SMALL BANK

PUBLIC DISCLOSURE

July 17, 2018

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First Federal Savings & Loan Association of Delta

Charter Number 703313

404 Main St.
Delta, OH 43515

Office of the Comptroller of the Currency

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Overall CRA Rating

The Lending Test is rated: Satisfactory.

The major factors supporting the institution's rating:

- First Federal Savings & Loan Association of Delta (First Federal or bank) has maintained a reasonable loan-to-deposit (LTD) ratio that meets the standard of satisfactory performance.

- During the assessment period, First Federal originated a substantial majority of its home mortgage loans within its assessment area (AA), which exceeds the standard for satisfactory performance.

- The distribution of First Federal's home mortgage loans reflects reasonable penetration among borrowers of different income levels, and meets the standard for satisfactory performance.

- The distribution of First Federal's home mortgage loans reflects poor dispersion among geographies of different income levels, and does not meet the standard for satisfactory performance.

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

First Federal is an intrastate mutual savings bank headquartered in Delta, Ohio, and a wholly-owned subsidiary of First Feddelta Bancshares, MHC. As of December 31, 2017, the bank had $162 million in total assets. There was no merger or acquisition activity that affected the bank's operations during the evaluation period.

First Federal has one AA located within the Toledo, Ohio Metropolitan Statistical Area (MSA), and it operates six offices in northwestern Ohio. Two offices (Delta and Swanton) are located in Fulton County, and four offices (Toledo, Whitehouse, Holland and Waterville) are located in Lucas County. The Delta, Toledo, and Swanton offices are located in middle-income geographies, while the Whitehouse, Holland, and Waterville offices are located in upper-income geographies. Drive-through service is available at all branches, along with cash-dispensing automatic teller machines (ATMs). No branches were opened or closed during the evaluation period.

According to the June 30, 2017, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, there are 20 financial institutions with 171 offices serving the AA, not including credit unions or other organizations. First Federal was ranked 11th in terms of deposit market share, with 1.3 percent of the AA's total deposits. Major competitors in the area include Huntington Bank, Fifth Third Bank, Key Bank N.A., and PNC Bank N.A.

First Federal's primary business strategy is to provide home mortgage loans for home purchase, improvement, or refinance within the bank's AA. As of December 31, 2017, the bank had $162 million in total assets, and an $86 million loan portfolio that represented 53 percent of its total assets. The loan portfolio was comprised of approximately 95 percent home mortgage loans, three (3) percent home equity lines of credit, one (1) percent commercial loans, and one (1) percent consumer instalment loans. The bank's Tier One capital totaled approximately $19.9 million.

First Federal offers a wide range of deposit and loan products. Deposit products include savings and checking accounts as well as certificates of deposits and individual retirement accounts (IRAs). Loan products include one-to-four family residential real estate loans and consumer loans. Additional services offered include safe deposit boxes, money orders and cashier's checks, wire transfers, debit cards, gift cards, online banking, and mobile banking.

First Federal participates in the "Welcome Home Program" sponsored by the Federal Home Loan Bank (FHLB) of Cincinnati. This is a down-payment assistance program provided to qualifying applicants whose household incomes are at or below 80 percent of Mortgage Revenue Bond income limits as adopted by the State Housing Finance Agency, adjusted by family size. These loans require at least a 10 percent down payment, with the borrower providing as little as $500 of their own funds and the program providing up to $5,000. Furthermore, no private mortgage insurance is

required. During the evaluation period, First Federal originated ten Welcome Home loans totaling $807,000.

There are no pending legal or financial impediments limiting First Federal's ability to meet credit needs in its AA. The bank received a "Satisfactory" rating as a result of its last CRA performance evaluation, which was dated April 1, 2013.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated First Federal's performance in relation to the CRA using full-scope CRA Small Bank procedures. The evaluation period for this review is January 1, 2015, through December 31, 2017. The procedures used to assess the bank's lending performance focus on its primary lending product(s). Based on reports of lending activities for the review period, the bank's Reports of Condition and Income, and discussions with senior management, we determined that the bank's primary loan products are home purchase, home refinance, and home improvement mortgage loans. While the bank offers consumer instalment loans, they are not a lending focus for the bank. Therefore, we did not evaluate the bank's performance based on consumer instalment loans, as an analysis of this data would not be meaningful.

Changes occurred in CT income-levels in 2017, which affected our analysis of the home mortgage loan data. Lending activity for 2015 and 2016 were combined for analysis, since that data was based on 2010 U.S. Census Bureau information. Starting in 2017, CT income data was based on 2015 ACS Census information, which reclassified the income level designations for two CTs within the bank's AA. As a result, 2017 home mortgage loan data was analyzed separately.

Data Integrity

Prior to this evaluation, we analyzed lending performance using data from the Home Mortgage Disclosure Act – Loan Application Registers (HMDA-LAR) for 2015 through 2017. First Federal's home mortgage loan data was tested prior to this review and found to be reliable.

Selection of Areas for Full-Scope Review

First Federal has one AA, consisting of portions of Fulton, Lucas and Wood Counties. All three counties are located in the Toledo, Ohio MSA. See *Appendix A: Scope of Examination* for details.

Ratings

First Federal's overall rating is based on its performance within its AA. Based on loan volume, results for the bank's 2015 and 2016 home mortgage data carried greater weight in arriving at our conclusions. The bank's performance in lending to borrowers of different income levels also carried more weight than its performance in lending among geographies of different income levels, given the very limited number of low- and moderate-income CTs within the bank's AA during the evaluation period. We also considered information from a member of a local community group, an affordable housing agency, and reviewed other financial institution's performance evaluations within the AA as part of our efforts to assess community credit needs.

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

LENDING TEST

First Federal's lending performance is satisfactory. As previously noted, lending test results are more heavily weighted for performance during 2015 and 2016, due to higher loan volume during those years.

Loan-to-Deposit Ratio

First Federal's average LTD is reasonable, and meets the standard for satisfactory performance. The bank's average LTD ratios for the quarterly periods from April 1, 2013, through December 31, 2017, averaged 60.05 percent, with quarterly ratios ranging from 55.19 percent to 63.61 percent. We evaluated First Federal's average LTD ratio by comparing it to local competitors, which included state and federal institutions with total assets ranging from $34 million to $1 billion. During the same time period, this peer group's average LTD ratio was 83.5 percent.

While this information shows that First Federal's average LTD ratio was significantly lower than the average ratio of local competition during the same period, there is strong competition for home mortgage loans in the AA. The nature of First Federal's lending activities, predominately focused on home mortgage loans, makes it difficult to compete against institutions offering a wider variety of loan products. The bank's management team also noted the lower LTD ratio allows them to better manage the bank's interest rate risk considering the longer term fixed rate loans on its balance sheet.

Lending in Assessment Area

A substantial majority of First Federal's loans are originated inside its AA, exceeding the standard for satisfactory performance. As shown in Table 1, during the three-year period ending December 31, 2017, the bank made 357 HMDA-reportable loans totaling $48 million. Of these loans, 306 were originated or purchased within the bank's AA, representing 86 percent of the bank's total HMDA lending during this period. Lending within the assessment area totaled $41.9 million, representing 87 percent of all lending during the evaluation period.

Table 1 – Lending Inside vs. Outside the Assessment Area									
	Number of Loans					Dollars of Loans			
Home	Inside		Outside			Inside		Outside		
Mortgage	#	%	#	%	Total	$	%	$	%	Total
2015	117	86.7	18	13.3	135	16,342	88.8	2,060	11.2	18,402
2016	119	82.6	25	17.4	144	16,909	84.9	3,006	15.1	19,915
2017	70	89.7	8	10.3	78	8,601	89.0	1,058	11.0	9,659
Totals	306	85.7	51	14.3	357	41,852	87.2	6,124	12.8	47,976

Source: Evaluation Period: 1/1/2015 – 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0.

Lending to Borrowers of Different Incomes

The distribution of First Federal's home mortgage loans reflects reasonable penetration among borrowers of different income levels, and meets the standard for satisfactory performance.   Refer to Tables P and P1 in *Appendix C* for the facts and data used to evaluate borrower distribution. Table P depicts the bank's distribution of home mortgage loans to borrowers of different incomes that were originated or purchased during 2015 and 2016. Table P1 depicts the bank's distribution of home mortgage loans to borrowers of different incomes that were originated or purchased during 2017.

Based on the volume of loans originated or purchased during 2015 and 2016, First Federal's performance during that portion of the evaluation period received the most weight when drawing our overall conclusions. When evaluating the borrower distribution of home mortgage loans, we also considered the number of households that live below the poverty level, and the barriers that this may have on home ownership. It is especially difficult for the segment of the low-income population that lives below the poverty line to afford and maintain a home. This has an impact on opportunities to lend to the low-income population of the community.

As shown in Table P, the percentage of loans to low-income borrowers that First Federal originate or purchased was significantly below the percentage of families in the AA that are low-income. However, the bank's percentage of loans to low-income borrowers was comparable to the percentage of aggregate lending to low-income borrowers by all reporting lenders in the AA. Furthermore, bank's percentage of loans to moderate-income borrowers is near both the percentage of families living in the AA that are moderate-income, and the percentage of aggregate lending to moderate-income borrowers by all reporting lenders in the AA.

First Federal's performance during 2017 was consistent with its performance during 2015 and 2016. As shown in Table P1, the percentage of loans to low-income borrowers that First Federal originate or purchased was significantly below the percentage of families in the AA that are low-income. However, the bank's percentage of loans to low-income borrowers was equal to the percentage of aggregate lending to low-income borrowers by all reporting lenders in the AA. Furthermore, bank's percentage of loans to moderate-income borrowers is near both the percentage of families living in the AA that are moderate-income, and the percentage of aggregate lending to moderate-income borrowers by all reporting lenders in the AA.

Geographic Distribution of Loans

The distribution of First Federal's home mortgage loans reflects poor dispersion among geographies of different income levels, and does not meet the standard for satisfactory performance. Refer to Tables O and O1 in *Appendix C* for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases. Table O depicts the bank's distribution of home mortgage loans based on income level of CTs during 2015 and 2016. Table O1 depicts the bank's distribution of home

mortgage loans based on income level of CTs during 2017. As noted in *Appendix B: Description of the Assessment Area* for 2017, two formerly moderate-income CTs were reclassified into one low-income CT and one middle-income CT. In drawing conclusions, we considered that there were no low-income CTs in the AA prior to 2017, and only five percent of all owner-occupied housing units were located in moderate-income geographies during 2015 and 2016. Furthermore, during 2017, only 0.6 percent and 1.9 percent of all owner-occupied housing were located in low- and moderate-income CTs, respectively.

As shown in Table O, First Federal did not originate or purchase any home mortgage loans in the four moderate-income CTs in its AA during 2015 and 2016 (there were no low-income CTs during this time period), and did not originate or purchase any home mortgage loans in the one low-income or two moderate income CTs in its AA during 2017. In determining the impact that the bank's performance had on its overall rating, we considered the limited number of lending opportunities available to the bank in low- and moderate income CTs based on strong banking competition within the AA, the low number of low- and moderate-income CTs, and the low percentage of owner-occupied housing within the low- and moderate-income CTs.

Responses to Complaints

The bank has not received any written complaints during the evaluation period related to its performance in meeting the credit and deposit needs of the AAs.

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").

Time Period Reviewed	Lending Test: 01/01/2015 through 12/31/2017	
Financial Institution		**Products Reviewed**
First Federal, Delta, OH		Home mortgage loans
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
None		
List of Assessment Areas and Type of Examination		
Assessment Area	**Type of Exam**	**Other Information**
Toledo, OH MSA (# 45780)	Full-scope	AA only includes a portion of the MSA. The AA includes central and eastern Fulton County, northern Wood County, and Western Lucas County.

Appendix B: Community Profiles for Full-Scope Areas

Table 2 – Demographic Information of the Assessment Area 2015 – 2016						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	56	0.0	7.1	51.8	41.1	0.0
Population by Geography	265,865	0.0	7.1	48.1	44.8	0.0
Housing Units by Geography	115,186	0.0	8.4	50.2	41.4	0.0
Owner-Occupied Units by Geography	77,448	0.0	5.1	47.9	47.0	0.0
Occupied Rental Units by Geography	29,538	0.0	15.4	56.5	28.1	0.0
Vacant Units by Geography	8,200	0.0	14.9	49.1	36.0	0.0
Businesses by Geography	17,342	0.0	4.8	44.7	50.5	0.0
Farms by Geography	682	0.0	2.9	58.9	38.1	0.0
Family Distribution by Income Level	70,126	14.4	14.5	19.8	51.3	0.0
Household Distribution by Income Level	106,986	17.9	14.7	16.1	51.4	0.0
Median Family Income Non-MSAs - GA	$58,200		Median Housing Value			$160,506
2016 AA Unemployment Rate	4.9%		Median Gross Rent			$691
2016 State of OH Unemployment Rate	5.0%		Families Below Poverty Level			6.3%
Source: 2010 U.S. Census and 2016 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.						

First Federal has one AA, which is within the Toledo, Ohio MSA. The AA consists of a portion of each of three different counties, including Fulton, Lucas, and Wood Counties. The AA includes the eastern and central sections of Fulton County, the northern section of Wood County, and a small portion of western Lucas County. During 2015 and 2016, the AA consisted of 56 CTs, including no low-income CTs, four moderate-income CTs, 24 middle-income CTs, and 29 upper-income CTs. The AA was predominately rural, except for the section that includes a portion of the City of Toledo. The AA met the requirements of the regulation. It consisted of contiguous geographies, and low- and moderate-income CTs were not arbitrarily excluded.

According to 2010 U.S. Census data, the combined population of the AA equaled 265,865 persons comprising 70,126 families. The Department of Housing and Urban Development's (HUD's) updated median family income (MFI) for the AA was $58,200. Based on this information, 14.4 percent of the families in the AA were low-income, 14.5 percent were moderate-income, 19.8 percent were middle-income, and 51.3 percent were upper-income. Demographic information also reflects that 6.3 percent of the low-income families and 9.7 percent of the households lived below the poverty level. The 2010 U.S. Census data noted 115,186 housing units in the AA. Of these housing units, 67 percent were owner-occupied, 26 percent were rental units, and 7 percent were vacant. The median home value was $160,506.

A majority of businesses in the AA were small business, as measured by the number of employees and gross revenues. According to the 2016 Dun & Bradstreet (D&B) data, 80

percent of businesses located in the AA had less than $1 million in gross annual revenues, and 69 percent of businesses had fewer than five employees. Only 3 percent of the businesses were headquartered in the AA, and 86 percent operated from a single location. The five largest employers within the AA included the Sauder Woodworking Company, United Parcel Service Inc., the City of Toledo, General Motors, and Bowling Green State University.

Economic conditions in the AA were comparable to the State of Ohio during the period of review. Toledo's unemployment rate, and rate of home price growth were nearly the same as those of the nation, and output per capita continued to grow according to a 2016 Federal Reserve Board economic analysis of the Toledo OH MSA. Unemployment rates in the AA averaged 5.0 percent in 2015, and 4.9 percent in 2016. Unemployment rates for the State of Ohio averaged 4.9 percent in 2015, and 5.0 percent in 2016.

Banking competition within the AA is high. According to the June 30, 2016, FDIC Deposit Market Share reports, there were 21 financial institutions with 171 offices serving the AA, not including credit unions or other financial organizations. The data also indicates that First Federal ranked eleventh in terms of deposit market share, with 1.4 percent of total deposits. According to 2016 mortgage data, First Federal ranked 22nd out of 274 institutions lending within the AA, with a 1.4 percent share of the mortgage loan market. The top five lenders are large banks and mortgage companies, with a combined 29 percent share of the market.

Table 3 – Demographic Information of the Assessment Area 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	56	1.8	3.6	42.9	51.8	0.0
Population by Geography	268,007	1.6	3.2	39.9	55.3	0.0
Housing Units by Geography	116,548	2.5	3.9	41.9	51.7	0.0
Owner-Occupied Units by Geography	75,248	0.6	1.9	38.1	59.4	0.0
Occupied Rental Units by Geography	33,548	5.6	7.7	49.4	37.3	0.0
Vacant Units by Geography	7,716	7.1	6.6	46.8	39.5	0.0
Businesses by Geography	17,518	1.2	2.6	36.8	59.4	0.0
Farms by Geography	704	0.3	1.8	42.2	55.7	0.0
Family Distribution by Income Level	70,160	15.0	14.3	19.2	51.5	0.0
Household Distribution by Income Level	108,832	18.2	13.7	14.9	53.2	0.0
Median Family Income Non-MSAs - GA	$60,528		Median Housing Value			$150,522
2017 AA Unemployment Rate	5.5%		Median Gross Rent			$746
2017 State of OH Unemployment Rate	5.0%		Families Below Poverty Level			8.1%
Source: 2015 ACS Census and 2017 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.						

During 2017, the First Federal's AA consisted of the same 56 CTs as in 2015 and 2016, but as discussed earlier in this evaluation, the CTs were reclassified to include one low-income CT, two moderate-income CTs, 24 middle-income CTs, and 29 upper-income CTs. The income

level of two of the CTs in the AA changed, based on 2015 ACS Census data. Two formerly moderate-income CTs were reclassified into one low-income CT and one middle-income CT.

According to the 2015 ACS Census data, the combined population of the AA equaled 268,007 persons comprising 70,160 families. The Department of Housing and Urban Development's (HUD's) updated median family income (MFI) for the AA was $61,500. Based on this information, 15.0 percent of the families in the AA were low-income, 14.3 percent were moderate-income, 19.2 percent were middle-income, and 51.5 percent were upper-income. In addition, demographics indicate that 8.1 percent of the low-income families and 11.5 percent of the households lived below the poverty level. The 2015 ACS Census data further reflected there were 116,548 housing units in the AA. Of these housing units, 64 percent were owner-occupied, 29 percent were rental units, and 7 percent were vacant. The median home value was $150,522.

A majority of businesses in the AA are small business, as measured by the number of employees and gross revenues. According to 2017 Dun & Bradstreet (D&B) data, 81 percent of businesses located in the AA had less than $1 million in gross annual revenues, and 67 percent of businesses had fewer than five employees. Only 3 percent of businesses in the AA are headquartered there, and 86 percent operated from a single location. The five largest employers within the AA included ProMedica Health Systems, Mercy Health Partners, the University of Toledo, General Motors, and Bowling Green State University.

Economic conditions in the AA have generally fared worse than the State of Ohio during the review period. While the unemployment rate has fallen, the decline is driven by a decrease in the labor force, according to a 2018 Federal Reserve Board economic analysis of the Toledo OH MSA. The average unemployment rate in the AA during 2017 was 5.5 percent. The average unemployment rate for the State of Ohio during 2017 was 5.0 percent.

Banking competition within the AA is high. According to the June 30, 2017, FDIC Deposit Market Share reports, there were 20 financial institutions with 171 offices serving the AA, not including credit unions or other financial organizations. The data indicates that First Federal is ranked eleventh in terms of deposit market share, with 1.3 percent of total deposits. According to 2017 mortgage data, First Federal is ranked 31st[h] out of 267 institutions lending in the AA, with a 0.9 percent share of the market. The top five home mortgage lenders are large banks and mortgage companies, with a combined 28 percent share of the loan market.

As part of our efforts to determine community needs, we reviewed the performance evaluations of other financial institutions in the AA and contacted an organization dedicated to providing affordable housing to families who cannot obtain conventional financing. Community contacts noted that opportunities exist to meet affordable housing needs, for both sale and rental to lower income families, and for short-term farm loans. In addition, there are both credit and non-credit needs for home ownership, financial empowerment, and home weatherization assistance programs. Opportunities also exist for providing general operating funds to affordable housing organizations, grants to their financial empowerment center to support financial literacy counselors and home buyer education programs, and a line of credit for current operating expenses while awaiting reimbursement funds from the city of Toledo's community development block grants.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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; (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

Table O.   **Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.

Table P.   **Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 aggregate peer data for the years the data is available.

Table Q.   **Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

Table R.   **Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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. The table also presents aggregate peer data for the years the data is available.

Table S.   Assessment Area Distribution of Loans to Farms by Income Category of the Geography - 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. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table T.   Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - 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.   The table also presents aggregate peer data for the years the data is available.

Table U.   Assessment Area Distribution of Consumer Loans by Income Category of the Geography – 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 households throughout those geographies.

Table V.   Assessment Area Distribution of Consumer Loans by Income Category of the Geography - 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 households by income level in each MA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		2015 - 2016
Assessment Area:	Total Loans #	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data
Toledo AA	236	0.0	0.0	0.0	0.0	5.1	2.8	53.4	47.9	41.8	46.6	47.0	55.4	0.0	0.0	0.0
Total	236	0.0	0.0	0.0	0.0	5.1	2.8	53.4	47.9	41.8	46.6	47.0	55.4	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2015 – 12/31/2016 Bank Data, 2016 Peer Mortgage Aggregate Data; Due to rounding, totals may not equal 100.0

Table O1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		2017
Assessment Area:	Total Loans #	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data	% Bank Loans by Number	% of Owner-Occupied Housing Units	% of Peer Aggregate Data
Toledo AA	70	0.0	0.6	0.7	0.0	1.9	1.4	30.0	38.1	33.5	70.0	59.4	64.4	0.0	0.0	0.0
Total	70	0.0	0.6	0.7	0.0	1.9	1.4	30.0	38.1	33.5	70.0	59.4	64.4	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2015 – 12/31/2016 Bank Data, 2017 Peer Mortgage Aggregate Data; Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower   **2015 - 2016**

Assessment Area:	Total Loans	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data
Home Mortgage Loans	236	1.3	14.4	4.7	12.3	14.5	13.8	32.6	19.8	22.2	51.7	51.3	46.3	2.1	0.0	12.9
Total	236	1.3	14.4	4.7	12.3	14.5	13.8	32.6	19.8	22.2	51.7	51.3	46.3	2.1	0.0	12.9

Source: 2010 U.S Census; 01/01/2015 - 12/31/2015. 2016 Peer Mortgage Aggregate Data; Due to rounding, totals may not equal 100.0

Table P1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower   **2017**

Assessment Area:	Total Loans	Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data	% Bank Loans	% Families	% of Peer Aggregate Data
Home Mortgage Loans	70	4.3	15.0	4.5	10.0	14.3	14.9	34.3	19.2	21.7	47.1	51.5	46.8	4.3	0.0	12.2
Total	70	4.3	15.0	4.5	10.0	14.3	14.9	34.3	19.2	21.7	47.1	51.5	46.8	4.3	0.0	12.2

Source: 2015 ACS Census; 2017 Bank Data, 2017 Peer Mortgage Aggregate Data; Due to rounding, totals may not equal 100.0