



PUBLIC DISCLOSURE

March 23, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dearborn Federal Savings Bank
Charter Number 704241

22315 Michigan Ave.
Dearborn, MI 48124

Office of the Comptroller of the Currency

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Cleveland, OH 44114-2301

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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Needs to Improve**.

The lending test is rated: Needs to Improve.

The major factors that support this rating include:

- The Lending Test rating is based on poor geographic distribution of home mortgage loans in Michigan.
- A substantial majority of the bank's loans are outside its assessment area (AA) and does not meet the criteria for satisfactory performance.

Loan-to-Deposit Ratio

Considering Dearborn Federal Savings bank's (DFSB or bank) size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio (LTD) is more than reasonable.

DFSB's LTD ratio is calculated on a bank-wide basis and meets the standard for outstanding performance. During the evaluation period, the bank's average quarterly LTD ratio was 109.9 percent, with quarterly ratios ranging from a low of 96.7 percent in the second quarter of 2017 to a high of 123.3 percent in the third quarter of 2019. In comparison, the average LTD for other banks of similar asset size ranged between 84.9 percent to 86.7 percent.

Competition for deposits in the bank's AA is substantial, with 13 institutions operating 41 branch offices in the bank's AA of Dearborn and Dearborn Heights, Michigan. Ten of the competitors are large multi-state banks. There are significantly more lenders operating in the areas than there are depository institutions with branches, as 193 lenders originated home mortgage loans. Many of the competing lenders are either non-depository institutions, or are depository institutions that do not operate branches in the AA.

Lending in Assessment Area

A substantial majority of the bank's loans are outside its AA and does not meet the criteria for satisfactory performance.

As shown in Table A, during the evaluation period, the bank originated and purchased 27.5 percent by number and 19.0 percent by dollar of its total loans inside the bank's AA. These percentages are down from the prior CRA evaluation when the bank originated 31.0 percent by number and 22.7 percent by dollar of its loans inside the AA. The volume of AA lending, compared to the capacity based upon local deposits, is poor and indicates the bank is not adequately serving the credit needs of its AA. According to reported mortgage loan data, demand for home mortgage loans existed during the evaluation period. During 2017 and 2018, the bank originated 104 out of the 7,762 total loans reported inside the AA. The low loan concentration and declining percentage of home mortgage loans originated in the AA negatively affected the bank's overall CRA rating.

Table A - Lending Inside and Outside of the Assessment Area 2017-2019

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage Loans										
2017	53	33.5	105	66.5	158	6,154	24.5	18,998	75.5	25,152
2018	51	24.2	160	75.8	211	6,607	15.6	35,697	84.4	42,304
2019	46	26.1	130	73.9	176	6,322	19.0	26,878	81.0	33,200
Total	150	27.5	395	72.5	545	19,083	19.0	81,573	81.0	100,656

Description of Institution

DFSB is a \$255.8 million intrastate mutual savings bank headquartered in Dearborn, Michigan. The bank has five full-service branches, including its main office. All of the branch offices are located in Dearborn and Dearborn Heights, Michigan. DFSB is a traditional mortgage lender, offering fixed-rate and adjustable-rate mortgages and home equity loans. The bank does not offer government-lending products, such as Federal Housing Authority (FHA) or Veterans Administration (VA) loans. DFSB is a portfolio lender and does not sell its loans or the servicing of its loans to the secondary market. The bank's primary business focus is home mortgage lending and began accepting on-line loan applications in 2019.

The bank's only AA is small, consisting of the cities of Dearborn and Dearborn Heights, Michigan. The AA is part of the Detroit-Dearborn-Livonia Metropolitan Division (Wayne County) of the Detroit-Warren-Dearborn Metropolitan Statistical Area. The area offers a combination of both urban and suburban neighborhoods. According to 2015 ACS data, the AA consists of 41 contiguous CTs, with fourteen upper-income, fifteen middle-income, nine moderate-income, and two low-income CTs. One CT has no income designation as it is an industrial area. The AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income geographies.

The AA has a competitive banking environment, considering its size, with a mix of large and community banks and credit unions serving the area. According to the June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, 13 insured financial institutions with 41 offices serve the AA. This does not include credit unions or other financial services providers. DFSB ranked seventh in terms of deposit market share, with 3.9 percent of the AA's insured deposits, which is trending downward from 4.8 percent and 4.4 percent in 2017 and 2018, respectively. Top competitors for deposits in the AA are mostly large, nationwide banks, which include Comerica Bank, JP Morgan Chase Bank, Bank of America, and Citizens Bank, which hold a combined 76.1 percent of the deposit market as of June 30, 2019.

Moody's Analytics reports that the Detroit-Dearborn-Livonia economy is slowing and that the labor force is no longer growing. The effects are felt across all industries, especially healthcare and professional services. The economy is deeply reliant on the auto industry and recent tariffs weighed heavily on automakers and their suppliers. Additionally, the pace of housing price appreciation has slowed, and single-family home starts are lower. According to the U.S. Bureau of Labor Statistics, Wayne County's unadjusted unemployment rate was 6.7 percent at the start of 2017 compared to 5.5 percent for the state of Michigan. As of December 31, 2019, Wayne County's unemployment rate was 4.4 percent but still exceeded the state unemployment rate of 3.6 percent. The majority of businesses

within the AA operate with less than five employees, at a single location and have annual revenues of less than one million dollars. Services and retail trade business sectors encompass 58.2 percent of employers in the AA during the evaluation period. Major employers include Ford Motor Company, Beaumont Health, Trinity Health, Dearborn Public Schools, and Henry Ford Health System.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. As of December 31, 2019, tier 1 capital totaled \$77.2 million or 30.2 percent of total assets. The bank received a "Satisfactory" rating on their prior Community Reinvestment Act (CRA) Performance Evaluation, dated June 1, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses DFSB's record of meeting the credit needs of its AA. We performed a review using Small Bank CRA examination procedures. The lending test evaluates the bank's record of meeting the credit needs of the bank's AA through its home mortgage lending activities. The lending activity analyzed covers January 1, 2017 to December 31, 2019. DFSB's AA was not impacted by the Office of Management and Budget's MSA delineation changes that took effect in January 2018. Based on the bank's internal reports for lending activity and discussions with senior management, we determined that the bank's primary lending focus during the evaluation period was home mortgage loans.

We utilized other supporting information while evaluating DFSB's CRA performance. Additional supporting information included the 2015 American Community Survey (ACS) census data, internal bank records, deposit market share data, and information from governmental websites regarding the characteristics and economy of the bank's AA. We also considered information obtained from two community organizations in order to gain an understanding of the needs and credit opportunities of the AA.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact the coronavirus pandemic has had on economies across the United States are not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

DFSB has one AA in the state of Michigan, and a full-scope review was performed for that AA. Refer to *Appendix A - Scope of Examination*, for more information on this AA.

Ratings

DFSB's overall rating is based on the bank's performance within its AA. In reaching our conclusion, we weighed information from the following performance criteria when analyzing the bank's primary lending product: lending within the AA, lending to borrowers of different incomes and the geographic distribution of loans.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 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 AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

State Rating

State of Michigan

CRA rating for the State of Michigan: Needs to Improve

The Lending Test is rated: Needs to Improve

The major factors that support this rating include:

- The geographic distribution of home mortgage loans demonstrates a poor distribution of loans throughout the AA.
- The bank's distribution of home mortgage loans reflects reasonable distribution to borrowers of different income levels.

Description of Institution's Operations in Michigan

DFSB offers traditional banking products and services, including conventional fixed and adjustable rate residential mortgages and home equity loans. The bank also offers commercial and consumer installment loans; however, these products are not actively marketed and are rarely requested by customers. The bank does minimal marketing overall. A range of deposit products and services is also offered, including checking, savings, certificates of deposits, and safe deposit boxes. Since the last CRA performance examination in 2016, the bank expanded its delivery channels by introducing online banking and bill-pay as free services to deposit customers. These alternate delivery channels provide electronic and mobile access to the bank's products and services. Business related deposit products and services include checking, night depository, and wire transfers. The bank also offers a first-time homebuyer program, which waives the bank's loan processing fee.

Each of the bank's five branches are open Monday through Friday and offer drive-through services. Non-deposit taking ATMs are located at each branch and offer 24-hour accessibility. Based on 2015 ACS Census data, the bank's Main, Outer Drive, and Warren Avenue branches are located in upper-income CTs, with the Telegraph Road branch in a middle-income CT and the Ford Road branch situated in a moderate-income CT. The branches provide reasonable accessibility to banking services in low- and moderate-income (LMI) CTs. The bank's Outer Drive branch is adjacent to a moderate-income tract and the Ford Road branch is centrally located among two low- and seven moderate-income CTs. The bank did not open or close any branch locations during the period.

DFSB's loan portfolio increased by 5.4 percent during the evaluation period. As of December 31, 2019, the bank's loan portfolio totaled \$202.6 million of which 99.9 percent was secured by real estate. The loan portfolio consists of 93.7 percent 1-4 family residential, 5.2 percent non-farm/non-residential, and 1.1 percent other loans. During the evaluation period, the bank originated \$100.9 million in home mortgage loans and \$6.2 million in business loans.

We considered information from two community contacts. Specifically, we considered information from representatives of affordable housing organizations, who identified small home repair grants/loans, rehabilitation of existing homes, and more flexible and creative small dollar mortgages as credit needs of the AA. Other opportunities include investing in the operation of the affordable housing organization,

providing support for emergency utility assistance, and funding home ownership counseling and financial education programs.

Demographic information for the full-scope AA is contained in the table below.

Table B – Demographic Information of the Assessment Area						
Assessment Area: Dearborn						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	4.9	22.0	36.6	34.1	2.4
Population by Geography	152,725	6.8	25.0	34.5	33.6	0.0
Housing Units by Geography	57,133	5.0	20.8	36.2	37.9	0.0
Owner-Occupied Units by Geography	36,481	4.2	16.2	38.2	41.3	0.0
Occupied Rental Units by Geography	15,667	5.5	29.3	33.5	31.7	0.0
Vacant Units by Geography	4,985	8.8	27.8	30.6	32.7	0.0
Businesses by Geography	10,067	6.6	23.1	28.8	41.4	0.2
Farms by Geography	112	2.7	12.5	39.3	44.6	0.9
Family Distribution by Income Level	34,933	25.0	15.0	16.5	43.4	0.0
Household Distribution by Income Level	52,148	23.4	14.1	15.3	47.2	0.0
Median Family Income MSA - 19804 Detroit-Dearborn-Livonia, MI		\$52,733	Median Housing Value			\$103,137
			Median Gross Rent			\$965
			Families Below Poverty Level			21.5%
<i>Source: 2015 ACS Census and 2019 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.</i>						

Scope of Evaluation in Michigan

The analysis reflects a full-scope review of the bank’s only AA. To develop our conclusions, we considered factors within the AA’s community profile that would impact the bank’s ability to lend within the AA, including aggregate lending, demographic and market share information. We also considered the number of home mortgage loans originated by DFSB during the evaluation period.

LENDING TEST

The bank’s performance under the Lending Test in Michigan is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Dearborn AA is poor.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of home mortgage loans in the AA.

For comparative purposes, we considered the percentage of owner-occupied housing units and families in low- and moderate-income CTs and aggregate bank geographic distribution data for 2017 and 2018, as 2019 aggregate information was not available at the time of the evaluation. In determining our ratings, we weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include competition from larger institutions, the limited number of low-income CTs, economic conditions, and the location of the majority of owner-occupied housing. Better lending opportunities exist in upper- and middle-income CTs within the bank's AA as, according to the 2015 ACS, those geographies contained 79.5 percent of owner-occupied housing units in the AA. Additionally, the percentage of renter occupied housing units in low- and moderate-income CTs is 30.2 percent and 38.6 percent, respectively. Vacant housing units account for 15.4 percent of units in low-income areas and 11.7 percent of units in moderate-income areas.

Our analysis considered that DFSB only offers conventional home mortgage loans, and does not offer government-backed loan products. Aggregate lending data for the overall market includes lenders activity that also offer government-backed products. Our analysis of aggregate lending data from 2017 and 2018 determined that a fair portion of the lending activity in the AA's low- and moderate-income CTs was addressed through loan types that the bank does not offer. During this two-year period, 27.6 percent of the number of home mortgage loans in the AA's low-income CTs were government-backed loans. In moderate-income CTs, 29.2 percent of home mortgage loans were government-backed loans. The aggregate activity within the *Appendix D - Tables of Performance Data* reflects all types of lending activity. We measured the bank's lending against the aggregate market's conventional only lending activity, in addition to all lending activity, in order to more closely compare the bank to the aggregate market using only bank-offered products.

Home Mortgage Loans

The bank's overall distribution of home mortgage loans among geographies of different income levels throughout the AA is poor. Refer to Table O in the state of Michigan section of *Appendix D - Tables of Performance Data* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Substantial competition exists from large banks, credit unions and mortgage companies, where the top five lenders in low- and moderate-income CTs account for 46.7 percent and 43.7 percent, respectively, of the home mortgage loans in those geographies. However, DFSB's branch proximity to these areas as described in the *Description of Institution's Operations in Michigan*, provides reasonable access to be able to serve the credit needs of low- and moderate-income CTs.

During the evaluation period, DFSB originated or purchased 1.3 percent (two loans) of its home mortgage loans in low-income CTs, which was below the 4.2 percent of both the owner-occupied housing units and aggregate bank lending in low-income CTs. The bank's percentage of home mortgage loan originations or purchases of 4.0 percent (six loans) in moderate-income CTs was significantly below the percentage of owner-occupied housing units and the aggregate bank lending percentage of 16.2 percent and 13.2 percent, respectively.

When we assessed the bank's home mortgage loan originations during the period against the aggregate market's conventional only home mortgage lending activity, our analysis reflected that DFSB's lending performance remained poor. The percentage of lending in low-income CTs was still below the

aggregate conventional market of 3.9 percent and the percentage of lending in moderate-income CTs was significantly below the aggregate market's conventional activity of 13.3 percent.

We also analyzed the bank's conventional home mortgage loan market shares during 2017 and 2018. The bank ranked thirty-first out of 38 lenders in originating conventional home loans within low-income CTs in 2017; however, this represents only one loan. The bank made no loans in low-income CTs during 2018. While low-income geographies consist of just two CTs and only 1,550 total owner-occupied housing units, per the 2015 ACS, lending opportunities did exist. In aggregate, other financial institutions originated a total of 222 conventional and 85 government-backed home mortgage loans during the two-year period in low-income CTs, confirming that there is a need for lending in these CTs.

During 2017 and 2018, DFSB ranked thirty-sixth and twenty-fourth, out of 68 and 73 lenders, respectively, in originating conventional home loans within moderate-income CTs. Again, the volume of lending was low, as the bank originated only two loans in 2017 and three loans in 2018 within these geographies. Overall, aggregate lenders made 724 conventional and 301 government-backed home mortgage loans in 2017 and 2018 combined, indicating lending opportunities were available.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels.

In evaluating the borrower distribution of home mortgage loans, we considered the AA's poverty rate and related barriers to home ownership and the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes. People living below the poverty level often have difficulty qualifying for conventional home mortgage products without flexible terms or reduced closing costs. As shown in *Table B- Demographic Information of the Assessment Area*, the percentage of families living below poverty is 21.5 percent. Given the median home value of \$103,137, it would be difficult for this segment of the population to afford and maintain a home.

Home Mortgage Loans

The bank's overall distribution of home mortgage loans among borrowers of different income levels throughout the AA is reasonable. Refer to Table P in the state of Michigan section of *Appendix D - Tables of Performance Data* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

From 2017 through 2019, the bank's percentage of home mortgage loan originations to low-income borrowers was 1.3 percent, representing only two loans. This is significantly below the 25.0 percent of low-income families living in the AA and below the 7.5 percent aggregate bank lending to low-income borrowers during the evaluation period. The bank's home mortgage loan originations to moderate-income borrowers of 12.7 percent was close to the 15.0 percent of moderate-income families, but below the aggregate bank lending of 20.2 percent.

When we assessed the bank's conventional home mortgage loan originations during the period against the aggregate market's conventional only home mortgage lending activity, our analysis reflected that DFSB's lending performance remained below the aggregate, but considering the local economic and competitive conditions, was still considered reasonable. The percentage of lending to low-income

borrowers was still below the aggregate conventional market of 7.2 percent and the percentage of lending to moderate-income borrowers continued to be below the aggregate market's conventional activity of 19.6 percent.

We also analyzed the bank's conventional home mortgage loan market shares during 2017 and 2018. The bank did not originate any home loans to low-income borrowers during 2017 and ranked last out of 46 lenders in originating home loans to low-income borrowers in 2018, with one \$35,000 loan. DFSB ranked twenty-seventh (four loans) in 2017 and sixteenth (nine loans) in 2018 out of 68 and 78 lenders, respectively, in the number of conventional home loans made to moderate-income borrowers.

Opportunities to lend existed as 25.0 percent of the families in the AA are low-income and 15.0 percent of families are moderate-income, per the 2015 ACS. Reported loan data shows that other financial institutions, in aggregate, originated a total of 358 conventional and 138 government-backed home mortgage loans to low-income borrowers and 1,005 conventional and 457 government-backed home mortgage loans to moderate-income borrowers during 2017 and 2018, respectively.

Responses to Complaints

DFSB did not receive any complaints pertaining to the Community Reinvestment Act during the evaluation period.

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 MSAs and non-MSAs 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:	01/01/2017 – 12/31/2019	
Bank Products Reviewed:	Home mortgage loans	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Michigan		
Dearborn AA	Full-Scope	AA consists of the cities of Dearborn and Dearborn Heights.

Appendix B: Summary of MMSA and State Ratings

Ratings	Dearborn Federal Savings Bank
Overall Bank:	Lending Test Rating
Dearborn Federal Savings Bank	Needs to Improve
State:	
Michigan	Needs to Improve

Appendix C: Definitions and Common Abbreviations

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

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

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

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 state/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. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

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

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

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

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

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.

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/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.

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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

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Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19		
Assessment Area:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate			
Dearborn	150	19,083	100.0	4.2	1.3	4.2	16.2	4.0	13.2	38.2	23.3	36.3	41.3	71.3	46.2	0.0	0.0	0.0			
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19		
Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers					
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate			
Dearborn	150	19,083	100.0	25.0	1.3	7.5	15.0	12.7	20.2	16.5	18.0	21.9	43.4	59.3	37.7	0.0	8.7	12.7			
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																					