

PUBLIC DISCLOSURE

June 7, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Plumas Bank
RSSD # 670467**

**35 South Lindan Avenue
Quincy, California 95971**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

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 the 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 Community Reinvestment Act (CRA) Rating

Plumas Bank is rated "SATISFACTORY"

The following table shows the performance ratings for the lending and community development tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS	
	LENDING TEST	COMMUNITY DEVELOPMENT TEST
OUTSTANDING		
SATISFACTORY	X	X
NEEDS TO IMPROVE		
SUBSTANTIAL NONCOMPLIANCE		

The major factors supporting the institution's rating include:

- Satisfactory performance in the bank's assessment areas supported by:
 - A loan-to-deposit ratio that is reasonable;
 - A majority of loans originated within the assessment areas;
 - A reasonable distribution of loans to businesses of different revenue sizes;
 - A reasonable geographic distribution of loans; and
 - An adequate responsiveness to community development needs in the assessment areas.

INSTITUTION

Description of Institution

Plumas Bank, a wholly owned subsidiary of Plumas Bancorp, is headquartered in Quincy, California and reported total assets of 1.2 billion as of March 31, 2021. The bank has historically operated in the northeastern portion of California, stretching from Lake Tahoe to the south up to the Oregon Border to the north. However, the bank has more recently focused on expanding into northern Nevada, and Plumas Bancorp moved its headquarters from Quincy, California to Reno, Nevada in March of 2021. The bank currently operates 13 full-service branch offices of which 11 are in northern California, and two are in northern Nevada. Plumas Bank also operates three loan production offices (LPOs) with two offices located in California and one in Oregon.

Plumas Bank focuses primarily on addressing the credit needs of small- to medium-sized businesses but maintains a diverse portfolio to avoid high exposure to any one specific industry concentration. The bank offers both fixed and variable rate loans depending on the product type. Commercial and agricultural products include loans for commercial real estate, working capital, operating lines of credit, equipment, and Small Business Administration (SBA) loans. Consumer loan products include installment, indirect auto, home equity line of credit, overdraft protection line of credit, credit cards, and residential real estate loans.

As depicted below in Exhibit 1, Plumas Bank’s loan portfolio, as stated in its December 31, 2020, Consolidated Report of Condition and Income, illustrates the bank’s commercial lending focus.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2020		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	398,930	56.1
Consumer Loans & Credit Cards	97,089	13.7
Farm Land & Agriculture	73,225	10.3
Multi-Family Residential Real Estate	65,972	9.3
Secured by 1-4 Family Residential Real Estate	46,855	6.6
Construction & Land Development	25,163	3.5
All Other	3,463	0.5
Total (Gross)	710,697	100.0

The bank received a satisfactory rating at its previous CRA examination, which was conducted as of April 13, 2018, by the Federal Deposit Insurance Corporation using the *Interagency Intermediate Small Institution CRA Examination Procedures*.

Plumas Bank’s assessment areas have changed slightly since the prior evaluation due to a branch opening in Carson City, Nevada. Plumas Bank has delineated five CRA assessment areas, which consist of the following Metropolitan Statistical Areas (MSAs):

- Non-MSA (Plumas, Lassen, Modoc, and Sierra Counties in their entireties, and five census tracts from Nevada County);

- Redding MSA (Shasta County in its entirety);
- Sacramento MSA (11 census tracts in Placer County);
- Reno MSA (Washoe County in its entirety); and
- Carson City MSA (Carson City in its entirety).

There were no legal or financial impediments that inhibited Plumas Bank's ability to meet the credit needs of its communities, consistent with its business strategy, size, financial capacity, and local economic conditions in each of the respective assessment areas.

Scope of Examination

Plumas Bank's CRA performance was evaluated using the *Interagency Intermediate Small Institution CRA Examination Procedures*. Performance for intermediate small banks is evaluated under two tests that consider the bank's lending and community development activities. Additionally, information obtained from representatives of six community organizations regarding the credit needs and market conditions within the bank's assessment areas was factored into the overall performance evaluation. The evaluation period for the lending test was from April 14, 2018 through December 31, 2020. The evaluation period for community development loans, investments and services was from April 14, 2018 through June 7, 2021.

The Non-MSA, Redding MSA and Reno MSA assessment areas were reviewed using full- scope examination procedures. The Non-MSA assessment area received the greatest weight given its concentration of lending activity, branch footprint and deposit market share. The remaining assessment areas received limited-scope reviews based on Plumas Bank's relatively limited presence in those markets and a lower level of lending activity.

The lending test, which is weighted more heavily than the community development test, is based on an evaluation of small business and small farm loans. Given product volumes and the bank's strategic focus, small business loans were weighted more heavily than small farm loans. However, lending volumes in 2018 and 2019 were not significant enough to derive meaningful analysis of the bank's dispersion of lending throughout its assessment areas or of lending to businesses of different revenue sizes; therefore, the overall ratings for these performance criteria were driven by the bank's performance in 2020. Likewise, except for activity within the Non-MSA assessment area, small farm lending volumes were insufficient to perform meaningful analysis. As such, small farm loans were considered but did not influence the overall evaluation of lending within the Redding MSA and Reno MSA assessment areas.

The scope of the review is consistent throughout the performance evaluation unless otherwise noted.

LENDING TEST

The lending test consists of the following performance criteria:

- Loan volume compared to deposits (Loan-to-Deposit Ratio);
- Lending inside versus outside of the assessment area (Lending in the Assessment Area);
- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to businesses of different revenue sizes (Lending Distribution by Business Revenue).

Plumas Bank's responsiveness to consumer complaints was not evaluated since the bank did not receive any CRA-related complaints during the review period.

The lending test evaluation was based on small business and small farm loans originated from April 14, 2018 through December 31, 2020. A total of 128 small business and 47 small farm loans were considered in the evaluation of Lending in the Assessment Area.

During the COVID-19 pandemic, Plumas Bank extended a significant number of loans through the SBA's Paycheck Protection Program (PPP). The PPP was enacted as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and was intended to help small businesses maintain payroll costs, avoid layoffs or salary reductions, and keep their businesses running. PPP activity was considered in the evaluation of the bank's overall lending performance.

COMMUNITY DEVELOPMENT TEST

The community development test evaluates the bank's level of community development activities relative to assessment area credit needs and opportunities, along with the bank's capacity to participate in such activities. The evaluation was based on qualified community development loans, investments, and services provided by the bank from April 14, 2018 through June 7, 2021.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The following sections contain conclusions regarding Plumas Bank’s overall performance and are followed by individual performance conclusions for California and Nevada. Conclusions with respect to the lending and community development tests were greatly influenced by the conclusion reached for California where the majority of the bank’s lending and deposit activities are concentrated.

Lending Test

Overall, Plumas Bank’s lending test performance is satisfactory. The bank’s average loan-to-deposit ratio is reasonable, and a majority of loans were originated inside the bank’s five assessment areas. Lending volume in the states of California and Nevada are reasonable and the Lending Distribution by Business Revenue is reasonable given the high impact of small dollar loans within the communities the bank serves.

Additionally, the bank extended 2,256 PPP loans totaling over \$197.1 million in an effort to help small businesses and their employees at the onset of the pandemic. These loans were highly impactful to the bank’s assessment areas, which include multiple nonmetropolitan middle-income distressed and underserved geographies.

LOAN-TO-DEPOSIT RATIO

Plumas Bank’s loan-to-deposit ratio is reasonable. The bank’s 11-quarter average loan-to-deposit ratio was 78.0 percent as of December 31, 2020. While Plumas Bank’s performance was better than the state of Nevada’s average of 73.1 percent, its activity was lower than both the state of California average at 85.7 percent and the national average at 82.0 percent. However, the bank’s activity is reasonable given the relatively rural communities the bank serves, which include distressed and underserved areas with depressed demand and otherwise limited access to banking.

LENDING IN ASSESSMENT AREA

As depicted below in Exhibit 2, the majority of loans were extended inside the bank’s assessment areas. The percentage of lending within the assessment areas indicates that the bank is effectively engaging in lending within its defined markets.

EXHIBIT 2 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS APRIL 14, 2018 TO DECEMBER 31, 2020								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	128	78.5	13,554	72.0	35	21.5	5,276	28.0
Small Farm	47	57.3	7,123	57.5	35	42.7	5,264	42.5
Total Business Related	175	71.4	20,677	66.2	70	28.6	10,540	33.8
Total Loans	175	71.4	20,677	66.2	70	28.6	10,540	33.8

GEOGRAPHIC AND BORROWER DISTRIBUTION

Plumas Bank's overall geographic distribution of loans along with overall distribution of loans to businesses and farms of different revenue sizes is reasonable. Within the Non-MSA assessment area, which drove the overall rating, both small business and small farm lending reflect reasonable penetration among businesses and farms of different sizes. In addition, there is a reasonable distribution of loans in moderate-income census tracts as well as distressed and underserved middle-income nonmetropolitan geographies. Within the Redding MSA and Reno MSA assessment areas, small business lending reflects reasonable distributions in moderate-income geographies and reasonable distributions to smaller businesses.

RESPONSE TO COMPLAINTS

Plumas Bank did not receive any CRA-related complaints over the review period, as such the bank's responsiveness to responding to complaints was not considered in evaluating overall CRA performance.

Community Development Test

Plumas Bank's performance under the community development test is satisfactory. The bank demonstrated adequate responsiveness to local community needs through qualified community development loans, investments, and services. More weight was placed on the bank's Non-MSA assessment area due to concentrations of lending, deposit market share and branching footprints.

Overall, the bank made 175 community development loans totaling \$182.5 million and 54 qualified donations totaling \$78,155. Plumas Bank also provided 2,021 hours of community development service hours to 76 separate organizations. The bank's community development loans primarily address the need for economic development in moderate-income census tracts and distressed and/or underserved middle-income geographies. Due to its limited branch network in mostly rural communities, Plumas Bank faces challenges in identifying community development activities, particularly investment opportunities. As a result, the bank's investments consisted solely of donations, which predominantly targeted organizations that focus on aiding low- and moderate-income individuals. Similarly, the bank's community development service hours mainly targeted organizations involved in providing community services targeted to low- and moderate-income individuals.

The bank also engaged in qualified community development activities that benefited a broader statewide or regional area that include the bank's assessment areas. The following examples illustrate these activities:

- A total of 92 SBA 504 and 7a small business loans totaling over \$99.0 million provided to small businesses and small farms;
- A loan for \$675,000 within a distressed geographic area provided 20 affordable housing units;
- Bank personnel provided 53 service hours to a community depository institution advisory council that informs regional community banks how to better serve low- and moderate-income individuals through multiple avenues; and
- A bank employee dedicated 57 service hours serving as a board member to an organization that provides support to at-risk youth.

An overview of the bank’s community development activities is listed below in Exhibit 3. The details of these activities are addressed within the applicable assessment area discussion.

EXHIBIT 3 COMMUNITY DEVELOPMENT ACTIVITIES								
Assessment Area (s)	Loans		Investments				Services	
			Prior Period		Current Period			
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	Hours
Non-MSA	22	15,787	0	0	33	17	38	1,067
Redding-MSA	11	11,936	0	0	9	23	0	0
Sacramento	12	7,685	0	0	4	3	0	0
Reno-MSA	25	25,027	0	0	5	32	25	793
Carson City	7	13,112	0	0	3	3	7	51
Broader Statewide or Regional Area	98	108,957	0	0	0	0	6	110
Total	175	182,504	0	0	54	78	76	2,021

Fair Lending or Other Illegal Practices Review

Concurrent with this CRA evaluation, the Federal Reserve conducted a review of the bank’s compliance with consumer protection laws and regulations and found no violations of the substantive provisions of anti-discrimination, fair lending, or other illegal credit practice rules, laws or regulations that were inconsistent with helping to meet community credit needs.

STATE OF CALIFORNIA

CRA Rating for California

Performance in California is rated "SATISFACTORY"

The lending test is rated: Satisfactory

The community lending test is rated: Satisfactory

The major factors supporting the institution's rating include:

- A majority of lending occurred within the bank's assessment areas;
- A reasonable distribution of loans by geography;
- A reasonable distribution of loans to businesses of different revenue sizes; and
- An adequate amount of community development activities provided in response to assessment area needs.

Scope of Examination

The scope of examination for the state of California is consistent with the overall scope of the CRA examination. The Non-MSA and Redding MSA assessment areas were reviewed using the full-scope examination procedures. The Sacramento assessment area received a limited scope review based on the bank's smaller presence and lower lending volumes and deposit activity. Performance in the Non-MSA assessment area carried the greatest weight in the evaluation, while performance in the limited scope area was evaluated as being either consistent, below, or above performance in the full-scope assessment areas.

All loan types were used to evaluate the responsiveness to assessment area credit needs based on the volume of lending within each assessment area. Aside from the Non-MSA assessment area, small farm lending levels were insufficient to draw meaningful conclusions; therefore, those lending levels were considered during the review, but did not influence the overall assessment due to their limited volume.

Description of Operations in California

Plumas Bank operated 11 of its 13 branches in California.¹ The state is a competitive market for financial services with over 191 Federal Deposit Insurance Corporation (FDIC)-insured depository institutions operating 6,618 branches with combined deposits of \$1.8 trillion, as of June 30, 2020.² Plumas Bank ranked 94th out of the 191 institutions with deposits totaling \$803 million, which represented a small market share of 0.04 percent.³

¹ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

² Ibid.

³ Ibid.

California's economy grew early in the review period prior to the COVID-19 pandemic. The primary economic drivers in the state included technology, tourism and agriculture.⁴ As the tech capital of the world, California is home to some of the world's most valuable technology firms such as Apple and Netflix.⁵ Employment in technology grew by 61,195 net new jobs between 2018, and 2019, to an estimated 1.87 million jobs, and the state led the nation in the number of technology jobs and job gains in 2019.⁶ There was also growth in the travel industry during the review period. In 2019, the travel industry entered its ninth consecutive year of growth in 2019.⁷ Direct travel spending in California increased an estimated 3.2 percent between 2018, and 2019, and employment grew at the same rate.⁸ California's agriculture industry is another primary economic driver in the state. The state's agriculture industry leads the nation in agricultural production and accounts for 13 percent of the total U.S. agricultural value.⁹ In 2019, farms and ranches in the state received over \$50 billion in cash receipts, which represented an increase from 2018.¹⁰

Overall, wage and salary income growth in California remained above the national average as of 2019.¹¹ Early in the review period while the state was in a late expansion stage of the business cycle, low unemployment indicated labor market tightness and wage growth.¹² However, cost disadvantages for businesses and residents increased movement out of state.¹³ Negative total net migration grew larger during the review period years.¹⁴

In the housing sector, house prices increased during the review period while housing affordability decreased or remained relatively stagnant and unaffordable compared to the U.S. overall.¹⁵ Limited housing stock and high demand for housing contributed to California's high housing costs.¹⁶ As of 2019, an average home cost was 2.5 times more expensive and average monthly rent was 50 percent higher than the rest of the country.¹⁷ High housing costs drove poverty rates to 19 percent, the highest in the nation, according to the Supplemental Poverty Measure that accounts for a households' food, clothing, shelter, and utilities costs.¹⁸

The review period was also marked by multiple years of wildfire damage and devastation in California. By one estimate, the destruction caused \$9 billion in property damage for the year.¹⁹ Economic impacts and recovery from the wildfires during the review period were concentrated in the state's smaller

⁴ Moody's Precis Report, California, November 2020.

⁵ Moody's Precis Report, California, November 2018.

⁶ CompTIA, Cyberstates 2020; available from: <https://www.cyberstates.org/>.

⁷ Visit California, California Travel Impacts, April 2020; available from: <https://industry.visitcalifornia.com/research/economic-impact>.

⁸ Ibid.

⁹ California Department of Food and Agriculture, California Agricultural Production Statistics, 2019 Crop Year; available from: <https://www.cdfa.ca.gov/Statistics/>.

¹⁰ Ibid.

¹¹ Moody's Precis Report, California, March 2019.

¹² Ibid.

¹³ Ibid.

¹⁴ Moody's Precis Report, California, November 2020.

¹⁵ Ibid.

¹⁶ Legislative Analyst's Office, Considerations for the Governor's Housing Plan, February 20, 2019; available from: <https://lao.ca.gov/Publications/Report/3941>.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Moody's Precis Report, California, November 2020.

regional economies, such as the Redding MSA discussed below, rather than registering as a mark against the state's vast economy.²⁰

Based on the data referenced above, as well as input from community contacts discussed below, high housing costs and a lack of affordable housing pose significant challenges in the state. In addition, the COVID-19 pandemic caused an economic downturn in 2020 that was marked by a significant loss in employment and presented a number of credit needs for small businesses, as discussed further in the assessment area analysis to follow.

Conclusions with Respect to Performance Tests in California

LENDING TEST

Plumas Bank's performance in the state of California under the lending test is rated satisfactory. Lending levels relative to deposits and overall lending distributions were reasonable, with a majority of loans extended within the bank's assessment areas.

In addition, within the state of California the bank originated 1,882 PPP loans totaling over \$153.2 million.

COMMUNITY DEVELOPMENT TEST

Plumas Bank's performance under the community development test is also rated satisfactory. An adequate level of community development loans, investments, and services were provided in the assessment areas and the broader statewide or regional area including the bank's assessment areas.

²⁰ Moody's Precise Report, California, November 2018.

Non-MSA Assessment Area Conclusions

**Assessment area where a full-scope review was performed using the examination procedures.*

DESCRIPTION OF OPERATIONS IN NON-MSA

The Non-MSA assessment area consists of Lassen, Modoc, Plumas, and Sierra counties and the eastern portion of Nevada County. While the assessment area is not a defined MSA, Lassen County forms the Susanville, California Micropolitan Statistical Area (μ SA) in its entirety, and Nevada County forms the Truckee-Grass Valley, California μ SA in its entirety. The assessment area is bordered by the state of Oregon to the north, the state of Nevada to the east, Placer County to the south, and by Yuba, Butte, Tehama, Shasta, and Siskiyou counties to the west. As of 2019, the assessment area had a combined population of 160,981 people.²¹

As of June 30, 2020, there were 11 FDIC-insured commercial institutions operating 37 offices with combined deposits of \$3.3 billion in the assessment area.²² The bank's eight branches in the area had total deposits of \$638 million that represented 19.5 percent of the market.²³

Exhibit 4 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

²¹ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2019; available from: www.census.gov/quickfacts/.

²² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

²³ Ibid.

EXHIBIT 4 ASSESSMENT AREA DEMOGRAPHICS NON-MSA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,351	17.4
Moderate-income	3	11.5	1,223	6.4	148	12.1	3,060	15.9
Middle-income	14	53.8	10,350	53.8	1,036	10.0	3,581	18.6
Upper-income	9	34.6	7,679	39.9	424	5.5	9,260	48.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	19,252	100.0	1,608	8.4	19,252	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	2,831	1,218	5.7	43.0	701	24.8	912	32.2
Middle-income	26,623	11,781	55.2	44.3	5,502	20.7	9,340	35.1
Upper-income	22,707	8,356	39.1	36.8	3,292	14.5	11,059	48.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	52,161	21,355	100.0	40.9	9,495	18.2	21,311	40.9
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	233	6.2	195	5.6	31	12.4	7	13.2
Middle-income	1,763	46.8	1,622	46.8	109	43.6	32	60.4
Upper-income	1,775	47.1	1,651	47.6	110	44.0	14	26.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,771	100.0	3,468	100.0	250	100.0	53	100.0
% of Total Businesses				92.0		6.6		1.4
2020 Adjusted Median Family Income ²⁴			\$57,900					

Economic Conditions

Much of the assessment area consists of rural and forested area and is home to a number of national forest and park lands, including Modoc, Lassen, Plumas, and Tahoe National Forests, as well as part of Lassen Volcanic National Park. In Plumas County, for example, the area is characterized as rural with more than 100 lakes, 1,000 miles of rivers and streams, and over one million acres of national forest.²⁵ More than 70 percent of Plumas and Sierra counties is public land.²⁶

²⁴ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

²⁵ Plumas County California, About Plumas County; available from: <https://www.plumascounty.us/186/About-Plumas-County>.

²⁶ Reno Gazette Journal – Lost Sierra Route; April 8, 2021; available from: <https://www.rgj.com/story/news/2021/04/06/lost-sierra-route-why-california-towns-pushing-new-trail-system/6975087002/>.

During the review period, the assessment area's economy showed limited indications of growth prior to the economic downturn brought on by the COVID-19 pandemic. Employment in the area was dominated by public sector jobs. Lassen County had the highest concentration, 60 percent, of public sector jobs of all California counties.²⁷ The two correctional facilities located in the county were the principal employers, one of which is the largest correctional facility in California.²⁸ According to one community contact, approximately 80 percent of the population in Lassen County is either incarcerated or employed by the correctional facilities. In the southern portion of the assessment area, primary job centers are outside of the counties, in the Tahoe-Truckee area to the South and the Reno-Sparks region in Nevada to the east.²⁹ However, recent efforts indicate a push to grow the outdoors recreation-based industry in the area.³⁰ A large concentration of leisure and hospitality employment is based in Nevada County, with nearby Lake Tahoe as the top tourism attraction.³¹ Early in the review period, demand for leisure and hospitality workers grew with the increased snow levels.³² And as of 2019, jobs in the industry peaked to over 5,000.³³ The area previously relied heavily on logging and mining for local income, however, income from the industry continued to decline in recent years.³⁴ The timber industry in Modoc County produced \$4 million in output in 2019, down from \$13 million from five years earlier.³⁵

Compounding the challenges presented by the decline in the logging and mining industries, some of the area had an older population than compared to the statewide average. For example, 12 percent of Modoc County's population was age 75 or older, compared to just 7 percent of California's population.³⁶ The aging population contributed to population decline in much of the area.³⁷ Overall, the area economy was stagnant early in the review period except for some concentrations of increased tourism, prior to the economic impacts of the pandemic early in 2020.

As depicted in Exhibit 5 on the following page, small business lending from banks subject to the CRA trended upward during the review period. In 2019, there were 4,061 loans totaling \$98 million made to small businesses in the assessment area. Lending to small businesses played a critical role in the economy given that small businesses accounted for 92.0 percent of all businesses in the assessment area, as noted in Exhibit 4. In response to the COVID-19 pandemic, the federal PPP was launched to aid small businesses during the pandemic-associated shelter-in-place orders and resulted in increased

²⁷ Department of Transportation, Lassen County, Economic Forecast, 2020 County-Level Economic Forecast; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

²⁸ Ibid.

²⁹ Department of Transportation, Sierra County Economic Forecast, 2020 County-Level Economic Forecast; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

³⁰ Reno Gazette Journal – Lost Sierra Route; April 8, 2021; available from: <https://www.rgj.com/story/news/2021/04/06/lost-sierra-route-why-california-towns-pushing-new-trail-system/6975087002/>.

³¹ Department of Transportation, Nevada County Economic Forecast, 2020 County-Level Economic Forecast; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

³² Ibid.

³³ Ibid.

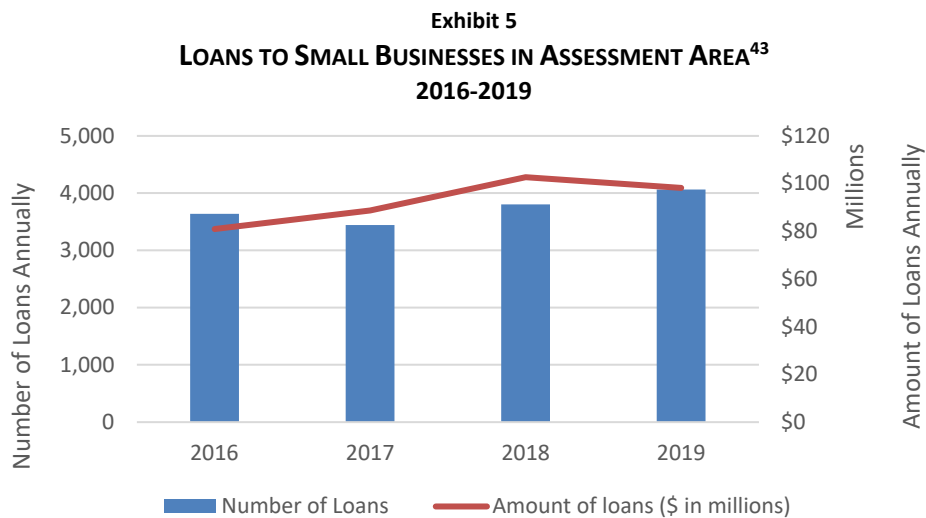
³⁴ Reno Gazette Journal – Lost Sierra Route; April 8, 2021; available from: <https://www.rgj.com/story/news/2021/04/06/lost-sierra-route-why-california-towns-pushing-new-trail-system/6975087002/>.

³⁵ Department of Transportation, Modoc County Economic Forecast, 2020 County-Level Economic Forecast; available from: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>.

³⁶ Ibid.

³⁷ Ibid.

lending to small businesses and farms in the first half of 2020.³⁸ Nationwide, small business and farm lending by small banks grew on average by 23 percentage points, while lending by medium and large banks increased by 38 and 35 percentage points, respectively.³⁹ The growth in lending suggests small businesses and farms turned to banks for funding and support to respond to the pandemic’s negative effect on consumer and business activity in 2020.⁴⁰ In the assessment area, over 2,000 PPP loans in amounts of less than \$1 million were made, and approximately 10,000 jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.⁴¹ According to the borrower firms that elected to report their industry, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Construction sector.⁴²



The unemployment rates in the assessment area are depicted in Exhibit 6 on the following page. During the review period, the unemployment rates in the area decreased, except in Plumas County where there was a nominal increase from 7.6 percent to 7.7 percent. All counties in the assessment area except Nevada County had higher rates of unemployment than compared to the statewide rate.

³⁸ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

³⁹ Ibid.

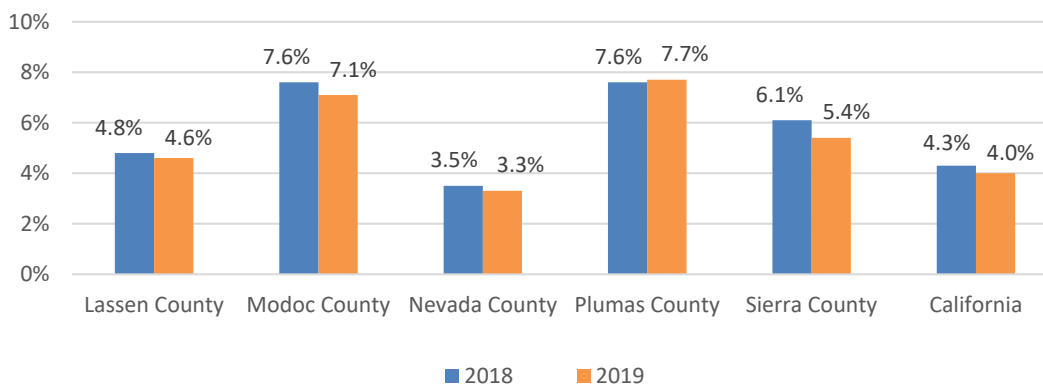
⁴⁰ Ibid.

⁴¹ SBA, PPP Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made.]

⁴² Ibid.

⁴³ Aggregate CRA Small Business data reports, available from: <http://www.ffiec.gov/craadweb/national/asp>.

Exhibit 6
UNEMPLOYMENT RATE⁴⁴
2018-2019



Unemployment rates increased in the assessment area starting in March 2020, after the onset of the pandemic. In April 2020, the unemployment rates peaked at 11.5 percent in Lassen County, 13.2 percent in Modoc County, 15.4 percent in Nevada County, 18.7 percent in Plumas County, and 14.3 percent in Sierra County.⁴⁵ Although rates trended downward through the remaining months of the year, rates increased again starting in December 2020 through February 2021.⁴⁶ The resurgent unemployment rates may indicate the area is facing a longer or uneven recovery from the economic recession brought on by the pandemic.

Median home prices increased during the review period, as depicted in Exhibit 7 on the following page. Lassen, Modoc, Plumas, and Sierra counties all had lower home prices during the review period compared to the state’s median home price. Nevada County’s median home price was lower than, but tracked closer to, the state’s median home price during the review period compared to the other counties in the assessment area. By January 2021, the median home price was \$559,900 in Nevada County, \$288,119 in Plumas County, \$253,296 in Sierra County, \$180,234 in Lassen County, and \$136,649 in Modoc County. The comparatively lower median home prices in the area correlated to higher rates of housing affordability. According to the California Association of Realtors’ Housing Affordability Index, the percentage of households that could afford to purchase the median priced home in the fourth quarter of 2020 was 67.26 percent in Lassen County, 44.63 percent in Plumas County, and 40.08 percent in Nevada County compared to the lower share of households of 26.50 percent, in California.⁴⁷ The share of households was unavailable for Modoc and Sierra counties.

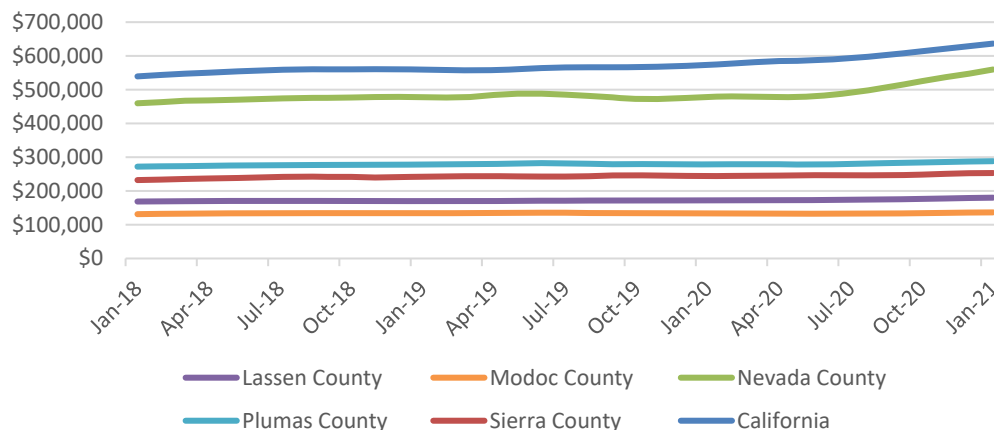
⁴⁴ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ California Association of Realtors, Housing Affordability Index-Traditional, 2020 Q4 available from: <https://www.car.org/marketdata/data/haitraditional>.

Exhibit 7
MEDIAN HOME PRICES⁴⁸
January 2018-January 2021



The median rent prices for a 1-bedroom unit increased during the review period for most counties in the assessment area. Median rent prices for a 1-bedroom unit increased in Lassen County from \$550 in 2018 to \$627 in 2019, in Modoc County from \$460 in 2018 to \$479 in 2019, in Nevada County from \$864 in 2018 to \$922 in 2019, and in Sierra County from \$813 in 2018 to \$824 in 2019.⁴⁹ However, in Plumas County, the median rent price for a 1-bedroom slightly decreased from \$554 in 2018 to \$501 in 2019.⁵⁰

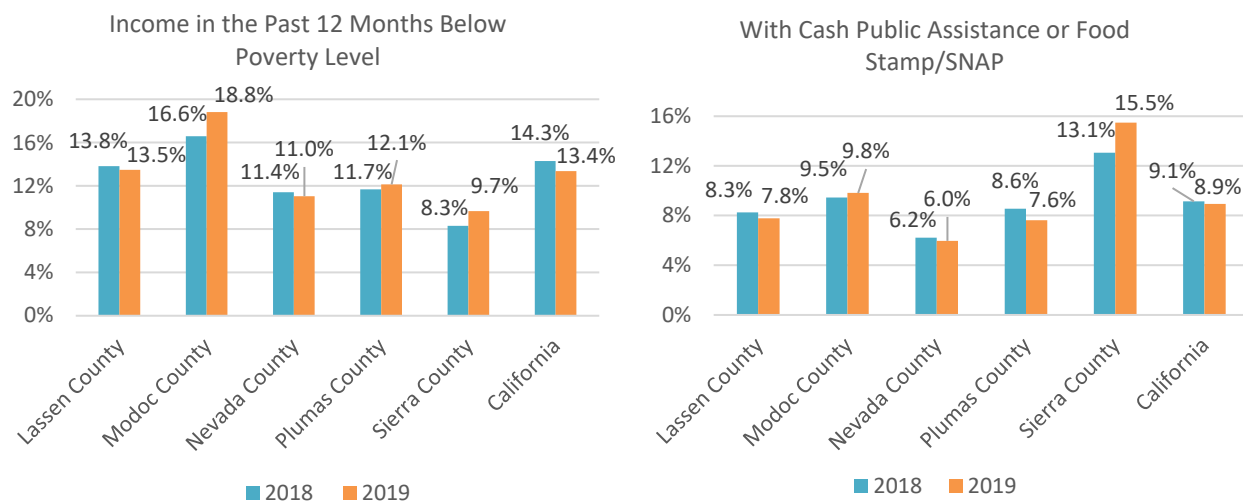
The trends in the poverty rate and share of households receiving public cash assistance or food stamp/Supplemental Nutrition Assistance Program (SNAP) benefits is shown in Exhibit 8 on the following page. Poverty rates in the assessment area differed between the five counties. Lassen and Nevada counties both had a slight decrease in the percentage of households with income below the poverty level. Modoc, Plumas, and Sierra counties all saw an increase in poverty rates between 2018 and 2019. Modoc County had a higher share of people with income below the poverty level compared to the rest of the assessment area and in the state of California, reaching nearly 19 percent in 2019. Similarly, rates of households receiving public cash assistance or food stamp/SNAP benefits varied. Rates decreased in Lassen, Nevada, and Plumas counties. However, Modoc and Sierra counties had an increase in the share of households receiving public cash assistance or food stamp/SNAP benefits. Sierra County had the highest rate share of households receiving benefits, 15.5 percent, than the other counties in the area and compared to the state, 8.9 percent, in 2019.

⁴⁸ Zillow Research, Zillow Home Value Index Single-Family Home Time Series; available from: <https://www.zillow.com/research/data>.

⁴⁹ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

⁵⁰ Ibid.

**Exhibit 8
POVERTY AND FOOD STAMP USAGE RATES⁵¹
2018-2019**



Credit and Community Development Needs

The economic data described above and feedback from community contacts indicate that credit and community development needs persist in the area. As previously discussed, small business lending levels remained steady during the review period before increasing in 2020 as PPP loans were distributed to meet the credit needs of small businesses enduring the impacts of COVID-19. According to the U.S. Census Bureau’s Weekly Small Business Pulse Survey, 43 percent of small business respondents in California received PPP loans within the preceding four months as of April 18, 2021.⁵² At that time, 20 percent of respondent small businesses projected a need to obtain financial assistance in the next six months.⁵³ However, 41 percent of small businesses in California reported it would take more than six months before the business returned to normal levels of operation relative to one year ago.⁵⁴ Based on the survey results, some small businesses in California appeared to still have a need for financing to recover from the economic pressures of the pandemic.

The Small Business Credit Survey was conducted in September and October 2020, which was approximately six months after the onset of the COVID-19 pandemic and shortly after the close of the first window of PPP lending. The point-in-time survey highlighted the pandemic’s impact on small businesses and their credit needs. The survey results found that of the 37 percent of small business survey respondents that applied for credit in the prior 12 month period, just 37 percent received all the financing they sought.⁵⁵ This share of applicants was a decrease from the prior year’s survey, which

⁵¹ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

⁵² U.S. Census Bureau, Weekly Small Business Pulse Survey, April 12, 2021 to April 18, 2021; available from: <https://portal.census.gov/pulse/data/#data>.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Small Business Credit Survey, Report on Employer Firms 2021; available from: <https://www.fedsmallbusiness.org/survey/2021/report-on-employer-firms>.

found that 51 percent of applicant firms received all the financing they sought.⁵⁶ Small business applicants most often sought loans or lines of credit.⁵⁷ A majority of applicant firms, 58 percent, cited that their reason for applying for credit was to meet operating expenses.⁵⁸ Only 48 percent of firms applied for less than \$100,000, a decrease since the prior year.⁵⁹ Despite the increase in small business lending during the pandemic, the survey results further indicate an unmet credit need for small businesses.

According to a community contact, many small businesses need capital or financing to help purchase equipment for their business or to acquire property. For example, the contact noted that many businesses that rent their operating space are looking to own the same operating space and seek financing to assist with the real estate acquisition. Aside from real estate acquisition, the contact noted that most businesses in the area are not large-scale and seek loans in the amount of less than \$100,000. In addition to the need for smaller-dollar loans, there is also a need in the area for funding start-up businesses. A community contact indicated that funding for start-up businesses is the most challenging type of financing to find. The contact noted that there are also no local community-based financial organizations, such as Community Development Financial Institutions, to help address this credit need.

Overall, credit and community development needs persist in the area that could be met by participation from financial institutions in the form of small business loans or loans for start-up businesses. Based on the data discussed above and the information gathered from community contacts, these are some of the most impactful opportunities financial institutions could offer to help address credit and community development needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA

Lending Test

Overall lending performance in the Non-MSA assessment area is satisfactory. Lending levels reflect reasonable responsiveness to community credit needs and overall reasonable distributions by geography and business revenue, given the opportunities and competition within the assessment area. The bank serves several communities that historically have been dependent on the logging and mining industries. The decline of those industries and the subsequent loss of jobs in the area, compounded by an aging population, has negatively impacted commercial lending opportunities.

Due to the limited data collected, this evaluation is based upon small business loans extended in 2020 and small farm lending activity in 2019 and 2020. Additionally, the bank extended a number of PPP loans within the assessment area to assist small businesses and their employees.

⁵⁶ Small Business Credit Survey, Report on Employer Firms 2021; available from:
<https://www.fedsmallbusiness.org/survey/2021/report-on-employer-firms>.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

Lending Distribution by Geography

Overall lending distributions by geography are reasonable. As shown below in Exhibit 9 and 10, the bank's lending volume and performance varies based on the product type. Lending volume for small business loans in 2020 is in line with both the aggregate and business concentration percentages in moderate- and middle-income geographies. Lending to small farms in 2019 and 2020 reflects better performance than both the aggregate and small farm concentration percentages in moderate-income geographies and is consistent with middle-income geographies.

Lending volumes in moderate-income census tracts are limited based on the data collected; however, there are only three such geographies within the assessment area. Modoc County has a total of four census tracts with only one moderate-income census tract and three distressed nonmetropolitan middle-income geographies. Likewise, Plumas County consists of seven census tracts of which five are both distressed and underserved nonmetropolitan middle-income geographies. There is a single branch location in Modoc County that is located in, and surrounded by, distressed geographies. Similarly, the bank has four branch locations within Plumas County, all of which are located in distressed and underserved nonmetropolitan middle-income geographies.

The pattern of lending does not exhibit unusual or conspicuous gaps.

EXHIBIT 9 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Non-MSA Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	4	57.1	3	42.9
Aggregate Lending	0	0.0	74	4.7	658	41.6	848	53.7
Business Concentration	0	0.0	245	6.2	1,887	47.6	1,833	46.2
Non-MSA Assessment Area 2019								
Bank Lending	0	0.0	0	0.0	8	57.1	6	42.9
Aggregate Lending	0	0.0	101	5.7	711	40.4	949	53.9
Business Concentration	0	0.0	237	6.2	1,809	47.2	1,787	46.6
Non-MSA Assessment Area 2020								
Bank Lending	0	0.0	3	7.0	19	44.2	21	48.8
Aggregate Lending	0	0	90	5.6	540	33.7	973	60.7
Business Concentration	0	0.0	233	6.2	1,763	46.8	1,775	47.1

EXHIBIT 10 GEOGRAPHIC DISTRIBUTION OF SMALL FARM LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Non-MSA Assessment Area 2018								
Bank Lending	0	0.0	1	10.0	7	70.0	2	20.0
Aggregate Lending	0	0.0	15	31.3	32	66.7	1	2.1

Business Concentration	0	0.0	63	27.5	131	57.2	35	15.3
Non-MSA Assessment Area 2019								
Bank Lending	0	0.0	5	38.5	8	61.5	0	0.0
Aggregate Lending	0	0.0	22	35.5	32	51.6	8	12.9
Business Concentration	0	0.0	60	28.2	123	57.7	30	14.1
Non-MSA Assessment Area 2020								
Bank Lending	0	0.0	6	35.3	10	58.8	1	5.9
Aggregate Lending	0	0.0	15	26.3	37	64.9	5	8.8
Business Concentration	0	0.0	60	28.6	122	58.1	28	13.3

Lending Distribution by Business Revenue

As depicted in Exhibit 11 and 12 below, the lending distribution of loans by business revenue is reasonable. The bank extended a high percentage of small dollar loans that were less than or equal to \$100,000. This activity was highly impactful given the credit needs within the assessment area and offset the bank’s performance relative to both aggregate lenders and the percentage of businesses with annual revenues less than or equal to \$1 million.

In addition, lending to small farms reflected excellent distribution to small farms relative to both the percentage of small farms and aggregate lending. Small farm lending distributions also showed a strong effort towards meeting stated community needs with smaller dollar loans of less than or equal to \$100,000.

EXHIBIT 11 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	7	71.4	91.2	50.4	71.4	14.3	14.3
2019	14	21.4	91.9	50.5	64.3	28.6	7.1
2020	43	30.2	92.0	42.7	76.7	16.3	7.0

EXHIBIT 12 BUSINESS REVENUE DISTRIBUTION OF SMALL FARM LOANS							
Year	Bank Lending #	Lending to Farms with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Farms <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$500k (%)
2018	10	100.0	93.9	43.8	80.0	20.0	0.0
2019	13	76.9	93.4	40.3	30.8	30.8	38.5
2020	17	100.0	93.3	35.1	64.7	29.4	5.9

COMMUNITY DEVELOPMENT TEST

Plumas Bank's performance under the community development test is satisfactory. The bank demonstrated adequate responsiveness to the community development needs of the Non-MSA assessment area. The bank provided community development loans, investments, and services appropriate to the bank's capacity as well as the need and availability of such opportunities within the assessment area. Greater weight was placed on community development lending due to the higher impact of this activity within the assessment area.

The bank extended 22 loans totaling approximately \$15.8 million, which addressed the pronounced need for economic development. These activities had a considerable impact, as the majority of the loans extended by the bank supported local businesses and provided opportunities for low- and moderate-income individuals through job creation or retention.

In addition, the bank made 33 donations within the assessment area totaling \$16,805. These donations predominantly targeted organizations that provide community services to low- and moderate-income individuals.

Plumas Bank personnel provided 1,067 service hours to organizations that focus on providing community services to low- and moderate-income individuals within the assessment area.

The following examples highlight community development activities within the Non-MSA assessment area:

- A total of 22 loans providing nearly \$15.8 million to support small businesses in the assessment area to either purchase an existing business, expand or provide continued operations of current businesses;
- Two loans totaling \$425,000 were made to a company located in a distressed and underserved nonmetropolitan middle-income census tract. The organization has contracts to provide psychological counseling for the California Department of Education, Office of Emergency Services, the County of Plumas, and the Department of Health Services;
- A donation totaling \$4,000 was provided to an organization that provides care and housing for low- and moderate-income senior citizens;
- Bank personnel provided 126 service hours to an organization that offers financial support to low-income households through various free programs such as child development and health and nutritional support; and
- A total of 130 service hours were provided to a district health board dedicated to promoting access to healthcare for all residents including low- and moderate-income individuals.

Redding MSA Assessment Area Conclusions

**Assessment area where a full-scope review was performed using the examination procedures.*

DESCRIPTION OF OPERATIONS IN REDDING MSA

The Redding MSA assessment area consists of Shasta County in its entirety, which forms the Redding, California MSA. Shasta County is bordered by Siskiyou and Modoc counties to the north, Lassen County to the east, Plumas, and Tehama counties to the south and Trinity County to the west. As of 2019, the assessment area had a population of 180,080 people.⁶⁰

There were 13 FDIC-insured institutions operating 35 offices with total deposits of \$3.9 billion in the area as of June 30, 2020.⁶¹ Plumas Bank operated two branches in the area and held \$90 million in deposits, which accounted for 2.33 percent of the deposit market share.⁶²

Exhibit 13 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

⁶⁰ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2019; available from: www.census.gov/quickfacts/.

⁶¹ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

⁶² Ibid.

EXHIBIT 13 ASSESSMENT AREA DEMOGRAPHICS REDDING MSA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	9,525	21.2
Moderate-income	9	18.8	7,906	17.6	1,552	19.6	8,099	18.0
Middle-income	26	54.2	25,419	56.5	2,707	10.6	8,913	19.8
Upper-income	13	27.1	11,625	25.9	711	6.1	18,413	41.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	48	100.0	44,950	100.0	4,970	11.1	44,950	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	15,120	6,175	14.3	40.8	7,214	47.7	1,731	11.4
Middle-income	45,448	24,846	57.3	54.7	15,126	33.3	5,476	12.0
Upper-income	17,222	12,310	28.4	71.5	3,704	21.5	1,208	7.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	77,790	43,331	100.0	55.7	26,044	33.5	8,415	10.8
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,896	20.8	1,781	21.1	102	16.9	13	21.3
Middle-income	5,367	58.9	4,939	58.5	394	65.3	34	55.7
Upper-income	1,844	20.2	1,723	20.4	107	17.7	14	23.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9,107	100.0	8,443	100.0	603	100.0	61	100.0
% of Total Businesses				92.7		6.6		0.7
2020 Adjusted Median Family Income ⁶³			\$68,500					

Economic Conditions

The assessment area is a retiree destination, and prime economic drivers are the healthcare and agriculture industries. Notably, this assessment area is more reliant on healthcare and social assistance for employment and income than any other area in California.⁶⁴ The economy fluctuated between expansion and recovery during the review period. After the pandemic-induced recession in 2020, the economy was recovering at a similar pace as California with nonfarm employment closer to its pre-virus peak.

⁶³ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

⁶⁴ Moody's Precis Report, Redding CA, November 2020.

The healthcare industry's strength is driven by robust demand from a large and growing senior population in the region.⁶⁵ As a healthcare hub, the industry employs 22 percent of the nonfarm workforce and the bulk of mid-wage jobs in the area.⁶⁶ On average, the population is older, with 20 percent of residents age 65 or older, the highest share in the state.⁶⁷ However, demographics and inequitable wage job opportunities posed challenges to the area. Over half of area workers were employed in low-wage industries and only 11 percent were employed in high-wage industries.⁶⁸ Furthermore, the population of skilled youth ages 25-29 fell faster than in the state as a whole due to limited availability of high-wage jobs.⁶⁹

In the area's agriculture sector, livestock, alfalfa production, and timber were the area's largest farm products.⁷⁰ Forest products account for approximately 50 percent of the area's agriculture output.⁷¹ The increase in timber prices likely provided a disproportionately larger boost to the economy than the other agriculture products.⁷²

Early in the review period, the Carr Fire destroyed 1,600 homes in 2018.⁷³ Although single-family housing permits spiked in 2019 due to an increase in rebuilding efforts after the fire, residential real estate demand softened from a drop in income growth and the aging population.⁷⁴ Overall, the area economy was recovering from the Carr Fire as well as the pandemic at a similar pace as California by the end of 2020.⁷⁵

As depicted in Exhibit 14 on the following page, small business lending from banks subject to the CRA trended upward during the review period. Prior to the review period, lending had decreased slightly from 2016 to 2017, before increasing during the review period. In 2019, there were 3,739 loans totaling \$123 million made to small businesses in the assessment area. Lending to small businesses played a critical role in the economy given that small businesses accounted for 92.7 percent of all businesses in the assessment area, as noted in Exhibit 13. As described above in the discussion on loans to small businesses in the Non-MSA assessment area, small banks increased lending to small businesses and farms by 23 percentage points on average, while lending by medium and large banks increased on average by more than 38 and 35 percentage points, respectively.⁷⁶ The growth in lending suggests small businesses and farms turned to banks for funding and support to respond to the pandemic's negative effect on consumer and business activity in the first half of 2020.⁷⁷ In the assessment area, over 8,000 PPP loans in the amount of less than \$1 million were made and approximately 21,000 jobs were

⁶⁵ Ibid.

⁶⁶ Moody's Precis Report, Redding CA, November 2020.

⁶⁷ Moody's Precis Report, Redding CA, November 2019.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Moody's Precis Report, Redding CA, November 2020.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Moody's Precis Report, Redding CA, March 2019.

⁷⁴ Moody's Precis Report, Redding CA, November 2019.

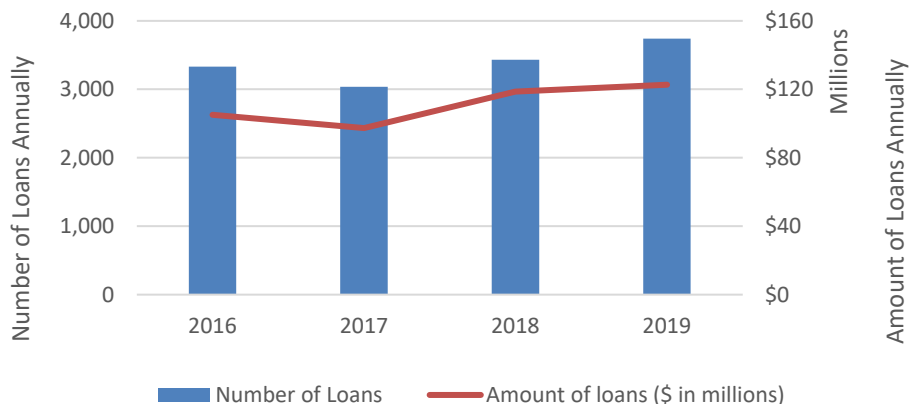
⁷⁵ Moody's Precis Report, Redding CA, November 2020.

⁷⁶ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

⁷⁷ Ibid.

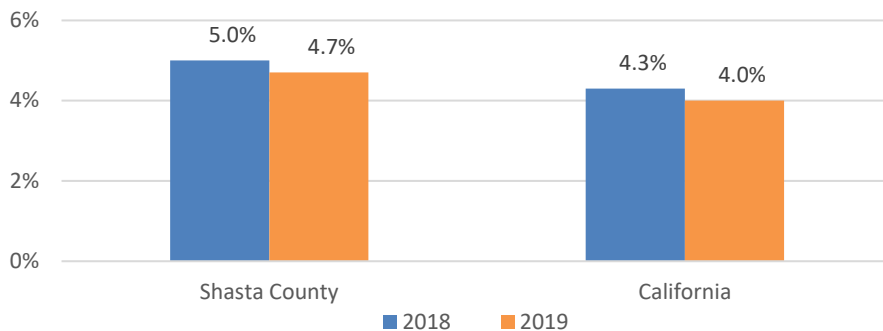
self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.⁷⁸ According to the borrower firms that elected to report their industry, most loans under \$1 million were made to businesses in the Health Care and Social Assistance sector, followed by the Construction sector.⁷⁹

Exhibit 14
LOANS TO SMALL BUSINESSES IN ASSESSMENT AREA⁸⁰
2016-2019



The unemployment rate in the area decreased early in the review period, as depicted below in Exhibit 15. The unemployment rate in the area decreased at the same rate as the state overall. However, unemployment remained slightly higher than in California.

Exhibit 15
UNEMPLOYMENT RATE⁸¹
2018-2019



After the onset of the pandemic, unemployment rates increased in the area starting in March 2020. In April 2020, the unemployment rates peaked to 15.7 percent in Shasta County.⁸² Although the

⁷⁸ SBA, PPP Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>. [Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made.]

⁷⁹ SBA, PPP Loan Data; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

⁸⁰ Aggregate CRA Small Business data reports, available from: <http://www.ffiec.gov/craadweb/national/asp>.

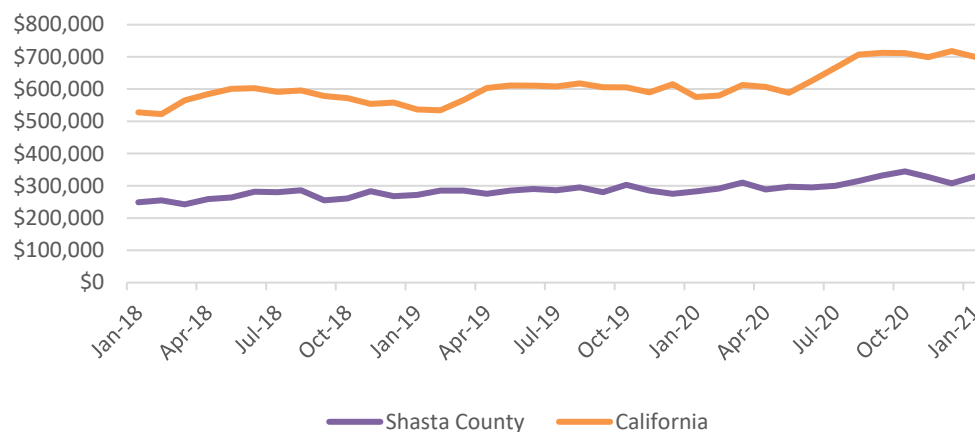
⁸¹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

⁸² Ibid.

unemployment rate trended downward through the remaining months of the year, rates increased again starting in December 2020.⁸³ The resurgent unemployment rate may indicate the area is facing a longer or uneven recovery from the economic recession brought on by the pandemic.

Median home prices in the assessment area increased overall during the review period, as depicted below in Exhibit 16. The median home price in the area was less than the statewide median, and as of January 2021, was less than half the median home price in California. In Shasta County, the median home price increased from \$249,000 in January 2018 to \$329,000 in January 2021. The comparatively lower median home prices in the area correlate to higher rates of housing affordability. According to the California Association of Realtors’ Housing Affordability Index, the percentage of households that can afford to purchase the median priced home in the fourth quarter of 2020 was 49.11 percent in Shasta County compared to 26.50 percent statewide.⁸⁴

Exhibit 16
MEDIAN HOME PRICES⁸⁵
January 2018-January 2021



Similar to the median home price in the assessment area, the median rent price for a 1-bedroom unit increased during the review period. The median rent price for a 1-bedroom unit increased in Shasta County from \$676 in 2018 to \$696 in 2019.⁸⁶

The trends in the poverty rate and share of households receiving public cash assistance or food stamp/SNAP benefits is shown in Exhibit 17 on the following page. There was a slight decrease in the rate of households with incomes below the poverty level in Shasta County between 2018 and 2019. However, there was a slight increase in the percentage of households receiving public cash assistance or food stamp/SNAP benefits. Shasta County had higher proportions of households with incomes below

⁸³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

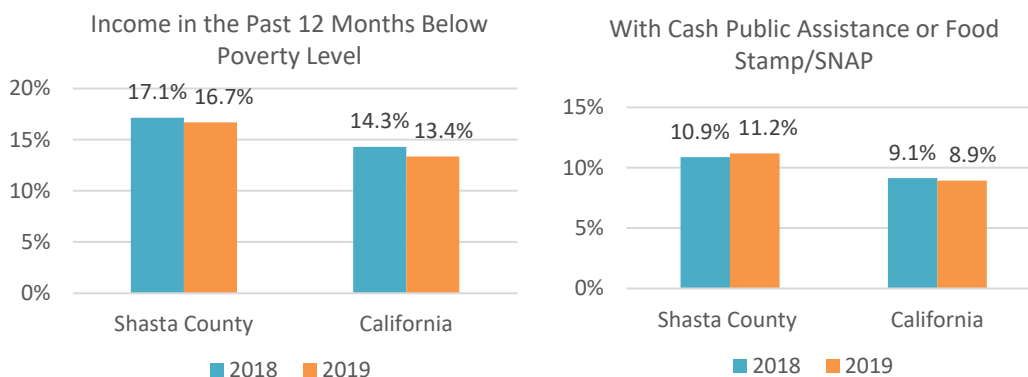
⁸⁴ California Association of Realtors, Housing Affordability Index-Traditional, 2020 Q4 available from: <https://www.car.org/marketdata/data/haitraditional>.

⁸⁵ California Association of Realtors, Historical Housing Data, Median Prices of Existing Detached Homes; available from: <https://www.car.org/marketdata/data/housingdata/>.

⁸⁶ U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

the poverty level as well as receiving cash public assistance or food stamp/SNAP benefits compared to the state overall.

Exhibit 17
POVERTY AND FOOD STAMP USAGE RATES⁸⁷
2018-2019



Credit and Community Development Needs

Similar to the discussion for the credit needs of the Non-MSA assessment area, small business lending levels slightly increased during the review period before PPP loans were distributed in 2020 to help meet the immediate credit needs of small businesses enduring the impacts of COVID-19. A community contact noted that the most challenging credit product to access in the area is start-up business funding. The contact indicated that funding between \$5,000 and \$20,000 would be the most helpful to meet this gap in credit offerings.

According to another contact, some small businesses would benefit from small grants or loans that would help address the reserves a business spent while weathering the pandemic. For example, the community contact operates a loan fund designed for smaller-dollar loans. The community contact noted this loan fund as an opportunity for financial institutions to participate to help meet this credit need. However, it was noted by a community contact that some small businesses were not negatively impacted by the pandemic. Rather, these businesses are looking to expand and need capital or credit opportunities to acquire real estate and expand their business operations.

Overall, there remains credit and community development needs in the assessment area that could be met by participation from financial institutions in the form of small business loans, investments, or donations to community organizations. Based on the data discussed above and the information gathered from community contacts, these are some of the most impactful opportunities financial institutions could provide to address credit and community development needs.

⁸⁷ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN REDDING MSA

Lending Test

Overall lending performance in the Redding MSA assessment area is satisfactory. Lending levels reflect reasonable responsiveness to community credit needs and overall reasonable distributions by geography and business revenue, given the opportunities and competition within the assessment area.

Given Plumas Bank’s limited deposit share in this assessment area, competition is significant for lending opportunities. Loan data collected for 2018 and 2019 was not significant enough to derive meaningful analysis of the bank’s dispersion of lending or lending to businesses of different revenue sizes. As such, the overall rating is driven by the bank’s small business lending performance in 2020. Additionally, the bank extended a number of PPP loans within the assessment area to help small businesses and their employees, which is factored into the evaluation.

Lending Distribution by Geography

Overall lending distribution by geography is reasonable. As shown below in Exhibit 18, the bank’s lending performance reflects reasonable dispersion throughout the assessment area. Notably, within the moderate-income geographies, the bank’s lending exceeded both the percentage of small businesses and the level of aggregate lending.

The pattern of lending does not exhibit unusual or conspicuous gaps.

EXHIBIT 18 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Redding MSA Assessment Area 2018								
Bank Lending	0	0.0	1	14.3	3	42.9	3	42.9
Aggregate Lending	0	0.0	583	16.5	2,199	62.2	754	21.3
Business Concentration	0	0.0	1,919	20.5	5,439	58.2	1,988	21.3
Redding MSA Assessment Area 2019								
Bank Lending	0	0.0	2	40.0	3	60.0	0	0.0
Aggregate Lending	0	0.0	624	16.3	2,349	61.2	865	22.5
Business Concentration	0	0.0	1,887	20.6	5,346	58.5	1,911	20.9
Redding MSA Assessment Area 2020								
Bank Lending	0	0.0	7	38.9	7	38.9	4	22.2
Aggregate Lending	0	0.0	703	17.8	2,465	62.5	779	19.7
Business Concentration	0	0.0	1,896	20.8	5,367	58.9	1,844	20.2

Lending Distribution by Business Revenue

Overall lending distribution by business revenue is reasonable. As shown below in Exhibit 19, lending levels are comparable with aggregate lending performance. Furthermore, the bank’s smaller dollar loans are responsive to the express credit needs of the assessment area. While lending volumes do not meet the level of small business concentrations in the Redding MSA, the high impact of the bank’s activity, and alignment with aggregate lending, influenced the evaluation of this rating component.

EXHIBIT 19 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	7	57.1	92.4	48.1	28.6	42.9	28.6
2019	5	40.0	92.7	48.9	60.0	20.0	20.0
2020	18	38.9	92.7	37.8	83.3	16.7	0.0

COMMUNITY DEVELOPMENT TEST

Plumas Bank’s performance under the community development test is satisfactory. The bank’s performance demonstrates adequate responsiveness to the community development needs of this assessment area through community development loans and investments, considering the bank’s capacity and the need and availability of such opportunities. A greater weight was placed on the community development loans due to the higher impact of these activities.

The bank provided 11 community development loans totaling nearly \$12 million. The majority of these loans promoted economic development for low- and moderate-income individuals.

In addition, the bank made nine donations within the assessment area totaling \$22,800. These donations supported organizations that provide assistance to low- and moderate-income individuals.

The bank did not provide service hours within this assessment area during the review period. While bank staff do support and participate in community-based activities, given the limited population and geography of the assessment area, there are limited opportunities for the bank to provide service hours that meet the technical requirements of the CRA.

The following examples highlight community development activities within the Redding MSA assessment area:

- An SBA loan totaling \$1.8 million was made to an organization for the purchase of an assisted living facility with 17 rooms. This loan allowed the company to retain 12 existing jobs and add two additional employees. This organization both serves and employs low- and moderate-income individuals.
- Two SBA loans totaling approximately \$4.4 million enabled a business to expand and bring on additional full-time low-income employees.

- In response to the Carr fire, a donation of \$18,500 was made to a local school district disaster recovery fund. Over 70.0 percent of students in the district qualify for free or reduced lunch.
- A donation in the amount of \$1,000 was made to an organization that helps low- and moderate-income Native-Americans meet their survival needs for food, water and shelter while working to create sustainable change in their communities.

LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

Plumas Bank’s performance in the assessment area receiving a limited-scope review is generally consistent with performance in the areas receiving full-scope reviews. Due to the bank’s limited presence in the Sacramento MSA assessment area, and lower levels of loans and deposits, this limited-scope assessment area received less weight than those receiving a full-scope review. As such, performance in this area did not materially affect the bank’s overall rating. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 20 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS		
Assessment Area(s)	Lending Test	Community Development Test
Sacramento MSA	Consistent	Below

Plumas Bank extended a number of PPP loans within the assessment area. However, the bank’s community development performance in the Sacramento MSA assessment area was below the performance of the full-scope review of the Non-MSA and Redding MSA assessment areas. Community development lending levels were consistent with performance in the full-scope assessment areas; yet, the bank did not extend any community development services in the assessment area and made very few small dollar investments in the form of donations. However, the assessment area did benefit from services provided to organizations serving the needs of the broader statewide area.

STATE OF NEVADA

CRA Rating for Nevada

Performance in Nevada is rated "SATISFACTORY"

The lending test is rated: Satisfactory
The community development test is rated: Satisfactory

The major factors supporting the institution's rating include:

- A majority of lending occurred within the bank's assessment areas;
- A reasonable distribution of loans by geography;
- A reasonable distribution of loans to businesses of different revenue sizes; and
- An adequate amount of community development activities were provided in response to assessment area needs.

Scope of Examination

The scope of examination for the state of Nevada is consistent with the overall scope of the CRA examination. Because the bank's overall presence and activity in Nevada is significantly less than in California, the bank's performance in Nevada carried less weight in the overall assessment. A full-scope review of one of the two assessment areas within Nevada was conducted to determine the overall rating for the state. The Reno MSA assessment area received a full-scope review while the Carson City MSA assessment area received a limited scope review based on the bank's smaller presence and lower lending volumes and deposit activity. Performance in the Reno MSA assessment area drove the overall rating, while performance in the limited scope area was evaluated as being either consistent, below, or above performance in the full-scope assessment area.

Small business loans were used to evaluate the responsiveness to assessment area credit needs under the lending test. Since small farm lending levels were insufficient to draw meaningful conclusions, small farm loans were considered during the review, but did not influence the overall assessment due to their limited volume.

Description of Operations in Nevada

Plumas Bank operated two of its 13 branches in the state.⁸⁸ There were 49 FDIC-insured depository institutions operating 478 branches with combined deposits of \$112 billion as of June 30, 2020.⁸⁹ Plumas Bank ranked 36th out of the 49 institutions with deposits totaling \$101 million, which represented a market share of 0.09 percent.⁹⁰

⁸⁸ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

⁸⁹ Ibid.

⁹⁰ Ibid.

The economy in Nevada expanded during the review period prior to entering a recession precipitated by the pandemic in 2020. The state's economic drivers are its draw as a tourist and retiree destination.⁹¹ Early in the review period, the state added jobs at the second fastest pace in the U.S and remained strong in the leisure and hospitality industry.⁹² Hotel room inventory and hotel occupancy in Las Vegas was up year-to-date in October 2019, along with gains in gaming revenue.⁹³ Nevada's leisure and hospitality industry incurred a drastic drop in employment at the onset of the pandemic in 2020 and showed little improvement late in the year after the state implemented restrictions in business operations in September 2020.⁹⁴ Additionally, passenger volume at airports in the state was 50 percent lower than precrisis levels.⁹⁵ Nevada was among the hardest hit at the peak of the pandemic and the unemployment rate remained the second highest in the nation as of November 2020.⁹⁶

The housing sector showed mixed signals during the review period. After house prices grew by double digits in 2018, prices stabilized in 2019.⁹⁷ Although, supply did not meet demand levels and resulted in decreased home sales in early 2019.⁹⁸ During the economic recovery in late 2020 through early 2021, the housing market improved with the aid of record low mortgage rates, growth in single-family housing starts, and house prices reaching their highest levels in more than a decade.⁹⁹

Based on the data referenced above, as well as input from community contacts discussed below, Nevada was significantly impacted by the pandemic and incurred employment losses. During the state's recovery, small business credit needs persisted, as discussed further in the assessment area analysis to follow.

Conclusions with Respect to Performance Tests in Nevada

LENDING TEST

Plumas Bank's performance in the state of Nevada under the lending test is satisfactory. Lending levels relative to deposits and overall lending distributions were reasonable, with a majority of loans extended within the bank's assessment areas.

In addition, the bank extended 342 PPP loans totaling \$42.8 million.

COMMUNITY DEVELOPMENT TEST

Plumas Bank's performance under the community development test is also rated satisfactory. An adequate level of community development loans, investments, and services were provided in the bank's assessment areas.

⁹¹ Moody's Precis Report, Nevada, November 2019.

⁹² Ibid.

⁹³ Ibid.

⁹⁴ Moody's Precis Report, Nevada, March 2021.

⁹⁵ Ibid.

⁹⁶ Moody's Precis Report, Nevada, November 2020.

⁹⁷ Moody's Precis Report, Nevada, November 2019.

⁹⁸ Ibid.

⁹⁹ Moody's Precis Report, Nevada, March 2021.

Reno MSA Assessment Area Conclusions

**Assessment area where a full-scope review was performed using the examination procedures.*

DESCRIPTION OF OPERATIONS IN RENO MSA

The Reno MSA assessment area consists of Washoe County in its entirety. Washoe County is one county within the larger Reno-Carson City-Fernley, NV Combined Statistical Area (CSA). The area is bordered by the state of Oregon to the north, Humboldt, Pershing, and Churchill counties to the east, to the south by Lyon County, Storey County, and Carson City, and the state of California to the west. The area had a total population of 471,519 as of 2019.¹⁰⁰

As of June 30, 2020, the assessment area had 16 FDIC-insured depository institutions operating 84 offices with combined deposits of \$12 billion.¹⁰¹ Plumas Bank's one branch held \$61 million in deposits, representing 0.51 percent of the deposit market share.¹⁰²

Exhibit 21 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

¹⁰⁰ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2019; available from: www.census.gov/quickfacts/.

¹⁰¹ Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

¹⁰² Ibid.

EXHIBIT 21 ASSESSMENT AREA DEMOGRAPHICS RENO MSA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	10	8.9	7,355	7.2	2,572	35.0	21,696	21.1
Moderate-income	20	17.9	16,753	16.3	2,921	17.4	17,683	17.2
Middle-income	41	36.6	42,266	41.2	3,404	8.1	21,175	20.6
Upper-income	34	30.4	35,736	34.8	1,198	3.4	42,076	41.0
Unknown-income	7	6.3	520	0.5	171	32.9	0	0.0
Total AA	112	100.0	102,630	100.0	10,266	10.0	102,630	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	18,255	2,556	2.7	14.0	13,063	71.6	2,636	14.4
Moderate-income	37,079	12,002	12.7	32.4	21,084	56.9	3,993	10.8
Middle-income	72,451	41,233	43.6	56.9	25,216	34.8	6,002	8.3
Upper-income	56,569	38,335	40.6	67.8	11,225	19.8	7,009	12.4
Unknown-income	2,127	344	0.4	16.2	1,287	60.5	496	23.3
Total AA	186,481	94,470	100.0	50.7	71,875	38.5	20,136	10.8
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,902	9.8	1,734	9.9	157	9.2	11	7.1
Moderate-income	4,712	24.3	4,001	22.8	673	39.5	38	24.4
Middle-income	5,497	28.4	5,170	29.5	292	17.1	35	22.4
Upper-income	6,295	32.5	5,851	33.4	383	22.5	61	39.1
Unknown-income	970	5.0	759	4.3	200	11.7	11	7.1
Total AA	19,376	100.0	17,515	100.0	1,705	100.0	156	100.0
% of Total Businesses				90.4		8.8		0.8
2020 Adjusted Median Family Income ¹⁰³			\$79,600					

Economic Conditions

During the review period, the assessment area’s economy experienced growth from 2018 until early 2020, prior to the onset of the COVID-19 pandemic. The area is a retirement destination, which is one of the primary economic drivers, in addition to tourism and logistics. Early in the review period while the economy was expanding, job growth grew three times faster than the U.S. average.¹⁰⁴ By the second quarter of 2020, the pandemic brought a short-lived recession to the area that was similar to economic trends in the U.S., but less severe than in Las Vegas to the south.¹⁰⁵ In the leisure and hospitality

¹⁰³ FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

¹⁰⁴ Moody’s Precis Report, Reno NV, November 2019.

¹⁰⁵ Moody’s Precis Report, Reno NV, July 2020.

sectors, visitor volume was on the rise through 2019. Airline passenger volume increased for 53 consecutive months as of October 2019, and was up for the year by 5.6 percent.¹⁰⁶ Tourism-dependent industries were impacted by the pandemic, and through late 2020, government restrictions were implemented to limit capacity in restaurants and casinos that delayed economic recovery in the sector.¹⁰⁷ In the logistics sector, the metro area started to benefit from new manufacturing and distribution operations early in the review period.¹⁰⁸ In 2019, the area was adding positions in the manufacturing industry at one of the fastest rates in the U.S.¹⁰⁹ However, manufacturing was stagnant in 2020 and the industry had a limited pipeline of new operations and business relocations to the area that indicated constrained job opportunities for the near term.¹¹⁰ The housing sector showed mixed indicators during the review period. House price appreciation slowed in 2019 toward the national average.¹¹¹ While the housing market was impacted by the pandemic in April 2020, recovery was evident in increased housing starts and house price appreciation.¹¹² Further details of the area economy, including trends in unemployment, home prices, and poverty rates are discussed below.

As depicted in Exhibit 22 on the following page, loans to small businesses from banks subject to the CRA had a slight drop in 2017 before increasing during the review period. In 2019, 11,616 loans were made totaling \$335 million. Lending to small businesses played a critical role in the economy given that small businesses accounted for 90.4 percent of all businesses in the assessment area, as noted in Exhibit 23 on the following page. As described previously, lending to small businesses nationwide increased in the first half of 2020 as a result of the federal PPP.¹¹³ In the assessment area, over 8,000 PPP loans in the amount of less than \$1 million were made and approximately 100,000 jobs were self-reported to benefit from the loans made between April 3, 2020 and August 8, 2020.¹¹⁴ According to the borrower firms that elected to report their business's industry, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Construction sector.¹¹⁵

¹⁰⁶ Moody's Precis Report, Reno NV, November 2019.

¹⁰⁷ Ibid.

¹⁰⁸ Moody's Precis Report, Reno NV, July 2018.

¹⁰⁹ Moody's Precis Report, Reno NV, November 2019.

¹¹⁰ Moody's Precis Report, Reno NV, November 2020.

¹¹¹ Moody's Precis Report, Reno NV, November 2019.

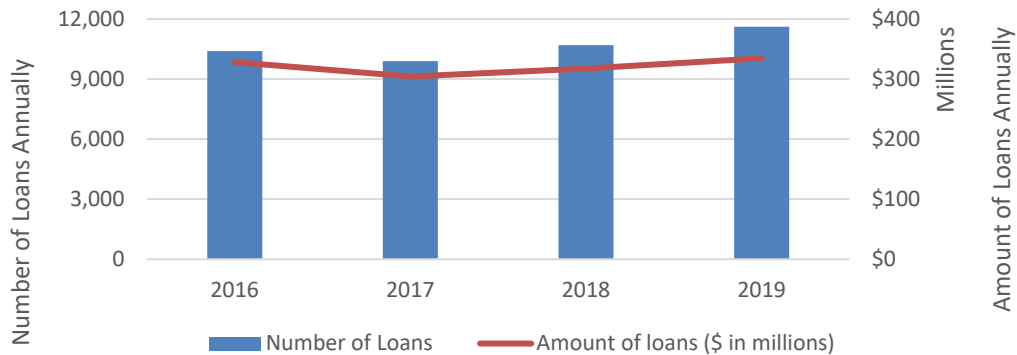
¹¹² Moody's Precis Report, Reno NV, November 2020.

¹¹³ Federal Reserve Bank of San Francisco, Economic Letter, Small Business Lending during COVID-19, November 23, 2020; available from: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/small-business-lending-during-covid-19/>.

¹¹⁴ SBA, PPP Loan Data, available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

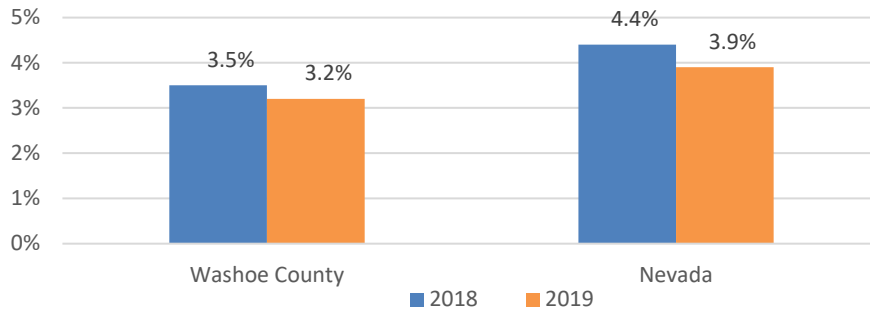
¹¹⁵ Ibid.

Exhibit 22
LOANS TO SMALL BUSINESSES IN ASSESSMENT AREA¹¹⁶
2016-2019



During the review period the unemployment rate in the area and the state decreased, as depicted below in Exhibit 23. In 2019, the unemployment rates reached the low of 3.2 percent in the area.

Exhibit 23
UNEMPLOYMENT RATE¹¹⁷
2018-2019



Monthly unemployment rates in the area suggested that the area was significantly impacted by the pandemic. The unemployment rate increased starting in March 2020 and peaked in April 2020 to 19.9 percent in Washoe County.¹¹⁸ Although the unemployment rate fluctuated in the summer of 2020, the rate trended downward through the remaining months of the year. As of February 2021, the monthly unemployment rate of 4.8 percent remained above the annual rates depicted above.¹¹⁹

The trends in median home prices in the area are depicted in Exhibit 24 on the following page. Housing prices in the assessment area increased and remained above the median home price in the state of Nevada during the review period. The median home price increased from \$354,501 in January 2018, to

¹¹⁶ Aggregate CRA Small Business data reports available from: <http://www.ffiec.gov/craadweb/national/asp>.

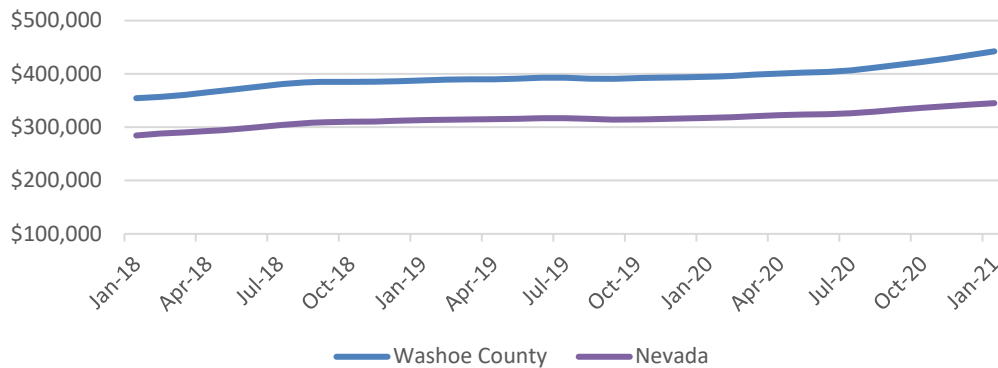
¹¹⁷ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <http://data.bls.gov/cgi-bin/dsrv?la>.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

\$442,222 in January 2021. There were a slightly higher proportion of cost burdened homeowners in the area, 30.8 percent, compared to the nationwide share of 27.7 percent.¹²⁰

Exhibit 24
MEDIAN HOME PRICES¹²¹
January 2018-January 2021



Rent prices in Washoe County increased during the review period. Median rent for a 1-bedroom unit increased from \$785 in 2018 to \$840 in 2019.¹²²

The trends in the poverty rate and share of households receiving public cash assistance or food stamp/SNAP benefits are shown in Exhibit 25 on the following page. The rate of poverty decreased in the area and in the state overall during the review period. The share of households with income below the poverty level was slightly lower in the area than in Nevada. The rate of households receiving public cash assistance or food stamp/SNAP benefits was stagnant in the area, increasing from 9.9 percent in 2018 to 10 percent in 2019. This was also slightly lower than the share of households in Nevada receiving cash assistance of food stamp/SNAP benefits in Nevada. By another measure of poverty, many households were liquid asset poor, or without sufficient liquid assets to subsist at the federal poverty level for three months. The percentage of households that were liquid asset poor was 37 percent, the same share as nationwide.¹²³

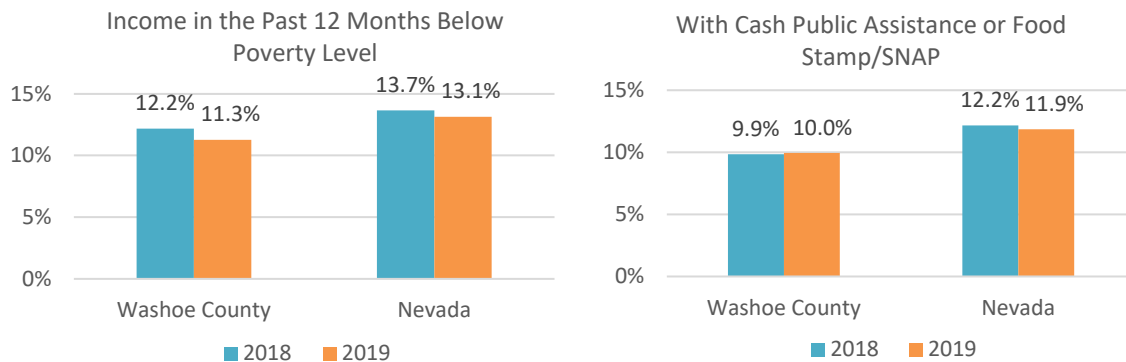
¹²⁰ Prosperity Now Scorecard, Washoe County, NV; available from: <https://scorecard.prosperitynow.org>.

¹²¹ Zillow Research, Zillow Home Value Index Single-Family Home Time Series; available from: <https://www.zillow.com/research/data>.

¹²² U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

¹²³ Prosperity Now Scorecard, Washoe County, NV; available from: <https://scorecard.prosperitynow.org>.

Exhibit 25
POVERTY AND FOOD STAMP USAGE RATES¹²⁴
2018-2019



Credit and Community Development Needs

Similar to the discussion for the credit needs of the assessment areas described above, small business lending levels slightly increased during the review period before PPP loans were distributed in 2020 to help meet the immediate credit needs of small businesses enduring the impacts of COVID-19. According to the U.S. Census Bureau’s Weekly Small Business Pulse Survey, 38 percent of small business respondents in Nevada received PPP loans within the preceding four months as of April 18, 2021.¹²⁵ At that time, 17 percent of respondent small businesses projected a need to obtain financial assistance in the next six months.¹²⁶ However, 30 percent of small businesses in Nevada reported it would take more than six months before the business returned to normal levels of operation relative to one year ago.¹²⁷ Based on the survey results, some small businesses in Nevada appeared to still hold a need for financing to recover from the economic pressures of the pandemic.

In addition to the survey results noted above, a community contact stated that most businesses in the area need capital and short-term loans. Another community contact specified that most small businesses seek loans under \$250,000 and are challenged in finding financing in that amount. According to the contact, small businesses that survived the pandemic, spent their reserves during the economic crisis and will need capital to meet cash flow needs. In addition to small business loans, a community contact indicated that smaller, microloans are needed, in the amount of \$5,000 to \$20,000. This amount of funding would primarily assist businesses that may have limited collateral.

Community contacts also noted that there is a need for financial literacy. One contact indicated that it would be impactful for banks to teach financial literacy classes on subjects ranging from interest rates, cash flow for businesses, and long-term planning such as benefits of saving in a 401K. Another community contact specified that it would be helpful if banks could provide education to entrepreneurs. The contact noted that small businesses would benefit from learning how to prepare their business to be eligible for financing and how to prepare their business in the event of a future downturn.

¹²⁴ Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

¹²⁵ U.S. Census Bureau, Weekly Small Business Pulse Survey, April 12, 2021 to April 18, 2021; available from: <https://portal.census.gov/pulse/data/#data>.

¹²⁶ Ibid.

¹²⁷ Ibid.

Overall, credit needs remain in the area for small businesses and to help address financial literacy. Providing credit products such as small business lending, microloans, as well as services such as financial literacy would be some of the most impactful activities financial institutions could provide to meet the credit needs in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RENO MSA

Lending Test

Overall lending performance in the Reno MSA assessment area is satisfactory. Lending levels although low, reflect reasonable responsiveness to community credit needs. Lending data also indicates overall reasonable distributions by geography and business revenue, given the opportunities and competition within the assessment area.

Given Plumas Bank’s limited market share in this assessment area, competition for lending opportunities is significant. Since the small business loan data collected for 2018 and 2019 was not ample enough to derive meaningful analysis of the bank’s dispersion of lending or lending to businesses of different revenue sizes, the overall rating is driven by the bank’s performance in 2020. Plumas Bank also extended PPP loans in the assessment area, which was considered in the evaluation of the bank’s overall lending performance.

Notably, the limited volume of data collected for small farm lending did not allow for meaningful analysis. Therefore, while small farm lending was considered, it did not influence the overall rating for the Reno MSA.

Lending Distribution by Geography

Overall lending distribution by geography is reasonable. As reflected in Exhibit 26 below, 2020 lending levels within low-income census tracts was in line with the level of aggregate lending and small business concentrations within those geographies. The bank’s lending performance within moderate-income census tracts was at higher percentages than both the level of aggregate lending and small business concentrations within those geographies.

The pattern of lending does not exhibit unusual or conspicuous gaps.

EXHIBIT 26 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Reno MSA Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	842	7.8	2,619	24.2	3,120	28.8	4,242	39.2
Business Concentration	1,823	10.1	4,646	25.9	5,415	30.1	6,082	33.9
Reno MSA Assessment Area 2019								
Bank Lending	0	0.0	1	50.0	0	0.0	1	50.0

Aggregate Lending	932	8.1	2,664	23.2	3,232	28.1	4,656	40.5
Business Concentration	1,877	10.2	4,735	25.9	5,479	29.9	6,226	34.0
Reno MSA Assessment Area 2020								
Bank Lending	2	13.3	3	20.0	6	40.0	4	26.7
Aggregate Lending	1,121	8.9	3,215	25.7	3,440	27.5	4,750	37.9
Business Concentration	1,902	10.3	4,712	25.6	5,497	29.9	6,295	34.2

Lending Distribution by Business Revenue

Overall lending distribution by business revenue is reasonable. As reflected in Exhibit 27 below, Plumas Bank extended a lower percentage of lending to small businesses relative to aggregate lending performance as well as the percentage of small businesses in the area. However, the loans extended by the bank were highly impactful, as more than half of the loans made met an articulated community need for small dollar loans equal to or under \$100,000. Consequently, much of the bank’s small business lending in this area helped address a critical need.

EXHIBIT 27 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	0	0.0	89.6	46.2	0.0	0.0	0.0
2019	2	50.0	90.3	48.6	100.0	0.0	0.0
2020	16	31.3	90.4	42.7	56.3	25.0	18.8

COMMUNITY DEVELOPMENT TEST

Plumas bank’s overall performance under the community development test is satisfactory. The bank’s performance demonstrates adequate responsiveness to the community development needs of this assessment area through community development loans, investments, and services considering the bank’s capacity and the need and availability of such opportunities. A greater weight was placed on the community development loans due to the higher impact of these activities.

The bank made 25 community development loans totaling \$25.0 million. The majority of these loans promoted economic development for low- and moderate-income individuals.

Donations totaling \$32,300 were made to five organizations. These donations primarily targeted organizations that provide assistance to low- and moderate-income individuals.

Plumas Bank employees provided 793 service hours to organizations that provide community services to low- and moderate-income individuals.

The following examples highlight community development activities within the Reno MSA assessment area:

- A total of \$17.2 million was extended through 17 separate loans to small businesses in the assessment area. These loans helped to create or retain 208 jobs for low- and moderate-income individuals.
- Six loans totaling \$5.5 million supported the development of 51 affordable housing units to low- and moderate-income individuals.
- Bank personnel provided 84 service hours to an organization that provides supportive transitional housing to low- and moderate-income adults.
- A donation of \$25,000 was provided to an organization that recruits new companies to the area, supports existing businesses, and assists newly formed companies with the goal of positively impacting employment growth for the local population.

Limited-Scope Assessment Area Conclusions

Plumas Bank’s performance in the Carson City MSA received a limited-scope review. The bank’s performance under the lending test is below that of the assessment area receiving full-scope review; however, performance under the community development test is consistent with the Reno MSA assessment area. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 28 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS		
Assessment Area(s)	Lending Test	Community Development Test
Carson City MSA	Below	Consistent

The bank’s lending performance in the Carson City MSA was impacted by the bank’s recent entry to the market in 2018, its limited presence in the assessment area, and lower levels of deposits and market share. However, the bank did extend PPP loans within the assessment area to help small businesses and their employees.

APPENDIX A

GLOSSARY OF TERMS

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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 and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of 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.

Limited-scope review: Performance under the lending and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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.

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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

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

APPENDIX B

LIMITED-SCOPE ASSESSMENT AREA MARKET PROFILES

All demographic and economic information in this appendix originates from one of the following sources:

U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2019; available from <http://www.census.gov/quickfacts/>.

Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2020; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/MedianIncome.htm>.

Sacramento MSA Assessment Area

The Sacramento MSA assessment area consists of eastern Placer County, which is a part of the Sacramento, California MSA. Placer County is bordered by Nevada and Yuba counties to the north, the state of Nevada to the east, El Dorado and Sacramento counties to the south, and Sutter County to the west. As of 2019, Placer County had a population of 398,329 people.

There were 25 FDIC-insured institutions operating 87 offices with total deposits of \$13 billion in Placer County as of June 30, 2020. Plumas Bank operated two branches in the county and held \$75 million in deposits, which accounted for 0.56 percent of the deposit market share. In 2019, there were 98 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 12,032 small business loans totaling \$362 million.

On the following pages, Exhibits 29, 30, and 31 present key demographic and business information concerning the assessment area.

EXHIBIT 29 ASSESSMENT AREA DEMOGRAPHICS SACRAMENTO MSA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	789	22.4
Moderate-income	1	9.1	587	16.7	94	16.0	514	14.6
Middle-income	4	36.4	1,608	45.7	117	7.3	678	19.3
Upper-income	5	45.5	1,326	37.7	82	6.2	1,540	43.7
Unknown-income	1	9.1	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	3,521	100.0	293	8.3	3,521	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,982	442	11.6	22.3	759	38.3	781	39.4
Middle-income	7,838	1,755	46.0	22.4	828	10.6	5,255	67.0
Upper-income	9,953	1,622	42.5	16.3	619	6.2	7,712	77.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	19,773	3,819	100.0	19.3	2,206	11.2	13,748	69.5
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	74	7.4	72	7.9	2	2.3	0	0.0
Middle-income	540	53.9	480	53.0	55	62.5	5	62.5
Upper-income	388	38.7	354	39.1	31	35.2	3	37.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,002	100.0	906	100.0	88	100.0	8	100.0
% of Total Businesses				90.4		8.8		0.8
2020 Adjusted Median Family Income			\$86,700					

Geographic and Borrower Distribution

EXHIBIT 30 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Sacramento MSA Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	1	100.0	0	0.0
Aggregate Lending	0	0.0	69	12.6	277	50.5	203	37.0
Business Concentration	0	0.0	76	7.3	580	55.8	383	36.9
Sacramento MSA Assessment Area 2019								
Bank Lending	0	0.0	0	0.0	1	25.0	3	75.0
Aggregate Lending	0	0.0	70	12.3	262	46.0	237	41.7
Business Concentration	0	0.0	76	7.6	551	55.1	373	37.3
Sacramento MSA Assessment Area 2020								
Bank Lending	0	0.0	4	44.4	3	33.3	2	22.2
Aggregate Lending	0	0.0	85	11.5	339	46.0	313	42.5
Business Concentration	0	0.0	74	7.4	540	53.9	388	38.7

EXHIBIT 31 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	1	100.0	90.0	46.4	100.0	0.0	0.0
2019	4	75.0	90.0	44.8	75.0	0.0	25.0
2020	9	11.1	90.4	38.3	77.8	22.2	0.0

Carson City MSA Assessment Area

The Carson City MSA assessment area consists of Carson City in its entirety and forms the Carson City, Nevada MSA. The assessment area is bordered by Washoe County to the north, Storey and Lyon counties to the east, Douglas County to the south, and the state of California to the west. As of 2019, the population of the assessment area was 55,916 people.

There were 10 FDIC-insured institutions operating 14 offices that held deposits totaling \$1.7 billion in the area as of June 30, 2020. Plumas Bank's single office in the area held \$40 million in deposits, which accounted for 2.37 percent of the deposit market share. In 2019, there were 55 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 1,460 small business loans totaling \$46 million.

On the following pages, Exhibits 32, 33, 34, 35, and 36 present key demographic and business information concerning the assessment area.

EXHIBIT 32 ASSESSMENT AREA DEMOGRAPHICS CARSON CITY MSA ASSESSMENT AREA 2020 FFIEC CENSUS AND 2020 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	2,787	21.4
Moderate-income	4	28.6	3,944	30.3	737	18.7	2,406	18.5
Middle-income	3	21.4	3,413	26.2	493	14.4	2,616	20.1
Upper-income	6	42.9	5,655	43.5	340	6.0	5,203	40.0
Unknown-income	1	7.1	0	0.0	0	0.0	0	0.0
Total AA	14	100.0	13,012	100.0	1,570	12.1	13,012	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	8,187	3,130	25.9	38.2	4,289	52.4	768	9.4
Middle-income	5,760	3,133	25.9	54.4	2,398	41.6	229	4.0
Upper-income	9,523	5,841	48.3	61.3	2,803	29.4	879	9.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	23,470	12,104	100.0	51.6	9,490	40.4	1,876	8.0
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	807	26.4	726	26.6	64	24.0	17	28.8
Middle-income	659	21.6	605	22.2	48	18.0	6	10.2
Upper-income	1,591	52.0	1,400	51.3	155	58.1	36	61.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,057	100.0	2,731	100.0	267	100.0	59	100.0
% of Total Businesses				89.3		8.7		1.9
2020 Adjusted Median Family Income			\$75,400					

Geographic and Borrower Distribution

EXHIBIT 33 GEOGRAPHIC DISTRIBUTION OF SMALL BUSINESS LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Carson City MSA Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	0	0.0	393	25.8	342	22.5	786	51.7
Business Concentration	0	0.0	783	25.9	657	21.7	1,589	52.5
Carson City MSA Assessment Area 2019								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	0	0.0	392	26.1	328	21.8	782	52.1
Business Concentration	0	0.0	794	26.3	648	21.5	1,573	52.2
Carson City MSA Assessment Area 2020								
Bank Lending	0	0.0	0	0.0	1	50.0	1	50.0
Aggregate Lending	0	0.0	424	25.7	332	20.1	892	54.1
Business Concentration	0	0.0	807	26.4	659	21.6	1,591	52.0

EXHIBIT 34 GEOGRAPHIC DISTRIBUTION OF SMALL FARM LOANS								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
Carson City MSA Assessment Area 2018								
Bank Lending	0	0.0	0	0.0	0	0.0	1	100.0
Aggregate Lending	0	0.0	1	25.0	0	0.0	3	75.0
Business Concentration	0	0.0	4	22.2	1	5.6	13	72.2
Carson City MSA Assessment Area 2019								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	0	0.0	2	33.3	1	16.7	3	50.0
Business Concentration	0	0.0	6	31.6	2	10.5	11	57.9
Carson City MSA Assessment Area 2020								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	0	0.0	1	20.0	2	40.0	2	40.0
Business Concentration	0	0.0	6	31.6	1	5.3	12	63.2

EXHIBIT 35 BUSINESS REVENUE DISTRIBUTION OF SMALL BUSINESS LOANS							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	0	0.0	88.5	45.6	0.0	0.0	0.0
2019	0	0.0	89.1	44.2	0.0	0.0	0.0
2020	2	50.0	89.3	39.8	50.0	0.0	50.0

EXHIBIT 36 BUSINESS REVENUE DISTRIBUTION OF SMALL FARM LOANS							
Year	Bank Lending #	Lending to Farms with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Farms <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2018	1	100.0	100.0	0.0	0.0	0.0	100.0
2019	0	0.0	100.0	66.7	0.0	0.0	0.0
2020	0	0.0	100.0	20.0	0.0	0.0	0.0