

**2024 FFIEC Census Information
Minnesota
Goodhue and Dakota County Tracts**

State Code	County Code	Census Tract	MSA	County	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	Tract Population	Tract Minority %
27	37	614.02	33460	Dakota	Middle	96.17	No	3774	6.15
27	49	801.01		Goodhue	Middle	82.11	No	4036	14.00
27	49	801.02		Goodhue	Middle	115.07	No	5889	13.62
27	49	802.01		Goodhue	Moderate	71.99	No	3015	19.37
27	49	802.02		Goodhue	Upper	129.87	No	4299	17.42
27	49	803.00		Goodhue	Upper	131.34	No	4140	6.06
27	49	804.00		Goodhue	Upper	127.38	No	4165	9.92
27	49	805.00		Goodhue	Upper	150.21	No	3518	6.37
27	49	806.00		Goodhue	Middle	118.39	No	4795	7.59
27	49	807.00		Goodhue	Middle	117.18	No	3412	9.11
27	49	808.00		Goodhue	Upper	125.64	No	4517	9.39
27	49	809.00		Goodhue	Upper	123.81	No	5796	6.54

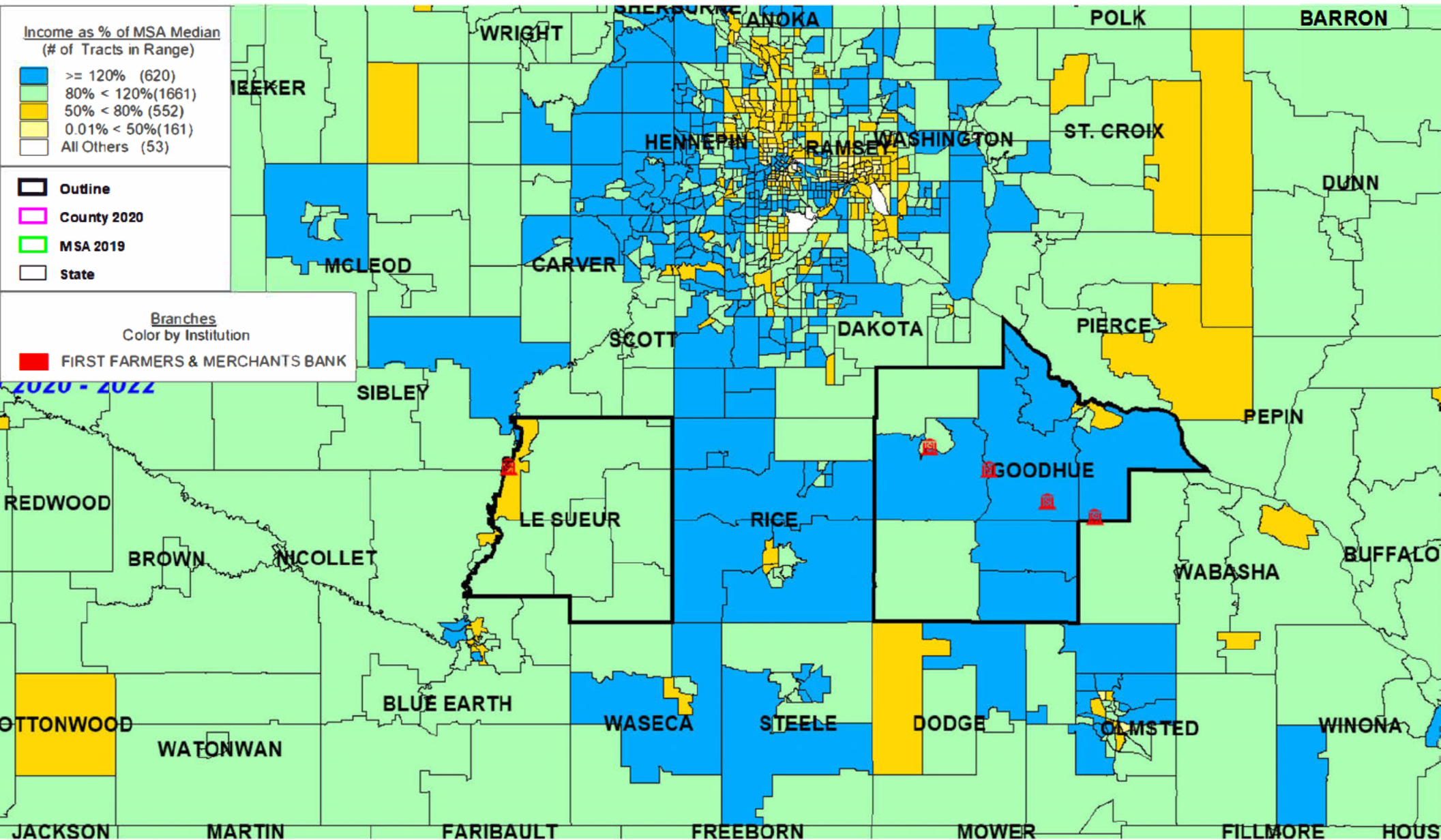
**2024 FFIEC Census Information
Minnesota
Le Sueur County Assessment Tracts**

State Code	County Code	Census Tract	MSA	County	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	Tract Population	Tract Minority %
27	79	9501.01	33460	Le Sueur	Middle	93.00	No	3582	7.59
27	79	9501.02	33460	Le Sueur	Middle	104.41	No	3798	5.16
27	79	9502.00	33460	Le Sueur	Moderate	76.00	No	4680	18.42
27	79	9503.00	33460	Le Sueur	Middle	84.66	No	4722	10.59
27	79	9504.00	33460	Le Sueur	Middle	84.47	No	3666	7.12
27	79	9505.00	33460	Le Sueur	Middle	86.77	No	4239	20.26
27	79	9506.00	33460	Le Sueur	Middle	87.23	No	3987	6.55
27	79	9999.99	33460	Le Sueur	Middle	87.78	No	28674	11.20

First Farmers & Merchants Bank, Cert# 10168

Cannon Falls, Minnesota

Map Based on Percentage of Median Family Incomes by MSA (2020 Census Data)





First Farmers & Merchants

We believe in you.™
Member FDIC. And the community.

BANK

BANK AND ATM LOCATIONS

Le Sueur

112 South Main St.
Le Sueur, MN 56058
507-665-BANK phone
507-665-3374 fax

Lobby Hours

Monday – Friday 9:00am – 3:00pm

Drive Up Hours

Monday – Friday 7:30am – 5:30pm
Saturday 8:30am – Noon

Cannon Falls

PO Box 548
920 4th St South
Cannon Falls, MN 55009
507-263-3030 phone
507-263-3033 fax

Lobby Hours

Monday – Friday 8:30am – 4:30pm
Saturday – 8:30am – Noon

Drive Up Hours

Monday – Friday 7:30am – 5:30pm
Saturday – 8:00am – Noon

Cannon Falls Family Fare

PO Box 548
Cannon Falls, MN 55009
507-263-0630 phone
507-263-0634 fax

Lobby Hours

Monday – Friday 9:00am – 7:00pm
Saturday 10:00am – 2:00pm
Sunday 10:00am – 2:00pm

Goodhue

PO Box 158
202 3rd Avenue
Goodhue, MN 55027
651-923-4455 phone
651-923-4022 fax

Lobby Hours

Monday – Friday 8:30am – 4:30pm
Saturday – 8:30am – Noon

Drive Up

Monday – Friday 8:00am – 5:00pm
Saturday – 8:00am – Noon

Technical Support

1-866-733-3444
Monday – Friday 7:00am – 10:00pm
Saturday – 7:00am – 5:00pm

Bellechester

PO Box 158
601 1st Street
Bellechester, MN 55027
651-923-4900 phone

Lobby Hours

Monday – Friday 9:00am – 2:00pm

Saturday – Closed

Drive Up Hours

Monday – Friday 9:00am – 2:00pm
Saturday – Closed

White Rock

PO Box 548
13313 County 1 Blvd
Cannon Falls, MN 55009
651-258-4430 phone
651-258-4022 fax

Lobby Hours

Monday – Friday 8:30am – 4:30pm

Drive Up Hours

Monday – Friday 8:00am – 4:30pm

Red Wing

3141 N Service Drive
Red Wing, MN 55066
651-267-3340 phone
651-385-9391 fax

Lobby Hours

Monday – Friday 8:30am – 4:30pm
Saturday – 8:30am – Noon

Drive Up Hours

Monday – Friday 7:30am – 5:30pm
Saturday – 8:30am – Noon

ATM Locations

Le Sueur

- First Farmers & Merchants Drive Up

Cannon Falls

- Drive Up @920 4th St South location
- Operations Center @ 123 South 4th St
- Family Fare Foods
- Mayo Clinic Health System

Goodhue

- First Farmers & Merchants Drive Up

Red Wing

- First Farmers & Merchants Drive Up

Report a lost or stolen debit card after hours

1-866-733-3444

First Farmers & Merchants Bank-Cannon Falls
Listing of Branch Offices opened and/or closed

2023

No Branch Offices were opened and /or closed

2022

No Branch Offices were opened and/or closed

2021

No Branch Offices were opened and/or closed

2020

No Branch Offices were opened and/or closed

2019

No Branch Offices were opened and/or closed

2018

No Branch Offices were opened and/or closed

2017

No Branch Offices were opened and/or closed

2016

No Branch Offices were opened and/or closed

SERVICES AND PRICING

Limits and Fees: The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

Account Activity Printout/Statement Copy (per statement): \$5.00

Account Research/Reconciliation: \$25.00 per hour

Account Closing

If account is closed within 6 months of opening: \$25.00

Debit Card

Foreign ATM fee: ATM machines not owned by FF&M or

MoneyPass network fee: \$1.00 (per transaction)

Overnight Replacement Card: \$100.00

Replacement Card Fee: \$15.00

Card Limits

\$510 ATM daily limit

\$1,000 point of sale daily limit

(Point of sale limit applies to FF&M Debit Cards only)

**Dormant Account Fee (per month for up to 12 months):
 \$5.00 per month if balance in the account is less than \$50.**

Inactive Account: An account is considered inactive after 13 months of no transaction activity. No fee for inactive accounts.

Dormant Account: An account is considered dormant after 18 months of no transaction activity.

Abandoned Account: An account is considered abandoned after receiving one piece of undeliverable mail and all attempts to locate the owner have failed. No fee for abandoned accounts.

Internet Banking: No charge

Bill Pay (per month): \$4.95

First 3 months: no charge

Platinum Checking customers: no charge

Enhanced eCorp customers: no charge

Basic eCorp for Business Banking: no charge

Enhanced eCorp for Business Banking (per month): \$21.95

First 3 months: no charge

Merchant Capture for Basic eCorp customers (per month): \$39.95

First 3 months: no charge

Merchant Capture for Enhanced eCorp customers (per month): \$20.00

First 3 months: no charge

eCorp Third Party Sender Fee (per month): \$100.00

Collection Items

Domestic and Foreign Collection Item: \$25.00 (per item)

Paper Statement Fee: \$5.00 per month, effective 30 days after account opening date, fee is waived when you enroll in e-Statements

Miscellaneous Items

Cashier's Check: \$5.00 (per check)

Check Printing: fee depends on style of check ordered

Copy of Imaged Item: \$3.00 (per item)

Counter Check: \$1.00 (per check)

Stop Payment Fee: \$30.00

Effective for six months

Photocopies: \$0.25 (per sheet)

Garnishment/Execution Levy: \$75.00

Deposit of Canadian Checks: \$8.00 (per check)

Personal Money Order: \$5.00

Gift Card (per card): \$3.95

Travel Card (per card): \$5.95

Travel Card Reload Fee: \$2.95

Returned Deposited Item Fee (per check) for Business Accounts only: \$10.00

Deposit Bags - Zippered (each): \$5.00

Deposit Bags - Locked After Hours Bag: \$35.00

Safe Deposit Box

Lost Safe Deposit Box Key: \$30.00

Drilling Safe Deposit Box Fee (minimum): \$200.00 or actual cost if higher

Overdraft Paid Item and NSF Returned Item Charges

Continuous Overdraft Charge: \$3.00 per day

A Continuous Overdraft Charge is assessed every business day the account has a negative balance. Checks and other withdrawals authorized by you which the bank pays as well as previous bank fees may result in a negative balance. This applies to checking and savings accounts.

Overdraft Paid Item Fee (per item): \$25.00

NSF Returned Item Fee (per item): \$25.00

The Overdraft Paid Item fee and NSF Returned Item fee applies to overdrafts created by check, in-person withdrawal, or by other electronic means, as applicable. An item or payment may be presented multiple times and may incur fees each time it is presented; we do not monitor or control the number of times a transaction is presented for payment. This applies to checking and savings accounts. (\$150.00 maximum/day)

Wires

Incoming Wire Transfer fee (Domestic): \$25.00

Incoming Wire Transfer fee (International): \$25.00

Outgoing Wire Transfer fee (Domestic): \$25.00

Outgoing Wire Transfer fee (International): \$75.00

Outgoing International Wires after 1:00 pm Monday through Friday will be processed on the next business day.

Outgoing Domestic Wires after 3:00 pm Monday through Friday will be processed on the next business day.

Incoming Wires received by 4:00 pm Monday through Friday will be processed the same business day.

Bank Locations

- Austin** • 128 North Main Street • Austin, MN 55912-0397 • Tel 507-433-3473
- Bellechester** • 601 1st Street • Bellechester, MN 55027 • Tel 651-923-4900
- Brownsdale** • 106 West Main Street, P.O. Box 157 • Brownsdale, MN 55918-0157
Tel 507-567-2219
- Cannon Falls** • 920 4th Street South, P.O. Box 548 • Cannon Falls, MN 55009
Tel 507-263-3030
- Family Fare, 425 Main Street W, P.O. Box 548
Cannon Falls, MN 55009 • Tel 507-263-0630
- Fairmont** • 114 S. Park Street, P.O. Box 411 • Fairmont, MN 56031-0411
Tel 507-235-5556
- Grand Meadow** • 105 North Main Street, P.O. Box 188
Grand Meadow, MN 55936-0188 • Tel 507-754-5123
- Goodhue** • 202 3rd Avenue, P.O. Box 158 • Goodhue, MN 55027
Tel 651-923-4455
- Le Sueur** • 112 South Main Street • Le Sueur, MN 56058-1909
Tel 507-665-BANK (2265)
- Luverne** • 303 East Main Street, P.O. Box 989 • Luverne, MN 56156-0989
Tel 507-283-4463
- Pipestone** • 107 East Main Street, P.O. Box 729 • Pipestone, MN 56164-0729
Tel 507-825-3301
- Racine** • 19 East Main Street, P.O. Box 42 • Racine, MN 55967-0042
Tel 507-378-5121
- Red Wing** • 3141 North Service Drive • Red Wing, MN 55066
Tel 651-267-3340
- St. Paul** • 332 Minnesota Street, Suite E160 • St. Paul, MN 55101-1338
Tel 651-228-9900
- Stewartville** • 111 20th Street NE • Stewartville, MN 55976-7915
Tel 507-533-4081
- White Rock** • 13313 County 1 Boulevard, P.O. Box 548 • Cannon Falls, MN 55009
Tel 651-258-4430

To reach a bank by email please use the "Contact Us" section of our website.

For technical support, please call our Help Desk at 866-733-3444

Monday – Friday, 7:00 a.m. - 10:00 p.m. & Saturday, 7:00 a.m. - 5:00 p.m.

Email: helpdesk@ffmbank.com



www.ffmbank.com

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Mortgage Banking SERVICES



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**First
Farmers
& Merchants**

Making it easier for you... to do business with us.



Home Loans

First Mortgages

First Farmers & Merchants takes pride in providing fast, friendly mortgage services. We work to understand your needs and provide you with the information to make your home purchase or refinance as easy as possible.

Conventional Loans – Purchase or Refinance

- Long term fixed rate
- Adjustable rate
- Balloon
- Refinance existing mortgage
- Investment and vacation properties
- First-time home buyers

Construction Loans

- New builds
- Remodel

Government Loans

- USDA/RD Guarantee
- FHA
- VA
- First-time home buyers



See your First Farmers & Merchants mortgage specialist before you begin your home search. Using the newest technology in the industry, we can provide free preapproval in minutes instead of days. You will also receive a pre-qualification letter.

When you are ready to purchase or refinance, our knowledgeable staff will handle all of the mortgage details and assist you in completing the mortgage process. First Farmers & Merchants works closely with the real estate agents and title companies in our communities, making it easier for you to do business with us.

Call us today for a free mortgage consultation.



Home Mortgages

If you've been considering a loan for a particular expense, First Farmers & Merchants Home Mortgages may be the perfect solution with fixed rate and payments.

Ask us for details today!

- Loans for remodeling
- Loans for debt consolidation
- Loans for vacation or travel
- Loans for automobiles
- Loans for any reason!
- Interest may be tax deductible, consult a tax advisor
- MHFA Home Improvement



Home Equity Lines of Credit

First Farmers & Merchants Home Equity Line of Credit gives you the option of drawing on your loan *at your convenience* —for any reason! This is a hassle-free loan designed to give you the freedom to make purchases when you want. Call our mortgage specialists today for rates and details.

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Ag/Business Banking SERVICES



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 **First
Farmers
& Merchants**

Making it easier for you... to do business with us.



Commercial Banking Services

At First Farmers & Merchants Bank, our relationship with your business is based on exceptional service. We're all part of the same community, and our bank understands the dynamics of today's local businesses. First Farmers & Merchants will work to find the business banking products and services that are right for you.

e-Corp

- Bill payment
- Internal transfers
- ACH origination
- Account inquiry
- Image retrieval
- e-Corp Mobile App
- Download transaction information into Quicken,[®] Quickbooks,[®] or as a CSV file
- Administrative options
 - Set up employees
 - Assign individual security permissions for employees
- Merchant Capture (remote deposit)

e-Statements / e-Notices

- Faster than regular mail
- Easy to print
- More secure
- Environmentally friendly
- Deposit and check images included

Visit our website at www.ffmbank.com and enroll for our electronic services by selecting "Enroll" or contact a bank representative for assistance.

Save money! e-Statements are FREE! Paper statements are available for a \$5 monthly service charge.

Ag/Commercial Loans and Credit Services

- Operating expenses
- Capital assets
- Business acquisitions
- First Farmers & Merchants Business VISA card
- Equipment
- Leasing services
- Lines of credit
- SBA Loan programs
 - FSA (Farm Service Agency)
 - RFA (Rural Finance Authority)
 - AgBMP (Ag Best Management Practices)
- Real estate
- Rural development



Business Checking Account

Monthly service fee and per item fees may be assessed. Daily average balance required. Interest bearing. Interest rates and service fees are determined by the bank. Please visit or call for current fees.

For your added convenience, FF&M Business Cash & Check Card and Ready Check Commercial Line of Credit are available upon approval.

Savings Accounts

Business Statement Savings

This savings account is designed to meet your business needs with quick access to cash reserves while also earning interest at competitive rates.

- \$50 minimum average balance
- A minimum opening deposit of \$50 is required
- Service charge if minimum average balance falls below \$50

Business Savers Plus

This savings account earns a competitive rate of interest with additional account benefits.

- \$2,500 minimum average balance
- A minimum opening deposit of \$2,500 is required
- Service charge if minimum average balance falls below \$2,500
- Account benefits: No fee for money orders or cashiers checks



Mobile Banking



Mobile Banking is fast, simple, and the ultimate convenience.

Mobile Banking is the ultimate on-demand service. Now you can access your account information from any mobile phone with text messaging, mobile web access or through a downloadable App for your smartphone or tablet.

Message and data rates may apply.

Mobile Web Banking

If you have a phone with online Access:

- View real-time account balances
- View transaction history
- Transfer funds between accounts
- Pay bills from your mobile phone

Smartphone & Tablet App

Visit the Google Play Store or App Store from your smartphone or tablet and download and install the FF&M App on your device. With the App installed, you have complete access to managing your finances and even have the ability to deposit checks on the go!



MOBILE BANKING DELIVERS.



www.ffmbank.com



Bank Locations

Austin • 128 North Main Street • Austin, MN 55912-0397 • Tel 507-433-3473

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• Family Fare, 425 Main Street West, P.O. Box 548
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Fairmont • 114 S. Park Street, P.O. Box 411 • Fairmont, MN 56031-0411
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Electronic Banking SERVICES



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FREE Online Services

Saving time and managing your finances has never been easier. You can conduct your banking whenever it suits you – wherever you may be.

- View account balances and recent transactions
- Access previous statements
- Transfer funds between accounts
- Advance your home equity line of credit
- Make payments to a loan or Ready Check account
- Download transaction information to Quicken®, QuickBooks®, or as a CSV file
- View check images
- Set up e-Alerts
- Enroll or change Mobile Banking options

Enjoy the convenience of Online Banking with industry-approved security technologies. The system features password-controlled entry, VeriSign security with 128-bit encryption, and a firewall that is continuously monitored by professionals in the industry.

For complete details on our easy-to-use Online Banking option, visit our website at www.ffmbank.com and enroll by selecting “Enroll” or contact a bank representative for assistance.

Online Bill Pay

We have partnered with CheckFree, an industry leader in online bill payment services, to provide you an improved online bill payment experience.



- Simple, convenient
- Merchant search for quick and easy payee setup
- Automatic, recurring, or one-time payments
- Guaranteed payments
- Electronic billing option
- Bill reminders
- History of payments
- High availability of electronic payments for quicker processing time

Service charges may apply to some products and are determined by the bank.

FREE Mobile Banking

Mobile Banking delivers the highest level of security, thanks to multiple layers of authentication. Your Online Banking password, geographical location and mobile device help ensure your information is fully protected.

Mobile Banking is available to anyone currently enrolled in our Online Banking service. Message and Data rates may apply.

e-Statements

Receive your statement electronically and have access to 18 months of your prior statements.

Your checking or savings statement can be delivered right to your Online Banking account. You will receive an email notification when your statement is ready.

- Faster than regular mail
- An exact copy of your paper statement
- Can be accessed from any electronic device with internet access
- Option to print a copy or save to a storage device
- Environmentally friendly
- More secure
- Free

Save money by going paperless!

Paper statements are available for a monthly service fee of \$5 per checking account opened on 8/1/16 or after. Must enroll for e-Statements within 30 days of account opening to avoid fee.

FREE e-Alert Notifications

We can alert you of a designated event by text message or email, for a one-time occurrence or a recurring event. Online Banking access is not required. You can receive an alert for just about anything.

Some examples include:

- Low balance
- Card transaction
- When a specific check has cleared
- Electronic debits and/or credits
- Loan payment due notifications
- Loan advance notification



e-Alerts are great ways for you to monitor your account activity. Contact a bank representative to set up your e-Alert or log into Online Banking to set up your own e-Alert.



*Making it easier for you...
to do business with us.*

Other Electronic Services

- Wire transfers – a quick way to send money anywhere
- Automatic transfers – save time and money by setting up an automatic recurring transfer between accounts
- Direct deposit – deposit your Social Security, government checks or payroll check automatically
- Cash & Check card – automatically deducts purchase amount from your checking account. Apply online at www.ffmbank.com
- Order checks online at www.ffmbank.com
- Gift Cards - a gift that is right for all occasions. Available at most locations.

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Personal Banking SERVICES



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*Making it
easier for you...
to do business
with us.*

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For technical support, please call our Help Desk at 866-733-3444
Monday – Friday, 7:00 a.m. - 10:00 p.m. & Saturday, 7:00 a.m. - 5:00 p.m.
Email: helpdesk@ffmbank.com



www.ffmbank.com

02/23



All checking accounts offer FF&M Cash & Check Card, Ready Check Personal Line of Credit, and FF&M VISA credit card upon approval.

Everyday Account

- No minimum daily balance
- A minimum opening deposit of \$50 is required

Interest Checking

- A minimum opening deposit of \$500 is required
- Interest bearing
- \$500 minimum daily balance to avoid service charges



Golden Opportunity Checking

- Must be age 55 or older to qualify
- A minimum opening deposit of \$50 is required
- Interest bearing
- No minimum daily balance

First Value Checking

- A minimum opening deposit of \$50 is required
- Interest bearing
- Account benefits: Free specialty checks and unlimited check writing, free online bill payment, no fee for money orders and cashiers checks, free notary service, free copying service (up to 10/month), and safe deposit box credit
- All features and benefits available by choosing one of the following options:
 - 1 – \$10,000 combined daily balance in IRA, checking, savings, or certificate accounts (service charge if qualifying balance falls below \$10,000)

OR

- 2 – Automatic \$6 monthly fee

Interest rates and service charges are determined by the bank. Please visit or call the bank for current information.

Save money by going paperless!

Paper statements are available for a monthly service fee of \$5 per checking account opened on 8/1/16 or after. Must enroll for e-Statements within 30 days of account opening to avoid fee.



Statement Savings

- A minimum opening deposit of \$50 is required
- \$50 average daily balance in order to avoid service charges
- Interest bearing
- Minor savings customers under 18 years of age have no daily balance requirements, no service charges and no opening deposit requirements.

Savers Plus

- A minimum opening deposit of \$2,500 is required
- \$2,500 average daily balance in order to avoid service charges
- Interest bearing
- Account benefits: No fee for money orders or cashier's checks

Christmas Club

- No minimum opening deposit
- No minimum daily balance required
- Interest bearing
- Set up an automatic transfer between accounts or make deposits in person
- Save money for the holidays with this account and a special check will be mailed to you or automatically deposited into a designated account in November

IRA Savings

- A minimum opening deposit of \$50 is required
- See IRA custodial agreement for withdrawal limitations

Health Savings Account

- A minimum opening deposit of \$50 is required
- \$50 average balance in order to avoid service charges
- See HSA custodial agreement for withdrawal limitations

Interest rates and service charges are determined by the bank. Please visit or call the bank for current information.



Certificates of Deposit

- \$1,000 minimum daily balance to open and maintain account
- Fixed rate and term

Freedom Step Up Certificate of Deposit*

- \$1,000 minimum daily balance to open and maintain account
- One-time rate change after 6 months
- Fixed rate and term

*Fairmont & St. Paul locations only.

IRA Certificates of Deposit

- \$1,000 minimum daily balance to open and maintain account
- Fixed rate and term
- See IRA custodial agreement for withdrawal limitations

Consumer Loans

- For many purposes such as vehicle purchase, consumer goods, home improvement, debt consolidation, medical or tax liabilities, vacations and more
- Ready Check Personal Line of Credit

Electronic services to enhance your use of our deposit products:

- Online Banking
- Mobile Banking
- Online Bill Pay
- e-Statements
- e-Alerts
- PopMoney
- Automatic transfers
- Gift Cards – Available at most locations.
- Mobile Deposit

Interest rates and service charges are determined by the bank. Please visit or call the bank for current information.





Ubicaciones del banco

- Austin** • 128 North Main Street • Austin, MN 55912-0397 • Tel. 507-433-3473
- Bellechester** • 601 1st Street • Bellechester, MN 55027 • Tel. 651-923-4900
- Brownsdale** • 106 West Main Street, P.O. Box 157 • Brownsdale, MN 55918-0157
Tel. 507-567-2219
- Cannon Falls** • 920 4th Street South, P.O. Box 548 • Cannon Falls, MN 55009
Tel. 507-263-3030
• Econo Foods, 425 Main Street W, P.O. Box 548
Cannon Falls, MN 55009 • Tel. 507-263-0630
- Fairmont** • 114 S. Park Street, P.O. Box 411 • Fairmont, MN 56031-0411
Tel. 507-235-5556
- Grand Meadow** • 105 North Main Street, P.O. Box 188
Grand Meadow, MN 55936-0188 • Tel. 507-754-5123
- Goodhue** • 202 3rd Avenue, P.O. Box 158 • Goodhue, MN 55027
Tel. 651-923-4455
- Le Sueur** • 112 South Main Street • Le Sueur, MN 56058-1909
Tel. 507-665-BANK (2265)
- Luverne** • 303 East Main Street, P.O. Box 989 • Luverne, MN 56156-0989
Tel. 507-283-4463
- Pipestone** • 107 East Main Street, P.O. Box 729 • Pipestone, MN 56164-0729
Tel. 507-825-3301
- Racine** • 19 East Main, P.O. Box 42 • Racine, MN 55967-0042 • Tel. 507-378-5121
- Red Wing** • 3141 North Service Drive • Red Wing, MN 55066
Tel. 651-267-3340
- St. Paul** • 332 Minnesota Street, Suite E160 • St. Paul, MN 55101-1338
Tel. 651-228-9900
- Stewartville** • 111 20th Street NE • Stewartville, MN 55976-7915
Tel. 507-533-4081
- White Rock** • 13313 County 1 Blvd, P.O. Box 548 • Cannon Falls, MN 55009
Tel. 651-258-4430

Para comunicarse con un banco por correo electrónico, utilice la sección "Contáctenos" de nuestro sitio web.

Banca personal SERVICIOS



We believe in you.TM

ty, | member F.U.C. And the communi



Cuentas de cheques

Todas las cuentas de cheques ofrecen la tarjeta FF&M Cash & Check Card, la línea de crédito Ready Check Personal, y una tarjeta de crédito FF&M VISA previa aprobación.

Todos los días Banca

- Sin saldo diario mínimo
- Se requiere un depósito inicial mínimo de \$50

Cuenta de cheques que genera intereses

- Saldo diario mínimo de \$500
- Se requiere un depósito inicial mínimo de \$500
- Cargo por servicio si el saldo diario mínimo es menor que \$500
- Genera intereses



Cuenta de cheques Golden Opportunity

- Sin saldo diario mínimo
- Se requiere un depósito inicial mínimo de \$50
- Se debe tener 55 años o más para calificar
- Sin cargo mensual por servicio
- Genera intereses

Cuenta de cheques First Value

- Se requiere un depósito inicial mínimo de \$50
- Genera intereses
- Todas las características y los beneficios disponibles al elegir una de las siguientes opciones:
 - 1 – Gratis con un saldo diario combinado de \$10,000 en cuentas IRA, de cheques, de ahorro o de certificados de depósito (cargo por servicio si el saldo calificador es menor que \$10,000)
 - 2 – Cargo mensual automático de \$6 por mes
- Beneficios de la cuenta: Cheques especiales gratuitos y emisión ilimitada de cheques, pago en línea de facturas gratis, sin cargo para giros postales y cheques de caja, servicio de notario gratis, servicio de copia gratis (hasta 10/mes) y crédito de caja de seguridad para depósitos

Estados de cuenta impresos están disponibles por una tarifa mensual por servicio de \$5 por cuenta corriente abierta a partir del 08/01/16. Debe registrarse para obtener estados de cuenta electrónicos dentro de los 30 días de la apertura de la cuenta.

Cuentas de ahorro



Cuenta de ahorro sin libreta

- Saldo promedio mínimo de \$50
- Se requiere un depósito inicial mínimo de \$50
- Cargo por servicio si el saldo promedio mínimo es menor que \$50*
- Genera intereses

Savers Plus

- Saldo promedio mínimo de \$2,500
- Se requiere un depósito inicial mínimo de \$2,500
- Cargo por servicio si el saldo promedio mínimo es menor que \$2,500
- Genera intereses
- Beneficios de la cuenta: Sin cargo para giros postales o cheques de caja

Christmas Club

- Sin saldo promedio mínimo
- Genera intereses
- Configure una transferencia automática entre las cuentas o haga depósitos en persona
- Ahorre dinero para las fiestas con esta cuenta y se le enviará un cheque especial por correo o se depositará automáticamente en una cuenta designada en noviembre

Cuentas de jubilación individual (IRA)

- Se requiere un depósito inicial mínimo de \$50
- Ver acuerdo de custodia de IRA para las limitaciones de retiros

Cuenta de ahorro para gastos médicos (HSA)

- Se requiere un depósito inicial mínimo de \$50
- Cargo por servicio si el saldo promedio mínimo es menor que \$50
- Ver acuerdo de custodia de HSA para las limitaciones de retiros

*Ahorros menores de 18 años de edad no tienen saldo diario mínimo, cargo por servicio ni saldo diario mínimo para abrirla.

El banco determina las tasas de interés y los cargos por servicio. Visite o llame al banco para obtener información actualizada.

Certificado Préstamos al consumidor Servicios electrónicos



Certificados de depósito

- Saldo diario mínimo de \$1,000 para abrir y mantener la cuenta
- Tasa y plazo fijos

Certificado de depósito Freedom Step Up*

- Saldo diario mínimo de \$1,000 para abrir y mantener la cuenta
- Cambio de tasa una vez después de 6 meses

Tasa y plazo fijos

*Solo Fairmont y St. Paul.

Certificados de depósito IRA

- Saldo diario mínimo de \$1,000 para abrir y mantener la cuenta
- Tasa y plazo fijos
- Ver acuerdo de custodia de IRA para las limitaciones de retiros

Préstamos de consumo

- Para muchos propósitos, como compra de un vehículo, bienes de consumo, mejoras para el hogar, consolidación de deudas, pasivos médicos o fiscales, vacaciones y más
- Línea de crédito Ready Check Personal

Servicios electrónicos para mejorar su uso de nuestros productos de depósito:

- Banca en línea
- Banca móvil
- Pago de facturas en línea
- Estados de cuenta electrónicos
- Alertas electrónicas
- PopMoney
- Transferencias automáticas
- Tarjetas de regalo. Disponible en la mayoría de lugares
- Depósito móvil

El banco determina las tasas de interés y los cargos por servicio. Visite o llame al banco para obtener información actualizada.



Liberty National Bank Location & Hours

Sioux Falls-Downtown

133 S Main Ave
Sioux Falls, SD 57104
(605)782-4500
Fax: (605)782-4501

Lobby Hours:

M-F 8:30 a.m. – 4:30p.m.
Sat-Sun Closed

Drive-Up Hours:

M-F 8:00 a.m. – 5:00p.m.
Sat-Sun Closed

Elk Point

112 E Main St
Elk Point, SD 57025
(605)356-2611
Mailing Address:
P.O. Box 10
Elk Point, SD 57025
Fax: (605)356-2905

Lobby Hours:

M-F 8:30a.m. – 4:30p.m.
Sat-Sun Closed

Drive Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat 8:00a.m.-12:00p.m.
Sun Closed

Okoboji

1807 Hwy 71 N
Okoboji, IA 51355
(712)332-6424
Mailing Address:
P.O. Box 109
Okoboji, IA 53155
Fax: (712)332-6433

Lobby Hours:

M-F 8:30a.m.-4:30p.m.
Sat-Sun Closed

Drive Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat 8:00a.m.-12:00p.m.
Sun Closed

Sioux Falls-Westside

3520 S Louise Ave
Sioux Falls, SD 57106
(605)362-1272 Alt phone (888)646-7695
Fax: (605)362-9620

Lobby Hours:

M-F 8:30a.m.-4:30p.m.
Sat-Sun Closed

Drive-Up Hours:

M-F 8:00a.m.-5:00p.m.
Sat: 8:00a.m.-12:00p.m.
Sun Closed

North-Sioux City

113 Military Rd.
North Sioux City, SD 57049
(605)232-4341
Mailing Address:
P.O. Box 1811
North Sioux City, SD 57049
Fax: (605)232-4342

Lobby Hours:

M-F 8:30a.m. -4:30p.m.
Sat-Sun Closed

Drive Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat-Sun Closed

Dakota Dunes

324 Dakota Dunes Blvd.
Dakota Dunes, SD 57049
(605)217-4425
Fax: (605)217-4426

Lobby Hours:

M-F 8:30a.m.-4:30p.m.
Sat-Sun Closed

Drive-Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat 8:00a.m.-12:00p.m.
Sun Closed

Liberty National Bank Location and Hours (continued)

Sioux City

4425 Singing Hills Blvd.
Sioux City, IA 51106
(712)224-4425
Alt Phone (800)579-4425
Fax: (712)224-4426

Lobby Hours:

M-F 8:30a.m.-4:30p.m.
Sat & Sun Closed

Drive Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat 8:00a.m.-12:00p.m.
Sun Closed

Johnston

5260 N.W. 86th St.
Johnston, IA 50131
(515)252-3140
Fax: (515)252-3141

Lobby Hours:

M-F 8:30a.m.-5:00p.m.
Sat-Sun Closed

Drive-Up Hours:

M-F 8:00a.m.-5:30p.m.
Sat-Sun Closed

Sioux Falls-Downtown ATM

133 S Main Ave.
Sioux Falls, SD 57104

Elk Point ATM

112 E Main St.
Elk Point, SD 57025

North Sioux City ATM

113 Military Rd.
North Sioux City, SD 57049

Dakota Dunes ATM

324 Dakota Dunes Blvd
Dakota Dunes, SD 57049

Johnson ATM

5260 N.W. 86th St.
Johnston, IA 50131

Sioux Falls-Westside ATM

3520 S. Louise Ave.
Sioux Falls, SD 57106

Jefferson ATM-Inside Amoco

48171 330th St.
Jefferson, SD 57038

Okoboji ATM

1807 Hwy. 71 N.
Okoboji, IA 51355

Sioux City ATM

4425 Singing Hills Blvd.
Sioux City, IA 51106

Make Energy Efficiency Upgrades Affordable with Fix Up

Old furnace leaving you out in the cold?
Need to replace the A/C in time for summer?
Start your energy efficiency projects with help from a Minnesota Housing Fix Up loan.



Don't wait until the weather changes to get a new, energy efficient furnace or A/C, or update your windows, insulation, air sealing or water heater. These improvements will help you stay comfortable in your home and save on your energy costs. A Minnesota Housing Fix Up loan can help make it affordable.

The Fix Up Loan Program provides reduced interest rate loans for eligible energy efficiency improvements, in addition to loans for remodeling, repairs, and accessibility projects.

See how you can save on your project.

- **No equity? No problem.** Both secured (up to \$75,000) and unsecured (up to \$25,000) loan options are available.
- **It won't break your monthly budget.** Repayment terms go up to 20 years for lower monthly payments.
- **Fix Up is available to more Minnesotans than you may think.** Income limits are higher than you might think, with no limits for energy efficiency or accessibility projects.

Contact a lender near you.

Minnesota Housing participating lenders are your ticket to getting a Fix Up loan. Contact a lender today to discuss eligibility requirements and the application process.



651.296.8215
www.mnhousing.gov

In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.



Improve Your Home with Fix Up

Make your home improvement dreams a reality! Minnesota Housing works with local lenders to provide affordable home improvement loans for projects big or small.



Replace the roof. Renovate a bathroom or kitchen. Save on your energy bill with new windows. From small projects to big remodels, a Minnesota Housing Fix Up loan will help you achieve your home improvement vision **and** stay on budget.

The Fix Up Loan Program provides fixed interest rate loans for remodeling, repairs, accessibility, and energy efficiency improvements.

See how you can save on your project.

- **No equity? No problem.** Both secured (up to \$75,000) and unsecured (up to \$25,000) loan options are available.
- **It won't break your monthly budget.** Repayment terms go up to 20 years for lower monthly payments.
- **Fix Up is available to more Minnesotans than you may think.** Income limits are higher than you might think, with no limits for energy efficiency or accessibility projects.

Contact a lender near you.

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www.mnhousing.gov

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Minnesota Housing works with local lenders around the state to provide affordable home improvement loans. From small projects to big remodels, a Fix Up loan can help you achieve your vision without breaking your budget.



What are the program features?

Fix Up offers flexible financing options statewide:

- Loan amounts from \$2,000 up to \$75,000
- Fixed interest rates
- No income limits for energy or accessibility Fix Up loans
- Secured and unsecured loan options
- Less equity required compared with a traditional home improvement product
- Choose a contractor or do the work yourself
- Longer loan term options and monthly payments to meet your needs
- No prepayment penalty

Are there program requirements?

Fix Up borrowers must meet certain eligibility requirements, such as:

- Income limits (except for energy and accessibility loans)
- Minimum credit score
- Owner-occupancy requirement (single-family, condos, duplexes, triplexes and fourplexes are eligible)



www.mnhousing.gov/sites/homeowners/fixitup

What can I do with a Fix Up loan?

A Fix Up loan can be used to finance most permanent home improvements, such as:

- General home repairs and remodeling
- Bathroom or kitchen remodels
- Basement refinishing
- Windows, siding and roofing
- Porches, patios and decks
- Mold and radon mitigation
- Garages
- Landscaping, such as, regrading and fences
- Septic system replacement or repair
- Driveways
- Solar panels
- Energy efficiency improvements, such as, Energy Star-rated furnaces, central air conditioners, water heaters, and windows
- Accessibility improvements

I'm interested. What should I do next?

To discuss your eligibility for a Fix Up loan, find a **Minnesota Housing participating lender** with our **Lender Search tool** (www.mnhousing.gov/findalender). They can help you begin the application process and get you one step closer to making your house a home.

In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.

Minnesota Housing is a trusted state agency. We believe that housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

Whether you're just starting your home search or ready to tackle home improvements, we've got you covered. Learn more at mnhousing.gov.

**Improve Your Home
We can make it affordable!**

**mn MINNESOTA
HOUSING**

Fix Up Loan Program

**mn MINNESOTA
HOUSING**

mnhousing.gov/sites/homeowners/fixitup
651.296.8215 | 800.710.8871
mnhousing.solution@state.mn.us

This information will be made in alternative
format upon request 2022.09.12





MINNESOTA
HOUSING


*Hassle-free home improvement loans
from the Fix Up Loan Program.*


**HOME SWEET
RENOVATED HOME.**




UNLOCK YOUR DREAM HOME.

Whether you want to remodel, repair, make energy efficiency upgrades or make accessibility improvements, a Minnesota Housing Fix Up loan can help.

 **Unlock savings:** Affordable, fixed rate loans up to \$75,000

 **Unlock flexibility:** Secured and unsecured loans, repayment term options and the ability to hire a contractor or DIY

 **Unlock expertise:** You're in good hands with programs from a trusted state agency delivered to you by local lenders

LEARN MORE.

Talk to a participating lender to get started:

In connection with Single Family Division loan programs, Minnesota Housing is neither an originator of loans nor a creditor and is not affiliated with any Lender. To find out if you are eligible, or to apply for a loan, please contact a participating Lender.



PUBLIC DISCLOSURE

March 15, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Farmers & Merchants Bank
Certificate Number: 10168

920 4th Street South
Cannon Falls, Minnesota 55009

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

1100 Walnut St, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the credit needs in the assessment areas.
- First Farmers & Merchants Bank originated a majority of its small business, small farm, and home mortgage loans in its assessment areas.
- The geographic distribution of small farm, small business, and home mortgage loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration of loans among businesses and farms of different revenue sizes, and individuals of different income levels.
- First Farmers & Merchants Bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The bank demonstrated adequate responsiveness to community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

First Farmers & Merchants Bank is headquartered in Cannon Falls, Minnesota, and is a wholly owned subsidiary of 215 Holding Co., a six-bank holding company, in Minneapolis, Minnesota. In addition to the main office, the bank operates four full-service branches in Cannon Falls, Goodhue, Le Sueur, and Redwing, Minnesota; and two limited-service branches in Bellchester and Cannon Falls, Minnesota. The bank has not opened or closed any offices and has not been involved in any merger or acquisition activities since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated March 2, 2020, based on Interagency Small Institution Examination Procedures.

First Farmers & Merchants Bank's primary business focus continues to be agricultural and commercial lending. However, the bank also offers a variety of home mortgage and consumer loan products designed to meet the needs of the communities served. The bank provides long-term mortgage financing options through the secondary market, offers Minnesota Housing Fix-up Fund loans, and participates in commercial loan programs through the Small Business Administration (SBA). The bank also offers agricultural loans through the Rural Finance Authority, Farm Service Agency, Agricultural Best Management Practices Program, and Farmer Mac.

First Farmers & Merchants bank offers a variety of deposit and alternative banking services. Deposit products include checking, savings, money market, health savings, individual retirement accounts, and certificates of deposit. Alternative banking services include online banking, electronic monitoring and alerts of debit card and account activity, electronic bill pay and periodic statements, mobile transfers and deposits,; and access to a network of ATMs.

As of December 31, 2022, assets totaled approximately \$462.3 million, loans totaled \$273.2 million, and deposits totaled \$425.1 million. The loan portfolio distribution is illustrated in the following table.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	13,046	4.8
Secured by Farmland	57,955	21.2
Secured by 1-4 Family Residential Properties	44,813	16.4
Secured by Multifamily (5 or more) Residential Properties	14,169	5.2
Secured by Nonfarm Nonresidential Properties	50,284	18.4
Total Real Estate Loans	180,267	66.0
Commercial and Industrial Loans	49,158	18.0
Agricultural Production and Other Loans to Farmers	25,740	9.4
Consumer Loans	6,562	2.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	913	0.3
Lease Financing Receivable (net of unearned income)	10,517	3.9
Less: Unearned Income	0	(0.0)
Total Loans	273,157	100.0
<i>Source Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment area within which its CRA performance will be evaluated. First Farmers & Merchants Bank has designated two assessment areas; Goodhue and Le Sueur. The Goodhue Assessment Area includes all of Goodhue County, located in the nonmetropolitan area of Minnesota; and one census tract in Dakota County, located in the Minneapolis-St. Paul-Bloomington MN-WI Metropolitan Statistical Area (MSA). The census tract located in Dakota County does not contain a branch and is adjacent to Goodhue County. The Le Sueur Assessment Area includes all of Le Sueur County in the Minneapolis-St. Paul-Bloomington MN-WI MSA. Additional details regarding assessment area demographics and other information can be found in the Conclusions on Performance section for each respective assessment area. The following table describes the two assessment areas as presented throughout this performance evaluation in more depth by counties, census tracts, and branches.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Goodhue	Goodhue and Dakota	12	6
Le Sueur	Le Sueur	7	1
<i>Source Bank Data.</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 2, 2020, to the current evaluation dated March 15, 2023. No affiliate lending was considered as part of this evaluation. Examiners used the Intermediate Small Institution Examination Procedures to evaluate First Farmers & Merchants Bank’s CRA performance. These procedures evaluate an institution’s performance according to the Lending Test and Community Development Test, as detailed in the Appendices. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating.

Examiners completed a full scope review of both assessment areas given the level of loans, deposits, and branches in the Goodhue Assessment Area and the availability of information and opportunities for lending and community development activities in the Le Sueur Assessment Area. When reaching overall conclusions, the Goodhue Assessment Area was afforded the most weight based on the volume of loan and deposit activity, distribution of branches, and discussions with management. See the following table for a breakdown of this information for each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Goodhue	206,777	77.1	341,994	82.1	6	85.7
Le Sueur	61,526	22.9	74,362	17.9	1	14.3
Total	268,303	100.0	416,356	100.0	7	100.0

Source Bank Data as of 6/30/2022; FDIC Summary of Deposits as of 6/30/2022

Activities Reviewed

Examiners determined that the bank’s major product lines to be small business and small farm lending, with a secondary focus on home mortgage lending. This conclusion considered the bank’s business strategy, 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 and small farm lending received the most weight and equal consideration when deriving overall conclusions. This is consistent with the bank’s loan portfolio composition, volume of loans recently originated, and management’s stated business focus.

Bank records indicate the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small business, small farm, and home mortgage loans originated or renewed in 2022, based on the bank’s records as this period was considered representative of the bank’s performance during the entire evaluation period. D&B data for 2022 provided a standard of comparison for the bank’s small business and small farm lending performance. The 2020 U.S. Census data provided a standard of comparison for home mortgage lending.

For the Lending Test, examiners reviewed the entire universe of small business, small farm, and home mortgage loans to evaluate the Assessment Area Concentration criterion. All loans originated

inside the assessment areas were further reviewed to evaluate the Geographic Distribution criterion. To evaluate the Borrower Profile criterion, examiners reviewed a sample of small business, small farm, and home mortgage loans originated or renewed inside of the assessment areas. Examiners did not present home mortgage lending performance for the Le Sueur Assessment Area as this product is not a business focus of this assessment area and the volume of loans originated would not provide meaningful conclusions. Additionally, small business and small farm loans considered under the Community Development Test were excluded from the Lending Test review. The table below provides information on the number and dollar volume of loans reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	85	11,427	41	4,738
Small Business	187	29,321	51	6,353
Small Farm	250	28,468	55	5,912
<i>Source Bank Data</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, farms, and individuals served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services from the prior evaluation date of March 2, 2020, to the current evaluation date of March 15, 2023. Examiners reviewed community development activity for the entire review period, presenting the information for each year and assessment area, within this performance evaluation. Four comparable institutions are referenced for performance context within the Community Development Test discussion.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Farmers & Merchants Bank demonstrated satisfactory performance under the Lending Test. The bank’s performance under all of the evaluated criteria support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution’s size and financial condition and the credit needs in the assessment areas. The bank’s ratio, calculated from Report of Condition data, averaged 66.1 percent over the past 12 calendar quarters beginning March 31, 2020, and ending December 31, 2022. The ratio ranged from a high of 84.2 percent as of March 31, 2020, to a low of 57.9 percent as of September 30, 2021. According to management, during the global pandemic, consumers were saving more and spending less, with commercial and agricultural customers holding SBA Paycheck Protection Program (PPP) funds in their accounts until operations resumed and businesses opened back up.

Examiners confirmed the bank’s deposits increased approximately 49.8 percent, during the global pandemic, from March 31, 2020, to December 31, 2022. Additionally, First Farmers & Merchants Bank maintained a ratio that reasonably compares to the similarly situated institutions shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2022 (\$000s)	Average Net LTD Ratio (%)
First Farmers & Merchants Bank Cannon Falls, Minnesota	462,251	66.1
Citizens Bank Minnesota New Ulm, Minnesota	581,176	67.9
Community Resource Bank Northfield, Minnesota	375,385	90.4
Hometown Bank Redwood Falls, Minnesota	539,421	60.4
<i>Source Reports of Condition and Income 3/31/2020 – 12/31/2022</i>		

Assessment Area Concentration

First Farmers & Merchants Bank originated a majority of small business, small farm, and home mortgage loans within its assessment areas as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	66	77.6	19	22.4	85	7,930	69.4	3,497	30.6	11,427
Small Business	152	81.3	35	18.7	187	22,477	76.7	6,844	23.3	29,321
Small Farm	214	85.6	36	14.4	250	25,540	89.7	2,928	10.3	28,468
<i>Source Bank Data</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion overall, indicating the bank’s willingness to extend small business, small farm, and home mortgage loans throughout the Goodhue and Le Sueur assessment areas. Reasonable performance in the Goodhue Assessment Area primarily supports this conclusion. Although the Le Sueur Assessment Area performance was excellent, performance in the assessment area received less weight when deriving overall conclusions. Refer to comments specific to each assessment area later in this evaluation for further information.

Borrower Profile

The distribution of borrowers reflects reasonable penetration of loans overall, indicating a willingness to extend loans to businesses and farms of different sizes, and individuals of different income levels. Reasonable performance in the Goodhue and Le Sueur Assessment Areas supports

this conclusion. Refer to comments specific to each assessment area later in this evaluation for further information.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

First Farmers & Merchants Bank demonstrated satisfactory performance under the Community Development Test. The bank's community development performance demonstrates adequate responsiveness to the needs of its assessment areas through community development loans, qualified investments, and community development services. The bank's responsiveness to community development lending and community services provided the most weight when deriving the overall conclusion. Examiners considered the bank's capacity and the need and availability of such opportunities within the assessment area.

Comparable institutions are used in the analysis of a financial institution to help provide perspective on a bank's performance. For this evaluation, examiners reviewed the activities of four comparable institutions. These institutions operate in assessment areas similar to those of First Farmers & Merchants Bank, and were all evaluated after November 1, 2020, using Interagency Intermediate Small Institution Examination Procedures. All four institutions' performance included PPP lending, given the timeframe of the evaluations. First Farmers & Merchants Bank's overall community development performance compares reasonably to these institutions.

First Farmers & Merchants Bank was responsive to the community development needs of its assessment areas as identified through the community contact's comments and by the demographic and economic data. Therefore, community development activities benefitting a broader statewide or regional area were also considered as part of this evaluation.

Community Development Loans

First Farmers & Merchants Bank originated or renewed 473 community development loans totaling approximately \$30.4 million throughout its assessment areas and broader statewide or regional area, since the previous evaluation. The bank extended loans in an effort to promote economic development by supporting permanent job creation or retention, and improving living conditions for low- and moderate-income persons through initiatives focused on affordable housing and revitalization and stabilization. This lending activity included 442 SBA PPP loans, totaling approximately \$18.9 million, originated between April 2020 and the date of this evaluation. These PPP loans helped to promote economic development by financing small businesses and by revitalizing or stabilizing low- or moderate-income geographies, inside and outside the bank's assessment areas, as they struggled with the financial impact of the global pandemic.

The bank's ratio of community development loans to total assets is 6.6 percent, which compares reasonably to the ratios of the comparable institutions, ranging from 5.3 to 22.9 percent. The bank's community development loans to net loans ratio is 11.2 percent, which also compares reasonably to the ratios of comparable institutions, ranging from 8.6 to 27.0 percent.

The following tables provide a breakdown of the community development loans by activity year and by area benefited for each community development purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	0	0	104	7,881	50	3,884	154	11,765
2021	1	374	0	0	268	7,390	33	5,521	302	13,285
2022	5	3,424	0	0	9	1,556	3	352	17	5,332
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	6	3,798	0	0	381	16,827	86	9,757	473	30,382

Source Bank Data

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Goodhue	2	585	0	0	364	15,922	46	4,468	412	20,975
Le Sueur	1	374	0	0	14	551	39	2,289	54	3,214
Statewide Activities	3	2,839	0	0	3	354	1	3,000	7	6,193
Total	6	3,798	0	0	381	16,827	86	9,757	473	30,382

Source Bank Data

Qualified Investments

Qualified investments and donations, funded since the previous evaluation, were considered under this criterion. First Farmers & Merchants Bank received consideration for 42 qualified investments, totaling approximately \$2.1 million. This total included 39 donations totaling approximately \$33.0 thousand, which promoted community development by donating to organizations that provide economic development services to small businesses in the assessment areas.

When aggregated for the evaluation period, the First Farmers & Merchants Bank’s qualified investments to total assets ratio was 0.5 percent and represents 1.2 percent of total investments. The bank’s qualified investments to total assets ratio is slightly lower than the four peer institutions whose ratios ranged from 0.7 to 2.2 percent. The bank’s qualified investments to total investments ratio is also slightly lower than peer institutions’ ratios, which ranged from 1.8 to 14.7 percent. Management indicated it has been difficult to identify and purchase investments targeted for community development. Although the bank’s ratios are slightly lower than comparable banks, First Farmers & Merchants Bank’s community development investment and donation activity was considered responsive to the needs within the assessment areas over the evaluation period.

The following tables illustrate the bank’s qualified investments by activity year and by area benefited for each community development purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	1	900	0	0	1	900
2020	0	0	0	0	1	362	0	0	1	362
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	1	817	0	0	1	817
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	3	2,079	0	0	3	2,079
Qualified Grants & Donations	2	1	19	9	18	23	0	0	39	33
Total	2	1	19	9	21	2,102	0	0	42	2,112
<i>Source Bank Data</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Goodhue	2	1	11	7	16	2,099	0	0	29	2,107
Le Sueur	0	0	8	2	5	3	0	0	13	5
Total	2	1	19	9	21	2,102	0	0	42	2,112
<i>Source Bank Data</i>										

Community Development Services

Bank employees devoted time and technical expertise to various organizations that provide community services to low- and moderate-income individuals, affordable housing options, and promote economic development within the assessment areas. Since the previous evaluation, employees provided 34 services that meet the definition of community development under the CRA. The amount of services provided by bank employees are within the range of the comparable institutions, reporting 11 to 53 qualified activities. The following tables illustrate the bank's qualified services by activity year and by area benefitted, for each community development purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	1	6	4	0	11
2021	1	6	5	1	13
2022	2	4	3	1	10
YTD 2023	0	0	0	0	0
Total	4	16	12	2	34
<i>Source Bank Data</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Goodhue	4	10	8	0	22
Le Sueur	0	6	2	2	10
Statewide/Regional Activities	0	0	2	0	2
Total	4	16	12	2	34
<i>Source Bank Data</i>					

In addition to the services noted above, First Farmers & Merchants Bank’s Le Sueur branch and an ATM are located in a moderate-income census tract. Additionally, the bank offers free checking and savings accounts, and provides no cost electronic and mobile banking services. Branch hours provide residents easy access to personalized services, while electronic banking options provide convenient 24-hour access to account information and funds. Overall, the bank provides reasonable access to product and services, specifically designed to meet the needs of the communities served; including low- and moderate-income residents.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution’s overall CRA rating.

GOODHUE ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GOODHUE ASSESSMENT AREA

The Goodhue Assessment Area consists of all census tracts in Goodhue County, located in the nonmetropolitan area of Minnesota, and one census tract in Dakota County, located in the Minneapolis-St. Paul-Bloomington MN-WI MSA.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area includes 12 census tracts comprised of 1 moderate-, 5 middle- and 6 upper-income tracts. The bank’s Cannon Falls branches are located in middle-income census tracts, and the Goodhue, Bellchester, and Redwing branches are located in upper-income census tracts in the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Goodhue						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	8.3	41.7	50.0	0.0
Population by Geography	51,356	0.0	5.9	42.7	51.5	0.0
Housing Units by Geography	22,218	0.0	5.8	43.2	50.9	0.0
Owner-Occupied Units by Geography	16,022	0.0	4.2	43.8	51.9	0.0
Occupied Rental Units by Geography	5,053	0.0	11.5	43.8	44.7	0.0
Vacant Units by Geography	1,143	0.0	3.4	32.3	64.3	0.0
Businesses by Geography	5,046	0.0	9.8	36.1	54.1	0.0
Farms by Geography	628	0.0	2.2	28.8	68.9	0.0
Family Distribution by Income Level	13,730	12.1	16.9	22.6	48.3	0.0
Household Distribution by Income Level	21,075	17.6	15.3	18.0	49.1	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$103,977	Median Housing Value			\$222,992
Median Family Income Non-Metropolitan - MN		\$74,737	Median Gross Rent			\$857
			Families Below Poverty Level			4.9%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

D&B data for 2022 indicates that service industries represent the largest portion of businesses in the assessment area at 32.5 percent; followed by non-classifiable establishments at 16.9 percent; agricultural, forestry, and fishing at 11.1 percent; and retail trade at 10.5 percent. In addition, 67.6 percent of area businesses have 4 or fewer employees, and 92.1 percent operate from a single

location.

The Federal Financial Institutions Examination Council (FFIEC) provides updated median family incomes that are used to analyze home mortgage loans under the Borrower Profile criterion as well as community development activities. The low-, moderate-, middle-, and upper-income categories for the evaluation period are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Minneapolis-St. Paul-Bloomington, MN-WI MSA Median Family Income (33460)				
2022 (\$117,800)	<\$58,900	\$58,900 to <\$94,240	\$94,240 to <\$141,360	≥\$141,360
MN NA Median Family Income (99999)				
2022 (\$83,600)	<\$41,800	\$41,800 to <\$66,880	\$66,880 to <\$100,320	≥\$100,320
<i>Source FFIEC</i>				

Competition

The assessment area is a moderately competitive market for credit products and financial services. According to FDIC Deposit Market Share data as of June 30, 2021, there were 16 financial institutions operating 23 locations in the assessment area. These institutions range from small community banks to larger national financial institutions. First Farmers & Merchants Bank is ranked 1st with 22.9 percent of the deposit market share.

Although First Farmers & Merchants Bank is not required to report CRA data, examiners confirmed the high level of competition for small business and small farm loans by reviewing the 2021 aggregate lending data from CRA reporters. This data indicates that 123 lenders reported 11,166 combined small business and small farm loans totaling approximately \$454.2 million inside the assessment area. These figures do not include the number of small business and small farm loans originated by smaller institutions that are not required to report lending data but operate within the assessment area.

Credit and Community Development Needs and Opportunities

Examiners considered comments made by bank management and information received from demographic and economic data, to determine commercial lending represents the primary credit needs of the Goodhue Assessment Area. In addition, community development opportunities in the area include economic development and increased availability of affordable housing stock.

CONCLUSIONS ON PERFORMANCE CRITERIA IN GOODHUE ASSESSMENT AREA

LENDING TEST

First Farmers & Merchants Bank demonstrated reasonable performance under the Lending Test in the Goodhue Assessment Area. The bank’s Geographic Distribution and Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s reasonable performance for all three products supports this conclusion. There are no low-income census tracts in the Goodhue Assessment Area; therefore, examiners focused on the percentage by number of loans in the moderate-income tracts in the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. The following table indicates that the bank’s lending performance in the moderate-income census tract is comparable to demographic data.

Geographic Distribution of Small Business Loans Goodhue Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	9.8	14	9.9	3,381	15.7
Middle	36.1	65	46.1	8,870	41.1
Upper	54.1	62	44.0	9,327	43.2
Total	100.0	141	100.0	21,578	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As illustrated in the table below, the bank did not originate any small farm loans in the assessment area’s moderate-income census tract. However, only 2.2 percent of area farms are located in this tract and there is high competition for these loans.

Geographic Distribution of Small Farm Loans Goodhue Assessment Area					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	2.2	0	0.0	0	0.0
Middle	28.9	39	20.2	4,740	20.7
Upper	68.9	154	79.8	18,143	79.3
Total	100.0	193	100.0	22,883	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank’s performance of lending in the moderate-income census tract exceeds, but is still comparable to, demographic data.

Geographic Distribution of Home Mortgage Loans Goodhue Assessment Area					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	4.2	3	5.1	191	3.1
Middle	43.8	21	35.6	1,990	32.0
Upper	52.0	35	59.3	4,045	64.9
Total	100.0	59	100.0	6,226	100.0

Source 2020 U.S. Census Data; Bank Data

Borrower Profile

The distribution of borrowers reflects overall reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. The bank’s reasonable performance for all three products supports this conclusion.

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 illustrated in the following table, the bank’s lending performance to businesses with gross annual revenues of \$1 million or less is lower than demographic data. However, there is significant competition for small business loans in the assessment area, which management and CRA aggregate data confirmed. Additionally, the majority of the PPP loans originated in the Goodhue Assessment Area were to customers with loan sizes of \$100,000 or less, indicating the bank’s willingness to serve the needs of smaller businesses. These loans are not reflected in the table below as they were considered under the Community Development Test. Based on these factors, performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category Goodhue Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	86.9	33	73.3	3,473	59.2
> \$1,000,000	3.9	12	26.7	2,389	40.8
Revenue Not Available	9.2	0	0.0	0	0.0
Total	100.0	45	100.0	5,862	100.0

Source 2022 D&B Data; Bank Data

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 table, the bank’s record of lending to farms with gross annual revenues of \$1 million or less slightly lags demographic data. Management stated, and market share data confirmed, there is competition in the assessment area for small farm loans, including alternative financing, which limits opportunities to lend.

Additionally, First Farmers & Merchants Bank assists small farmers who may not qualify for loans through conventional financing methods by participating in various government back farm loan programs. Based on these factors, performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category Goodhue Assessment Area					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	98.7	42	85.7	4,440	81.6
> \$1,000,000	1.0	7	14.3	999	18.4
Revenue Not Available	0.3	0	0.0	0	0.0
Total	100.0	49	100.0	5,439	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels, as illustrated in the table below. The bank’s lending performance among low-income borrowers is comparable to demographic data, and lending performance among moderate-income borrowers exceeds demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level Goodhue Assessment Area					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	12.1	4	11.1	127	4.0
Moderate	16.9	8	22.2	571	18.0
Middle	22.6	6	16.7	506	15.9
Upper	48.4	18	50.0	1,970	62.1
Total	100.0	36	100.0	3,174	100.00
<i>Source 2020 U.S. Census Data; Bank Data</i>					

COMMUNITY DEVELOPMENT TEST

First Farmers & Merchants Bank’s community development performance demonstrates adequate responsiveness to the community development needs in the assessment area, considering the institution’s capacity, as well as the need and availability of community development opportunities.

Community Development Loans

The bank extended community development loans for affordable housing, economic development, and revitalization or stabilization purposes in the Goodhue Assessment Area. Specifically, the bank originated a total of 412 loans, totaling approximately \$21.0 million, which included 349 PPP loans.

Qualified Investments

During this evaluation period, the bank made 29 donations, totaling approximately \$2.1 million, in the Goodhue Assessment Area. These donations were made to organizations that provide community services to low- and moderate-income individuals, promote economic development, and promote affordable housing initiatives.

Community Development Services

Bank employees provided 22 instances of financial expertise or technical assistance, in the Goodhue Assessment Area. Services were provided to organizations that promote affordable housing, community services, and economic development.

LE SUEUR ASSESSMENT AREA– Full-Scope Review

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN
LE SUEUR ASSESSMENT AREA**

The Le Sueur Assessment Area consists of all census tracts in Le Sueur County, located in Minneapolis-St. Paul-Bloomington MN-WI MSA.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area includes 7 census tracts comprised of 1 moderate- and 6 middle-income tracts. The bank’s Le Sueur branch is located in a moderate-income census tract. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Le Sueur						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	28,674	0.0	16.3	83.7	0.0	0.0
Housing Units by Geography	12,788	0.0	15.2	84.8	0.0	0.0
Owner-Occupied Units by Geography	9,011	0.0	14.2	85.8	0.0	0.0
Occupied Rental Units by Geography	2,180	0.0	27.4	72.6	0.0	0.0
Vacant Units by Geography	1,597	0.0	4.0	96.0	0.0	0.0
Businesses by Geography	2,868	0.0	16.2	83.8	0.0	0.0
Farms by Geography	314	0.0	8.6	91.4	0.0	0.0
Family Distribution by Income Level	7,929	23.1	20.8	29.2	26.9	0.0
Household Distribution by Income Level	11,191	24.1	19.6	24.0	32.3	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA	\$103,977	Median Housing Value				\$219,095
		Median Gross Rent				\$839
		Families Below Poverty Level				6.0%
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.</i>						

D&B data for 2022 indicates that the service industry represents the largest portion of businesses in the assessment area at 28.8 percent; followed by non-classifiable establishments at 19.4 percent;

construction at 10.1 percent; and finance, insurance, and real estate at 9.9 percent. In addition, 67.2 percent of area businesses have 4 or fewer employees, and 93.9 percent operate from a single location.

Competition

The competition for credit products and financial services is moderately competitive, taking into account the size and rural nature of the assessment area. According to FDIC Deposit Market Share data as of June 30, 2022, 8 financial institutions operate out of 11 locations in the assessment area. These institutions range from small community banks to larger national financial institutions. First Farmers & Merchants Bank is ranked 6th with 9.9 percent of the areas deposit market share.

Although First Farmers & Merchants Bank is not required to report CRA data, examiners confirmed the high level of competition for small business and small farm loans by reviewing the 2021 aggregate lending data from CRA reporters. This data indicates that 37 lenders reported 696 combined small business and small farm loans totaling approximately \$23.2 million inside the assessment area. These figures do not include the number of small business and small farm loans originated by smaller institutions that are not required to report lending data but operate within the assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs, and what credit and community development opportunities may be available.

Examiners conducted a community contact with a representative from a community development entity that operates within the assessment area. According to the contact, assessment area economic conditions are stable, but stagnant with the current interest rate environment affecting area housing and business. Specifically, new home construction had slowed and some local businesses were postponing expansion projects. Additionally, low turnover of existing housing stock is making it difficult for lower income families to find housing. However, agricultural conditions are strong and local farmers experienced favorable growing conditions the previous couple of years resulting in high yields and profits.

Although unaware of any unmet credit needs, the contact felt commercial loans represented the area's primary credit need. However, the contact also noted competition with locally owned financial institutions deeply embedded within the communities limit lending opportunities for non-local institutions.

Credit and Community Development Needs and Opportunities

Examiners considered community contact comments, information received from bank management, and demographic and economic data, when determining the needs and opportunities in the Le Sueur Assessment Area. Examiners concluded that small business lending represents the primary credit need in the area. In addition, community development opportunities in the area include economic development, increased availability of affordable housing stock, and community services for low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LE SUEUR ASSESSMENT AREA

LENDING TEST

Overall, First Farmers & Merchants Bank demonstrated reasonable performance under the Lending Test in the Le Sueur Assessment Area, supported by reasonable Borrower Profile performance. Geographic Distribution performance was excellent, but did not raise the overall Lending Test assessment. Conclusions are based on the bank’s small business and farm lending performance in the area.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank’s excellent small business and small farm lending supports this conclusion. There are no low-income census tracts in the Le Sueur Assessment Area; therefore, examiners focused on the percentage by number of loans in the moderate-income tract in the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion. The following table indicates that the bank’s lending performance in the moderate-income census tract significantly exceeds demographic data.

Geographic Distribution of Small Business Loans Le Sueur Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	16.2	6	54.6	503	55.9
Middle	83.8	5	45.4	396	44.1
Total	100.0	11	100.0	899	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion. The following table indicates that the bank’s lending performance in the moderate-income census tract significantly exceeds demographic data.

Geographic Distribution of Small Farm Loans Le Sueur Assessment Area					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	8.6	8	38.1	1,115	42.0
Middle	91.4	13	61.9	1,542	58.0
Total	100.0	21	100.0	2,657	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration overall in the Le Sueur Assessment Area. The bank's reasonable small business and small farm lending performance supports this conclusion.

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 illustrated in the table below, the bank's record of lending to businesses with gross annual revenues of \$1 million or less lags demographic data. However, according to the community contact and bank management, competition for small business loans in the area is significant, which is supported by 2021 aggregate lending data. Additionally, the contact noted strong community support for locally owned and operated financial institutions, making it difficult for other financial institutions in the area to compete. Further, the bank originated 47 PPP loans in the Le Sueur Assessment Area, of which the majority were for \$100,000 or less. These loans are not included in this table as they were considered under the Community Development Test. Based on these factors, performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category Le Sueur Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	88.9	3	50.0	248	50.5
> \$1,000,000	3.5	3	50.0	243	49.5
Revenue Not Available	7.6	0	0.0	0	0.0
Total	100.0	6	100.0	491	100.0
<i>Source 2022 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 illustrated in the following table, the bank's lending performance to farms with gross annual revenues of \$1 million or less is lower than demographic data. According to the community contact and bank management, local farmers have not needed financing in recent years because of PPP funding and favorable growing conditions that have resulted in higher yields and profits. Additionally, management indicated that there have been numerous farm consolidations due to farmers reaching retirement age and/or the lack of interest by family members to maintain operations. As a result, the size and revenues of local area farms exceed what is considered small. Further, First Farmers & Merchants Bank offers additional small farm financing programs through the Farm Service Agency. Based on these factors, performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category Le Sueur Assessment Area					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	97.8	4	66.6	198	41.9
> \$1,000,000	1.6	2	33.4	275	58.1
Revenue Not Available	0.6	0	0.0	0	0.0
Total	100.0	6	100.0	473	100.0
<i>Source 2022 D&B Data; Bank Data</i>					

COMMUNITY DEVELOPMENT TEST

Although limited, First Farmers & Merchants Bank’s community development performance demonstrates adequate responsiveness to community development needs in the assessment area, considering the institution’s capacity, as well as the need and availability of community development opportunities.

Community Development Loans

The bank extended community development loans for affordable housing, economic development, and revitalization or stabilization purposes in the Le Sueur Assessment Area. Specifically, the bank originated a total of 54 loans, totaling approximately \$3.2 million, which included 47 PPP loans.

Qualified Investments

During this evaluation period, the bank made 13 donations, totaling approximately \$5,400. These donations were made to organizations that provide community services to low- and moderate-income individuals and promote economic development in the Le Sueur Assessment Area.

Community Development Services

Bank employees provided ten instances of financial expertise or technical assistance, in the Le Sueur Assessment Area. Services were provided to organizations that provide services to low- and moderate-income individuals and/or in low- and moderate-income areas, in addition to promoting economic development and revitalization and stabilization purposes.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No Public Comments Received in 2020

No Public Comments Received in 2021

No Public Comments Received in 2022

No Public Comments Received in 2023

LeSueur

112 South Main St.
LeSueur, MN 56058
507-665-2265

Cannon Falls & Family Fare

920 4th Street South
Cannon Falls, MN 55009
507-263-3030

Goodhue

202 3rd Avenue
Goodhue, MN 55027
651-923-4455

Bellechester

601 1st Street
Bellechester, MN 55027
651-923-4900

White Rock

13313 County 1 Blvd.
Cannon Falls, MN 55009
651-258-4430

Red Wing

3141 N. Service Drive
Red Wing, MN 55066
651-267-3340

Loan to Deposit Ratio

First Farmers & Merchants' month end Loan to Deposit Ratio for the 2024 calendar year, reported on a quarterly basis, as stated in the First Farmers & Merchants Call Reports and reported in the Uniform Bank Performance Report, is as follows:

March 2024	69.95
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June 2024	71.29
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September 2024	
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December 2024	
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Loan to Deposit Ratio

First Farmers & Merchants' month end Loan to Deposit Ratio for the 2023 calendar year, reported on a quarterly basis, as stated in the First Farmers & Merchants Call Reports and reported in the Uniform Bank Performance Report, is as follows:

March 2023	68.30
June 2023	69.63
September 2023	70.63
December 2023	69.08

Loan to Deposit Ratio

First Farmers & Merchants' month end Loan to Deposit Ratio for the 2022 calendar year, reported on a quarterly basis, as stated in the First Farmers & Merchants Call Reports and reported in the Uniform Bank Performance Report, is as follows:

March 2022	60.64
June 2022	60.13
September 2022	65.80
December 2022	63.58

Loan to Deposit Ratio

First Farmers & Merchants' month end Loan to Deposit Ratio for the 2021 calendar year, reported on a quarterly basis, as stated in the First Farmers & Merchants Call Reports and reported in the Uniform Bank Performance Report, is as follows:

March 2021	60.35
June 2021	60.24
September 2021	57.94
December 2021	58.08

"Institution's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (Bureau's) website at www.consumerfinance.gov/hmda."



HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda).