

Community Reinvestment Act Notice

Under the Community Reinvestment Act (CRA), the Federal Deposit Insurance Company (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 performance under CRA. You may review today: the public section of our most recent CRA Evaluation, prepared by the FDIC; a list of banking services, including hours of operation and transaction fees; a map showing the assessment area containing this bank; copies of all written comments received by us that specifically relate to our CRA performance in this assessment area; and any responses we have made to those comments. You may also access the CRA Public File on the internet at www.yalebankiowa.com.

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, Federal Deposit Insurance Corporation, 1100 Walnut Street Suite 2100 Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs Heather Deardorff of Farmers State Bank, PO Box 110, Yale, IA 50277 and FDIC Regional Director. You may also submit comments electronically through the FDIC's website at 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. We are an affiliate of Yale Bancorporation, a bank holding company. You may request from the Federal Reserve Bank of Chicago, PO Box 834, Chicago Illinois 60690, an announcement of applications covered by the CRA filed by bank holding companies.

PUBLIC DISCLOSURE

September 23, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers State Bank
Certificate Number: 9106

201 Main Street
Yale, Iowa 50277

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Farmers State Bank's (FSB) satisfactory Community Reinvestment Act (CRA) performance under Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area.
- A majority of loans were made within the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects a reasonable penetration of loans among farms and businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the CRA rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated January 15, 2014, to the current evaluation. Examiners used Interagency Small Institution Examination Procedures to evaluate FSB's CRA performance.

The following performance criteria were considered under the Lending Test:

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The evaluation does not include any lending activity performed by affiliates.

Loan Products Reviewed

Agricultural loans, including loans secured by farmland, make up the largest loan category representing 56.6 percent of total loans according to the June 30, 2019 Consolidated Reports of Condition and Income (Call Report). Residential real estate loans, including multi-family properties, are the bank's second largest loan category, representing 20.0 percent of total loans. The third most significant category consists of commercial loans, including commercial real estate loans, representing 16.7 percent of total loans. The remaining loan categories that comprise the loan portfolio were not reviewed because they are not major product lines of the bank.

Based on Call Report information, the number and dollar volume of loans originated during the evaluation period, and the bank's business strategy, examiners determined that the major product lines are small farm, small business, and home mortgage loans. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. Therefore, examiners reviewed all small farm, small business, and home mortgage loans originated from January 1, 2018, through December 31, 2018. The bank originated 78 small farm loans totaling approximately \$4.9 million, 43 small business loans totaling approximately \$1.6 million, and 19 home mortgage loans totaling approximately \$1.9 million. For the Lending Test, examiners reviewed the entire universe of 2018 loans to evaluate the Assessment Area Concentration criterion. Additionally, examiners reviewed all loans inside the bank's assessment area to evaluate the Geographic Distribution and Borrower Profile criteria.

When considering loan portfolio percentages, lending activity during the evaluation period, and business focus, the bank's small farm lending performance received the most weight, followed equally by small business and home mortgage lending.

When arriving at small farm and small business lending conclusions, 2018 D&B data provided a standard of comparison. When arriving at home mortgage lending conclusions, 2015 American Community Survey (ACS) data provided a standard of comparison. Examiners obtained the data necessary for this evaluation from the bank's automated loan download, individual customer loan files, and bank management.

DESCRIPTION OF INSTITUTION

Background

FSB is a commercial bank operating from one office in Yale, Iowa. The institution is wholly owned by Yale Bancorporation, Yale, Iowa, a one-bank holding company. Examiners rated the bank's CRA performance Satisfactory at the previous FDIC Performance Evaluation dated January 15, 2014, using Interagency Small Institution Examination Procedures.

Operations

FSB's primary lending focus continues to be agricultural, commercial, real estate, and consumer loans. FSB continues to offer home mortgage loans via in-house and referrals to Iowa Bankers Mortgage Corporation based on customer preference. The bank offers a wide array of deposit products to meet consumer and business banking needs including checking, savings, and certificates of deposit accounts. Internet banking, electronic periodic statements, and mobile banking are offered. FSB continues to operate a full-service automated teller machine at its sole office. No branches have opened or closed since the previous evaluation.

Ability and Capacity

Assets totaled approximately \$49.7 million as of June 30, 2019, representing an increase of 8.2 percent since the September 30, 2013 Call Report. Total deposits equaled approximately \$43.4 million, demonstrating a 9.1 percent increase, and total loans were approximately \$29.2 million, representing a 9.4 percent increase during the same period. Specifically, other loans (predominantly municipal loans) increased by 25.0 percent, agricultural loans increased by 17.0 percent, commercial loans increased by 11.9 percent, residential real estate loans decreased by 6.9 percent, and consumer loans increased by 0.2 percent. Management attributed the changes in the loan portfolio to normal loan growth in agricultural loans, changes in participations for municipal loans, and competition for home loans. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 6/30/2019		
Loan Category	\$(000s)	%
Construction and Land Development	-	0.0
Secured by Farmland	6,913	23.6
1-4 Family Residential	5,838	20.0
Multi-family (5 or more) Residential	-	0.0
Commercial Real Estate	2,124	7.3
Total Real Estate Loans	14,875	50.9
Commercial and Industrial	2,739	9.4
Agricultural	9,664	33.0
Consumer	1,203	4.1
Obligations of States and Political Subdivisions in the United States	520	1.8
Other Loans	234	0.8
Lease Financing Receivables (net of unearned income)	-	0.0
Less: Unearned Income	-	(0.0)
Total Loans	29,235	100.0
<i>Source: Call Report</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. FSB has designated one contiguous assessment area in the Des Moines – West Des Moines, Iowa Metropolitan Statistical Area (MSA) that includes the east half of Guthrie County (census tracts 9501 and 9503) and the northwest corner of Dallas County (census tract 505). The bank's sole branch is located in Guthrie County (census tract 9501). The assessment area has not changed since the previous evaluation. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

Based on the 2015 ACS data, the census tracts in Guthrie County (9501 and 9503) are moderate-income and the census tract in Dallas County (505) is middle-income. U.S. Census data from 2010 was used at the prior evaluation and designated census tract 9501 as middle-income. No other census tract designations changed with the advent of 2015 ACS data. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	66.7	33.3	0.0	0.0
Population by Geography	10,526	0.0	81.2	18.8	0.0	0.0
Housing Units by Geography	5,585	0.0	83.7	16.3	0.0	0.0
Owner-Occupied Units by Geography	3,592	0.0	81.2	18.8	0.0	0.0
Occupied Rental Units by Geography	803	0.0	85.3	14.7	0.0	0.0
Vacant Units by Geography	1,190	0.0	90.2	9.8	0.0	0.0
Businesses by Geography	1,006	0.0	85.3	14.7	0.0	0.0
Farms by Geography	213	0.0	64.3	35.7	0.0	0.0
Family Distribution by Income Level	2,958	23.0	24.1	21.9	31.0	0.0
Household Distribution by Income Level	4,395	26.0	21.7	18.4	33.8	0.0
Median Family Income MSA - 19780 Des Moines-West Des Moines, IA MSA		\$76,385	Median Housing Value			\$127,514
			Median Gross Rent			\$619
			Families Below Poverty Level			7.2%
Source: 2015 ACS Census and 2018 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.						

A comparison of 2012 and 2017 Census of Agriculture data reveals that the number of farms decreased by 8.0 and 3.0 percent for Dallas and Guthrie counties respectively. Additionally, the average size of farms increased by 4.0 and 5.0 percent in Dallas and Guthrie counties, respectively. During the same period, the state of Iowa reported a 2.9 percent decrease in the number of farms and a 2.9 percent increase in the average size of farms.

According to 2018 D&B data, service industries represent the largest portion of farm and business operations at 35.4 percent; followed by agriculture, forestry, and fishing at 17.5 percent; retail trade industries at 10.0 percent; and construction at 8.8 percent. In addition, 78.8 percent of assessment area farms and businesses have four or fewer employees, and 91.5 percent operate from a single location.

The Federal Financial Institutions Examination Council-updated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the 2018 Des Moines-West Des Moines, Iowa MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Des Moines-West Des Moines, IA MSA Median Family Income (19780)				
2018 (\$79,600)	<\$39,800	\$39,800 to <\$63,680	\$63,680 to <\$95,520	≥\$95,520
<i>Source: FFIEC</i>				

The assessment area's unemployment rate is relatively low, reflecting a stable economy. Specifically, according to unemployment rates reported by Iowa Workforce Development, as of July 2019, Dallas and Guthrie counties had unemployment rates of 2.0 and 2.5 percent, respectively. This level represents an increase from unemployment rates of 1.7 and 2.2 percent, respectively, in July 2018. The state of Iowa had an unemployment rate of 2.7 percent in July 2019, which is an increase from the 2.4 percent rate reported one year ago.

Competition

The assessment area is considered highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2018, there were 28 insured institutions operating from 47 locations within Dallas and Guthrie counties. These institutions range from small community banks to larger financial institutions operating branch locations in the area. FSB is ranked 13th with 2.5 percent of the deposit market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help identify credit and community development needs. This information assists examiners in determining whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. In conjunction with this evaluation, examiners referenced a recent interview made by two community representatives familiar with the counties that make up the assessment area.

A contact from an agriculturally-focused organization stated that the overall agricultural economy is stable, but crop prices are low and farmers are storing crops, hoping prices will rise. While some crop farms are well-managed with competitively-marketed crops, many small farmers do not have this expertise and may face financial trouble. Additionally, the higher living and input costs have affected many small crop farms, with some farmers needing other sources of income to make ends meet. The contact stated that financially troubled farmers, especially those who don't own the land being farmed, experience difficulty in obtaining credit. Many seek alternative financing options, such as seed implement dealers. The contact indicated that livestock farmers are seeing stable profits. Overall, the contact felt there is a need for small farm lines of credit and price marketing education.

The second contact, from an organization familiar with commercial activity and the housing market, stated the population in Guthrie County is split between working locally and commuting to Des Moines and West Des Moines for work. New housing developments are being constructed in Guthrie County, but they may be prohibitively expensive for the majority of

residents that the contact interacts with. The contact mentioned loan programs that offer 100 percent financing are a necessity for many people. These loan programs often exclude older, more affordable homes due to condition or the low house value. Overall, the contact stated there is a need for more grant-like or financing programs to help purchase and/or renovate older homes.

Considering the information from the community contacts, bank management, and demographic and economic data, examiners determined that small farm operating lines and home mortgage loans are credit needs for this area, and to a lesser extent, small business loans.

CONCLUSIONS ON PERFORMANCE CRITERIA INSTITUTION

LENDING TEST

FSB demonstrated reasonable performance under the Lending Test. The performance under the following factors supports this conclusion.

Loan-to-Deposit Ratio

FSB's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's net loan-to-deposit ratio, calculated from Call Report data, averaged 64.7 percent over the past 22 calendar quarters from March 31, 2014, to June 30, 2019. The net loan-to-deposit ratio ranged from a low of 59.8 percent as of March 31, 2014, to a high of 71.3 percent as of September 30, 2018. Management stated that the bank has seasonal fluctuations due to agricultural customers.

Examiners compared the bank's average net loan-to-deposit ratio to three similarly situated institutions to help evaluate its reasonableness. Similarly situated institutions were selected based on their size, geographic location, and lending focus. FSB's average net loan-to-deposit ratio is similar to these institutions. See the following table.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2019 \$ (000s)	Average Net Loan-to-Deposit Ratio (%)
FSB, Yale, Iowa	49,742	64.7
Guthrie County State Bank, Panora, Iowa	116,501	82.1
Panora State Bank, Panora, Iowa	69,763	47.8
First State Bank, Stuart, Iowa	102,710	61.5
<i>Source: Reports of Condition and Income 3/31/14 through 6/30/19</i>		

Assessment Area Concentration

The bank made a majority of its small farm and small business loans, by number and dollar volume, and a majority of home mortgage loans, by number volume, within its assessment area. These results reflect management's commitment to lend within the local communities. In response to the home mortgage loans originated outside of the assessment area, management provided examiners with the following information and documentation: four of the nine loans, totaling \$176,570, are for investment properties; seven of the nine loans, totaling \$540,170, are to borrowers originally from the assessment area who have a long history with the bank; and eight of the nine loans, totaling \$738,766, were made in census tracts adjacent to the assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	29	67.4	14	32.6	43	814	51.0	781	49.0	1,595
Small Farm	64	82.1	14	17.9	78	3,719	75.2	1,227	24.8	4,946
Home Mortgage	10	52.6	9	47.4	19	923	47.8	1,009	52.2	1,932
Source: 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0										

Geographic Distribution

Overall, the geographic distribution of small farm, small business, and home mortgage loans reflects excellent dispersion. Examiners focused on the percentage by number of loans in the moderate-income census tracts. Only loans originated inside the assessment area were analyzed.

Small Farm Loans

The geographic distribution of small farm loans within the assessment area reflects excellent dispersion. The following table shows that the bank's performance in the moderate-income census tracts exceeds demographic data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	64.3	54	84.4	2,951	79.3
Middle	35.7	10	15.6	768	20.7
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	64	100.0	3,719	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data</i> <i>Due to rounding, totals may not equal 100.0</i>					

Small Business Loans

The geographic distribution of small business loans within the assessment area reflects excellent dispersion. The following table shows that the bank's performance in the moderate-income census tracts exceeds demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	85.3	27	93.1	795	97.7
Middle	14.7	2	6.9	19	2.3
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	29	100.0	814	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. The following table shows that the bank's performance in the moderate-income census tracts exceeds demographic data.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	81.2	9	90.0	848	91.9
Middle	18.8	1	10.0	75	8.1
Upper	0.0	0	0.0	0	0.0
Not Available	0.0	0	0.0	0	0.0
Total	100.0	10	100.0	923	100.0
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>					

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. While the bank's small business performance was excellent, the bank's reasonable small farm and home mortgage lending performance is the primary driver for this conclusion. Examiners focused on the percentage, by number, of small farm and small business loans to operations with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income borrowers. Only loans originated inside the assessment areas were analyzed.

Small Farm Loans

The distribution of small farm borrowers reflects reasonable penetration of loans to farms with gross annual revenues of \$1 million or less as the bank's performance is comparable to demographic data. See the following table.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.7	62	96.9	2,976	80.0
>1,000,000	1.4	2	3.1	743	20.0
Revenue Not Available	0.9	0	0.0	0	0.0
Total	100.0	64	100.0	3,719	100.0
<i>Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data</i> <i>Due to rounding, totals may not equal 100.0</i>					

Small Business Loans

The distribution of small business borrowers reflects excellent penetration of loans to businesses with gross annual revenues of \$1 million or less. All of the 29 reviewed small business loans were originated to operations with gross annual revenues of \$1 million or less. This performance exceeds demographic data, which indicates 85.6 percent of assessment area businesses are in this revenue category.

Home Mortgage Loans

Overall, the bank's record of extending home mortgage loans to borrowers of different income levels is reasonable. As shown in the following table, the bank's lending performance to low-income borrowers is lower than demographic data. However, examiners also considered the assessment area's median housing value of \$127,514, which limits home ownership opportunities to low-income borrowers that make less than \$39,800. Additionally, the bank's lending performance to moderate-income borrowers exceeds demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	23.0	1	10.0	10	1.1
Moderate	24.1	4	40.0	453	49.1
Middle	21.9	1	10.0	92	10.0
Upper	31.0	2	20.0	271	29.4
Not Available	0.0	2	20.0	97	10.5
Total	100.0	10	100.0	923	100.0
<i>Source: 2015 ACS Census; 1/1/2018 - 12/31/2018 Bank Data</i> <i>Due to rounding, totals may not equal 100.0</i>					

Response to Complaints

The institution did not receive any CRA-related complaints since the prior 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.

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.

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.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.

FARMERS STATE BANK
LOAN TO DEPOSIT RATIO

2023	LOANS	DEPOSITS	RATIO	ALLL	RATIO	PAST DUE	NET C/O	PROVISION	ASSETS	LOAN/ASSET	GROWTH	COVER X
JAN	26,075,458	61,004,680	42.74%	333,435	1.28%	0.00%	0.00%	0.00%	66,480,426	39.22%	-1.37%	0.00
FEB	26,185,100	57,636,388	45.43%	333,435	1.27%	0.00%	0.00%	0.00%	62,648,291	41.80%	-7.06%	0.00
MAR	27,395,837	55,243,712	49.59%	310,013	1.13%	0.00%	0.00%	0.00%	62,769,684	43.65%	-6.92%	0.00
APRIL	28,781,158	54,292,784	53.01%	310,013	1.08%	0.00%	0.00%	0.00%	64,029,601	44.95%	-2.31%	0.00
MAY	29,759,317	52,541,498	56.64%	310,013	1.04%	0.00%	0.00%	0.00%	64,499,597	46.14%	-0.07%	0.00
JUNE	30,653,510	51,861,568	59.11%	321,832	1.05%	0.00%	0.00%	0.00%	63,667,841	48.15%	-1.17%	0.00
JULY	31,272,970	56,348,795	55.50%	321,832	1.03%	0.00%	0.00%	0.00%	64,690,923	48.34%	-0.38%	0.00
AUG	31,831,706	57,253,841	55.60%	321,832	1.01%	0.00%	0.00%	0.00%	66,506,362	47.86%	4.52%	0.00
SEPT	31,868,840	54,744,784	58.21%	317,733	1.00%	0.00%	0.00%	0.00%	63,865,293	49.90%	2.72%	0.00
OCT	31,150,584	57,191,489	54.47%	317,733	1.02%	0.00%	0.00%	0.00%	62,933,156	49.50%	-0.48%	0.00
NOV	31,141,877	58,644,531	53.10%	317,733	1.02%	0.39%	0.00%	0.00%	64,281,587	48.45%	-0.31%	0.00
DEC	31,756,313	56,535,552	56.17%	319,960	1.01%	0.00%	0.00%	0.00%	63,550,237	49.97%	-1.31%	0.00

Farmers State Bank
201 Main Street
Yale, IA 50277

Farmers State Bank is an independent bank that offers the following services to its customers and residents of the local area.

The bank offers several types of checking accounts, savings accounts and certificates of deposit are available. The various checking accounts are explained on the bank's service and fee schedule. The types of certificates of deposit are shown on the rate board located in the lobby.

The bank offers many services that help the customer take advantage of electronic banking by issuing ATM cards, debit cards, automatic debits for loans payments, ACH debits and credits, bill pay, Internet banking, eStatements, mobile deposit, remote deposit capture and accepting automatic deposit of payroll government deposits.

An ATM machine is located at the bank office. The machine offers cash dispensing for customers and non-customers.

The following are types of loans available at Farmers State Bank.

REAL ESTATE LOANS

Residential loans
Commercial property
Farm loans including guaranteed FSA loans

FARM LOANS

Annual operating loans including FSA guaranteed loans
Equipment loans
Livestock loans

CONSUMER LOANS

Auto loans
Personal loans

BUSINESS LOANS

SBA loans
Equipment loans
Operating loans

The posted banking hours are: Lobby Monday thru Friday 8:00 AM to 4:00 PM, Drive-Up Window Monday-Thursday 8:00 AM to 4:30 PM & Friday 8:00 AM to 5:00 PM, and Saturday Closed. Additional services and fees are listed on the bank's fee schedule.

Farmers State Bank Services

Fees effective January 31, 2024

Regular Checking

- Opening deposit of \$100.00 required to open account
- \$250 minimum balance or \$500 average daily balance needs to be maintained - \$8.00 minimum balance fee per statement cycle if balance drops below minimum and/or average daily balance
- Check images are included with statement

Express Checking

- Opening deposit of \$100.00 required to open account, opening deposit of \$25.00 for students
- No minimum balance
- Statement only – no images or checks included

Iowa Club

- Opening deposit of \$100 required to open account
- \$10.00 monthly maintenance fee
- \$5.00 monthly maintenance fee for Senior Citizens
- Interest options available
- Check images are included with statement
- See brochure for full details

Senior Checking

- Opening deposit of \$100 required to open account
- \$100 minimum balance - \$4.00 minimum balance fee per statement cycle if balance drops below minimum
- For customers that receive social security direct deposit
- Free personalized checks (specified designs)

NOW Checking

- Opening deposit of \$1000 required to open account
- \$1000 minimum balance
- \$10.00 minimum balance fee if drop below minimum
- Pay interest on average balance

Super NOW Checking

- Opening deposit of \$2500 required to open account
- \$2500 minimum balance
- \$20.00 minimum balance fee if drop below minimum balance
- Pay interest on average daily balance

Yield Plus Money Market Checking

- Opening deposit of \$2500 required to open account
- \$2500 minimum balance
- \$20.00 minimum balance fee if drop below minimum balance
- Six debits per month
- Pay interest on average daily balance by a tiered interest rate

Savings Account

- Opening deposit of \$100.00 required to open account
- No required deposit to open account for students
- No other service charges apply

CD Penalty for Early Withdrawal

- 3 months interest will be charged on certificates of one year or less original maturity
- 6 months interest will be charged on certificates with more than one year original maturity
- No other fees apply

Sales tax applied on account related services.

Other Fees

Account balancing	\$ 35.00 per hour (15 min free)
ACH Origination	\$ 5.00
Amortization Schedule	\$ 5.00
ATM/Shazam Chek Card Replacement Fee	\$ 10.00
ATM/Shazam Chek Card Hot Card Fee	\$ 15.00
Bill Pay	\$ 5.00 per month after 3 months of inactivity
Cashier's Check	\$ 10.00
Charge Back Items	\$ 5.00
Check cashing (non-customer)	\$1.00 per 100
Check printing	Prices vary by design
Closing Account Fee	\$ 25.00 before 90 days
Coin Counting	10% of total
Collection Items In/Out	\$ 25.00
Copies	\$.25
Disk containing images	\$ 50.00 per year
Escrow	\$100.00
Fax In or Out	\$ 2.50 per page
Garnishment or Levy	\$ 50.00
Image Copy	\$.50
Internet Banking	FREE
IRA & SEP	\$ 10.00 per year
Lock Box Drill	\$200.00 minimum
Lock Box Key (replace)	\$ 25.00 minimum
Mobile Deposit	FREE
Money Order	\$ 2.00
Notary - Customer	FREE
Notary - Non Customer	\$ 5.00
Remote Deposit Capture	FREE
Research (per hour)	\$ 35.00
Research Copy	\$ 2.50
Safe Deposit Box Rent	\$20.00, \$50.00, \$75.00
- deduct \$10.00 for auto debit from Farmers State Bank account	
- deduct \$5.00 for auto debit from non Farmers State Bank account	
Statement Copy	\$ 5.00
Stop Payment	\$ 30.00
Transaction History Printout	\$ 2.50
Wire Transfer - Out	\$ 25.00
Wire Transfer - International	\$ 50.00
Overdraft Paid*	\$ 30.00 (aggregate daily max \$90.00)
NSF Return*	\$ 30.00 (aggregate daily max \$90.00)

*The categories or transactions for which an NSF or overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, or other electronic means. An item returned NSF can be represented for payment at a later date and is subject to a fee each time the item is presented.



**Farmers
State Bank**

MEMBER
FDIC

201 Main Street | Yale, IA 50277
641-439-2221 | Fax 641-439-6637
www.yalebankiowa.com

Growing Trust. Building Community.



[illegible][illegible]

$$T = \frac{1}{\frac{1}{T_1} + \frac{1}{T_2}}$$

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.