



Community Reinvestment Act (CRA) Public File

Updated: March 14, 2025
Updated by: Heidi Gerstandt, CRA Officer



Memo

To: Public

From: Heidi Gerstandt, CRA Officer

Date: March 14, 2025

Re: Written Comments – Community Reinvestment Act

There have been no comments received from the public that specifically related to Cherokee State Bank's Community Reinvestment Act performance in current year or prior two calendar years.

PUBLIC DISCLOSURE

July 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cherokee State Bank
Certificate Number: 951

212 West Willow Street
Cherokee, Iowa 51012

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Cherokee State Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices during the evaluation. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm and small business loans in the assessment area.
- The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among farms and businesses of different revenue sizes.
- The assessment area is comprised of only middle- and upper-income geographies; therefore, performance under the Geographic Distribution criterion was not evaluated.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 8, 2013, to the current evaluation dated July 8, 2019. Examiners used the Interagency Small Institution Examination Procedures to evaluate Cherokee State Bank's CRA performance. These procedures include a Lending Test, which focuses on the following performance criterion.

- Loan-to-Deposit Ratio
- Assessment Area Concentration
- Borrower Profile
- Geographic Distribution
- Response to CRA-related Complaints

The bank did not have any affiliate lending activities to consider for this evaluation.

Loan Products Reviewed

Agricultural and commercial loans are major product lines for the institution and each represents a credit need of the area in which Cherokee State Bank operates. This conclusion is based on discussions with bank management; information obtained from a community contact (which is described later); a review of the loan categories reported in the March 31, 2019 Consolidated Reports of Condition and Income (Reports of Condition); and the number and dollar volume of loans originated, extended, and purchased during the evaluation period. Home mortgage loans were not reviewed during this evaluation as they comprise only 14 percent of the portfolio and represent a very limited portion of the bank's lending activity. Bank records indicated that the lending focus and product mix generally remained consistent throughout the evaluation period. Given this information, examiners selected 2018, the most recent calendar year, as the product review period. This timeframe was considered representative of the bank's performance during the entire evaluation period. The table below details the loan products reviewed.

Loan Products Reviewed				
Loan Category	Universe		Sample	
	#	\$(000s)	#	\$(000s)
Small Farm	410	43,268	60	6,741
Small Business	88	8,501	41	4,174

Source: Bank Data from 1/1/18 through 12/31/18

The universes of small farm and small business loans were reviewed to evaluate the Assessment Area Concentration criterion. For the Borrower Profile criterion, samples of small farm and small business loans within the assessment area were evaluated. D&B data for 2018 provided a standard of comparison for the bank's small farm and small business lending performance. D&B is a company that maintains a database of information on farms and businesses using a variety of resources including public records, trade references, and surveys. D&B data is used as a general indicator of the local economy and includes information from only those entities that voluntarily report.

The bank's record of originating small farm loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending. In addition, while both number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of farms and businesses served.

DESCRIPTION OF INSTITUTION

Background

Cherokee State Bank is a privately owned financial institution located in Cherokee, Iowa. The institution does not have any affiliates or subsidiaries that offer credit products or services. Cherokee State Bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated July 8, 2013, using Interagency Small Institution Examination Procedures.

Operations

Cherokee State Bank operates from a single location in Cherokee, Iowa. The bank did not open or close any branches, and no merger or acquisition activities occurred since the previous evaluation. The bank offers a variety of lending products, including agricultural, commercial, consumer, and home mortgage loans but the bank primarily focuses on agricultural lending. The bank also offers additional credit avenues through its participation in government sponsored loan programs with the Iowa Finance Authority, the Federal Housing Administration, and the Veterans Affairs. Cherokee State Bank provides a full line of traditional deposit services, including checking, savings, money market deposit accounts, certificates of deposit, Health Savings Accounts, and Individual Retirement Accounts. Alternative banking services include internet and mobile banking, mobile check deposit, electronic bill pay, and two bank-owned automated teller machines.

Ability and Capacity

Assets totaled approximately \$232 million as of March 31, 2019, and included total loans of \$157 million. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of March 31, 2019		
Loan Category	\$(000s)	%
Construction and Land Development	1,019	0.6
Secured by Farmland	47,050	29.9
Secured by 1-4 Family Residential Properties	15,570	9.9
Secured by Multi-family (5 or more) Residential Properties	6,445	4.1
Secured by Nonfarm Nonresidential Properties	28,921	18.4
Total Real Estate Loans	99,005	62.9
Agricultural Loans	46,498	29.5
Commercial and Industrial Loans	9,659	6.1
Consumer Loans	1,858	1.2
Other Loans	457	0.3
Less: Unearned Income	0	0.0
Total Loans	157,477	100.0
<i>Source: Reports of Condition</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Cherokee State Bank designated a single assessment area in northwestern Iowa. The assessment area consists of all four census tracts that comprise Cherokee County and one of four census tracts that comprise O'Brien County. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area is rural in nature and the economy is primarily dependent on agriculture and related industries. The 2017 Census of Agriculture (Ag Census) reported 863 farms in Cherokee County and 876 farms in O'Brien County. Livestock sales account for 61.5 percent of the farming revenue of the two counties. The Ag Census also indicated that 42.1 percent of the producers in the two counties do not consider farming to be their primary occupation and 40.7 percent of the operations reported having no interest expenses. This indicates that many farms in the assessment area are likely not full-time operations in need of financing.

Management stated that crop yields are expected to be slightly lower than previous years due to recent area flooding; however, local farms were not as heavily impacted as some parts of the Midwest. Several farmers in the area were able to replant the corn and soybean crops that were initially destroyed by the flooding. Furthermore, the area's livestock industry is also expected to be impacted by the flooding.

Data from the 2015 American Community Survey (ACS) indicates the assessment area population decreased by 271 since the 2010 U.S. Census and the total number of housing units decreased by 16. Bank management associated the population loss with the closing of several large retailers in the area and attributed the decrease in housing units to area flooding. D&B data identified other notable changes in the business demographics of the assessment area. Specifically, the number of farms decreased by 247 and the number of non-farm businesses decreased by 329 since the 2013 performance evaluation. Demographic characteristics of the assessment area are illustrated in the table below.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	80.0	20.0	0.0
Population by Geography	14,418	0.0	0.0	88.7	11.3	0.0
Housing Units by Geography	7,059	0.0	0.0	87.8	12.2	0.0
Owner-Occupied Units by Geography	4,871	0.0	0.0	89.0	11.0	0.0
Occupied Rental Units by Geography	1,604	0.0	0.0	88.9	11.1	0.0
Vacant Units by Geography	584	0.0	0.0	75.3	24.7	0.0
Businesses by Geography	1,101	0.0	0.0	88.1	11.9	0.0
Farms by Geography	348	0.0	0.0	75.3	24.7	0.0
Family Distribution by Income Level	3,990	18.4	14.8	25.9	40.9	0.0
Household Distribution by Income Level	6,475	23.4	14.9	20.1	41.6	0.0
Median Family Income Nonmetropolitan - IA		\$61,934	Median Housing Value			\$84,302
			Median Gross Rent			\$540
			Families Below Poverty Level			7.4%
Source: 2015 ACS Census and 2018 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.						

D&B data indicates that service industries represented the largest portion of businesses at 31.3 percent; followed by agriculture, forestry, and fishing (24.0 percent); and retail trade (11.7 percent). In addition, 75.2 percent of area businesses have four or fewer employees and 87.6 percent operate from a single location. Management stated small business loan demand has somewhat fluctuated with the agricultural economy but is still prevalent in the area.

According to the U.S. Bureau of Labor and Statistics, reported unemployment rates (not seasonally adjusted) for the counties in the assessment area have decreased from a combined annual average rate of 4.0 percent in 2013 to 2.5 percent as of March 2019. Comparably, the state of Iowa's annual average rate was 4.7 percent in 2013 and 2.8 percent in March 2019, and the national average rate was 7.4 and 3.9 percent. Unemployment rates were generally consistent throughout the evaluation period. Major employers in the area include the Hy-Vee Distribution Center, Cherokee Regional Medical Center, and Cherokee Mental Health Institute.

Competition

Cherokee State Bank operates in a moderately competitive market for financial services. According to the June 30, 2018 FDIC Deposit Market Share report, there were 9 financial institutions operating 14 full-service branches within the area. Of these institutions, Cherokee State Bank ranked 1st with a 30.4 percent deposit market share and approximately \$181 million in deposits. Agricultural financing competition also comes from non-bank entities with products for operating, machinery, and land loans.

Community Contact

As part of the evaluation process, regulatory agencies interview third parties active in the institution's assessment area to assist in identifying the credit needs within the communities in which the bank serves. This information helps determine whether local financial institutions are responsive to the needs of the assessment area, along with identifying credit opportunities in the area. The community members also provide area economic and demographic information.

Examiners contacted a representative of a local economic development corporation familiar with the assessment area. The contact stated that agricultural loans are the primary credit need in the area, although there is demand for all types of credit including commercial, consumer, and home mortgage loans. The local economy is heavily dependent on agriculture and recent flooding is expected to reduce crop yields. In turn, the contact mentioned that reduced crop yields, along with lower crop prices, may result in a decrease in consumer spending. The contact also mentioned that small businesses in the area are abundant and some have expanded operations. Additionally, the contact identified that while there is some new housing development activity in the area, the housing market has been relatively flat. Several homes in the area have been moved or demolished due to area flooding, resulting in a decline in the number of homes available and a slight population loss.

The contact said the banks in the area are willing to provide financing to meet the credit needs of the area and participate in community development projects. The contact specifically mentioned Cherokee State Bank as a highly involved community supporter.

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural-related loans represent a primary credit need for the assessment area. To a smaller extent, business lending and home mortgage opportunities and demand are also present throughout the area.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Cherokee State Bank demonstrated reasonable performance under the Lending Test. Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile performance primarily supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. This ratio, calculated from Reports of Condition data, averaged 71.9 percent over the past 23 calendar quarters from September 30, 2013, to March 31, 2019. The ratio ranged from a low of 59.7 percent as of September 30, 2013, to a high of 83.3 percent as of March 31, 2019, and has progressively trended upwards. Although Cherokee State Bank's average ratio is lower than those of comparable institutions, as shown in the following table, it is still considered reasonable. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2019 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
Cherokee State Bank, Cherokee, IA	231,679	71.9
Northwestern Bank, Orange City, IA	220,308	97.4
United Community Bank, Milford, IA	222,634	101.0
Savings Bank, Primghar, IA	209,789	90.0
<i>Source: Reports of Condition 9/30/13 through 3/31/19</i>		

Assessment Area Concentration

Cherokee State Bank is helping to meet the credit needs of its assessment area by originating a majority of its small farm and small business loans within the assessment area. This analysis reflects the institution's willingness to reinvest deposits into the local community through loans.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	379	92.4	31	7.6	410	38,825	89.7	4,443	10.3	43,268
Small Business	76	86.4	12	13.6	88	6,389	75.2	2,112	24.8	8,501
Total	455	91.4	43	8.6	498	45,214	87.3	6,555	12.7	51,769
Source: 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0										

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes in the assessment area. The bank's reasonable performance of small farm lending and small business lending supports this conclusion.

The sample of loans described earlier in the Scope of Evaluation section were analyzed to determine the bank's performance of lending to farms and businesses of different sizes. Gross

annual revenues, which were gathered during the evaluation, were used as a determinant of size for the farms and businesses. The analysis of small farm and small business loans under the Borrower Profile criterion compares the distribution of farms and businesses by gross annual revenue level and focuses on the percentage of small farm and small business loans to operations with gross annual revenues of \$1 million or less.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms with gross annual revenues of \$1 million or less. The institution originated or extended 93.3 percent of its small farm loans within the assessment area to farms with gross annual revenues of \$1 million or less. This number compares reasonably with the 98.9 percent of farms in this revenue category based on D&B data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2018	98.9	56	93.3	5,749	85.3
>1,000,000					
2018	0.6	4	6.7	992	14.7
Revenue Not Available					
2018	0.6	0	0.0	0	0.0
Totals					
2018	100.0	60	100.0	6,741	100.0
Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0					

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with gross annual revenues of \$1 million or less. Examiners determined that 80.5 percent of the small business loans within the assessment area were made to businesses with gross annual revenues of \$1 million or less, which aligns with the 78.7 percent of businesses in this revenue category based on D&B data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2018	78.7	33	80.5	1,785	42.8
>1,000,000					
2018	5.7	8	19.5	2,389	57.2
Revenue Not Available					
2018	15.6	0	0.0	0	0.0
Totals					
2018	100.0	41	100.0	4,174	100.0
Source: 2018 D&B Data; 1/1/2018 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0					

Geographic Distribution

The assessment area is comprised of only middle- and upper-income geographies; therefore, performance under this criterion was not evaluated.

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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.

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.

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

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

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

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

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.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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

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



Federal Housing Finance Agency

Community Support Statement

FHFA Form 060
OMB Number 2590-0005
Expires 04/30/2026

FHFA Federal Home Loan Bank (FHLBank) Member ID Number: 14795
Name of FHLBank Member Institution: Cherokee State Bank
Mailing Address: 212 West Willow Street
City: Cherokee
State: IA
Zip Code: 51012
Submitter Name: Leslie Todd
Title: Executive Vice President
Work Email: ltodd@cherokeestatebank.com

Part I. Community Reinvestment Act (CRA) Standard:

Most recent CRA rating: Satisfactory
Year of most recent CRA rating: 2019

Part II. First-time Homebuyer Standard: All Federal Home Loan Bank members must complete either Section A or B of this part, except that members with "Outstanding" federal CRA ratings need not complete this part. Members should use data or activities for the previous or current calendar year in completing this part.

A. Complete the following two questions: If your institution did not make, or did not track, mortgage loans to first-time homebuyers, you must complete Section B of this part.

- | | |
|--|-----|
| 1. Number of mortgage loans made to first-time homebuyers | 0 |
| 2. Dollar amount of mortgage loans made to first-time homebuyers | \$0 |

B. Check as many as applicable:

- | | |
|---|-----|
| 1. Offer in-house first-time homebuyer program (e.g., underwriting, marketing plans, outreach programs) | Yes |
| 2. Other in-house lending products that serve first-time homebuyers or low- and moderate-income homebuyers | Yes |
| 3. Offer flexible underwriting standards for first-time homebuyers | Yes |
| 4. Participate in nationwide first-time homebuyer programs (e.g., Fannie Mae, Freddie Mac) | Yes |
| 5. Participate in federal government programs that serve first-time homebuyers (e.g., FHA, VA, USDA RD) | Yes |
| 6. Participate in state or local government programs targeted to first-time homebuyers (e.g., mortgage revenue bond financing) | Yes |
| 7. Provide financial support or technical assistance to community organizations that assist first-time homebuyers | Yes |
| 8. Participate in loan consortia that make loans to first-time homebuyers | No |
| 9. Participate in or support special counseling or homeownership education targeted to first-time homebuyers | Yes |
| 10. Hold investments or make loans that support first-time homebuyer programs | Yes |
| 11. Hold mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers | Yes |
| 12. Use affiliated lenders, credit union service organizations, or other correspondent, brokerage or referral arrangements with specific unaffiliated lenders, that provide mortgage loans to first-time or low- and moderate-income homebuyers | No |
| 13. Participate in the Affordable Housing Program or other targeted community investment/development programs offered by the Federal Home Loan Bank | No |
| 14. Other (attach description of other activities supporting first-time homebuyers; see instructions for Part II) | No |
| 15. None of the above (attach explanation of any mitigating factors; see instructions for Part II) | No |

If you checked Question 14 or 15, please explain below. If your explanation will exceed 300 characters, please upload a file containing your explanation and supporting documents:

Supporting documents:

Part III. Certification:

By submitting this Community Support Statement, I certify that I am a senior official of the above institution, that I am authorized to provide this information to FHFA, and that the information in this Statement and any attachments is accurate to the best of my knowledge.

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.



Memo

To: Public

From: Heidi Gerstandt, Community Reinvestment Act Officer

Date: March 14, 2025

Re: Branch Information

Bank Location*

Cherokee State Bank
212 West Willow Street
Cherokee, Iowa 51012

Branches – 1*

*Main location noted above.

No branches opened or closed during the current year or prior two calendar years.

ATM Locations

Lobby
212 West Willow Street
Cherokee, Iowa 51012

Drive-up
212 West Willow Street
Cherokee, Iowa 51012

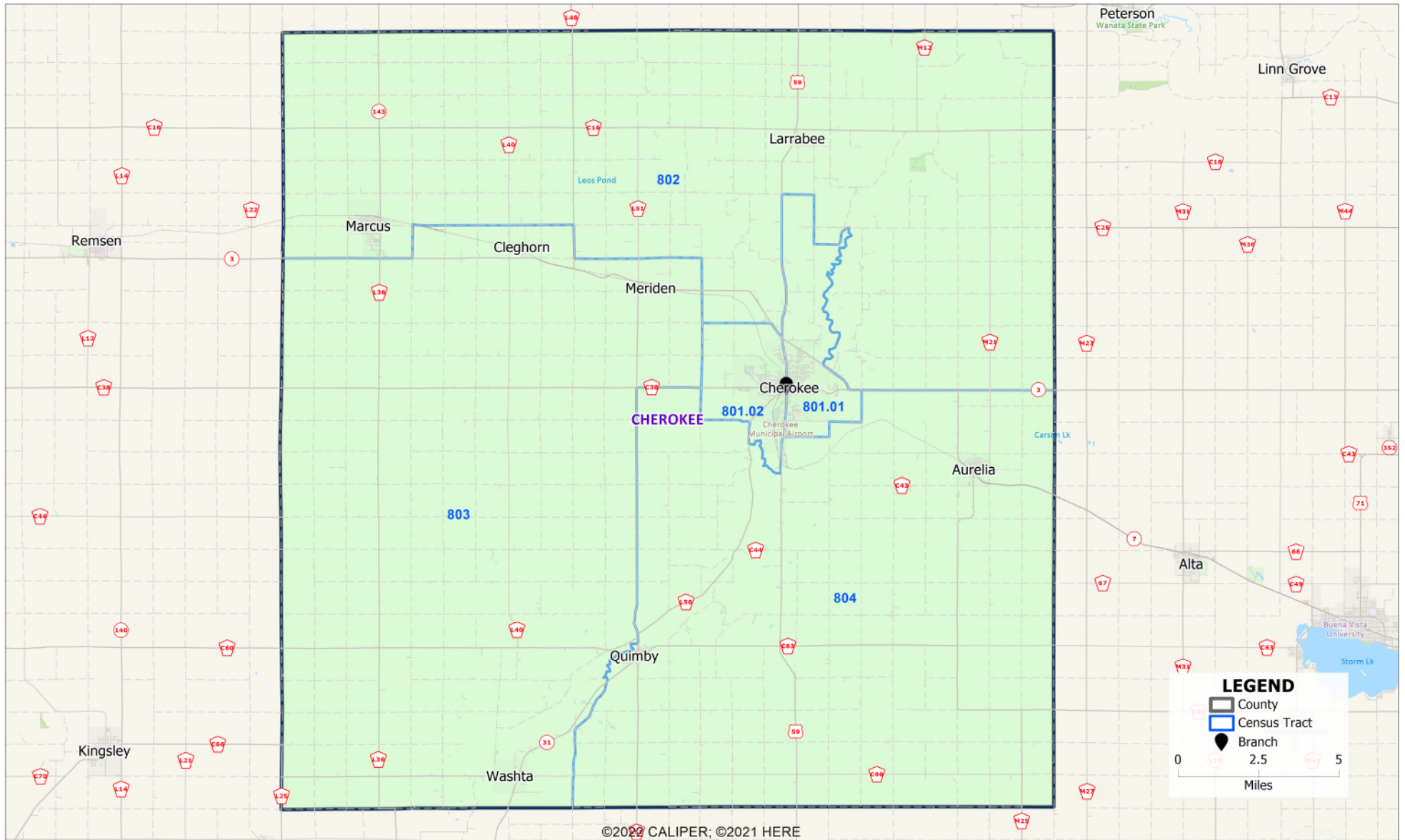
Cherokee State Bank is considered a small bank per 2024 Community Reinvestment Act (CRA) thresholds which went into effect January 1, 2024. Per CRA, a small bank or savings association will mean an institution that, as of December 31 of either of the past two years, had assets of less than \$1.564 billion. An intermediate small bank or savings association will mean an institution with assets of at least \$391 million as of December 31 of both of the prior two years, and less than \$1.564 billion as of December 31 of either of the prior two years.

PRODUCTS & SERVICES

- ACH Services
- Agriculture Loans
- ATM
- Bill Pay
- Business Loans
- Cashier's Checks
- Certificates of Deposit (CD)
- Check Ordering
- Checking Accounts
- Coin Counting
- Consumer Loans - HELOCs
- Debit Cards
- Direct Deposit
- eStatements
- Funds Transfers
- Health Savings Accounts (HSA)
- Individual Retirement Accounts (IRA)
- Insurance – Life, Health, Long Term Care, Credit Life, Credit Disability
- Investment Services
- Merchant Capture
- Mobile Banking & Deposit
- Monetary Instruments
- Money Orders
- Mortgage Loans
- Online Banking
- Positive Pay
- Safe Deposit Boxes
- Savings Accounts
- Switch Kit
- Trust Services – Scholarships, Student Loans
- Wire Transfers

More information provided on www.cherokeestatebank.com.

Cherokee State Bank CRA Assessment Area



Community Reinvestment Act Notice

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

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, 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 FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC, 1100 Walnut Street, Box #11, Kansas City, MO 64106, by phone at (816) 234-8000, or by fax at (816) 234-8182. You may send written comments about our performance in helping to meet community credit needs to Curtis Johnson, President & CEO, Cherokee State Bank, 212 West Willow Street, Cherokee, Iowa 51012-1857 and FDIC Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC.



LOANS-TO-DEPOSITS

2024				
	<u>3/31/2024</u>	<u>6/30/2024</u>	<u>9/30/2024</u>	<u>12/31/2024</u>
Loans	\$ 169,875,000	\$ 166,491,700	\$ 165,624,700	\$ 170,973,500
Deposits	\$ 216,884,000	\$ 211,958,000	\$ 217,276,000	\$ 210,490,000
Loans-to-Deposits %	78.33%	78.55%	76.23%	81.23%

2023				
	<u>3/31/2023</u>	<u>6/30/2023</u>	<u>9/30/2023</u>	<u>12/31/2023</u>
Loans	\$ 149,139,000	\$ 154,171,000	\$ 159,746,000	\$ 166,773,000
Deposits	\$ 215,629,000	\$ 219,735,000	\$ 222,995,000	\$ 216,680,000
Loans-to-Deposits %	69.16%	70.16%	71.64%	76.97%

2022				
	<u>3/31/2022</u>	<u>6/30/2022</u>	<u>9/30/2022</u>	<u>12/31/2022</u>
Loans	\$ 142,714,000	\$ 130,524,000	\$ 134,444,000	\$ 143,856,000
Deposits	\$ 193,435,000	\$ 195,926,000	\$ 204,984,000	\$ 205,132,000
Loans-to-Deposits %	73.78%	66.62%	65.59%	70.13%

2021				
	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>12/31/2021</u>
Loans	\$ 142,714,000	\$ 142,691,000	\$ 136,606,000	\$ 136,477,000
Deposits	\$ 193,435,000	\$ 185,833,000	\$ 188,614,000	\$ 198,002,000
Loans-to-Deposits %	73.78%	76.78%	72.43%	68.93%

2020				
	<u>3/31/2020</u>	<u>6/30/2020</u>	<u>9/30/2020</u>	<u>12/31/2020</u>
Loans	\$ 150,186,000	\$ 161,014,000	\$ 155,597,000	\$ 146,365,000
Deposits	\$ 181,434,000	\$ 181,237,000	\$ 187,260,000	\$ 184,410,000
Loans-to-Deposits %	82.78%	88.84%	83.09%	79.37%