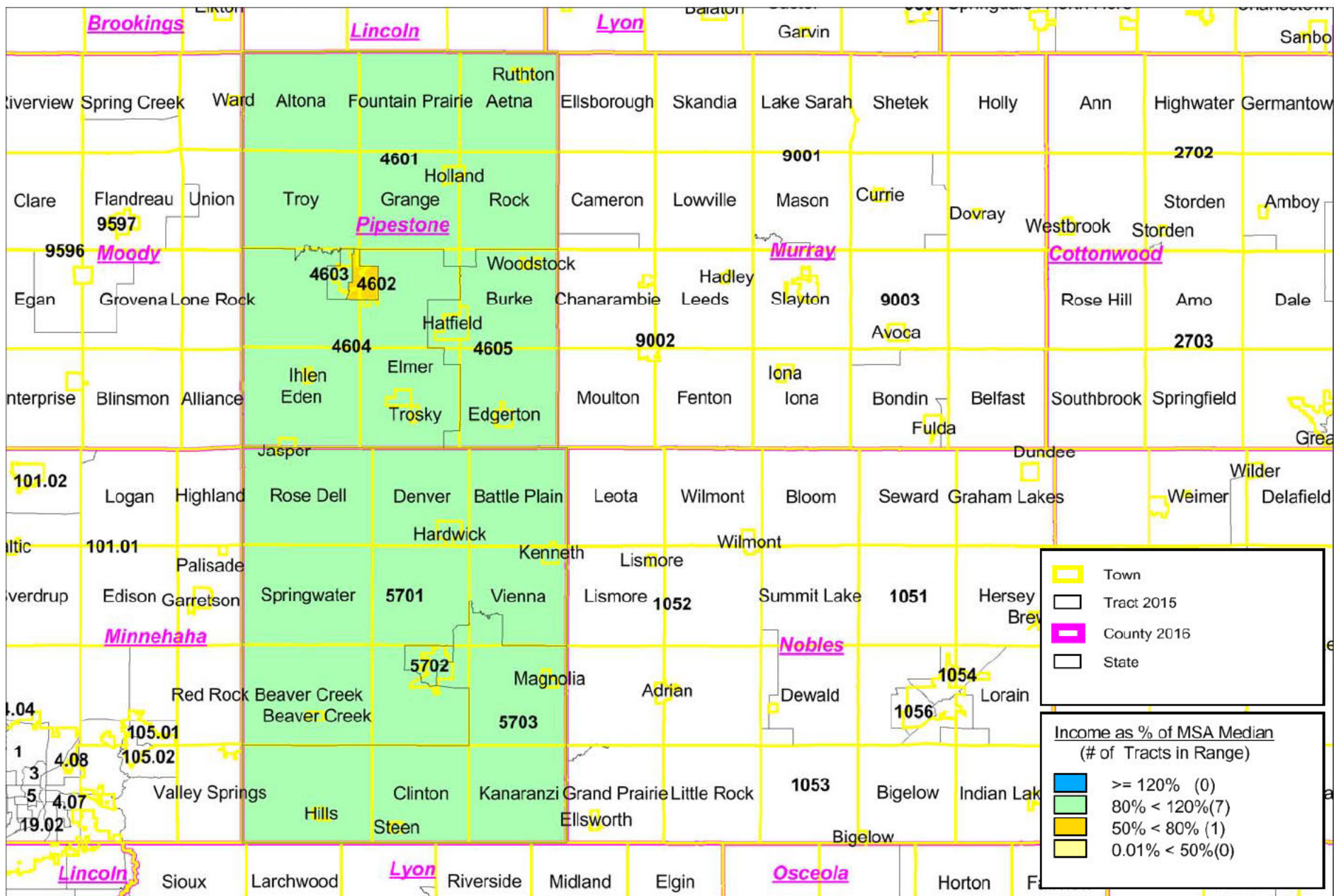


## CRA PUBLIC FILE

The Bank's assessment area consists of Pipestone and Rock Counties. They are shown on the accompanying map and include the areas within the census tracts defined as:

- 4601 - Pipestone County
- 4602 – Pipestone County
- 4603 – Pipestone County
- 4604 – Pipestone County
- 4605 - Pipestone County
- 5701 – Rock County
- 5702 – Rock County
- 5703 – Rock County

Luverne/Pipestone Assessment Area  
 Pipestone & Rock Counties 2018



Locations & Hours – First Farmers & Merchants National Bank

**Luverne Branch – Census Tract 5702**

303 East Main St.  
PO Box 989  
Luverne, MN 56156

Phone: 507-283-4463  
Fax: 507-283-9459

**Hours**

Lobby: 9:00 a.m. – 4:30 p.m. Monday – Friday. Closed Saturday & Sunday.  
Drive-up: 7:45 a.m. – 5:00 p.m. Monday – Thursday. 7:45 a.m. – 5:30 p.m. Friday. Closed Saturday & Sunday

**Pipestone Branch – Census Tract 4602**

107 East Main St.  
PO Box 729  
Pipestone, MN 56164

Phone: 507-825-3301  
Fax: 507-825-5622

**Hours**

Lobby: 9:00 a.m. – 4:00 p.m. Monday – Friday. Closed Saturday & Sunday.  
Drive-up/Walk-up: 8:00 a.m. – 5:00 p.m. Monday – Friday. 8:30 a.m. – 12:00 p.m. Saturday. Closed Sunday.

## Branches – Open/Closed

The following is a list of branches opened or closed within the current and previous two years:

2025: None opened  
None closed

2024: None opened  
None closed

2023: None opened  
None closed

As a commitment to our current and prospective customers, we make every effort to provide a variety of products and services to assist in meeting their financial needs. One consideration in the delivery of these services is costs. We realize that many more financial products and services may exist in the market place; however, the cost of delivery may be restricted based upon cost of technology, personnel, our geographic location or regulatory burden in some instances.

We feel that we have been successful in meeting the consumer's needs with the following deposit-related services we currently offer:

Everyday Banking  
Interest Checking  
Golden Opportunity Checking  
Platinum Checking  
Health Savings Account  
Statement Savings  
Savers Plus  
Small Business Checking  
Business Checking  
Business Interest Checking  
Sweep Account  
Business Statement Savings  
Savers Plus Business  
Minor Statement Savings  
Custodial Statement Savings (UTMA)  
Certificates of Deposit  
Freedom Step-Up Certificates  
IRA Savings  
IRA Certificates of Deposit  
Cash & Check Card  
Direct Deposit  
Internet Banking

Internet Bill Payment  
Mobile Banking  
Mobile Deposit  
Ready Check Overdraft Protection  
e-Statements  
Alerts  
Imaged Statements  
e-Corp Business Internet Banking  
Positive Pay for Business  
ACH Origination  
Merchant Capture  
Card Control/Digital Wallet  
Credit Cards  
(in participation with Elan Financial Services)  
Cashier's Checks  
Money Orders  
Wire Transfers  
Notary Services  
Safe Deposit Boxes  
Gift Cards  
Coin Counting  
After Hours Deposit

In the true measure of CRA success, meeting the credit needs of the public in our defined assessment area stands out. We are able to accomplish this through the offering of these loan products.

- Agricultural Loans
  - Operating
  - Livestock
  - Equipment
  - Real Estate
  - FSA Guaranteed
  - Rural Finance Authority Participations
  - SBA Guaranteed
- Commercial Loans
  - Small and Large Business Operating
  - Inventory
  - Receivables
  - Equipment (Direct and Indirect)
  - Real Estate
  - SBA Guaranteed
  - FSA Guaranteed
- Residential Real Estate
  - 1-4 Family
  - Home Construction
  - Multiple Family
  - In-House and Secondary Market  
(including FHA and VA)
- Consumer and Installment Loans
- Home Improvement Loans
- Home Equity Lines of Credit
- Personal Lines of Credit
- Debt Consolidation Loans
- Ready Check Overdraft Protection
- Auto Loans
- Recreational Vehicle Loans
- Credit Card Accounts  
(in participation with Elan Financial Services)

Equally important to you, the customer, is not just the availability of products and services, but at what cost do they come. Included for your review is our most recent list of transaction fees as posted to the general public. Our review date of the list included is as of March 12, 2025.



## 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 Fee

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

Temporary Card Fee (per card): \$5.00

### Card Limits

\$510 ATM daily limit

\$1,000 point of sale daily limit

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

### Personal Internet Banking: No charge

Bill Pay (per month): \$4.95

First 3 months: no charge

Platinum Checking customers: no charge

### Business Internet Banking (eCorp)

Basic eCorp for Business Banking: no charge

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

First 3 months: no charge

Bill Pay (per month): \$4.95

First 3 months: no charge

Enhanced eCorp customers: no charge

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

### Merchant Capture

Basic eCorp customers (per month): \$39.95

First 3 months: no charge

Enhanced eCorp customers (per month): \$20.00

First 3 months: no charge

### Positive Pay (Enhanced eCorp only)

Check Positive Pay (per month): \$40.00 for first account, \$15.00 per additional account

ACH Positive Pay (per month): \$35.00 for first account, \$15.00 per additional account

Returned Item Fee (per item): \$2.50

Cancellation Fee: \$75.00 if cancelled within first 12 months

### 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

### 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.

### 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.





Office of the Comptroller of the Currency

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Minneapolis Office  
222 S. 9th St., Suite 800  
Minneapolis, MN 55402

June 28, 2024

Board of Directors  
First Farmers & Merchants, Luverne  
P.O. Box 989  
Luverne, MN 56156

Members of the Board:

As of April 1, 2024, the Office of the Comptroller of the Currency prepared an evaluation of your bank's performance under the Community Reinvestment Act (CRA).

The bank's CRA performance is rated "Satisfactory". Please refer to the enclosed CRA Performance Evaluation for additional details.

Please ensure that a copy of the bank's Performance Evaluation is placed in the public CRA file within 30 business days of its receipt from the OCC as required by 12 C.F.R. § 25.43(a)(2).

Sincerely,

Jay Branger  
Assistant Deputy Comptroller  
Minneapolis Office



## **PUBLIC DISCLOSURE**

April 1, 2024

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Farmers & Merchants National Bank  
Charter Number 13544

303 E. Main St.  
Luverne, MN 56156

Office of the Comptroller of the Currency

222 South 9th Street, Suite 800  
Minneapolis, MN 55402

**NOTE:** 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, and should not 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.

**Table of Contents**

Overall CRA Rating..... 1  
Description of Institution..... 2  
Scope of the Evaluation..... 2  
Discriminatory or Other Illegal Credit Practices Review..... 3  
State Rating..... 4  
Lending Test ..... 6  
Appendix A: Scope of Examination..... A-1  
Appendix B: Summary of MSA and State Ratings..... B-1  
Appendix C: Definitions and Common Abbreviations..... C-1  
Appendix D: Tables of Performance Data..... D-1

# Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The distribution of loans among farms of different sizes is reasonable.
- The distribution of loans throughout different geographies of different income levels is reasonable.
- The bank originated a majority of its loans in its assessment area (AA).
- The bank’s loan-to-deposit (LTD) is more than reasonable.

## Loan-to-Deposit Ratio

The bank’s LTD ratio is more than reasonable considering the bank’s size, financial condition, and credit needs of the AA. First Farmers & Merchants National Bank’s (FF&M Luverne) net LTD ratio averaged 90.8 percent over the 16 quarters since the previous CRA evaluation. The bank’s quarterly LTD ratio ranged from a low of 73.46 percent as of March 31, 2022, to a high of 108.46 percent as of September 30, 2019. FF&M Luverne ranks first among the similarly situated institutions below. Similarly situated institutions are those with similar asset size operating within the bank’s AA.

Loan-to-Deposit Ratio		
Institution	Total Assets* (\$000s)	Average LTD Ratio (%)
First Farmers & Merchants National Bank	226,536	90.75
State Bank of Fairmont	132,160	85.34
Worthington Federal Savings Bank	99,709	78.02

*Source: Call Report Data*  
*\*Total Assets are as of December 31, 2022*  
*\*\*Average LTD ratios cover the period January 1, 2019 through December 31, 2022*

## Lending in Assessment Area

A majority of the bank’s loans are inside its AA. The bank originated and purchased 75 percent by number and 82.5 percent by dollar of its total loans inside the bank’s AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. The following table shows the bank’s lending performance inside and outside its AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	30	75.0	10	25.0	40	11,331	82.5	2,410	17.5	13,741

*Source: Bank Data, OCC Loan Sample; Due to rounding, totals may not equal 100%*

## **Description of Institution**

FF&M Luverne is a single-state, national bank headquartered in Luverne, Minnesota. The bank has total assets of \$226.5 million, as of December 31, 2022. The bank has two branches, one in Luverne and one in Pipestone. There were no mergers, acquisitions, branch openings, or branch closings since the last CRA evaluation. The bank does not have any deposit-taking ATMs. FF&M Luverne is wholly owned by 215 Holding Company, a multi-bank holding company located in Minneapolis, MN.

FF&M Luverne is a full-service bank offering traditional loan and deposit products. Deposit products include checking, savings, certificates of deposit, health savings accounts, and retirement savings accounts. Loan product offerings include fixed and variable agriculture real estate, business operating lines of credit, residential real estate, home equity lines of credit, and auto installment loans.

The bank's primary lending focus is agricultural and commercial loans. As of December 31, 2022, the bank's loan portfolio totaled \$163.8 million, or 72.3 percent of total assets. Total loans and unused commitments totaled \$221.4 million, or 97.8 percent of total assets. The loan portfolio, including loans and unused commitments, by dollar volume is comprised of 43.61 percent agriculture, 50.30 percent commercial, 4.88 percent home mortgage, and 1.22 percent consumer loans. Tier 1 Capital totaled \$24.83 million as of December 31, 2022.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs in its AA. FF&M Luverne was rated Satisfactory at the last CRA evaluation dated November 12, 2019.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

FF&M Luverne was evaluated under the CRA small bank performance standards. The lending test evaluated the bank's record of meeting the credit needs in its AA through its lending activities. The evaluation period for the LTD analysis covered March 31, 2019, through December 31, 2022. The complaint analysis period covered November 12, 2019, through April 1, 2024. The evaluation period for the remaining portions of the lending test covered January 1, 2020, to December 31, 2022.

To determine the bank's lending performance in its AA, we selected primary products based on the number and dollar volume of loan originations and purchases during the evaluation period. Due to a change in census data that occurred after 2021 and affected the bank's AA, we reviewed samples for 2020-2021 separately from 2022. We determined the bank's primary product to be farm loans. We selected an initial sample of 20 loans for the 2020-2021 analysis period and 20 loans for the 2022 analysis period. We then selected additional loans as needed to have sufficient information to analyze borrower and geographic distributions in the AA.

The table below shows the breakdown of loan originations by product type for each AA.

<b>Loan Originations by Product Type</b>		
	Percentage by Number of Loans	Percentage by Dollar Volume
Agriculture	59.36	69.53
Commercial	16.03	25.18
Consumer	17.98	1.47
Home Mortgage	6.63	3.82
Total	100.0	100.0
<i>Source: Bank Data; Due to rounding, totals may not equal 100%</i>		

We also reviewed the financial, economic, and environmental factors in the AA to determine the bank’s lending performance. Additionally, we contacted a local community member with knowledge of the economic conditions and demographics within the AA to gain an understanding of the credit needs of the AA.

### **Selection of Areas for Full-Scope Review**

FF&M Luverne has one AA, which is referred to as the Luverne AA. This AA was selected for a full-scope review and evaluated under the State of Minnesota rating area. Refer to Appendix A, Scope of Examination, for additional information.

### **Ratings**

The bank’s overall rating is based on its lending performance within the State of Minnesota. It is the bank’s only rating area. We evaluated lending performance using five performance criteria: the LTD ratio, lending in the AA, lending to borrowers of different income levels, distribution of loans to geographies of different income levels, and responses to CRA related complaints.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## **State Rating**

### **State of Minnesota**

**CRA rating for the State of Minnesota:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors supporting this rating include:

- The distribution of loans to farms of different sizes is reasonable.
- The distribution of farm loans to geographies of different income levels is reasonable.
- The bank received no CRA related complaints during the evaluation period.

### **Description of Institution's Operations in Minnesota**

FF&M Luverne's AA consists of Pipestone and Rock Counties in Minnesota. The AA includes eight census tracts (CTs), consisting of one moderate-income CT and seven middle-income CTs during the 2020-2021 analysis period. In 2022, one CT changed from moderate-income to middle-income and one CT changed from middle-income to moderate-income.

Competition within the AA is moderate. The June 30, 2022, FDIC Deposit Share Report indicates there were seven financial institutions operating in the bank's AA. FF&M Luverne is ranked second with 20.77 percent of the deposit market share. The top three institutions are First Bank & Trust, FF&M Luverne, and Minnwest Bank. The combined market share of these institutions totals 66.29 percent.

According to the U.S. Bureau of Labor Statistics, in 2021 the unemployment rate for Pipestone County and Rock County were 3.1 percent and 2.0 percent respectively compared to the Minnesota statewide average of was 3.9 percent compared to the statewide average of 3.7 percent. In 2022 the unemployment rate in the AAs improved to 2.4 percent in Pipestone County and 1.6 percent in Rock County. The statewide average in 2022 was 2.6 percent.

As part of this evaluation, we contacted a community member who works for Pipestone Housing and Redevelopment Authority (Authority) and serves the town of Pipestone. According to the community contact, the area lacks sufficient housing. The Authority is involved in a program to assist people in paying rent, but there are very few rental opportunities in the area. The housing needs have vastly increased from 2018. They shared the three banks located in Pipestone all provide help in the community in the form of donations, fundraising, and volunteering. The community contact stated banking in the area appropriately meets the credit needs in the community.

The following tables provide demographic information for the bank's AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Luverne AA 2020-2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	8	0.0	12.5	87.5	0.0	0.0
Population by Geography	18,917	0.0	10.6	89.4	0.0	0.0
Housing Units by Geography	8,725	0.0	10.8	89.2	0.0	0.0
Owner-Occupied Units by Geography	5,917	0.0	8.6	91.4	0.0	0.0
Occupied Rental Units by Geography	1,992	0.0	18.5	81.5	0.0	0.0
Vacant Units by Geography	816	0.0	8.5	91.5	0.0	0.0
Businesses by Geography	1,676	0.0	12.6	87.4	0.0	0.0
Farms by Geography	411	0.0	4.1	95.9	0.0	0.0
Family Distribution by Income Level	5,180	19.4	19.0	25.3	36.3	0.0
Household Distribution by Income Level	7,909	25.2	15.9	20.3	38.6	0.0
Median Family Income Non-MSAs - MN		\$63,045	Median Housing Value			\$112,006
			Median Gross Rent			\$583
			Families Below Poverty Level			8.5%
<i>Source 2015 ACS and 2021 D&amp;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>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Luverne AA 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	8	0.0	12.5	87.5	0.0	0.0
Population by Geography	19,128	0.0	13.1	86.9	0.0	0.0
Housing Units by Geography	8,787	0.0	14.0	86.0	0.0	0.0
Owner-Occupied Units by Geography	6,070	0.0	11.7	88.3	0.0	0.0
Occupied Rental Units by Geography	1,922	0.0	19.0	81.0	0.0	0.0
Vacant Units by Geography	795	0.0	19.5	80.5	0.0	0.0
Businesses by Geography	1,921	0.0	10.7	89.3	0.0	0.0
Farms by Geography	434	0.0	1.4	98.6	0.0	0.0
Family Distribution by Income Level	5,182	18.2	20.4	22.8	38.5	0.0
Household Distribution by Income Level	7,992	23.5	17.2	17.7	41.7	0.0
Median Family Income Non-MSAs - MN		\$74,737	Median Housing Value			\$134,291
			Median Gross Rent			\$669
			Families Below Poverty Level			7.7%
<i>Source 2020 U.S. Census and 2022 D&amp;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>						



## **Scope of Evaluation in Minnesota**

The rating for the State of Minnesota is based wholly on the performance of the Luverne AA as it is the only AA in the state. Refer to Appendix A-1 for additional information.

## **LENDING TEST**

The bank's performance under the Lending Test in Minnesota is rated Satisfactory.

Based on a full-scope review, the bank's lending performance in the State of Minnesota is reasonable.

## **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the State of Minnesota.

### ***Small Loans to Farms***

Refer to Table S in the state of Minnesota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of loans to farms in CTs of different income levels is adequate after considering performance context factors. The percentage of loans to small farms is below the aggregate lending data and below the percentage of farms in both the 2020-2021 analysis period and 2022 analysis period. Opportunities to lend in moderate-income geographies is limited as there is only one moderate-income CT in the AA and aggregate lending performance for all lenders in the AA is limited to 3.4 percent and 4.0 percent in 2020-2021 and 2022, respectively. The one moderate-income CT is located west of the Pipestone branch, but the land is dominated by an airport and fairground leaving minimal acreage for farmland. There are no low-income geographies in the AA.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

### ***Small Loans to Farms***

Refer to Table T in the state of Minnesota of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The borrower distribution of loans to farms of different sizes is reasonable, given the product lines offered by the bank. The percentage of loans to small farms exceeded aggregate lending performance and was near the percentage of small farms in the AA in 2020-2021 and 2022. Small farms are defined as farms with gross annual revenue of \$1 million or less.

## **Responses to Complaints**

The bank received no CRA related complaints during the evaluation period.

# Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2020 to 12/31/2022	
<b>Bank Products Reviewed:</b>	Small Farm	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Minnesota</b>		
Luverne AA	Full Scope	Pipestone and Rock Counties.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS – First Farmers & Merchants National Bank, Luverne	
Overall Bank:	Lending Test Rating
First Farmers & Merchants	Satisfactory
State:	
Minnesota	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

**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, which 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).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

**Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2020-21
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000's)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Luverne AA	21	8,900	100	532	0.0	0.0	0.0	4.1	0.0	3.4	95.9	100	96.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>21</b>	<b>8,900</b>	<b>100</b>	<b>532</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.1</b>	<b>0.0</b>	<b>3.4</b>	<b>95.9</b>	<b>100</b>	<b>96.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000's)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Luverne AA	20	4,453	100	348	0.0	0.0	0.0	1.4	0.0	4.0	98.6	100	96.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>20</b>	<b>4,453</b>	<b>100</b>	<b>348</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.4</b>	<b>0.0</b>	<b>4.0</b>	<b>98.6</b>	<b>100</b>	<b>96.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.



Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2020-21
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$ (000's)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Luverne AA	21	8,900	100	532	96.8	87	72.4	2.2	13	1.0	--
<b>Total</b>	<b>21</b>	<b>8,900</b>	<b>100</b>	<b>532</b>	<b>96.8</b>	<b>87</b>	<b>72.4</b>	<b>2.2</b>	<b>13</b>	<b>1.0</b>	<b>--</b>

Source 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$ (000's)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Luverne AA	20	4,453	100	348	96.8	80	59.5	2.1	20	1.2	--
<b>Total</b>	<b>20</b>	<b>4,453</b>	<b>100</b>	<b>348</b>	<b>96.8</b>	<b>80</b>	<b>59.5</b>	<b>2.1</b>	<b>20</b>	<b>1.2</b>	<b>--</b>

Source 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

## 100 CRA Loan to Deposit Ratio

First Farmers & Merchants National Bank  
303 East Main, PO Box 989, Luverne, MN 56156  
Phone: 507-283-4463  
Fax: 507-283-9459  
[www.ffmbank.com](http://www.ffmbank.com)

## Loan to Deposit Ratio 2024

December 2024: 83.903%

September 2024: 83.407%

June 2024: 85.542%

March 2024: 82.663%

## CRA Public Comments

Public comments for the current and preceding two calendar years:

2025:           None

2024:           None

2023:           None

## Community Reinvestment Act Notice

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

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the OCC; and comments received from the public relating to assessment area needs and opportunities, as well as our responses to those comments. You may review this information today by reviewing the public file which is available at **303 East Main Street, Luverne, MN 56156**.

You may also have access to the following additional information, which we will make available to you after you make a request to us: (1) A map showing the assessment area containing a select branch, which is the area in which the OCC evaluates our CRA performance for that particular community; (2) branch addresses and associated branch facilities and hours in any assessment area; (3) a list of services we provide at those locations; (4) our most recent rating in the assessment area; and (5) copies of all written comments received by us that specifically relate to the needs and opportunities of a given assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the bank that are scheduled for CRA examination in that quarter. This list is available from the **Deputy Comptroller, Central District, Office of the Comptroller of the Currency, 425 S. Financial Place, Suite 1700, Chicago, IL 60605**. You may send written comments regarding the needs and opportunities of any of the bank's assessment area(s) to **President, First Farmers & Merchants National Bank, 303 East Main Street, PO Box 989, Luverne, MN 56156** or **helpdesk@ffmbank.com** and **Deputy Comptroller, Central District, Office of the Comptroller of the Currency, 425 S. Financial Place, Suite 1700, Chicago, IL 60605** or **cracomment@occ.treas.gov**. Your comments, together with any response by us, will be considered by the Comptroller in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Deputy Comptroller. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the Comptroller. We are an affiliate of **215 Holding Co.**, a bank holding company. You may request from the **Manager of Community Affairs, Federal Reserve Bank of Minneapolis, 90 Hennepin Avenue, PO Box 291, Minneapolis, MN 55480-0291** an announcement of applications covered by the CRA filed by bank holding companies.