

**Houghton State Bank  
Community Reinvestment  
Act Public File**

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## Section 1 - CRA Performance Evaluation

# **PUBLIC DISCLOSURE**

May 17, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Houghton State Bank  
Certificate Number: 15405

116 East Coolbaugh Street  
Red Oak, Iowa 51566

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.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the loans reviewed were located inside the assessment areas. A majority of the small business loans reviewed were located inside the assessment areas. A majority of small farm loans reviewed, by dollar amount, were located inside the assessment areas; however, the majority of small farm loans reviewed, by number, were located outside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes.
- The bank did not receive any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation. As a result, examiners did not evaluate the bank's record of responding to CRA-related complaints.

## DESCRIPTION OF INSTITUTION

Houghton State Bank is a community financial institution headquartered in Red Oak, Iowa. The bank is owned by Red Oak Financial Corporation, Omaha, Nebraska, a one-bank holding company. This evaluation does not include affiliate lending activity. The FDIC assigned a CRA rating of “Satisfactory” at the bank’s July 7, 2015 Performance Evaluation, where examiners used Interagency Small Institution Examination Procedures.

Houghton State Bank operates five full-service offices all in the state of Iowa. The bank closed a branch located in Elliott, Iowa in June 2019. The branch closure had no impact on low- or moderate-income areas as it was located in a middle-income census tract.

The bank offers traditional credit products including agricultural, commercial, residential real estate, and consumer loans. Agricultural lending continues to be the bank’s primary focus. The bank also offers a variety of deposit products including checking, savings, and certificate of deposit accounts. Alternative banking services includes internet banking, mobile banking, and automated teller machines.

The institution’s December 31, 2020 Reports of Condition and Income reflected total assets of \$199.9 million, total loans of \$162.5 million, and total deposits of \$168.1 million. The following table reflects the bank’s loan portfolio composition.

| <b>Loan Portfolio Distribution as of 12/31/2020</b>         |                 |             |
|---|-----------------|-------------|
| <b>Loan Category</b>  | <b>\$(000s)</b> | <b>%</b>    |
| Construction, Land Development, and Other Land Loans        | 308             | 0.2         |
| Secured by Farmland   | 23,758          | 14.6        |
| Secured by 1-4 Family Residential Properties                | 13,198          | 8.1         |
| Secured by Multifamily (5 or more) Residential Properties   | 943             | 0.6         |
| Secured by Nonfarm Nonresidential Properties                | 4,206           | 2.6         |
| <b>Total Real Estate Loans</b>                              | <b>42,413</b>   | <b>26.1</b> |
| Commercial and Industrial Loans                             | 21,712          | 13.3        |
| Agricultural Production and Other Loans to Farmers          | 95,765          | 59.0        |
| Consumer Loans  | 1,265           | 0.8         |
| Obligations of State and Political Subdivisions in the U.S. | 991             | 0.6         |
| Other Loans   | 310             | 0.2         |
| Lease Financing Receivable (net of unearned income)         | 0               | 0.0         |
| Less: Unearned Income                                       | 0               | 0.0         |
| <b>Total Loans</b>  | <b>162,456</b>  | <b>100</b>  |
| <i>Source: Reports of Condition and Income</i>              |                 |             |

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

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Houghton State Bank has two assessment areas. The Nonmetropolitan Iowa Assessment Area consists of Cass and Montgomery counties. The Mills County Assessment Area is comprised of Mills County, which is located in the Omaha-Council Bluffs, Nebraska-Iowa Metropolitan Statistical Area (MSA).

The following table provides information on the areas. Detailed information on these assessment areas is provided later in the evaluation.

| Description of Assessment Areas |                             |                    |               |
|---------------------------------|-----------------------------|--------------------|---------------|
| Assessment Area                 | Counties in Assessment Area | # of Census Tracts | # of Branches |
| Nonmetropolitan Iowa            | Cass, Montgomery            | 9                  | 4             |
| Mills County                    | Mills                       | 5                  | 1             |
| <i>Source: Bank Data</i>        |                             |                    |               |

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the prior evaluation, dated July 7, 2015, to the current evaluation, dated May 17, 2021. Examiners used the Interagency Small Institution Examination Procedures to conduct the evaluation, which includes a Lending Test. Refer to the Appendices for a description of this test.

Examiners used full-scope examination procedures to assess Houghton State Bank's performance in both assessment areas. The bank's performance in the Nonmetropolitan Iowa Assessment Area received more weight than its performance in the Mills County Assessment Area when drawing conclusions. This is because the majority of the bank's loans, deposits, and offices are located in the Nonmetropolitan Iowa Assessment Area.

### **Activities Reviewed**

Small farm and small business loans are Houghton State Bank's primary business lines and are central to its overall business strategy. Therefore, examiners selected these products to evaluate the bank's performance. Other loan products, such as residential real estate and consumer loans, do not represent major product lines. As such, examiners did not review any other loan products as they would not provide material support for conclusions or the rating.

Examiners selected the calendar year 2020 as the review period. The bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) originating 215 loans with a volume of approximately \$16.4 million in 2020. Bank management indicated this review period was an accurate representation of the institution's lending activity throughout the evaluation period despite the PPP loan activity. Bank management stated that the majority of borrowers participating in the program were existing customers of the bank.



For the Assessment Area Concentration analysis, examiners reviewed a sample from all small farm and small business loans originated and purchased during the review period. For the Geographic Distribution analysis, examiners reviewed a sample of small farm and small business loans located inside the Nonmetropolitan Iowa Assessment Area. The Mills County Assessment Area does not include any low- or moderate-income census tracts; therefore, examiners did not conduct a Geographic Distribution analysis in this area. For the Borrower Profile analysis, examiners reviewed a sample of small farm and small business loans from inside each assessment area. In 2020, the bank originated 782 small farm loans totaling approximately \$69.4 million and 387 small business loans totaling approximately \$28.7 million. The table below provides details on the samples reviewed. 2020 D&B data provided a standard of comparison for the small farm and small business loans reviewed.

| <b>Loan Products Reviewed</b> |                                      |                 |                                |                 |                         |                 |
|-------------------------------|--------------------------------------|-----------------|--------------------------------|-----------------|-------------------------|-----------------|
| <b>Loan Category</b>          | <b>Assessment Area Concentration</b> |                 | <b>Geographic Distribution</b> |                 | <b>Borrower Profile</b> |                 |
|                               | <b>#</b>                             | <b>\$(000s)</b> | <b>#</b>                       | <b>\$(000s)</b> | <b>#</b>                | <b>\$(000s)</b> |
| Small Farm                    | 63                                   | 7,614           | 55                             | 6,513           | 85                      | 10,050          |
| Small Business                | 58                                   | 4,846           | 58                             | 3,801           | 88                      | 4,369           |
| <i>Source: Bank Data</i>      |                                      |                 |                                |                 |                         |                 |

Small farm loans contributed more weight to overall conclusions than small business loans due to higher lending volume. When conducting the Assessment Area Concentration analysis, examiners placed equal weight on the number and dollar volume of loans. When conducting the Geographic Distribution and Borrower Profile analyses, examiners placed greater weight on the number of loans than the dollar volume of loans. This is because the number of loans is a better indicator of the geographies and borrowers served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Houghton State Bank demonstrated satisfactory performance under the Lending Test. Reasonable performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criterion support this conclusion.

#### **Loan-to-Deposit Ratio**

Houghton State Bank’s net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment areas credit needs. The banks net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 79.3 percent over the past 22 quarters from September 30, 2015 to December 31, 2020. The ratio has trended upwards throughout the evaluation period, ranging from a low of 68.6 percent to a high of 95.6 percent, and represents an increase since the previous evaluation when it was calculated at 76 percent.

Examiners compared Houghton State Bank’s average net loan-to-deposit ratio to four other similarly-situated financial institutions to evaluate the bank’s performance. The institutions were selected based on their asset size, geographic location, and lending focus. As shown in the following table, Houghton State Bank’s average net loan-to-deposit ratio is comparable to the similarly-situated institutions.

| <b>Loan-to-Deposit (LTD) Ratio Comparison</b>                         |   |                                  |
|---|---|----------------------------------|
| <b>Bank</b>   | <b>Total Assets as of 12/31/2020 (\$000s)</b> | <b>Average Net LTD Ratio (%)</b> |
| <b>Houghton State Bank, Red Oak, IA</b>                               | <b>199,862</b>                                | <b>79.3</b>                      |
| Malvern Bank, Malvern, IA   | 167,849                                       | 91.6                             |
| FNB Bank, Fontanelle, IA  | 214,589                                       | 93.3                             |
| First Whitney Bank and Trust, Atlantic, IA                            | 253,252                                       | 74.7                             |
| Glenwood State Bank, Glenwood, IA                                     | 259,105                                       | 36.5                             |
| <i>Source: Reports of Condition and Income 9/30/2015 – 12/31/2020</i> |   |                                  |

### **Assessment Area Concentration**

Overall, a majority of small farm and small business loans reviewed were located inside the assessment areas. While the majority of small farm loans, by dollar amount, were located inside the assessment areas, the majority, by number, were located outside the assessment areas. The lower number of small farm loans located inside the assessment areas is because the bank purchases a substantial amount of loans from affiliated Diversified Financial Services, Inc., which provides retail financing and leasing to agricultural borrowers throughout the country. Nearly all the loans purchased from Diversified Financial Services, Inc. are located outside of the bank’s assessment areas. The following table provides details.

| <b>Lending Inside and Outside of the Assessment Area</b>                |                        |             |                |             |                |  |             |                |             |                       |
|---|------------------------|-------------|----------------|-------------|----------------|--|-------------|----------------|-------------|-----------------------|
| <b>Loan Category</b>  | <b>Number of Loans</b> |             |                |             | <b>Total #</b> | <b>Dollar Amount of Loans \$(000s)</b> |             |                |             | <b>Total \$(000s)</b> |
|   | <b>Inside</b>          |             | <b>Outside</b> |             |                | <b>Inside</b>                          |             | <b>Outside</b> |             |                       |
|   | <b>#</b>               | <b>%</b>    | <b>#</b>       | <b>%</b>    |                | <b>\$</b>                              | <b>%</b>    | <b>\$</b>      | <b>%</b>    |                       |
| Small Business  | 50                     | 86.2        | 8              | 13.8        | 58             | 3,161                                  | 65.2        | 1,685          | 34.8        | 4,846                 |
| Small Farm  | 30                     | 47.6        | 33             | 52.4        | 63             | 4,780                                  | 62.8        | 2,834          | 37.2        | 7,614                 |
| <b>Total</b>  | <b>80</b>              | <b>66.1</b> | <b>41</b>      | <b>33.9</b> | <b>121</b>     | <b>7,941</b>                           | <b>63.7</b> | <b>4,519</b>   | <b>36.3</b> | <b>12,460</b>         |
| <i>Source: Bank Data. Due to rounding, totals may not equal 100.0%.</i> |                        |             |                |             |                |  |             |                |             |                       |

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable performance. Reasonable performance in the Nonmetropolitan Iowa Assessment Area is the basis for this conclusion. As previously mentioned, examiners did not conduct a Geographic Distribution analysis in the Mills County Assessment Area due to the lack of low- or moderate-income geographies. The Nonmetropolitan Iowa Assessment Area section of this evaluation provides details on the bank’s performance.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. Reasonable performance in both assessment areas supports this conclusion.

Examiners focused on the percentage of small farm and small business loans to farms and businesses with gross annual revenues of \$1 million or less. The Nonmetropolitan Iowa and Mills County Assessment Areas sections of this evaluation provide details on the bank's performance.

**Response to Complaints**

The institution has not received any complaints regarding its CRA performance since the previous evaluation. As a result, this criterion did not affect the Lending Test rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

## NONMETROPOLITAN IOWA ASSESSMENT AREA – Full-Scope Review

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

The Nonmetropolitan Iowa Assessment Area is comprised of nine census tracts across two counties in southwest Iowa. Specifically, the assessment area includes all of Cass and Montgomery counties. The assessment area contains two moderate-income and seven middle-income census tracts according to the 2015 American Community Survey (ACS). The bank operates four full-service offices in this assessment area. The two offices located in Red Oak are located in moderate-income census tracts. The offices located in Griswold and Cumberland are located in middle-income census tracts.

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

The following table provides select demographic data for the Nonmetropolitan Iowa Assessment Area.

| <b>Demographic Information of the Assessment Area</b> |          |                       |                              |                          |                         |                       |
|---|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| <b>Demographic Characteristics</b>                    | <b>#</b> | <b>Low<br/>% of #</b> | <b>Moderate<br/>% of #</b>   | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)                           | 9        | 0.0                   | 22.2                         | 77.8                     | 0.0                     | 0.0                   |
| Population by Geography                               | 24,055   | 0.0                   | 25.5                         | 74.5                     | 0.0                     | 0.0                   |
| Housing Units by Geography                            | 11,766   | 0.0                   | 26.9                         | 73.1                     | 0.0                     | 0.0                   |
| Owner-Occupied Units by Geography                     | 7,493    | 0.0                   | 21.8                         | 78.2                     | 0.0                     | 0.0                   |
| Occupied Rental Units by Geography                    | 3,197    | 0.0                   | 37.3                         | 62.7                     | 0.0                     | 0.0                   |
| Vacant Units by Geography                             | 1,076    | 0.0                   | 31.8                         | 68.2                     | 0.0                     | 0.0                   |
| Businesses by Geography                               | 2,192    | 0.0                   | 33.3                         | 66.7                     | 0.0                     | 0.0                   |
| Farms by Geography                                    | 424      | 0.0                   | 6.4                          | 93.6                     | 0.0                     | 0.0                   |
| Family Distribution by Income Level                   | 6,942    | 25.6                  | 20.6                         | 23.5                     | 30.3                    | 0.0                   |
| Household Distribution by Income Level                | 10,690   | 28.8                  | 16.8                         | 20.6                     | 33.8                    | 0.0                   |
| Median Family Income Non-Metropolitan IA              |          | \$61,681              | Median Housing Value         |                          |                         | \$83,278              |
|   |          |                       | Median Gross Rent            |                          |                         | \$595                 |
|   |          |                       | Families Below Poverty Level |                          |                         | 12.4%                 |

*Source: 2015 ACS and 2020 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 overall population in the assessment area declined slightly (644 residents), while the number of households increased slightly (171 households), since the previous evaluation. The total housing units, as well as the percentage of owner-occupied and rental units, has remained stable. The largest communities in the assessment area are Atlantic (6,669), Red Oak (5,362), Villisca (1,243) and Griswold (1,191).

Service industries represent the largest portion of the business sector at 32 percent followed by agriculture/forestry/fishing with 16 percent, non-classified businesses at 15 percent, and retail trade with 10 percent, according to 2020 D&B data. The majority of businesses are small with 86 percent operating from a single location and 70 percent employing four or less employees. The unemployment rate for the assessment area has remained stable since the previous evaluation with a high of 4.3 and low of 2.6 percent. The annual unemployment rate for the assessment area for 2020 was 4.3 percent. This is lower than the state of Iowa whose annual unemployment rate for 2020 was 5.3 percent.

According to 2020 D&B data, the assessment area contains 2,192 non-farm businesses. The number of non-farm businesses in the assessment area increased by 42 since the previous evaluation. Overall, non-farm business having gross annual revenue of \$1 million or less represent 81 percent, non-farm businesses having gross annual revenue exceeding \$1 million represent 5 percent, and non-farm business without reported revenue represent 14 percent of all non-farm businesses located in the assessment area.

According to 2020 D&B data, the assessment area contains 424 farms. The number of farms decreased by 201 since the previous evaluation. The entire decrease was in farms with gross annual revenue of \$1 million or less. This is consistent with the regional trend of smaller farm operations consolidating into larger farm operations. Overall, farms with gross annual revenue of \$1 million or less represent the vast majority of all farms in the assessment area at 97 percent.

Even though agricultural-related businesses account for only 16 percent of the business sector, the assessment area's economy is still highly dependent upon the agricultural industry. According to the 2017 Census of Agriculture, total commodity sales in excess of \$359 million were reported in the assessment area, emphasizing the significant economic role the agricultural industry maintains in the assessment area.

### **Competition**

The Nonmetropolitan Iowa Assessment Area is highly competitive for financial services. Per 2020 FDIC Deposit Market Share data, 20 financial institutions operated 20 offices within the assessment area. Of these institutions, Houghton State Bank ranked fourth with a deposit market share of 8.6 percent of total assessment area deposits. Additionally, Farm Credit Services, farm cooperatives, and implement dealers provide significant competition for agricultural loans.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit opportunities are available.

Examiners conducted an interview with a representative from an agricultural organization that serves Montgomery, Mills, and surrounding counties in southwest Iowa. The contact stated that the agricultural economy in the area has recovered from the downturn during the pandemic in 2020 and is actually in a stronger position than pre-pandemic conditions due to high commodity prices. He also stated that there is a strong demand for land as established farmers are seeking to obtain

additional acres. The contact stated that the business economy is stable and has also largely recovered from pandemic conditions. The majority of businesses have fully re-opened. He stated that there was ample assistance to businesses with the SBA PPP loans and other government and community assistance to get them through the downturn in 2020. While the business economy recovery is a little slower than the agricultural economy, overall it is stable. He stated that unemployment in the area is low and jobs are available to those that want them.

The contact identified agricultural loans for land acquisition and agriculture and small business operating lines as the primary credit needs in the area. He noted that there is competition between the numerous area banks and banks are actively seeking out lending opportunities.

**Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural and small business lending represent the assessment area’s primary credit need.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN  
NONMETROPOLITAN IOWA ASSESSMENT AREA**

**LENDING TEST**

Houghton State Bank demonstrated reasonable performance under the Lending Test in the Nonmetropolitan Iowa Assessment Area. Reasonable performance under the Geographic Distribution and Borrower Profile criterion support this conclusion.

**Geographic Distribution**

The geographic distribution of loans in the Nonmetropolitan Iowa Assessment Area is reasonable. Reasonable small farm and small business lending performance supports this conclusion.

***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the Nonmetropolitan Iowa Assessment Area. Lending in the moderate-income census tracts compares closely to the percentage of farms located in these tracts. The following table provides details.

| <b>Geographic Distribution of Small Farm Loans</b>   |                   |           |              |                 |              |
|--|-------------------|-----------|--------------|-----------------|--------------|
| <b>Tract Income Level</b>  | <b>% of Farms</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| Moderate   | 6.4               | 3         | 5.5          | 153             | 2.3          |
| Middle   | 93.6              | 52        | 94.5         | 6,360           | 97.7         |
| <b>Totals</b>  | <b>100.0</b>      | <b>55</b> | <b>100.0</b> | <b>6,513</b>    | <b>100.0</b> |
| <i>Source: 2020 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i> |                   |           |              |                 |              |

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

The geographic distribution of small business loans reflects reasonable dispersion throughout the Nonmetropolitan Iowa Assessment Area. The percentage of small business loans in the assessment area's moderate-income census tracts is comparable to the percentage of businesses located in those tracts, by number of loans. The following table provides details.

| <b>Geographic Distribution of Small Business Loans</b> |                        |           |              |                 |              |
|--|------------------------|-----------|--------------|-----------------|--------------|
| <b>Tract Income Level</b>                              | <b>% of Businesses</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| Moderate   | 33.3                   | 20        | 34.5         | 2,385           | 62.7         |
| Middle   | 66.7                   | 38        | 65.5         | 1,416           | 37.3         |
| <b>Totals</b>  | <b>100.0</b>           | <b>58</b> | <b>100.0</b> | <b>3,801</b>    | <b>100.0</b> |

*Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes in the Nonmetropolitan Iowa Assessment Area. Reasonable small farm and small business lending performance support this conclusion.

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

The distribution of borrowers reflects reasonable penetration among farms of different sizes. The bank's lending activity to farms with gross annual revenues of \$1 million or less is below the percentage of farms reporting revenue in this category, but remains within a reasonable range. The following table provides details.

| <b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b> |                   |           |              |                 |              |
|--|-------------------|-----------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>   | <b>% of Farms</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <=\$1,000,000  | 97.2              | 44        | 80.0         | 4,429           | 68.0         |
| >1,000,000   | 0.9               | 6         | 10.9         | 1,835           | 28.2         |
| Revenue Not Available  | 1.9               | 5         | 9.1          | 249             | 3.8          |
| <b>Totals</b>  | <b>100.0</b>      | <b>55</b> | <b>100.0</b> | <b>6,513</b>    | <b>100.0</b> |

*Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

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

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank's lending activity to businesses with gross annual revenues of \$1 million or less is below the percentage of businesses reporting revenue in this category; however, is still within a reasonable range. The bank's willingness to meet the credit needs of businesses of varying sizes, including small businesses, by originating SBA PPP loans during the COVID-19 pandemic further supports reasonable performance under this criterion. The 13 loans included in the sample made to businesses without revenues available were SBA PPP loans. The following table provides details.

| <b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>               |                        |           |              |                 |              |
|--|------------------------|-----------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>   | <b>% of Businesses</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <=\$1,000,000  | 80.5                   | 39        | 67.2         | 2,321           | 61.1         |
| >1,000,000   | 5.0                    | 6         | 10.3         | 750             | 19.7         |
| Revenue Not Available  | 14.6                   | 13        | 22.4         | 730             | 19.2         |
| <b>Totals</b>  | <b>100.0</b>           | <b>58</b> | <b>100.0</b> | <b>3,801</b>    | <b>100.0</b> |
| <i>Source: 2020 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i> |                        |           |              |                 |              |



## MILLS COUNTY ASSESSMENT AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN MILLS COUNTY ASSESSMENT AREA

The Mills County Assessment Area consists of Mills County, which is located in southwest Iowa. The assessment area contains four middle-income and one upper-income census tracts according to the 2015 ACS. The bank operates one full-service office in a middle-income census tract within the city of Emerson. The office is located in census tract 0401.00, which changed from moderate-income to middle-income since the previous evaluation.

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

The following table provides select demographic data for the Mills County Assessment Area.

| Demographic Information of the Assessment Area                      |        |               |                              |                  |                 |               |
|---|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics   | #      | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)   | 5      | 0.0           | 0.0                          | 80.0             | 20.0            | 0.0           |
| Population by Geography   | 14,862 | 0.0           | 0.0                          | 76.4             | 23.6            | 0.0           |
| Housing Units by Geography  | 6,082  | 0.0           | 0.0                          | 77.2             | 22.8            | 0.0           |
| Owner-Occupied Units by Geography                                   | 4,319  | 0.0           | 0.0                          | 72.7             | 27.3            | 0.0           |
| Occupied Rental Units by Geography                                  | 1,080  | 0.0           | 0.0                          | 90.1             | 9.9             | 0.0           |
| Vacant Units by Geography   | 683    | 0.0           | 0.0                          | 85.8             | 14.2            | 0.0           |
| Businesses by Geography   | 1,191  | 0.0           | 0.0                          | 77.2             | 22.8            | 0.0           |
| Farms by Geography  | 210    | 0.0           | 0.0                          | 75.2             | 24.8            | 0.0           |
| Family Distribution by Income Level                                 | 3,991  | 18.7          | 15.2                         | 23.4             | 42.7            | 0.0           |
| Household Distribution by Income Level                              | 5,399  | 20.2          | 15.8                         | 18.0             | 46.0            | 0.0           |
| Median Family Income MSA - 36540<br>Omaha-Council Bluffs, NE-IA MSA |        | \$73,632      | Median Housing Value         |                  |                 | \$156,935     |
|   |        |               | Median Gross Rent            |                  |                 | \$692         |
|   |        |               | Families Below Poverty Level |                  |                 | 5.6%          |

*Source: 2015 ACS and 2020 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.

While the branch located in Emerson is within the Omaha-Council Bluffs, NE-IA MSA, it is located on the eastern-most boundary of the MSA. This area is rural in nature and shares characteristics more similar to the Nonmetropolitan Iowa Assessment Area than the rest of the Mills County Assessment Area, which includes the larger communities of Omaha, Council Bluffs, and Glenwood.

The overall population in the assessment area, as well as the number of households, declined slightly since the previous evaluation (197 residents, 182 households). The total housing units has

remained stable, but the percentage of owner-occupied units declined while the percentage of rental units increased since the previous evaluation. The largest communities in the assessment area are Glenwood (5,326), Malvern (1,015), and Emerson (491) (Tabor is located partially in the assessment area with portions falling in Mills and Fremont counties 1,257).

The assessment area supports a diverse make-up of industries. According to 2020 D&B data, service industries represent the largest portion of the business sector at 30 percent followed by agriculture/forestry/fishing and non-classified businesses at 15 percent. Additional sectors with strong concentrations include retail trade (11 percent), construction (9 percent), and financial/insurance/real Estate (7 percent).

The majority of businesses are small with 91 percent operating from a single location and 71 percent employing four or less employees. Due to the short distance to Omaha and Council Bluffs, a large percentage of the population commutes to these cities for employment opportunities. The unemployment rate for Mills County has remained stable since the previous evaluation with a high of 3.9 and low of 2.1 percent. The annual unemployment rate for Mills County for 2020 was 3.9 percent. This is lower than the state of Iowa whose annual unemployment rate for 2020 was 5.3 percent.

According to 2020 D&B data, the assessment area contains 1,191 non-farm businesses. The overall number of non-farm businesses in the assessment area increased by 128 since the previous evaluation. Non-farm business having gross annual revenue of \$1 million or less accounted for the majority of the increase and overall represent 83 percent of non-farm businesses in the assessment area.

According to 2020 D&B data, the assessment area contains 210 farms, all of which have gross annual revenue of \$1 million or less. The overall agricultural presence in the assessment area is declining. The number of farms decreased by 66 and the industry overall declined from 20 to 15 percent of the business sector since the previous evaluation. Mills County is ranked 97 of 99 for agricultural sales volume by county in the state of Iowa according to the 2017 Census of Agriculture.

### **Competition**

The Mills County Assessment Area is moderately competitive for financial services. Per 2020 FDIC Deposit Market Share data, five financial institutions operated five offices within the assessment area. Of these institutions, Houghton State Bank ranked fifth with a deposit market share of 2.6 percent of total assessment area deposits. Additionally, Farm Credit Services, farm cooperatives, and implement dealers provide significant competition for agricultural loans.

### **Credit Needs**

Considering information from bank management and demographic and economic data, examiners determined that agricultural and small business lending represent the assessment area's primary credit needs.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN MILLS COUNTY ASSESSMENT AREA

### LENDING TEST

Houghton State Bank demonstrated reasonable performance under the Lending Test in the Mills County Assessment Area. Reasonable performance under the Borrower Profile criteria supports this conclusion.

#### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes in the Mills County Assessment Area. Reasonable small farm and small business lending performance support this conclusion.

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

The distribution of borrowers reflects reasonable penetration among farms of different sizes. The bank’s lending activity to farms with gross annual revenues of \$1 million or less is below the percentage of farms reporting revenue in this category, but remains within a reasonable range. The following table provides details.

| <b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>                   |                   |           |              |                 |              |
|--|-------------------|-----------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>   | <b>% of Farms</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <=\$1,000,000  | 99.5              | 26        | 86.7         | 3,036           | 85.8         |
| >1,000,000   | 0.0               | 0         | 0.0          | 0               | 0.0          |
| Revenue Not Available  | 0.5               | 4         | 13.3         | 501             | 14.2         |
| <b>Totals</b>  | <b>100.0</b>      | <b>30</b> | <b>100.0</b> | <b>3,537</b>    | <b>100.0</b> |
| <i>Source: 2020 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i> |                   |           |              |                 |              |

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

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank’s lending activity to businesses with gross annual revenues of \$1 million or less is below the percentage of businesses reporting revenue in this category; however, is still within a reasonable range. The bank’s willingness to meet the credit needs of businesses of varying sizes, including small businesses, by originating SBA PPP loans during the COVID-19 pandemic further supports reasonable performance under this criterion. The six loans included in the sample made to businesses without revenues available were SBA PPP loans. The following table provides details.

| <b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>               |                        |           |              |                 |              |
|--|------------------------|-----------|--------------|-----------------|--------------|
| <b>Gross Revenue Level</b>   | <b>% of Businesses</b> | <b>#</b>  | <b>%</b>     | <b>\$(000s)</b> | <b>%</b>     |
| <=\$1,000,000  | 86.5                   | 22        | 73.3         | 307             | 54.0         |
| >1,000,000   | 2.9                    | 2         | 6.7          | 26              | 4.6          |
| Revenue Not Available  | 10.7                   | 6         | 20.0         | 235             | 41.4         |
| <b>Totals</b>  | <b>100.0</b>           | <b>30</b> | <b>100.0</b> | <b>568</b>      | <b>100.0</b> |
| <i>Source: 2020 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i> |                        |           |              |                 |              |

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

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

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

## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Limited-Scope Review:** A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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



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

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

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

## Section 2 - Branch Locations

## **Houghton State Bank Hours of Operation**

**Location:** 116 E. Coolbaugh St., Red Oak, IA 51566    Census Tract: 9603.00

**Lobby:**

Monday - Friday                      9:00 a.m. – 4:00 p.m.

**Drive-thru:**

Monday - Friday                      8:00 a.m. – 4:00 p.m.

**Assessment Area:** All of Montgomery County, Iowa to include Census tracts 9601.00, 9602.00, 9603.00, 9604.00; Cass County, Iowa to include tracks 1901.00, 1902.00, 1903.00, 1904.00 and 1905.00, and Mills County, Iowa to include census tract 0401.00, 0402.01, 0402.02, 0403.01 and 0403.02

**Location:** 1609 N Broadway St., Red Oak, IA 51566    Census Tract: 9603.00

**Lobby:**

Monday – Friday                      9:00 a.m. – 4:00 p.m.

**Drive-thru:**

Monday - Friday                      8:00 a.m. – 5:00 p.m.

**Assessment Area:** All of Montgomery County, Iowa to include Census tracts 9601.00, 9602.00, 9603.00, 9604.00; Cass County, Iowa to include tracks 1901.00, 1902.00, 1903.00, 1904.00 and 1905.00, and Mills County, Iowa to include census tract 0401.00, 0402.01, 0402.02, 0403.01 and 0403.02

**Location:** 407 Howland St., Emerson, IA 51533    Census Tract: 0401.00

**Lobby:**

Monday – Friday                      8:00 a.m. – 3:00 p.m.

**Drive Thru:**

Monday – Friday                      8:00 a.m. – 3:00 p.m.

**Assessment Area:** All of Montgomery County, Iowa to include Census tracts 9601.00, 9602.00, 9603.00, 9604.00; Cass County, Iowa to include tracks 1901.00, 1902.00, 1903.00, 1904.00 and 1905.00, and Mills County, Iowa to include census tract 0401.00, 0402.01, 0402.02, 0403.01 and 0403.02

**Location:** 803 Main St., Griswold, IA 51535    Census Tract: 1902.00

**Lobby:**

Monday – Friday                      9:00 a.m. – 4:00 p.m.

**Drive-thru:**

Monday - Friday

8:00 a.m. – 5:00 p.m.

**Assessment Area:** All of Montgomery County, Iowa to include Census tracts 9601.00, 9602.00, 9603.00, 9604.00; Cass County, Iowa to include tracks 1901.00, 1902.00, 1903.00, 1904.00 and 1905.00, and Mills County, Iowa to include census tract 0401.00, 0402.01, 0402.02, 0403.01 and 0403.02

**Location:** 103 Main St., Cumberland, IA 50843      Census Tract: 1903.00

**Lobby:**

Monday - Friday

8:00 a.m. - 2:00 p.m.

**Assessment Area:** All of Montgomery County, Iowa to include Census tracts 9601.00, 9602.00, 9603.00, 9604.00; Cass County, Iowa to include tracks 1901.00, 1902.00, 1903.00, 1904.00 and 1905.00, and Mills County, Iowa to include census tract 0401.00, 0402.01, 0402.02, 0403.01 and 0403.02

## Section 3 - Branch Openings and Closings

Opened Branches:

N/A

Closed Branches:

N/A

## Section 4 - Branch Services

This section includes products, services, and a listing of ATMs.

## Houghton State Bank

We offer a complete line up of consumer and business products and services. To learn more, visit a local branch or [www.houghtonstatebank.com](http://www.houghtonstatebank.com).

In general, all consumer products are available at all branch locations. Business products are available at all branch locations; however, the delivery channel may differ based on location. If a location does not have an onsite lender, an appointment can be made.

There are no differences in products within the branch distribution channel. If a state law or regulation prohibits an activity or lending product within the state that is the only reason for a variation in products / services. Not all branches have safe deposit boxes.

Deposit account rates are available at any branch or by calling 1-712-623-4823 . Loan rates are available at any branch or by calling 1-712-623-4823.

Consumers can open all deposit products at branch locations. Consumers can apply by telephone or at branch locations for lending products. Consumers can apply for a mortgage at any branch location or [www.houghtonstatebank.com](http://www.houghtonstatebank.com).

### Products Offered

#### Consumer

##### Deposit Accounts

- Checking Accounts
- Savings Accounts
- Health Savings Accounts
- Certificates of Deposit
- Individual Retirement Accounts

##### Loan Accounts

- Vehicle Loans
- Personal Loans
- Home Equity Loans
- Mortgage Loans
- Home Equity Lines of Credit

##### Card Products

- Credit Cards
- Banking Cards

##### Other

- Online Services
- Mobile Services

Questions regarding transaction fees or cost of services should be directed to your nearest branch location.

#### Small Business and Commercial

##### Checking

- Business Checking

##### Treasury Services

- ACH
- Wire Transfers
- Global Banking
- Remote Deposit Capture
- Fraud Protection Solutions

##### Card Products

- Business Debit Card

##### Savings

- Savings

##### Other

- Online and Mobile banking platforms

Questions regarding transaction fees or cost of services should be directed to your nearest branch location.



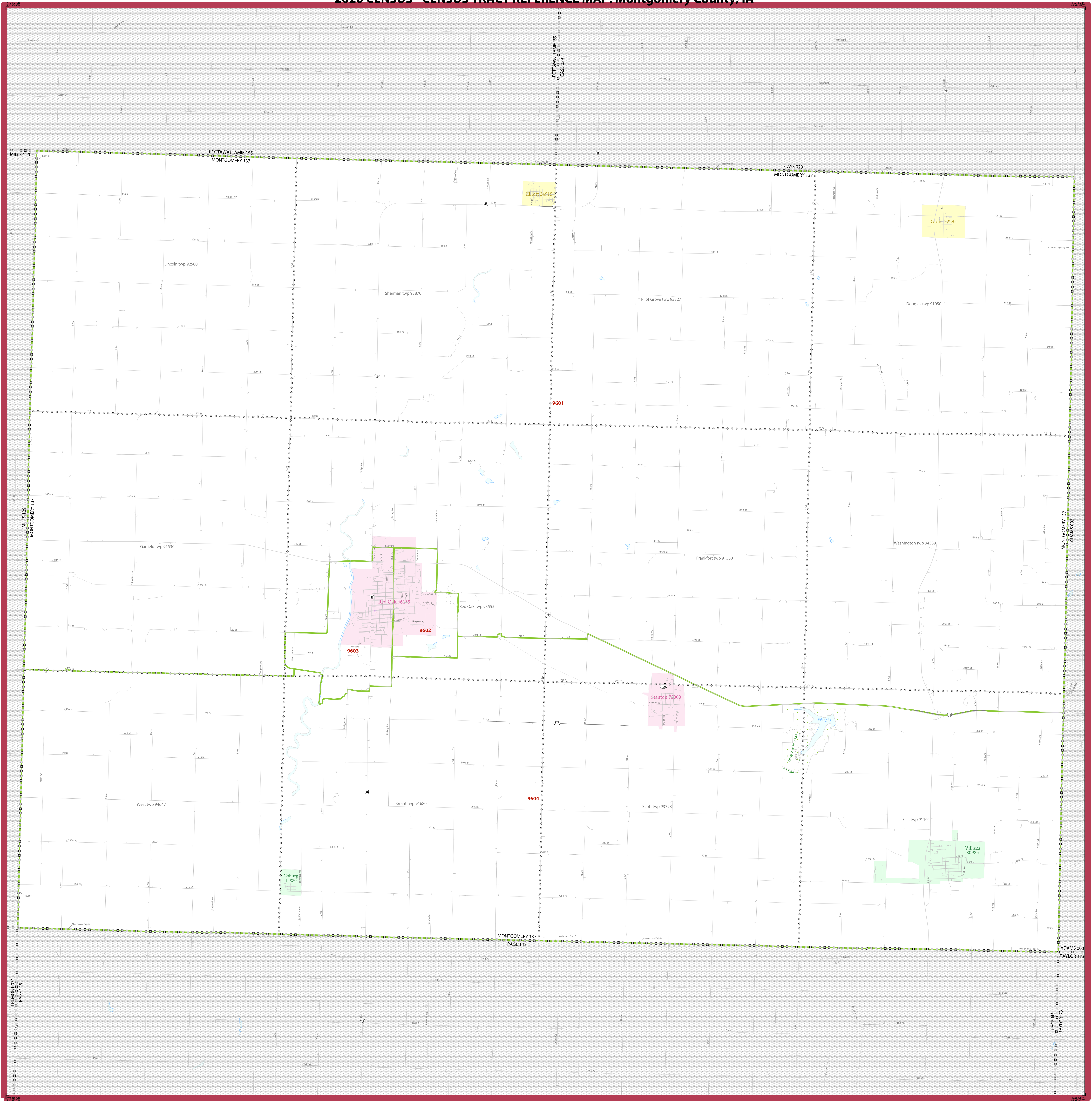
## HOUGHTON STATE BANK ATM LOCATIONS

| <u>NAME</u>              | <u>ADDRESS</u>     | <u>CITY</u> | <u>STATE</u> | <u>ZIP CODE</u> | <u>DEPOSIT (Y/N)</u> |
|--------------------------|--------------------|-------------|--------------|-----------------|----------------------|
| HOUGHTON STATE BANK MAIN | 116 E COOLBAUGH ST | RED OAK     | IA           | 51566           | Y                    |
| PLAZA BRANCH             | 1609 N BROADWAY ST | RED OAK     | IA           | 51566           | Y                    |
| EMERSON BRANCH           | 407 HOWLAND ST     | EMERSON     | IA           | 51533           | Y                    |
| GRISWOLD BRANCH          | 803 MAIN ST        | GRISWOLD    | IA           | 51535           | Y                    |

HOUGHTON STATE BANK CUSTOMERS CAN ACCESS SURCHARGE FREE ANY FNBO OR ALLPOINT ATM NETWORK ATMS FREE OF CHARGE. DEPOSITS ARE NOT ACCEPTED AT THESE ATMS. LISTING OF ATM LOCATIONS CAN BE FOUND AT [WWW.HOUGHTONSTATEBANK.COM](http://WWW.HOUGHTONSTATEBANK.COM) OR ON HOUGHTON STATE BANK MOBILE APP.

## Section 5 - Assessment Area Maps

# 2020 CENSUS - CENSUS TRACT REFERENCE MAP: Montgomery County, IA



| SYMBOL DESCRIPTION                                    |       | SYMBOL             | LABEL STYLE   | SYMBOL DESCRIPTION |                       | SYMBOL                                      | LABEL STYLE |
|---|-------|--------------------|---|--------------------|-----------------------|---|-------------|
| International   | ☆☆☆☆☆ | CANADA             | Incorporated Place 1,2                                  |                    | Davis 18100           |   |             |
| Federal American Indian Reservation                   |       | L'ANSE RESVN 1880  | Census Designated Place (CDP) 2                         |                    | Incline Village 35100 |   |             |
| OEI Reservation Trust Land                            |       | TI880              | Census Tract 3  |                    | 33.07                 |   |             |
| State American Indian Reservation                     |       | Tama Resvn 9400    | DESCRIPTION   | SYMBOL             | DESCRIPTION           | SYMBOL                                      |             |
| Alaska Native Regional Corporation                    |       | NANA ANRC 52120    | Water Body  |                    | Pleasant Lake         | Interstate or U.S. Highway                  |             |
| State (or statistically equivalent entity)            |       | NEW YORK 36        | College or University                                   |                    | Col Univ              | State Highway or State Road                 |             |
| County (or statistically equivalent entity)           |       | ERIE 029           | Minor Civil Division (MCD) 1                            |                    | PRDC                  | Other Road                                  |             |
| Minor Civil Division (MCD) 1                          |       | Bristol town 07485 | Census County Division (CCD)                            |                    | Yosemite NP           | 4WD Trail, Stairway, Also, Walkway or Ferry |             |
| Census Subarea (CSA) or Unincorporated Territory (UT) |       | Hanna CCD 91650    | Nonvisible Boundary or Feature Not Elsewhere Classified |                    |                       | Miscellaneous                               |             |
| Consolidated City                                     |       | MILLFORD 47500     | Inset Area  |                    | A1                    |   |             |
|   |       |                    |   |                    |                       |   |             |

**LEGEND**

Where international, state, county, and/or MCD/CCD boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries.

Geographic area names are followed by either their FIPS or census code.

1. A "\*" following an MCD name denotes a false MCD. A "\*" following a place name indicates that a false MCD exists with the same name and FIPS code as the place; the false MCD label is not shown.

2. Place label color corresponds to the place fill color.

3. Census tracts are identified by an up to four-digit integer number and may have an optional two-digit suffix; for example 23 or 1457.02. The census tract codes consist of six digits with an implied decimal between the fourth and fifth digit corresponding to the basic census tract number, but with leading zeros, and trailing zeros for census tracts without a suffix. The tract number examples above would have codes of 002300 and 145702, respectively.

Due to space limitations, some road names, along with other feature and geography names on the map, may not be shown.

All legal boundaries and names are as of January 1, 2020. The boundaries shown on this map are for Census Bureau statistical data collection and tabulation purposes only; their depiction and designation for statistical purposes does not constitute a determination of jurisdictional authority or rights of ownership or entitlement.

Geographic Vintage: 2020 Census (reference date: January 1, 2020)  
 Data Source: U.S. Census Bureau's MAJ/TIGER database (TAB20)  
 Map Created by: Geography Division, January 06, 2021

Projection: Albers Equal Area Conic  
 Datum: NAD 83  
 Spheroid: GRS 80  
 1st Standard Parallel: 40 53 46  
 2nd Standard Parallel: 42 58 46  
 Central Meridian: -93 23 22  
 Latitude of Projection Origin: 40 22 31  
 False Easting: 0  
 False Northing: 0

Scale: 1:62,500  
 The printed map scale is 1:62,500

Projection: Albers Equal Area Conic  
 Datum: NAD 83  
 Spheroid: GRS 80  
 1st Standard Parallel: 40 53 46  
 2nd Standard Parallel: 42 58 46  
 Central Meridian: -93 23 22  
 Latitude of Projection Origin: 40 22 31  
 False Easting: 0  
 False Northing: 0

U.S. DEPARTMENT OF COMMERCE U.S. Census Bureau

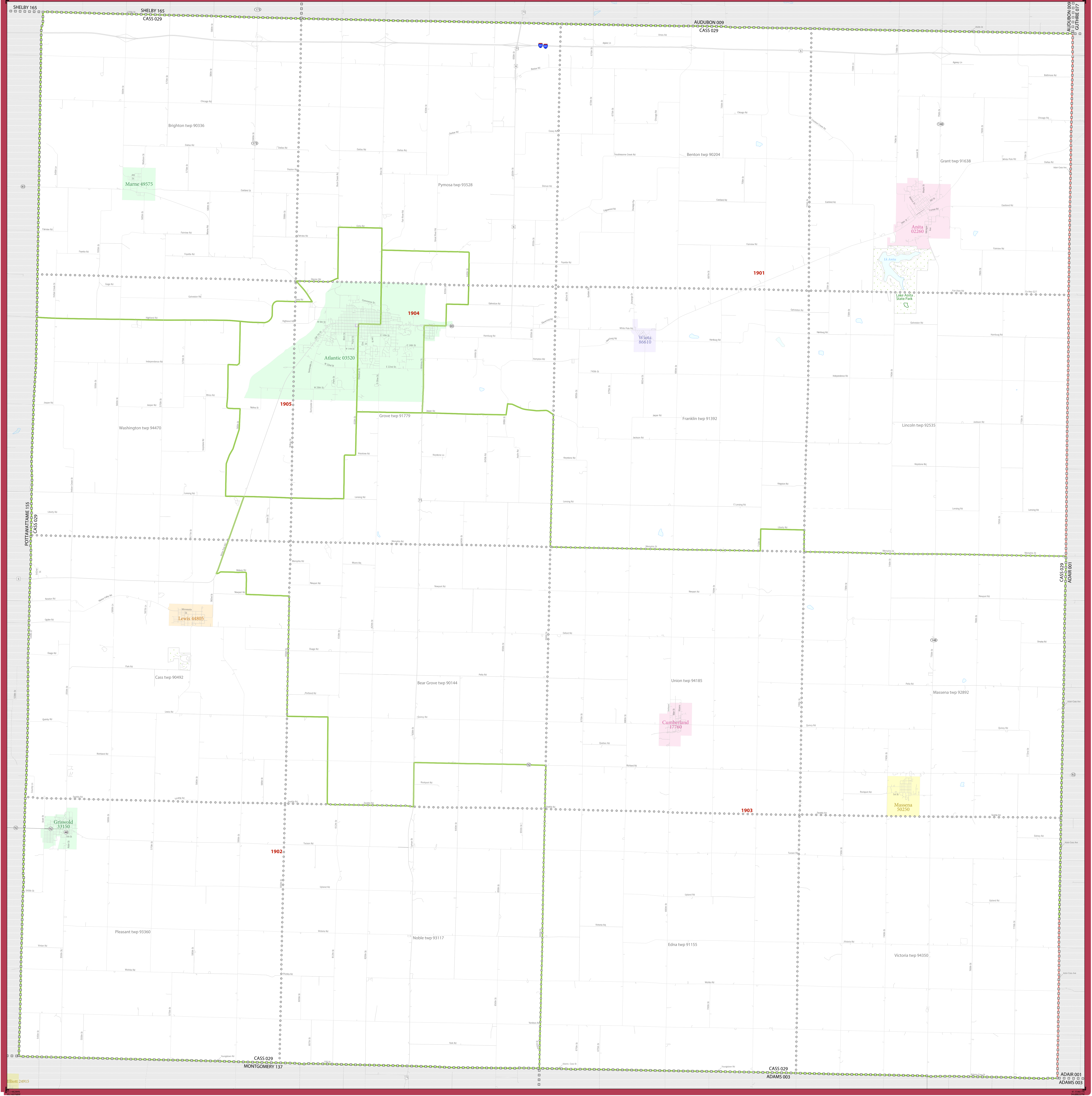
Sheet 1 of 1 PARENT sheets  
 Total Sheets: 1 (Index 0; Parent 1; Inset 0)

NAME: Montgomery County (137)  
 ENTITY TYPE: County or statistically equivalent entity  
 ST: Iowa (19)

2020 CENSUS TRACT REF MAP (PARENT)  
 Sheet ID: 249519137001



# 2020 CENSUS - CENSUS TRACT REFERENCE MAP: Cass County, IA



| SYMBOL DESCRIPTION   |  | SYMBOL     | LABEL STYLE        | SYMBOL DESCRIPTION                                     |               | SYMBOL                                       | LABEL STYLE |
|--|--|------------|--------------------|--|---------------|--|-------------|
| International  |  | ☆☆☆☆       | CANADA             | Incorporated Place 1,2                                 |               | Davis 18100                                  |             |
| Federal American Indian Reservation  |  | ■■■■■■■■■■ | L'ANSE RESVN 1880  | Census Designated Place (CDP) 3                        |               | Incline Village 35100                        |             |
| Oil Reservation Trust Land   |  | ■■■■■■■■■■ | TI880              | Census Tract 3   |               | 33.07  |             |
| State American Indian Reservation  |  | ■■■■■■■■■■ | Tama Resvn 9400    |  |               |  |             |
| Alaska Native Regional Corporation   |  | ▼▲▼▲▼▲▼▲   | NANA ANRC 52120    |  |               |  |             |
| State (or statistically equivalent entity)   |  |            | NEW YORK 36        | DESCRIPTION  | SYMBOL        | DESCRIPTION                                  | SYMBOL      |
| County (or statistically equivalent entity)  |  | □□□□       | ERIE 029           | Water Body   | Pleasant Lake | Interstate or U.S. Highway                   | — 2 —       |
| Minor Civil Division (MCD) 3   |  | ○ ○ ○ ○ ○  | Bristol town 07485 | College or University                                  | Col Univ      | State Highway or State Road                  | — 1 —       |
| Census County Division (CCD), Census Subarea (CSA), or Congressional District (CT) |  | ○ ○ ○ ○ ○  | Hanna CCD 91650    | Military   | Fort          | Other Road                                   | — 0 —       |
| Consolidated City  |  | ○ ○ ○ ○ ○  | MILLFORD 47500     | Prison or Juvenile Detention Center                    | PRISON        | 4WD Trail, Stairway, Alley, Walkway or Ferry | — 4 —       |
|  |  |            |                    | Navigable Boundary or Feature Not Elsewhere Classified | Yosemite NP   |  |             |
|  |  |            |                    | Outside Subject Area                                   |               |  |             |
|  |  |            |                    |  |               | Inset Area                                   | A1          |

Where international, state, county, and/or MCD/CD boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries.

Geographic area names are followed by other their FIPS or census code

1. A \*\* following an MCD name denotes a false MCD. A \* following a place name indicates that a false MCD exists with the same name and FIPS code as the place; the false MCD label is not shown.

2. Place label color corresponds to the place fill color.

3. Census tracts are identified by an up to four-digit integer number and may have an optional two-digit suffix; for example 23 or 1457.02. The census tract codes consist of six digits with an implied decimal between the fourth and fifth digit corresponding to the basic census tract number, but with leading zeros, and trailing zeros for census tracts without a suffix. The tract number examples above would have codes of 002300 and 145702, respectively.

Due to space limitations, some road names, along with other feature and geography names on the map, may not be shown.

All legal boundaries and names are as of January 1, 2020. The boundaries shown on this map are for Census Bureau statistical data collection and tabulation purposes only; their depiction and designation for statistical purposes does not constitute a determination of jurisdictional authority or rights of ownership or entitlement.

Geographic Vintage: 2020 Census (reference date: January 1, 2020)  
 Data Source: U.S. Census Bureau's MAJ/TIGER database (TAB20)  
 Map Created by Geography Division: January 06, 2021

Projection: Albers Equal Area Conic  
 Datum: NAD 83  
 Spheroid: GRS 80  
 1st Standard Parallel: 40 53 46  
 2nd Standard Parallel: 42 58 46  
 Central Meridian: -93 23 22  
 Latitude of Projection Origin: 40 22 31  
 False Easting: 0  
 False Northing: 0

U.S. DEPARTMENT OF COMMERCE U.S. Census Bureau

Scale: 1:100,000  
 The printed map scale is 1:142,250

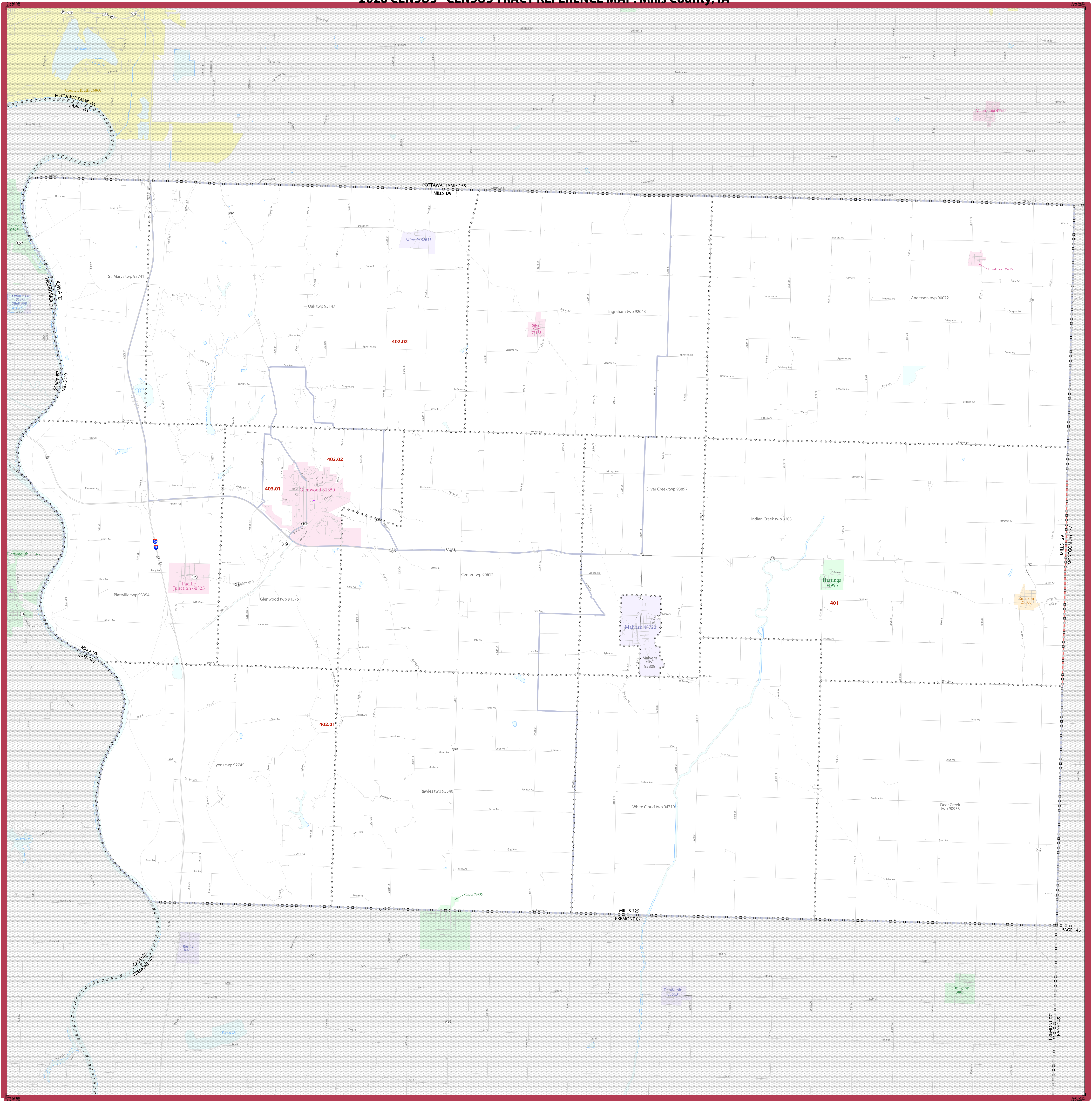
Sheet 1 of 1 PARENT sheets  
 Total Sheets: 1 (Index 0; Parent 1; Inset 0)

NAME: Cass County (029)  
 ENTITY TYPE: County or statistically equivalent entity  
 ST: Iowa (19)

2020 CENSUS TRACT REF MAP (PARENT)  
 Sheet ID: 249519029001

United States Census 2020

# 2020 CENSUS - CENSUS TRACT REFERENCE MAP: Mills County, IA



| SYMBOL DESCRIPTION                                   | SYMBOL | LABEL STYLE        | SYMBOL DESCRIPTION                                     | SYMBOL | LABEL STYLE           |
|--|--------|--------------------|--|--------|-----------------------|
| International  | ☆☆☆☆   | CANADA             | Incorporated Place 1,2                                 |        | Davis 18100           |
| Federal American Indian Reservation                  |        | L'ANSE RESVN 1880  | Census Designated Place (CDP) 3                        |        | Incline Village 35100 |
| Oil Reservation Trust Land                           |        | T1880              | Census Tract 3   |        | 33.07                 |
| State American Indian Reservation                    |        | Tama Resvn 9400    | DESCRIPTION  | SYMBOL | DESCRIPTION           |
| Alaska Native Regional Corporation                   |        | NANA ANRC 52120    | Water Body   |        | Potential Lake        |
| State (or statistically equivalent entity)           |        | NEW YORK 36        | College or University                                  |        | Col Univ              |
| County (or statistically equivalent entity)          |        | ERIE 029           | Military   |        | Fort                  |
| Minor Civil Division (MCD) 3                         |        | Bristol town 07485 | Prison or Juvenile Detention Center                    |        | Prison                |
| Census County Division (CCD)                         |        | Hanna CCD 91650    | Navigable Boundary or Feature Not Elsewhere Classified |        | Yosemite NP           |
| Census Subarea (CSA) or Congressional Territory (CT) |        | MILLFORD 47500     | Inset Area   |        | A1                    |
| Consolidated City                                    |        |                    |  |        |                       |

Where international, state, county, and/or MCD/CD boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries.

Geographic area names are followed by their FIPS or census code.

1. A "\*" following an MCD name denotes a false MCD. A "\*" following a place name indicates that a false MCD exists with the same name and FIPS code as the place; the false MCD label is not shown.

2. Place label color corresponds to the place fill color.

3. Census tracts are identified by an up to four-digit integer number and may have an optional two-digit suffix; for example 23 or 1457.02. The census tract codes consist of six digits with an implied decimal between the fourth and fifth digit corresponding to the basic census tract number, but with leading zeros, and trailing zeros for census tracts without a suffix. The tract number examples above would have codes of 002300 and 145702, respectively.

Due to space limitations, some road names, along with other feature and geography names on the map, may not be shown.

All legal boundaries and names are as of January 1, 2020. The boundaries shown on this map are for Census Bureau statistical data collection and tabulation purposes only; their depiction and designation for statistical purposes does not constitute a determination of jurisdictional authority or rights of ownership or entitlement.

Geographic Vintage: 2020 Census (reference date: January 1, 2020)  
 Data Source: U.S. Census Bureau's MAJ/TIGER database (TAR20)  
 Map Created by Geography Division: January 06, 2021

Projection: Albers Equal Area Conic  
 Datum: NAD 83  
 Spheroid: GRS 80  
 1st Standard Parallel: 40 53 46  
 2nd Standard Parallel: 42 58 46  
 Central Meridian: -93 23 22  
 Latitude of Projection's Origin: 40 22 31  
 False Easting: 0  
 False Northing: 0

U.S. DEPARTMENT OF COMMERCE U.S. Census Bureau

Scale: 1:145,000  
 0 1 2 3 4 5 Miles  
 0 1 2 3 4 5 Kilometers

Sheet 1 of 1 PARENT sheets  
 Total Sheets: 1 (Index 0; Parent 1; Inset 0)  
 NAME: Mills County (129)  
 ENTITY TYPE: County or statistically equivalent entity  
 ST: Iowa (19)

2020 CENSUS TRACT REF MAP (PARENT)  
 Sheet ID: 249519129001

FREMONT 071  
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## Section 6 - Loan to Deposit Ratios

## **Loan to Deposit Ratio 2024**

1. As of March 31, 2024 – 95.58%
2. As of June 30, 2024 – 95.52%
3. As of September 30, 2024 – 88.06%
4. As of December 31, 2024 – 86.77%

## Section 7 - HMDA Disclosure Statements



HMDA Disclosure Statements may be obtained on the Consumer Financial Protection Bureau's Web site at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda) (<http://www.consumerfinance.gov/hmda>).

## Section 8 - Public Comments

## Houghton State Bank

### **Public Comments**

Per 12 C.F.R. Part 25.43 (a)(1) the Public File must include all written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs, and any response to the comments by the bank, if neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the bank or publication of which would violate specific provisions of law;

Houghton State Bank does not have any written comments from the public for the current year or the prior two calendar years.