



2024

FARMERS BANK  
COMMUNITY REINVESTMENT ACT STATEMENT

The primary area served by Farmers Bank, Twin Falls Offices shall encompass Block Numbering Areas 9802, 9806, 9807, 9808, 9809, 9810, 9811, 9812, 9813, 9814 and 9815 as defined by the U.S. Department of Commerce, Bureau of the Census' Tract and Block Numbering Area Reports. These blocks include the Hollister Division, the Kimberly Division, the Murtaugh Division, and the Twin Falls Division of Southern Idaho. The primary communities within this service area are Hansen, Hollister, Kimberly, Murtaugh, and Twin Falls.

Farmers Bank will accept and review applications for single-unit or multi-unit conventional real estate loans, interim construction loans, commercial loans, community development loans, SBA loans, FSA affiliated loans, home improvement loans, agricultural loans and personal loans. Applications will be reviewed in light of the Bank's written loan policy, credit worthiness, availability of funds and current economic conditions without regard to race, religion, age, sex, national origin, handicap, familial status, or economic status.

Farmers Bank has extended real estate purchase loans in the past that are within the limits of existing loan policy. Farmers Bank has received and reviewed requests for multi-unit construction financing. The Bank has extended credit to assist with the formation of additional rental housing and single-family dwellings in the Bank's service area. All offices of the Bank desire to assist with the financing of low and low to moderate income rental properties in the Bank's service area. Farmers Bank's mortgage loan division has expanded lending criteria that allows credit extensions on manufactured homes and credit extensions to potential customers that do not have a social security number, but hold an ITIN. The Bank's real estate division has no funding limits on these ITIN loans allowing Farmers Bank to service a wide range of the workforce in the Bank's agricultural market. A 2018 loan to Holiday Apartments of Twin Falls allowed the borrower to purchase an existing Twin Falls hotel and convert it to an apartment complex. This apartment complex offers affordable studio apartments in an older section of Twin Falls. Past loans of note include, but are not limited to, loans to South Hampton LLC that allowed for the construction of new duplex housing facilities in the Twin Falls service area. Additional financing to multiple individuals provided funds to construct or renovate triplex housing, duplex housing and additional rental options in the Bank's service area. A loan to Stone Ridge Estates, LLC allowed for the development of phase two of the Stone Ridge Estates subdivision in Twin Falls. An additional 31 lots were added to this subdivision. A loan to the owners of the Northside Apartments resulted in three seven-unit apartment buildings in the Morningside area of east Twin Falls. These 21 rental units were converted to one-bedroom apartments targeting low-income affordable housing. The Bank assisted with the financing of the Campus Park Housing project in Twin Falls. This project constructed three large apartment buildings located near the College of Southern Idaho campus. These rentals provide affordable housing to both students and local residents. This project also increased the availability of other affordable housing in Twin Falls. The Bank will review any future requests within the scope of the existing loan policy. The Bank currently extends in excess of 84% of all credit within our defined service area.

Tax free loans remain in the loan portfolio at low rates of interest. Currently, a total of 12 tax free loans are booked across all offices of the Bank. A 2020 loan to Salmon River Canal Company allowed for the purchase of a John Deere 130 excavator. Salmon River Canal Company is assisting in water conservation practices with the lining of canals within the Salmon Tract canal system. The new excavator allows the canal company to distribute a rubber membrane on the surface of the existing canals to better hold the seasonal water flow through the gravel heavy soil in the Salmon Tract which is within the Bank's service area. A 2019 loan to the Lighthouse Christian Fellowship finalized the financing and construction of 13 additional classrooms and an auditorium. A 2018 loan was extended to Lighthouse Christian Fellowship to allow for the completion of the gymnasium portion of the Lighthouse Christian School. Past loans of note include, but are not limited to, a loan to the Twin Falls Canal Company to purchase two excavators and two tractors that are utilized to maintain and repair canals throughout a water district that relies heavily on gravity flow irrigation. Twin Falls Offices of Farmers Bank would review any future opportunities to bid and attempt to book loans of this nature within the scope of existing loan policy.

The Bank has reviewed agricultural development, business development, agricultural expansion, business expansion, and construction loans as presented in an effort to promote community development. Twin Falls offices have financed new businesses and business expansions within the Bank's service area. A 2023 loan to Hood and Duct, LLC allowed for the opening of a new business in Twin Falls. Hood and Duct relocated from Elko, Nevada and Farmers Bank assisted with the purchase of a truck and caddy vac unit that allows Hood and Duct to contract larger jobs and restaurant contracts. Hood and Duct has seen a steady growth in employment numbers since inception. A 2023 loan to Hchop, LLC allowed for a small business startup. Hchop completes custom harvesting in and around the Twin Falls service area. A 2023 loan to Soldier Mountain Arms, LLC allowed for a small business startup. Soldier Mountain Arms builds custom rifles, accessories, and loading equipment. This business also provides shooting trainings locally. The owner hired one additional employee at inception. A business expansion loan was completed in 2023 for Amoth, LLP. Amoth, LLP constructed a 75,000 square foot food grade warehouse in Twin Falls. This warehouse will allow for storage of inventory from milk processing plants and energy bars. Amoth, LLP anticipates hiring an additional seven employees at this location. An additional expansion loan was written in 2023 to Legion Roofing, LLC. Farmers Bank worked with the local office of Region IV Development to assist Legion Roofing with operating costs and materials to contract local jobs in the Bank's service area. A 2022 loan to Triple H Leasing assisted with the construction of a showroom and business offices for Ruby Mountain Motors in Twin Falls. A 2022 loan to Preservation Twin Falls was extended to allow for the purchase of an additional piece of the original Stricker Ranch. This property will be added to the Stricker Ranch Historical Site in Twin Falls County. This piece of land came with an original home and out building. A 2022 loan to Asphalt Specialties allowed three local individuals to purchase and continue operation of an asphalt business located in the Bank's service area. A 2019 loan to Rocky Mountain Flooring, Inc. allowed for the construction of a new 10,200 square foot showroom, offices and warehouse in Twin Falls. The Bank assisted with the original business startup of Rocky Mountain Flooring, Inc in 2015. The 2019 loan to Rocky Mountain Flooring expanded their commercial flooring presence in Twin Falls and throughout the Magic Valley. SBA participated in the final financing of this project upon the completion of the construction. A 2018 loan to Magic Valley Quality Milk assisted with a processing plant expansion. This expansion allowed Magic Valley Quality Milk to process raw milk into cream, filtered skim milk, and condensed milk. The Bank partnered with SBA to finalize on this business expansion.

The Bank extended financing to the Twin Falls YMCA in 2018. This loan allowed the local YMCA to consolidate debt while renovating their locker rooms and updating features of the existing building. The Twin Falls YMCA provides after school programs for a number of local children as well as a number of recreational opportunities for individuals. Past loans of note include, but are not limited to, a loan to L G Holdings, LLC that allowed for the construction of a 31,500 square foot climate-controlled storage facility to house bees during the winter months. Bee keepers are able to avoid the cost of travel to relocate their bees annually. A loan to the Car Store, LLC provided funding to allow this business to open an additional car lot in downtown Twin Falls. This lot sells low to medium priced used vehicles and allowed for the hiring of two new employees. The Bank has continued to assist in a number of farm and trucking starts and expansions in the Twin Falls service area. A 2023 startup to Ramirez Guillen Trucking. A 2023 expansion loan was completed for AC Bleeker Inc. Trucking expansion loans have been completed for Gary Amoth Trucking and Apex Containers. Gary Amoth Trucking and Apex Containers purchased additional trucks and trailers and added a number of additional employees to their payrolls.

Farmers Bank has been active in SBA and FSA affiliated loans, agricultural loans, commercial loans and personal loans. SBA loans and FSA affiliated loans have been extended at office locations of Farmers Bank. Farmers Bank currently has one SBA loan and 14 FSA guaranteed loans on the books. One new FSA guarantee loans was booked in 2023. Farmers Bank was very active throughout the Coronavirus pandemic with the origination of 413 Paycheck Protection Program (PPP) loans in 2020 that totaled over \$36,600,000. The Bank extended an additional 251 PPP loans in 2021 that totaled over \$9,120,000. The Bank has assisted with all aspects of this Federal program until all PPP loans were cleared from the Bank's portfolio. At this time, agricultural loans account for 26.30% of the current loan portfolio. Generally, this percentage of the loan portfolio will peak at a higher percentage during the summer operating months. Commercial loan extensions currently account for 25.52% of the Bank's loan portfolio. Real estate related loans continue to be a larger portion of the loan mix and currently account for 43.46% of the loan portfolio. Though SBA related lending jumped to as high as 12% of the loan portfolio in 2020 with the injection of the PPP credit lines, SBA credits currently account for less than 1.00% of the Bank's loan portfolio. Consumer loans and tax free loans account for the final 5.00% of the portfolio. These loans are addressed within the limits of the Bank's loan policy and, like all of the credit applications, without regard to race, age, sex, national origin, handicap, familial, or economic status.

Farmers Bank continues to hold a portfolio of bank qualified, Idaho municipal bonds. These issues include school district bonds in Gooding, Jerome, Lincoln, and Twin Falls counties and counties throughout the state. Though the Bank has not purchased local school district bonds over the past six years, the investment portfolio includes over \$10,400,000 in Idaho municipal bond issues. Currently, \$2,210,000 of this portfolio is located in the Bank's service area.

Farmers Bank will continue to be a corporate citizen and maintain a close business relationship with the Bank's service area. The Bank will provide quality services at competitive prices. The Bank will make every effort to provide affordable deposit accounts and meet the needs of the senior citizens in our communities. The Bank has been active and will remain active in promoting direct deposit of Social Security payments to citizens in our service area. The Bank will assist with the negotiation of Social Security loaded value cards at no service charge.

Farmers Bank offers very affordable checking account options that will allow for basic check writing needs and record receipt. The Bank continues to provide checking account options for both senior citizens and consumer account holders not yet 50 years of age. These accounts offer no service charge options as well as benefits that include free personal checks, free cashier's checks, no annual fee VISA credit card accounts and a rewards program product. The Bank's "e Banking" checking account option continues to be in demand. This account provides a low to no cost transaction account to our customers while encouraging e Statements, check card activity, and electronic banking options. The Bank has continued to expand electronic banking options and online banking options. The Bank will continue to review banking services to accommodate all segments of our customer base. Each Farmers Bank office houses a 24-hour ATM facility with all of these facilities being converted to ITM/ATM facilities in 2022. The Buhl Office currently maintains one Attorney Trust Account (IOLTA) Certification and would be willing to accommodate additional accounts as needed in the future. The Bank will continue to address customer privacy issues, anti-terrorism issues, and general bank security issues to best accommodate our customers.

Farmers Bank and the employees of the Bank have and will continue to offer professional and financial assistance to programs in the Bank's service area that are designed to assist educational opportunities, community development, and those children and families with limited opportunities due to their level of income. Bank employees participate in or offer expertise to a number of organizations. These include, but are not limited to, civic offices, Valley Vista Village, Rotary International, Kiwanis International, Gem Community Teams, and local school boards. Employees are active in the Idaho Small Business Administration Board of Directors and Loan Committee, the Valley Vista Village Retirement Center Board, the Twin Falls County Youth Diversion Board, the Gooding County Youth Diversion Board, the Idaho Total Beef Program, the University of Idaho Dairy Committee, the Idaho Society of Rural & Farm Appraisers, the Idaho Bankers Agricultural Committee, and numerous church and social functions. The Bank has been a consistent supporter of local 4H and FFA programs as well as an annual buyer at the Twin Falls, Jerome, Gooding, and Lincoln County Fairs Animal Sales that support these programs.

Farmers Bank will be an active member of the community with financial support of worthwhile projects and personnel involvement in community activities that facilitate a higher quality of life within the Bank's service area. Program sponsorships are but a portion of this commitment. Sponsorships and donations of record include, but are not limited to, "Racing for Charity", Christmas in the Nighttime Sky's/Toys for Tots, the Idaho Livestock Hall of Fame, the Magic Valley Shriner's Patient Travel Fund, the Magic Valley Cattleman's Association, the Twin Falls County Fair and Rodeo, local Chambers of Commerce, local QRU units, local senior citizen groups, local schools and a variety of local events, facilities and causes.

Farmers Bank will be an active member of the community with financial support of worthwhile projects and personnel involvement in community activities that facilitate a higher quality of life within the Bank's service area. Program sponsorships are but a portion of this commitment. Sponsorships and donations of record include, but are not limited to, Christmas in the Nighttime Sky's/Toys for Tots, the Idaho Livestock Hall of Fame, the Magic Valley Shriners Patient Travel Fund, the Magic Valley Cattleman's Association, Twin Falls County Fair and Rodeo, local Chambers of Commerce, local QRU units, and local senior citizen groups in our service area.

For nine years, Farmers Bank was very active in the sponsorship and support of the “Festival of Giving”. This annual event brought a number of Magic Valley based businesses and individuals together in an effort to raise money for a variety of local charitable/non-profit entities. The Bank consistently contributed direct financial sponsorship along with producing Christmas trees and wreaths for the event auction. The “Festival of Giving” board of directors discontinued this event in 2020. The Bank moved their support to “Racing for Charity” in 2021 with a \$25,000 sponsorship. The Bank continued to support this cause in 2022 and 2023 with an additional \$25,000 sponsorship each year. The Bank anticipates continued support of this event that provides annual support to a number of local charitable/non-profits. Farmers Bank is one of this event’s major sponsors that extend both financial support and business expertise to the “Racing for Charity” Board of Directors.

Donations of special note include, but are not limited to, \$4,500 to the Twin Falls County Fair Animal Sale, \$2,500 to Twin Falls Business Plus for projects throughout the Magic Valley, \$1,000 to Twin Falls High School, \$1,000 to Canyon Ridge High School, \$1,000 to the College of Southern Idaho Foundation, \$1,000 to the University of Idaho Foundation, \$1,000 to the Magic Valley Shriners Patient Travel Fund, \$1,000 to the Wellness Tree Community Clinic, \$1,000 to the YMCA of Twin Falls, \$500 to Safe House, \$500 to the Twin Falls Senior Center, \$500 to the USO, \$500 to Jubilee House, \$500 to the La Posada immigration assistance program, \$500 to Rising Stars Therapeutic Riding Center, \$500 to the Fifth Judicial District CASA Program, \$500 to South Central Community Action, \$500 to Kimberly High School FFA Chapter, \$400 to Habitat for Humanity, \$400 to the Twin Falls Optimist Youth House, \$400 to the Twin Falls Animal Shelter, \$400 to Interlink Volunteer Caregivers, \$300 to Valley House Homeless Shelter, \$300 to the Walker Center, \$300 to the Hansen Elementary School, \$300 to the American Red Cross, \$300 to Sleep in Heavenly Peace, \$300 to the Magic Valley Arts Council and \$250 to the East End Providers. With the exception of two Covid cancellations, the Bank has participated in the Christmas in the Nighttime Sky’s/Toys for Tots program with an annual donation of \$1,000 in toys. For a number of years, the Bank has provided new automated U.S. Flags to selected local school districts in the Magic Valley. New flags have been installed at Camas County High School and the Twin Falls Christian Academy in 2023.

Farmers Bank will review their efforts on an annual basis to determine the direction of this statement. Employees will be kept abreast of the direction of the Bank's efforts to best serve our trade area. The Bank’s marketing and advertising programs will support this effort and attempt to emphasize the Bank's service strengths and commitment to our communities. The Bank will attempt to expand our customer base while becoming more aware of the needs and desires of our communities.

11-10-23

## **FARMERS BANK BRANCH LOCATIONS**

Buhl Branch  
914 Main Street  
Buhl, ID  
(1917)  
Census Tract 9804

Wendell Branch  
160 South Idaho  
Wendell, ID  
(1972)  
Census Tract 9602

Twin Falls Branch  
890 Shoshone Street E  
Twin Falls, ID  
(1989)  
Census Tract 9811

Twin Falls Branch  
1097 Blue Lakes Blvd N  
Twin Falls, ID  
(1997)  
Census Tract 9808

Twin Falls Branch  
317 Pole Line Road  
Twin Falls, ID  
(2008)  
Census Tract 9807

Jerome Branch  
1441 South Lincoln  
Jerome, ID  
(1998)  
Census Tract 9704

No branch closings in the Bank's history

## **HOURS OF OPERATIONS**

All Branches open their lobbies at 9:00 Monday through Friday

All Branches close their lobbies at 5:00 Monday through Thursday

All Branches close their lobbies at 6:00 on Friday

All Branches open their ITM facilities at 8:30 Monday through Friday

All Branches close their ITM facilities at 5:00 Monday through Thursday

All Branches close their ITM facilities at 6:00 on Friday

All Branches have ITM facilities open from 9:00 to 1:00 on Saturday