



## **PUBLIC DISCLOSURE**

April 18, 2016

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

Colorado Federal Savings Bank  
Charter Number 708876

8400 East Prentice Avenue, Suite 840  
Greenwood Village, CO 80111

Office of the Comptroller of the Currency

One Front Street  
Suite 1000  
San Francisco, CA 94111

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**Table of Contents**

**OVERALL CRA RATING ..... 2**

**DEFINITIONS AND COMMON ABBREVIATIONS ..... 3**

**DESCRIPTION OF INSTITUTION ..... 7**

**SCOPE OF THE EVALUATION..... 8**

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW..... 10**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 11**

    LENDING TEST ..... 11

    INVESTMENT TEST..... 15

    SERVICE TEST ..... 16

**APPENDIX A: SCOPE OF EXAMINATION..... A-1**

**APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS ..... B-1**

**APPENDIX C: TABLES OF PERFORMANCE DATA ..... C-1**

## Overall CRA Rating

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

The following table indicates the performance level of **Colorado Federal Savings Bank** with respect to the lending, investment, and service Tests:

Performance Levels	Colorado Federal Savings Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			
Low Satisfactory			
Needs to Improve			X
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The geographic distribution of loans reflects excellent penetration in geographies of different income levels.
- The borrower distribution of loans reflects excellent penetration among home mortgage customers of different income levels.
- CFSB has an excellent level of qualified CD investments and grants, and exhibits excellent responsiveness to CD needs.
- CFSB’s delivery systems are inaccessible to significant portions of the AA. Deposit product offerings and access to deposit products are very limited.
- CFSB provides a high level of CD services that are responsive to identified needs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 (MA)/assessment area (AA).

**Census Tract (CT):** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

**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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement, and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing, and one-to-four family dwellings other than 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.

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

**Low-Income:** Individual 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 MA/AA.

**Median Family Income (MFI):** The median income derived from the United States Census Bureau’s American Community Survey data every 5 years and used to determine the income level category of

geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

**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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

**Tier One 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.

## Description of Institution

Colorado Federal Savings Bank (CFSB) is a federally chartered stock savings bank, headquartered in Greenwood Village, Colorado. The bank is wholly owned by Silver Queen Financial Services, Inc. The bank was originally chartered in 1990 as a savings institution, but after being acquired by Provident Funding Associates (PFA) in June 2008, began operating under a non-branch direct banking platform. The bank operates out of its corporate headquarters in Greenwood Village, Colorado and its executive office in San Bruno, California.

As of December 31, 2015, CFSB reported total assets of \$1.7 billion and \$174 million in Tier One capital. The bank reported \$489 million in loans and net loans represented 29 percent of total assets. The bank's major loan product, by dollar volume, is loans secured by one-to-four family residential properties, which comprise 92 percent of bank lending. Commercial loans (nonfarm/nonresidential real estate and Commercial & Industrial) account for six percent of bank lending. These loans do not meet the reporting requirements under the CRA, thus are not considered small loans to businesses or farms. CFSB continues to engage in significant secondary market activity. CFSB operated for most of the evaluation period under a Fulfillment Agreement with PFA, where PFA referred agency conforming single-family residential mortgages to the bank. CFSB originated these loans for the purpose of selling them to investors on the secondary market. CFSB terminated the Fulfillment Agreement with PFA in October 2015 and plans to make jumbo home mortgage loans going forward. In addition to originating loans referred by PFA, the bank also purchases whole loans for yield and CRA purposes.

CFSB's deposit products are limited to savings accounts and certificate of deposit (CD) accounts. These deposit accounts may only be opened online at CFSB and must be linked to an existing external bank account belonging to the customer. Once a deposit account is opened, customers may only access funds in their CFSB accounts through Automated Clearing House (ACH) transfers to and from their linked external account. The minimum opening deposit is \$2,500.00 for savings accounts and \$5,000.00 for CDs. The bank does not maintain any full service branches or ATMs, but does offer customers 24-hour access via its website for account opening and transaction purposes.

There are no legal or financial impediments that prevent the bank from helping to meet the credit needs of its assessment area. While the bank operates in a highly competitive environment, competition does not hinder the bank's ability to offer products and services consistent with its size and structure.

Since the last CRA performance evaluation, CFSB's year-end total assets for the last two calendar years exceeded the threshold for small bank designation for CRA purposes. As such, we assessed the bank's CRA performance using Large Bank CRA examination procedures.

CFSB's last CRA evaluation, dated July 23, 2012 and completed under Intermediate Small Bank Examination Procedures, resulted in a rating of Needs to Improve, due to the bank's lending activities not satisfactorily addressing the credit needs of the bank's assessment area, particularly low- and moderate-income individuals and areas.



## **Scope of the Evaluation**

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

This evaluation period began January 1, 2012. We reviewed home mortgage loans originated or purchased between January 1, 2012 and December 31, 2015 that were reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers. The bank does not offer multifamily residential mortgage loans. Additionally, the bank does not originate small business and small farm loans. We analyzed CD loans, the Investment test, and the Service test for the period beginning January 1, 2012 through February 8, 2016 (the start of this evaluation).

### **Data Integrity**

Prior to this evaluation, the OCC tested the bank's HMDA loans and CD activities presented for consideration, and found all data to be accurate and reliable for use in the CRA evaluation.

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

CFSB has one assessment area (AA), the Denver-Aurora-Lakewood, CO MSA (Denver MSA). The bank is headquartered in Greenwood Village, which is located within the Denver MSA. CFSB does not maintain or operate any branches or other deposit-taking facilities, not even within its headquarters location.

### **Ratings**

The overall CRA rating is a blend of performance under the Lending, Investment, and Service Tests. Under each of those tests, performance in the full-scope AAs, generally carry the most weight in the overall rating. Since CFSB serves only one AA, performance in the Denver MSA is reflective of the bank's performance in Colorado.

When evaluating the bank's performance under the Lending Test, we placed more weight on the bank's distribution of home refinance loans than the distribution of home purchase loans. Overall, home refinance lending represented 79 percent of total mortgage lending in the AA. We placed minimal weight on the bank's home purchase lending (17 percent of total AA mortgage lending) and home improvement lending (4 percent of AA mortgage lending).

### **Other**

We contacted four community organizations within the Denver-Aurora-Lakewood MSA to identify community credit needs. The contacts indicated that affordable housing was a key issue for low- and moderate-income individuals in the area. The contacts noted that an improving local economy and a growing entrepreneurial sector are causing home prices and rents to rise. The rise in home prices and

rents are pushing low- and moderate-income families to the outer fringe of the MSA to find affordable housing. The contacts noted that banks were fairly active in providing financial literacy education to children and young adults but the contacts indicated more financial education directed towards low- and moderate-income adults is needed.

The contacts indicated there are opportunities where financial institution involvement could improve. One opportunity is being more involved in projects that provide additional affordable housing to low- and moderate-income individuals. Other opportunities for banks, include the provision of additional financial support to community development programs and volunteering. The contacts also mentioned that banks could support more financial literacy programs as well.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. § 25.28(c) or § 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area 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 has engaged in discriminatory or other illegal credit practices for 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.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Denver-Aurora-Lakewood MSA is excellent.

#### Lending Activity

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect adequate responsiveness to assessment area credit needs in the Denver MSA. CFSB originated or purchased 1,336 reportable home mortgage loans totaling \$297.0 million and originated three community development loans totaling \$9.0 million in the Denver MSA during the evaluation period. This lending represents 33 percent of total deposits at December 31, 2015 and 10 times locally-derived deposits.

As of June 30, 2015, CFSB had a deposit market share of 1.69 percent and ranked 12th among 71 FDIC-insured financial institutions that competed for deposits. In comparison, the bank's market share of home refinance, home purchase, and home improvement loans is well below its deposit market share. We recognize, however, that the bank's deposits are predominately composed of affiliate and investment-related deposits approximating 68 percent of total deposits. Assuming only 32 percent of the bank's deposits are retail as of the June 30, 2015 FDIC Deposit Market Share report and reduce the bank's deposits by 68 percent, the bank's deposit market share would be approximately 0.55 percent and the bank's deposit rank would be 22nd out of 71 depository institutions. The bank's 2014 Home Refinance lending market share (0.42 percent) is more reasonable in relation to its deposit market share (0.55 percent) adjusted for retail deposits only. Further, the bank's market percentile rank by mortgage loan product is reasonable when compared to its deposit market share percentile rank. The table below illustrates the bank's lending activity by product type as well as deposit and lending market share and market share percentile rank.

#### Denver-Aurora-Lakewood, CO MSA

Product	Number of Loans	Percent of All Loan Products	2014 Market Share	Market Share Rank	Market Share Percentile
<b>Deposits *</b>			1.69 (0.55)	12 (22) of 71	83 (69)
<b>Home Purchase</b>	234	17	0.05	185 of 633	71
<b>Home Refinance</b>	1,052	79	0.42	49 of 530	91
<b>Home Improvement</b>	50	4	0.22	61 of 209	71

\* Source: FDIC June 30, 2015 Deposit Market Share. Figures in parenthesis represent deposit market share and rank based on deposits adjusted to reflect retail deposits only.

In concluding on the bank's performance, we considered the high level of competition in this AA for single-family residential home mortgages and the negative impact of rising housing costs on low- and moderate-income individuals.

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

Overall, the geographic distribution of loans throughout the Denver-Aurora-Lakewood MSA is excellent.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of CFSB's home mortgage loans within geographies of different income levels in the Denver MSA is excellent. The bank's home purchase lending, home refinance, and home improvement lending is excellent and reflects strong responsiveness. Home refinance lending represents 79 percent of AA lending, home purchase lending accounts for 17 percent of AA lending, and home improvement lending amounts to 4 percent of AA lending. We placed more weight on the bank's home refinance lending performance given that home refinance loans represent the majority of loans granted in the AA.

The distribution of CFSB's home purchase lending within geographies of different income levels is excellent. The bank's distribution of home purchase lending within low-income census tracts exceeds the percentage of owner occupied housing units in low-income tracts in the AA and exceeds the 2014 HMDA aggregate home purchase lending in low-income census tracts. Home purchase lending within moderate-income census tracts exceeds both the percentage of owner occupied housing units in moderate-income tracts and the 2014 HMDA aggregate lending within moderate-income census tracts.

The distribution of CFSB's home improvement lending within geographies of different income levels is excellent. The bank's distribution of home improvement lending within low-income census tracts exceeds the percentage of owner occupied housing units in low-income tracts in the AA and exceeds the 2014 HMDA aggregate home improvement lending in low-income census tracts. Home improvement lending within moderate-income census exceeds both the percentage of owner occupied housing units in moderate-income tracts in the AA and the 2014 HMDA aggregate lending within moderate-income census tracts.

The distribution of CFSB's home refinance lending within geographies of different income levels is excellent. The bank's distribution of home refinance lending within low-income census tracts exceeds the percentage of owner occupied housing units in low-income tracts in the AA and exceeds the 2014 HMDA aggregate home refinance lending in low-income census tracts. Home refinance lending within moderate-income census tracts exceeds both the percentage of owner occupied housing units in

moderate-income census tracts and the 2014 HMDA aggregate lending in moderate-income census tracts.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed CFSB's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

### ***Inside/Outside Ratio***

This ratio is a bank-wide calculation and is not calculated by individual AA. Analysis is limited to bank originations and purchases, if applicable, and does not include affiliate lending.

While the bank originated and purchased a significant majority of its HMDA loans outside of its AA, performance is considered adequate based on the bank's business and lending strategy. While a very small percentage of loans are made in the bank's AA, the absolute dollar volume of loans granted within the Denver MSA is significant relative to locally-derived deposits. By number of HMDA-reportable loans, 4.4 percent of the bank's loans were inside its AA. By dollar volume of HMDA-reportable loans, 3.0 percent of the bank's loans are inside of its AA.

Although the number and dollar volume of loans in the assessment area is very low as a percentage of the total HMDA lending, this level of production is reasonable given the bank's nationwide business model and significant concentration of non-retail deposits. The dollar amount of loans granted by CFSB within the AA is significant in relation to total deposits from the AA. The bank garners \$30 million in retail deposits from the AA, compared to \$296 million in retail deposits nationwide and \$916 million in non-retail (affiliate and bank) and retail deposits, combined, as of December 31, 2015. Locally-derived deposits represent 3 percent of total deposits, which is in line with CFSB's inside/outside ratio based on dollar volume of loans. Further, the bank originated \$297 million in HMDA-reportable loans within the AA, or ten times local area deposits. Of all HMDA lending in the Denver MSA, \$72 million in loans, or the equivalent to 241 percent of area deposits, were made within low- or moderate-income census tracts and \$73 million, or 243 percent of area deposits, were granted to low- or moderate-income borrowers. This represents a significant level of reinvestment in the AA through lending and responsiveness to community needs.

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

Overall, the distribution of loans by borrower income is excellent.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Overall, the distribution of CFSB's home mortgage loans among borrowers of different income levels in the Denver MSA is excellent. In concluding on the bank's performance, we considered competition, the impact of the rising housing costs, and the relatively low median family income in AA. We gave the most weight to home refinance lending as it accounts for 79 percent of the AA lending.

The distribution of CFSB's home purchase lending among borrowers of different income levels is excellent. The bank's percentage of home purchase lending exceeds both the percentage of low-income families in the AA and the 2014 HMDA aggregate lending to low-income borrowers. The bank's percentage of home purchase lending exceeds both the percentage of moderate-income families and the 2014 HMDA aggregate lending to moderate-income borrower.

The distribution of CFSB's home improvement lending among borrowers of different income levels is excellent. The bank's percentage of home improvement lending is somewhat lower than the percentage of low-income families in the AA but exceeds the 2014 HMDA aggregate lending to low-income borrowers. The bank's percentage of home improvement lending exceeds both the percentage of moderate-income families and the 2014 HMDA aggregate lending to moderate-income borrower.

The distribution of CFSB's home refinance lending among borrowers of different income levels is excellent. The bank's percentage of home refinance lending is lower than the percentage of low-income families but exceeds the 2014 HMDA aggregate lending to low-income borrowers. The bank's percentage of home refinance lending exceeds both the percentage of moderate-income families in the AA and the 2014 HMDA aggregate lending to moderate-income borrowers.

## **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CFSB's level of CD lending has positive impact on its overall lending performance in the Denver-Aurora-Lakewood MSA. During the evaluation period, CFSB originated three CD loans totaling \$9.0 million. This volume represents 5.2 percent of Tier One Capital. All of the loans facilitate affordable rental housing for low- and moderate-income individuals. Two of the bank's CD loans assisted in the development of 321 affordable housing units. CFSB provided a \$1 million loan to a loan pool that provides loans to support affordable housing and revitalization of community facilities for low-income individuals. All of these loans exhibit excellent responsiveness to the identified need of affordable housing in the AA.

## **Colorado Statewide CD Loans**

In addition to the CD loans originated in the bank's AA, we gave positive consideration to a \$6.9 million construction loan made by the bank in conjunction with its participation in a Midwest Housing Equity Group's (MHEG) low-income housing tax credit investment fund. This project provides 37 units of affordable rental housing to low- and moderate-income individuals in Leadville, Colorado. While outside of the bank's assessment area, this project is located in the greater statewide area that includes the bank's AA. MHEG operates in, and serves, a regional area that includes the State of Colorado.

In addition to the above-mentioned CD loans, CFSB purchased a \$1.9 million participation in a loan to finance the purchase and rehabilitation of 160 affordable housing units in Greeley, Colorado. This project came to the attention of the bank through its partnership with the MHEG. MHEG had originally planned to participate in this project and the bank committed to provide bridge financing. While outside of the bank's assessment area, this project is located in an adjacent county to the Denver MSA. Ultimately, MHEG did not participate in this project but the bank had, in good faith, committed to provide the construction financing before MHEG dropped out.

## **Product Innovation and Flexibility**

CFSB does not offer any specific flexible or innovative loan products. The bank, however, has partnered with Habitat for Humanity of Metro Denver (HFHMD) to periodically purchase loans from HFHMD to free up funds for HFHMD to make more loans and fund its operations. The loans originated by HFHMD are interest free and the bank is not entitled to any profit that may occur with early payoff of any loans or equity sharing if a property is sold for a profit to another low- or moderate-income family. Any such profit will be retained by HFHMD. CFSB purchased whole loans from HFHMD in June 2015 and the bank has committed to another whole loan purchase in late 2016. CFSB has agreed to make additional loan purchases as needed to assist HFHMD in the future.

## **INVESTMENT TEST**

The bank's performance under the Investment Test is rated "Outstanding." Based on the full-scope review, the bank's performance in the Denver-Aurora-Lakewood MSA is excellent.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

CFSB makes an excellent level of qualified community development investments and grants and exhibits excellent responsiveness to credit and economic development needs.

During the evaluation period, CFSB advanced \$27.7 million towards five investment securities and made \$745 thousand in charitable donations to 19 CD organizations. In addition, the bank is legally bound to make additional capital contributions totaling \$8.0 million towards two of the existing



investments. Qualified investments and charitable donations total \$28.4 million and represents 16.3 percent of Tier One capital.

The bank's responsiveness to the CD needs in the AA is excellent. Funding for affordable housing is one of the main identified CD needs in the AA and the bank made a significant majority of its investments focused on affordable housing. The bank makes use of complex equity investments to support CD initiatives, which includes low-income housing tax credit investments. Investment vehicles include two low -income housing tax credit funds, two targeted affordable multifamily housing mortgage-backed securities, and a targeted municipal bond for an affordable multifamily housing development. CFSB has developed relationships with CD organizations and staff has taken a leadership role in expanding its financial support of some of these organizations, including the MHEG.

### **Colorado Statewide Investments**

We also gave positive consideration of an investment totaling \$5.0 million that serves a broader statewide area that includes the bank's AA. Bank management has developed a strong relationship with the MHEG. MHEG offers equity investment opportunities in funds created to develop, rehabilitate, and preserve affordable housing for low- and moderate-income individuals in several states including Colorado. CFSB's investment supports the rehabilitation of apartment units in Leadville, Colorado, which is outside of the bank's AA. However, MHEG serves the whole state of Colorado. This investment was the first of its kind for CFSB and has led to additional investment and CD lending opportunities for the bank that directly benefit the Denver MSA.

## **SERVICE TEST**

The bank's performance under the Service Test is rated "Needs to Improve." Based on full-scope reviews, the bank's performance in the Denver-Aurora-Lakewood MSA is poor. The bank's very limited retail banking services is somewhat mitigated by its excellent level of community development services. CFSB's business model is not a traditional retail-based strategy and management does not market the bank as a retail bank operation. However, while the bank makes its products and services available through its website, these products are not structured as to be generally affordable or available to low- or moderate-income individuals.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CFSB's retail services and product offerings are inaccessible to significant portions of the bank's assessment area. The bank does not have a physical retail presence. CFSB does not operate any branch locations or have any automated teller machines. The bank provides limited retail banking services. The bank does not offer transaction accounts, ATM/point of sale debit access, or bill pay services as an

alternative to bank branches. While online access to deposit accounts is available, online capabilities are limited to transfers between accounts or transfers between CFSB and a single linked account at another financial institution. Deposit products consist of an online savings account and online certificate of deposit (CD) accounts. Deposit customers must link their CFSB account with an account at another bank to fund and close the CFSB account. Savings accounts have a required minimum of \$2,500 while the minimum CD account balance is \$5,000. Relatively high minimum balance requirements for these accounts preclude many low- and moderate-income individuals from establishing accounts with the bank.

## **Community Development Services**

CFSB provides an excellent level of community development services. During the evaluation period, CFSB built its CD service infrastructure through outreach efforts and developing relationships with community organizations. CFSB employees have established relationships with a variety of organizations and provided approximately 2,000 CD service hours in the AA to support low- and moderate-income individuals. In addition, the bank developed its own in-house financial literacy class that is taught through local schools and organizations. Employee involvement with these organizations has benefited low- and moderate-income individuals through providing financial education, supporting affordable housing, and promoting economic development. The bank has collaborated with seven different organizations in the Denver MSA. The following are examples of CFSB's community development services in the AA:

**Midwest Housing Equity Group (MHEG)** – MHEG promotes affordable housing by making investments in affordable housing projects. The organization operates in a broader regional area that also includes the bank's AA. MHEG finances projects in Arkansas, Colorado, Iowa, Kansas, Missouri, Nebraska, Oklahoma, South Dakota, and Texas. MHEG has financed two properties in the bank's AA that include properties located in Wheat Ridge, CO and Denver, CO.

The bank's Vice Chairman has taken a leadership role in the organization. He participates in the MHEG Fund 42 L.P.'s regional committee as well as operations and investment committees. The bank also provides financial expertise through reviews of project loans, credit packages, and transaction structures. Since the end of 2013, the bank has reviewed 90 projects throughout five Midwestern states. The Vice Chairman's participation in this organization also sets a strong example for the importance of community involvement by CFSB staff.

**Denver Rescue Mission Center (DRMC)** – This organization provides financial assistance, housing assistance, and job training programs to homeless individuals. CFSB employees have taken a leadership role and have been responsive to the needs of the community through developing and participating in financial education workshops held by the organization. CFSB has been working with this group since 2013.

Bank staff has taken a leadership role in a financial mentoring program for homeless individuals

preparing to transition to permanent housing and self-sufficiency. CFSB is the only financial institution providing such services to DRMC. Each family is provided with seven one-hour sessions with bank staff over three months. In addition, CFSB staff continues to follow up with families after mentoring sessions have been completed.

CFSB has been responsive to the needs of DRMC and the community through the development of the “Financial Cent\$” class. This class was developed at the request of DRMC to provide “train-the-trainer” financial education for other volunteers. The course focuses on financial education for both financial volunteers and homeless families. Bank staff teaches the class quarterly. This has been a popular course among the community with an average of 30 students per class.

CFSB employees also contribute to DRMC by teaching a financial literacy workshop called “Money Matters” which is targeted towards families who are transitioning out of homelessness. The workshop consists of four weekly sessions that are an hour and a half long per session. The workshop is offered every other month. The workshop has been popular with an average of 20 students per class.

**Operation Hope** – The mission of this organization is to expand economic opportunity in underserved communities through economic education and empowerment. CFSB started partnering with this organization in 2014. CFSB employees participate by teaching financial literacy in two of the organization’s programs, including “Banking on Our Future” (BOOF) and “HOPE Business in a Box” (HBIAB). Both programs are targeted to the youth. CFSB staff teach financial modules to students through the BOOF program, which enhances basic understanding of budgeting, banking, credit, saving, and investing. The HBIAB program is a business plan competition. Bank employees assist students through business mentorship in this program.

**Habitat for Humanity of Metro Denver (HFHMD)** – The goal of the organization is to provide affordable housing to low- and moderate-income individuals. CFSB has been collaborating with the group since 2014. The bank’s employees participate in the organization through teaching the organization’s “Financial Fitness Course” and as financial reviewers. The Financial Fitness course is a required class offered to families who are in the process of purchasing their home through HFHMD. The course provides attendees with basic financial education.

CFSB employees have been responsive to the organization’s needs as financial reviewers. The organization needed assistance with reviewing loan applications based on Habitat’s lending criteria. CFSB staff responded by volunteering to meet the organization’s needs. Reviews are completed monthly as needed.

CFSB has taken a leadership role in working with the organization to provide new financial products. CFSB’s Chief Executive Officer has met with HFHMD’s Chief Operating Officer to discuss the possibility of offering new financial products to HFHMD’s clients.

**Young Americans Center For Financial Education** – This organization focuses on providing financial

education programs for young people under the age of 21. In 2015, CFSB employees participated in two of the organization's programs that included Young AmeriTowne and International Towne. CFSB volunteers work with low- and moderate-income students participating in the programs.

**Mile High Community Loan Fund (MHCLF)** – MHCLF provides loans to organizations to support affordable housing, community redevelopment, and other nonprofit organizations. The group makes loans for affordable housing, nonprofit facilities, or economic development and other community projects.

CFSB has taken a leadership role in this organization. The bank has become a voting member of the organization's finance committee. CFSB's Assistant Vice President of Community Reinvestment and Fair Lending serves on the committee. In addition, the bank's employees provide financial review services for MHCLF's annual budget, quarterly financials, and upcoming lending opportunities.

**Junior Achievement Rocky Mountains (JA)** - The focus of the organization is to advance the economic opportunity of young people through inspiring entrepreneurship and financial literacy. Since 2014, CFSB employees have been participating in a variety of the organization's programs. Bank employees have volunteered time to assist with programs such as JA Finance Park, JA Career Success Program, and JA Take Stock in Your Future. CFSB's volunteer work has focused on assisting low- and moderate-income participants.

**CFSB Financial Literacy Program** – CFSB has developed its own in-house financial literacy class called "Teach Children to Save" and "Get Smart about Credit." The curriculum is based on course materials provided by the American Bankers Association. CFSB employees have tailored this course content to focus on a younger audience. CFSB collaborates with local schools and organizations serving low- and moderate-income communities. Through this program, CFSB employees have reached 122 students. Due to competition from other financial institutions that also provide financial literacy services, CFSB has decided to discontinue teaching this class and dedicate its resources to other community development activities.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/02/2012 to 12/31/2015 Investment and Service Tests and CD Loans: 01/01/2012 to 04/18/2016		
<b>Financial Institution</b>		<b>Products Reviewed</b>	
Colorado Federal Savings Bank (CFSB or bank) Greenwood Village, CO		HMDA (home purchase, home improvement, home refinance loans) Community Development Loans Qualified Investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>	
No affiliate activity was provided for consideration.			
<b>List of Assessment Areas and Type of Examination</b>			
<b>Assessment Area</b>		<b>Type of Exam</b>	<b>Other Information</b>
Denver-Aurora-Lakewood, CO MSA #19740		Full-Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Denver-Aurora-Lakewood, CO MSA

Demographic Information for Full-Scope Area: Denver-Aurora-Lakewood, CO MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	621	11.11	22.54	33.49	31.72	1.13
Population by Geography	2,543,482	11.14	23.08	33.37	32.36	0.04
Owner-Occupied Housing by Geography	650,428	6.31	19.13	36.08	38.48	0.00
Businesses by Geography	287,922	8.26	20.01	31.01	40.40	0.32
Farms by Geography	5,606	6.65	17.62	35.89	39.76	0.07
Family Distribution by Income Level	620,203	21.90	17.14	20.30	40.66	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	242,175	19.33	34.13	30.34	16.20	0.00
Median Family Income		75,101	Median Housing Value	266,191		
FFIEC Adjusted Median Family Income for 2015		76,700	Unemployment Rate	3.72%		
Households Below Poverty Level		11%	(2010 US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2015 FFIEC updated MFI

CFSB has designated the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA) as its assessment area. The MSA encompasses 621 contiguous census tracts and meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The Denver MSA includes the suburban counties of Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson and the rural counties of Clear Creek, Elbert, Gilpin, and Park. As of July 2015, the U.S. Census Bureau estimated the population of MSA to be 2,814,330. The 2015 Federal Financial Institutions Examination Council (FFIEC) Updated Median Family Income for the Denver MSA is \$76,700.

According to the 2010 Census, low- and moderate-income families make up 31 percent of the families residing within the MSA. Economic conditions have improved during the review period. According to the Bureau of Labor Statistics (BSL), the average annual unemployment rate was 3.7 percent in 2015, a decline from 7.7 percent in 2012.

Housing in the Denver-Aurora-Lakewood MSA is generally affordable, although affordability is declining. Based on the National Association of Home Builders' (NAHB) Housing Opportunity Index (HOI), the HOI for the Denver MSA declined from 79.1 during fourth quarter 2011 to 59.8 during fourth quarter 2015. The HOI is defined as the share of homes sold in an area that would have been affordable to a family earning the median income. The median home sales price increased from \$210,000 to \$319,000 during the same period. As of 4th quarter 2015, the MSA is ranked 174th out of 225

metropolitan areas monitored nationally.

Conversations with community contacts have also indicated declining affordability in the AA. Contacts have reported seeing increases in real estate prices due to improving economic conditions and “in-migration” to the area. Increases in real estate and rental prices have increased the need for more affordable housing. Contacts have indicated that affordable housing is in short supply and low- and moderate-income individuals are being priced out of both the homebuyer and rental markets.

Housing affordability differs between the ten counties that comprise the Denver MSA. Using the 2014 Census data and comparing median home prices to median household incomes within each county, Denver County shows the lowest affordability in the MSA while Adams County has the highest. The median home price in Denver County is 4.97 times the median household income while in Adams County the median home price is 3.30 times the median household income. Other counties that comprise the MSA show median home prices are approximately four times median household income.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and aggregate HMDA lending is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents HMDA peer aggregate information based on the most recent aggregate data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents HMDA peer aggregate information based on the most recent aggregate data available.



- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents HMDA peer aggregate information based on the most recent aggregate data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the

investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: COLORADO												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Denver-Aurora-Lakewood MSA (19740)	99.85	1,336	297,028	0	0	0	0	3	9,000	1,339	306,028	100.00
<b>Broader Area that includes the Bank's Assessment Area:</b>												
CO Statewide	0.15	0	0	0	0	0	0	2	8,770	2	8,770	0.00

\* Loan Data as of December 31, 2015. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2012 to April 18, 2016.

\*\*\* Deposit Data as of December 31, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: COLORADO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	234	100.00	6.31	20.09	19.13	34.19	36.08	18.38	38.48	27.35	6.17	18.04	35.54	40.24

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	50	100.00	6.31	8.00	19.13	24.00	36.08	40.00	38.48	28.00	5.03	19.64	35.56	39.77

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2010 Census information.

Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: COLORADO								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	1,052	100.00	6.31	6.46	19.13	22.72	36.08	23.48	38.48	47.34	5.08	17.75	37.05	40.12

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2010 Census information.

Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: COLORADO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2015							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	0	0.00	20.60	0.00	32.05	0.00	32.72	0.00	14.63	0.00	24.88	30.14	35.89	9.09

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2010 Census information.

Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: COLORADO					Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans <sup>1</sup> ****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	234	100.00	21.90	28.84	17.14	29.77	20.30	12.56	40.66	28.84	7.36	22.41	25.84	44.39

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 8.1% of loans originated and purchased by BANK.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2).



Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: COLORADO						Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>2****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	50	100.00	21.90	14.00	17.14	30.00	20.30	28.00	40.66	28.00	10.93	18.21	25.52	45.34

<sup>\*</sup> Based on 2014 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2).

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: COLORADO								Evaluation Period: JANUARY 1, 2012 TO JUNE 30, 2015				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>3****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Denver-Aurora-Lakewood MSA (19740)	1,052	100.00	21.90	9.63	17.14	21.30	20.30	24.42	40.66	44.65	8.04	19.98	26.95	45.02

<sup>\*</sup> Based on 2014 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.3% of loans originated and purchased by BANK.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2).

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: COLORADO				Evaluation Period: JANUARY 1, 2012 TO APRIL 18, 2016			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Denver-Aurora-Lakewood MSA (19740)	0	0	24	28,390	24	28,390	87.34	2	8,035
<b>Broader Area that includes the Bank's Assessment Area:</b>									
CO Statewide	0	0	1	4,116	1	4,116	12.66	1	884

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system. The number of Unfunded Commitments may reflect double counting as some commitments are part of larger investments for which the bank has made partial advances during the current period.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: Colorado <b>Evaluation Period:</b> January 1, 2012 TO April 18, 2016																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Denver-Aurora-Lakewood MSA (19740)	100.00	0	100.00	0	0	0	0	0	0	0	0	0	0	11.14	23.08	33.37	32.46

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