a high of 76.1 on September 30, 2020.

Examiners did not identify any similarly situated institutions in the assessment area. However, examiners identified three comparable institutions based on asset size, lending emphasis, and branching network located outside the assessment area. As illustrated, FSWB's average net loan-to-deposit ratio reflects similar performance to comparable institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 3/31/2023 ($000s)**	**Average Net LTD Ratio (%)**
First Southwest Bank, Alamosa, Colorado	**518,898**	**64.0**
First National Bank Colorado, Las Animas, Colorado	554,922	61.2
The Pueblo Bank and Trust, Pueblo, Colorado	615,042	79.7
Mountain Valley Bank, Walden, Colorado	510,650	65.2
Source: Reports of Condition and Income 9/30/2020 - 3/31/2023.		

Assessment Area Concentration

A majority of loans are in the institution's assessment area. The following table shows the bank originated a majority of small business loans and a substantial majority of small farm loans, by number and dollar volume, within the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total #**	**Dollars Amount of Loans $(000s)**				**Total $(000s)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Small Business	45	88.2	6	11.8	51	8,156	78.3	2,267	21.7	10,423
Small Farm	44	93.6	3	6.4	47	7,004	97.1	207	2.9	7,211
Source: 2022 Bank Data. Due to rounding, totals may not equal 100.0.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. A reasonable record regarding small business loans outweighs an excellent record regarding small farm loans to support this conclusion. Examiners focused on lending in moderate-income census tracts since the assessment area does not contain any low-income census tracts.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As the following table shows, the institution's performance in moderate-income census tracts rises 7.4 percentage points above the demographic data, which reflects reasonable performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low	0.0	0	0.0	0	0.0
Moderate	21.5	13	28.9	2,002	24.6
Middle	42.7	25	55.6	3,509	43.0
Upper	35.9	7	15.5	2,645	32.4
Total	**100.0**	**45**	**100.0**	**8,156**	**100.0**
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.					

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion throughout the assessment area. As seen in the following table, the institution's lending performance in moderate-income census tracts substantially exceeds demographic data by 19.0 percentage points, reflecting excellent performance.

Geographic Distribution of Small Farm Loans					
Tract Income Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
Low	0.0	0	0.0	0	0.0
Moderate	26.4	20	45.4	2,214	31.6
Middle	57.4	24	54.6	4,790	68.4
Upper	16.2	0	0.0	0	0.0
Total	**100.0**	**44**	**100.0**	**7,004**	**100.0**
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses and farms of different sizes. A reasonable record regarding small business loans outweighs an excellent record regarding small farm loans to support this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. Reasonable performance to businesses with gross annual revenue of $1 million or less supports this conclusion. The following table shows the bank originated more than seven out of every ten small business loans to businesses with gross annual revenue of $1 million or less, reflecting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
< $100,000	72.4	11	24.4	2,016	24.7
$100,000 - $249,999	14.7	10	22.2	1,642	20.1
$250,000 - $499,999	3.5	6	13.3	693	8.5
$500,000 - $1,000,000	1.8	**7**	15.6	1,270	15.6
Subtotal ≤ $1,000,000	**92.4**	**34**	**75.5**	**5,621**	**68.9**
> $1,000,000	2.1	10	22.2	2,451	30.0
Revenue Not Available	5.5	1	2.2	84	1.0
Total	**100.0**	**45**	**100.0**	**8,156**	**100.0**
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.					

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different sizes. The following table shows the bank's level of lending more than eight out of every ten small farm loans to farms with gross annual revenue of $1 million or less reflects excellent performance. Additionally, the table shows the institution originated a majority of the sampled small farm loans to farms with gross annual revenue in the two smallest revenue categories, further supporting excellent performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
< $100,000	77.6	10	22.7	1,200	17.1
$100,000 - $249,999	14.4	13	29.5	992	14.2
$250,000 - $499,999	4.2	3	6.9	322	4.6
$500,000 - $1,000,000	1.3	12	27.3	3,235	46.2
Subtotal ≤ $1,000,000	**97.5**	**38**	**86.4**	**5,749**	**82.1**
> $1,000,000	1.3	4	9.1	1,075	15.4
Revenue Not Available	1.2	2	4.5	180	2.6
Total	**100.0**	**44**	**100.0**	**7,004**	**100.0**
Source: 2022 D&B Data; 2022 Bank Data. Due to rounding, totals may not equal 100.0.					

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

FSWB demonstrated excellent responsiveness to CD needs in its assessment area through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of opportunities for CD in the institution's assessment area.

Community Development Loans

FSWB originated 31 CD loans totaling $22.0 million in the assessment area during the evaluation period. The dollar amount equates to 4.9 percent of average total assets of $450.3 million since the previous evaluation and 9.3 percent of average net loans of $235.8 million for the same period.

The excellent volume of CD loans also proved highly responsive to the area's CD needs considering that the bank addressed a broad range of identified needs. Examiners noted a majority of lending activities supported affordable housing, which reflects an significant identified need in the assessment area. The activities also proved responsive to an identified need of community services and included loans resulting from FSWB's equity equivalent investment (EQ2) in a local CDFI. The following tables illustrate the bank's CD loans by purpose and year.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2020 (partial)	10	136	0	0	0	0	0	0	**10**	**136**
2021	8	346	0	0	2	429	1	500	**11**	**1,275**
2022	5	12,888	3	5,517	1	100	1	2,100	**10**	**20,605**
2023 YTD	0	0	0	0	0	0	0	0	**0**	**0**
Total	**23**	**13,370**	**3**	**5,517**	**3**	**529**	**2**	**2,600**	**31**	**22,016**
Source: Bank Data.										

The following lists notable examples of CD loans:

- ***Affordable Housing*** **–** FSWB originated a $5.1 million loan to a residential owned cooperative uniquely structured to retain and maintain the largest mobile home park in the area. This cooperative was formed by residents of the mobile home park with the purpose of obtaining a loan that would allow them to purchase the land and retain its use. This mobile home park represents an essential source of affordable housing primarily for low- or moderate-income individuals.

- ***Affordable Housing*** **–** FSWB originated a $500,000 loan to a local CDFI to fund the purchase of a mobile home park to provide a source of affordable housing to low- and moderate-income residents of southwestern Colorado. In addition, 19 loans totaling $471,609 were extended through this same CDFI through the bank's EQ2 investment. These loans provided down payment assistance and a program providing financing to individuals purchasing difficult to finance manufactured homes.

Qualified Investments

The following table shows the bank made use of 14 QIs totaling approximately $1.5 million. The total dollar amount of QIs equates to 0.3 percent of average total assets since the prior evaluation and 1.0 percent of average total securities of $149.0 million for the same time period.

Because the bank adequately addressed the CD needs of its assessment area, the total also includes one QI benefitting the statewide area. As the following tables demonstrate, FSWB proved adequately responsive to CD needs through a variety of purposes, including two EQ2 investments supporting affordable housing needs in the assessment area. These efforts demonstrate the bank's responsiveness to an identified CD need. The following tables illustrate the bank's QIs by area, purpose, and year.

Qualified Investments										
Assessment Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Alamosa Non-MSA	3	481	9	12	1	2	0	0	**13**	**495**
Statewide activities	0	0	1	1,000	0	0	0	0	**1**	**1,000**
Total	**3**	**481**	**10**	**1,012**	**1**	**2**	**0**	**0**	**14**	**1,495**
Source: Bank Data.										

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	1	233	0	0	0	0	0	0	**1**	**233**
2020 (Partial)	1	246	0	0	0	0	0	0	**1**	**246**
2021	0	0	1	1,000	0	0	0	0	**1**	**1,000**
2022	0	0	0	0	0	0	0	0	**0**	**0**
2023 YTD	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Subtotal	**2**	**479**	**1**	**1,000**	**0**	**0**	**0**	**0**	**3**	**1,479**
Qualified Grants & Donations	1	2	9	12	1	2	0	0	**11**	**16**
Total	**3**	**481**	**10**	**1,012**	**1**	**2**	**0**	**0**	**14**	**1,495**
Source: Bank Data.										

The following lists notable examples of the bank's QIs:

- ***Affordable Housing*** – The bank made two EQ2 investments totaling approximately $479,000 in a local CDFI organization that utilizes the funds to offer down payment assistance to low- and moderate-income individuals as well as a program providing financing to individuals purchasing difficult to finance manufactured homes.

- ***Community Services –*** The bank invested in a public school bond totaling $1 million in southern Colorado. The proceeds help to improve, repair, and construct school facilities within the district. The majority of children in this district located in the broader statewide area qualify for free or reduced lunch programs, and as result, this activity primarily benefits low- and moderate-income individuals.

Community Development Services

FSWB's employees provided 61 CD services to 17 organizations in the assessment area during the evaluation period. The services involve the institution's personnel serving as board or committee members in specialized expertise capacities, as well as use of their financial and technical expertise to benefit organizations or projects with a primary purpose of CD. The adequate level of service activities was enhanced by excellent responsiveness to identified assessment area needs, particularly with respect to qualitative considerations and performance context. The CD services addressed a variety of CD needs, but primarily focused on economic development, a significant identified need in the assessment area.

The following table illustrates the CD services by purpose and year.

Community Development Services					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2020 (Partial)	2	2	7	0	**11**
2021	3	2	15	1	**21**
2022	3	4	7	0	**14**
2023 YTD	3	3	8	1	**15**
Total	**11**	**11**	**37**	**2**	**61**
Source: Bank Data.					

The following lists notable examples of the bank's CD services:

- ***Economic Development*** – A bank officer serves as the President of the Board of the national trade association of the community development bank sector for CDFIs. Community development banks are certified CDFIs. This certification, administered by the U.S. Treasury Department's CDFI Fund, indicates the bank devoted at least 60 percent of its total lending, services, and other activities to benefit low-income communities.

- ***Economic Development*** – A bank officer serves as a member of the Loan Committee of an organization designed to give access to funding and education for women entrepreneurs and small businesses in rural Colorado through loans and technical assistance.

- ***Community Service*** - A bank officer serves as a Board member for a state office focused on developing strategies to support local communities to help grow financial resilience and well-being of the most economically vulnerable communities. Specially, the office works on developing strategies that would benefit the unbanked through FDIC's *BankOn* program.

The bank's branch and ATM distribution further enhances accessibility to low- or moderate-income individuals and geographies as well as underserved middle-income geographies within the assessment area. The bank operates two branches and two ATMs in moderate-income census tracts. In addition, two branches and one ATM are in underserved middle-income census tracts. Additional alternative delivery systems that help avail services to low- and moderate-income individuals and geographies include internet banking, bill pay, and mobile banking. The bank also offers surcharge-free ATM services through Allpoint.

FSWB also offers *Checkless Checking*, a certified National *BankOn* product offering no minimum balance requirements, no monthly service charges, and waived overdraft/return item charges, among other features. The bank also developed a Rental Assistance Loan Program to assist renters through financing of their initial deposit. During the evaluation period, the bank originated 17 loans totaling $62,988 under this program.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The institution's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

(1) Has as its primary purpose community development; and

(2) Except in the case of a wholesale or limited purpose institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and

(ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

(1) Has as its primary purpose community development;

(2) Is related to the provision of financial services; and

(3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.