



PUBLIC DISCLOSURE

October 10, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Brainerd Savings and Loan Association
Charter Number 706979

524 S 6th St
Brainerd, MN 56401-3542

Office of the Comptroller of the Currency

123 3rd Ave E. Suite 400
Alexandria, MN 56308-0849

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: Satisfactory

The Lending Test is rated: Satisfactory

The major factors supporting the bank's rating include:

- The distribution of loans reflects reasonable penetration among borrowers of different income levels. The distribution of residential real estate loans reflects reasonable penetration and the distribution of consumer loans reflects excellent penetration originated to families of low- or moderate-income when compared to area demographics. We placed the most weight on residential real estate lending given the large dollar volume.
- The distribution of loans reflects excellent dispersion among low- and moderate-income census tracts within the bank's assessment area.
- A majority of loans originated are located inside the assessment area.
- The Loan-to-Deposit (LTD) ratio is more than reasonable considering the bank's size, location, financial condition, and local economic conditions.



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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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/assessment area.

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. 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 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: 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.

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

Brainerd Savings and Loan Association (Brainerd SLA) is a federally chartered single state mutual savings and loan association with total assets of \$64.5 million as of June 30, 2017. Brainerd SLA is not owned by a holding company. The institution is a traditional thrift with lending focused on single-family mortgage loans for purchase and refinance, construction and construction-permanent financing, open-end and closed-end home equity loans, and consumer loans for a variety of purposes. As of June 30, 2017, tier one capital totaled \$5.6 million with a tier one leverage ratio of 8.65 percent.

The institution's main office is located in Brainerd, Minnesota, with a full-service branch located in the adjoining community of Baxter, Minnesota. The institution operates two non-deposit taking Automatic Teller Machines (ATMs). The bank has a single ATM at each branch location. The bank did not open or close any branches during the assessment period.

There are no known financial or legal impediments that would affect the bank's ability to meet the credit needs of its communities. The bank received a "Satisfactory" rating at the February 15, 2012 CRA evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Brainerd SLA's CRA performance utilizing small bank performance standards. The bank's CRA performance was assessed under the lending test that focused on the bank's primary loan products based on loan originations and purchases from January 1, 2015 to December 31, 2016 and January 1, 2017 to June 30, 2017 (evaluation periods). Residential real estate and consumer loans are the bank's primary product for all evaluation periods. These loans represent the largest percentage by dollar volume and number originated. Based on changes made in the 2015 ACS US Census, census tract 9510 changed from moderate- to middle-income. As a result, we assessed the bank's lending performance independently for 2017. More weight was given to the 2015-2016 evaluation period due to the number of loans, specifically residential real estate during the 2015-2016 evaluation period. The table below illustrates the dollar volume and number of loans originated, sold or purchased by Brainerd SLA during the evaluation period.



Loan Originations and Purchases in 2015-2017 in the Brainerd SLA AA		
<i>Loan Type</i>	<i>Volume by #</i>	<i>Volume by \$</i>
Commercial	5%	3%
Consumer	42%	8%
Residential Real Estate	54%	89%
Agriculture	0%	0%

Source: Bank loan origination report for 2015-2017 (1/1/15-6/30/17)

Demographic information from the assessment area was used to assess lending performance. The ratio of the bank’s loans to deposits was compared with other similarly situated, banks. We reviewed the area’s financial, economic, and other environmental factors with members of bank management and discussed these factors with a community contact whose work involves the funding of low- and moderate-income housing in the bank’s assessment area. We used this information to determine what role the bank plays in meeting the lending needs of the community it serves.

Please refer to Appendix B for a summary of AA demographic information.

Data Integrity

The bank is not a HMDA-reportable bank, so loan sampling was conducted to arrive at conclusions in relation to the bank’s lending performance within the assessment area (AA).

Selection of Areas for Full-Scope Review

We performed a full-scope review of the bank’s entire AA, which includes 18 census tracts located in Crow Wing County, MN and the southern portion of Cass County, MN.

Ratings

The bank’s overall rating is Satisfactory based on the review of the AA. We placed more weight on the 2015-2016 evaluation period as the 2017 evaluation period is only six months. We also placed more weight on the residential real estate lending product as it makes up a significant portion of the bank’s loan portfolio by dollar.



Discriminatory 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 [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.

Conclusions with Respect to Performance Tests

The bank’s lending performance is rated Satisfactory. This assessment is based on borrower lending distribution, geographic distribution, the LTD ratio, and lending in the bank’s AAs.

LENDING TEST

Brainerd SLA’s lending performance is satisfactory. The distribution of loans to borrowers of different incomes reflects reasonable penetration for loans originated in the AA. The geographic distribution of loans among low- and moderate-income census tracts within the bank’s assessment area demonstrates excellent dispersion. The LTD ratio is more than reasonable and the majority of loans were originated inside Brainerd SLA’s AA. More weight was given to the performance of residential real estate lending as it accounts for the majority of the bank’s lending activity.

Loan-to-Deposit Ratio

The bank's LTD ratio is more than reasonable considering its size, location, financial condition, and local economic conditions in the bank's AA. The bank's average LTD ratio was 90.69 percent based on quarterly Call Report data collected since the last CRA evaluation. The LTD ratio fluctuated from a low of 80.36 percent to a high of 105.99 percent over a period from March 31, 2012 through June 30, 2017.

The bank's LTD ratio ranks as the highest among two similarly situated banks within the AA. The financial institutions used in comparison were most comparable in asset size, operate offices within the AA, and offer similar loan and deposit products.

The following table illustrates Brainerd SLA’s average LTD in comparison to similarly situated banks.

Loan-to-Deposit Ratio Institution	Assets (\$000s)	Average LTD Ratio
Brainerd Savings & Loan	64,520	90.69%
Western National Bank	35,193	69.58%
Pine River State Bank	116,230	55.87%

Source: FDIC Deposit Market Share Report and Call Report Data 3/31/12 – 6/30/17

Lending in Assessment Area

The bank originates a majority of loans inside its AA. Due to the census tract change in 2017, we independently reviewed a sample of 20 loans for each primary product for both evaluation periods. Of the 80 loans sampled, Brainerd SLA originated 81 percent of loans

by number and 84 percent of loans by dollar volume in the AA. The following table illustrates the number and dollar amount of loans originated inside and outside the bank's AA during the evaluation period.

Lending in Brainerd SLA's AA										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential	32	80%	8	20%	40	5,550	84.64%	1,007	15.36%	6,557
Consumer	33	82.5%	7	17.5%	40	875	80.72%	209	19.28%	1,084
Totals	65	81.25%	15	18.75%	80	6,425	84.09%	1,216	15.91%	7,641

Source: OCC Loan sample of residential and consumer loans

Lending to Borrowers of Different Incomes

The overall distribution of loans reflect reasonable penetration among borrowers of different income levels.

Residential Real Estate Loans for 2015-2016

The distribution of loans reflects reasonable penetration for LMI borrowers during the 2015-2016 evaluation period. The distribution of residential real estate loans to moderate-income borrowers significantly exceeds the percentage of aggregate HMDA reportable banks in the AA and is near the percentage of LMI families living in the AA. The distribution of residential real estate loans to low-income borrowers is reasonable as it is near the percentage of aggregate HMDA reportable banks in the AA and below the percentage of LMI families living in the AA. In determining the bank's performance, we took into consideration the AA poverty level of 7.51 percent of families. Considering the median housing value in the AA is \$207,981, living at or below poverty level may present a barrier to homeownership and effect the quantity of residential loans to low-income individuals.

Borrower Distribution of Residential Real Estate Loans in AA in 2015-2016			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Families
Low	5.00%	7.90%	18.40%
Moderate	22.00%	15.86%	20.04%
Middle	20.00%	21.29%	23.24%
Upper	53.00%	47.52%	38.32%

Source: OCC Loan sample; 2015 HMDA Peer data (HMDA 'income data not reported' = 7.43%), 2010 U.S. Census data

Residential Real Estate Loans for 2017

The distribution of loans reflects reasonable penetration among borrowers of different incomes during the 2017 evaluation period. The distribution of residential real estate loans to LMI borrowers is near both aggregate HMDA reportable banks in the AA as well as the percentage of LMI families living in the AA. The distribution of residential real estate loans to low-income borrowers is below the percentage of LMI families living in the AA. In determining the bank's performance, we took into consideration the AA poverty level of 7.93 percent of families. Considering the median housing value in the AA is \$198,513, living at or below poverty level may present a barrier to homeownership and effect the quantity of residential loans to low-income individuals.

Borrower Distribution of Residential Real Estate Loans in AA in 2017			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Families
Low	5.00%	7.90%	19.92%
Moderate	15.00%	15.86%	19.42%
Middle	30.00%	21.29%	23.18%
Upper	50.00%	47.52%	37.48%

Source: OCC Loan sample; 2015 HMDA Peer data (HMDA 'income data not reported' = 7.43%), 2015 ASC U.S. Census data

Consumer loans for 2015-2016

The distribution of loans reflects excellent penetration among borrowers of different incomes. The bank's penetration among low- and –moderate-income borrowers exceeds to the demographic comparator data for 2015-2016. The table below illustrates the distribution of consumer loans across different income levels compared to the AA's demographics.

Borrower Distribution of Consumer Loans in AA (2015-2016)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22.59%	35.00%	17.25%	25.00%	19.70%	10.00%	40.46%	30.00%

Source: OCC Loan sample; 2010 U.S. Census data.

Consumer loans for 2017

The distribution of loans reflects excellent penetration among borrowers of different incomes. Lending to moderate-income households significantly exceeds the demographic comparator and lending to low-income households is near to the demographic comparator. The table below illustrates the distribution of consumer loans across different income levels compared to the AA's demographics.

Borrower Distribution of Consumer Loans in AA (2017)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	23.17%	19.00%	16.76%	31.00%	18.91%	31.00%	41.16%	19.00%

Source: OCC Loan sample; 2015 ACS U.S. Census data

Geographic Distribution of Loans

The overall geographic distribution of loans reflects excellent dispersion throughout census tracts of different income levels.

Residential Real Estate loans for 2015-2016

The geographic distribution of residential real estate loans reflects excellent dispersion throughout the banks AA. The bank's performance significantly exceeds the demographic comparator and aggregate HMDA data performance. The following table illustrates Brainerd SLA's lending in different geographies compared to area demographics and aggregate HMDA reporters.

Borrower Distribution of Residential Real Estate Loans in AA in 2015-2016			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of Owner Occupied Housing
Low	0.00%	0.00%	0.00%
Moderate	18.00%	8.90%	11.24%
Middle	67.00%	85.29%	81.98%
Upper	15.00%	5.81%	6.28%

Source: OCC Loan sample; 2010 US Census Data, 2015 HMDA Peer data

Residential Real Estate loans for 2017

The geographic distribution of residential real estate loans reflects excellent dispersion throughout the banks AA. The bank's performance exceeds the demographic comparator and aggregate HDMA data performance. The following table illustrates Brainerd SLA's lending in different geographies compared to area demographics and aggregate HDMA reporters.

Geographic Distribution of Residential Real Estate Loans in AA in 2017			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of Owner Occupied Housing
Low	0.00%	0.00%	0.00%
Moderate	10.00%	8.90%	6.41%
Middle	80.00%	85.29%	86.01%
Upper	10.00%	5.81%	7.59%

Consumer loans for 2015-2016

The geographic distribution of consumer loans reflects excellent dispersion throughout the banks AA. The bank's performance significantly exceeds the demographic comparator. The following table illustrates Brainerd SLA's lending in different geographies compared to the number of households in the AA.

Geographic Distribution of Consumer Loans in AA Compared to Census Tract Income Levels (2015-2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0%	0%	16.68%	35.00%	78%	65.00%	5.31%	0%

Source: OCC Loan sample; 2010 U.S. Census data.

Consumer loans for 2017

The geographic distribution of consumer loans reflects reasonable dispersion throughout the banks AA. The bank's performance is slightly lower than the demographic comparator. The following table illustrates Brainerd SLA's lending in different geographies compared to the number of households in the AA.



Geographic Distribution of Consumer Loans in AA Compared to Census Tract Income Levels (2017)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0%	0%	10.08%	6.00%	83.03%	88.00%	6.89%	6.00%

Source: OCC Loan sample; 2015 ACS U.S. Census data.

Responses to Complaints

During this evaluation period, there were no complaints related to Brainerd SLA's performance in meeting AA credit needs.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation 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”).

Time Period Reviewed	Lending Test: 01/01/2015 to 06/30/2017	
Financial Institution	Products Reviewed	
Brainerd Savings & Loan (Brainerd SLA) Brainerd, Minnesota	Residential Real Estate & Consumer loans	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Minnesota Crow Wing County & Southern Cass County (Non-MSA)	Full-scope	There were mid-cycle census tract changes during our evaluation period. Census tract #9510 changed from moderate- to middle-income from 2016 to 2017. As a result, lending performance was evaluated independently for 2017.

Appendix B: Community Profiles for Full-Scope Areas

Brainerd Savings & Loan AA 2015-2016

Demographic Information for Full-Scope Area: Brainerd SLA 2015-2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0%	16.67%	77.78%	5.56%	0%
Population by Geography	70,390	0%	15.84%	79.15%	5.01%	0%
Owner-Occupied Housing by Geography	23,677	0%	11.74%	81.98%	6.28%	0%
Businesses by Geography	5,491	0%	19.49%	76.83%	3.68%	0%
Farms by Geography	242	0%	5.79%	90.08%	4.13%	0%
Family Distribution by Income Level	20,623	18.40%	20.04%	23.24%	38.32%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,928	0%	20.14%	75.66%	4.20%	0%
Median Family Income FFIEC Adjusted Median Family Income Households Below the Poverty Level	= \$57,683 = \$63,800 = 12%	Median Housing Value = \$207,981 Unemployment Rate = 5.99%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 FFIEC updated MFI.

Brainerd Savings & Loan AA 2017

Demographic Information for Full-Scope Area: Brainerd SLA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0%	11.11%	83.33%	5.56%	0%
Population by Geography	70,987	0%	9.78%	82.75%	7.47%	0%
Owner-Occupied Housing by Geography	22,776	0%	6.41%	86.01%	7.59%	0%
Businesses by Geography	5,557	0%	15.67%	77.33%	7.00%	0%
Farms by Geography	252	0%	3.57%	88.10%	8.33%	0%
Family Distribution by Income Level	20,183	19.92%	19.42%	23.18%	37.48%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,940	0%	12.10%	83.06%	4.84%	0%



Median Family Income	= \$63,182	Median Housing Value	= \$198,513
FFIEC Adjusted Median Family Income	= \$65,300	Unemployment Rate	= 6.44%
Households Below the Poverty Level	= 11%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 Updated ACS U.S. Census, and 2017 FFIEC updated MFI.

Brainerd Savings & Loan considers its assessment area (AA) to be Crow Wing County, MN and the southern portion of Cass County, MN. The AA consists of 18 census tracts and is predominately rural. The AA does not include a Metropolitan Statistical Area (MSA). In 2015-2016, the AA consisted of 14 middle-income tracts, three moderate-income tracts, and one upper-income tract. Based on changes made in the 2015 ACS US Census, the AA had three census tract changes; tract 9608.01 changed from upper to middle-income, tract 9509 changed from middle to upper-income, and tract 9510 changed from moderate to middle-income. As a result, for 2017 the AA consisted of 15-middle-income tracts, two moderate-income tracts, and one upper-income tract. The bank’s AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income tracts.

The bank’s offices are located in Crow Wing County, approximately 150 miles to the northwest of the Minneapolis-St. Paul area. The institution’s main office is located near downtown Brainerd, MN on Business Highway 371. The branch office is located approximately five miles away in Baxter, MN.

Average unemployment rate during the 2015-2016 evaluation period in the AA was 5.99%; this is higher than the Minnesota state average unemployment rate during the evaluation period of 3.81%. Average unemployment rate during the six-month evaluation period in the AA of 2017 was 6.44%, this is higher than the Minnesota state six month average in 2017 of 4.15%.

We contacted a local affordable housing organization to gain a better understanding of credit needs and opportunities in the AA. The contact stated that the Brainerd Lakes area is growing considerably. In recent years, several large retailers have moved into the area in hopes to continue to attract and retain younger population. The contact stated that a majority of full time residents in the area consists of retirees. The area relies heavily on seasonal tourism. The contact noted that their organization assists low and moderate-income individuals to obtain affordable housing. Our community contact indicated that there is a need for continual access to affordable housing in the AA.