



Office of the
Comptroller of the Currency
Washington, DC 20219

LIMITED PURPOSE BANK

PUBLIC DISCLOSURE

October 17, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Credit First, N.A.
Charter Number: 22594

6275 Eastland Road
Brook Park, OH 44142

Office of the Comptroller of the Currency
Midsize and Trust Bank Supervision
400 7th Street SW, Mail Stop 10E-16
Washington, DC 20219

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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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Overall CRA Rating

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

The major factors that support this rating include:

- The institution has an adequate level of qualified community development (CD) investments.
- The institution occasionally uses innovative and/or complex CD investments.
- The institution provides an adequate level of CD services.
- The institution exhibits adequate responsiveness to credit and CD needs in the state of Ohio.

Description of Institution

Credit First, National Association (CFNA or Bank) is a \$34.7 million bank located in Brook Park, Ohio. The bank’s only assessment area (AA) consists of Cuyahoga County (Cleveland metropolitan statistical area (MSA)). The bank does not have any retail branch locations. CFNA is a wholly-owned subsidiary of Bridgestone Retail Operations, which is owned by Bridgestone Americas Holdings, Inc. (BAH), located in Nashville, Tennessee. BAH is owned by the Bridgestone Corporation, headquartered in Japan. At the time of this evaluation, CFNA had 281 employees. The bank currently offers its credit products through three primary channels: Firestone Complete Auto Care stores, Burt Brothers Tires and Service, and Tirerack.com. The bank only offers financing via credit cards to consumers and small businesses.

CFNA was chartered as a Competitive Equality Banking Act (CEBA) limited purpose credit card bank on October 1, 1996. The OCC simultaneously designated the bank as limited purpose for evaluating CRA performance. CEBA banks are restricted from offering commercial loans or accepting demand, savings, or time deposits of less than \$100,000. CEBA banks are restricted from making CD loans. The bank’s status as a CEBA bank, requiring a narrow product offering, is the only legal or financial impediment in meeting the credit needs of the community. Daily outstanding credit card balances are purchased by BAH. Therefore, CFNA does not have any credit card receivables or exposure to credit loss. All outstanding balances of the credit card accounts are sold at their carrying value and without recourse. These are known as “pass-through receivables.”

The bank has not engaged in any merger or acquisition activity during the CRA evaluation period. Credit card loans to businesses, which are considered small businesses according to the Small Business Association, are considered eligible under 13 CFR 121. We considered charitable donations from BAH as part of the bank’s evaluation. The bank’s last CRA evaluation was October 22, 2018, and was rated as “Satisfactory.”

Table 1: Financial Information (000s)

	Year-end 2021	Year-end 2020	Year-end 2019	Year-end 2018	Average for Evaluation Period
Tier 1 Capital	32,497	28,883	26,462	58,007	36,462
Total Income	47,585	45,224	51,162	46,817	47,697
Net Operating Income	9,114	6,922	12,454	12,143	10,158
Total Assets	34,732	30,309	28,732	59,168	38,235
Pass Through Receivables /Managed Assets	844,078	825,752	949,989	844,078	865,974

Source: Consolidated Report of Condition and Income and bank reported data.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, we reviewed CD activities from January 1, 2018 through December 31, 2021. We reviewed the level and nature of qualified CD investments and CD services. At the bank's request, we also considered qualified investments provided by its affiliates through the Bridgestone Americas Trust Fund (BATF).

For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area.

We considered CD investments made by BATF. These investments were made throughout the United States. The bank has adequately addressed the needs of its AA, and therefore, outside of AA qualified CD investments, were considered in evaluating its performance. Qualifying activities performed in response to the significant impact of the Coronavirus Disease 2019 (COVID-19) pandemic across the United States were also considered in this evaluation.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution or any affiliate whose loans have been considered as part of the institution's lending performance has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Ohio

CRA rating for the State of Ohio: Satisfactory

The major factors that support this rating include:

- The institution has an adequate level of qualified CD investments.
- The institution occasionally uses innovative and/or complex CD investments.
- The institution provides an adequate level of CD services.
- The institution exhibits adequate responsiveness to credit and CD needs in the state of Ohio.

Description of Assessment Area

The bank’s AA (Cleveland MSA) consists of Cuyahoga County and this is the bank’s only AA. The bank’s operations are headquartered in Cuyahoga County. According to the 2015 U.S. Census American Community Survey, the AA consist of 447 census tracts (CT). The AA had a population of 1,263,189 individuals, 103,207 businesses, and 1,600 farms.

Table 2: Ohio Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	447	23.9%	27.3%	25.1%	21.5%
Families*	305,683	26.9%	17.0%	18.2%	38.0%
Businesses**	103,207	11.0%	20.3%	28.5%	39.0%

Source: Demographic Data – 2015 ACS. *Represents families by income level. **Represents businesses by income level of census tract. Does not add to 100.0 percent due to rounding and NA CTs.

According to Moody’s Analytics, the AA’s economy is recovering from the losses related to the COVID-19 pandemic and an outflow of population (-1.2 percent from 2010 U.S. Census). Although a recovery is happening, overall the AA is lagging behind the nation as a whole, with payroll jobs recovering to approximately 80.0 percent of pre-pandemic levels. Gains in employment are driven by professional/business services, consumer industries, and the public sector. Supply chain shortages have negatively affected the manufacturing industries. The unemployment rate in 2021 was 5.9 percent, which is down from a pandemic peak of 9.9 percent in 2020, although still higher than the 4.2 percent pre-pandemic levels in 2019. Top industries include healthcare, government, and professional services.

The median family income of the Cleveland MSA is \$65,821, meaning low-income families made \$32,911 or less and moderate-income families made \$52,657 or less per year. The median housing value is \$124,933 and the median gross rent is \$765 per month. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30.0 percent of the applicant’s income. The calculated maximum

affordable monthly mortgage payment is \$823 in the Cleveland MSA. Assuming a 30-year mortgage with a 5.0 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$670. This shows that housing in the AA was affordable to most income groups.

We utilized two community contacts in this AA, that were part of an interagency listening session attended by the OCC and FDIC. The listening session was conducted in June of 2021 in Cleveland Ohio. The first was a CD organization focused on providing affordable housing resources and repairs. The second community contact was an economic development organization dedicated to providing financing, workforce solutions, and technical assistance to small business owners, entrepreneurs, and various community stakeholders. These organizations indicated a need for affordable housing, general operating support, financial literacy and technical assistance to small businesses, and small business funding.

The COVID-19 pandemic negatively affected the bank's ability to conduct in-person CD services in 2020 and 2021.

Conclusions About Performance

Summary

- The institution has an adequate level of qualified CD investments. In addition to the CD investments within the AA provided by CFNA, the bank also received credit for additional CD investments made by the parent company BAH. Considering available opportunities within the AA and the scope of CFNA's operations, the level of CD activity is adequate.
- The institution occasionally uses innovative and/or complex CD investments.
- The institution provides an adequate level of CD services.
- The institution exhibits adequate responsiveness to the identified community needs.
- The bank's CD activities promoted community service and economic development in the state of Ohio. The bank's CD activities benefitted CD organizations that provide affordable housing and community services to LMI individuals. CFNA employees are active in the AA, when able to, and donate resources to help LMI children ensure they have the necessary supplies for school and food on weekends.

Qualified Investments

Table 3a: Qualified Investment Activity (000s)

	Benefits AA	Outside AA**	Totals
Originated Investments	0	0	0
Qualified Grants	426	8,105	8,531
Prior-Period Investments that Remain Outstanding	0	0	0
Total Qualified Investments	426	8,105	8,531
Unfunded Commitments*	0	0	0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4a: Qualified Investment Percentages

	Benefits AA (%)*	Outside AA (%)
Total Investments/Average Tier 1 Capital	1.2	22.2
Total Investments/Average Total Income	0.9	17.0
Total Investments/Average Pass-Through Receivables	0.05	0.9

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The bank made an adequate level of qualified CD investments although rarely in a leadership position, particularly those that are not routinely provided by private investors. The bank made 27 CD investments to 13 organizations within the AA, which totaled \$231,000. Additionally, throughout 2021, the bank’s affiliate BATF made 29 qualified donations within the AA. Donations through CFNA’s affiliate BATF totaled \$194,965 and were made to 28 organizations within the bank’s AA. CD investments within the AA were equivalent to 1.2 percent of tier 1 capital. The bank exhibits adequate responsiveness to community needs that related to either community service or affordable housing. All of the bank’s CD investment activity consists of donations and are not considered complex. Examples of CD investments include:

- The bank made \$25,000 in donations to various food shelters and food pantries within the AA. These donations were particularly responsive throughout 2020 and 2021, due to food shortages and food insecurity due to the COVID-19 pandemic. These donations are considered community service and directly impact LMI individuals in the bank’s AA.
- The bank made approximately \$11,000 of donations dedicated to community service in its AA. The bank and its employees participated in a backpack program designed to ensure LMI school children had necessary school supplies and food to eat on weekends when the schools were closed.

- Through BAH the bank received credit for 29 donations totaling \$194,695 to organizations that support affordable housing and community service within the bank’s AA. All qualified BAH donations within the AA were provided in 2021. The bank’s donations that supported affordable housing were to non-profit organizations that strive to put LMI people in affordable housing. The donations for community service focused on food pantries, women’s shelters, and education.

CD Services

Table 6b: CD Service Activities

CD Service	Benefits AA
Community Service	539 hours

The bank provides an adequate level of CD services. We considered the impact of the COVID-19 pandemic on the bank’s ability to conduct in-person CD services in the AA from March 2020 through December 2021. In total, the bank provided 539 hours of CD service throughout the evaluation period. The bank’s CD services were dedicated to community service. Examples of CD services include:

- Throughout 2021 four CFNA employees from the bank management team dedicated 302 hours to community service. Bank management participated on the boards of four non-profit community service organizations within the AA. One employee served as the executive secretary of a non-profit that seeks to raise funds for medical research impacting children. Another employee served on the board of a non-profit as the human resources chair. The organization is located in a moderate-income CT.
- Bank employees spent 82 hours dedicated to a community service organization in the AA. The organization provides various community services dedicated to LMI individuals. The community service activities include housing resources, food pantry, rides for disabled seniors to medical appointments and other needs, and a backpack program for food insecure students.
- Bank employees dedicated 138 hours to five CD organizations focused on community service. Bank employees donated their time to various local food pantries and other organizations dedicated to feeding LMI individuals in the bank’s AA.

Appendix A: Summary of MMSA and State Ratings

RATINGS	Credit First, N.A.
Overall Bank:	Overall Bank Rating
Credit First, N.A.	Satisfactory
State of Ohio	Satisfactory

Appendix B: Definitions and Common Abbreviations

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

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

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

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

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

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary

reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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.

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

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

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

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

more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

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