Community reinvestment act policy

*Updates:*

Threshold for “Small institution” was updated to $1,564 billion on January 1, 2024.

*Added:*

This policy has been reviewed by the Retail Manager; one change is recommended:

To appoint Sara Walker as CRA Officer.

The CRA Officer duties are implement and review CRA-related activities. Additionally, the CRA Officer shall have the responsibility of monitoring the Bank’s lending and evaluating its performance under this policy. The CRA Officer shall report to the Board of Directors, at least annually, on the level of the Bank’s compliance with this policy. The CRA Officer shall review the Bank’s asset size annually.

# cOMMUNITY REINVESTMENT Act Policy

# POlicy Created March, 2016

# Policy Revised January, 2024

# Approved by the Board of Directors February, 28 2024

# POlicy Updated by: Crystal Doering, svp/retail manager

It is the policy of Iowa Falls State Bank (the Bank) to be committed to serving the credit needs of the communities in which we do business. In pursuing this commitment, the Bank will ensure that it complies with the letter and spirit of the Community Reinvestment Act (CRA) and its implementing regulation, the Federal Reserve Board’s Regulation BB (12 CFR Part 228). The Bank recognizes that this requires it to take a proactive approach to determining and meeting community needs, including those of small businesses and small farms, and the needs of creditworthy low- and moderate-income areas and individuals, particularly in regard to residential real estate credit. It is the policy of the Bank to respond to all creditworthy segments of its markets. The Bank believes that doing so is basic to good business practice and to the Bank’s long-term vitality.

## Bank Size

Applying the January 1, 2021 CRA Definitions:

“Small institution” means a bank or savings association that, as of December 31 of either of the prior two calendar years, had assets of less than $1.564 billion.

“Intermediate small institution” means a bank or savings association with assets of at least $391 million as of December 31 of both of the prior two calendar years and less than $1.564 billion as of December 31 of either of the prior two calendar years. Since there is no CRA loan data requirement for an intermediate small institution, its next examination is under the intermediate small institution examination procedures even if that examination comes due during the institution’s first year as an intermediate small institution.

“Large institutions” are banks or savings associations with assets of at least $1.564 billion as of December 31 of both of the prior two calendar years. Large institutions are subject to CRA loan data collection, but cannot be exanimated under the large institution examination procedures until they have at least one full year of data collected. In addition, any size institution may opt to be exanimated as a large institution provided that it has collected and reported the required CRA loan data.

## Assessment Areas

The Institution shall designate one or more assessment areas that:

* Consists of one or more Metropolitan Statistical Area (MSAs)/Metropolitan Division (MDs) or contiguous political subdivisions (e.g., counties, cities, or towns);
* Includes the geographies where the Institution has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the Institution originated or purchased a substantial portion of its loans;
* Consists only of whole census tracts;
* Consists of separate delineations for areas that extend substantially across MSA/MD or state boundaries unless the assessment area is located in a multi-state MSA/MD;
* Does not reflect illegal discrimination; and
* Does not arbitrarily exclude any low- or moderate- income area(s), taking into account the Institution’s size, branching structure, and financial condition.

The Institution may make adjustments to its assessment area(s) that do not coincide with the boundaries of an MSA/MD or political subdivision, provided the adjustments to the boundaries are made because the assessment area would otherwise be too large for the Institution to reasonably serve, have an unusual configuration, or include significant geographic barriers.

## Corporate Community Reinvestment Act Policy

The Bank recognizes the need for commitment to the spirit and letter of the CRA. It is the policy of the Bank to operate profitably and to maintain a base from which increased earnings can be realized in the future. The Bank, however, is limited by the factors of liquidity, risk, flexibility, and customer considerations.

The Bank has a consistent and ongoing practice of outreach to determine the needs of the local community. Officers call on businesses to promote Iowa Falls State Bank products and services and determine community needs. Management keeps informed of the credit needs of the community through personal association with organizations. Members of the Board of Directors and officers of Iowa Falls State Bank are involved in the local and civic organizations, please see log in CRA folder.

Officers also maintain a continuing liaison with the Housing and Redevelopment Authorities of the cities serviced by the Bank.

## Outreach and Marketing Programs

The Marketing Committee oversees development and implementation of a marketing plan to reach all groups in the community. The marketing plan is achieved through advertising in local community newspapers, radio stations and web sites as may be appropriate and through participation in community events. For small business lending, loan officers maintain an ongoing schedule of calls to area businesses and participate in community business events.

## Credit Offered

Loans are a desirable and profitable means of employing shareholder and depository funds. The Bank believes that a properly administered lending policy, combined with prudent loan administration, will result in a strong loan portfolio. All loans are offered in a manner that is consistent with safe and sound banking practices. The Bank does not discriminate against credit applications on the basis of race, color, religion, national origin, handicap, sex, marital status, familial status, age (provided the applicant has the capacity to enter into a binding contract), or because all or part of the applicant’s income is derived from public assistance programs or because the applicant resides in, or is affiliated with, what is considered to be a low or moderate income area.

## Ratio of Loans Inside and Outside of Assessment Areas

The Bank shall originate the majority of its loans, both in number and dollar amount, within its assessment areas. The CRA Officer periodically reviews the ratio of loans inside the assessment areas to those outside of the assessment areas and reports such to the Board of Directors. If the ratio drops below the threshold, the Bank shall take immediate action to raise this ratio to an acceptable level.

## Distribution of Loans Within the Assessment Areas

The Bank shall maintain a reasonable distribution of loans, both in number and dollar amount, among geographies of different income levels. The CRA Officer shall periodically evaluate the geographic distribution of the Bank’s loans. This evaluation should identify geographies, by income category, where there is little to no penetration. The CRA Officer shall report the results of such evaluation to the Board of Directors who will determine what, if any, corrective action should be taken.

## Loan to Deposit Ratio

The Bank shall maintain a reasonable loan-to-deposit ratio. The CRA Officer shall evaluate whether the Bank’s average loan-to-deposit ratio is reasonable in light of the Bank’s capacity to lend, the capacity of other similarly-situated institutions to lend in the assessment area(s), demographic and economic factors present in the assessment area(s), and the lending opportunities available in the Bank’s assessment area(s). A ratio lower than 70% may be compensated for by the number and the dollar volume of loans sold to the secondary market, or the innovativeness or complexity of community development loans and qualified investments.

## Public File

The CRA Officer shall maintain the Bank’s public file and notices in conformity with Regulation BB. The public file shall contain at a minimum the following information:

* 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;
* A copy of the public section of the Bank’s most recent CRA Performance Evaluation. The Bank shall place this copy in the public file within 30 business days after its receipt;
* A list of the Bank’s branches, their street addresses, and geographies;
* A list of branches opened or closed by the Bank during the current year and each of the prior two calendar years, their street addresses, and geographies;
* A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the Bank’s branches and descriptions of material differences in the availability or cost of services at particular branches, if any. At its option, the Bank may include information regarding the availability of alternative systems for delivering retail banking services ( e.g., ATMs, ATMs not owned or operated by or exclusively for the Bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs);
* A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list;
* The HMDA Disclosure Statement for the prior two calendar years; and
* The Bank’s loan-to-deposit ratio for each quarter of the prior calendar year.

The public file may also contain any other information the Bank determines to be relevant or helpful in understanding the Bank’s efforts to comply with the CRA and Regulation BB.

The Bank shall make available to the public for inspection upon request and at no cost as follows:

* At its main office all information in the public file; and
* At each branch:
	+ A copy of the public section of the Bank’s most recent CRA Performance Evaluation and a list of services provided by the branch; and
	+ Within five calendar days of the request, all the information in the public file relating to the assessment area in which the branch is located.

Upon request, the Bank shall provide copies, either on paper or in another form acceptable to the person making the request, of the information in its public file. The Bank may charge a reasonable fee not to exceed the cost of copying and mailing (if applicable).

Except as otherwise provided above, the CRA Officer shall ensure information required by this policy is current as of April 1 of each year.

## Public Notice

The Bank shall display in its main office and each branch the following notice:

**Community Reinvestment Act Notice**

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of our communities consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the Federal Deposit Insurance Corporation, 1100 Walnut Street, Suite 2100, Kansas City, Missouri 64106 and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) a map showing the assessment area containing this branch, which is the area in which the Board evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) 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. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at Iowa Falls State Bank located at 601 Washington Avenue, Iowa Falls, IA 50126

At least 30 days before the beginning of each quarter, the Federal Reserve System publishes a list of the banks that are scheduled for CRA examination by the Reserve Bank in that quarter. This list is available from the Regional Director, Division of Depositor and Consumer Protection, FDIC, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to Iowa Falls State Bank PO Box 129, Iowa Falls, IA 50126 and FDIC Regional. 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. You may also request from the FDIC an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Barlow Banking Corporation, a bank holding company. You may request from FDIC Regional Director an announcement of applications covered by the CRA filed by bank holding companies. You may request from the Board of Governors, Federal Reserve Bank of Chicago, 230 S. LaSalle St., PO Box 834, Chicago, Ill 60604-1413 an announcement of applications covered by the CRA filed by bank holding companies.

## Enforcement and Oversight

The Board of Directors has appointed Sara Walker, CRA Officer, to implement and review CRA-related activities. The Board of Directors shall review and approve the CRA Policy on an annual basis. Additionally, the CRA Officer shall have the responsibility of monitoring the Bank’s lending and evaluating its performance under this policy. The CRA Officer shall report to the Board of Directors, at least annually, on the level of the Bank’s compliance with this policy.

Each year, the CRA Officer shall review the Bank’s asset size. Should the Bank’s size exceed the small bank threshold, this policy shall be updated to include the requirements applicable to the Bank’s size.

## Audit and Monitoring

Periodically, the Bank’s internal auditor shall audit the Bank’s compliance with this policy and report the results of such audit to the Board of Directors or a Committee designated by the Board.

## Training

The CRA Officer shall train the Bank’s lending operations personnel on the CRA on an annual basis. The CRA Officer shall also conduct an educational program for all Bank employees regarding the Bank’s policy and the requirements of the regulation.

## Record Retention

The Institution shall retain any records as may be required to demonstrate compliance with this policy and Regulation B**B**.