

PRINSBANK

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PUBLIC DISCLOSURE

March 9, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PrinsBank
Certificate Number: 10191

508 Third Street
Prinsburg, Minnesota 56281

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.

PrinsBank's satisfactory Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of the small business and small farm loans reviewed were located outside the assessment areas.
- The geographic distribution of small business loans reflects reasonable penetration throughout the Champlin Assessment Area.
- The distribution of borrowers reflects reasonable distribution among businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

PrinsBank is headquartered in Prinsburg, Minnesota and is wholly owned by PSB Financial Shares, Inc., a one-bank holding company based in Prinsburg, Minnesota. In addition to its main office in Prinsburg, the bank operates one full-service branch in Champlin, Minnesota. PrinsBank received a Needs to Improve rating at its previous FDIC Performance Evaluation dated March 18, 2019, which was based on Interagency Small Institution Examination Procedures.

The bank offers various loan products including commercial, agricultural, residential real estate, and consumer loans with its primary focus being commercial lending. The bank's business strategy continues to focus heavily on purchasing loans. Approximately 70 percent of loan portfolio by dollar amount is comprised of purchased loans, with commercial purpose loans representing the majority of loans purchased. PrinsBank is actively involved with loan programs offered through the Farm Service Agency and Small Business Administration (SBA), including participation in the SBA Paycheck Protection Program (PPP). From April 16, 2020, to March 1, 2021, the bank originated 190 PPP loans totaling \$11.4 million.

The institution provides a variety of deposit services including checking, savings, money market, individual retirement accounts, health savings accounts, and certificates of deposit. In addition to traditional banking services, customers have access to automated tell machines; online banking, including electronic bill pay; periodic statements; and mobile banking, including mobile deposit.

As of December 31, 2020, assets totaled approximately \$177,407,000, loans totaled \$108,312,000, and deposits totaled \$152,477,000. The loan portfolio distribution is displayed in the following table.

Loan Portfolio Distribution as of December, 31, 2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,412	1.3
Secured by Farmland	6,737	6.2
Secured by 1-4 Family Residential Properties	3,596	3.3
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	76,602	70.7
Total Real Estate Loans	88,347	81.5
Commercial and Industrial Loans	7,269	6.7
Agricultural Production and Other Loans to Farmers	5,751	5.3
Consumer Loans	6,640	6.1
Obligations of State and Political Subdivisions in the U.S.	115	0.1
Other Loans	190	0.2
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	108,312	100.0
<i>Source: Reports of Condition and Income</i> <i>Due to rounding, totals may not equal 100.0%</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. PrinsBank designated two non-contiguous assessment areas in the state of Minnesota, which will be referred to as the Champlin Assessment Area and the Prinsburg Assessment Area. The Champlin Assessment Area contains eight counties within the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area (Minneapolis MSA). The Prinsburg Assessment Area is rural in nature and located in the non-metropolitan area of Minnesota. Both assessment areas are the same as the previous evaluation. Additional details regarding assessment area demographics and other information can be found in the Conclusions on Performance section for each respective assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated March 18, 2019, to the current evaluation dated March 9, 2021. Examiners used Interagency Small Institution Examination Procedures to evaluate PrinsBank's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria appendix.

Examiners determined it was most appropriate to complete full scope reviews of both assessment areas when considering the volume of loan and deposit activity, distribution of offices among the assessment areas, and prior evaluation rating. When reaching overall conclusions, the assessment areas received equal weight; however, while commercial lending is dispersed throughout both assessment areas, agricultural lending primarily occurs within the Prinsburg Assessment Area. Therefore, examiners only reviewed agricultural lending in the Prinsburg Assessment Area.

Activities Reviewed

Examiners determined that the bank's major product lines are commercial loans followed by agricultural loans. This conclusion considered discussions with management regarding the bank's business strategy, review of bank records of the number and dollar volume of loans originated during the evaluation period, and a review of the Consolidated Report of Condition and Income (Report of Condition). Small business lending received the most weight when deriving overall conclusions. This is consistent with the bank's loan portfolio composition and volume of loans recently originated. Examiners did not review home mortgage loans, as this is not a major product line and would not provide material support for conclusions.

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Examiners reviewed all small business and small farm loans originated, renewed, extended, or purchased in 2019 and 2020, as this represents the entire evaluation period. D&B data for 2019 and 2020 provided a standard of comparison for the bank's small business and small farm lending performance. This performance evaluation contains data for both years reviewed.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All small business loans inside the Champlin Assessment Area were further reviewed to evaluate the Geographic Distribution criterion. Finally, examiners reviewed a sample of small business and small farm loans originated inside the assessment areas, to evaluate the Borrower Profile criterion. The following table provides information on the number and dollar volume of loan products reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business				
2019	167	39,552	37	5,287
2020	276	52,446	97	9,898
Small Farm				
2019	63	7,493	36	4,396
2020	60	7,345	30	4,957
<i>Source: 2019 and 2020 Bank Records</i>				

While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of businesses and farms served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

PrinsBank demonstrated satisfactory performance under the Lending Test. The bank's performance under the loan-to-deposit ratio, geographic distribution, and borrower profile criteria supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs. The bank's ratio, calculated from Reports of Condition, averaged 79.9 percent over the past 8 calendar quarters from March 31, 2019, to December 31, 2020. Since the previous CRA evaluation, the quarterly loan-to-deposit ratio has slightly declined. The ratio ranged from a low of 65.7 percent as of June 30, 2020, to a high of 98.8 percent as of June 30, 2019. Management attributed the decline to a large increase in deposits received over the evaluation period. Net loans also increased since the prior evaluation but at a slower pace. Although the ratio has slightly declined, PrinsBank maintained a ratio that reasonably compares to similarly situated institutions as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2020 (\$000s)	Average Net LTD Ratio (%)
Farmers State Bank of Hamel Hamel, Minnesota	170,432	41.9
Lake Community Bank Long Lake, Minnesota	140,816	83.0
Maple Bank, Champlin, Minnesota	100,154	105.3
Minnesota Lakes Bank, Delano, Minnesota	157,305	75.4
PrinsBank, Prinsburg, Minnesota	177,407	79.9
Source: Reports of Condition and Income 3/31/2019 - 12/31/2020		

Assessment Area Concentration

PrinsBank originated, renewed, or purchased a majority of small business and small farm loans outside its assessment areas as shown in the following table. The primary reason the majority of loans reviewed were outside of the assessment areas relates to the bank's strategy of purchasing loans. A review of 2019 and 2020 small business loans revealed that purchased loans account for approximately 52 percent of all small business loans, with the majority of purchased loans located outside of the bank's assessment areas. Examiners also considered performance context data, including loan demand, performance of similar financial institutions operating within the bank's assessment areas, and community contacts. Review of this information revealed there are sufficient lending opportunities within the assessment areas. Although the bank's performance for this criterion is less than reasonable, it carried less weight when deriving overall conclusions given the bank's efforts to increase lending within its assessment areas and the notable improvement in small business lending for 2020.

Lending Inside and Outside of the Assessment Areas										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Business										
2019	37	22.2	130	77.8	167	5,287	13.4	34,265	86.6	39,552
2020	141	51.1	135	48.9	276	13,652	26.0	38,794	74.0	52,446
Subtotal	178	40.2	265	59.8	443	18,939	20.6	73,059	79.4	91,998
Small Farm										
2019	54	85.7	9	14.3	63	5,987	79.9	1,506	20.1	7,493
2020	50	83.3	10	16.7	60	6,154	83.8	1,191	16.2	7,345
Subtotal	104	84.6	19	15.4	123	12,141	81.8	2,697	18.2	14,838
Total	282	49.8	284	50.2	566	31,080	29.1	75,756	70.9	106,836
Source: 1/1/2019-12/31/20 Bank Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion overall. The bank's performance in the Champlin Assessment Area is consistent with that conclusion. When deriving conclusions for this criterion, examiners placed emphasis on lending in low- and moderate-income geographies within the Champlin Assessment Area, which is further detailed later in this evaluation. The Prinsburg Assessment Area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated for that area.

Borrower Profile

The distribution of borrowers reflects reasonable penetration of loans overall among businesses and farms of different sizes. Reasonable overall performance in both assessment areas supports this conclusion. Refer to comments specific to each assessment area later in this evaluation for further information.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

CHAMPLIN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CHAMPLIN ASSESSMENT AREA

The Champlin Assessment Area contains all census tracts in Anoka, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties, which are all part of the Minneapolis MSA.

According to 2015 ACS data, the assessment area includes 54 low-income census tracts, 158 moderate-income census tracts, 309 middle-income census tracts, 185 upper-income census tracts, and 7 census tracts that have not been assigned an income classification. PrinsBank operates one branch office in this assessment area in the city of Champlin. The Champlin branch office is located in Hennepin County in a middle-income census tract.

Economic and Demographic 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)	713	7.6	22.2	43.3	25.9	1.0
Population by Geography	3,075,491	6.2	19.2	45.4	28.9	0.3
Housing Units by Geography	1,253,269	5.8	19.9	46.2	27.8	0.3
Owner-Occupied Units by Geography	819,957	2.3	15.0	48.9	33.7	0.1
Occupied Rental Units by Geography	371,615	13.0	30.3	40.1	15.7	0.9
Vacant Units by Geography	61,697	9.4	22.5	46.1	21.2	0.8
Businesses by Geography	305,793	5.1	17.0	45.5	32.1	0.3
Farms by Geography	6,814	2.1	11.4	54.6	31.9	0.1
Family Distribution by Income Level	762,786	20.5	17.3	22.0	40.2	0.0
Household Distribution by Income Level	1,191,572	23.8	16.2	18.4	41.6	0.0
Median Family Income Minneapolis MSA		\$84,589	Median Housing Value			\$227,745
			Median Gross Rent			\$960
			Families Below Poverty Level			6.8%
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.						

According to 2020 D&B data, service industries represent the largest portion of business operations at 38.5 percent; followed by non-classifiable establishments at 21.6 percent; finance, insurance and real estate at 10.0 percent; and retail trade at 9.6 percent. Additionally, 61.8 percent of assessment area businesses and farms have 4 or fewer employees, and 92.0 percent operate from a single location.

Competition

The assessment area is a highly competitive market for credit products and financial services. Competing institutions range from small community banks to larger national financial institutions. According to Reports of Condition filed by financial institutions, 124 financial institutions operate either a main or branch office in the assessment area and hold deposits between \$310 thousand and \$82.9 billion within the area. PrinsBank ranked 97th with less than 0.1 percent of the deposit market share.

PrinsBank is not required to collect or report small business CRA loan data and has elected not to do so. Therefore, examiners did not compare the bank's small business lending performance to aggregate CRA data within this evaluation. However, the aggregate CRA data provides an indication of the level of demand for small business loans and the level of competition within the assessment area. According to 2019 aggregate CRA data (most recent available), 166 CRA data reporters collectively reported 67,238 small business loans originated within the assessment area. These figures do not include the number of loans originated by smaller institutions that are not

required to report small business lending data but operate within assessment area. The overall volume of small business lending in the assessment area reflects a highly competitive market.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. For this evaluation, examiners reviewed a recently conducted community contact and conducted one new contact, both with representatives from economic development organizations that serve the assessment area. One contact stated that there is a mix of large and mid-size businesses in Hennepin County as well as smaller retail establishments. Both contacts discussed the Coronavirus Pandemic and its effect on the area, noting that Government assistance programs such as the Paycheck Protection Program have helped keep many smaller businesses afloat. One contact indicated that Champlin is primarily comprised of residential property and home mortgage loans were identified as a primary credit need. Lastly, one contact stated there is competition among banks and non-bank entities in the city of Champlin and that they were not aware of any unmet credit needs.

Credit Needs

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that commercial and home mortgage lending represent the primary credit needs of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CHAMPLIN ASSESSMENT AREA

LENDING TEST

PrinsBank demonstrated reasonable performance under the Lending Test in the Champlin Assessment Area. The bank's Geographic Distribution and Borrower Profile performance support this conclusion. Small business lending performance supports the Lending Test criteria conclusions. Small farm lending is not a business focus or primary credit need in the assessment area and therefore was not reviewed.

Geographic Distribution

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Examiners gave greater weight to 2020 lending performance when deriving the overall conclusions given the bank's efforts to improve the extension of loans within its assessment areas from 2019 to 2020. Examiners focused on the percentage of lending by number of loans in the low- and moderate-income census tracts in the assessment area.

Small Business Loans

As shown in the following tables, in 2019, Prinbank did not originate any small business loans in low-income census tracts and its level of lending in moderate-income census tracts lagged demographic data. The bank's lending performance in 2020 is comparable to demographic data and demonstrates an improvement in the level of lending in both low-and moderate-income census tracts. As mentioned

previously, the Champlin office is located in a middle-income census tract and is primarily surrounded by middle- and upper-income census tracts. However, there are some moderate-income tracts in close proximity located in the cities of Brooklyn Park and Brooklyn Center. Management stated they have made it a point to ensure their marketing efforts reach these areas; however, it takes time to build new relationships. Further, as previously discussed, competition in the assessment area for small business loans is high. Based on these factors and the positive trend in lending within low- and moderate-income areas from 2019 to 2020, the bank's performance is deemed reasonable.

2019 Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(0000s)	%
Low	5.0	0	0.0	0	0.0
Moderate	16.8	1	10.0	8	0.4
Middle	45.7	5	50.0	1,140	52.1
Upper	32.1	4	40.0	1,038	47.5
Not Available	0.3	0	0.0	0	0.0
Total	100.0	10	100.0	2,186	100.0
Source: 2019 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%					

2020 Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	5.1	3	4.8	353	5.0
Moderate	17.0	7	11.1	1,492	21.3
Middle	45.5	40	63.5	4,656	66.4
Upper	32.1	13	20.6	511	7.3
Not Available	0.3	0	0.0	0	0.0
Total	100.0	63	100.0	7,012	100.0
Source: 2020 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. This is supported by reasonable penetration among businesses of different revenue sizes in 2019 and 2020. Examiners focused on the percentage of small business loans by number of loans to businesses with gross annual revenues of \$1 million or less.

Small Business Loans

The distribution of sampled small business loans reflects reasonable lending penetration to businesses with gross annual revenues of \$1 million or less overall. As shown in the following tables, the bank's 2019 lending performance to borrowers with gross annual revenues of \$1 million or less exceeded demographic data, while 2020 lending performance lagged demographics. The table illustrating performance in 2020 includes 11 loans to borrowers in which revenues were not available. These loans were originated as part of the SBA's Paycheck Protection Program and revenue information for these loan types is not required to be collected. When excluding these

loans from the analysis, the bank originated 28 of 33 loans (84.8 percent) to borrowers with gross annual revenues of \$1 million or less, which is comparable to the demographic data. Further, there is heavy competition in the assessment area for small business loans, and one community contact stated that local banks are meeting the credit needs within the assessment area. Considering these factors, overall performance is considered reasonable.

2019 Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	86.3	9	90.0	1,686	77.1
> \$1,000,000	5.7	1	10.0	500	22.9
Revenue Not Available	8.0	0	0.0	0	0.0
Total	100.0	10	100.0	2,186	100.0
<i>Source: 2019 D&B Data; Bank Data</i>					

2020 Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	87.8	28	63.6	1,818	36.2
> \$1,000,000	4.9	5	11.4	1,593	31.7
Revenue Not Available	7.3	11	25.0	1,609	32.1
Total	100.0	44	100.0	5,020	100.0
<i>Source: 2020 D&B Data; Bank Data</i>					

PRINSBURG ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PRINSBURG ASSESSMENT AREA

The Prinsburg Assessment Area is comprised of census tract 9504 in Chippewa County, census tract 7802 in Kandiyohi County, and census tract 7903 in Renville County. All counties are part of Nonmetropolitan Minnesota and located west of the Minneapolis MSA. According to 2015 ACS data, all census tracts in the assessment area are middle-income. The main office in Prinsburg is located in Kandiyohi County.

Economic and Demographic 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	0.0	100.0	0.0	0.0
Population by Geography	6,869	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	2,935	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,172	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	462	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	301	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	510	0.0	0.0	100.0	0.0	0.0
Farms by Geography	180	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	1,889	14.3	16.8	24.5	44.4	0.0
Household Distribution by Income Level	2,634	18.6	14.8	20.0	46.6	0.0
Median Family Income Nonmetropolitan Minnesota		\$63,045	Median Housing Value			\$109,843
			Median Gross Rent			\$617
			Families Below Poverty Level			4.9%
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.						

According to 2020 D&B data, agriculture, forestry, and fishing represent the largest portion of business and farm operations at 26.1 percent; followed by service industries at 23.2 percent; non-classifiable establishments at 9.9 percent; and construction at 9.0 percent. Additionally, 72.5 percent of assessment area businesses and farms have 4 or fewer employees, and 91.7 percent operate from a single location.

Competition

The assessment area is a competitive market for credit products and financial services. Competing institutions range from small community banks to larger national financial institutions. According to Reports of Condition filed by financial institutions, 23 financial institutions operate either a main or branch office in the assessment area and hold deposits between \$10.7 million and \$391.8 million within the area. PrinsBank ranked 6th with 4.6 percent of the deposit market share.

According to 2019 aggregate CRA data (most recent available), 42 CRA data reporters collectively reported 1,122 small business loans originated within the assessment area. Further, 16 CRA data reporters collectively reported 670 small farm loans originated within the assessment area. These figures do not include the number of loans originated by smaller institutions that are not required to report small business or small farm lending data but operate within assessment area. The overall volume of small business and small farm lending in the assessment area reflects a competitive market.

Community Contact

Examiners reviewed one previously conducted contact completed in December 2020, with an individual familiar with the agricultural industry in the assessment area. The contact discussed how agriculture is the primary driver of the local economy and that the agricultural sector remains unstable. The contact stated smaller farming operations are disappearing with larger agricultural operations taking over. The contact discussed the Coronavirus Pandemic and its impact on smaller businesses, including those associated to the food industry, noting the area has not experienced any significant layoffs or closures. Agricultural loans are the area's primary credit need and the contact stated that local financial institutions are helping to meet the credit needs in the assessment area. Lastly, the contact noted that although some banks are getting out of agricultural lending there are adequate resources available in the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural and small business lending represents the primary credit needs of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PRINSBURG ASSESSMENT AREA

LENDING TEST

PrinsBank demonstrated reasonable performance under the Lending Test in the Prinsburg Assessment Area. This conclusion is based entirely upon the bank's Borrower Profile performance.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. This conclusion was primarily driven by the bank's small business lending performance; however, small farm lending performance was also consistent. Examiners focused on the percentage of loans by number to small business and farms with gross annual revenues of \$1 million or less.

Small Business Loans

The distribution of sampled small business loans reflects reasonable lending penetration to businesses with gross annual revenues of \$1 million or less. As shown in the following tables, the bank's performance slightly lagged demographic data in 2019 and 2020. Management indicated many small business owners do not borrow money to finance operating needs, which limits lending opportunities in the area. Further, there is heavy competition in the assessment area for small business loans, and the community contact stated that local banks are helping to meet the credit needs within the assessment area. Considering these factors, performance is reasonable.

2019 Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	81.5	20	74.1	1,053	34.0
> \$1,000,000	8.1	7	25.9	2,048	66.0
Revenue Not Available	10.4	0	0.0	0	0.0
Total	100.0	27	100.0	3,101	100.0
<i>Source: 2019 D&B Data; Bank Data</i>					

2020 Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	83.5	38	71.7	1,932	39.6
> \$1,000,000	6.9	15	28.3	2,946	60.4
Revenue Not Available	9.6	0	0.0	0	0.0
Total	100.0	53	100.0	4,878	100.0
<i>Source: 2020 D&B Data; Bank Data</i>					

Small Farm Loans

The distribution of sampled small farm loans reflects reasonable lending penetration to farms with gross annual revenues of \$1 million or less. As shown in the following tables, the bank's performance slightly lagged demographic data in 2019 and 2020. However, management stated many small farms in the assessment area do not borrow money to finance operating needs or they rely on alternative financing measures. Further, according to the 2017 Census of Agriculture, the percentage of farmers that did not pay interest in Chippewa, Kandiyohi, and Renville counties was 48.0 percent. This data indicates there is a large population of farms that do not appear to have credit needs. Lastly, the community contact stated that local banks are helping to meet the agricultural credit needs within the assessment area. Considering these factors, performance is reasonable.

2019 Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	95.1	30	83.3	3,775	85.9
> \$1,000,000	3.2	6	16.7	621	14.1
Revenue Not Available	1.6	0	0.0	0	0.0
Total	100.0	36	100.0	4,396	100.0
<i>Source: 2019 D&B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

2020 Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	95.5	24	80.0	4,048	81.7
> \$1,000,000	2.8	6	20.0	909	18.3
Revenue Not Available	1.7	0	0.0	0	0.0
Total	100.0	30	100.0	4,957	100.0
<i>Source: 2020 D&B Data; Bank Data</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.

PRINSBANK

BRANCH LOCATIONS

Main Office

508 Third Street
Prinsburg, MN 56281
Kandiyohi County
USA
320-978-6351
Census Tract – 7812

Branch Office

12011 Business Park Blvd North
Champlin, MN 55316
Hennepin County
USA
763-712-3770
Census Tract – 269.06

- No branches opened or closed in 2021
- No branches opened or closed in 2022
- No branches opened or closed in 2023

Business Checking Products

Products & Services

Champlin Branch only

Elite Business Checking

- Recommended for businesses with high-volume activity and larger daily balances
- \$50 minimum opening deposit
- \$7.50 monthly service charge/maintenance fee
- .15 fee per debit/check
- .20 fee per credit/deposit
- Deposited items: On us = .03; Not on us = .06
- Earnings Credit

Success Business Checking

- Recommended for businesses with low-volume activity
- \$50 minimum opening deposit
- \$5.00 monthly service charge/maintenance fee
- 0.25 over 25 fee per debit/check
- No charge for credits/deposits
- Deposited items: 0.25 over 25

At PrinsBank, our roots are deep in community banking. PrinsBank was established in 1916 to serve the needs of its local communities. We are committed to supporting our customers and communities by exceeding expectations while building relationships.

PrinsBank strives to make our customer's banking experiences easy and pleasant. Our friendly and experienced staff is highly committed to service and customer satisfaction.

The Board of Directors and PrinsBank employees value the business of our customers. To continue that relationship, we encourage you to let us know how we can improve our service to you. If you are not yet a customer, we welcome the opportunity to serve your needs now and in the future.

Prinsburg Main Office

508 Third Street, Prinsburg, MN 56281
Phone: (320) 978-6351 • Fax: (320) 978-4166

Business Hours

Monday – Friday: 8:30am – 3:00pm

Lobby Hours

M - F: 8:30 – 4:00

Drive Up Hours

M - F: 8:00 – 4:00

Champlin Branch Office

12011 Business Park Boulevard North
Champlin, MN 55316
Phone: (763) 712-3770 • Fax: (763) 712-3771

Business Hours

Monday – Friday: 8:30am – 3:00pm

Lobby Hours

M - F: 8:00 – 4:30

Drive Up Hours

M - F: 8:00 – 5:00

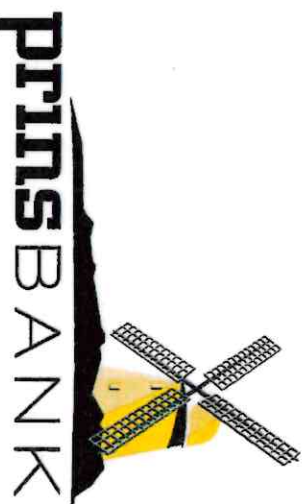
www.prinsbank.com

Member FDIC

9-2023



Real People .
Smart Banking



Your Personal Checking, Savings and Additional Products & Services Options at PrinsBank

Checking Plus

- \$50 minimum opening deposit
- No minimum balance
- No monthly service charge/maintenance fee
- Check images are not provided with monthly statement
- Overdraft protection is available
- Visa Instant Cash & Check card available

Value Checking

- \$100 minimum opening deposit
- \$100 minimum balance
- \$5 monthly service charge/maintenance fee if your balance drops below minimum balance
- Check images are provided with monthly statement
- Overdraft protection is available
- Visa Instant Cash & Check card available

NOW Checking

- \$1,000 minimum opening deposit
- \$1,000 minimum balance
- \$8.50 monthly service charge/maintenance fee if balance drops below minimum balance
- Check images are provided with monthly statement
- Variable interest rate that may change at any time
- Interest accrues daily and will be compounded and credited on a monthly basis
- Overdraft protection is available
- Visa Instant Cash & Check card available

HSA Checking

- \$50 minimum opening deposit
- No minimum balance
- \$1.25 monthly service charge/maintenance fee
- Multi-tiered variable interest rates that may change at any time
- Interest accrues daily and will be compounded and credited on a monthly basis
- Interest earned on an HSA is tax-free

HSA Checking, continued

- Withdrawals for qualified medical expenses are tax-exempt
- HSA funds will not be lost if not used. Funds are rolled over from year to year
- HSA funds will not be lost if you change employers or healthcare plans
- Required to have qualified high deductible healthcare plan to open account

Piggy Bank Savings

- \$20 minimum opening deposit
- Free piggy bank for children age 10 and under at account opening
- No minimum balance
- No monthly service charge/maintenance fee
- Variable interest rate that may change at any time
- Interest accrues daily and will be compounded and credited on a quarterly basis
- Quarterly statement
- EFT statement provided monthly
- Parent or legal guardian required as signor on account
- Withdrawal limits (see account disclosure)
- Automatically transfers to our Traditional Savings at age 21

Traditional Savings

- \$100 minimum opening deposit
- \$100 minimum balance
- \$3 quarterly service charge/maintenance fee if balance drops below minimum balance
- Variable interest rate that may change at any time
- Interest accrues daily and will be compounded and credited on a quarterly basis
- Quarterly statement
- EFT statement provided monthly
- Withdrawal limits (see account disclosure)

Money Market Savings

- \$2,500 minimum opening deposit
- \$2,500 minimum balance
- \$15 monthly service charge/maintenance fee if balance drops below minimum balance
- Multi-tiered variable interest rates that may change at any time
- Interest accrues daily and will be compounded and credited on a monthly basis
- Monthly statement
- \$500 minimum withdrawal amount
- Withdrawal limits (see account disclosure)

Certificates of Deposit

- Different maturity terms to meet your future needs
- \$1,000 minimum opening deposit on all terms
- Penalty for early withdrawal
- Interest rate is fixed and will not change during the term of your account
- Interest will accrue daily and will be compounded and credited to your account per the account disclosure (monthly, quarterly, semi-annually, etc).
- You may elect to have your interest credited to another deposit account at PrinsBank or paid by check
- Refer to our rate board for current yields and rates and account disclosures for additional terms and conditions

Additional Products & Services

- ATM
- Bill Pay
- Cash Management
- Debt Alerts
- eStatements
- Individual Retirement Accounts
- Loans—Consumer, Commercial & Real Estate
- Merchant Capture
- Mobile Banking w/ Remote Deposit, Zelle®
- Notary Service
- Online Banking Services
- Visa Credit Card
- Overdraft Protection
- Safety Deposit Box

SERVICE FEE INFORMATION



Account Activity Printout	\$ 3.00 each	Money Order	\$ 5.00 each
Account Closure	\$ 15.00 per account	Mortgage Product Payoff Statement	\$ 25.00 each
Within 90 days of opening		Night Deposit	
Accounting Service	\$ 27.00 per hour	Zipper Bag Deposit	\$ 5.00 each
Reconciliation/Research		Locked Zipper Bag Deposit	\$ 25.00 each
Amortization Schedule		Replacement Key	\$ 15.00 each
Customer	\$ 7.00 each	Notary Service	
Non-Customer	\$ 15.00 each	Customer	No charge
Cashier's Check	\$ 5.00 each	Non-Customer	\$ 1.00 per document
Re-issue	\$ 10.00 each	Online Banking	No charge
Certified Check	\$ 25.00 each	Overdraft Charge	\$ 25.00 per item*
Check Orders	Varies	Each overdraft paid	
Counter Checks – MICR encoded	\$ 0.25 each	Overdraft Charge – Continuous **	\$ 30.00
Coin & Currency Counting	No charge	Every 7 calendar days	
Consumer Customer	5% of total	Overdraft Protection	\$ 1.00 per transfer
Business Customer: Coin	.50% of total	Recurring Transaction	No charge
Currency	15% of total/\$10 min	Return Check/Item Charge ***	\$ 30.00 per item*
Non-Customer	\$ 20.00 each	Each time payment presented	
Collection Item		Safe Deposit Box Annual Lease	
Copies		Small Box	\$ 20.00
Checks or Deposits	\$ 3.00 each	Medium Box	\$ 25.00
Photocopies	\$ 0.25 each	Large Box	\$ 30.00
Statements	\$ 3.00 each	Drilling	at cost
Deposit Item Returned	\$ 4.00 each	Stop Payment	\$ 20.00 each
Dormant Service Charge	\$ 5.00 per month	Visa Instant Cash & Check Card	
Farm Contracts (3 copies)	\$ 35.00	New Card	No charge
Fax		Replacement Card	\$ 10.00
Incoming	\$ 1.00 per page	PIN Selection	\$ 1.00
Outgoing	\$ 2.00 per page	Re-activated	\$ 25.00
Outgoing – foreign	plus \$10.00	Wire Transfer	
Foreign Currency/Draft	\$ 10.00 plus cost	Incoming	\$ 15.00
Foreign Exchange Service	\$ 5.00 per item	Outgoing	\$ 20.00
IRA Annual Fee	No charge	Incoming – foreign	\$ 45.00
Legal Documentation Processing		Outgoing – foreign	\$ 45.00
Levies, Garnishments, Subpoena	\$ 45.00 per order		

*Created by check, in-person withdrawal, or other means; not including overdrafts caused by ATM withdrawals or one-time debit card transactions.

**A Continuous Overdraft fee will be assessed on the 7th calendar day after your account goes into a negative balance situation and will continue to be charged every 7 calendar days until the balance is brought positive. Fees apply to any negative balance created by check, in-person and ATM withdrawal, other electronic means, and any bank assessed fee.

***Also known as NSF (non-sufficient funds) fee. Items may be presented multiple times and the same item may incur multiple fees if presented more than one time.

PRINSBANK ASSESSMENT AREAS

- ❖ See Exhibit A of the attached Strategic Plan for maps showing the boundaries of each branches assessment area
- ❖ See Exhibit B of the attached Strategic Plan for a list of census tracts contained in each branches assessment area



**** For Immediate Release ****

PrinsBank Honored for Community Commitment

EDEN PRAIRIE, MN – October 23, 2023. The Minnesota Bankers Association (MBA) has recognized 90 Minnesota banks for their community involvement. Banks play a vital role in their communities and to honor and recognize their involvement, the MBA created the Community Champion recognition program.

PrinsBank is one of 90 Community Champions that have worked with hundreds of organizations in their communities this year, providing funding, volunteers, materials, supplies, and/or food for their neighbors. Recipients of the recognition range in size from small community banks to large banks with multiple branches.

In the wake of another challenging year for many, Minnesota bankers stepped up their efforts to give back to their communities and citizens. Just during the MBA's September Community Impact Month alone, these 90 banks and 411 branches devoted more than 3,600 volunteer hours, completed hundreds of community service projects, and donated tens of thousands of dollars to charitable organizations. In total, more than 279 distinct communities in Minnesota were impacted by their efforts.

MBA President/CEO Joe Witt congratulated the recipients. "Minnesota banks provide an extraordinary level of commitment to the communities they serve," said Witt. "In addition to providing the capital that helps families and local businesses thrive, the banking industry's record of supporting charitable and community causes is second to none. The MBA is pleased to recognize these banks for their commitment to making a real difference in their local communities"

The Minnesota Bankers Association is the state's largest trade association devoted exclusively to the representation of commercial banks. The MBA was founded in 1889 and represents 95% of Minnesota's banks. The MBA is proud to support our member banks as they work to ensure vibrant communities throughout the state. For more information, please visit our website at www.minnbankers.com.

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Media Contact: Carla Bush, Director of Communications/Education, Minnesota Bankers Association
carlab@minnbankers.com; 952-857-2605



Security Bank & Trust

Security Bank & Trust bankers packed 300 gift bags and buckets of treats that will go out to local farmers in McLeod County during their busy fall harvest. Every year, the Hutchinson Area Chamber of Commerce and Tourism and the Glencoe Area Chamber of Commerce put packing events together to support the local farming communities. The bank has been a partner of the Farm Fatigue initiative for more than 15 years.



Pine River State Bank served Settler's Stew at Heritage Days in Pine River.



Old National Bank team members from Montevideo packed meals for Meals from the Heart.



Star Bank in Maple Lake hosted a Welcome Back Staff Lunch for the teachers.



PrinsBank employees from the Champlin branch picked up trash near the bank and they also brought cookies to the Champlin police department.

Press news, com
May 2023

Bill learned from the best and plans to continue to stay focused on the loyal patrons.

PrinsBank

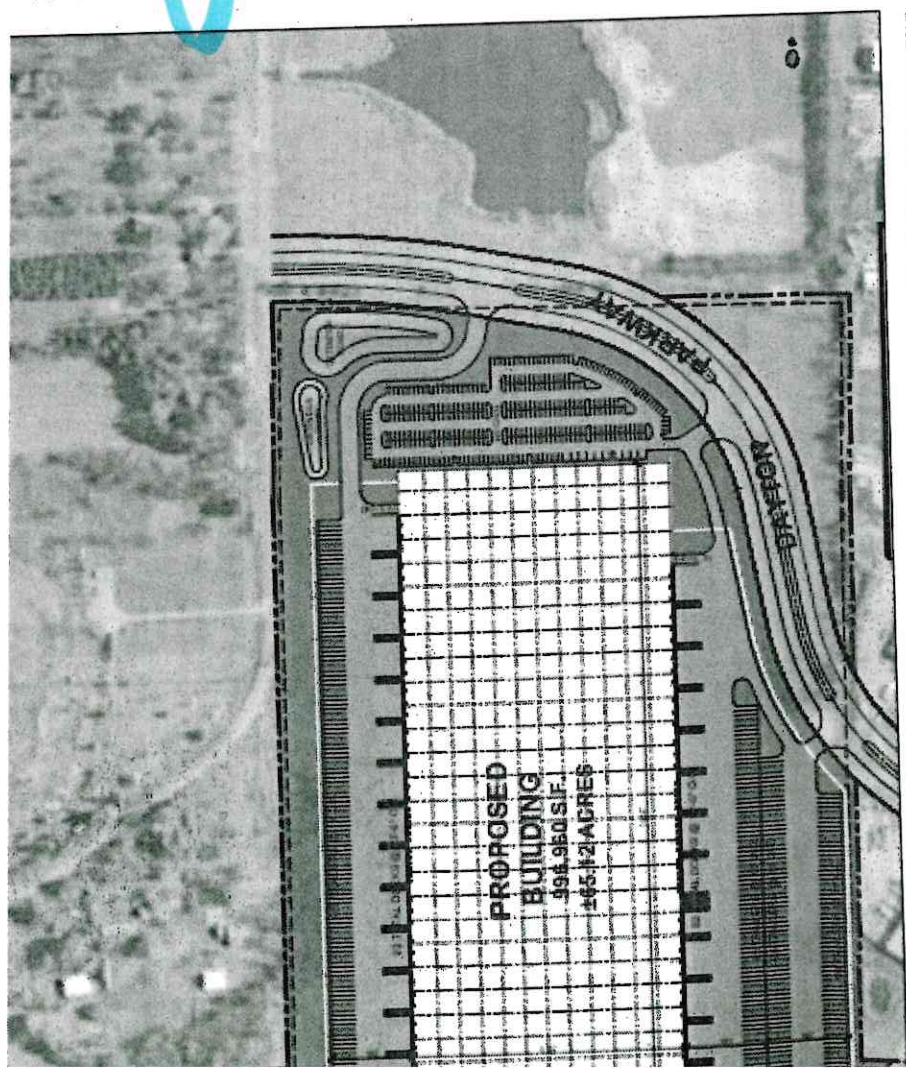
While PrinsBank isn't a new business to the Champlin area, it is continually working to invest in and connect to the community that we serve. With over 125 years as a banking institution, and now over 10 years at its Champlin location, the bank strives to build personal relationships with every customer and provide them with the service that they deserve.

A 2023 readers' choice "Best Bank" winner by the Champlin/Dayton Press, PrinsBank is located right off Highway 169 near Target. It wants customers and this community to see that PrinsBank is committed to them long term.

As a full service retail bank, it is certain that it can help with any needs people may have personally or for a business, all while becoming part of the PrinsBank family. Come experience what community banking is really all about.

People can reach PrinsBank at 763-712-3770, or find them online at prinsbank.com. Stop in and see the renovated bank at 12011 Business Park Blvd. in

See **PrinsBank**,



(GRAPHIC COURTESY OF THE CITY OF DAYTON)

facility to the former French Lake Golf Course. Construction is underway and will include the extension of Dayton

in business for over 85 years," laughs Bill Princeton, William's grandson. In 1966, Princeton's expanded into an off sale store next to a tavern, and in 1979, the family owned a second liquor store in Maple Grove.

Both stores are still open today. When William grew ill, his son Joel took over the family business, reluctantly. He was working on a master's degree in sociology at the time, but as an only child

years in the same location, it's clear the family-owned liquor store is universally loved. The Princeton's legacy began in 1926, when William and Cora Princeton purchased a restaurant in Osseo. When Prohibition was repealed in 1934, the restaurant transitioned into a tavern, a process that went smoothly since the Princeton's may or may not have been surreptitiously selling alcohol during the ban.

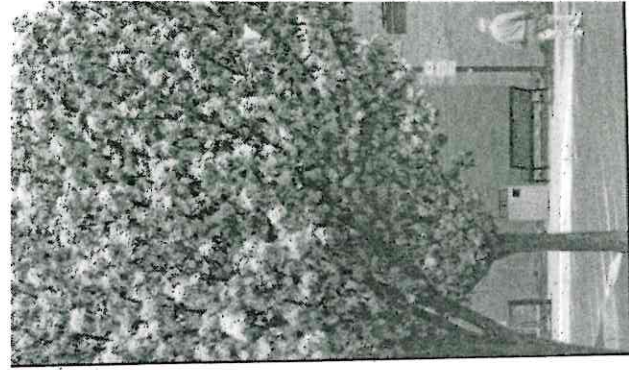
Liquors

of Princeton has what revive for the door Liquors is a sign of the Best the Uni- ant to be heck, but

he hasn't left since. "I can honestly say I've never had a day that I didn't like come in here," he said.

People around the Twin Cities knew Bill for his expertise in microbrews and believe it or not, the family is sometimes recognized around the country.

In June 2022, Joel passed away after much dedication to his loyal customers, employees, and vendors. His son Bill has taken over the business operations offering the



The city of Maple Grove is also in the newly imposed half-cent sales tax will also use state bonding funds, federal million project.

PrinsBank

CONTINUED FROM PAGE 14

Champlin.

PrinsBank is a member of FDIC and an Equal Opportunity Lender.

Sipe Bros.

Sipe Bros. - Marathon is located at 408 Third Street S.E. in Osseo, with a three bay NAPA AutoCare repair center. In addition Sipe Bros. has a car wash, convenience store, diesel, propane refill station and K1 kerosene. It also offer Non-Oxy gasoline all year round.

The business is owned by Peter Sipe, who is the



October 25, 2022

Dear MBA Member:

Thank you for participating in the MBA's 2022 Community Impact Month and even more importantly, for all the good work your bank has done in and for Minnesota communities over the past year.

Community Impact Month is now in its seventh year and Minnesota bankers haven't slowed down in their efforts to give back to their communities and citizens. This year 84 banks and 353 branches spent the month of September devoting countless volunteer hours, completing hundreds of community service projects, and donating thousands of dollars to charitable organizations. In total, more than 231 distinct cities in Minnesota were impacted by your efforts. Well done!

In appreciation and recognition, the MBA is proud to recognize your bank as a 2022 Community Champion. Enclosed you will find your certificate; we encourage you to display it proudly in your bank and to include the designation in your marketing efforts. You will also find a press release and 2022 Community Champion Recognition logo on the Community Impact Month website at www.minnbankers.com/communityimpact. Look for the Community Recognition tab. Feel free to use them to promote your recognition.

Thank you again and keep up the good work!

Carla K. Bush

Carla Bush
Director of Education/Communications



Minnesota Bankers Association

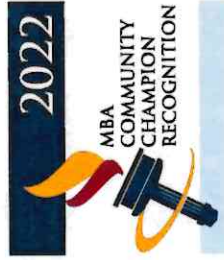
Community Champion Recognition

is presented to

**PrinsBank
Prinsburg**

in recognition of your contributions, service
and support of your local community.

October 2022



Rich Hoban
Rich Hoban, MBA Chair



Joe Witt
Joe Witt, MBA President/CEO

PRINSBANK

LOANS TO DEPOSITS RATIOS 2023

As of Date:	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Loans to Deposits Ratio	77.01%	94.16%	82.31%	84.55%



Prinsburg, Minnesota

COMMUNITY REINVESTMENT ACT 2024- 2028 STRATEGIC PLAN

Please direct comments and questions to:

Kelly Beekman
Compliance and CRA Officer
PrinsBank,
508 Third Street
Prinsburg, Minnesota 56281
<https://www.prinsbank.com/>
320-978-6351

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EXECUTIVE SUMMARY

The Board of Directors (“Board”) of PrinsBank (“Bank”) has adopted a Community Reinvestment Act (“CRA”) Strategic Plan (“Plan”) that formally communicates and measures the Bank’s performance in meeting community credit needs in its defined local markets (“assessment areas or AAs”) ¹. The goal of the Plan is to ensure the Board and management’s committed focus on the Bank’s local markets remains apparent. As such, the Plan is intended to underscore this commitment notwithstanding an operating strategy we have adopted that includes a business line centered on the purchase and servicing of bank loan portfolios that are typically outside of the Bank’s assessment areas. The Plan has three primary objectives:

1. Direct a strategy that ensures the Bank continues to meet local needs with a focus on supporting:
 - Small businesses and small farms
 - Businesses located in low- and moderate-income communities.
 - Entities² that promote community development or otherwise increase access to credit by underserved populations particularly those of low- and moderate-income.
2. Establish specific goals that allow examiners to measure the sufficiency of the Bank’s performance and assign a CRA rating.
3. Maintain at least a “Satisfactory” CRA performance rating through measurable goals that allow examiners to assess the Bank’s performance.

The Plan includes a substantive financial commitment as well as an extensive level of human resources to address community needs in its assessment areas over a five-year term.

PrinsBank Prinsburg, Minnesota CRA Strategic Plan (2024 - 2028)					
CRA Performance Goals			Aggregate Commitment		
			Percent of AA Originations*	Dollars (000 omitted)	Service Hours
Business Lending	Lending to Borrowers with Revenue of \$1 million or less				
		Small Businesses	69%		
		Small Farms	68%		
	Business Lending in Low- and Moderate-Income (LMI) areas		11%		
	Community Development Funding and Institutional Investments (Reinvestment Funding)			\$2,000	
	Community Development Services				165
*Average annual percent over the term of the Plan					

¹The Bank’s assessment areas include two noncontiguous defined markets: Prinsburg Assessment Area which is part of the nonmetropolitan area of west central Minnesota; and the Champlin Assessment Area which is part of the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area (Minneapolis MSA).

² Entities include nonprofit community organizations, community development financial institutions and minority depository institutions (MDIs) operating in the Bank’s assessment areas. The Plan also provides for support of such organizations with broader regional or state-wide service markets that encompass the Bank’s defined assessment areas.

The Board is seeking approval from the Federal Deposit Insurance Corporation (“FDIC”), the Bank’s primary regulator, for the PrinsBank CRA Strategic Plan to serve as the basis of the Bank’s CRA performance evaluation. The Board believes the Plan is appropriate as it demonstrates sustained focus and commitment to community needs in the Bank’s assessment areas.

BACKGROUND

The Bank is a Minnesota state-chartered depository institution headquartered in Prinsburg, Minnesota. The Bank is wholly owned by PSB Financial Shares, Inc., a one-bank holding company also based in Prinsburg, Minnesota. The Bank operates two banking offices, a main office in Prinsburg, and one full-service branch in Champlin, Minnesota.

The Bank is insured and supervised by the Federal Deposit Insurance Corporation (FDIC) and subject to its regulation that implements the Community Reinvestment Act ("CRA" or "Act"). The CRA was passed by Congress in 1977 to encourage institutions to meet the credit needs of the defined communities in which they are chartered to operate.

The CRA requires that federal bank supervisory agencies assess the records of banks in meeting the credit needs of their communities, including low- to moderate-income individuals and neighborhoods, consistent with safe and sound operations. An institution's performance record pursuant to the Act is taken into account when deciding whether to approve certain applications submitted by a banking organization to expand, such as a request to open new bank branches, or acquire or merge with another financial institution.

The CRA regulation prescribes methodologies under which an institution's CRA performance may be evaluated. The methodology permitted under a CRA Strategic Plan (Plan) allows a bank the opportunity to outline performance activities that align with its capabilities, business strategy and organizational framework. The Bank will be evaluated based on these activities. It is pursuant to this provision of the regulation³ that the Bank has developed a CRA Strategic Plan.

Rationale for a CRA Strategic Plan: With an established presence since 1918, our business objectives for the Bank are to not only survive as a local financial institution, but to ensure it, together with our communities, thrive. Notwithstanding our commitment to these objectives, as management we also recognize that challenges exist particularly for community banks as is evidenced by an increasing trend of consolidations in the industry. For example, in 2021 Minnesota was one of five states where the level of community bank consolidation was above 4 percent, ranking the state over the community bank average (3.5%) for the U.S.⁴ Key developments currently inhibiting the extent of a community bank's opportunity to respond to market needs include:

- Rapidly evolving changes in technology and business delivery models.
- Competition intensified by the entrance of bank and non-bank financial services providers into markets, including those where demand is impacted by limited or declining population growth.
- A landscape of substantive regulation and ongoing change.

In our efforts to thrive in a safe and sound manner, we have diversified the Bank's business model to promote ongoing growth in its capacity to serve our local communities as a "friendly service, home-town bank." To this end, we complement the Bank's local product offerings with

³ [https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345#p-345.21\(a\)\(4\)](https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345#p-345.21(a)(4))

⁴ <https://www.bankingstrategist.com/community-banks-number-by-state-and-asset-size>

a business line focused on the acquisition and servicing of loan portfolios of banks exiting or downsizing a market or product line (collectively “loan purchases”). The location of the acquisitions is driven by the service area of the selling institution, which is typically outside of the Bank’s defined assessment areas.

While loan purchases have been a successful line of business, the resultant concentration outside of the assessment areas elevates the Bank’s CRA rating risk. In fact, the risk has been measurable as results from our March 18, 2019 CRA examination precluded the Bank from achieving a Satisfactory rating.⁵ While the Bank achieved a Satisfactory rating at the subsequent CRA examination (March 9, 2021), the stronger performance was largely due to loans originated to respond to the surge in loan requests during the Pandemic under limited term, government assistance programs such as the Paycheck Protection Program (PPP) .

Notwithstanding the positive 2021 examination results, we are seeing a post-Pandemic environment purchasing loans is returning as a significant part of our business strategy. In fact, as of December 31, 2021, commercial loans had declined by 13 percent from the high in 2020. While the decline was less between 2021 and 2022, conditions such as the post-Pandemic economy, and rising interest rates are factors tempering loan demand and further intensifying competition for loans.

As a result, the Board of Directors has elected to adopt a CRA Strategic Plan that enables the Bank to meet its CRA obligation and continue operations under a business model that supports its capacity as a community bank.

CRA STRATEGIC PLAN SUMMARY: OVERALL GOAL, EFFECTIVE DATE AND TERM

Overall Goal: The goal of the Bank is to meet or exceed the requirements of the CRA, thus maintaining or exceeding a “Satisfactory” CRA performance rating. We believe the Bank may have an opportunity to exceed the Plan goals, and therefore we have outlined clear and measurable goals for satisfactory as well as outstanding performance for the FDIC’s consideration.

The Plan outlines a strategy to meet the needs of businesses in the assessment areas and strengthen the economic capacity of its residents, particularly those of low- and moderate-income through three key strategies:

1. Business Lending with a focus on the following:
 - Entities with revenue of \$1 million or less. Goals are established separately for small businesses and small farms borrowers falling within this revenue threshold.
 - Businesses operating in low- and moderate-income areas. Goals are established for the Champlin assessment areas only as there are no designated low- or moderate-income communities in the Prinsburg assessment area.

⁵ The regulation requires that the majority of the Bank’s loan activity be concentrated in its defined assessment areas. 12 CFR Appendix A to Part 345(d)(1)(i)(B) [https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345#p-Appendix-A-to-Part-345\(d\)\(1\)\(i\)\(B\)](https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-345#p-Appendix-A-to-Part-345(d)(1)(i)(B))

Goals are origination-based percentage benchmarks. Additionally, the goal framework provides for alternate minimum goals in the event the percentage-based goals cannot be achieved. The alternative minimum goals are based on a predetermined number of loans.

2. Community Development Funding and Institutional Investments, collectively “Reinvestment Funding” goals focus on providing financial support to promote two key objectives:

- Community development with a focus on the assessment areas and consideration given to activities of organizations serving broader areas such as regional, or statewide markets that encompass the assessment areas.
- Ongoing access to credit through support of mission-driven organizations, including depository institutions such as community development financial institutions (CDFIs) and minority depository institutions (MDIs).

Goals are two-pronged to provide the greater of a predetermined annual dollar goal or a capital-based percentage benchmark.

3. Community Development Services. Goals are focused on leveraging the financial expertise of Bank personnel through volunteer service that helps elevate the capacity of underserved populations, including businesses, community organizations and low- and moderate-income persons. Goals are annual hour-based.

Effective Date: The PrinsBank CRA Strategic Plan centers on a framework that provides an effective basis to substantively respond to pressing needs in the Bank’s defined assessment areas. As such, the Board would like to officially implement the Plan by January 1, 2024. To do this, it respectfully requests FDIC consideration and approval of the Plan to accommodate this date. In the interim, the Board and management believe the Plan provides a sound framework to guide and effectively advance the Bank’s CRA performance activities, including those new to the institution. Therefore, management has already commenced to manage the Bank’s CRA activities using the Plan framework as informal guidance until the FDIC officially approves it.

Term: The Plan covers a five-year term beginning in 2024 through 2028. At the end of the initial term, the Bank will consider the renewal of the Plan.

As the Bank’s Board and management, we will continue CRA performance monitoring as the Plan is implemented. If there is a material change in its underlying assumptions or in Bank operations and such changes make the Plan no longer appropriate or viable, the Plan may be modified or amended. Additionally, the Plan may be amended if there is a change in the CRA regulation that warrants modification to our commitments. Any modifications and amendments made to the Plan reflecting such changes will be made in accordance with the FDIC’s regulatory requirements. We may also elect to have the Bank examined under the standard CRA examination procedures based on its asset size if Plan goals are not met.

BANKING OPERATIONS

With total assets of \$188 million as of December 31, 2022,⁶ the Bank operates with two full-service banking offices: our headquarters in Prinsburg, Minnesota, and a branch facility in Champlin, Minnesota.

Loans: Our bank-wide lending strategy is primarily business-focused and includes the following loan products and services:

- Loan products that include commercial and agricultural financing, and special loan programs through the Farm Service Agency and Small Business Administration (SBA). Other complementary products include residential real estate, and consumer loans.
- A complementary business strategy focused on the purchase and servicing of portfolio loans of banking institutions. For example, at year-end 2022, approximately 76 percent of the loan portfolio by dollar amount consisted of purchased loans, with commercial-purpose loans representing the majority of loans purchased.

Deposits and Delivery Systems: The institution also provides a variety of deposit products and services, providing customers access through delivery methods such as automated teller machines and online and mobile banking.

CRA Performance Profile

The Bank achieved a “Satisfactory” rating at its most recent FDIC Performance Evaluation, dated March 9, 2021, based on Interagency Small Bank CRA Examination Procedures.

Table 1: CRA Performance Profile		
CRA Examination Date	CRA Rating	Total Assets (000s)
March 9, 2021	Satisfactory	\$177,407
March 18, 2019	Needs to Improve	\$137,246
December 10, 2013	Satisfactory	\$119,380
September 29, 2008	Satisfactory	\$50,854

As Table 1 indicates, the Bank has demonstrated a history of Satisfactory CRA performance. The exception to this record was the Needs to Improve CRA rating assigned at the March 18, 2019 CRA examination due to a majority concentration of the Bank’s loan activity outside of the assessment areas. As previously noted under Rationale for a CRA Strategic Plan, the upgraded rating assigned at the 2021 CRA examination reflects in large part the Bank’s lending under the PPP loan program.

⁶ Total assets down from \$195 million at year-end December 31, 2021.

DESCRIPTION OF ASSESSMENT AREAS

Our service market consists of two non-contiguous assessment areas (AA) in the State of Minnesota. The markets are defined consistent with the requirements of the Community Reinvestment Act and include the following assessment areas (AA):

- The Prinsburg Assessment Area, a largely rural market located in the non-metropolitan area of west central Minnesota.
- The Champlin Assessment Area, a market that contains eight counties within the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area (Minneapolis MSA).

Appendices A and B provide maps and the census tract listing for each of the Bank's two individual assessment areas for reference.

Table 2 presents the assessment areas and the markets' respective shares of the Bank's loans, deposits, and branches. The average of the respective shares of these components is a consideration for allocating goal expectations for each assessment area as well as the respective weight of the Bank's CRA rating.

Table 2: Assessment Area (AA) Share of Components of Bank Operations & Weighted CRA Rating Percentages					
Assessment Area	6/30/2022	2019-2021 ⁷	12/31/2022	Average Share	AA Weighted Percent of Bank's CRA Rating
	Total Deposits	Loan Originations	Branches		
Prinsburg	63.0%	54.8%	50%	55.9%	50%
Champlin	37.0%	45.2%	50%	44.1%	50%

Not surprisingly, the Prinsburg assessment area, as the Bank's headquarters market, exhibits the largest average share of bank activity. Nonetheless, the margin of difference between the assessment areas' average share is small. Balancing our long history in the Prinsburg assessment area together with market conditions, needs and opportunities in both of our defined communities we believe collectively activities are equally significant when determining the Bank's overall CRA rating. As such, the rating achieved by each assessment area will represent 50 percent of the Bank's overall CRA rating under the Plan.

A descriptive summary of each assessment area begins on the following page and includes considerations such as assessment area demographics, the competitive environment and economy in formulating Plan goals. Additionally, the summary includes a discussion of community needs for each assessment area, with examples of response strategies and possible opportunities for banking institutions. The opportunities highlighted are included as illustrative examples that may be employed in satisfying Plan objectives rather than a road map to be followed.

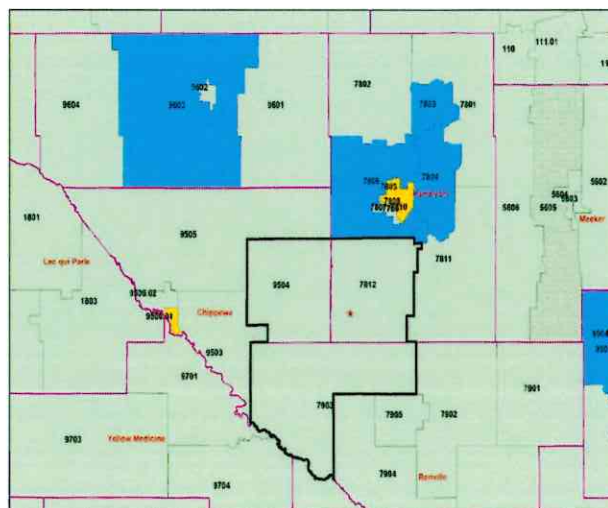
⁷ 2022 data did not indicate a significant change to allocation and weighting percentages.

The following is a profile of each assessment area. The profiles provide an analysis of data considered in identifying community needs and formulating Plan goals (market assessment). The market assessment considered area demographics, the competitive environment, the local economy and other market indicators of community credit needs. For example, the assessment considered information from Bank outreach discussions with community organizations, as well as feedback from other community contacts shared in recently completed examinations. The market assessment concludes with a community needs discussions that identifies apparent needs as well as examples of response strategies and potential opportunities to meet them. The identified opportunities are meant as examples for illustration that may be considered in satisfying the Plan goals.

Prinsburg Assessment Area

The Prinsburg assessment area, the Bank's headquarter market, is part of the nonmetropolitan area of west central Minnesota.

The assessment area includes three contiguous census tracts, one each in Chippewa, Kandiyohi and Renville counties. As of the 2020 census, the assessment area tracts were classified as middle-income geographies. There are no defined low- or moderate-income areas in the assessment area, however, the Renville County census tract is designated as a distressed nonmetropolitan middle-income census tract (distressed middle-income tracts). Due to the influence the counties have on the respective census tracts, the three counties are collectively referred to as the encompassing AA counties or the AA's counties throughout the Plan.



Refer to Plan Appendices for details regarding the assessment area and demographics.

Market Share and Competition:

The assessment area is served solely by the Bank's main banking office located in Prinsburg, Minnesota. As of June 30, 2022, the Bank's deposit share in the encompassing AA counties was 3.27 percent, placing the Bank 12th out of 23 banking institutions operating 40 total branches in the market.⁸ The 23 institutions operate between one and five offices in the market with total local deposits ranging between \$14 million and \$550

⁸ As of June 30, 2023 the Bank's markets share was 3.63 percent, however its average market for the pre-Plan period when 2023 results are added essentially remained unchanged at 3.4 percent (3.42%). The pre-Plan period average was 3.4 percent (3.38%). With the addition of 2023 activity, the average number of banks in the market remained unchanged at 23 as did the average number of banking offices at 40.

million. Within the context of this competition and our one office in the market, at total local deposits of \$94 million, the Bank's market share is reasonable.

From a lending perspective, we compete with comparably-sized institutions as well as more than 40 (43) financial institutions that are small business and small farm lenders, and are classified as large banks under the CRA regulation.⁹ Annual lending data identifies the following institutions as dominant large bank lenders in our encompassing AA counties:

- **Small Business:** Four of the top 50 largest U.S. banks (*i.e.*, American Express National Bank, Capital One Bank (USA) JPMorgan Chase Bank, N.A., and U.S. Bank, N.A.). Additionally, the dominant lenders included local institutions such as Frandsen Bank and Trust, Bremer Bank, N.A. and Minnwest Bank.
- **Small Farm:** Essentially, the U.S. banks in the top 50 group dominating the small business lending market also hold that ranking for agriculture lending. These banks dominate the market along with local bank lenders including Frandsen Bank and Trust, Bremer Bank, N.A., Minnwest Bank, as well as John Deere Financial FSB.

In addition to commercial banks, the Bank faces measurable competition from credit unions engaged in business lending such, as Magnifi Financial Credit Union, Co-Op Credit Union and Dawson Co-Op Credit Union. Non-bank lenders also pose formidable competition, as the group increasing includes fin-tech firms buoyed by technology platforms. From a farm lending perspective, government entities, such as the USDA Farm Service Agency, also play a dominant role lending to existing as well as start-up enterprises.

Economy:

The Prinsburg assessment area is influenced by the unemployment profile of its encompassing AA counties. As such, our market assessment considered the economics of the three-county market. As Table A1 indicates, prior to the Pandemic the AA's counties exhibited unemployment rates that were generally higher than rates for Minnesota. Of the three counties, the Renville market reported the highest unemployment rate and in fact exceeded the national average. The county's employment profile aligns with its geographic makeup where a majority (86%) of the census tracts in the community have been designated as distressed middle-income tracts¹⁰.

⁹ Large banks are those with assets that meet a specific annual threshold for two consecutive calendar years. These institutions are required to annually report their small business loan originations pursuant to the requirements of CRA. The large bank asset threshold as of January 1, 2022 was \$1.384 billion. The latest reported lending data available is as of December 31, 2021.

¹⁰ [https://www.ffiec.gov/craadweb/aggregate.aspx?Activity=4&Year=2021&State=27&strStatetext=27-MINNESOTA%252b\(MN\)](https://www.ffiec.gov/craadweb/aggregate.aspx?Activity=4&Year=2021&State=27&strStatetext=27-MINNESOTA%252b(MN))
[Regulatory Background - Distressed and Underserved Tracts FINAL.pdf \(ffiec.gov\)](#)

Table A1: Unemployment Rates									
		2017	2018	2019	2020	2021	2022		Average
	Unites States	4.4	3.9	3.7	8.1	5.3	3.6		4.8
	Minnesota	3.5	3.0	3.3	6.3	3.8	2.7		3.8
Counties encompassing the Prinsburg AA (Encompassing AA Counties)	Kandiyohi	3.3	3.0	3.5	4.9	3.9	2.9		3.6
	Chippewa	4.00	3.4	3.9	5.2	3.2	2.4		3.7
	Renville	4.5	4.1	4.6	5.8	4.3	3.6		4.5
Average for the AA Counties		3.9	3.5	4.0	5.3	3.8	3.0		3.9
Source: Bureau of Labor Statistics; Federal Reserve Economic Data (FRED)									

Subsequent to Pandemic-driven high unemployment rates in 2020, each of the AA counties have reported unemployment at measurably lower rates. Notwithstanding the decline, rates for Kandiyohi and Renville County continue to rank above the state average. Renville County continues to report the highest rate of the three counties, although beginning in 2021 the results have ranked below or at U.S levels.

Measured by the percentage of individuals employed in an industry, county data underscores the significance of the healthcare, manufacturing and agriculture sectors as key contributors to the local economy. Recent reports on national unemployment by sector provide some rationale for the rates in these AA counties. For example, the manufacturing and healthcare services industries have materially recovered from the Pandemic and in fact show unemployment rates well below the total industries rate (*e.g.*, total industries 3.9 percent, manufacturing 2.7 percent, and health services 3.2 percent¹¹). The below average sector rates align with unemployment in Kandiyohi and Chippewa County where manufacturing and healthcare services are the two dominant industries. As Table A1 shows, this dominance has contributed to reduced unemployment rates for the counties, with Chippewa County falling below the state, and Kandiyohi County ranking only slightly above the state.

Conversely, in Renville County agriculture ranks as a top industry. While the sector is joined by health care and manufacturing, Renville County's unemployment rates are higher than that of the other AA counties. The distinction in unemployment results is due, in part, to the significance of the agriculture sector in the Renville market. For example, in Kandiyohi and Chippewa Counties the percentage of the labor force employed in the agriculture sector is in single digits, while the percentage in Renville is in the double digits. Unlike the unemployment rates for the healthcare and manufacturing industries, which were notably below the average (3.9%), the rate for the agriculture sector was substantially higher at 5.8 percent. Moreover, the rate for the agriculture sector was in fact equal to the rate for the hospitality, which was the highest of all the industries.

While positive developments in the agriculture sector have contributed to higher revenues, farmers, like small commercial businesses, have faced increased operating costs and other

¹¹ <https://www.statista.com/statistics/217787/unemployment-rate-in-the-united-states-by-industry-and-class-of-worker/> (August 2023)

challenges that affect employment. With almost a quarter (23.60%) of the business establishments in our defined assessment area classified as Agriculture, Forestry & Fishing, the market may be subject to heightened unemployment as the only other large concentration of businesses by type is the service sector at 21.81 percent. Other concentrations are smaller, with manufacturing businesses limited to 3.19 percent of all establishments in the market.¹² Therefore, local businesses could be managing through operating challenges that warrant support strategies.

Community Needs:

Community needs in our Prinsburg assessment areas are largely driven by conditions that are influenced by the three counties that encompass our defined market. We are pleased that economic conditions have shown signs of recovery and growth, nonetheless three themes stood out as drivers of apparent needs during our market assessment:

1. Unemployment levels have contributed to above average poverty, warranting services to afford the population a decent standard of living.
2. Despite evidence of business growth, market developments have elevated operating costs, and have also lessened the impact of a positive farm revenue trend and efforts to sustain and grow commercial business operations post-Pandemic.
3. Above average unemployment, poverty levels and increasing housing costs have made housing increasingly unaffordable for LMI persons.

The following is a summary discussion of our observations, including examples of response strategies and opportunities to help advance solutions.

1. **Unemployment levels have contributed to above average poverty, warranting services to afford the population a decent standard of living.** For context, Table A2 shows the poverty levels for the encompassing AA counties since 2017. With isolated exceptions, each of the three counties consistently ranked above the state average. While estimated poverty rates for our defined assessment area are lower than county levels¹³, the circumstances driving poverty warrant our continued attention.

Table A2: Prinsburg Assessment Area Encompassing Counties						
	Poverty Rates					
	2017	2018	2019	2020	2021	Average
Unites States	13.4	13.1	12.3	11.9	12.8	12.7
Minnesota	9.5	9.6	8.9	8.3	9.3	9.1
Kandiyohi County	10.6	11.5	9.8	8.2	12.4	10.5
Chippewa County	10.5	8.8	10.4	9.3	10.6	9.9
Renville County	10.4	10.5	10	8.6	10.6	10.0

¹² Data source: D&B as of June 2022; 2020 ACS US Census

¹³ Estimated poverty rates for the assessment tracts are: #7812 (Kandiyohi) 8.5%; #9504 (Chippewa) 7.2% ; #7903 (Renville) Tract specific rate not available. <https://censusreporter.org/profiles/14000US27067781200-census-tract-7812-kandiyohi-mn/> ; <https://censusreporter.org/profiles/14000US27023950400-census-tract-9504-chippewa-mn/>

Table A2: Prinsburg Assessment Area Encompassing Counties						
Poverty Rates						
	2017	2018	2019	2020	2021	Average
Average for the AA Counties	10.5	10.3	10.1	8.7	11.2	10.1
Source: Federal Reserve Economic Data (FRED)						

For example, there are various factors contributing to poverty in our AA counties. While the unemployment pattern is an apparent factor, gaps between wages and costs of living necessities also contribute to poverty levels. Most notably:

- **Wages:** A considerable percentage of the labor force in the AA counties is employed in sectors that are largely staffed by low-wage positions largely in the service sector.¹⁴ For example, in 2022 at least 40 percent¹⁵ of the employed population had positions where the hourly wage was less than \$20.00 an hour.¹⁶
- **Cost of housing:** Consistent with community feedback, the cost of housing for low- and moderate-income persons was significant prior to the Pandemic and has been increasing since. In 2021, more than 45 percent of renters in the state spend 30 percent or more of their household income on rent. In two of our AA counties, the percentages were less than the state but nonetheless notable (*i.e.*, Chippewa County (36%), and Kandiyohi County (42%)). However, consistent with its unemployment profile at 47 percent, Renville County exceeded the state.¹⁷ Regardless of the relationship to the state metric, the percentages in each of the AA counties highlights affordability challenges particularly for low-income residents.
- **Need for critical necessities such as the following three examples:**
 - Food, particularly for families with limited access to affordable and nutritious food, needed to promote child development, and stem elevated health conditions and medical costs. According to the Minnesota Department of Employment and Economic Development (DEED) 2022 county profiles, food for a family of three represents more than 20 percent of the cost of living in the AA counties. Comparatively, the monthly food cost estimate for the state was 16 percent. Of particular note, food cost for Renville County at \$829 monthly¹⁸ was higher than the state, as well as Kandiyohi and Chippewa Counties.
 - Childcare services which are costly and not sufficiently available. The shortage of these services has contributed to high costs in Minnesota (*e.g.*, ranking the

¹⁴ Arts, Design, Entertainment & Media, Healthcare Support, Food Preparation & Serving Related, Building, Grounds Cleaning & Maintenance, Personal Care & Service, Sales & Related, Farming, Fishing & Forestry, Production

<https://mn.gov/deed/data/data-tools/county-profiles/>

¹⁵ The percent of employees employed in jobs where wages fall below the median hourly wage included: Chippewa County (40%) and Kandiyohi and Renville Counties (43%). Percentages based on County Profile data <https://mn.gov/deed/data/data-tools/county-profiles/>

¹⁶ 2022 Median Hourly Wage: Chippewa County (\$19.52) and Kandiyohi and Renville Counties (\$19.47)

<https://mn.gov/deed/data/data-tools/county-profiles/>

¹⁷ <https://mn.gov/deed/data/data-tools/county-profiles/>

¹⁸ <https://mn.gov/deed/data/data-tools/county-profiles/>

state fourth in the U.S. for childcare cost in 2020).¹⁹ As a more local example, a June 2021 report from First Children's Finance indicated that Kandiyohi County needed 651 additional childcare slots to accommodate the demand. A year later the need had increased by almost 50 percent (44.3 %) to 935 slots according to an updated report in October 2022.

The gap in affordable childcare commonly inhibits the ability of LMI persons to obtain or sustain employment. As the state ranking suggests, childcare expenses can represent a measurable share of the cost of living in our AA counties. DEED county profiles for 2022 estimated monthly childcare expense for a one-child family at more than 5 percent of the annual cost of living.²⁰ Based on the estimates, childcare costs for one child increased to more than 6 percent of income for individuals that are low-income.²¹ Of the three counties, the costs as a percentage of income is highest for residents in Kandiyohi.²²

- Training needed to help residents transition to, or acquire positions warranting elevated or different job skills in the post-Pandemic environment. For example, in addition to increased reliance on technology, job vacancies offering above average hourly wages often warrant a high school diploma with some post-secondary education or skill training. In 2022, the health care and social assistance industry reported the greatest percentage of job vacancies in the AA counties.²³ Correspondingly, healthcare practitioners and technical group positions consistently ranked in the top five of vacant positions, and in fact offered one of the highest hourly wages of all the vacant job types in the market.

Examples of Response Strategies: The scope of factors influencing the identified needs has warranted a multifaceted approach that involves government, community organizations, and private industry support. Examples of local response strategies of nonprofits we are aware of, as well as others somewhat new to us, address critical needs such as the following:

- Food to minimize malnutrition and other health issues particularly for children whom often represent the largest concentration of populations in poverty (*e.g.*, Feed My Starving Children, a global organization that works with local entities to distribute food at no cost to families). Such services have a critical impact as residents age 18 or less make up the largest percent of individuals living in poverty in the Bank's assessment area, as well as the encompassing AA counties.
- Affordable housing and support services (*e.g.*, Family Promise of Kandiyohi County, an organization with affiliates across the U.S). Organization such as this offer assistance to help homeless families achieve self-sufficiency through a

¹⁹ [How unaffordable is childcare in Minnesota? - American Experiment](#)

²⁰ <https://mn.gov/deed/data/data-tools/county-profiles/>

²¹ Based on the 2022 median family income (\$83,600), Low-income category cutoff (50% of Median Income) \$41,800 annual; monthly \$3,483. <https://www.ffiec.gov/census/default.aspx>

²² Childcare monthly costs estimates as a percent of the 2022 low-income threshold: Chippewa County (6.5%), Renville County (7.01%) and Kandiyohi County (8.5%).

²³ <https://mn.gov/deed/data/data-tools/county-profiles/>

comprehensive scope of services that include providing shelter, as well as help locating permanent housing and employment. For example, in an effort to accommodate the housing need, our Kandiyohi Family Promise opened a new homeless shelter in 2023.

- Training and education to move individuals out of poverty by building capacity and access to opportunities that enable financial growth and stability. For example, state initiatives such as the Minnesota Jobs Skills Partnership (MJSP) promotes public/private partnerships to train or retrain workers, and expand work opportunities, with a focus on the state's economic growth sectors. In addition, we noted regional nonprofits that provide services that help individuals overcome barriers to economic stability. Examples of these organizations include the following:
 - The Central Minnesota Jobs and Training Services, Inc. (CMJTS) administers Career Navigators, a program that helps move persons out of poverty by activities such as assisting students to obtain financial aid for post-secondary education. The program's alignment with the need to stem poverty is notable given persons between 5 and 17 years of age represent a substantial portion of residents in poverty (*i.e.*, an average of 14.1 percent across the three AA counties²⁴).
 - First Children's Finance (First Children's), in its mission to promote the availability of affordable childcare, provides training services that achieve three objectives by creating opportunity for employment, entrepreneurship and increased availability of affordable childcare services. All three objectives enable greater ability for individuals to secure and sustain employment, particularly for LMI persons.

Example Opportunities: During our needs assessment, it was apparent that the Bank's market benefits from a community culture that supports giving. In fact, in performance evaluations of recent CRA examinations the feedback from community contact interviews reinforced comments shared with us in conjunction with developing the Plan. The comments highlighted similar needs and indicate banking institutions are supportive. Notwithstanding this culture, our assessment findings underscored the need for continued support, particularly as the demand for community services, particularly for residents living in poverty, remains strong. Opportunities to support such efforts largely center around:

- Effective partnerships that advance special projects. For example, we are aware that a collective of local churches worked together to facilitate the new Family Promise Homeless Shelter in Kandiyohi County.
- Financial donations that leverage other funding, such as public grants to support the provision of services, the advance of special projects, as well as heightened capacity of nonprofits to respond to the increasing and changing scope of demand for their services.

²⁴ 2021: Kandiyohi (14.8%); Renville (14.2%); Chippewa (13.4%)
<https://fred.stlouisfed.org/series/PP5T17MN27067A156NCEN>

- Volunteer service to share financial expertise to support the advance of the mission of community service organizations.

To this end, we believe the provision of such services is vital to our community overall and under the Plan we have established goals to continue the Bank's support of organizations with these objectives.

2. **Despite evidence of business growth, market developments have elevated operating costs, and have also lessened the impact of a positive farm revenue trend and efforts to sustain and grow commercial business operations post-Pandemic.** As the unemployment rates in Table A1 suggest, the Pandemic drove a material increase in unemployment in our encompassing AA counties. Nonetheless, the margin of increase was modest compared to that in the state, the U.S. and within our Champlin AA. The distinction can be attributed in part to farming conditions in our AA counties where revenues have been increasing since the Pandemic due to elevated crop prices and land values.

While the Pandemic posed apparent challenges for commercial businesses, the market benefited from assistance through government-stimulus initiatives such as the Paycheck Protection Program (PPP). Additionally, as the lower unemployment rates in 2021 suggests, existing businesses in the market exhibited notable resilience. Moreover, since the Pandemic there has been a spur in new business formations in the AA counties. We particularly note the new business activities in Renville, given the County's above average unemployment as well as the fact that the activity included companies with LMI wage-based jobs.

Notwithstanding the positive indicators, there are businesses that have not yet fully returned to pre-Pandemic operating levels. In part, full recovery has been hampered by factors such as continued supply shortages, inflation, and staffing challenges. More broadly, companies that have regained operating strength since the Pandemic have also been impacted by these factors. Furthermore, the increased interest rate environment aimed at combating inflation has elevated the operating cost of doing business and in fact reduced the borrowing capacity for some businesses.

Examples of Response Strategies: Strategies to respond to the apparent business needs outlined involve public and private organizations, often working in partnership. Examples of responses include the following:

- **Provision of technical and advisory assistance to help entrepreneurs effectively manage and sustain** operations through business cycles, particularly those that pose challenges. For example, Elevate Community Business Academy (Elevate) is a formal education program administered by the Kandiyohi County & City of Willmar Economic Development Commission (Commission) to help entrepreneurs develop critical management skills. Introduced as a response to a growth trend in start-ups that are often underserved because they do not have ready access to resources, Elevate provides business education, hands-on training, tailored coaching

and access to established entrepreneurs that can serve as mentors.

As another example, the Mid- Minnesota Development Commission (MMDC) provides an array of services including those that help address operating challenges and staffing issues. For example, MMDC provides services to reduce underlying barriers that preclude individuals from employment, such as the lack of affordable childcare. In addition, MMDC works with businesses to locate local or regional partners to minimize supply chain exposures that elevate operating costs.

- **Support of start-up businesses through technical assistance and funding.** As we noted, the state as well as our encompassing AA counties have seen an increase in start-up businesses particularly since the Pandemic. The start-up trend has been supported by public and private efforts including organizations such as small business development centers (SBDCs or centers). Centers, such as the Southwest Minnesota SBDC, serve our markets by providing critical support to small businesses. Most notably, services such as business planning assistance have reportedly been a critical contributor to the new business activities in our AA counties through, and subsequent to, the Pandemic. Other services that align with credit needs that help businesses adapt to changing environments, as well as uncertain times, include market research, financial management and access to capital funding.

Additionally, MMDC services also include technical assistance, particularly benefitting start-ups, such as developing business plans, promoting business development and networking, as well as accessing financing for businesses.

Finally, First Children's Finance (First Children's) is an example of a private organization certified as a community development financial institution (CDFI) with a specialized focus on the start-up and growth of child daycare centers. As a CDFI, First Children's financing and other assistance enables the start-up of small businesses, as well as LMI job opportunities in the critically-needed business sector of childcare services.

- **Access to funding for businesses that do not yet meet the credit standards for conventional financing.** Our market benefits from the existence of lenders that specialize in the needs of small businesses. For example, in addition to MMDC and First Children's, we noted other private nonprofit organizations such as WomenVenture, a CDFI that offers credit programs as well as training and support services tailored to promote the start-up and growth of women-owned businesses. While focused largely in the Twin Cities metro area, WomenVenture provides certain services such as financing critically needed businesses, such as children daycare, in our Prinsburg market.

Example Opportunities: It is clear to us that the nature and extent of needs in our assessment area present opportunities to continue our direct lending to small businesses and farms in our assessment area. However, our market assessment highlighted additional strategies banks can pursue to third parties such as nonprofit organizations

advancing business growth and stability in our market. Examples of such measures include serving as a:

- **Banking Resource:** Maintain relationships with organizations such as SBDCs that present opportunities to serve as a lending resource. In addition, there may be opportunities to refer small businesses to centers, as financial institutions are often the “first stop” for entrepreneurs considering the start-up or expansion of a company. As such, banks are well-positioned to identify businesses that can benefit from services such as those provided by SBDCs.
- **Funding Source:** Provide financial contributions to nonprofit organizations to support programs such as loan funds or other business assistance services.
- **Source of Financial Banking Expertise:** Volunteer bank personnel to assist nonprofit organizations as they provide technical assistance and guidance to businesses, or otherwise contribute expertise to the organizations through service on boards, or committees such as fundraising or mission-driven projects.

Consistent with our corporate culture we are committed to promoting the stability and growth of local businesses. To this end, our Plan facilitates continued support of small business and small farms through direct lending and support of non-profit organizations working towards the same goal.

3. Above average unemployment, poverty levels, and increasing housing costs have made housing increasingly unaffordable for LMI persons.

Table A3: Prinsburg Assessment Area Housing Profile					
Characteristics				Number	
Housing Units				3,672	
Owner-Occupied Units				2,296	
Occupied Rental Units				478	
Vacant Units				898	
Median Family Income Nonmetropolitan Minnesota Area			\$83,600	Median Housing Value, 2017-2021	\$141,800 ²⁵
	80% of MFI Threshold (Moderate-Income falls below the threshold income level)	Annual	\$66,880	Median Gross Rent, 2017-2021	744 ²⁶
		Monthly	\$5,573	Median selected monthly owner costs -with a mortgage, 2017-2021	\$1,272 ²⁷
	Annual	\$41,800			
	50% of MFI Threshold (Low-Income falls below the threshold income level)	Monthly	\$3,483	Families Below Poverty Level	10.3% ²⁸
Source: 2015 ACS and 2020 Census Data; U.S. Census Bureau QuickFacts					

²⁵ Average of Median value of owner-occupied housing units between 2017-2021: Renville County, Minnesota (\$114,900); Chippewa County, Minnesota (\$121,900); Kandiyohi County, Minnesota (\$188,600) [U.S. Census Bureau QuickFacts: Kandiyohi County, Minnesota](https://www.census.gov/quickfacts/st-louisfed)

²⁶ Average of Median gross rent between 2017-2021: Renville County (\$716); Chippewa County (\$741); Kandiyohi County (\$776) [U.S. Census Bureau QuickFacts: Kandiyohi County, Minnesota](https://www.census.gov/quickfacts/st-louisfed)

²⁷ Median selected monthly owner costs -with a mortgage, between 2017-2021: Renville County (\$1,225); Chippewa County (\$1,208); Kandiyohi County (\$1,384) [U.S. Census Bureau QuickFacts: Kandiyohi County, Minnesota](https://www.census.gov/quickfacts/st-louisfed)

²⁸ Average of poverty rates between 2017-2021: Renville County (10.2); Chippewa County (10.3); Kandiyohi County (10.5) <https://fred.stlouisfed.org/categories/28667>

Housing in the assessment area, as well as its encompassing counties, is primarily comprised of owner-occupied dwellings. Nonetheless, housing is increasingly posing a cost burden for many homeowners and renters, particularly LMI persons. For example, according to data in Minnesota Housing Partnership (MHP) County Profiles, wages in our AA counties have not kept pace with rising housing values which have contributed to increasing home purchase prices and rents. In fact, between 2000 and 2019 rents increased in Renville County, while tenant income for the same period declined by 23 percent.²⁹ Furthermore, in 2021 the average annual percent of rental households across the three AA counties paying more than 30 percent of their income for housing was more than 40 percent.³⁰ The county profiles also indicated the number of rental evictions in 2022 increased more than 50 percent over the average monthly filings between 2012 through 2019.

In addition to the wage gap, there are other factors inhibiting the purchase or rental of housing, such as derogatory and insufficient credit histories. Additionally, community feedback suggests that services offered to help individuals manage through such obstacles are often not pursued by financially vulnerable persons because the individuals may be discouraged because they believe they will be denied regardless of the assistance. Finally, the AA counties have engaged studies that quantify the extent of housing needs, attributing causes and associated challenges. While there has been some housing development, there remains a shortage of affordable dwellings in each county.

Examples of Response Strategy: Given the complexity of the factors attributing to the need for affordable housing, the response strategy is multifaceted and warrants efforts to increase affordable housing, access to affordable funding and measures to build the financial capacity of LMI to bridge the cost gaps. To that end, we noted public as well as private nonprofit organizations are engaged in advancing these goals. For example:

- **Activities that increase affordable housing as well as LMI access to resources that enable the purchase of a home.** We noted organizations, such as Habitat for Humanity and the Greater Minnesota Housing Fund (GMHF), engage in activities that increase the inventory as well as the affordability of housing for low- and moderate-income persons. For example:
 - West Central Habitat for Humanity's sweat equity program allows low-income families to support the construction or rehabilitation of properties in order to minimize home acquisition costs. Prospective home buyers also learn skills to acquire, as well as maintain homes, through training and various critical resources made available through the organization. In our communities, Habitat's routine services, as well as special initiatives, have helped low- and moderate-income residents afford a home. For example, West Central Habitat's 2020-2021 Veteran's Build campaign gave special consideration to military applicants in need of affordable housing, by among other things, exempting them from the requirement that applicants be first-time homeowners.

²⁹ <https://mhponline.org/2021-county-profiles/>

³⁰ <https://mhponline.org/2023-county-profiles/> Average (41.3%) of Kandiyohi (41.0%); Renville (47.0%); Chippewa (36.0%) --

- GMHF facilitates housing development financing for the purchase, rehabilitation, or new construction of affordable owner-occupied or rental housing. More broadly, the organization is a critical resource for technical assistance and research to communities developing affordable housing and neighborhoods. For example, since 1996 Greater Minnesota Housing Fund has enabled more than 76 housing projects and programs in each of the three counties encompassing AA counties.³¹
- **Activities that build the capacity of LMI persons to access housing.** The capacity needed to access affordable housing largely centers around (1) individual earning capacity and (2) personal finance management, for example:
 - Individual earning capacity: Public agencies such as the Minnesota Department of Employment & Economic Development administers services and programs that strengthen the capacity of the workforce in our markets, particularly LMI persons. The target audience includes new workers preparing for jobs, as well as incumbent workers needing new or elevated skills to meet changing business demands and increase their earnings potential. In addition, the agency facilitates opportunities to connect job-seekers and businesses such as job fairs or similar events. For example, since the Pandemic the agency has pivoted to virtual forums that connected targeted labor markets with at least 2,000 Minnesota employers.³² The decline in unemployment rates in our AA counties since 2021 suggests efforts such as these have been effective.
 - Personal finance management: Our assessment area benefits from the efforts of a number of organizations assisting persons that have been precluded from housing due to credit history, or other personal finance challenges. For example, we note nonprofits such as Build Wealth MN (BWM) offer programs directly, or in partnership with, local organizations serving our AA counties. Among the organization's services, education and training is a focus to enable LMI persons to not only access housing, but homeownership as well, through pre-purchase counseling, homebuyer education and financial literacy curriculum.

Examples of Opportunities: Generally, programs and activities designed to increase LMI access to affordable housing involve one or more of the following measures (*i.e.*, financing, financial investments and contributions to support capacity for service, including specific projects). In addition, community feedback suggests the volunteering of banking staff may help organizations increase their capacity to reach community residents with financial literacy training, and credit counseling through virtual, as well as in-person, forums.

While the Bank does not specialize in residential real estate lending, we have had the opportunity to leverage our banking expertise to support initiatives such as affordable housing development for seniors, a growing population that represents approximately 20 percent of our assessment area and the encompassing counties.³³ Given this experience and the perspective provided

³¹ https://mcf.org/system/files/documents/2023-04/GMHF_MCF_ICRP_Handout%202020.pdf

³² https://mn.gov/deed/assets/objectives-key-results-2021-22_tcm1045-519294.pdf

³³ <https://mn.gov/deed/data/data-tools/county-profiles/>

through our market needs assessment, our Plan has been designed to incorporate activities that promote increased availability and access to affordable housing for the low- and moderate-income.

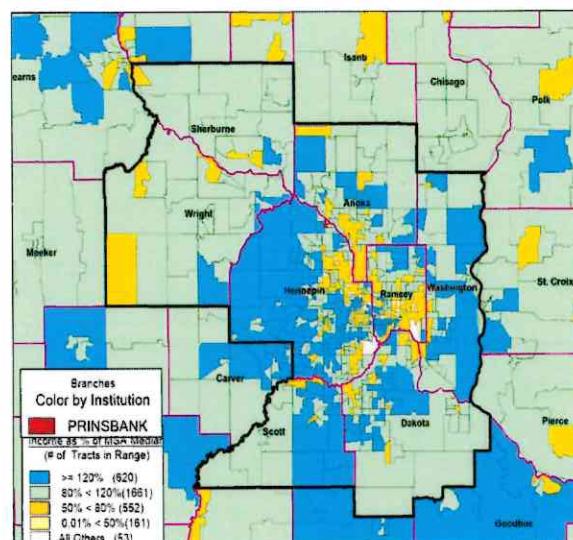
Champlin Assessment Area

The Champlin assessment area consists of an eight-county area in the Minneapolis-St. Paul-Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area counties.

The counties include Anoka, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties. Of the 805 census tracts in the assessment area, 7.6 percent are low-income, 22.2 percent are moderate-income, 43.3 percent are middle and 25.9 percent are upper-income tracts.

The Bank operates one branch office in the assessment area, which is located in a middle income tract in the city of Champlin and part of Hennepin County.

Refer to Plan Appendices for details regarding the assessment area and demographics.



Market Share and Competition:

The assessment area is a very competitive financial services market. As of June 30, 2022, the Bank's deposit share in the assessment area was 0.02 percent, placing the Bank 97th out of 121 banking institutions operating 646 total branches in the market.³⁴ The 646 institutions operate between one and 86 offices in the market, with total local deposits ranging between \$1.9 million and \$86.9 billion. Comparatively, the Bank had total local deposits of \$55 million in the market.

From a lending perspective, we compete with comparably-sized institutions as well as more than 165 organizations classified as large bank small business lenders. Most recently, the top five lenders in the assessment area included American Express National Bank, U.S. Bank NA, Wells Fargo Bank, N.A., Capital One Bank (USA), N.A., and JPMorgan Chase Bank, NA, and were in the group of the top 50 U.S. banks. In addition to commercial banks, the Bank faces measurable competition from credit unions engaged in business lending as well as non-bank lenders, inclusive of fin-tech firms buoyed by technology-based platforms.

³⁴ As of June 30, 2023 the Bank's markets share was .02 percent, consistent with the average market for the pre-Plan period. With the addition of 2023 activity, the average number of banks in the market was slightly over 2022 at 122. Additionally, the average number of banking offices was slightly higher as well at 652.

Economy

The eight counties in the assessment area represent more than 60 percent (62%) of the Minnesota counties in the Minneapolis-St. Paul-Bloomington, MN-WI MSA. As such, the MSA economic statistics serve as a frame of reference for comparison, along with those for the state and the U.S.

Table A4: Unemployment Rates									
		2017	2018	2019	2020	2021	2022		Average
	United States	4.4	3.9	3.7	8.1	5.3	3.6		4.8
	Minnesota	3.5	3	3.3	6.3	3.8	2.7		3.8
	Minneapolis-St. Paul-Bloomington, MN-WI MSA (Minneapolis - Saint Paul MSA)	3.2	2.7	3.0	6.5	3.8	2.6		3.6
Champlin AA	Anoka	3.4	2.9	3.1	6.4	3.8	2.6		3.7
	Dakota	3.1	2.6	2.9	6.3	3.5	2.4		3.5
	Hennepin	3.1	2.6	2.8	6.6	3.8	2.5		3.6
	Ramsey	3.3	2.8	3.0	7.0	4.2	2.7		3.8
	Scott	2.9	2.6	2.8	5.9	3.4	2.3		3.3
	Sherburne	3.8	3.2	3.5	6.2	3.9	2.9		3.9
	Washington	3.0	2.6	2.8	5.7	3.3	2.3		3.3
	Wright	3.6	3.1	3.3	5.6	3.5	2.6		3.6
	Average	3.3	2.8	3.0	6.2	3.7	2.5		3.6

Source: Bureau of Labor Statistics; Federal Reserve Economic Data (FRED)

As Table A4 illustrates, unemployment, on average, for the eight counties in the assessment area generally aligns with the MSA. The assessment area rates prior to the Pandemic were generally slightly higher than the MSA, but consistently below since the Pandemic. The counties (Anoka, Ramsey and Sherburne) with rates above the MSA, were only nominally higher and the impact was insignificant as the annual averages for the assessment area consistently compared favorably to the state and the U.S.

The annual average unemployment rates for the Champlin AA compare favorably to those for the Prinsburg market where the average annual rates ranked above the state. The distinction between the markets is primarily attributable to the fact that the Champlin assessment area is part of a metropolitan statistical area, where the Prinsburg AA is not. Moreover, the Champlin market benefits from the inclusion of Minneapolis which is a major job center for the state. Moreover, the assessment area also benefits from an economy that is driven by strong industry sectors that rebounded quickly from the Pandemic in the region.

Community Needs:

Our Champlin assessment area is an expansive and robust market as suggested by the number of banking institutions serving the community. Like our Prinsburg assessment area, community feedback considered in our market needs assessment underscored needs

exist. Nonetheless, the feedback also suggested banking institutions have been positively responsiveness in the market.

Notwithstanding, given the market size and makeup of the community needs, such as the following, are most apparent.

1. Population growth and market developments have contributed to high housing costs, which diminished housing affordability for low- and moderate-income persons.
2. Business recovery from the Pandemic has been substantive, and in fact a trend in start-up companies is apparent. However, challenges emerging out of developments in the market have impeded the extent of full recovery for some businesses, as well as start-up and growth for others, more generally.
3. There are services offered in the assessment area to promote financial stability, access to affordable housing and small businesses development, however feedback suggests such programs may not be fully utilized as enrollment levels can be hindered by residents' misperceptions that assistance may not likely help.

The following is a summary discussion of our observations, including examples of response strategies and opportunities to help advance solutions to these needs.

1. Population growth and market developments have contributed to high housing costs, which diminished housing affordability for low- and moderate-income persons.

Table A5: Champlin Assessment Area Housing Profile					
Characteristics				Number	
Housing Units				1,300,554	
Owner-Occupied Units				863,105	
Occupied Rental Units				382,153	
Vacant Units				55,296	
Median Family Income for Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area.			\$117,800	Median Housing Value, 2017-2021	\$288,700 ³⁵
80% of MFI Threshold	Annual	\$94,240		Median Gross Rent, 2017-2021	\$1,220 ³⁶
(Moderate-Income falls below the threshold income level)	Monthly	\$7,853		Median selected monthly owner costs -with a mortgage, 2017-2021	\$1,837 ³⁷
50% of MFI Threshold	Annual	\$58,900			
(Low-Income falls below the threshold income level)	Monthly	\$4,908		Families Below Poverty Level	7.2 ³⁸

³⁵ Average of Median value of owner-occupied housing units between 2017-2021 for Wright County (\$265,500); Washington County (\$326,600); Sherburne County (\$264,500); Scott County (\$332,900); Ramsey County (\$254,000); Hennepin County (\$309,200); Dakota County (\$294,700); Anoka (\$261,300)

<https://www.census.gov/quickfacts/fact/table/scottcountyminnesota,ramseycountyminnesota,hennepincountyminnesota,dakotacountyminnesota,anokacountyminnesota/PST045221>;

<https://www.census.gov/quickfacts/fact/table/wrightcountyminnesota,washingtoncountyminnesota,sherburnecountyminnesota,MN/PST045221>
³⁶ Average of Median gross rent between 2017-2021 for Wright County (\$1,072); Washington County (\$1,465); Sherburne County (\$1,055); Scott County (\$1,282); Ramsey County (\$1,120); Hennepin County (\$1,244); Dakota County (\$1,293); Anoka (\$1,225); Source Link: Same as above.

³⁷ Average of Median selected monthly owner costs -with a mortgage, 2017-2021 for Wright County (\$1,787); Washington County (\$1,986); Sherburne County (\$1,711); Scott County (\$2,023); Ramsey County (\$1,707); Hennepin County (\$1,935); Dakota County (\$1,843); Anoka (\$1,706); Source Link: Same as above.

³⁸ Average of poverty rates between 2017-2021: Wright County (4.8); Washington County (4.5); Sherburne County, (5.8); Scott County (5.4); Ramsey County (14.1); Hennepin County (10.6); Dakota County (6.1); Anoka (6.2) <https://fred.stlouisfed.org/categories/28667>

Table A5: Champlin Assessment Area Housing Profile

Source: 2015 ACS and 2020 Census Data; U.S. Census Bureau QuickFacts

As Table A5 illustrates, like our Prinsburg market, housing in our Champlin assessment area consists primarily of owner-occupied dwellings. Nonetheless, as evident in areas throughout the state, housing has become increasingly costly, particularly for LMI persons. Key factors contributing to the rising costs include the following:

- Elevated demand due to an increasing population. For example, the Twin Cities region³⁹ represents the majority of our defined Champlin assessment area. The population also accounted for 78 percent of Minnesota's population growth between 2010 and 2020.⁴⁰ The growth in the region, at 11 percent between 2010 and 2020, was significant and is up from 8 percent during the previous decade. The growth is largely attributable to both international and domestic movement into the region, including populations with a significant percent of students, work VISA holders, refugees, and other immigrants that can increase the need for affordable housing.⁴¹
- A lacking supply of housing inventory. Housing development has not kept pace with the increasing demand resulting from steady population growth. Over a decade ago, the Met Council estimated that the Twin Cities needed an additional 44,570 affordable housing units between 2011 and 2020 to meet demand. As of a 2021 estimate, only 16,000 units were built.⁴² Moreover, a new estimate from the Minnesota Housing Finance Agency indicates that the state is expected to be 40,000 houses and apartments short of what's needed over the next five years to keep pace with population growth.

Additionally, economic conditions have heightened the need for special purpose housing, such as facilities to accommodate an increasing homeless population. For example, in 2023 the point in time (PIT) count found that in Hennepin County 2,843 people were staying in shelters and transitional housing programs, and 469 people were experiencing unsheltered homelessness. The numbers are up from 2022, where the count was 2,191 and 487, respectively. Also, they are the highest since 2019, when the count was 2,797 people in shelters and 603 people in unsheltered settings. The overall increase in people using shelter was driven by a spike in families experiencing homelessness, attributable to the end of the moratorium on evictions, record inflation affecting prices of food and fuel, and other issues.

- New construction and redevelopment projects are occurring, but the extent of the activity has been impacted by challenges developers faced, including but not

³⁹ The Twin Cities Region includes Anoka County, Carver County, Dakota County, Hennepin County, Ramsey County, Scott County, Washington County <https://stats.metc.state.mn.us/profile/default.aspx>

⁴⁰ <https://metro council.org/News-Events/Council-News/Newsletters/Population-2020-Census.aspx#:>

⁴¹ <https://www.mncompass.org/data-insights/articles/minnesota-move-examining-migration-patterns>

⁴² <https://www.startribune.com/no-wonder-its-hard-to-find-a-new-home-the-twin-cities-has-the-worst-housing-shortage-in-the-nation/600098521/>

limited to labor issues and escalating project costs, and most recently increased interest rates.

Collectively, these circumstances have contributed to housing shortages and a corresponding increasing costs in our Champlin assessment area. The increased burden is most pronounced for our low- and moderate-income residents and has intensified the need for affordable housing in our communities.

Examples of Response Strategies: As it is with our Prinsburg market, addressing affordable housing needs in the Champlin assessment area warrants a multifaceted strategy. However, first and foremost, increasing the inventory of available housing is a critical priority. To this end, response strategies in our market have included efforts to increase inventory, as well as to track production relative to the ongoing housing needs.

- As an example that sets the tone, the Itasca Project is a key leadership effort that aims to improve economic competitiveness in the Twin Cities region in part through the provision of affordable housing. For example, out of a 2019 state-wide task force report of 30 recommendations, three areas of focus were identified to drive action:
 - Clarity through data
 - Partnering with employers to pilot housing-forward benefits packages, and
 - Innovating in how to increase housing production while lowering costs of new units

Under the auspices of this initiative, the Itasca Project Housing Innovation Working Group has also outlined recommendations for how corporate, government, nonprofit, and other leaders can use innovative practices to increase production and lower the cost of housing in the region.

- Examples of efforts by individual local organizations aligned with this overarching goal include the following:
 - **Rental housing for the LMI persons inclusive of shelters for the Homelessness:** For example, Alliance Housing Incorporated (AHI), advances long term housing solutions for the homeless, poor and others with marginalized access to affordable housing. By leveraging strategies, such as the redevelopment of low-cost available vacant properties, AHI has developed more than 500 (583) housing units in our Minneapolis market where the state's population growth has been the greatest.
 - **Home Purchase:** For example, the Greater Metropolitan Housing Corporation (GHMC) advances a mission that includes addressing the shortage of affordable housing in the Twin Cities for low- and moderate-income individuals and families. Concurrently, it thrives to assist communities with housing revitalization. The organization has built or renovated for subsequent sale more than 1,400 homes. Nearly 100,000 families have found affordable housing or otherwise made the repairs needed to secure safe, more livable and comfortable homes.

In addition, the Twin Cities Habitat for Humanity serves our Champlin assessment area. The organization develops affordable housing, collaborating with homebuyers, and has helped more than 1,000 local families build and buy homes in 52 communities. In addition, Habitat's "A Brush with Kindness" program has helped at least 1,600 low-income homeowners make critical home repairs in a market where housing stock has aged. For example, homes built before 1970 represented 39 percent of occupied Twin Cities area housing stock, but almost 50 percent (49%) of occupied housing units with repair needs.⁴³ Furthermore, the organization has also engaged in large development projects such as the 2022 development of 17 townhomes in the Harrison neighborhood in Minneapolis, in partnership with City of Lakes Community Land Trust.

- **Assistance to other organizations developing LMI housing:** In addition to availing LMI persons the opportunity to own a home by renovating and building dwellings for resale, GHMC promotes affordable housing development more broadly. For example, the organization:
 - Administers the Predevelopment Revolving Loan Fund where it provides high-risk seed loans and technical assistance to aid community organizations in the development of quality, affordable housing. These loans have frequently provided the momentum to get important projects underway, such as affordable housing units to metropolitan residents.
 - Established a Housing Partnership Network of industry leaders in housing and community development inclusive of CDFIs that operate a range of business lines and programs tailored to address the need for multi- and single-family owner-occupied and rental homes.

Examples of Opportunities: Given the priority need for LMI housing development, support opportunities in large part involve funding assistance (*e.g.*, direct financing, or other financial support such as contributions to support the operations of nonprofit housing developers, contributions to loan funds established to support the project, or support of the capacity of depository CDFIs or minority depository financial institutions (MDIs) to promote housing development). While PrinsBank is not a residential real estate lender, we have designed the Plan to nonetheless provide assistance through our Community Development and Institutional Reinvestment goals.

2. **Business recovery from the Pandemic has been substantive and in fact a trend in start-up companies is apparent; however, challenges emerging out of developments in the market have impeded the extent of full recovery for some businesses as well as start-up and growth for others more generally.** As the unemployment profile in Table A4

⁴³ <https://www.minneapolisfed.org/article/2021/uneven-distribution-of-housing-quality-issues-in-twin-cities-is-cause-for-repair>

indicates, the Pandemic driven increase in the unemployment rate was significant in the absolute, as well as compared to the increase in our Prinsburg assessment area. However, beginning in 2021 the decline in Champlin's unemployment rates illustrated a commensurate reversal and a recovery within the AA that compares well to the MSA, the state and the U.S.

Business recovery in Champlin was largely facilitated by the availability of small business assistance programs such as the Paycheck Protection Program (PPP). However, the market's diverse industry landscape exponentially heightened the positive impact of the assistance program. For example, the healthcare, manufacturing, and professional and scientific services sectors, employing roughly one-quarter of the region's workforce, reported favorable employment rates (*i.e.*, below the total industries rate for the U.S.)⁴⁴ This ranking suggested an above average recovery that was strong and accelerated. Moreover, the majority of other dominant industries sectors in the regions, such as finance and insurance, wholesale trade, management of companies, education, and the arts also rank below the total industries driving an above average recovery for the assessment area.⁴⁵

The assessment area recovery also benefitted from a trend of start-up businesses that continued through the Pandemic. The largest concentration of the wave of start-ups in the state has been in the Twin Cities Region (*e.g.*, 2019: 62%).⁴⁶

Notwithstanding, the favorable Pandemic recovery and small business start-up trend, small business credit and related needs exist: For example:

- There are still small businesses that have not yet fully returned to pre-Pandemic operating levels. In addition, these businesses, as well as those that are closer to pre-Pandemic revenue levels, are currently operating in an environment of increasing costs and uncertainty arising out of continuing supply chain issues, inflation and staffing challenges. For example:
 - As of January 2022, almost 30 percent (29.5%) of respondents of a survey of small businesses in Minnesota⁴⁷ reported having at least a moderate decrease in the number of people they employed compared to before the Pandemic. Furthermore, about a third of the respondents between fall 2021 to spring 2022, consistently reported struggling to hire paid employees.⁴⁸
 - As of April 2022, almost three-quarters (72%) of the respondents in the survey reported problems with their supply chain, particularly domestic supplier delays based on 49.5% of the respondents. Moreover, 41 percent of the respondents expressed difficulty locating alternate suppliers. All collectively affecting work service delivery.

These circumstances elevate the needs of small businesses as they can contribute to

⁴⁴ <https://www.statista.com/statistics/217787/unemployment-rate-in-the-united-states-by-industry-and-class-of-worker/> (August 2023)

⁴⁵ <https://www.greaternsp.org/doing-business-here/key-industries/>

⁴⁶ <https://www.mnchamber.com/minnesota-chamber-foundation/minnesota-entrepreneurship-turning-point>

⁴⁷ <https://www.mncompass.org/data-insights/articles/covid-19-and-minnesotas-small-businesses>

⁴⁸ <https://www.mncompass.org/data-insights/articles/covid-19-and-minnesotas-small-businesses>

one or all of the following: strained working capital, inability to meet business obligations, stalled growth and expansion plans as well as reduced borrowing capacity.

- Small business needs are also driven by the entrance of new businesses into the market, for example:
 - The increasing trend in startup business creates additional demand for credit and related services, including equity as well as debt, financing and advisory services and technical assistance.
 - Concurrent with the start-up trend there is a consistent flow of venture capital in the market to support initial funding needs for certain businesses (*e.g.*, healthcare and medical innovations, and other technology-based businesses).
 - Non-employer businesses are outpacing employer businesses, which may reduce the nature and extent of financing needs.

Examples of Response Strategies: The nature of the small business needs are generally similar to those we noted in our Prinsburg assessment area. The distinction is largely driven by the metropolitan-base of the Champlin market. The corresponding extent of businesses in the market, the considerable community development resources available within the community and the ensuing competition for opportunities makes Champlin a dynamic market. There is an array of organizations that promote small businesses development, including community development financial institutions (CDFIs) and other specialized entities serving the market. Examples of activities aimed at responding to the apparent needs we noted include the following:

- **Access to financing and technical assistance to help support operations particularly through challenging or uncertain times.** We have become increasingly aware of the impact of organizations such as small business development centers in our markets. Not only have they advanced the start-up of many businesses, but the centers promoted recovery in our markets by facilitating access to assistance programs through the Pandemic. With the sunset of the PPP special loan program, SBDC services can help entrepreneurs navigate challenging times. For example, consult provided by the Twin Cities Region SBDC has enabled business owners to develop effective operating strategies, access technical expertise and address capital needs. By all accounts, the Center has helped more than 10,000 small businesses and entrepreneurs in the Twin Cities.⁴⁹

The Center's impact is underscored by feedback from businesses regarding the assistance provided by SBDC consultants. Of particular note, the SBDC has helped business owners develop tools and materials to shift products and services to accommodate significant changes in the market or their operations such as those in the current market environment. The SBDC also leverages its capacity to impact by partnering with organizations that can extend its outreach where it is most needed. As an example, the Twin Cities SBDC partnership with the Metropolitan Economic Development Association (MEDA) helps enable minority entrepreneurs access to

⁴⁹ <https://business.stthomas.edu/centers-institutes/small-business-development/index.html>

market resources. With focused access on these businesses, MEDA offers services similar to the SBDC to help build businesses at various stages of operations. In addition to consult services and market accesses, MEDA provides financing through programs such as the SBA's Community Advantage and 504 loan programs which focus on the underserved and promotes community development. For example, in 2022 MEDA's loan disbursements totaled \$16 million.⁵⁰

- **Support of start-up and early stage businesses through technical assistance and funding.** As we have noted, the start-up trend has been supported throughout the state by a variety of organizations, and no more intensely than in our Champlin market given the concentration of new business formations in the Twin Cities. For example:
 - SBDC serving the Twin Cities Region SBDC provides services that aid start-ups in core business activities such as business planning, market research, financial management and access to capital funding.
 - CDFIs we noted serving our Prinsburg market are particularly active in the Champlin AA, for example:
 - First Children's Finance (FCF) provides financing and other services in the Champlin assessment area to increase the availability of child daycare. The FCF Loan Fund is a critical tool used to advance the organization's mission throughout the state inclusive of our assessment areas. As an example of its impact, during its 2022 -2023 fiscal year the loan fund provided more than \$1.4 million in financing to 118 childcare businesses and preserved or created 13,153 childcare slots and 2,401 childcare jobs.⁵¹
 - WomenVentures offers a comprehensive array of services to various types of women-owned businesses in our Champlin market. Services include training, access to expert advisors and mentors, and lending programs tailored to start-up and small entities. Most notably, the organization's small dollar financing offering aligns with community feedback and market data that emphasizes financing under \$50,000 and is most needed by start-up and smaller businesses. The smaller dollar financing also aligns with the typical needs of non-employer businesses which are most dominant in the start-up growth trend. In its 2021-2022 fiscal year, the WomenVentures assisted more than 2,500 entrepreneurs, funded nearly \$2 million in loans, and provided more than 10,000 hours of training and consulting for their clients.⁵²

⁵⁰

https://static1.squarespace.com/static/60c396855965bb5b29d85cf7/t/64a5cb27b9303c2ce13e4939/1688587047838/meda_annual_report-2022.pdf

⁵¹ <https://www.firstchildrensfinance.org/app/uploads/2023/11/Impact-Numbers-2022-23-11-6-C.pdf>

⁵² Note: The data may include activities in western Wisconsin as well as the state of Minnesota which combined includes WomenVenture's primary service market.

- Other CDFIs with a strategic agenda targeted on the Twin Cities market of our assessment area include the Neighborhood Development Center, Inc. (NDC). The organization focuses on assisting small businesses including start-ups, particularly those in low-income communities. The mission is twofold as it is aimed at promoting growth in individual small businesses as well as engaging in activities that serve as a catalyst to improve neighborhood economies, particularly in low-income areas. Through its micro-enterprise business model, NDC supports small businesses through training, lending and technical assistance with a focus on inner-city entrepreneurs. In 2022, NDC's activities included providing 4,504 hours of business services to 271 businesses in its priority and other neighborhoods. It also provided financing (42 loans) to start-up and existing businesses totaling almost \$3 million (\$2,923,246). Thirty-one of the 42 loans were micro loans that aligned well with the nature of the business clients, as well as needs such as interim or bridge financing to accommodate the current environment of fluctuating revenue and expenses.⁵³

Example Opportunities: Our community needs assessment of the Champlin markets highlighted response strategies similar to those in the Prinsburg AA, and that present opportunities for the Bank to complement its direct lending to businesses with activities that leverage the capacity of other organizations better positioned to respond directly. These opportunities are welcomed and include the following:

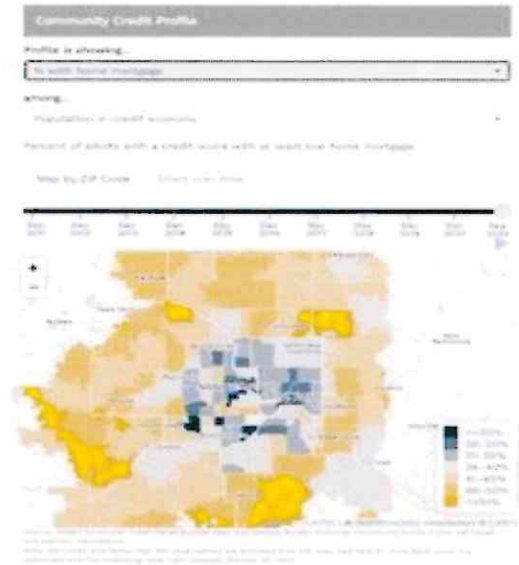
- **Banking Resource:** Complement our direct business lending efforts through relationships with organizations such as SBDCs, that present opportunities to serve as a lender resource, or advisor, to support the consultant services the Center provides. In addition, based on feedback from SBDCs, the Bank can be useful as a source of referrals to the Center when presented with borrowing requests that cannot be met without credit enhancement services.
- **Financial Contributions:** Provide funding assistance such as cash donations, contributions to loan funds or the placement of deposits in depository CDFIs or minority depository financial institutions that promote economic and community development.
- **Source of Financial Banking Expertise:** Volunteer bank personnel to assist nonprofit organizations in the delivery of services such as technical assistance and guidance to businesses, as well as the advancement of their mission objectives through activities such as serving on boards, or special committees such as loan selection, fundraising or other financial related projects.

The example opportunities propose various ways to address the credit needs of our business community and in fact align with goal activities envisioned under the Plan.

⁵³ [Neighborhood Development Center | Saint Paul, MN | Cause IQ](#)

3. **There are services offered in the assessment area to promote financial stability, access to affordable housing and small businesses development, however feedback suggests such programs may not be fully utilized as enrollment levels can be hindered by residents' misperceptions that assistance may not likely help.** Nonetheless, our market assessment underscored the need for such services. For example, the Twin Cities Community Credit Profile⁵⁴ (Community Credit Profile) is an assessment tool that aggregates the credit profile of residents by zip code in the Twin Cities Region. The tool data indicates the extent of resident participation in the credit market and provides perspective regarding obstacles that often limit access to credit. For example the Community Credit Profile tool helped quantify the existence of the need for assistance services based on two common reasons for credit denial such as:

- *No Credit History:* As depicted in the picture to the right, the vast majority of zip codes in the region indicate that there is a significant percent of residents (95 % or more) participating in the credit economy (*i.e.*, they have a credit history based on a credit score). Nonetheless, the geographic depiction of the region also highlighted a number of communities where the percent of residents in the credit economy is less than or equal to 80 percent.



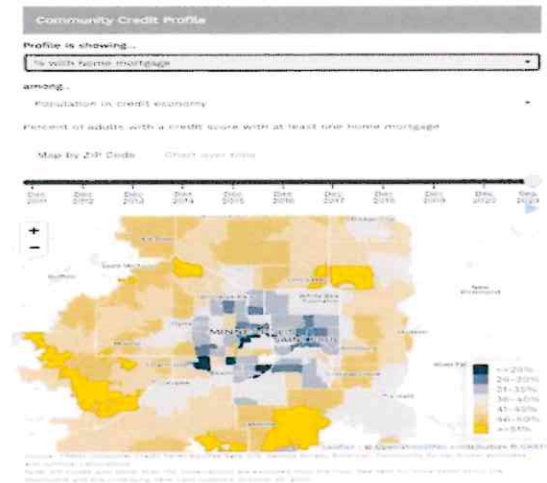
(For clear picture of the depicted data results refer to <https://www.minneapolisfed.org/article/2021/twin-cities-community-credit-profile-measures-residents-participation-in-the-credit-economy> and a select "% in credit economy" in dropdown menu.)

- *Derogatory Credit History:* When considering debt service performance, the majority of the zip codes in the region have a population where at least 90 percent of the residents make credit payments on time. Nonetheless there are zip codes where the percentage of residents making timely payments drops to 85 percent or less of the population.

(For depiction follow same link as above and a select "% on-time payers" in drop down menu.)

⁵⁴ The Twin Cities Community Credit Profile is an assessment tool introduced by the Federal Reserve Bank of Minneapolis that aggregates the credit profile of residents in the seven-county Minneapolis-St. Paul metropolitan area (Twin Cities Region) by zip code. The tool is interactive data tool that illuminates credit conditions in the seven-county Minneapolis-St. Paul metropolitan area and demonstrates how people in some communities have more limited access to credit than others. The tool focuses on indicators, such as credit scores, that lenders use to determine who has access to credit and on what terms. <https://www.minneapolisfed.org/article/2021/twin-cities-community-credit-profile-measures-residents-participation-in-the-credit-economy>

As the picture to the right illustrates, Community Credit Profile results also indicate the extent of participation in the credit markets by loan products, such as mortgages. For example, as previously noted, a significant majority of the zip codes have 95 percent or more of their population participating in the credit market, however, the population percentages with a home mortgage are generally lower across the region.



(For clear picture of the depicted data results refer to <https://www.minneapolisfed.org/article/2021/twin-cities-community-credit-profile-measures-residents-participation-in-the-credit-economy> and a select “% with a home mortgage” in drop down menu.)

Finally, from a small business standpoint, an FRB survey⁵⁵ of small businesses in the Minneapolis-Saint Paul MSA indicate that 26 percent of employer firms that applied for credit were denied, compared to 21 percent for respondents nationally. While the Minneapolis-Saint Paul MSA survey did not comment on the extent firms felt discouraged from applying for financing, the national survey for the same year (2022) indicated that discouragement was the reason 14 percent of the respondents did not apply for credit.⁵⁶

The Community Credit Profile statistics, small business survey results, as well as community feedback suggest the need exists for services to build financial and credit capacity in our market. Further, our review of assistance services in the market suggest resources are available to address the need. Therefore, we believe a heightened awareness of the programs and outcomes could help encourage greater participation by those that have been reluctant to do so.

Example of Response Strategies: Our Champlin market benefits from statewide, as well as local organizations that administer programs to assist individuals and businesses manage through obstacles that can hinder their access to financial services. Recent progress has been noted as there has been an increase in the use of bank products and services in the Minneapolis- St. Paul MSA. The 2021 FDIC National Survey of Unbanked and Underbanked Households indicates that the percent of persons unbanked in the MSA fell from 3.3 percent in 2019 to 2.2 percent in 2021. The lower unbanked population percentage is significant in the absolute, as well as given

⁵⁵ <https://www.fedsmallbusiness.org/survey/2023/firms-in-focus-report/fif-msa-reports>

⁵⁶ <https://www.fedsmallbusiness.org/survey/2023/report-on-employer-firms>

the fact the decline reverses the prior direction where 2019 survey results more than doubled the 1.5 percent noted for 2017.⁵⁷

We have become increasingly aware of the extent the services offered by local non-profits to advance such success. The following summarizes the activities of just two of the organizations we noted that offer services to enable individuals and businesses elevated access to, and effective use of, bank credit and other services.

- *Individuals:* As we previously noted, the mission of Build Wealth MN, Inc. (BWM) focuses on increasing the stability and financial wealth of the underserved, such as low- and moderate-income populations concentrated in some of the zip codes noted as having a lower resident percent in selected credit participation categories. Taking a wholistic approach with programs such as the Family Stabilization Program, BWM focuses on teaching the practical application of financial services, and good personal finance habits (e.g., how to generate savings, avoid debt, build credit, buy a home and protect themselves from predatory lenders). The organization's services are comprehensive and include credit counseling as well as other services such as lending. To further elevate the extent of its impact on the community, BWM's recent initiatives have included a state of the art virtual budgeting program as well as safe user-friendly savings and investment tools.
- *Small Businesses:* As we previously noted, the Neighborhood Development Center (NDC) focuses on supporting small businesses, offering training, lending and technical assistance to inner-city entrepreneurs in Saint Paul and Minneapolis. Through these services, NDC's goal is to not only help entrepreneurs access credit, but also to enable them to confidently pursue loans in conventional bank credit markets. To this end, classroom instruction and one-on-one coaching covers topics such as the following:
 - Technical training including accounting, finance, and the credit review process.
 - Skill development such as budgeting, and cash management.

Most importantly, these services are complemented by measures engaged to strengthen business-owners' strategic business competencies. The measures enable business-owners to confidently present their business plans to investors, financial institutions or other stakeholders and include assistance with research, writing and effective communication of a sound business plan.

Services such as these have contributed to outcomes such as 28 entities "open for business" on the East Side of Saint Paul and 376 full-time and part-time jobs created or retained (including business owners and their employees).⁵⁸

⁵⁷ <https://www.fdic.gov/analysis/household-survey/>

⁵⁸ https://www.wilder.org/sites/default/files/imports/NDC_Estimated%20Impact_5-20.pdf

Example of Opportunities: Community feedback suggests that heightened understanding of programs such as those we noted during our assessment, as well as their outcomes, will help further elevate community participation in the markets where the need is apparent. The level of resources relative to the apparent demand for such services suggests supporting organizations by leveraging their ability to deliver services through increased financial and human resource support.

We take pride in our support of nonprofits, through contribution as well as volunteer services, and as such have incorporated the needs as we established Plan goals.

PERFORMANCE GOALS AND MEASUREMENT STANDARDS

Our Board of Directors has approved a five-year CRA Strategic Plan that demonstrates a significant financial commitment to respond to credit and community development needs in its two assessment areas. We have also dedicated considerable human resources to provide services to help build the financial capacity of consumers as well as small businesses in the Bank's assessment areas. As previously noted, activities to achieve this goal will focus on the Bank's defined assessment areas with consideration also given to selected community development activities that benefit broader areas such as regional, or statewide markets that encompass the assessment areas.

The Plan addresses:

- How the Bank will respond to the credit needs of small businesses and small farms in the assessment areas.
- Activities in which the Bank will engage to promote community development and support the capacity of CDFIs and MDIs to respond to community credit needs.

Plan goals were formulated based on the following considerations:

- Community needs identified in conjunction with an evaluation of the market, including consideration of solicited views of community organizations.
- Economic conditions and market competition.
- The Bank's business strategy, operating model, financial capacity, and resource constraints.
- The Bank's prior CRA performance and activity for subsequent years through 2022.⁵⁹
- Performance results of the aggregate market as well as selected institutions operating in Minnesota with the majority cover all or a part of the Bank's market. Particular focus was placed on organizations of comparable size, business strategy and shared markets.
- Other CRA Strategic Plans and associated performance evaluations of other institutions.

Consistent with the methodology of formulating goals, the Plan envisions performance will be viewed in the context of factors outlined by the regulation as well as interagency CRA examination procedures. Notably this regulatory framework gives consideration to key factors that may affect performance such as the following:

- Market conditions as well as community needs
- Impact of competition in accessing opportunities
- Financial condition and capacity of the institution

Overall Plan Approach:

The Plan outlines a CRA strategy that consists of small business and small farm financing and community development activities that respond to the apparent needs in the Bank's assessment areas. The Plan also provides for support of minority-owned financial institutions in the Bank's assessment area or broader regional or statewide areas that encompass its communities.

⁵⁹ 2022 data included as available.

Table G(1): Summary of Assessment Area Apparent Needs and Response Strategies

Key Needs Identified	Assessment Areas		Bank Primary Response Strategies			
	Prinsburg	Champlin	Business Lending		Community Development Funding & Institutional Investments (Reinvestment Funding)	Community Development Service
			LMI Geographies	Business with Revenues of \$1 million or less		
Affordable housing for low- and moderate-income individuals.	√	√	√	√	√	√
Increasing homeless population warranting a priority response.	√	√			√	√
Skill and other support service gaps inhibit low- and moderate-income persons from gainful jobs and economic growth opportunities.	√	√			√	√
Business financing to help promote sustained recovery as well as capacity to meet operating needs impacted by higher costs and fluctuations in business revenue.	√	√	√	√	√	√
Business consult and technical assist to help support: <ul style="list-style-type: none"> • Small business growth and expansion • Needs of emerging and start-up businesses given the increasing trend in the assessment areas. 	√	√			√	√
Above-average poverty levels in selected communities heighten need for community service.	√	√			√	√

Table G(1) recaps the apparent needs identified during our market needs assessment and the primary strategy we will pursue to respond. We believe the response strategies are notable as they highlight our commitment to leverage the Bank's inherent community-oriented culture and engage activities in new ways to further extend support of our markets.

The table indicates a commonality in apparent needs across the assessment areas, although there is variation in degree as previously discussed under assessment area profiles. For example:

- Poverty levels are above average in each of the three counties encompassing the Bank's Prinsburg assessment area, while such a ranking is limited to two of the eight counties in the Champlin assessment area.
- Affordable housing for LMI remains a perennial need, with increasing homelessness in both assessment area markets. The issues are particularly pronounced in the Champlin AA's urban markets such as Minneapolis and St. Paul due to population levels and increasing housing costs.
- Support services aimed at removing obstacles to LMI employment are needed in both assessment areas. Outside of typical education and workforce development needs, there is a criticality of services such as:
 - Affordable daycare, a state priority, stands out in the Champlin market.
 - Transportation, including access to affordable vehicles to commute to work, is evident in the Prinsburg assessment area, the Bank's non-metropolitan market.

- Efforts aimed at increasing LMI persons' access to banking products exist in both markets. Nonetheless, community feedback suggests that limited understanding of bank products, lack of awareness of financial education and counseling programs, and often LMI persons' pre-conceived notions regarding qualification standards are inhibiting LMI access to banking services.

The Plan's overall strategy represents an expanded CRA performance commitment given the institution's classification as a small bank as defined by the CRA.⁶⁰ Typically, small banks are not required to engage in activities outside of routine lending. However, we believe given the identified needs, the add-on performance factors (*i.e.*, Reinvestment Funding and Community Development Services) allow the Bank to illustrate its commitment to its communities notwithstanding the associated resource implications and complexities they may pose. In fact, Bank management sees opportunities to leverage its community network to meet its Reinvestment Funding and Community Development Services goals, as well as enhance its capacity to compete in business lending markets.

Scope of CRA Performance Goals: Performance activity under the Plan will focus on the Bank's defined CRA assessment areas. In addition, performance that promotes community development will be considered when it benefits the assessment area, or a larger market that includes the assessment areas.⁶¹

Methodology for Assigning a CRA Rating: The Bank's CRA rating is driven by performance in each of the assessment areas. Each assessment area represents 50 percent of the composite CRA rating with performance assessed based on the applicable categories as presented in Table G(2).

Table G(2)				
CRA Rating			Prinsburg AA	Champlin AA
Performance Categories			Category Weight	Category Weight
Business Lending	Lending to Borrowers with Revenue of \$1 million or less (Small Borrower Lending)			
		Small Business	25%	25%
		Small Farm	25%	NA
	Business Lending in Low- and Moderate-Income Areas (LMI Business Lending)		NA	25%
	Community Development Funding and Institutional Investments (Reinvestment Funding)		25%	25%
	Community Development Services		25%	25%

⁶⁰ "Small bank" includes a financial institution that, as of December 31 of either of the prior two calendar years, had total assets of less than \$376 million. The threshold effective January 1, 2023, is \$376 million. The threshold is subject to change annually based on the CPI-W (Consumer Price Index for Urban Wage Earners and Clerical Workers) index.

⁶¹ The CRA Q&A .12(h)—6 provides that an institution's community development activity may be considered if it supports an organization or activity that covers an area that is larger than, but includes, the institution's assessment area(s). The institution's assessment area(s) need not receive an immediate or direct benefit from the institution's participation in the organization or activity, provided that the purpose, mandate, or function of the organization or activity includes serving geographies or individuals located within the institution's assessment area(s).

Assessment Area Performance Categories: Each assessment area is subject to four performance categories as presented in Table G(2); however, the categories differ slightly between the two defined markets. For example:

- **Prinsburg Assessment Area:** The performance goals for the Prinsburg assessment area do not include a LMI Business Lending category because all the tracts in the defined market are designated as middle-income.
- **Champlin Assessment Area:** The performance categories for the Champlin assessment area do not include a Small Borrower Lending category for farm lending. Given the predominate market makeup, agricultural lending is not a primary product for the Bank in the assessment area. For example, there are less than 9,000 farms in the competitive eight-county assessment area. In total, farms represent a nominal 2 percent of all businesses in the assessment area. Comparatively, the less than 200 farm businesses in the Prinsburg assessment area represent 31 percent of all businesses in that market⁶². Finally, these factors have been recognized in conjunction with prior CRA examinations and as such, farm lending has not been considered a primary product of the Bank in the evaluation of its performance in the Champlin market.

Each category represents a designated percentage of the overall assessment area rating. To achieve at least a Satisfactory rating, each assessment area must meet expectations in a minimum of three of its four performance categories. The Bank's overall CRA rating will require that each assessment area achieve a Satisfactory rating.

Inability to Achieve Plan Goal: Should unforeseen circumstances impede the Bank's ability to achieve at least an overall Satisfactory rating under the Plan, the CRA performance for the Bank may be subject to an evaluation based on the standards for small banks (*i.e.*, lending test inclusive of community development lending) with the option for community development investments and services to be considered as a rating enhancement should the results of the lending test be Satisfactory as provided for in 12 CFR 345.21(a)(4).

⁶² Data source: D&B as of June 2022; 2020 ACS US Census

BUSINESS LENDING

We have committed a substantive level of the Bank's anticipated loans to businesses in its assessment areas with a focus on two distinct categories: (1) businesses with revenue of \$1 million or less, and (2) entities located in LMI census tracts. The goals are established in the context of the following factors:

- The market makeup (*i.e.*, the non-metropolitan Prinsburg assessment area which has a considerable farming economy and no low- or moderate-income tracts, and the metropolitan-based Champlin assessment area where commercial businesses dominate the market and include a number of designated LMI communities).
- Apparent needs noted during our assessment of the market.
- The Bank's capacity as a small community financial institution competing in a concentrated business lending market.

Community Needs Driving the Goals: As noted in the preceding assessment area profiles, overall, markets have seen positive recovery and growth since the Pandemic. Notwithstanding, credit needs continue to exist. The following needs stood out in our market assessment and influenced the business lending goals in the Plan:

- Financing to help ensure business recovery from the Pandemic and sustain healthy operations such as renewal of existing facilities that fund ongoing operations.
- Loans originated to support growth and expansion for small businesses and small farms.
- Financing that helps local businesses continue operations during fluctuating and challenging economic conditions posed by temporary developments such as supply chain disruptions, and monetary policy strategies imposed to stem increasing inflation.

Framework of Business Lending Goals: Consistent with the Bank's business strategy, our primary objective is to meet identified community needs through direct lending to businesses in our assessment areas. Given competition, our goal strategy will also include loan purchases, as available. Business Lending performance is presented within a framework that establishes a goal, as well as a goal minimum, as follows:

- Goal: The goal for the business lending performance categories, namely Small Business Loan Borrowers, Small Farm Loan Borrowers and LMI Business Loans, is an established percent achieved annually for loans in these categories that represents their share of total originations (Plan originations⁶³) in the Bank's assessment areas for each year during the term of the Plan.
- Goal Minimum: In the event the percentage goal cannot be achieved, the Plan provides for a minimum number of originations based on the Bank's prior performance.

⁶³ Plan originations include assessment area loans the Bank (1) originated or (2) purchased in conjunction with routine Bank loan purchase activities, or from organizations with a specialized mission that affords greater access to small businesses in LMI markets and business borrowers with revenue of \$1 million or less.

Goal Basis: The basis for projecting goals for business lending is the average of annual lending⁶⁴ for the pre-Plan period 2018 through 2022 for each of the goal categories, Small Business Borrowers, Small Farm Borrowers, and LMI Business Loans. The averages considered lending data presented in the Bank's performance evaluations (PE) dated March 18, 2019, and March 9, 2021, as well as supplemental internal bank data including calendar year 2022. For context, the pre-Plan period averages were also considered against the averages for activity prior to the Pandemic (*i.e.*, 2018, 2019) to fairly project reasonable goals.

Sufficiency of Business Lending Goals: Plan business lending goals are substantive relative to our capacity as a community bank with assets of less than \$250 million and the competitive environment that has contributed to its loan purchase strategy. Moreover, our two banking offices cover noncontiguous assessment areas with distinctly different markets (*i.e.*, a metropolitan statistical area and a non-metropolitan statistical area that is considerably rural). Finally, the goals are notable given market conditions such as:

- Revenues, while showing signs of recovery and growth, are being impacted by elevated operating costs that are continuing to rise.
- Challenges securing and retaining qualified employees.
- An uncertain economic outlook punctuated by a rising interest rate environment.

Business Lending Performance Ratings: As our steadfast commitment to the community, we have established goals for Satisfactory performance that are substantial relative to prior performance and set benchmarks for Outstanding performance that present opportunities to measurably “stretch” the Bank’s capacity.

Performance ratings for Business Lending categories will be driven by four key conditions:

1. Ratings will be based on the assessment areas achieving the goals for the period being evaluated.
2. Under each performance category, an overage in activity in one year may be applied to other years where circumstances have precluded achievement of the annual goal. Moreover, when evaluating performance over a multi-year period the category may be assigned a Satisfactory rating if the aggregate of the annual goals for the period is achieved⁶⁵. The following scenario is an illustrative example:

Example: A CRA Strategic Plan with a \$1.5 million goal over the five-year term of the Plan. The annual goal for each year of the Plan is \$300,000. An assessment of the initial three years under the Plan disclosed performance results totaling \$900,000, which is the aggregate of the goals for the period. In this example, the initial Plan year did not meet its annual goal. Nonetheless, the overage in performance during the other two years in the period was shifted to year one and allowed the bank to deploy the level of investment committed for the full period.

⁶⁴ Lending includes loans originated or purchased in the assessment area. Given the significant impact of PPP activity during 2020 and 2021 on overall volume, the annual originations were adjusted to align performance projections with activity without the assistance of the program.

⁶⁵ An evaluation period is a timeframe where interim performance is assessed during the term of a CRA Strategic Plan. The actual Plan term may range up to five years, with performance assessments permitted any time during the term of the Plan. Additionally, depending on the asset size of the bank and its previously assigned rating, a Plan typically includes at least one multi-year evaluation period cover by a CRA examination. During the examination annual performance under the Plan will be evaluation and considered in the context of the overall evaluation period.

Consideration of aggregated performance of a multi-year period aligns with interagency CRA examination methodologies used to formulate performance conclusions. Moreover, the approach acknowledges that circumstances may inhibit activity during a portion of an extended period. It also allows recognition of the institution for meeting the full commitment for the period. The approach also aligns with exam procedures where interim period circumstances may be put in context when arriving at final exam conclusions.

3. Within the LMI Business Lending category, the LMI Aggregate percentage is the established Plan goal and will be the determinant of the rating. However, to achieve Satisfactory for the category the following conditions must be met unless contextual factors provide a rationale otherwise:
 - Evidence of loan activity in low-income tracts and moderate-income tracts as they are the basis for the LMI Aggregate goal.
 - Loan activity in each of the income tract categories for at least one of the years in an evaluation period.

For example, if the Bank achieved the LMI goal for each year in a multi-year evaluation period, but there was no activity in low-income tracts, the Bank could not be assigned a Satisfactory rating for the category.

4. To achieve Outstanding performance ratings for the Business Lending categories, the Bank will meet the percentage of the applicable businesses in the AA (demographic percent) relied on in developing the Plan.

Alternate Business Lending Strategy: Notwithstanding the substance of our goals, we acknowledge circumstances where direct conventional bank financing will not meet the needs of businesses in certain stages of operations (*e.g.*, start-ups and companies facing challenges post-Pandemic). In such cases, equity funding, credit enhancement tools and other assistance needed typically fall outside the scope of our conventional bank products and services.

However, with the decision to pursue a CRA Strategic Plan, we have been introduced to tools such as community development investments that while new to us offer opportunities that can help us respond to these needs. Therefore, we intend to leverage performance activities under our Community Development Funding and Institutional Investments goal category (Reinvestment Funding) to provide an additional means of deploying business financing.⁶⁶

To achieve this objective, our Reinvestment Funding goal strategy includes the provision of financial contributions to organizations such as those focused on lending to small businesses, particularly smaller entities, and those in LMI areas that are often underserved. In fact, during our market assessment we identified nonprofit community development organizations

⁶⁶ According to the CRA Q&A § 11.26(b)—3: Examiners will consider, at a small institution's request, community development loans originated, or purchased by a consortium in which the institution participates, or by a third party in which the institution has invested. The institution must maintain sufficient information on its share of the community development loans so that the examiners may evaluate these loans under the small institution performance criteria.

administering loan funds and programs that address needs common to these entities such as financing in amounts as low as \$2,500 and up to \$50,000.

As such, our Reinvestment Funding strategy will include a focus on contributing to nonprofit loan funds and programs (1) to complement our business lending goals, and (2) as a means to supplement business lending performance when the Bank is unable to meet the stated goals. To achieve this objective, the Plan provides that investments under the Reinvestment Funding goal category may be considered when the activity provides financing for businesses that are small or located in LMI tracts. Specially, the Plan provides for the following:

- *Consideration of Investment Value:* The quantitative value resulting from our investment contribution to a nonprofit's small business loan fund or program may be considered as part of our performance under the Plan's Business Lending goal categories.⁶⁷ Consideration of loans facilitated by the contribution will only occur when needed, and in those cases where Reinvestment Funding performance remains at least at a Satisfactory goal level despite the exclusion of the investment. Further, the full value of the contribution to the loan fund or program will be excluded from consideration under the Reinvestment Funding Goal regardless of the amount originated and considered under Business Lending Goals. For example, if the Bank contributes \$50,000 to a loan fund in a Plan year, and loan originations facilitated by those funds totaled \$45,000 for that year, the full \$50,000 investment will nonetheless be excluded from Reinvestment Funding activity for that year.
- *Application of the Investment Value:* The Plan's Business Lending category consists of dollar-based percentage goals, as well as an alternate minimum goal which considers the number of loans originated. As a result, the Plan provides that the quantitative value of the contribution may be applied to the goal benchmark where it is most needed. For example, if the investment value would enable the Bank to meet the percentage-based benchmark for Satisfactory performance then the value should be applied to activity for that metric. Conversely, if the investment value would only facilitate Satisfactory under the alternate minimum number goal, then the investment value would be applied based on the number of loans supported by the contributions.
- *Quantifying the Investment Value:* Depending on the nature and complexity of the nonprofit loan fund or program, the investment value may be quantified using an approach similar to funding a loan through a third party lending transaction where the loan(s) amount originated using the Bank's contribution is equal to the dollars the Bank contributed (e.g. investment funded loans aggregating the same amount as the contributions, \$50,000). Similarly, if the investment value is applied to the number-based goal then the number of loans facilitated by the contribution will be applied to the number-based goal (e.g., \$50,000 contribution to nonprofit fund resulted in 3 loan originations). Alternatively, for more complex loan funds or

⁶⁷ Applies to lending to small businesses category (Small Business Borrower Loans) and the small business lending in LMI geographies category (LMI Business Lending).

programs that are supported by other funding sources, the Bank will receive consideration for the pro-rata share our investment contributed to originated loans.

Consideration of Bank contributions to support the lending of community development organizations aligns with interagency CRA Q&A regulatory guidance⁶⁸.

Business Lending goals are presented and discussed under the respective categories:

- Small Business Borrower Loans (Page 44)
- Small Farm Borrower Loans (Page 47)
- LMI Business Lending (Page 50)

⁶⁸ As prescribed by the Interagency CRA Q&A § 22 (d) 1 and § 26 (b)-3., the Bank's participation in lending programs of community development organizations through investments (e.g., financial contribution, donation, grant) may be considered on a pro-rata share basis in conjunction with the lending performance assessment.

SMALL BUSINESS BORROWER LOANS

LENDING TO SMALL BUSINESS BORROWERS: During the term of the Plan, the Bank has committed more than a majority of its small business loan⁶⁹ originations to businesses with revenue of \$1 million or less (small businesses). The following is a discussion by assessment area:

Prinsburg Assessment Area:

Table G (3): LENDING TO SMALL BUSINESS BORROWERS						
Performance Goals	Interim Annual Goals (Percentage of AA Small Business Loan Originations)					Performance Rating
	2024	2025	2026	2027	2028	
Prinsburg AA:						
Number of small business loans to small businesses as a percentage of the total number of small business loan originations in the AA.	65%	65.5%	66%	66.5%	67%	Satisfactory
	88%	88%	88%	88%	88%	Outstanding
	Number of Loans					
Alternative Minimum Goal: Number of Loans	18	19	20	21	22	Satisfactory

- **Goals:** The Bank has committed 66 percent on average annually to small businesses in the assessment area, with annual goals ranging between 65 percent and 67 percent of total originations. With small businesses representing 87.3 percent of assessment area businesses (*i.e.*, demographic percent), the goals represent at least 74 percent of this percentage and are therefore reasonable. While the goals fall below the SSG average of 88.9 percent⁷⁰ they rank above the:
 - Goal basis, which is the average of annual originations to small businesses as a percent of total originations (Goal Basis Average) for the pre-Plan period of 63 percent, and
 - Market Aggregate Average of 56 percent which is the average of the market aggregates for 2019 and 2020. The market aggregate for each of the two years was averaged to provide a balanced comparator when considering lending levels pre-Pandemic and during the Pandemic.

⁶⁹ Small business loan means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). Loans are defined as loans of \$1 million or less that are reported on line 1.e(1), 1.e(2) and line 4 or 4a of the Call Report. 1.e(1) and 1.e(2) are loans secured by owner-occupied and nonowner-occupied non-farm non-residential real estate. Loans on lines 4 or 4a (the line difference is determined by the Call Report version for your bank) are commercial and industrial loans (not secured by real estate).

⁷⁰ Small Business Borrowers SSG (Prinsburg AA): The SSG includes banks in the non-metropolitan areas with markets that include or are immediately adjacent to the Prinsburg assessment area and were examined as a small bank between 2019 and 2021 and rated Satisfactory. Institutions include Harvest Bank, Kimball, MN, Total Assets \$144,073, (December 9, 2019) with an assessment area that includes Kandiyohi County; and Home State Bank, Litchfield, MN, Total Assets \$149,006, (October 29, 2018) with an assessment area that includes census tracts in Kandiyohi County surrounding the Bank's census tract market in the same county.

- **Alternate Minimum Goals:** Economic conditions and developments in the markets driving increasing business costs and fluctuations in revenue underscore an uncertain market outlook. As a result, the Bank established alternate goals in the event such conditions impede meeting the set percentage goals. The alternate minimum goals leverage from the average annual number of originations (17) during the pre-Plan period and increase the annual average to 19 during the term of the Plan.

The alternative minimum is a critical contingency as small businesses have been most vulnerable to the changing conditions. In fact, a 2022 post-Pandemic survey of small businesses indicated that 77 percent of non-employer small firms continue to report fair or poor financial condition while the percentage was lower for large non-employer businesses at 53. Similarly, 65 percent of smaller employer firms reported challenges versus 37 percent of larger employer firms.⁷¹ Furthermore, a report⁷² regarding the local market expressly noted the Twin Cities, as well as Greater Minnesota which includes the Prinsburg Assessment Area, as having businesses reporting declining profit margins. The margins are most notably impacted by:

- Inflation driving price increases for critical operating needs such as equipment and materials.
- Increasing interest rates that elevate borrowing costs amidst lower or unstable revenues.
- Higher labor costs warranted to maintain adequate staffing levels.

In view of these circumstances, the alternate minimum goals are reasonable in the absolute and in fact provide for an increase over the term of the Plan.

- **Outstanding Performance Goals:** In an effort to demonstrate the Bank's commitment to its community, management has established goals for Outstanding performance equal to the percent small businesses represent of all businesses in its respective assessment areas.⁷³ The goals are substantial in the absolute, and rank significantly above Satisfactory goals established for the Plan, the Bank's pre-Pandemic average as well as performance metrics for the market aggregate, and the SSG. At more than 100 percent of the latest demographic measurement during the pre-Plan period, the metric is an apparent stretch given the Bank's capacity and therefore will not increase over the term of the Plan.

Champlin Assessment Area:

Table G (3): LENDING TO SMALL BUSINESS BORROWERS						
Performance Goals	Interim Annual Goals (Percentage of AA Small Business Loan Originations)					Performance Rating
	2024	2025	2026	2027	2028	
Champlin AA:						
Number of small business loans to small businesses as a percentage of the total number of small business loan originations in the AA.	71%	71.3%	71.5%	71.8%	72%	Satisfactory
	90%	90%	90%	90%	90%	Outstanding

⁷¹ <https://www.fcdsmallbusiness.org/survey/2022/2022-report-on-nonemployer-firms>

⁷² <https://www.startribune.com/inflation-hurting-small-businesses-minnesota/600214033/>

⁷³ The metric represents the percent of businesses in 2022 based on Dunn and Bradstreet data.

Table G (3): LENDING TO SMALL BUSINESS BORROWERS						
Performance Goals	Interim Annual Goals (Percentage of AA Small Business Loan Originations)					Performance Rating
	2024	2025	2026	2027	2028	
Alternative Minimum Goal: Number of Loans	10	11	12	13	14	Satisfactory

- Goals:** The Bank has committed at least 72 percent on average annually to small businesses, over the term of the Plan with annual goals ranging from 71 percent to 72 percent. Small businesses represent 89.6 percent⁷⁴ of businesses in the assessment area (*i.e.*, demographic percentage). The goals rank above the goal basis average of 70.0 (69.8%) percent and are reasonable relative to the demographic benchmark given the apparent market competition in the assessment area. Moreover, the goals rank measurably above:
 - The SSG average of 60.7 percent⁷⁵
 - Market Aggregate Average of 49.5 percent
- Alternate Minimum Goals:** The alternative minimum contingency is particularly important in the Champlin market because of the intense competition, measured by absolute number of competitors as well as in the context of developments that can reduce loan opportunities such as lower application or approved loan volume, as well as lower loan amounts due to insufficient or unpredictable revenue streams. As an example, a 2022 survey of small businesses disclosed the following findings:
 - Among non-employer and employer firms, the share of firms with outstanding debt remains elevated compared to pre-Pandemic survey periods.
 - Only 25 percent of the smaller non-employer firms applied for credit versus 29 percent for larger non-employer firms and 34 percent of employer firms.
 - Over the preceding 12 months⁷⁶ only 16 percent of smaller non-employer firms received all of the financing requested versus 29 percent for larger non-employer firms and 31 percent for employer firms.
 - Fifty-two (52) percent of the small non-employer firms received none of the credit requested while the comparable percentages for larger non-employer firms and employer firms were 36 percent and 35 percent, respectively.

More locally in markets such as the Greater Minnesota Area, a report of small business conditions by the Federal Reserve Bank of Minneapolis expressly noted that businesses in the Twin Cities have revenue challenges due to the rising costs of operations. The alternate minimum number of loans is reasonable and provides for an annual average of 12 percent over the term of the Plan.

⁷⁴ Data source: D&B as of June 2022; 2020 ACS US Census

⁷⁵ Small Business Borrowers SSG (Champlin AA): Banks engaged in small business lending with markets that include all or part of the Champlin assessment area, examined as a small bank between 2019 and 2022 and rated Satisfactory or Outstanding. Institutions included Woodland National Bank, Hinckley, MN, (September 21, 2020), \$302,964; Harvest Bank, Kimball, MN, (December 9, 2019), \$144,073; Platinum Bank, Oakdale, MN, (March 2, 2020), \$278,783; Drake Bank, St. Paul, MN, (July 22, 2019), \$125,349; Lake Community Bank, Long Lake, MN, (February 11, 2019), \$119,295; Maple Bank, Champlin, MN, (January 12, 2022), \$100,971; Farmers State Bank of Hamel, Hamel, MN, (July 30, 2018) \$135,792.

⁷⁶ Prior 12 Months. The 12 months prior to the fielding of the survey. For the 2021 SBCS, this is approximately September–November 2020 through September–November 2021.

- **Outstanding Performance Goals:** As with the Prinsburg assessment area, management has set “stretch” goals for Outstanding performance that are equal to the percent small businesses represent in the AA.⁷⁷ The percentage ranks significantly above Satisfactory goals established for the Plan, as well as the market aggregate and SSG levels. At more than 100 percent of the latest demographic measurement during the pre-Plan period, the metric is an apparent stretch given the Bank’s capacity and therefore will not increase over the term of the Plan.

SMALL FARM BORROWER LOANS

LENDING TO SMALL FARM BORROWERS: During the term of the Plan the Bank has committed more than a majority of its small farm loan⁷⁸ originations to entities with revenue of \$1 million or less (small farms). The Bank’s farm lending is concentrated in the Prinsburg assessment area. Farm lending is not a primary product in the metro-based Champlin AA given the profile of the market. Therefore, there are no formal farm lending goals in the market. Table G(4) presents farm lending goals for the Plan, followed by a discussion of the commitments.

Table G (4): LENDING TO SMALL FARM BUSINESS BORROWERS						
Performance Goals	Interim Annual Goals (Percentage of AA Small Farm Loan Originations)					Performance Rating
	2024	2025	2026	2027	2028	
Prinsburg AA:						
Number of small farm loans to small farms as a percentage of the total number of small farm loan originations in the AA.	66%	67%	68%	69%	70%	Satisfactory
	96%	96%	96%	96%	96%	Outstanding
	Number of Loans					
Alternative Minimum Goal: Number of Loans:	30	31	32	33	34	Satisfactory

- **Goals:** The annual goals averaged 68 percent of total small farm loan originations over the term of the Plan. The annual goals range between 66 and 70 percent and are reasonable particularly given the following two factors:
 - **Market competition:** Substantive competition is fueled by non-bank lenders, government agencies such as the Farm Credit Service Agency as well as depository banking institutions engaged in farm lending in the assessment area market. Measured solely by large banks in this group,⁷⁹ the top four institutions dominating the market include three ranking among the 50 largest U.S. banks and another large institution headquartered in Minnesota. The institutions include:

⁷⁷ The metric represents the percent of businesses in 2022 based on Dunn and Bradstreet data.

⁷⁸ Small farm loan means a loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. Loans include loans of \$500,000 or less that are reported on line 1(b) - secured by farmland, and line 3 (loans for financial agricultural production and other loans to farmers).

⁷⁹ CRA Large Bank threshold effective January 1, 2021, \$1.322 billion; www.ffiec.gov

Bank	Headquarter Office	Total Assets (Billions) (as of 12-31-21)
American Express National Bank	New York City, New York	\$126
Capital One, N.A	McLean, Virginia	\$381
Wells Fargo Bank, N.A.	San Francisco, California	\$1,940
Minnwest Bank	Redwood Falls, Minnesota	\$2.7

- Developments contributing to declining loan demand:** Credit demand has been declining as evidenced by the 2017 Census of Agriculture⁸⁰ with data that shows a decline in the number of farms overall as well as the number of existing enterprises reporting interest expense in each of the AA encompassing counties.⁸¹ More recently, the extent of borrowing needs has been impacted by an increasing earnings trend attributable to heightened consumer consumption of farm-fresh food evolving out of the Pandemic. With farm commodity prices increasing, higher earnings have contributed to reduced borrowing needs as indicated by a 2022 Federal Reserve survey.⁸² Although costs are increasing such as (1) rents due to rising farmland values and (2) operating expenses driven by supply chain issues and labor costs, elevated earnings and rising interest rates are contributing to curtailed loan demand. This situation is also a by-product of high debt levels.

Additionally, while the goal basis average (63%) percent and annual goals are lower than that for the SSG average percent (96.6%), the difference in part can be viewed in the context of the markets. For example, the Bank's percentage represents originations in a service area that includes one census tract in each of the three surrounding counties. The number of farm businesses meeting the revenue-based definition⁸³ in this market is estimated at 184.

Comparatively, the SSG average is based on activity for two comparable agricultural lending banks⁸⁴ with more expansive markets in the non-metropolitan area. As such, these markets present more opportunities for small farm loan requests. For example, each of the SSG banks includes at least one full county in their assessment areas and some, or all of Kandiyohi County which is a market they share with the Bank. Conversely, the Prinsburg assessment area is served by a single branch in its one tract in Kandiyohi County.

Finally, as a small community bank with a history in the market since 1918 we have been an anchor lender for small local farms, maintaining relationships that have supported the businesses as they grew to revenue levels of \$1 million or more.

⁸⁰ https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1_Chapter_2_County_Level/Minnesota/mnv1.pdf

⁸¹ https://www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/County_Profiles/Minnesota/

⁸² <https://www.minneapolisfed.org/article/2022/farm-incomes-held-up-through-harvest-season>

⁸³ Data source: D&B as of June 2022; 2020 ACS US Census

⁸⁴ The SSG includes farm lending banks in the non-metropolitan areas with markets that include or are immediately adjacent to the Prinsburg assessment area and were examined as a small bank between 2019 and 2021 and rated Satisfactory. Institutions include Harvest Bank, Kimball, MN, Total Assets \$144,073, (December 9, 2019) with an assessment area that includes Kandiyohi County; and Home State Bank, Litchfield, MN, Total Assets \$149,006, (October 29, 2018) with an assessment area that includes census tracts in Kandiyohi County surrounding the Bank's census tract market in the same county.

In addition to these contextual considerations, the goals are reasonable based on the following:

- The average annual goal of 68 percent over the term of the Plan ranks above the goal basis average of 63.0 percent.
- The annual goal measurably exceeds the aggregate market average of 39 percent
- **Alternate Minimum Goals:** Given the current state of farm loan demand, and the competitive business lending environment, the Bank established a minimum number of loan originations ranging between 30 to 34 loans annually. The minimum number serves as the performance benchmark in the event the percentage-based goal cannot be achieved. The annual loan counts are reasonable as they exceed the pre-Plan goal-based average of 27 loans and remain above the SSG average of 25 credit facilities. Further, the loan number-based goals increase each year equivalent to a 3.2 percent average annual growth rate over the term of the Plan. They also align with the market aggregate average for large banks of 33 loans for the two-year period of 2019 and 2020.

Outstanding Performance Goals: Management has set goals to achieve robust performance. In fact, notwithstanding capacity constraints, challenges and market uncertainty, the Plan includes goals for Outstanding performance that exceed the percent of small businesses relative to all companies in the AA.⁸⁵ The goals are substantial in the absolute, and rank significantly above Satisfactory goals established for the Plan, the Bank's Pre-Pandemic average as well as performance metrics for the market aggregate, and the SSG. At more than 100 percent of the latest demographic measurement during the pre-Plan period, the metric is an apparent stretch given the Bank's capacity and therefore will not increase over the term of the Plan.

⁸⁵ The metric represents the percent of businesses based on 2020 Dunn and Bradstreet data.

BUSINESS LOANS IN LOW- AND MODERATE-INCOME TRACTS

SMALL BUSINESS LENDING IN LOW- AND MODERATE-INCOME AREAS (LMI BUSINESS LOANS):

The Bank's LMI business loan goals apply to the Champlin assessment area as there are no LMI tracts in the Prinsburg market. Since opening the Champlin branch in 2010, management's goal has been to offer the Twin Cities metropolitan area the "friendly, home-town services" for which the Bank is known.

TABLE G(5): BUSINESS LENDING IN LOW- AND MODERATE-INCOME GEOGRAPHIES (LMI BUSINESS LENDING)								
Assessment Area	Performance Goals		Interim Annual Goals (Percentage of Total AA Originations)					Performance Rating
			2024	2025	2026	2027	2028	
Champlin AA	Aggregate number of originations in low- and moderate-income tracts (LMI Aggregate) as a percentage of the total number of small business loan originations in the AA.	LMI Aggregate:	9%	10%	11%	12%	13%	Satisfactory
			24%	24%	24.0%	24.0%	24%	Outstanding
			Annual Number					
	Alternative Minimum Goal: Number of Loans:	LMI Aggregate:	1	2	3	4	5	Satisfactory

The Bank has been able to establish a local market presence; however, activity in LMI communities has been modest, although considered reasonable given the following factors:

- The Bank's operations are limited to one single office in Champlin given its capacity.
- There is a material distance between the Champlin office, and Minneapolis (20 miles) and St. Paul (28 miles) where a majority of LMI communities are located.
- Robust competition posed by a varied scope of small business lenders is intensifying. For example, the Bank competes with more than 160 active large bank small business lenders in the Minneapolis and St. Paul markets. This level is almost a 50 percent (49.5%) increase from the 107 prior to the Pandemic.⁸⁶ While the increase is in part attributable to the Paycheck Protection Program, it is conceivable that the new entrants into the market may retain borrowing relationships with small businesses they financed during the Pandemic.

The Bank also faces competition for retail deposits, a source of liquidity that typically supports loan funding. Competition is particularly heightened in counties such as Hennepin and Ramsey, which host the populous cities of Minneapolis and St. Paul, respectively. For example, since 2018 the Bank has competed with approximately 80 banks with branches in the Minneapolis and St. Paul markets, garnering a market share of less than 1 percent (.03%). While the Bank's market share has remained relatively stable during the period, the Bank's ranking among the institutions was 62nd in 2022 versus 56th in 2018.⁸⁷ The change in ranking underscores the

⁸⁶ Lender count is for the counties of Hennepin and Ramsey, which host the cities of Minneapolis and St. Paul, respectively.
[FFIEC CRA Aggregate Report](#).

⁸⁷ <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>

increasing intensity of competition, particularly in core markets such as Minneapolis and St. Paul.

Notwithstanding these challenges, the Bank has established LMI geography-based loan goals that exceed historical performance. Management intends to meet these goals primarily through loan originations, inclusive of loan purchases as warranted.

In addition, as outlined on page 14 under the Business Lending, the Bank acknowledges needs that may warrant funding support outside of the scope of conventional commercial financing and as such, will direct a degree of its activities under the Reinvestment Funding Goal category to help fund the financing needs of businesses that may not be positioned for conventional commercial financing. To this end, the Bank intends to contribute to lenders, such as CDFIs, that administer loan funds and programs that enable greater credit access for underserved businesses, including those in LMI markets. This strategy aligns with CRA Q&A regulatory guidance regarding activity that may be considered under lending performance.⁸⁸

- **Goals:** The Bank has committed a substantive percent of its small business loans for origination in LMI communities. Consistent with the scope of performance activity for loans to small business borrowers, originations include:
 1. Those the Bank originated in the assessment area.
 2. Those the Bank purchased that were originated in the AA (*e.g.*, through its normal loan purchase activities that include traditional banks).
 3. Loans the Bank purchases from organizations with a specialized mission that enables robust lending in LMI markets and greater capacity to small businesses.

The commitment is equivalent to 10 percent on average annually of small business originations, ranging from 8 percent to 11 percent over the term of the Plan. In fact, after the initial year of the Plan, annual goals exceed the pre-Pandemic origination average of 8.6 percent.

Twenty-two percent (22%) of assessment area businesses are located in LMI markets. Performance for bank comparator groups illustrates the intensity of competition posed by institutions with greater capacity (*e.g.*, market aggregate of large banks at 20.4 percent and the SSG⁸⁹ at 38.1 percent of total originations). Notwithstanding, the Bank has committed to goals that stretch beyond its historical performance and capacity. For example, the Bank is limited to one branch office to serve the eight-county metropolitan-based market. The impact of robust competition is evident for the Bank as well as other small community banks. For example, although the SSG average is strong, there are small banks in the group that, like

⁸⁸ CRA Q&As _22 (d) _1 and _26 (b)-3

⁸⁹ Small Business LMI SSG: Banks engaged in small business lending with markets that include all or part of the Champlin assessment area, examined as a small bank between 2019 and 2022 and rated Satisfactory or Outstanding including Woodlands National Bank, Hinckley, MN (September 21, 2020), Total Assets \$302,964; Platinum Bank, Oakdale, MN (March 2, 2020), Total Assets \$278,783; Drake Bank, St. Paul, MN (July 22, 2019), Total Assets \$125,349; Lake Community Bank, Long Lake, MN (February 11, 2019), Total Assets \$119,295; Maple Bank, Champlin, MN (January 12, 2022), Total Assets \$100,971; Farmers State Bank of Hamel, Hamel, MN (July 30, 2018) Total Assets \$135,792.

PrinsBank, have had their performance impeded by intense competition (*e.g.*, no lending in low-income areas).

With this perspective, our commitment is material relative to the Bank's capacity and market conditions. In fact, after the initial Plan year, goals rank above the Bank's pre-Pandemic performance average of 8.6 percent. More notably, the goals not only provide for originations in moderate-income areas, but also in low-income tracts where outside of the year 2020 competition precluded the Bank from originating any loans in these communities.

- **Alternate Minimum Goals:** As with the goals for loans to small businesses, the Bank established annual loan counts as minimum alternate goals in the event the percentage goals could not be achieved. For LMI business lending, the pre-Plan period average (goal basis) was three loans, consisting of one in a low-income tract and two in moderate-income tracts. In setting Plan goals, consideration was given to the market aggregate average as well as SSG average (17). To fairly consider the Bank's capacity, the goal basis average was also assessed against loan activity prior to COVID-19, as loans originated under the Paycheck Protection Program drove the Bank's lending activity during 2020 and 2021.

To that end, the pre-Pandemic period average⁹⁰ consisting of one loan in a moderate-income area, and post Pandemic (2022) originations comprised of two loans in moderate-income tracts, significantly influenced goal-setting as it aligned with historical performance. Most notably, the absence of originations in low-income tracts was a material consideration in goal-setting. To balance the Bank's commitment with its capacity, management set its minimum number of loans at "1" for the initial year of the Plan recognizing market conditions; and increased the goals in subsequent years. The goals are reasonable given the following considerations:

- The Bank had no originations in low-income tracts during the pre-Plan period, with the exception of the initial year of the Pandemic.
 - The Bank's performance in low-income tracts is not dissimilar to certain institutions in the SSG group. For example, while the SSG average (*i.e.*, three loans) includes lending in low-income tracts, a number of the banks in the group had no activity in those communities. Consistent with the Bank's performance in low-income geographies, the absence of originations by other small community banks underscores the intensity of local competition.
 - The goal basis average was driven by loans originated during the Pandemic (*i.e.*, 2020 including three in low-income tracts).
- **Outstanding Performance Goals:** Outstanding performance goals are ambitious for the Bank given delivery challenges and market competition. Nonetheless, the Bank has set goals for Outstanding performance to illustrate the Bank's commitment to its mission to deliver friendly, home-town services throughout its defined markets including LMI areas. To that end, Bank management has established goals for Outstanding performance that exceed the percent of small businesses in LMI markets in its assessment area.⁹¹ The goals are substantial

⁹⁰ Pre-Pandemic period consisted of calendar years 2018 and 2019.

⁹¹ The metric represents the percent of businesses in 2022 based on Dunn and Bradstreet data.

in the absolute, and rank significantly above Satisfactory goals established for the Plan, historical performance as well as metrics for the market aggregate, and the SSG. At more than 100 percent of the demographic measurement during the pre-Plan period, the metric is an apparent stretch for the Bank and as such is not subject to annual increases over the term of the Plan.

COMMUNITY DEVELOPMENT FUNDING & INSTITUTIONAL INVESTMENTS

Our corporate strategy is linked to a culture as a “hometown” bank where management prioritizes activities that enable the institution to support growth and stability in its communities. Formalized under the Plan, the Bank has committed a minimum of \$2 million engaging these activities to achieve two objectives:

- Promote community development as defined by the CRA regulation.⁹²
- Strengthen overall access to credit in its assessment areas.

To do this, management has established Community Development Funding and Institutional Investments Goal (Reinvestment Funding), a specific category to advance this commitment. The goal category is comprehensive to ensure a substantive response to community needs that aligns with its routine business activities.

Reinvestment Funding Goal Strategy: The Reinvestment Funding goal provides flexibility to respond to community needs by leveraging practices the Bank employs as part of its standard policies, procedures, and operating strategies. For example, the goals achieve three objectives:

1. **Align with the Bank’s Business Strategy:** The Bank’s investment strategy exhibits a focus on interest-bearing deposits. The Reinvestment Funding goal leverages this focus to allow the Bank to concurrently promote community development and increased banking access for underserved populations. The Bank accomplishes these dual objectives by incorporating mission-focused depositories such as CDFIs⁹³ and MDIs⁹⁴ into its list of banks from which it purchases certificates of deposit.
2. **Recognize Performance Constraints:** As a small community bank, we face capacity constraints, business strategy limitations, and competition in accessing community development opportunities, particularly loans. For example:
 - **Capacity:** Small banks⁹⁵ by definition are not required to engage in activities such as loans or investments that promote community development. The CRA regulation exempts the institutions from the requirement in recognition of capacity differences between small and large banks as well as competition. Notwithstanding the exemption, we identified five similarly-situated small banks that elected to have

⁹² CRA community development definition includes four purpose categories: (1) Affordable housing for LMI persons; (2) Provision of community services primarily for LMI residents; (3) Assistance to small businesses that promote economic development through the creation, improvement, or retention of jobs for LMI persons; and (4) Activities that revitalize or stabilize certain areas designated by the regulation.

⁹³ Depository CDFIs in the Bank’s assessment area include organizations such as: Sunrise Banks, N.A, headquartered in St. Paul, Minnesota. The bank’s Minneapolis AA consists of all of Ramsey County and portions of Anoka, Dakota, Hennepin, and Washington Counties, all of which are included in the Bank’s Champlin AA. Additionally in 2022 First Independence Bank, headquartered in Detroit, Michigan, opened a banking office in Minneapolis, MN which is located in the Bank’s Champlin AA. The bank is certified as a CDFI.

⁹⁴ MDIs in the Bank’s assessment area include organizations such as: Woodlands National Bank (WNB), headquartered in Hinckley, Minnesota. The bank’s Minneapolis MSA AA overlaps with PrinsBank’s Champlin AA counties of Sherburne, and Hennepin; First Independence Bank, headquartered in Detroit, Michigan and operating a banking office in Minneapolis, MN located in the Bank’s Champlin AA.

⁹⁵ The CRA regulation small bank definition establishes two categories, small bank, and intermediate small bank. The categories are distinguished based on asset size and subject to a threshold updated annually. Banks in the small bank category are exempt from the requirement that their CRA performance include activities that promote community development as defined by the regulation. The annual asset threshold for the small bank definition for 2022 was total assets of \$346 million, increasing to \$376 million for the 2023 calendar year. Institutions are considered small banks if their total assets are below the threshold as of December 31st of either of the two calendar years preceding the year effective.

https://www.ffiec.gov/cra/pdf/2023_Asset_Size_Threshold.pdf

community development activity considered during their CRA examination.⁹⁶ Of the five, only two institutions included lending as part of their community development activities. The profile of lending banks underscored the significant role of capacity as they were the two largest of the five institutions with total assets almost reaching, or exceeding \$300 million, and exceeding the Bank's asset base⁹⁷ by more than 50 percent.

- **Business Strategy Limitations:** Affordable housing for LMI families is an expressed community development need in the Bank's assessment areas. The projects can be complex and warrant real estate development financing expertise. As a result community banks, particularly those such as our organization that do not have residential real estate lending as a primary business line, function at a disadvantage in responding to the financing need.

Competition: Community development projects often require considerable time to develop as a lending or investment opportunity. As such, large institutions and those with specialized expertise often have greater access to projects as they may be involved during development. These institutions are often the first approached for financing, including small business loan facilities that promote community development. The following is an example using Kandiyohi County, the largest county encompassing the Prinsburg assessment area, to illustrate the significant competition community banks face in the market.

In 2019 the top five large banks reporting small business loan originations in the county included four of the largest banks in the U.S. (*i.e.*, American Express National Bank, JPMorgan Chase Bank, N.A., U.S. Bank, N.A and Wells Fargo Bank, N.A.), with the fifth lender being Bremer Bank, N.A., a Minnesota-based organization (total assets of \$15 billion). These institutions originated 66 percent of the small business loans reported by large banks in that year.⁹⁸ Despite the Pandemic, the dominant five lenders in the market remained relatively unchanged,⁹⁹ originating 62 percent of the market's total small business loan originations in 2021.

The impact of such competition is two-fold for small banks as it inhibits the extent of access to conventional business financing opportunities as well as those that qualify

⁹⁶ SSG includes community banks with CD activities considered as part of their small bank CRA examination. Woodlands National Bank: Total Assets-\$302,964 (September 21, 2020); 1st United Bank: Total Assets-\$144,428 (February 10, 2020); F&M Community Bank, National Association: Total Assets-\$128,541 (June 18, 2018); First State Bank Southwest, Total Assets-\$285,916 (February 20, 2018); Ultima Bank-Minnesota: Total Assets-\$211,473 (September 20, 2021).

⁹⁷ The SSG banks with community development lending considered during their CRA Performance Evaluation include Woodlands National Bank with total assets of \$303 million and a branch base of seven offices at its September 21, 2020 CRA examination, and First State Bank Southwest with total assets of \$286 million and a branch base of five offices at its February 20, 2018 CRA examination. Comparatively, as of December 31, 2022 PrinsBank with assets at \$188 million and two banking offices remained smaller than the two community development lending institutions at their respective examinations.

⁹⁸ CRA regulation requires banks defined as a large bank to collect and report loan information (*e.g.*, small business and small farm) annually.

⁹⁹ The top five small business loan origination reports changed in 2021 include Capital One and exclude Wells Fargo [FFIEC CRA Aggregate Report](#)

as community development loans (*e.g.*, small business loans that create jobs for low- and moderate-income individuals).¹⁰⁰

3. **Promote Community Relationships that Support Goals:** The Plan positions the Bank to leverage existing, and explore new, relationships with organizations to identify community development activities. Capacity constraints and loan competition may inhibit the extent of direct loan originations in goal performance, however, the landscape of organizations serving our markets will support our goal performance inclusive of activities that promote community development. Such organizations include those located in Minnesota with local, statewide, or broader service markets that include our assessment areas.

Scope of Reinvestment Funding Goal Activities: To achieve Reinvestment Funding goals, activities under the following categories will be considered:

- **New qualified community development investments.** Investments will primarily include donations, grants, and deposits in certified community development financial institutions (CDFIs) and, as feasible, other investments such as security obligations. Eligible investments include those that benefit one or both of the Bank's assessment areas, or a broader area encompassing one or both of those markets. Further, as it pertains to deposit instruments, new investments in a single year include the purchase of a new, or the renewal of a prior period, certificate of deposit.¹⁰¹
- **Prior period community development investments.** Community development investments purchased in one year of the Plan, that remain in the Bank's portfolio in subsequent years, will be considered together with new purchase activity when evaluating performance against Outstanding goal benchmarks.
- **Community development loans.** Loans include originations and purchases that promote community development in the Bank's assessment areas. Originations for the purpose of the Plan include the refinance or renewal of a community development loan consistent with the interagency CRA Q&A.¹⁰²
- **Deposits in minority depository institutions (MDIs).** The Bank's investment will include deposits in minority depositories serving markets that include one or both of the Bank's assessment areas.

Community Needs Driving the Goal Strategy: The Reinvestment Funding goal strategy is driven by issues highlighted during our market assessment such as:

- **The need for LMI affordable housing is apparent in both assessment areas.** The need is driven by measurable and increasing LMI populations that have outpaced the supply of affordable housing.
- **Poverty rates in the assessment areas have declined but remain substantive in some markets.** For example, poverty rates in each of the three counties encompassing the Prinsburg assessment area, as well as in certain counties in the defined Champlin market, rank above the state average.

¹⁰⁰ A bank defined as a large bank under the CRA regulation may not consider a small business loan it has reported in its annual regulatory filing as a community development loan; however small banks are not subject to reporting requirements and therefore may consider any small business loan as a community development loan if it meets the qualifying criteria.

¹⁰¹ This approach aligns with CRA Q&A42(a)—5 regarding consideration of small business loan renewals as origination.

¹⁰² CRA Q&A.42(b)(2) -5

- **Funding, technical assistance and workforce support continues to be warranted to sustain economic recovery and small business development.** Like the state, the assessment areas have exhibited an overall positive pattern of small business recovery and growth. The progress, most notably evident in a surge in business start-ups, underscores the need for access to funding, resources and support services to continue a positive trend including the creation and retention of jobs, particularly for LMI individuals.

Reinvestment Funding Goal: To respond to the identified needs, the Bank has established a goal framework that commits the greater of \$2 million, or 7.5 percent of total equity capital (or total bank capital)¹⁰³ over the term of the Plan tied to rating levels as follows:

- **Satisfactory Performance:** Initiate new Reinvestment Funding that equates to the greater of the stated dollar goal or the performance benchmark established as a percentage of the Bank's total equity capital.
- **Outstanding Performance:** Achieve an aggregate of total new and prior period reinvestment funding equivalent to the stated percentage of the Bank's total equity capital established for an Outstanding rating. Note: Prior period Reinvestment Funding includes deposits and investment obligations that remain outstanding on the Bank's balance sheet.

In recognition of the impact the Bank's purchase loans have on community development in markets outside of the Bank's assessment areas, the Plan provides alternate criteria to achieve Outstanding considering this activity. The criteria allows for the purchase of community development loans originated outside of the assessment to be included as qualifying performance for the Outstanding rating category, in the event the following two conditions are met:

- The Bank achieves a Reinvestment Funding level that amounts to at least 2.0 percent of total equity capital goal through activity in our assessment areas, inclusive of investments in a broader area¹⁰⁴ encompassing our defined communities. We believe 2.0 percent is a formidable level of reinvestment in our local markets, as it exceeds the Satisfactory goal and equates to a substantial majority of the Outstanding percentage benchmark of 2.5 percent, and
- The addition of purchased community development loans originated outside of our defined local assessment areas results in aggregate performance in the goal category that exceeds the Outstanding goal benchmark of 2.5 percent of total equity capital.

Alternate criteria to achieve an Outstanding rating are considered given the impact of loans the Bank purchases on communities outside of its assessment areas. Such facilities have funded material community development activities such as:

- Nonprofit employment services organization primarily servicing LMI persons.
- Nonprofit service organizations located in low- or moderate-income areas and primarily serving LMI persons.

¹⁰³ Sources: FFIEC Consolidated Reports of Condition and Income (Call Report), Schedule RC - Balance Sheet (Form Type -- 051, Item 28. Total Equity Capital; and FFIEC Uniform Bank Performance Report (UBPR), Balance Sheet \$ page, Total Bank Capital & Min Int (Minority interest). The total capital figure considered for measuring goal performance is the year-end figure.

¹⁰⁴ For example, state and regional markets.

- Small businesses in LMI tracts creating or retaining jobs for LMI persons.

In view of the positive impact of these loans that enable continued access to credit by a banking institution, the Plan provides for consideration of the activity to achieve an Outstanding rating.

In the absence of a prior history of evaluated activities under the Reinvestment Funding performance category, bank-wide goals have been established for the Plan. Table G(6) presents goals that will be fulfilled by activities that benefit the respective assessment areas for each year of the Plan. As noted in the preceding discussion, a degree of the Bank's loans purchased outside of the assessment area, meeting certain conditions may be considered for Outstanding performance.

Table G(6) Community Development Funding and Institutional Investments Goals (Reinvestment Funding) Bank-wide Goal						
Performance Measurement	Annual Performance Goals (\$000 omitted)					Goal Performance Rating
	2024	2025	2026	2027	2028	
Reinvestment Funding-New Activity: Greater of the dollar goal or 1.5 percent of total equity capital annually	\$350	\$375	\$400	\$425	\$450	Satisfactory
	1.5%	1.5%	1.5%	1.5%	1.5%	
Reinvestment Funding-New and Prior Period Activity: Aggregate of new and prior period Reinvestment Funding: At least 2.5 percent of total equity capital annually	2.5%	2.5%	2.5%	2.5%	2.5%	Outstanding

Goal Basis: As previously noted, the Bank has not been subject to the community development requirements of the CRA regulation; CD eligible activities were essentially limited to donations. Additionally, while we purchase bank certificates of deposit, there were no CDFI or MDI instruments in our portfolio during the pre-Plan period. Nonetheless, the assessment of the Bank's routine business activities helped us establish a basis from which to project goals. The basis considered eligible activities, as well as others, including those that serve as proxies. The assessment enabled the Bank to establish an annual goal basis of almost \$250,000 or .94 percent of total equity capital. In setting the goal basis, the following factors were considered:

- Interest-bearing bank balances represented more than half of the Bank's investment portfolio during the pre-Plan period. While the concentration may limit the extent of new purchases, it also suggests capacity to diversify to include deposits in CDFIs and MDIs as instruments mature.
- Donations overall illustrate our commitment to giving and support the Bank's intention to further diversify contributions to support qualifying community development activities. The capacity exhibited by pre-Plan period community development donations at \$2,500 prior to the Pandemic, and an average of \$9,150 for the Pandemic years of 2020 and 2021, influenced the goal basis for Reinvestment Funding.
- Small business loans served as a proxy to help determine the Bank's community development lending capacity as the bank had no such lending during the pre-Plan period. The loans are a reasonable proxy as community development loans often consist of financing to small businesses to create, retain or improve permanent LMI employment.

To this end, the Bank's average small business loan amount of \$244,000 was considered in determining the goal basis. Given the absence of prior performance, the competitive market for community development opportunities when they come to market, as well as the nature of needs such as small dollar loans for small businesses, the proxy amount of \$244,000 is a reasonable measurement of small community bank funding capacity.

The goal basis, as well as market needs and competition, ultimately influenced the annual goals established over the term of the Plan.

Goal Allocation by Assessment Area: As previously noted, the bank-wide goal is based on activities in the Prinsburg, as well as the Champlin, assessment areas. Generally, each assessment area contributes to the bank-wide Reinvestment Funding goal based on their share of key components of Bank's operations, as presented previously on page 8 in Table #2. To establish goal allocation percentages, we considered the assessment areas' average share of bank operating components, as well as other factors regarding market conditions, needs and opportunities. Table G(7) presents the goal allocation percentages for the assessment areas.

Table G(7): Assessment Area Share of Components of Bank Operations & Goal Allocation Percentage					
Assessment Area	6/30/2022	2019- 2021 ¹⁰⁵	12/31/2022	Average Share	Goal Allocation Percentage (Targets)
	Total Deposits	Loan Originations	Branches		
Prinsburg	63.0%	54.8%	50%	55.9%	40%
Champlin	37.0%	45.2%	50%	44.1%	60%

While the Prinsburg assessment area exhibited the greater share of the key operating components of the Bank, at 40 percent, its Goal Allocation Percentage is lower than that for the Champlin AA (60 percent). The Goal Allocation percentages largely reflect the following factors:

- The Prinsburg market is notably smaller, covering portions of a three-county area, while the Champlin assessment area has eight-counties.
- While there are commonalities in apparent needs in the two assessment areas, the extent of the needs differs given the size of the market populations, particularly those that are typically underserved and can benefit from community development activities. For example, there are no LMI areas in the Prinsburg assessment area, while essentially 30 percent of the census tracts in the Champlin market are designated low- or moderate-income. Less than 1,000 LMI families reside in the Prinsburg assessment area, while there are almost 29,000 in the Champlin market. Finally, there are less than 600 small businesses in the Prinsburg assessment area compared to more than 350,000 in the Champlin market.

Assessment Area Target Percentages: The goal allocation percentages presented in Table G(7) are intended as targets to provide flexibility and recognize that achieving performance benchmarks could be inhibited by changes in conditions such as:

- **Extent of opportunities:** For example, while deposits in CDFIs and MDIs are core tools under the Reinvestment Funding strategy, as of the Plan proposal there are no

¹⁰⁵ 2022 data did not indicate a significant change to allocation and weighting percentages.

insured banks certified as CDFIs or MDIs in Minnesota with markets that include the Prinsburg assessment area.¹⁰⁶ Rather the insured depository CDFIs and MDIs are concentrated in the Champlin assessment area.

As such, goal performance in the Prinsburg market will be driven by opportunities that can be addressed with other Reinvestment Funding tools, including those that involve support of community development organizations as well as non-depository CDFIs.

- **Developments that change an assessment area's share of bank deposits or loan originations.** For example, according to census estimates, the population in core parts of the Champlin assessment area declined in 2021. Hennepin County's population declined by almost 13,900 and Ramsey County's by 8,200 people,¹⁰⁷ which are most significant as the counties make-up a substantial portion for the assessment area's deposits. In addition, rising interest rates are intensifying competition for deposits offered by banks and nonbanks such as money market funds.

The continuation of circumstances such as the aforementioned may affect the assessment area's ability to meet the stated goal allocation share percent and therefore the percentages are presented as targets.

Assessment Area Goals: Tables G(7)(a) and (b) present assessment area goals based on their respective allocation percentages.

Table G(7)(a) Community Development Funding and Institutional Investments Goals Prinsburg Assessment Area Share of Bank-wide Goal						
Performance Measurement	AA Allocated Share of Bank-wide Goals Annual Performance Target* (\$000 omitted)					Goal Performance Rating
	2024	2025	2026	2027	2028	
Reinvestment Funding-New Activity: Greater of the dollar or percentage-based benchmark of total equity capital.	\$140	\$150	\$160	\$170	\$180	Satisfactory
	.60%	.60%	.60%	.60%	.60%	
Reinvestment Funding-New and Prior Period Activity: Aggregate of new and prior period Reinvestment Funding as a percentage of total equity capital.	1.0%	1.0%	1.0%	1.0%	1.0%	Outstanding
*The table presents the goals based on the assessment area percentage share of the Reinvestment Funding Goal. The goal's allocation percentage is (40%) for the Prinsburg assessment area.						

¹⁰⁶ Deposit-taking CDFIs in Minnesota also include the Minnesota Power Employees Credit Union, headquartered in Duluth, MN. However, MPECU service market is driven by membership (*i.e.*, full-time, or part-time employee, relative, or spouse of an employee at a Minnesota Power company, and select employer groups and members of their families/households).

¹⁰⁷ Source: U.S. Census Bureau, American Community Survey- <https://www.startribune.com/population-declines-in-hennepin-ramsey-counties-in-2021/600158882/> ; [City and Town Population Totals: 2020-2021 \(census.gov\)](https://www.census.gov/data/tables/2020/census/total-population.html)

Table G(7)(b) Community Development Funding and Institutional Investments Goals Champlin Assessment Area Share of Bank-wide Goal						
Performance Measurement	AA Allocated Share of Bank-wide Goals Annual Performance Target* (S000 omitted)					Goal Performance Rating
	2024	2025	2026	2027	2028	
Reinvestment Funding-New Activity: Greater of the dollar or percentage-based benchmark of total equity capital.	\$210	\$225	\$240	\$255	\$270	Satisfactory
	.90%	.90%	.90%	.90%	.90%	
Reinvestment Funding-New and Prior Period Activity: Aggregate of new and prior period Reinvestment Funding as a percentage of total equity capital.	1.5%	1.5%	1.5%	1.5%	1.5%	Outstanding
*The table presents the goals based on the assessment area percentage share of the Reinvestment Funding Goal. The goal's allocation percentage is (60%) for the Champlin assessment area.						

Goal Sufficiency: The goal commitment over the term of the Plan is strong relative to the Bank's capacity. Most notably, the goal category includes activities not previously considered as part of its CRA performance and therefore requires modifications to the Bank's routine protocols and resource allocation.

Additionally, goals compare well to the SSG as they reach to meet or exceed the group performance within the context of the Bank's capacity and markets. Table G(8) presents the goal basis from which the Bank established annual Plan commitments, as well as SSG performance, which influenced the decisions.

Table G(8) Performance Sufficiency Considerations		
	Goal Basis (S000 omitted)	Similarly Situated Group(SSG) Average ¹⁰⁸ (S000 omitted)
Annual Average Dollars	\$247	\$601
Annual Percent of Total Equity Capital	0.94%	2.1%

In the absolute, the dollar commitments, ranging from \$350,000 to \$450,000 annually, measurably exceed the goal basis for the Bank as well as increasingly move closer to the SSG performance average which is substantially driven by the performance of larger banks in group. Further, measured as a percent of total equity capital the goals exceed the goal basis percentage as well as the SSG when considering Outstanding goal benchmarks.

¹⁰⁸ The SSG average considered the annualized amount of the group's community development lending and community development investment activity. The average does not include deposits in CDFIs or MDIs as none were noted in the respective CRA performance evaluations. Given Woodlands National Bank and First State Bank Southwest, the two largest of the SSG institutions, were the only banks in the group engaged in community development lending, the dollar average was adjusted to fairly compare with PrinsBank. The adjustment aligned with the methodology used to determine the goal basis for the Plan which considered average dollar size of the Bank's primary loan product (business loans) as a proxy to consider funding capacity under the goal given the absence of pre-Plan CD lending, investments, and limited donations. As such, the average SSG CD activity included the average loan size for the two CD lending institutions (\$573,000) in addition to the annualized CD investment amount of \$28,000 for all five of the SSG banks. To ensure the scalability of Reinvestment Funding goals could be measured and compared in the context of capacity, the percent of total equity capital benchmark for the SSG considered the group's actual annualized amount of CD loans and CD investments (\$1.4 million). The resultant benchmark (2.1%) was higher than the Bank's pre-Plan period goal basis percentage (.94%). However, in setting the Bank's performance commitment the Bank's actual goals exceed the goal basis percentage, with Outstanding goals in fact exceeding the SSG benchmark of 2.1 percent.

Finally, the Plan also provides for annual goal increases over the five-year term equating to an average annual growth rate of 6.5 percent which ranks above the pre-Pandemic period growth rate of 5.6 percent in 2019, a rate also measurably above the prior year.

Based on these factors, the goals enable a level of reinvestment that substantively elevates small business access to financing, LMI affordable housing, and services that build the welfare and financial capacity of underserved populations in the assessment area.

Reinvestment Funding Goal Performance Ratings: The performance ratings for the Reinvestment Funding goal will be based on the extent to which the Bank has achieved the goals for the period the institution is being evaluated. If the Bank does not meet the annual interim goals during a multi-year review period, the Bank may be assigned a Satisfactory rating for the category if other years during the evaluation period make up the shortfall and the Bank achieves the aggregate of annual goals for the evaluation period.

COMMUNITY DEVELOPMENT SERVICES

We embrace a business philosophy predisposed to supporting the varied needs of its local communities. To do this, we complement our product offerings by volunteering our personnel to support organizations and activities aimed at advancing the welfare of its assessment areas. The Bank has not been subject to, or familiar with, CRA requirements pertaining to volunteer activity. Nonetheless, our volunteer efforts have included certain activities that meet the two-prong criteria to qualify as community development service.

The CRA regulation permits volunteer service to be considered as part of a bank's CRA performance when the activity is financial-related and has community development¹⁰⁹ as its primary purpose. For example, our personnel participate as teachers in a financial literacy program for an inner-city school primarily serving low- and moderate-income youth. Additionally, members of management share their financial expertise through roles such as service on an advisory board of a low-income housing complex.

Community Needs Driving Plan Goals: The Bank's commitments under this goal category were largely influenced by the following needs:

- **Financial literacy:** Although Minnesota's priority on financial literacy has placed the state in the top ten of the most financially literate states in the U.S. for 2021 and 2022 financial education and training remains an apparent need for low- and moderate-income and other underserved populations.
- **Business advisory and technical assistance.** The implications of the Pandemic underscore a perennial small business need for guidance to help them effectively sustain operations in normal conditions as well as when faced with adversity. Additionally, the surge in start-up businesses has increased the need for access to expertise that helps entrepreneurs effectively plan and manage new and emerging businesses.
- **Financial expertise to support nonprofits dealing with elevated demand for community services.** Above-average poverty in certain assessment area markets, increasing homelessness, and gaps in LMI affordable housing increasingly challenge nonprofits to meet the corresponding heightened demand for services. Community feedback indicated organizations particularly value the assistance banking professionals provide by serving on boards, committees or otherwise assisting with critical activities such as fundraising campaigns, workforce training programs, or developments such as homeless or LMI housing projects.

Community Development Service Goals: The strategy for this goal category responds to articulated community needs by leveraging the Bank's demonstrated record of community service with opportunities that further its impact on advancing community development in its assessment areas. To this end, we have committed a substantive level of resources aggregating

¹⁰⁹ CRA community development definition includes four purpose categories: (1) Affordable housing for low- and moderate-income persons (LMI); (2) Provision of community services primarily for LMI residents; (3) Assistance to small businesses that promote economic development through the creation, improvement, or retention of jobs for LMI persons; and (4) Activities that revitalize or stabilize designated areas.

165 hours over the term of the Plan for financial-related community services. On average, the commitment represents 33 hours annually, or 1.1 hours per employee each year.

Table G(9) Community Development Services Bank-wide (i.e., Combined Assessment Areas)						
Performance Measurement	Interim Annual Goals Hours					Performance Rating
	2024	2025	2026	2027	2028	
Community Development Service-Aggregate Hours: One hundred sixty-five (165) financial-related volunteer services hours promoting community development (e.g., a qualifying board or committee membership; participation in a financial-related education program)	30	31	33	35	36	Satisfactory
Community Development Service-Aggregate Hours: Two hundred sixty (260) financial-related volunteer services hours promoting community development	50	51	52	53	54	Outstanding

Goal Basis: Although not required to engage in community development activities, the Bank has provided financial-related volunteer community development services. The current roster of organizations the Bank assists through volunteers suggests that more than 10 percent of its service is financial-related, with a high for a calendar year during the pre-Plan period estimated at 52 hours. While estimates,¹¹⁰ the hours served as a goal basis adjusted to 30 hours based on the following factors:

- Extent and nature of market needs, including the impact of the Pandemic and its aftermath on the nature and extent of needed services.
- Performance of similarly-situated banks measured by the SSG¹¹¹ average.
- The consistency of staff capacity to render the committed level of services over a multi-year Plan period.

The final goal framework provides for the following:

- **Satisfactory Performance:** Commitment based on the goal basis hours, adjusted to align with anticipated needs and service levels that can be reasonably sustained over the term of the Plan.
- **Outstanding Performance:** Commitment aligned with the goal basis hours to provide for a robust level of service relative to the Bank's capacity.

¹¹⁰ The Bank's culture places a priority on supporting its community, and as such provides volunteers as needs arise. The Bank does not quantify the level of assistance it provides to organizations, and therefore does not formally measure or track volunteer hours. As such, the process of setting goals was based on estimates related to specific volunteer activity.

¹¹¹ SSG includes community banks where community development services were considered as part of the institution's small bank CRA examination. The SSG was derived from a universe that included small community banks most recently examined between 2018 and 2022. SSG banks had total assets reasonably comparable to PrinsBank at their most recent CRA examination, ranging from \$128 million to \$303 million. Each SSG bank was rated at least Satisfactory for CRA, with three of the five in the group rated Outstanding. The banks include Woodlands National Bank: Total Assets-\$302,964 (September 21, 2020); 1st United Bank: Total Assets-\$144,428 (February 10, 2020); F&M Community Bank, National Association: Total Assets -\$128,541 (June 18, 2018); First State Bank Southwest, Total Assets-\$285,916 (February 20, 2018), and Ultima Bank-Minnesota: Total Assets-\$211,473 (September 20, 2021)

Goals for the Individual Assessment Areas: Tables G(9)(a) and G(9)(b) break out the aggregate goals presented in Table G(9) by the contributing markets, namely the Prinsburg Assessment Area and the Champlin Assessment Area.

Table G(9)(a) Community Development Services Prinsburg Assessment Area						
Performance Measurement	Interim Annual Goals Hours					Performance Rating
	2024	2025	2026	2027	2028	
Community Development Service-Aggregate Hours: Ninety-eight(98) financial-related volunteer services hours promoting community development	18	18	20	21	21	Satisfactory
Community Development Service-Aggregate Hours: One hundred fifty-six (156) financial-related volunteer services hours promoting community development	30	31	31	32	32	Outstanding

Table G(9)(b) Community Development Services Champlin Assessment Area						
Performance Measurement	Interim Annual Goals Hours					Performance Rating
	2024	2025	2026	2027	2028	
Community Development Service-Aggregate Hours: Sixty-seven (67) financial-related volunteer services hours promoting community development	12	13	13	14	15	Satisfactory
Community Development Service-Aggregate Hours: One hundred four (104) financial-related volunteer services hours promoting community development	20	21	21	21	21	Outstanding

The Bank's pre-Plan volunteer activity, including community development service, was primarily concentrated in the Prinsburg assessment area. Sixty percent of the community organizations and 69 percent of community development service hours were in the assessment area. Comparatively, we also considered the assessment area's percentage of the Bank's deposits (62%) and of the Bank's employees (66%) in determining the goal allocation percentage. Collectively, these percentages supported a goal allocation concentration in the Prinsburg assessment area, the Bank's long established headquarters market.

Moreover, while the needs warranting community service exist in both assessment areas, contributing factors such as above-average unemployment and poverty levels in each of the three counties encompassing the Prinsburg market provided further support. As a result, a higher goal allocation percentage is in the Prinsburg assessment area (*i.e.*, 60 percent) versus 40 percent for Champlin.

Notwithstanding this designation, the goal allocation percentages are established as targets in recognition of the uncertainty in the markets that can affect needs, opportunities, as well as staff availability. Similar to the target allocations percentage for the Reinvestment Funding goals, the

Plan allows assessment area performance to be considered Satisfactory if at least the percentages established as the minimum are met (*i.e.*, Champlin 37% and Prinsburg 50%).

Goal Sufficiency: We integrate community service as a corporate priority, and Plan goals reflect this culture. While annual commitments appear below the goal basis hours, they are more than reasonable for the following reasons:

- The goal basis hours account for activity during the unprecedented period of need during the Pandemic.
- The commitments, starting at 30 hours in the initial year, rank measurably above the SSG annual average (21 hours or .5 hours per employee).¹¹²
- Goals increase at an average annual rate of 5 percent over the term of the Plan and align with the asset growth between 2018 and 2019 (5.6 %).
- Annual goal increases are substantive given a decline in the number of Bank employees since 2018.

Community Development Service Performance Ratings: The performance ratings for the Community Development Services will be based on the extent to which the Bank has achieved the goals for the period the institution is being evaluated. If the Bank does not meet the annual interim goals during a multi-year review period, the Bank may be assigned a Satisfactory rating for the category if other years within the period make up the shortfall to achieve the aggregate of the annual goal or the evaluation period.

¹¹² SSG employee (FTE) calculations were based on total employee numbers reported in the FFIEC Consolidated Reports of Condition and Income (Call Reports) as of the financial date of the subject bank's CRA performance evaluation.

PUBLIC PARTICIPATION IN DEVELOPMENT OF THE PLAN

The Bank solicited input from organizations in its assessment areas to complement research conducted to identify current community credit needs and opportunities for banking institutions. The feedback was useful and highlighted needs that align with those identified in conjunction with the market research considered in developing the Plan.

The organizations that provided feedback directly or through information available from online sources are listed in Appendix D. This feedback may be supplemented by additional comments provided in conjunction with the 30-day public comment period beginning October 1, 2023.

NOTICE FOR PUBLIC INSPECTION OF THE PROPOSED CRA STRATEGIC PLAN

Assessment Area Designated Newspapers for CRA Plan Notice		
	Name and address	Publish Date
Prinsburg Assessment Area	West Central Tribune 2208 Trott Avenue Southwest Willmar, MN 56201-2723 https://www.wctrib.com/	September 30, 2023

Publication Notice Content:

PrinsBank, Prinsburg, MN announces the availability of its Strategic Plan to meet the requirements of the Community Reinvestment Act (CRA Strategic Plan). Public comment is desired.

The PrinsBank CRA Strategic Plan will cover the institution's defined service markets inclusive of its Prinsburg Assessment Area which consists of portions of the following counties: Chippewa County (census tract # 9504), Kandiyohi County (census tract #7812) and Renville County (census tract #7903). All counties are part of Minnesota nonmetropolitan area and located west of the Minneapolis metropolitan statistical area.

Comments received prior to (November 2, 2023) will be considered prior to submission of the Plan to the Federal Deposit Insurance Corporation (FDIC). Requests for copies of the Plan or comments regarding the Plan should be directed to: Kelly Beekman, Compliance and CRA Officer, PrinsBank, 508 Third Street, Prinsburg, Minnesota 56281, or by email to kellyb@prinsbank.com or call 320-978-6351.

Assessment Area Newspapers with CRA Plan Notice		
	Name and address	Publish Date
Champlin Assessment Area	Star Tribune 650 3rd Ave. S. Suite 1300 Minneapolis, MN 55488 https://www.startribune.com/	September 30, 2023

Publication Notice Content:

PrinsBank, Prinsburg, MN announces the availability of its Strategic Plan to meet the requirements of the Community Reinvestment Act (CRA Strategic Plan). Public comment is desired.

The PrinsBank CRA Strategic Plan will cover the institution's defined service markets inclusive of its Champlin Assessment Area which consists of all census tracts in an eight-county area in the Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area including Anoka, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties.

Comments received prior to November 2, 2023 will be considered prior to submission of the Plan to the Federal Deposit Insurance Corporation (FDIC). Requests for copies of the Plan or comments regarding the Plan should be directed to: Kelly Beekman, Compliance and CRA Officer, PrinsBank, 508 Third Street, Prinsburg, Minnesota 56281, or by email to kellyb@prinsbank.com or call 320-978-6351.

Publication Comment Period:

The public comment period commenced on October 1, 2023 and ended November 2, 2023. The Bank has received no public requests for the Plan or comments.

ONGOING REVIEW OF PERFORMANCE GOALS AND STANDARDS

We recognize that the goals outlined in the Plan are based on assumptions largely driven by the Bank's prior years' activities, current banking environment, and general economic conditions. These assumptions and conditions may change. Thus, our CRA Committee, under delegated authority from the Bank's Board of Directors, will monitor performance against the goals on a periodic basis. Any changes to the Plan that are deemed necessary as a result of these reviews will be made in accordance with the FDIC's requirements, guidelines, and approval process. Such modifications are only expected when there are significant changes to the underlying assumptions that render the goals contained in this Strategic Plan no longer viable or appropriate.

APPENDICES

(REFER TO SEPARATE APPENDIX FILE)



Prinsburg, Minnesota

**COMMUNITY REINVESTMENT ACT
2023- 2028 STRATEGIC PLAN**

APPENDICES

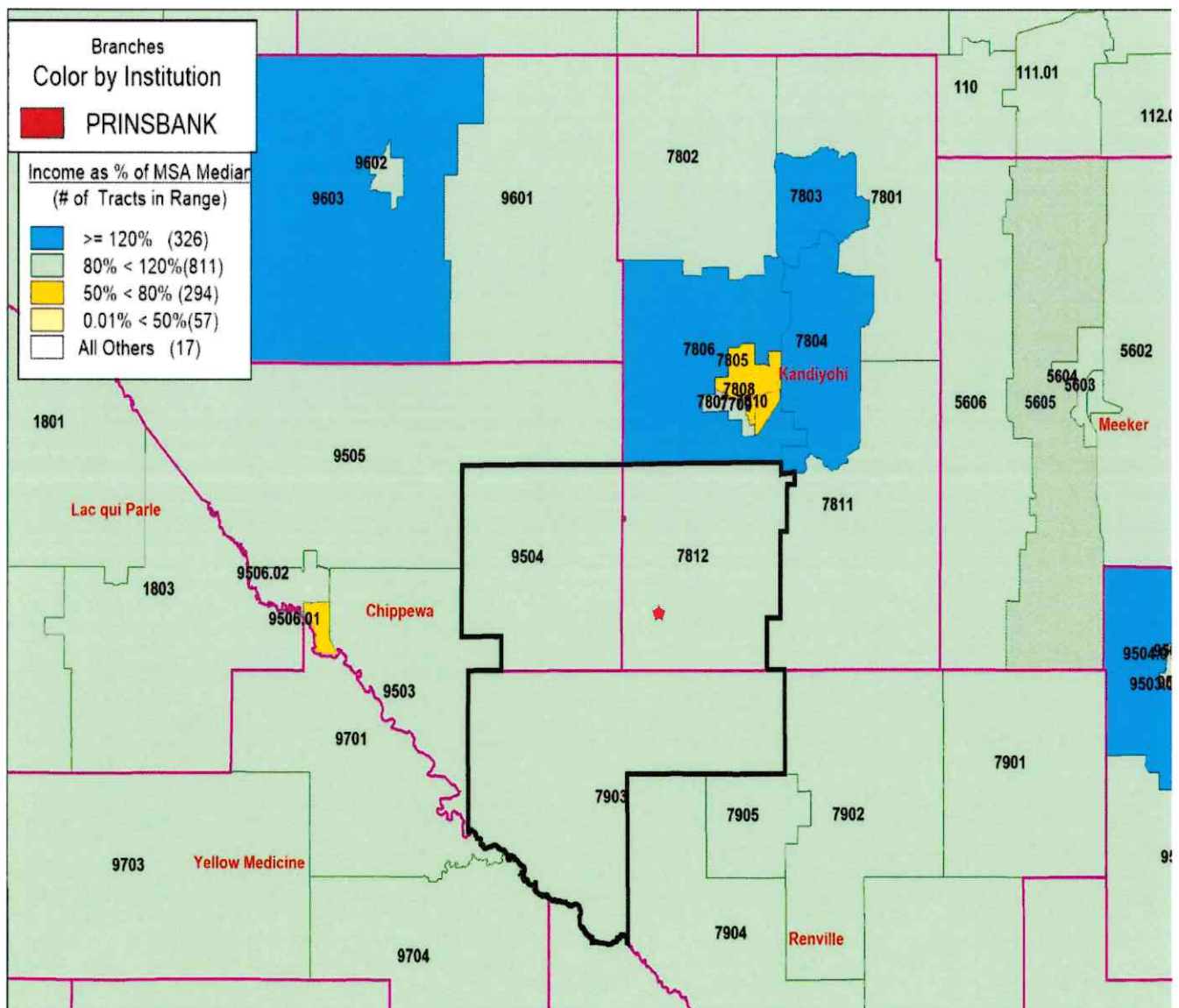
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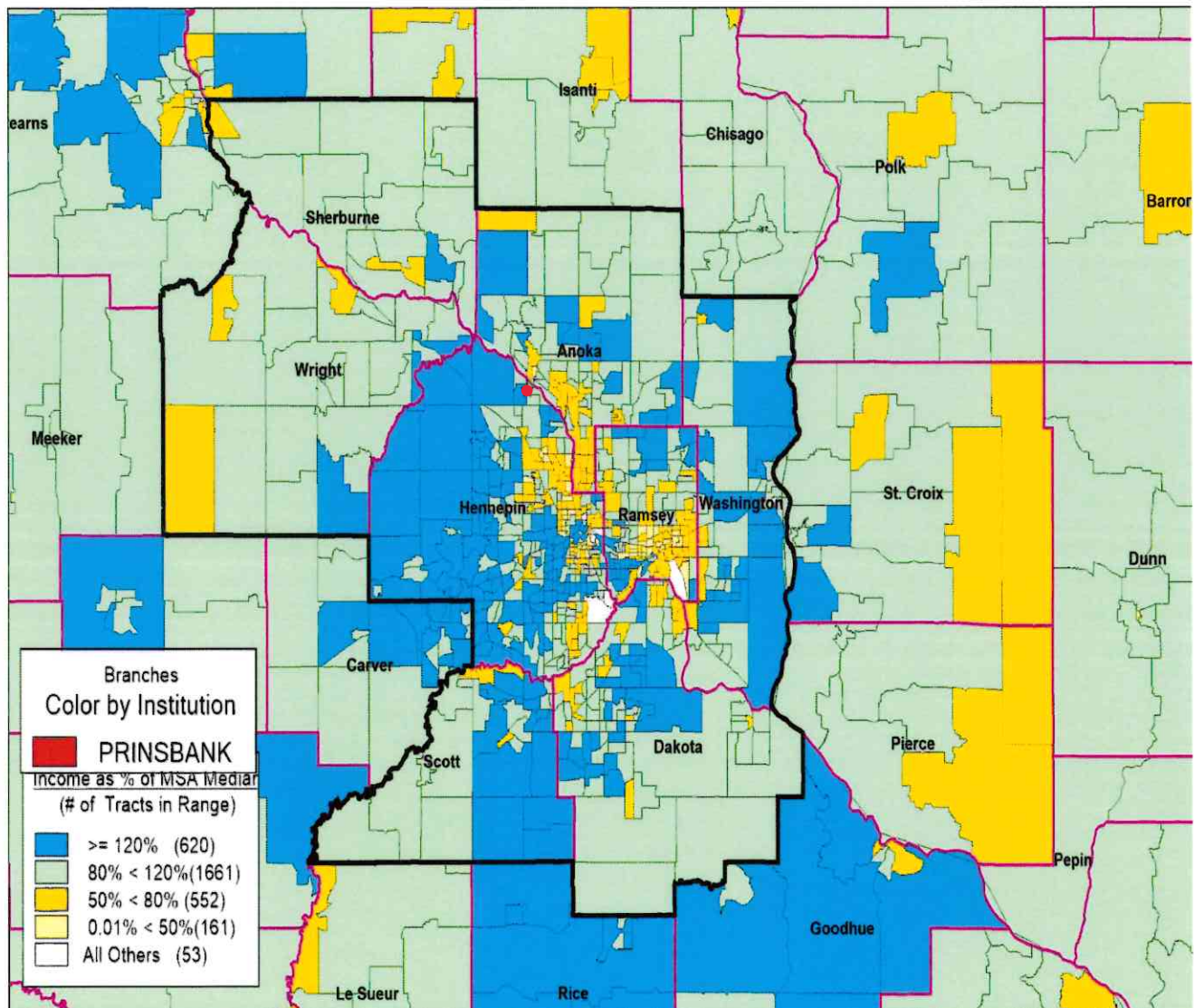
APPENDICES

APPENDIX A: DESIGNATED CRA ASSESSMENT AREA MAPS

PRINSBURG ASSESSMENT AREA MAP



CHAMPLIN ASSESSMENT AREA MAP



APPENDIX B: DESIGNATED CRA ASSESSMENT AREA CENSUS TRACTS

CRA Assessment Areas	Census Tract Listing
Prinsburg Assessment Area: Composed of census tract 9504 in Chippewa County, census tract 7812 in Kandiyohi County, and census tract 7903 in Renville County. All counties are part of the Nonmetropolitan Area of Minnesota and located west of the Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area.	Refer to listing on page A7.
Champlin Assessment Area: Consists of all census tracts in an eight-county area in the Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area, including Anoka, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties.	Refer to listing beginning on page A8

**Prinsburg Assessment Area
Census Tract Listing and Selected Demographic Data**

County	State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. non-MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
Chippewa	27	023	9504.00	Middle	No	90.13	\$83,600	\$75,349	\$67,361
Kandiyohi	27	067	7812.00	Middle	No	102.59	\$83,600	\$85,765	\$76,675
Renville	27	129	7903.00	Middle	Yes*	110.38	\$83,600	\$92,278	\$82,500

Source: <https://www.ffiec.gov/census/default.aspx>

Champlin Assessment Areas
Census Tract Listing Census Tract Listing and Selected Demographic Data

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
County: 003 - ANOKA COUNTY								
27	003	0501.07	Moderate	No	75.07	\$117,800	\$88,432	\$78,056
27	003	0501.08	Middle	No	84.13	\$117,800	\$99,105	\$87,485
27	003	0501.09	Middle	No	102.97	\$117,800	\$121,299	\$107,070
27	003	0501.10	Middle	No	97.13	\$117,800	\$114,419	\$101,000
27	003	0501.11	Middle	No	100.82	\$117,800	\$118,766	\$104,837
27	003	0501.14	Middle	No	109.37	\$117,800	\$128,838	\$113,727
27	003	0501.15	Middle	No	107.89	\$117,800	\$127,094	\$112,190
27	003	0501.16	Upper	No	133.17	\$117,800	\$156,874	\$138,472
27	003	0502.08	Middle	No	109.82	\$117,800	\$129,368	\$114,191
27	003	0502.10	Middle	No	102.76	\$117,800	\$121,051	\$106,857
27	003	0502.15	Upper	No	123.69	\$117,800	\$145,707	\$128,618
27	003	0502.16	Upper	No	131.15	\$117,800	\$154,495	\$136,375
27	003	0502.17	Upper	No	124.22	\$117,800	\$146,331	\$129,167
27	003	0502.18	Middle	No	97.37	\$117,800	\$114,702	\$101,250
27	003	0502.19	Middle	No	101.78	\$117,800	\$119,897	\$105,833
27	003	0502.20	Middle	No	112.94	\$117,800	\$133,043	\$117,432
27	003	0502.22	Middle	No	117.44	\$117,800	\$138,344	\$122,118
27	003	0502.23	Upper	No	122.76	\$117,800	\$144,611	\$127,647
27	003	0502.24	Middle	No	112.23	\$117,800	\$132,207	\$116,696
27	003	0502.26	Upper	No	121.80	\$117,800	\$143,480	\$126,653
27	003	0502.27	Middle	No	93.27	\$117,800	\$109,872	\$96,985
27	003	0502.28	Middle	No	80.85	\$117,800	\$95,241	\$84,073
27	003	0502.29	Middle	No	95.65	\$117,800	\$112,676	\$99,459

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	003	0502.30	Upper	No	156.28	\$117,800	\$184,098	\$162,500
27	003	0502.32	Middle	No	119.45	\$117,800	\$140,712	\$124,205
27	003	0502.33	Middle	No	105.29	\$117,800	\$124,032	\$109,478
27	003	0502.34	Middle	No	100.82	\$117,800	\$118,766	\$104,833
27	003	0502.35	Moderate	No	75.95	\$117,800	\$89,469	\$78,971
27	003	0502.36	Upper	No	147.97	\$117,800	\$174,309	\$153,864
27	003	0502.37	Middle	No	111.02	\$117,800	\$130,782	\$115,436
27	003	0502.38	Upper	No	140.43	\$117,800	\$165,427	\$146,016
27	003	0502.39	Upper	No	141.43	\$117,800	\$166,605	\$147,063
27	003	0502.40	Middle	No	102.22	\$117,800	\$120,415	\$106,293
27	003	0502.41	Middle	No	119.01	\$117,800	\$140,194	\$123,750
27	003	0504.01	Middle	No	101.67	\$117,800	\$119,767	\$105,714
27	003	0504.02	Middle	No	86.27	\$117,800	\$101,626	\$89,706
27	003	0505.01	Moderate	No	70.51	\$117,800	\$83,061	\$73,319
27	003	0505.04	Low	No	49.14	\$117,800	\$57,887	\$51,098
27	003	0505.05	Moderate	No	78.74	\$117,800	\$92,756	\$81,875
27	003	0506.02	Moderate	No	77.85	\$117,800	\$91,707	\$80,947
27	003	0506.05	Middle	No	84.31	\$117,800	\$99,317	\$87,669
27	003	0506.06	Moderate	No	71.53	\$117,800	\$84,262	\$74,375
27	003	0506.07	Moderate	No	68.92	\$117,800	\$81,188	\$71,667
27	003	0506.08	Moderate	No	74.92	\$117,800	\$88,256	\$77,900
27	003	0506.09	Middle	No	90.02	\$117,800	\$106,044	\$93,607
27	003	0506.11	Middle	No	81.04	\$117,800	\$95,465	\$84,265
27	003	0506.12	Middle	No	98.53	\$117,800	\$116,068	\$102,458
27	003	0507.02	Middle	No	82.18	\$117,800	\$96,808	\$85,455
27	003	0507.04	Moderate	No	78.76	\$117,800	\$92,779	\$81,893
27	003	0507.06	Moderate	No	71.88	\$117,800	\$84,675	\$74,744
27	003	0507.07	Middle	No	116.48	\$117,800	\$137,213	\$121,118
27	003	0507.09	Middle	No	90.20	\$117,800	\$106,256	\$93,796
27	003	0507.10	Moderate	No	79.98	\$117,800	\$94,216	\$83,167
27	003	0507.11	Middle	No	108.47	\$117,800	\$127,778	\$112,788
27	003	0507.12	Moderate	No	74.57	\$117,800	\$87,843	\$77,539

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	003	0508.07	Moderate	No	67.79	\$117,800	\$79,857	\$70,489
27	003	0508.08	Moderate	No	75.11	\$117,800	\$88,480	\$78,098
27	003	0508.10	Moderate	No	61.47	\$117,800	\$72,412	\$63,922

27	003	0508.11	Middle	No	86.21	\$117,800	\$101,555	\$89,643
27	003	0508.16	Middle	No	97.44	\$117,800	\$114,784	\$101,324
27	003	0508.18	Middle	No	114.49	\$117,800	\$134,869	\$119,048
27	003	0508.19	Upper	No	137.26	\$117,800	\$161,692	\$142,727
27	003	0508.20	Middle	No	116.26	\$117,800	\$136,954	\$120,893
27	003	0508.21	Middle	No	117.50	\$117,800	\$138,415	\$122,183
27	003	0508.22	Moderate	No	73.25	\$117,800	\$86,289	\$76,165
27	003	0508.23	Middle	No	98.29	\$117,800	\$115,786	\$102,207
27	003	0508.24	Middle	No	96.28	\$117,800	\$113,418	\$100,119
27	003	0508.25	Middle	No	105.83	\$117,800	\$124,668	\$110,049
27	003	0508.26	Middle	No	82.07	\$117,800	\$96,678	\$85,340
27	003	0508.27	Middle	No	87.84	\$117,800	\$103,476	\$91,339
27	003	0508.28	Moderate	No	66.90	\$117,800	\$78,808	\$69,563
27	003	0508.29	Middle	No	107.75	\$117,800	\$126,930	\$112,045
27	003	0509.01	Moderate	No	64.87	\$117,800	\$76,417	\$67,452
27	003	0509.02	Middle	No	86.90	\$117,800	\$102,368	\$90,357
27	003	0510.01	Moderate	No	67.02	\$117,800	\$78,950	\$69,688
27	003	0510.02	Middle	No	83.84	\$117,800	\$98,764	\$87,177
27	003	0511.01	Moderate	No	76.45	\$117,800	\$90,058	\$79,493
27	003	0511.02	Moderate	No	67.78	\$117,800	\$79,845	\$70,479
27	003	0511.03	Moderate	No	70.32	\$117,800	\$82,837	\$73,125
27	003	0512.01	Moderate	No	59.46	\$117,800	\$70,044	\$61,835
27	003	0512.02	Moderate	No	77.34	\$117,800	\$91,107	\$80,417
27	003	0512.03	Moderate	No	79.29	\$117,800	\$93,404	\$82,448
27	003	0512.06	Moderate	No	68.97	\$117,800	\$81,247	\$71,719
27	003	0513.02	Moderate	No	64.01	\$117,800	\$75,404	\$66,563
27	003	0513.04	Moderate	No	68.64	\$117,800	\$80,858	\$71,375
				Distressed or	Tract	2022 FFIEC Est.	2022 Est.	2020 Tract

State Code	County Code	Tract Code	Tract Income Level	Underserved Tract	Median Family Income %	MSA/MD Median Family Income	Tract Median Family Income	Median Family Income
27	003	0513.05	Moderate	No	61.74	\$117,800	\$72,730	\$64,202
27	003	0514.00	Moderate	No	60.77	\$117,800	\$71,587	\$63,188
27	003	0515.01	Moderate	No	74.89	\$117,800	\$88,220	\$77,875
27	003	0515.02	Middle	No	97.17	\$117,800	\$114,466	\$101,042
27	003	0516.00	Middle	No	96.77	\$117,800	\$113,995	\$100,625

County: 037 - DAKOTA COUNTY								
27	037	0601.01	Middle	No	89.89	\$117,800	\$105,890	\$93,472
27	037	0601.02	Middle	No	86.42	\$117,800	\$101,803	\$89,864
27	037	0601.03	Middle	No	113.72	\$117,800	\$133,962	\$118,250
27	037	0601.04	Moderate	No	72.17	\$117,800	\$85,016	\$75,041
27	037	0601.05	Moderate	No	58.44	\$117,800	\$68,842	\$60,771
27	037	0602.01	Moderate	No	71.63	\$117,800	\$84,380	\$74,479
27	037	0602.02	Middle	No	92.56	\$117,800	\$109,036	\$96,250
27	037	0603.01	Moderate	No	64.44	\$117,800	\$75,910	\$67,008
27	037	0603.02	Middle	No	87.34	\$117,800	\$102,887	\$90,817
27	037	0604.01	Moderate	No	76.77	\$117,800	\$90,435	\$79,826
27	037	0604.02	Moderate	No	63.07	\$117,800	\$74,296	\$65,583
27	037	0605.02	Moderate	No	74.77	\$117,800	\$88,079	\$77,750
27	037	0605.03	Middle	No	86.42	\$117,800	\$101,803	\$89,866
27	037	0605.05	Middle	No	88.82	\$117,800	\$104,630	\$92,357
27	037	0605.06	Middle	No	103.56	\$117,800	\$121,994	\$107,688
27	037	0605.07	Middle	No	110.48	\$117,800	\$130,145	\$114,875
27	037	0605.08	Upper	No	139.28	\$117,800	\$164,072	\$144,826
27	037	0605.09	Middle	No	107.32	\$117,800	\$126,423	\$111,590
27	037	0606.03	Upper	No	135.31	\$117,800	\$159,395	\$140,694
27	037	0606.04	Upper	No	153.14	\$117,800	\$180,399	\$159,236
27	037	0606.05	Middle	No	81.85	\$117,800	\$96,419	\$85,110
27	037	0606.06	Upper	No	154.89	\$117,800	\$182,460	\$161,050
27	037	0607.09	Middle	No	104.00	\$117,800	\$122,512	\$108,141
27	037	0607.10	Moderate	No	79.30	\$117,800	\$93,415	\$82,454
			Tract	Distressed or	Tract	2022 FFIEC Est.	2022 Est.	2020 Tract

State Code	County Code	Tract Code	Income Level	Underserved Tract	Median Family Income %	MSA/MD Median Family Income	Tract Median Family Income	Median Family Income
27	037	0607.11	Moderate	No	51.65	\$117,800	\$60,844	\$53,708
27	037	0607.13	Middle	No	91.14	\$117,800	\$107,363	\$94,775
27	037	0607.14	Middle	No	93.35	\$117,800	\$109,966	\$97,071
27	037	0607.16	Upper	No	133.30	\$117,800	\$157,027	\$138,611
27	037	0607.17	Middle	No	113.00	\$117,800	\$133,114	\$117,500
27	037	0607.21	Middle	No	103.53	\$117,800	\$121,958	\$107,656

27	037	0607.25	Middle	No	88.03	\$117,800	\$103,699	\$91,540
27	037	0607.26	Moderate	No	65.24	\$117,800	\$76,853	\$67,841
27	037	0607.27	Middle	No	82.87	\$117,800	\$97,621	\$86,176
27	037	0607.28	Upper	No	134.67	\$117,800	\$158,641	\$140,035
27	037	0607.29	Upper	No	151.74	\$117,800	\$178,750	\$157,782
27	037	0607.31	Upper	No	129.83	\$117,800	\$152,940	\$135,000
27	037	0607.32	Upper	No	149.53	\$117,800	\$176,146	\$155,481
27	037	0607.33	Middle	No	80.54	\$117,800	\$94,876	\$83,750
27	037	0607.34	Upper	No	134.50	\$117,800	\$158,441	\$139,856
27	037	0607.35	Moderate	No	68.10	\$117,800	\$80,222	\$70,810
27	037	0607.37	Moderate	No	73.48	\$117,800	\$86,559	\$76,406
27	037	0607.38	Middle	No	93.84	\$117,800	\$110,544	\$97,578
27	037	0607.39	Middle	No	90.24	\$117,800	\$106,303	\$93,836
27	037	0607.42	Middle	No	112.00	\$117,800	\$131,936	\$116,458
27	037	0607.43	Middle	No	85.07	\$117,800	\$100,212	\$88,456
27	037	0607.44	Upper	No	126.99	\$117,800	\$149,594	\$132,045
27	037	0607.45	Middle	No	83.95	\$117,800	\$98,893	\$87,292
27	037	0607.46	Moderate	No	73.69	\$117,800	\$86,807	\$76,625
27	037	0607.47	Middle	No	89.56	\$117,800	\$105,502	\$93,125
27	037	0607.48	Middle	No	101.82	\$117,800	\$119,944	\$105,875
27	037	0607.49	Middle	No	83.47	\$117,800	\$98,328	\$86,797
27	037	0607.50	Moderate	No	68.76	\$117,800	\$80,999	\$71,500
27	037	0607.51	Upper	No	174.58	\$117,800	\$205,655	\$181,531
27	037	0607.52	Upper	No	143.56	\$117,800	\$169,114	\$149,272
			Tract	Distressed or	Tract	2022 FFIEC Est.	2022 Est.	2020 Tract

State Code	County Code	Tract Code	Income Level	Underserved Tract	Median Family Income %	MSA/MD Median Family Income	Tract Median Family Income	Median Family Income
27	037	0607.53	Moderate	No	59.38	\$117,800	\$69,950	\$61,742
27	037	0607.54	Middle	No	92.54	\$117,800	\$109,012	\$96,228
27	037	0608.05	Middle	No	81.26	\$117,800	\$95,724	\$84,500
27	037	0608.06	Middle	No	116.56	\$117,800	\$137,308	\$121,205
27	037	0608.11	Middle	No	83.18	\$117,800	\$97,986	\$86,493
27	037	0608.12	Middle	No	95.42	\$117,800	\$112,405	\$99,223
27	037	0608.13	Upper	No	122.70	\$117,800	\$144,541	\$127,580
27	037	0608.14	Middle	No	102.95	\$117,800	\$121,275	\$107,054
27	037	0608.15	Upper	No	128.30	\$117,800	\$151,137	\$133,409
27	037	0608.16	Upper	No	153.32	\$117,800	\$180,611	\$159,421

27	037	0608.19	Upper	No	130.45	\$117,800	\$153,670	\$135,638
27	037	0608.22	Middle	No	109.90	\$117,800	\$129,462	\$114,271
27	037	0608.23	Upper	No	137.65	\$117,800	\$162,152	\$143,125
27	037	0608.24	Middle	No	99.59	\$117,800	\$117,317	\$103,558
27	037	0608.28	Middle	No	80.84	\$117,800	\$95,230	\$84,063
27	037	0608.29	Middle	No	81.39	\$117,800	\$95,877	\$84,630
27	037	0608.30	Middle	No	99.43	\$117,800	\$117,129	\$103,387
27	037	0608.31	Upper	No	147.58	\$117,800	\$173,849	\$153,452
27	037	0608.32	Middle	No	104.59	\$117,800	\$123,207	\$108,750
27	037	0608.33	Middle	No	95.42	\$117,800	\$112,405	\$99,222
27	037	0608.34	Upper	No	161.63	\$117,800	\$190,400	\$168,065
27	037	0608.35	Middle	No	117.65	\$117,800	\$138,592	\$122,330
27	037	0608.36	Middle	No	88.72	\$117,800	\$104,512	\$92,250
27	037	0608.37	Upper	No	127.38	\$117,800	\$150,054	\$132,446
27	037	0608.38	Middle	No	90.60	\$117,800	\$106,727	\$94,212
27	037	0608.39	Upper	No	126.04	\$117,800	\$148,475	\$131,058
27	037	0608.40	Upper	No	137.99	\$117,800	\$162,552	\$143,480
27	037	0608.41	Middle	No	102.45	\$117,800	\$120,686	\$106,528
27	037	0609.02	Upper	No	120.61	\$117,800	\$142,079	\$125,411
27	037	0609.04	Moderate	No	71.88	\$117,800	\$84,675	\$74,740
			Tract	Distressed or	Tract	2022 FFIEC Est.	2022 Est.	2020 Tract

State Code	County Code	Tract Code	Income Level	Underserved Tract	Median Family Income %	MSA/MD Median Family Income	Tract Median Family Income	Median Family Income
27	037	0609.05	Middle	No	90.16	\$117,800	\$106,208	\$93,750
27	037	0609.06	Upper	No	125.51	\$117,800	\$147,851	\$130,509
27	037	0609.07	Middle	No	116.23	\$117,800	\$136,919	\$120,854
27	037	0610.01	Middle	No	117.21	\$117,800	\$138,073	\$121,875
27	037	0610.03	Upper	No	152.40	\$117,800	\$179,527	\$158,462
27	037	0610.05	Moderate	No	78.99	\$117,800	\$93,050	\$82,132
27	037	0610.07	Middle	No	112.88	\$117,800	\$132,973	\$117,377
27	037	0610.08	Middle	No	87.12	\$117,800	\$102,627	\$90,588
27	037	0610.09	Upper	No	131.33	\$117,800	\$154,707	\$136,563
27	037	0610.10	Upper	No	170.80	\$117,800	\$201,202	\$177,596
27	037	0610.11	Middle	No	98.94	\$117,800	\$116,551	\$102,875
27	037	0611.02	Middle	No	94.13	\$117,800	\$110,885	\$97,875
27	037	0611.05	Moderate	No	78.50	\$117,800	\$92,473	\$81,630
27	037	0611.06	Middle	No	83.19	\$117,800	\$97,998	\$86,500

27	037	0611.09	Middle	No	82.68	\$117,800	\$97,397	\$85,972
27	037	0611.10	Middle	No	84.79	\$117,800	\$99,883	\$88,171
27	037	0611.11	Middle	No	113.71	\$117,800	\$133,950	\$118,235
27	037	0611.12	Middle	No	107.82	\$117,800	\$127,012	\$112,113
27	037	0614.01	Middle	No	117.72	\$117,800	\$138,674	\$122,411
27	037	0614.02	Middle	No	96.17	\$117,800	\$113,288	\$100,000
27	037	0615.01	Middle	No	102.58	\$117,800	\$120,839	\$106,667
27	037	0615.02	Middle	No	101.88	\$117,800	\$120,015	\$105,938

County: 053 - HENNEPIN COUNTY

27	053	0001.01	Moderate	No	79.00	\$117,800	\$93,062	\$82,143
27	053	0001.02	Low	No	46.38	\$117,800	\$54,636	\$48,229
27	053	0003.00	Middle	No	85.45	\$117,800	\$100,660	\$88,854
27	053	0006.01	Middle	No	81.68	\$117,800	\$96,219	\$84,935
27	053	0006.03	Upper	No	136.64	\$117,800	\$160,962	\$142,083
27	053	0011.00	Moderate	No	66.96	\$117,800	\$78,879	\$69,625
27	053	0017.00	Moderate	No	65.82	\$117,800	\$77,536	\$68,438

State Code	County	Tract Code	Tract Income	Distressed or Underserved	Tract Median	2022 FFIEC Est. MSA/MD Median	2022 Est. Tract Median	2020 Tract Median Family
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	Code		Level	Tract	Family Income %	Family Income	Family Income	Income
27	053	0022.00	Low	No	45.76	\$117,800	\$53,905	\$47,583
27	053	0024.00	Moderate	No	79.55	\$117,800	\$93,710	\$82,714
27	053	0027.00	Moderate	No	62.89	\$117,800	\$74,084	\$65,398
27	053	0032.00	Moderate	No	58.41	\$117,800	\$68,807	\$60,742
27	053	0033.00	Low	No	36.88	\$117,800	\$43,445	\$38,355
27	053	0038.01	Moderate	No	64.14	\$117,800	\$75,557	\$66,700
27	053	0038.02	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	0059.01	Low	No	32.42	\$117,800	\$38,191	\$33,715
27	053	0059.02	Low	No	39.09	\$117,800	\$46,048	\$40,648
27	053	0068.00	Low	No	15.77	\$117,800	\$18,577	\$16,402
27	053	0077.00	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	0078.01	Low	No	43.16	\$117,800	\$50,842	\$44,886
27	053	0081.00	Moderate	No	66.90	\$117,800	\$78,808	\$69,563
27	053	0082.00	Moderate	No	54.93	\$117,800	\$64,708	\$57,119

27	053	0083.00	Low	No	45.80	\$117,800	\$53,952	\$47,622
27	053	0084.00	Moderate	No	71.93	\$117,800	\$84,734	\$74,792
27	053	0085.00	Moderate	No	50.30	\$117,800	\$59,253	\$52,308
27	053	0095.00	Moderate	No	70.25	\$117,800	\$82,755	\$73,047
27	053	0096.00	Middle	No	88.30	\$117,800	\$104,017	\$91,818
27	053	0106.00	Upper	No	137.45	\$117,800	\$161,916	\$142,917
27	053	0107.00	Upper	No	161.20	\$117,800	\$189,894	\$167,619
27	053	0110.00	Upper	No	122.24	\$117,800	\$143,999	\$127,105
27	053	0117.03	Upper	No	149.42	\$117,800	\$176,017	\$155,363
27	053	0117.04	Upper	No	146.89	\$117,800	\$173,036	\$152,742
27	053	0118.00	Upper	No	131.27	\$117,800	\$154,636	\$136,500
27	053	0119.98	Middle	No	95.32	\$117,800	\$112,287	\$99,114
27	053	0120.01	Upper	No	131.86	\$117,800	\$155,331	\$137,105
27	053	0120.03	Middle	No	90.37	\$117,800	\$106,456	\$93,972
27	053	0121.01	Middle	No	89.63	\$117,800	\$105,584	\$93,203
27	053	0121.02	Middle	No	98.77	\$117,800	\$116,351	\$102,705

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0201.01	Upper	No	131.63	\$117,800	\$155,060	\$136,875
27	053	0201.02	Middle	No	91.98	\$117,800	\$108,352	\$95,645
27	053	0202.01	Moderate	No	72.90	\$117,800	\$85,876	\$75,808
27	053	0202.02	Low	No	49.59	\$117,800	\$58,417	\$51,563
27	053	0203.01	Moderate	No	68.52	\$117,800	\$80,717	\$71,250
27	053	0203.02	Low	No	49.95	\$117,800	\$58,841	\$51,938
27	053	0203.03	Moderate	No	78.14	\$117,800	\$92,049	\$81,250
27	053	0203.04	Moderate	No	58.63	\$117,800	\$69,066	\$60,972
27	053	0204.00	Moderate	No	64.26	\$117,800	\$75,698	\$66,818
27	053	0205.00	Moderate	No	69.94	\$117,800	\$82,389	\$72,731
27	053	0206.00	Moderate	No	73.16	\$117,800	\$86,182	\$76,071
27	053	0207.00	Middle	No	83.64	\$117,800	\$98,528	\$86,974
27	053	0208.01	Moderate	No	74.02	\$117,800	\$87,196	\$76,964
27	053	0208.04	Middle	No	87.80	\$117,800	\$103,428	\$91,300
27	053	0209.02	Middle	No	102.06	\$117,800	\$120,227	\$106,125
27	053	0209.03	Middle	No	91.81	\$117,800	\$108,152	\$95,469
27	053	0210.01	Moderate	No	76.51	\$117,800	\$90,129	\$79,557
27	053	0210.02	Middle	No	85.44	\$117,800	\$100,648	\$88,839
27	053	0211.00	Moderate	No	76.10	\$117,800	\$89,646	\$79,132
27	053	0212.00	Middle	No	92.48	\$117,800	\$108,941	\$96,167
27	053	0213.00	Moderate	No	79.82	\$117,800	\$94,028	\$83,002
27	053	0214.00	Middle	No	85.71	\$117,800	\$100,966	\$89,120
27	053	0215.01	Middle	No	98.04	\$117,800	\$115,491	\$101,944
27	053	0215.02	Low	No	45.47	\$117,800	\$53,564	\$47,287
27	053	0215.03	Moderate	No	74.30	\$117,800	\$87,525	\$77,258
27	053	0215.04	Moderate	No	71.28	\$117,800	\$83,968	\$74,125
27	053	0215.05	Middle	No	97.14	\$117,800	\$114,431	\$101,005
27	053	0216.01	Middle	No	85.12	\$117,800	\$100,271	\$88,512
27	053	0216.02	Upper	No	122.81	\$117,800	\$144,670	\$127,695
27	053	0217.00	Upper	No	149.30	\$117,800	\$175,875	\$155,245

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0218.00	Upper	No	162.76	\$117,800	\$191,731	\$169,234
27	053	0219.00	Upper	No	140.25	\$117,800	\$165,215	\$145,833
27	053	0220.00	Upper	No	123.58	\$117,800	\$145,577	\$128,500
27	053	0221.01	Middle	No	106.20	\$117,800	\$125,104	\$110,430
27	053	0221.02	Middle	No	106.09	\$117,800	\$124,974	\$110,313
27	053	0222.00	Middle	No	102.45	\$117,800	\$120,686	\$106,528
27	053	0223.01	Upper	No	136.34	\$117,800	\$160,609	\$141,765
27	053	0223.02	Moderate	No	61.31	\$117,800	\$72,223	\$63,750
27	053	0224.00	Middle	No	90.00	\$117,800	\$106,020	\$93,586
27	053	0227.00	Middle	No	94.58	\$117,800	\$111,415	\$98,347
27	053	0228.01	Upper	No	158.82	\$117,800	\$187,090	\$165,139
27	053	0228.02	Upper	No	142.20	\$117,800	\$167,512	\$147,857
27	053	0229.01	Upper	No	144.07	\$117,800	\$169,714	\$149,808
27	053	0229.02	Upper	No	151.12	\$117,800	\$178,019	\$157,139
27	053	0230.00	Middle	No	113.70	\$117,800	\$133,939	\$118,229
27	053	0231.00	Upper	No	191.94	\$117,800	\$226,105	\$199,583
27	053	0232.01	Middle	No	118.69	\$117,800	\$139,817	\$123,419
27	053	0232.02	Moderate	No	58.51	\$117,800	\$68,925	\$60,841
27	053	0233.00	Middle	No	97.25	\$117,800	\$114,561	\$101,125
27	053	0234.01	Moderate	No	57.63	\$117,800	\$67,888	\$59,922
27	053	0234.02	Moderate	No	67.07	\$117,800	\$79,008	\$69,744
27	053	0235.01	Middle	No	112.40	\$117,800	\$132,407	\$116,875
27	053	0235.02	Upper	No	132.00	\$117,800	\$155,496	\$137,250
27	053	0236.00	Upper	No	240.43	\$117,800	\$283,227	\$250,001
27	053	0237.00	Upper	No	198.16	\$117,800	\$233,432	\$206,042
27	053	0238.01	Upper	No	207.29	\$117,800	\$244,188	\$215,536
27	053	0238.02	Upper	No	143.81	\$117,800	\$169,408	\$149,531
27	053	0239.01	Upper	No	145.58	\$117,800	\$171,493	\$151,375
27	053	0239.02	Upper	No	192.53	\$117,800	\$226,800	\$200,188

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0239.03	Upper	No	131.61	\$117,800	\$155,037	\$136,845
27	053	0240.03	Middle	No	111.40	\$117,800	\$131,229	\$115,833
27	053	0240.04	Moderate	No	57.75	\$117,800	\$68,030	\$60,050
27	053	0240.05	Middle	No	106.91	\$117,800	\$125,940	\$111,171
27	053	0240.06	Upper	No	187.88	\$117,800	\$221,323	\$195,357
27	053	0241.00	Middle	No	83.70	\$117,800	\$98,599	\$87,038
27	053	0242.00	Middle	No	111.49	\$117,800	\$131,335	\$115,924
27	053	0243.00	Middle	No	84.33	\$117,800	\$99,341	\$87,684
27	053	0244.00	Moderate	No	69.12	\$117,800	\$81,423	\$71,875
27	053	0245.00	Middle	No	97.91	\$117,800	\$115,338	\$101,813
27	053	0246.00	Middle	No	92.16	\$117,800	\$108,564	\$95,833
27	053	0247.00	Middle	No	81.49	\$117,800	\$95,995	\$84,737
27	053	0248.01	Moderate	No	70.20	\$117,800	\$82,696	\$73,000
27	053	0248.02	Moderate	No	59.03	\$117,800	\$69,537	\$61,384
27	053	0249.03	Moderate	No	64.11	\$117,800	\$75,522	\$66,667
27	053	0249.04	Moderate	No	77.07	\$117,800	\$90,788	\$80,136
27	053	0251.00	Middle	No	83.11	\$117,800	\$97,904	\$86,420
27	053	0252.01	Moderate	No	68.95	\$117,800	\$81,223	\$71,696
27	053	0252.05	Middle	No	80.87	\$117,800	\$95,265	\$84,088
27	053	0253.01	Middle	No	111.27	\$117,800	\$131,076	\$115,703
27	053	0253.02	Moderate	No	71.21	\$117,800	\$83,885	\$74,049
27	053	0254.01	Moderate	No	77.17	\$117,800	\$90,906	\$80,244
27	053	0254.03	Moderate	No	57.07	\$117,800	\$67,228	\$59,344
27	053	0256.01	Middle	No	96.82	\$117,800	\$114,054	\$100,679
27	053	0256.03	Middle	No	97.20	\$117,800	\$114,502	\$101,071
27	053	0256.05	Middle	No	86.15	\$117,800	\$101,485	\$89,583
27	053	0257.02	Middle	No	112.10	\$117,800	\$132,054	\$116,563
27	053	0257.03	Upper	No	125.42	\$117,800	\$147,745	\$130,417
27	053	0257.04	Middle	No	98.52	\$117,800	\$116,057	\$102,443

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0258.01	Middle	No	86.95	\$117,800	\$102,427	\$90,417
27	053	0258.02	Middle	No	110.00	\$117,800	\$129,580	\$114,375
27	053	0258.03	Middle	No	80.69	\$117,800	\$95,053	\$83,902
27	053	0258.05	Middle	No	109.33	\$117,800	\$128,791	\$113,682
27	053	0259.05	Upper	No	125.61	\$117,800	\$147,969	\$130,606
27	053	0259.06	Middle	No	97.27	\$117,800	\$114,584	\$101,141
27	053	0259.07	Upper	No	122.02	\$117,800	\$143,740	\$126,875
27	053	0259.08	Upper	No	133.29	\$117,800	\$157,016	\$138,594
27	053	0259.09	Middle	No	110.96	\$117,800	\$130,711	\$115,377
27	053	0260.05	Middle	No	96.24	\$117,800	\$113,371	\$100,068
27	053	0260.06	Middle	No	100.46	\$117,800	\$118,342	\$104,464
27	053	0260.07	Upper	No	134.50	\$117,800	\$158,441	\$139,858
27	053	0260.13	Upper	No	148.71	\$117,800	\$175,180	\$154,625
27	053	0260.14	Upper	No	127.75	\$117,800	\$150,490	\$132,833
27	053	0260.15	Upper	No	128.14	\$117,800	\$150,949	\$133,237
27	053	0260.19	Moderate	No	73.59	\$117,800	\$86,689	\$76,525
27	053	0260.20	Middle	No	94.87	\$117,800	\$111,757	\$98,648
27	053	0260.21	Upper	No	190.67	\$117,800	\$224,609	\$198,259
27	053	0260.23	Middle	No	114.52	\$117,800	\$134,905	\$119,082
27	053	0260.24	Upper	No	124.25	\$117,800	\$146,367	\$129,194
27	053	0260.25	Upper	No	196.65	\$117,800	\$231,654	\$204,479
27	053	0260.26	Upper	No	236.76	\$117,800	\$278,903	\$246,181
27	053	0260.27	Upper	No	157.94	\$117,800	\$186,053	\$164,222
27	053	0260.28	Upper	No	170.39	\$117,800	\$200,719	\$177,170
27	053	0261.01	Middle	No	99.91	\$117,800	\$117,694	\$103,889
27	053	0261.03	Upper	No	125.32	\$117,800	\$147,627	\$130,313
27	053	0261.04	Middle	No	83.68	\$117,800	\$98,575	\$87,014
27	053	0262.01	Upper	No	145.86	\$117,800	\$171,823	\$151,667
27	053	0262.02	Upper	No	159.62	\$117,800	\$188,032	\$165,972
27	053	0262.05	Upper	No	147.86	\$117,800	\$174,179	\$153,750

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0262.06	Upper	No	143.72	\$117,800	\$169,302	\$149,444
27	053	0262.07	Upper	No	124.28	\$117,800	\$146,402	\$129,231
27	053	0262.08	Upper	No	136.10	\$117,800	\$160,326	\$141,520
27	053	0263.01	Upper	No	196.73	\$117,800	\$231,748	\$204,564
27	053	0263.02	Middle	No	119.41	\$117,800	\$140,665	\$124,167
27	053	0264.03	Middle	No	92.18	\$117,800	\$108,588	\$95,852
27	053	0264.04	Upper	No	145.03	\$117,800	\$170,845	\$150,806
27	053	0264.05	Middle	No	106.27	\$117,800	\$125,186	\$110,500
27	053	0264.06	Moderate	No	64.31	\$117,800	\$75,757	\$66,875
27	053	0265.05	Upper	No	127.94	\$117,800	\$150,713	\$133,036
27	053	0265.07	Middle	No	110.40	\$117,800	\$130,051	\$114,801
27	053	0265.08	Upper	No	132.01	\$117,800	\$155,508	\$137,262
27	053	0265.09	Upper	No	148.78	\$117,800	\$175,263	\$154,702
27	053	0265.10	Middle	No	98.42	\$117,800	\$115,939	\$102,344
27	053	0265.11	Moderate	No	66.73	\$117,800	\$78,608	\$69,391
27	053	0265.14	Middle	No	91.31	\$117,800	\$107,563	\$94,946
27	053	0265.15	Middle	No	104.80	\$117,800	\$123,454	\$108,971
27	053	0265.16	Middle	No	109.74	\$117,800	\$129,274	\$114,107
27	053	0266.05	Upper	No	145.77	\$117,800	\$171,717	\$151,577
27	053	0266.06	Upper	No	141.10	\$117,800	\$166,216	\$146,719
27	053	0266.09	Upper	No	126.39	\$117,800	\$148,887	\$131,420
27	053	0266.10	Upper	No	174.97	\$117,800	\$206,115	\$181,932
27	053	0266.11	Upper	No	136.46	\$117,800	\$160,750	\$141,892
27	053	0266.14	Upper	No	162.40	\$117,800	\$191,307	\$168,869
27	053	0266.15	Upper	No	158.85	\$117,800	\$187,125	\$165,170
27	053	0266.16	Upper	No	195.20	\$117,800	\$229,946	\$202,965
27	053	0266.17	Upper	No	133.93	\$117,800	\$157,770	\$139,259
27	053	0267.02	Moderate	No	69.54	\$117,800	\$81,918	\$72,308
27	053	0267.06	Middle	No	115.51	\$117,800	\$136,071	\$120,104

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0267.07	Middle	No	103.34	\$117,800	\$121,735	\$107,457
27	053	0267.08	Middle	No	106.89	\$117,800	\$125,916	\$111,143
27	053	0267.11	Middle	No	98.82	\$117,800	\$116,410	\$102,756
27	053	0267.12	Middle	No	88.46	\$117,800	\$104,206	\$91,984
27	053	0267.13	Upper	No	122.74	\$117,800	\$144,588	\$127,625
27	053	0267.17	Upper	No	126.11	\$117,800	\$148,558	\$131,134
27	053	0267.18	Upper	No	127.31	\$117,800	\$149,971	\$132,375
27	053	0267.19	Upper	No	157.14	\$117,800	\$185,111	\$163,395
27	053	0267.20	Upper	No	146.93	\$117,800	\$173,084	\$152,780
27	053	0267.21	Middle	No	110.52	\$117,800	\$130,193	\$114,922
27	053	0267.22	Upper	No	178.41	\$117,800	\$210,167	\$185,509
27	053	0267.23	Upper	No	191.51	\$117,800	\$225,599	\$199,132
27	053	0267.24	Upper	No	136.30	\$117,800	\$160,561	\$141,724
27	053	0267.25	Middle	No	101.36	\$117,800	\$119,402	\$105,399
27	053	0267.26	Middle	No	119.01	\$117,800	\$140,194	\$123,750
27	053	0268.07	Moderate	No	70.09	\$117,800	\$82,566	\$72,884
27	053	0268.09	Moderate	No	51.08	\$117,800	\$60,172	\$53,120
27	053	0268.11	Moderate	No	72.81	\$117,800	\$85,770	\$75,714
27	053	0268.12	Middle	No	97.97	\$117,800	\$115,409	\$101,875
27	053	0268.14	Middle	No	86.15	\$117,800	\$101,485	\$89,577
27	053	0268.15	Middle	No	84.73	\$117,800	\$99,812	\$88,100
27	053	0268.16	Middle	No	83.53	\$117,800	\$98,398	\$86,860
27	053	0268.18	Moderate	No	67.92	\$117,800	\$80,010	\$70,625
27	053	0268.19	Low	No	43.36	\$117,800	\$51,078	\$45,085
27	053	0268.22	Middle	No	100.56	\$117,800	\$118,460	\$104,567
27	053	0268.23	Upper	No	126.34	\$117,800	\$148,829	\$131,369
27	053	0268.24	Upper	No	131.90	\$117,800	\$155,378	\$137,146
27	053	0268.25	Middle	No	118.34	\$117,800	\$139,405	\$123,056
27	053	0268.26	Upper	No	158.07	\$117,800	\$186,206	\$164,364
27	053	0268.27	Low	No	30.85	\$117,800	\$36,341	\$32,087

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	0268.28	Moderate	No	52.89	\$117,800	\$62,304	\$55,000
27	053	0269.03	Middle	No	85.83	\$117,800	\$101,108	\$89,250
27	053	0269.06	Middle	No	93.46	\$117,800	\$110,096	\$97,183
27	053	0269.07	Upper	No	133.19	\$117,800	\$156,898	\$138,490
27	053	0269.08	Middle	No	101.12	\$117,800	\$119,119	\$105,145
27	053	0269.10	Upper	No	121.35	\$117,800	\$142,950	\$126,184
27	053	0269.11	Upper	No	126.53	\$117,800	\$149,052	\$131,571
27	053	0269.12	Upper	No	146.65	\$117,800	\$172,754	\$152,483
27	053	0270.01	Upper	No	128.03	\$117,800	\$150,819	\$133,125
27	053	0270.02	Upper	No	131.18	\$117,800	\$154,530	\$136,406
27	053	0271.01	Upper	No	168.84	\$117,800	\$198,894	\$175,563
27	053	0271.02	Upper	No	141.72	\$117,800	\$166,946	\$147,361
27	053	0272.02	Middle	No	114.80	\$117,800	\$135,234	\$119,375
27	053	0272.03	Upper	No	124.78	\$117,800	\$146,991	\$129,750
27	053	0272.04	Upper	No	195.54	\$117,800	\$230,346	\$203,320
27	053	0272.05	Upper	No	230.92	\$117,800	\$272,024	\$240,104
27	053	0273.00	Upper	No	124.56	\$117,800	\$146,732	\$129,514
27	053	0274.00	Upper	No	158.37	\$117,800	\$186,560	\$164,676
27	053	0275.01	Upper	No	139.85	\$117,800	\$164,743	\$145,417
27	053	0275.03	Upper	No	172.18	\$117,800	\$202,828	\$179,028
27	053	0275.04	Upper	No	170.43	\$117,800	\$200,767	\$177,212
27	053	0276.01	Middle	No	108.89	\$117,800	\$128,272	\$113,221
27	053	0276.02	Middle	No	113.96	\$117,800	\$134,245	\$118,500
27	053	0277.01	Upper	No	178.61	\$117,800	\$210,403	\$185,714
27	053	0277.02	Middle	No	110.56	\$117,800	\$130,240	\$114,958
27	053	0277.03	Upper	No	139.24	\$117,800	\$164,025	\$144,778
27	053	1002.00	Moderate	No	68.08	\$117,800	\$80,198	\$70,793
27	053	1004.00	Low	No	35.91	\$117,800	\$42,302	\$37,340
27	053	1005.00	Moderate	No	65.31	\$117,800	\$76,935	\$67,917
27	053	1007.00	Moderate	No	65.09	\$117,800	\$76,676	\$67,679

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	1008.00	Moderate	No	69.45	\$117,800	\$81,812	\$72,222
27	053	1009.00	Moderate	No	58.66	\$117,800	\$69,101	\$61,000
27	053	1012.00	Middle	No	102.89	\$117,800	\$121,204	\$106,985
27	053	1013.00	Moderate	No	57.30	\$117,800	\$67,499	\$59,583
27	053	1016.00	Low	No	42.87	\$117,800	\$50,501	\$44,583
27	053	1018.00	Moderate	No	59.76	\$117,800	\$70,397	\$62,146
27	053	1019.00	Middle	No	100.61	\$117,800	\$118,519	\$104,615
27	053	1020.00	Moderate	No	69.01	\$117,800	\$81,294	\$71,757
27	053	1021.00	Low	No	32.45	\$117,800	\$38,226	\$33,750
27	053	1025.00	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	1026.00	Moderate	No	79.58	\$117,800	\$93,745	\$82,747
27	053	1028.00	Low	No	43.71	\$117,800	\$51,490	\$45,455
27	053	1030.00	Upper	No	136.01	\$117,800	\$160,220	\$141,420
27	053	1031.00	Middle	No	87.19	\$117,800	\$102,710	\$90,658
27	053	1034.00	Low	No	34.06	\$117,800	\$40,123	\$35,417
27	053	1036.00	Upper	No	138.79	\$117,800	\$163,495	\$144,313
27	053	1037.00	Upper	No	123.26	\$117,800	\$145,200	\$128,170
27	053	1039.00	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	1040.01	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	1040.02	Moderate	No	67.82	\$117,800	\$79,892	\$70,524
27	053	1041.00	Low	No	46.63	\$117,800	\$54,930	\$48,487
27	053	1044.00	Upper	No	120.35	\$117,800	\$141,772	\$125,139
27	053	1048.01	Low	No	20.94	\$117,800	\$24,667	\$21,777
27	053	1048.02	Low	No	39.24	\$117,800	\$46,225	\$40,809
27	053	1049.01	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	1049.02	Low	No	46.35	\$117,800	\$54,600	\$48,203
27	053	1051.00	Upper	No	126.60	\$117,800	\$149,135	\$131,635
27	053	1052.01	Middle	No	105.45	\$117,800	\$124,220	\$109,647
27	053	1052.04	Upper	No	142.04	\$117,800	\$167,323	\$147,697

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	1054.00	Middle	No	112.70	\$117,800	\$132,761	\$117,188
27	053	1055.00	Upper	No	209.82	\$117,800	\$247,168	\$218,173
27	053	1056.00	Moderate	No	79.30	\$117,800	\$93,415	\$82,454
27	053	1057.00	Middle	No	99.78	\$117,800	\$117,541	\$103,750
27	053	1060.00	Low	No	32.13	\$117,800	\$37,849	\$33,417
27	053	1062.00	Moderate	No	51.84	\$117,800	\$61,068	\$53,906
27	053	1064.00	Upper	No	165.22	\$117,800	\$194,629	\$171,801
27	053	1065.00	Upper	No	240.43	\$117,800	\$283,227	\$250,001
27	053	1066.00	Upper	No	130.23	\$117,800	\$153,411	\$135,417
27	053	1067.00	Middle	No	103.98	\$117,800	\$122,488	\$108,125
27	053	1069.00	Moderate	No	64.91	\$117,800	\$76,464	\$67,500
27	053	1070.00	Moderate	No	63.86	\$117,800	\$75,227	\$66,406
27	053	1074.00	Moderate	No	65.36	\$117,800	\$76,994	\$67,961
27	053	1075.00	Middle	No	89.70	\$117,800	\$105,667	\$93,274
27	053	1076.00	Middle	No	97.67	\$117,800	\$115,055	\$101,563
27	053	1080.00	Upper	No	187.69	\$117,800	\$221,099	\$195,156
27	053	1086.00	Moderate	No	53.01	\$117,800	\$62,446	\$55,125
27	053	1087.00	Middle	No	81.97	\$117,800	\$96,561	\$85,238
27	053	1088.00	Moderate	No	55.70	\$117,800	\$65,615	\$57,917
27	053	1089.00	Middle	No	83.17	\$117,800	\$97,974	\$86,488
27	053	1090.00	Upper	No	150.96	\$117,800	\$177,831	\$156,964
27	053	1091.00	Upper	No	127.21	\$117,800	\$149,853	\$132,276
27	053	1092.00	Middle	No	106.99	\$117,800	\$126,034	\$111,250
27	053	1093.00	Middle	No	98.37	\$117,800	\$115,880	\$102,292
27	053	1094.00	Moderate	No	63.71	\$117,800	\$75,050	\$66,250
27	053	1097.00	Middle	No	91.18	\$117,800	\$107,410	\$94,808
27	053	1098.00	Upper	No	166.70	\$117,800	\$196,373	\$173,333
27	053	1099.00	Middle	No	116.86	\$117,800	\$137,661	\$121,510
27	053	1100.00	Moderate	No	63.90	\$117,800	\$75,274	\$66,447

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	053	1101.00	Middle	No	101.20	\$117,800	\$119,214	\$105,234
27	053	1102.00	Middle	No	88.38	\$117,800	\$104,112	\$91,895
27	053	1104.00	Middle	No	86.18	\$117,800	\$101,520	\$89,609
27	053	1105.00	Middle	No	97.97	\$117,800	\$115,409	\$101,875
27	053	1108.00	Middle	No	99.22	\$117,800	\$116,881	\$103,173
27	053	1109.00	Middle	No	110.60	\$117,800	\$130,287	\$115,000
27	053	1111.00	Middle	No	119.95	\$117,800	\$141,301	\$124,727
27	053	1112.00	Upper	No	151.52	\$117,800	\$178,491	\$157,554
27	053	1113.00	Upper	No	179.48	\$117,800	\$211,427	\$186,625
27	053	1114.00	Upper	No	182.54	\$117,800	\$215,032	\$189,810
27	053	1115.00	Upper	No	155.10	\$117,800	\$182,708	\$161,277
27	053	1116.00	Upper	No	144.20	\$117,800	\$169,868	\$149,943
27	053	1225.00	Middle	No	95.76	\$117,800	\$112,805	\$99,575
27	053	1226.00	Upper	No	121.72	\$117,800	\$143,386	\$126,563
27	053	1255.00	Moderate	No	71.45	\$117,800	\$84,168	\$74,293
27	053	1256.00	Upper	No	125.26	\$117,800	\$147,556	\$130,250
27	053	1257.00	Low	No	49.19	\$117,800	\$57,946	\$51,148
27	053	1258.00	Moderate	No	50.90	\$117,800	\$59,960	\$52,926
27	053	1259.00	Low	No	49.88	\$117,800	\$58,759	\$51,866
27	053	1260.00	Low	No	44.63	\$117,800	\$52,574	\$46,410
27	053	1261.01	Middle	No	102.78	\$117,800	\$121,075	\$106,875
27	053	1261.02	Upper	No	179.56	\$117,800	\$211,522	\$186,708
27	053	1262.01	Upper	No	177.03	\$117,800	\$208,541	\$184,079
27	053	1262.02	Upper	No	126.61	\$117,800	\$149,147	\$131,652
27	053	1263.00	Middle	No	89.68	\$117,800	\$105,643	\$93,250
27	053	9800.00	Unknown	No	0.00	\$117,800	\$0	\$0
27	053	9801.00	Unknown	No	0.00	\$117,800	\$0	\$0

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
County: 123 - RAMSEY COUNTY								
27	123	0301.00	Middle	No	109.33	\$117,800	\$128,791	\$113,682
27	123	0302.01	Middle	No	114.20	\$117,800	\$134,528	\$118,750
27	123	0302.02	Middle	No	82.83	\$117,800	\$97,574	\$86,125
27	123	0303.00	Middle	No	106.55	\$117,800	\$125,516	\$110,788
27	123	0304.00	Low	No	39.72	\$117,800	\$46,790	\$41,305
27	123	0305.00	Low	No	39.16	\$117,800	\$46,130	\$40,721
27	123	0306.01	Low	No	42.37	\$117,800	\$49,912	\$44,063
27	123	0306.02	Moderate	No	71.07	\$117,800	\$83,720	\$73,899
27	123	0307.02	Moderate	No	76.89	\$117,800	\$90,576	\$79,949
27	123	0307.03	Moderate	No	73.94	\$117,800	\$87,101	\$76,890
27	123	0307.04	Low	No	38.04	\$117,800	\$44,811	\$39,563
27	123	0308.00	Moderate	No	51.04	\$117,800	\$60,125	\$53,077
27	123	0309.00	Moderate	No	51.75	\$117,800	\$60,962	\$53,818
27	123	0310.00	Moderate	No	51.54	\$117,800	\$60,714	\$53,594
27	123	0311.00	Moderate	No	57.15	\$117,800	\$67,323	\$59,432
27	123	0312.00	Middle	No	86.65	\$117,800	\$102,074	\$90,104
27	123	0313.00	Low	No	49.23	\$117,800	\$57,993	\$51,196
27	123	0314.00	Low	No	45.32	\$117,800	\$53,387	\$47,132
27	123	0315.00	Low	No	47.12	\$117,800	\$55,507	\$49,000
27	123	0316.00	Low	No	41.59	\$117,800	\$48,993	\$43,250
27	123	0317.01	Moderate	No	51.10	\$117,800	\$60,196	\$53,134
27	123	0317.02	Low	No	37.79	\$117,800	\$44,517	\$39,301
27	123	0318.01	Low	No	49.04	\$117,800	\$57,769	\$51,000
27	123	0318.02	Moderate	No	57.70	\$117,800	\$67,971	\$60,000
27	123	0319.00	Upper	No	124.72	\$117,800	\$146,920	\$129,688
27	123	0320.00	Middle	No	96.12	\$117,800	\$113,229	\$99,944
27	123	0321.00	Middle	No	92.99	\$117,800	\$109,542	\$96,691
27	123	0322.00	Middle	No	93.20	\$117,800	\$109,790	\$96,912
27	123	0323.00	Moderate	No	70.37	\$117,800	\$82,896	\$73,173
27	123	0324.00	Low	No	48.00	\$117,800	\$56,544	\$49,911

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	123	0325.00	Low	No	46.90	\$117,800	\$55,248	\$48,774
27	123	0326.00	Moderate	No	59.67	\$117,800	\$70,291	\$62,045
27	123	0327.00	Low	No	38.01	\$117,800	\$44,776	\$39,527
27	123	0330.00	Moderate	No	67.76	\$117,800	\$79,821	\$70,455
27	123	0331.00	Low	No	48.78	\$117,800	\$57,463	\$50,729
27	123	0332.00	Middle	No	97.37	\$117,800	\$114,702	\$101,250
27	123	0333.00	Middle	No	108.03	\$117,800	\$127,259	\$112,333
27	123	0334.00	Low	No	49.83	\$117,800	\$58,700	\$51,818
27	123	0335.00	Low	No	49.32	\$117,800	\$58,099	\$51,282
27	123	0336.00	Low	No	33.47	\$117,800	\$39,428	\$34,803
27	123	0337.00	Low	No	30.25	\$117,800	\$35,635	\$31,454
27	123	0338.00	Moderate	No	77.79	\$117,800	\$91,637	\$80,885
27	123	0339.00	Moderate	No	68.18	\$117,800	\$80,316	\$70,893
27	123	0340.00	Moderate	No	75.73	\$117,800	\$89,210	\$78,750
27	123	0342.01	Middle	No	89.20	\$117,800	\$105,078	\$92,750
27	123	0342.03	Upper	No	169.54	\$117,800	\$199,718	\$176,288
27	123	0342.04	Middle	No	102.23	\$117,800	\$120,427	\$106,306
27	123	0344.00	Moderate	No	66.34	\$117,800	\$78,149	\$68,984
27	123	0345.00	Moderate	No	51.40	\$117,800	\$60,549	\$53,450
27	123	0346.01	Moderate	No	62.38	\$117,800	\$73,484	\$64,871
27	123	0346.02	Moderate	No	53.45	\$117,800	\$62,964	\$55,577
27	123	0347.01	Moderate	No	57.48	\$117,800	\$67,711	\$59,773
27	123	0347.02	Moderate	No	54.16	\$117,800	\$63,800	\$56,324
27	123	0349.00	Upper	No	152.61	\$117,800	\$179,775	\$158,684
27	123	0350.00	Upper	No	124.01	\$117,800	\$146,084	\$128,945
27	123	0351.00	Upper	No	159.61	\$117,800	\$188,021	\$165,962
27	123	0352.00	Upper	No	147.56	\$117,800	\$173,826	\$153,438
27	123	0353.00	Upper	No	131.29	\$117,800	\$154,660	\$136,521
27	123	0355.00	Middle	No	99.86	\$117,800	\$117,635	\$103,833
27	123	0357.00	Upper	No	210.38	\$117,800	\$247,828	\$218,750
27	123	0358.00	Upper	No	145.16	\$117,800	\$170,998	\$150,938

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	123	0359.00	Middle	No	101.11	\$117,800	\$119,108	\$105,139
27	123	0360.00	Upper	No	145.70	\$117,800	\$171,635	\$151,500
27	123	0361.00	Moderate	No	52.42	\$117,800	\$61,751	\$54,509
27	123	0363.00	Upper	No	148.35	\$117,800	\$174,756	\$154,250
27	123	0364.00	Upper	No	133.78	\$117,800	\$157,593	\$139,107
27	123	0365.00	Upper	No	128.56	\$117,800	\$151,444	\$133,682
27	123	0366.00	Upper	No	131.63	\$117,800	\$155,060	\$136,875
27	123	0367.00	Moderate	No	79.34	\$117,800	\$93,463	\$82,500
27	123	0368.00	Moderate	No	68.13	\$117,800	\$80,257	\$70,842
27	123	0369.00	Low	No	40.53	\$117,800	\$47,744	\$42,143
27	123	0370.00	Middle	No	95.42	\$117,800	\$112,405	\$99,219
27	123	0371.00	Moderate	No	54.81	\$117,800	\$64,566	\$56,992
27	123	0372.00	Moderate	No	71.16	\$117,800	\$83,826	\$74,000
27	123	0374.02	Moderate	No	68.43	\$117,800	\$80,611	\$71,154
27	123	0374.03	Low	No	43.43	\$117,800	\$51,161	\$45,167
27	123	0375.00	Upper	No	127.55	\$117,800	\$150,254	\$132,628
27	123	0376.01	Middle	No	88.60	\$117,800	\$104,371	\$92,125
27	123	0376.03	Low	No	29.57	\$117,800	\$34,833	\$30,750
27	123	0376.04	Moderate	No	51.12	\$117,800	\$60,219	\$53,160
27	123	0401.01	Middle	No	110.75	\$117,800	\$130,464	\$115,164
27	123	0401.02	Upper	No	133.52	\$117,800	\$157,287	\$138,840
27	123	0402.00	Upper	No	122.69	\$117,800	\$144,529	\$127,578
27	123	0403.01	Middle	No	112.31	\$117,800	\$132,301	\$116,786
27	123	0403.02	Moderate	No	70.44	\$117,800	\$82,978	\$73,250
27	123	0404.01	Middle	No	90.05	\$117,800	\$106,079	\$93,641
27	123	0404.02	Middle	No	101.45	\$117,800	\$119,508	\$105,485
27	123	0405.02	Middle	No	83.93	\$117,800	\$98,870	\$87,278
27	123	0405.03	Middle	No	85.61	\$117,800	\$100,849	\$89,018
27	123	0405.04	Middle	No	91.96	\$117,800	\$108,329	\$95,625
27	123	0406.01	Upper	No	210.86	\$117,800	\$248,393	\$219,250

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	123	0406.03	Upper	No	136.05	\$117,800	\$160,267	\$141,466
27	123	0406.05	Middle	No	111.15	\$117,800	\$130,935	\$115,577
27	123	0406.06	Moderate	No	58.00	\$117,800	\$68,324	\$60,313
27	123	0407.04	Middle	No	111.87	\$117,800	\$131,783	\$116,328
27	123	0407.05	Upper	No	120.80	\$117,800	\$142,302	\$125,608
27	123	0407.06	Upper	No	144.53	\$117,800	\$170,256	\$150,282
27	123	0407.07	Middle	No	119.95	\$117,800	\$141,301	\$124,722

27	123	0407.08	Middle	No	103.96	\$117,800	\$122,465	\$108,099
27	123	0407.09	Upper	No	141.57	\$117,800	\$166,769	\$147,202
27	123	0408.01	Middle	No	99.12	\$117,800	\$116,763	\$103,068
27	123	0408.04	Middle	No	117.01	\$117,800	\$137,838	\$121,667
27	123	0408.05	Middle	No	114.26	\$117,800	\$134,598	\$118,813
27	123	0409.01	Middle	No	82.95	\$117,800	\$97,715	\$86,250
27	123	0409.02	Moderate	No	54.65	\$117,800	\$64,378	\$56,830
27	123	0410.01	Middle	No	93.21	\$117,800	\$109,801	\$96,923
27	123	0410.02	Middle	No	92.68	\$117,800	\$109,177	\$96,375
27	123	0411.03	Moderate	No	75.53	\$117,800	\$88,974	\$78,542
27	123	0411.04	Middle	No	109.20	\$117,800	\$128,638	\$113,553
27	123	0411.05	Middle	No	112.90	\$117,800	\$132,996	\$117,394
27	123	0411.06	Middle	No	118.08	\$117,800	\$139,098	\$122,778
27	123	0411.07	Moderate	No	72.37	\$117,800	\$85,252	\$75,250
27	123	0412.00	Moderate	No	70.01	\$117,800	\$82,472	\$72,798
27	123	0413.01	Middle	No	108.73	\$117,800	\$128,084	\$113,059
27	123	0413.02	Moderate	No	76.66	\$117,800	\$90,305	\$79,712
27	123	0414.00	Middle	No	103.58	\$117,800	\$122,017	\$107,708
27	123	0415.00	Middle	No	87.84	\$117,800	\$103,476	\$91,339
27	123	0416.01	Middle	No	108.25	\$117,800	\$127,519	\$112,562
27	123	0416.02	Moderate	No	78.40	\$117,800	\$92,355	\$81,528
27	123	0417.00	Middle	No	92.92	\$117,800	\$109,460	\$96,619

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	123	0418.00	Middle	No	87.95	\$117,800	\$103,605	\$91,451
27	123	0419.00	Upper	No	132.35	\$117,800	\$155,908	\$137,614
27	123	0420.01	Moderate	No	75.53	\$117,800	\$88,974	\$78,542
27	123	0420.02	Moderate	No	72.73	\$117,800	\$85,676	\$75,625
27	123	0421.01	Moderate	No	67.20	\$117,800	\$79,162	\$69,881
27	123	0421.02	Middle	No	98.88	\$117,800	\$116,481	\$102,813
27	123	0422.01	Moderate	No	61.63	\$117,800	\$72,600	\$64,083
27	123	0422.02	Middle	No	80.82	\$117,800	\$95,206	\$84,044
27	123	0423.01	Middle	No	107.33	\$117,800	\$126,435	\$111,607
27	123	0423.02	Middle	No	88.40	\$117,800	\$104,135	\$91,917
27	123	0424.01	Middle	No	104.09	\$117,800	\$122,618	\$108,233
27	123	0424.02	Moderate	No	67.15	\$117,800	\$79,103	\$69,830

27	123	0425.01	Moderate	No	62.41	\$117,800	\$73,519	\$64,900
27	123	0425.03	Upper	No	131.81	\$117,800	\$155,272	\$137,059
27	123	0425.04	Middle	No	105.44	\$117,800	\$124,208	\$109,643
27	123	0426.01	Moderate	No	68.61	\$117,800	\$80,823	\$71,339
27	123	0426.02	Middle	No	93.30	\$117,800	\$109,907	\$97,014
27	123	0427.00	Moderate	No	79.79	\$117,800	\$93,993	\$82,973
27	123	0428.00	Low	No	28.55	\$117,800	\$33,632	\$29,693
27	123	0429.00	Upper	No	128.63	\$117,800	\$151,526	\$133,750
27	123	0430.01	Upper	No	143.70	\$117,800	\$169,279	\$149,420
27	123	0430.02	Upper	No	163.89	\$117,800	\$193,062	\$170,417
27	123	9800.00	Unknown	No	0.00	\$117,800	\$0	\$0

County: 139 - SCOTT COUNTY

27	139	0801.00	Middle	No	85.08	\$117,800	\$100,224	\$88,472
27	139	0802.01	Upper	No	126.83	\$117,800	\$149,406	\$131,875
27	139	0802.02	Upper	No	144.96	\$117,800	\$170,763	\$150,727
27	139	0802.04	Upper	No	120.18	\$117,800	\$141,572	\$124,968
27	139	0802.06	Upper	No	121.04	\$117,800	\$142,585	\$125,857
27	139	0802.07	Upper	No	160.82	\$117,800	\$189,446	\$167,222
27	139	0802.08	Middle	No	92.82	\$117,800	\$109,342	\$96,521

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	139	0802.09	Middle	No	116.09	\$117,800	\$136,754	\$120,712
27	139	0803.03	Moderate	No	65.95	\$117,800	\$77,689	\$68,580
27	139	0803.04	Upper	No	138.97	\$117,800	\$163,707	\$144,500
27	139	0803.05	Middle	No	108.42	\$117,800	\$127,719	\$112,742
27	139	0803.06	Upper	No	148.33	\$117,800	\$174,733	\$154,233
27	139	0803.07	Upper	No	127.34	\$117,800	\$150,007	\$132,409
27	139	0804.00	Moderate	No	65.20	\$117,800	\$76,806	\$67,802
27	139	0805.00	Moderate	No	66.02	\$117,800	\$77,772	\$68,654
27	139	0806.00	Middle	No	83.51	\$117,800	\$98,375	\$86,838
27	139	0807.00	Middle	No	100.02	\$117,800	\$117,824	\$104,000
27	139	0808.01	Middle	No	93.08	\$117,800	\$109,648	\$96,786
27	139	0808.02	Middle	No	114.20	\$117,800	\$134,528	\$118,750
27	139	0809.03	Upper	No	156.99	\$117,800	\$184,934	\$163,242
27	139	0809.05	Middle	No	116.10	\$117,800	\$136,766	\$120,721
27	139	0809.06	Middle	No	113.06	\$117,800	\$133,185	\$117,563
27	139	0809.07	Moderate	No	63.78	\$117,800	\$75,133	\$66,319
27	139	0809.08	Middle	No	104.94	\$117,800	\$123,619	\$109,114
27	139	0810.01	Upper	No	130.80	\$117,800	\$154,082	\$136,008
27	139	0810.02	Upper	No	152.24	\$117,800	\$179,339	\$158,295
27	139	0811.01	Upper	No	146.97	\$117,800	\$173,131	\$152,816
27	139	0811.02	Upper	No	125.02	\$117,800	\$147,274	\$130,000
27	139	0811.03	Upper	No	122.47	\$117,800	\$144,270	\$127,349
27	139	0812.00	Middle	No	101.22	\$117,800	\$119,237	\$105,255
27	139	0813.01	Middle	No	98.36	\$117,800	\$115,868	\$102,273
27	139	0813.02	Middle	No	95.80	\$117,800	\$112,852	\$99,618
County: 141 -SHERBOURNE								
27	141	0301.03	Middle	No	96.10	\$117,800	\$113,206	\$99,922
27	141	0301.04	Middle	No	103.72	\$117,800	\$122,182	\$107,849
27	141	0301.05	Middle	No	81.80	\$117,800	\$96,360	\$85,056
27	141	0301.06	Middle	No	108.04	\$117,800	\$127,271	\$112,337

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	141	0302.01	Middle	No	102.43	\$117,800	\$120,663	\$106,509
27	141	0302.02	Middle	No	114.02	\$117,800	\$134,316	\$118,563
27	141	0303.01	Middle	No	91.12	\$117,800	\$107,339	\$94,750
27	141	0303.02	Middle	No	96.04	\$117,800	\$113,135	\$99,861
27	141	0304.05	Middle	No	109.53	\$117,800	\$129,026	\$113,889
27	141	0304.06	Middle	No	99.06	\$117,800	\$116,693	\$103,004
27	141	0304.07	Middle	No	89.75	\$117,800	\$105,726	\$93,328
27	141	0304.08	Middle	No	107.58	\$117,800	\$126,729	\$111,866
27	141	0304.09	Moderate	No	78.91	\$117,800	\$92,956	\$82,050
27	141	0304.10	Middle	No	99.39	\$117,800	\$117,081	\$103,345
27	141	0305.03	Middle	No	85.48	\$117,800	\$100,695	\$88,886
27	141	0305.04	Upper	No	121.26	\$117,800	\$142,844	\$126,091
27	141	0305.05	Middle	No	80.00	\$117,800	\$94,240	\$83,190
27	141	0305.06	Middle	No	82.72	\$117,800	\$97,444	\$86,010
27	141	0315.00	Moderate	No	63.85	\$117,800	\$75,215	\$66,393
County: 163 - WASHINGTON COUNTY								
27	163	0701.03	Middle	No	91.43	\$117,800	\$107,705	\$95,067
27	163	0701.04	Moderate	No	64.95	\$117,800	\$76,511	\$67,535
27	163	0701.05	Upper	No	151.00	\$117,800	\$177,878	\$157,012
27	163	0701.07	Middle	No	94.00	\$117,800	\$110,732	\$97,743
27	163	0701.08	Middle	No	119.29	\$117,800	\$140,524	\$124,038
27	163	0702.04	Middle	No	118.34	\$117,800	\$139,405	\$123,047
27	163	0702.05	Middle	No	109.92	\$117,800	\$129,486	\$114,292
27	163	0702.06	Upper	No	128.80	\$117,800	\$151,726	\$133,929
27	163	0702.07	Upper	No	123.90	\$117,800	\$145,954	\$128,828
27	163	0702.08	Middle	No	88.68	\$117,800	\$104,465	\$92,208
27	163	0703.01	Upper	No	178.92	\$117,800	\$210,768	\$186,042
27	163	0703.03	Upper	No	132.64	\$117,800	\$156,250	\$137,917
27	163	0703.04	Middle	No	117.26	\$117,800	\$138,132	\$121,926
27	163	0704.03	Middle	No	115.00	\$117,800	\$135,470	\$119,583
27	163	0704.04	Upper	No	146.35	\$117,800	\$172,400	\$152,171

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	163	0704.05	Upper	No	189.01	\$117,800	\$222,654	\$196,528
27	163	0704.06	Middle	No	118.57	\$117,800	\$139,675	\$123,295
27	163	0705.01	Upper	No	128.09	\$117,800	\$150,890	\$133,194
27	163	0705.02	Middle	No	98.96	\$117,800	\$116,575	\$102,902
27	163	0706.02	Middle	No	86.41	\$117,800	\$101,791	\$89,856
27	163	0706.03	Middle	No	83.86	\$117,800	\$98,787	\$87,200
27	163	0706.04	Middle	No	94.97	\$117,800	\$111,875	\$98,750
27	163	0707.03	Middle	No	92.49	\$117,800	\$108,953	\$96,170
27	163	0707.04	Middle	No	109.59	\$117,800	\$129,097	\$113,958
27	163	0707.05	Upper	No	149.96	\$117,800	\$176,653	\$155,932

27	163	0707.06	Upper	No	160.49	\$117,800	\$189,057	\$166,875
27	163	0708.01	Unknown	No	0.00	\$117,800	\$0	\$0
27	163	0708.02	Unknown	No	0.00	\$117,800	\$0	\$0
27	163	0709.06	Middle	No	97.31	\$117,800	\$114,631	\$101,183
27	163	0709.07	Middle	No	92.22	\$117,800	\$108,635	\$95,893
27	163	0709.09	Middle	No	99.30	\$117,800	\$116,975	\$103,250
27	163	0709.10	Middle	No	96.66	\$117,800	\$113,865	\$100,506
27	163	0709.11	Moderate	No	78.79	\$117,800	\$92,815	\$81,932
27	163	0709.12	Moderate	No	55.40	\$117,800	\$65,261	\$57,604
27	163	0710.01	Moderate	No	77.61	\$117,800	\$91,425	\$80,703
27	163	0710.03	Moderate	No	66.52	\$117,800	\$78,361	\$69,167
27	163	0710.06	Middle	No	114.20	\$117,800	\$134,528	\$118,750
27	163	0710.10	Upper	No	133.24	\$117,800	\$156,957	\$138,547
27	163	0710.11	Upper	No	152.30	\$117,800	\$179,409	\$158,365
27	163	0710.12	Moderate	No	78.06	\$117,800	\$91,955	\$81,173
27	163	0710.13	Middle	No	110.71	\$117,800	\$130,416	\$115,114
27	163	0710.14	Upper	No	129.39	\$117,800	\$152,421	\$134,537
27	163	0710.16	Upper	No	168.75	\$117,800	\$198,788	\$175,469
27	163	0710.19	Upper	No	156.68	\$117,800	\$184,569	\$162,917
27	163	0710.20	Upper	No	157.99	\$117,800	\$186,112	\$164,276

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	163	0710.21	Middle	No	116.06	\$117,800	\$136,719	\$120,685
27	163	0710.22	Upper	No	129.36	\$117,800	\$152,386	\$134,515
27	163	0710.23	Upper	No	122.25	\$117,800	\$144,011	\$127,115
27	163	0710.24	Middle	No	118.13	\$117,800	\$139,157	\$122,829
27	163	0710.25	Middle	No	107.99	\$117,800	\$127,212	\$112,292
27	163	0711.01	Middle	No	99.21	\$117,800	\$116,869	\$103,162
27	163	0711.02	Upper	No	129.27	\$117,800	\$152,280	\$134,414
27	163	0712.07	Middle	No	114.85	\$117,800	\$135,293	\$119,427
27	163	0712.08	Middle	No	96.25	\$117,800	\$113,383	\$100,083
27	163	0712.09	Middle	No	105.07	\$117,800	\$123,772	\$109,255
27	163	0712.10	Middle	No	89.55	\$117,800	\$105,490	\$93,113
27	163	0712.11	Upper	No	139.88	\$117,800	\$164,779	\$145,446
27	163	0713.00	Middle	No	89.40	\$117,800	\$105,313	\$92,962
27	163	0714.00	Middle	No	97.90	\$117,800	\$115,326	\$101,797
County: 171 - WRIGHT COUNTY								
27	171	1001.01	Middle	No	104.37	\$117,800	\$122,948	\$108,523
27	171	1001.02	Middle	No	116.79	\$117,800	\$137,579	\$121,444
27	171	1002.02	Middle	No	93.23	\$117,800	\$109,825	\$96,944
27	171	1002.03	Moderate	No	65.83	\$117,800	\$77,548	\$68,453
27	171	1002.05	Middle	No	86.79	\$117,800	\$102,239	\$90,250
27	171	1002.06	Middle	No	101.00	\$117,800	\$118,978	\$105,021
27	171	1003.00	Middle	No	100.40	\$117,800	\$118,271	\$104,403
27	171	1004.01	Middle	No	102.38	\$117,800	\$120,604	\$106,458
27	171	1004.02	Moderate	No	67.24	\$117,800	\$79,209	\$69,919
27	171	1005.00	Middle	No	94.60	\$117,800	\$111,439	\$98,365
27	171	1007.01	Middle	No	89.08	\$117,800	\$104,936	\$92,633
27	171	1007.04	Middle	No	87.33	\$117,800	\$102,875	\$90,807
27	171	1007.05	Middle	No	95.29	\$117,800	\$112,252	\$99,088
27	171	1007.06	Middle	No	96.68	\$117,800	\$113,889	\$100,529
27	171	1007.07	Middle	No	81.68	\$117,800	\$96,219	\$84,931
27	171	1008.03	Middle	No	112.56	\$117,800	\$132,596	\$117,039
27	171	1008.04	Middle	No	111.98	\$117,800	\$131,912	\$116,441
27	171	1008.05	Upper	No	121.97	\$117,800	\$143,681	\$126,827

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2022 FFIEC Est. MSA/MD Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Family Income
27	171	1008.06	Upper	No	120.15	\$117,800	\$141,537	\$124,932
27	171	1008.07	Middle	No	98.95	\$117,800	\$116,563	\$102,886
27	171	1009.00	Middle	No	97.03	\$117,800	\$114,301	\$100,898
27	171	1010.01	Upper	No	129.04	\$117,800	\$152,009	\$134,178
27	171	1010.02	Middle	No	104.13	\$117,800	\$122,665	\$108,277
27	171	1011.01	Middle	No	83.80	\$117,800	\$98,716	\$87,137
27	171	1011.02	Middle	No	90.31	\$117,800	\$106,385	\$93,906
27	171	1012.00	Middle	No	87.85	\$117,800	\$103,487	\$91,346
27	171	1013	Moderate	No	74.49	\$117,800	\$87,749	\$77,453

Source: <https://www.ffiec.gov/census/default.aspx>

APPENDIX C: ASSESSMENT AREA DEMOGRAPHIC TABLES

Prinsburg Assessment Area Demographics

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low	Moderate	Middle	Upper	NA*
		% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts)	3	0	0	100	0	0
Population by Geography	6,541	0	0	100	0	0
Housing Units by Geography	3,672	0	0	100	0	0
Owner-Occupied Units by Geography	2,296	0	0	100	0	0
Occupied Rental Units by Geography	478	0	0	100	0	0
Vacant Units by Geography	898	0	0	100	0	0
Businesses by Geography	599	0	0	100	0	0
Farms by Geography	185	0	0	100	0	0
Family Distribution by Income Level	1,909	16.03	18.12	23.42	42.43	0
Household Distribution by Income Level	2,774	18.6	14.8	20	46.6	0
Median Family Income for Minnesota Nonmetropolitan Area	\$83,600	Median Housing Value				\$141,800 ¹
		Median Gross Rent				744 ²
		Families Below Poverty Level				10.1% ³

Source: 2022 FFIEC/ACS-1 Updates and 2020 D&B Data: Note: Due to rounding, totals may not equal 100.0 percent.

(*) The NA category consists of geographies that have not been assigned an income classification.

Distribution of Small Business Loans by Gross Annual Revenue Category and Tract Income					
	% of Businesses	Low Income Tracts	Moderate-Income Tracts	Middle Income Tract	Upper-Income Tract
<= \$1,000,000	87.3%	0%	0%	100%	0%
> \$1,000,000	3.5%	0%	0%	100%	0%
Revenue Not Available	9.2%	0%	0%	0%	0%
Totals	100.0%	0%	0%	100%	0%

Data source: D&B as of June 2022; 2020 ACS US Census:

Distribution of Small Farm Loans by Gross Annual Revenue Category and Tract Income					
	% of Farms	Low Income Tracts	Moderate-Income Tracts	Middle Income Tract	Upper-Income Tract
<= \$1,000,000	95.5	0%	0%	100%	0%
> \$1,000,000	2.8	0%	0%	0%	0%
Revenue Not Available	1.7	0%	0%	100%	0%
Totals	100.0%	0%	0%	100%	0%

Data source: 2020 D&B Data

¹ Average of Median value of owner-occupied housing units between 2017-2021: Renville County, Minnesota (\$114,900); Chippewa County, Minnesota (\$121,900; Kandiyohi County, Minnesota (\$188,600) [U.S. Census Bureau QuickFacts: Kandiyohi County, Minnesota](https://www.census.gov/quickfacts/kandiyohi-county-minnesota)

² Average of Median gross rent between 2017-2021: Renville County (\$716); Chippewa County (\$741); Kandiyohi County (\$776) [U.S. Census Bureau QuickFacts: Kandiyohi County, Minnesota](https://www.census.gov/quickfacts/kandiyohi-county-minnesota)

³ Average of poverty rates between 2017-2021: Renville County (10.0); Chippewa County (9.9); Kandiyohi County (10.5) <https://fred.stlouisfed.org/categories/28667>

Champlin Assessment Area Demographics

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low	Moderate	Middle	Upper	NA*
		% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts)	805	7.6	22.2	43.3	25.9	1.0
Population by Geography	3,294,702	6.2	19.2	45.4	28.9	0.3
Housing Units by Geography	1,300,554	5.2	21.1	44.7%	28.3%	0.7%
Owner-Occupied Units by Geography	863,105	2.5%	17.0%	48.2%	32.3%	20.1%
Occupied Rental Units by Geography	382,153	11.08	30.35	37.37	19.31	1.90
Vacant Units by Geography	55,296	7.83	22.00	41.74	27.38	1.06
Businesses by Geography	394,966	4.27	18.37	42.17	34.36	0.83
Farms by Geography	8,346	1.89	14.45	49.82	33.64	0.19
Family Distribution by Income Level	762,786	19.75	17.94	22.77	39.54	0.0
Household Distribution by Income Level	1,191,572	23.8	16.2	18.4	41.6	0
Median Family Income for Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area.		\$117,800	Median Housing Value			\$288,700 ⁴
			Median Gross Rent			\$1,220 ⁵
			Families Below Poverty Level			7.2 ⁶
Source: 2022 FFIEC/ACS-1 Updates and 2020 D&B Data. Note: Due to rounding, totals may not equal always 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

Distribution of Small Business Loans by Gross Annual Revenue Category and Tract Income						
	% of Businesses	Low Income Tracts	Moderate-Income Tracts	Middle Income Tract	Upper-Income Tract	NA*
<= \$1,000,000	89.64%	4.30%	18.13%	42.05%	34.80%	0.72%
> \$1,000,000	3.66%	4.16%	20.06%	43.14%	31.60%	1.04%
Revenue Not Available	6.70%	3.97%	20.64%	43.20%	30.02%	2.17%
Totals	100.00%	4.27%	18.37%	42.17%	34.36%	0.83%
Source: 2022 FFIEC/ACS-1 Updates and 2020 D&B Data. Note: Due to rounding, totals may not equal always 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

⁴ Average of Median value of owner-occupied housing units between 2017-2021 for Wright County (\$265,500); Washington County (\$326,600); Sherburne County, (\$264,500); Scott County (\$332,900); Ramsey County (\$254,0); Hennepin County (\$309,200); Dakota County (\$294,700); Anoka (\$261,300)
<https://www.census.gov/quickfacts/fact/table/scottcountyminnesota,ramseycountyminnesota,hennepincountyminnesota,dakotacountyminnesota,anokacountyminnesota/PST045221>;
<https://www.census.gov/quickfacts/fact/table/wrightcountyminnesota,washingtoncountyminnesota,sherburnecountyminnesota,MN/PST045221>

⁵ Average of Median gross rent between 2017-2021 for Wright County (\$1,072); Washington County (\$1,465); Sherburne County, (\$1,055); Scott County (\$1,282); Ramsey County (\$1,120); Hennepin County (\$1,244); Dakota County (\$1,293); Anoka (\$1,225); Source Link: Same as above.

⁶ Average of poverty rates between 2017-2021: Wright County (4.8); Washington County (4.5); Sherburne County, (5.8); Scott County (5.4); Ramsey County (14.1); Hennepin County (10.6); Dakota County (6.1); Anoka (6.2)
<https://fred.stlouisfed.org/categories/28667>

APPENDIX D: LIST OF THE SAMPLE OF LOCAL NONPROFIT ORGANIZATIONS
(Interviewed or other means of information regarding community needs)

Nonprofit Community Organizations*	Assessment Area Covered		Mission				Nature of Opportunity		
	Prinsburg	Champlin	Affordable Housing	Community Service	Economic Development	Revitalization and Stabilization	Lending	Investment	Service
Family Promise of Kandiyohi County: Partners with local congregations as well as local agencies to provide shelter, meals and other services to equip homeless families with the skills they need overcome homelessness and access or maintain employment	X		X	X				X	
Hope Academy: Serves as an opportunity-equalizer by providing an education curriculum to elevate the capacity of inner-city youth (K-12). Students are not turned away for an inability to pay; Approximately 70 percent of the student body is low-income.		X		X				X	
Feed My Starving Children (FMSC): Facilitates the distribution of free - nutrition-based meals to disadvantaged low-income families to stem malnutrition and other medical issues particularly for children which represent a significant percent of families in poverty.	X	X		X				X	
Build Wealth, MN, Inc. Offers comprehensive programs and services to promote financial stability and wealth creation for low and moderate-income families, with a focus on populations in emerging markets and underserved communities.	X	X	X	X				X	X
First Children's Finance: Increases the availability, affordability and quality of early care and education by providing financial and business development assistance to childcare businesses serving low- and moderate-income families,	X	X			X		X	X	
Greater Minnesota Housing Fund: Addresses affordable housing needs in underserved areas through activities such as financing and technical assistance to support the purchase, rehabilitation, and construction of affordable single-family homes and rental units, and neighborhood development.	X	X	X	X		X	X	X	
Habitat for Humanity of Minnesota, Inc. (West Central and Twin Cities): Enables access to affordable housing for low-income persons, the elimination of substandard housing and training and access to resources to help families improve their shelter conditions.	X	X	X				X	X	X
Neighborhood Development Center, Inc. (NDC): Advances a micro-enterprise business model that serves as a catalyst to improve neighborhood economies and supports small businesses through training, lending and technical assistance particularly inner-city entrepreneurs.		X			X		X	X	X
WomenVenture: Supports women-owned small businesses by providing tools and resources such as loan programs inclusive of small dollar financing; technical assistance, access to expert advisors and mentors, and training program.	X	X			X		X	X	X
Metropolitan Economic Development Association (MEDA). Provides services to promote minority entrepreneurship and leverage their capacity including management education, technical assistance to support operations, and access to funding.		X			X		X	X	X

Nonprofit Community Organizations*	Assessment Area Covered		Mission				Nature of Opportunity		
	Prinsburg	Champlin	Affordable Housing	Community Service	Economic Development	Revitalization and Stabilization	Lending	Investment	Service
Alliance Housing Incorporated: Creates tangible, long term housing solutions for homeless and very low-income families and individuals by redeveloping vacant and available low-cost properties and managing affordable housing.		X	X					X	
Greater Metropolitan Housing Corporation: Preserves, improves and increases affordable housing for low and moderate-income persons; and help advance community initiatives that promote revitalization.		X	X					X	
* Sample of organizations serving as a source of feedback on community needs directly or through information available on online sources.									

APPENDIX E: PROOF OF NEWSPAPER PUBLIC COMMENT NOTICES

Newspaper Public Comment Notices⁷

⁷ Note: No public comments were received.

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA

ss.

COUNTY OF KANDIYOHI

Taylor Herhold, being first duly sworn, on oath states as follows:

1. I am the publisher of the WEST CENTRAL TRIBUNE, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.


2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows: Saturday, September 30, 2023.

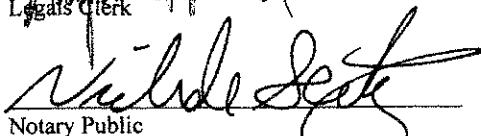
4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: \$22.16 per column inch.

5. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in KANDIYOHI County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

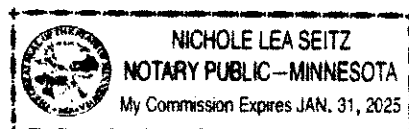
Dated this 30th day of September, 2023.



Legal Clerk



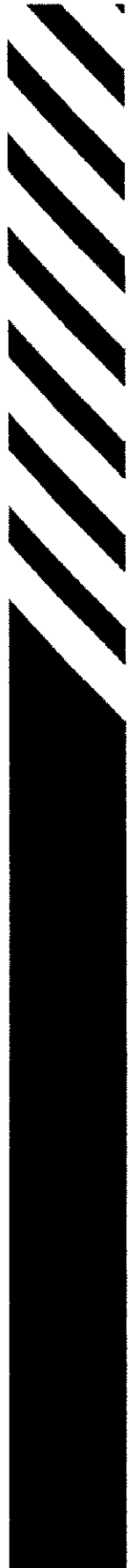
Notary Public



PrinsBank, Prinsburg, MN announces the availability of its Strategic Plan to meet the requirements of the Community Reinvestment Act (CRA Strategic Plan). Public comment is desired.

The PrinsBank CRA Strategic Plan will cover the institution's defined service markets inclusive of its Prinsburg Assessment Area which consists of portions of the following counties: Chippewa County (census tract # 9504), Kandiyohi County (census tract #7812) and Renville County (census tract #7903). All counties are part of Minnesota nonmetropolitan area and located west of the Minneapolis-St. Paul-Bloomington, MN-WI metropolitan statistical area.

Comments received prior to **November 2, 2023** will be considered prior to submission of the Plan to the Federal Deposit Insurance Corporation (FDIC). Requests for copies of the Plan or comments regarding the Plan should be directed to: Kelly Beckman, Compliance and CRA Officer, PrinsBank, 508 Third Street, Prinsburg, Minnesota 56281, or by email to kellyb@prinsbank.com or call 320-378-6351.



AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)



650 3rd Ave. S, Suite 1300 | Minneapolis, MN | 55488

Terri Swanson, being first duly sworn, on oath states as follows:

1. (S)He is and during all times herein stated has been an employee of the Star Tribune Media Company LLC, a Delaware limited liability company with offices at 650 Third Ave. S., Suite 1300, Minneapolis, Minnesota 55488, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

<u>Dates of Publication</u>	<u>Advertiser</u>	<u>Account #</u>	<u>Order #</u>
StarTribune 09/30/2023	PRINSBANK	1000397804	469168

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: **\$184.80**

5. Mortgage Foreclosure Notices. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Hennepin County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

Terri Swanson

Subscribed and sworn to before me on: 10/02/2023

Diane E. Rak Kleszyk



Notary Public

