



## **PUBLIC DISCLOSURE**

June 02, 2020

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

Washington Federal Bank, National Association  
Charter Number: 25073

425 Pike Street  
Seattle, WA 98101-2334

Office of the Comptroller of the Currency

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Suite 1010  
Seattle, WA 98101

**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 Satisfactory.

The following table indicates the performance level of Washington Federal Bank, National Association with respect to the Lending, Investment, and Service Tests:

Performance Levels	Washington Federal Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

### Lending Test

- Lending levels reflect adequate responsiveness to the credit needs in the majority of assessment areas (AAs).
- Geographic distribution of loans reflects adequate penetration throughout the majority of AAs.
- Distribution of loans by income of the borrower or revenue of the business reflects adequate penetration in the majority of AAs.
- A relatively high level of community development (CD) loans granted in the majority of AAs. Overall, the volume and nature of CD lending has a significantly positive influence on the Lending Test performance.

### Investment Test

- An excellent level of investment in the majority of AAs, reflecting excellent responsiveness.

### Service Test

- Retail delivery systems are accessible in the majority of the rating areas.

- Opening and closing of branches have not affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and to LMI individuals.
- Overall, hours do not vary in a way that inconveniences portions of the AAs, particularly LMI geographies. Branch hours are reasonably consistent across the AAs and any differences were reasonably explained.
- A relatively high level of CD services is provided in the majority of AAs.

### Lending in Assessment Area

A substantial majority of the bank's loans are within its assessment areas (AAs).

The bank originated and purchased 91.8 percent of its total loans inside the bank's assessment areas during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. This positively impacted the bank's geographic distribution of lending by income level of geography.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	9,655	91.2	932	8.8	10,587	4,566,368	90.1	501,449	9.9	5,067,817
Small Business	1,228	97.0	38	3.0	1,266	351,062	95.6	16,129	4.4	367,191
Small Farm	154	89.5	18	10.5	172	24,249	86.5	3,781	13.5	28,030
Total	11,037	91.8	988	8.2	12,025	4,941,679	90.5	521,359	9.5	5,463,038

### Description of Institution

As of December 31, 2019, Washington Federal Bank, National Association (WaFd or bank) is a \$16.4 billion financial institution headquartered in Seattle, Washington. WaFd is a subsidiary of Washington Federal, Inc. also headquartered in Seattle, Washington. The bank is a former thrift, which was founded as Ballard Savings and Loan Association in 1917. Since then, the bank name has changed several times. Most recently, the bank changed its public-facing name from Washington Federal Bank, N.A. to WaFd, N.A. The bank changed its charter from a thrift to a national bank in July 2013.

WaFd is a multistate institution with 235 branches and 247 full-service automated teller machines (ATMs) in eight states (Arizona, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington) and one multistate metropolitan statistical area (Portland-Vancouver-Hillsboro Oregon/Washington). The bank has designated 45 assessment areas within the nine rating areas. The bank has a significant presence in the state of Washington with more than one-third of the bank's branches (80) located in the state. During this evaluation period, there have not been any mergers or acquisitions.

WaFd offers a wide range of credit and deposit services to consumers and commercial enterprises of all income levels and sizes. However, the bank is primarily a portfolio mortgage lender and retains all of its originated home mortgage and consumer loans on its own books. While mortgage lending is the primary line of business, the bank's commercial banking line is maturing, and loan volumes have increased considerably over the last several years. The bank's business plan calls for continued reduction of mortgage loan originations and growth of the commercial loan portfolio. As of December 31, 2019, the bank reported \$12.0 billion in loans. The breakdown of the loan portfolio by dollar volume is as follows: real estate loans at 88.42 percent, commercial loans at 8.98 percent, consumer loans at 0.96 percent, agricultural loans at 0.30 percent, and other loans and leases at 1.34 percent. Tier 1 capital totals \$1.7 billion.

There are no known legal, financial or other factors impeding WaFd from meeting the credit needs of its designated AAs. WaFd was rated "Satisfactory" at the prior CRA evaluation dated June 5, 2017.

## **Scope of the Evaluation**

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

For the lending test, the Office of the Comptroller of the Currency (OCC) analyzed home mortgage loans as reported under the Home Mortgage Disclosure Act (HMDA). The OCC analyzed small business and small farm loans under the Community Reinvestment Act (CRA). The analysis of these products was for the time period January 1, 2017, through December 31, 2019. The analysis of specific loan products was only considered if the product(s) were considered primary loan products in a given AA. Primary loan products are those that have at least 20 loans originated in a particular AA, throughout the evaluation period. The OCC reviewed CD loans, qualified investments, and CD services for the period beginning May 1, 2017, through December 31, 2019.

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

In each state where the bank has a branch office or deposit-taking facility, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. The OCC placed substantial weight on the bank's performance in the state of Washington. In Washington,

deposits represent 44.62 percent of total bank deposits, branches represent 34.04 percent of total bank branches, mortgage loans represent 49.64 percent of home mortgage loans, and business loans represent 27.32 percent of total small loans to businesses. The OCC placed the next most weight on performance in the state of Oregon and the state of Arizona. In the state of Oregon, deposits represent 16.07 percent of total bank deposits and branches represent 16.60 percent of total bank branches. In addition, home mortgage loans represent 11.92 percent of total home mortgage loans and small loans to businesses represent 35.72 of the total bank small loans to businesses. In the state of Arizona, deposits represent 11.32 percent of total bank deposits and branches represent 13.19 percent of total bank branches. Home mortgage loans represent 9.86 percent of total home mortgage loans and small loans to businesses represent 10.14 percent of total small loans to businesses.

The MMSA and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

In concluding on the bank’s rating under the lending test, more weight was placed on comparisons to the aggregate rather than on the demographics since the aggregate takes into consideration performance context factors.

## **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 Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution 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.

## Multistate Metropolitan Statistical Area Rating

### Portland-Vancouver-Hillsboro, OR-WA MMSA

**CRA rating for the Portland-Vancouver-Hillsboro, OR-WA MMSA <sup>1</sup>:** Needs to Improve

**The Lending Test is rated:** Needs to Improve

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels reflect a good response to the AA needs;
- A poor distribution of loans among individuals of different income levels and businesses of different sizes;
- An adequate level of CD loans that are responsive to the needs of the AA;
- An excellent level of CD investments that are highly responsive to AA needs;
- Retail delivery systems are readily accessible to geographies and individuals in the AA; and
- A relatively high level of CD services that are adequately responsive to AA needs.

### Description of Institution's Operations in Portland-Vancouver-Hillsboro, OR-WA MMSA

WaFd operates eight branches in the Portland-Vancouver-Hillsboro OR-WA MMSA. The bank offers its full range of products and services within this AA. However, the bank's primary focus in this AA is home mortgage lending. As of June 30, 2019, the bank had \$523 million in deposits from this AA, representing 4.4 percent of total bank-wide deposits. There is strong competition for deposits in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The top five banks with the most significant market share are US Bank, NA; Bank of America, NA; Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; and KeyBank, NA. Together, these five banks account for 75.84 percent deposit market share in the AA. Total HMDA-reportable loans within the AA total 4.43 percent of all HMDA-reportable loans originated by WaFd during the review period. Total CRA loans in the AA total 2.17 percent of all WaFd CRA-reportable loans originated bank-wide.

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<sup>1</sup>This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

## Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	486	2.5	24.5	44.9	27.6	0.6
Population by Geography	2,309,080	2.1	25.6	45.4	26.7	0.1
Housing Units by Geography	935,467	2.0	25.3	45.1	27.3	0.2
Owner-Occupied Units by Geography	535,214	0.9	19.5	48.0	31.6	0.0
Occupied Rental Units by Geography	347,054	3.7	33.9	40.5	21.4	0.5
Vacant Units by Geography	53,199	2.1	27.5	46.4	23.8	0.3
Businesses by Geography	241,795	2.6	21.9	40.3	32.9	2.3
Farms by Geography	7,117	1.5	16.5	53.7	27.7	0.6
Family Distribution by Income Level	562,350	21.4	17.5	20.4	40.7	0.0
Household Distribution by Income Level	882,268	23.9	16.3	18.1	41.6	0.0
Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR-WA MSA		\$73,089	Median Housing Value			\$284,442
			Median Gross Rent			\$1,021
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Portland-Vancouver-Hillsboro OR-WA MMSA consists of the counties of Clackamas, Columbia, Multnomah, Washington, and Yamhill in Oregon, and Clark and Skamania counties in Washington. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Federal Financial Institutions Examinations Council (FFIEC) data shows that the 2018 Median Family Income for the AA was \$81,400, an 11 percent increase from the 2015 American Community Survey (ACS) Median Family Income of \$73,089. Based on this data, low-income families in the AA earned a median annual income of \$40,699 and moderate-income families earned an annual income of \$40,700 to \$65,120.

## Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the AA decreased during the evaluation period and is lower than the national average. As of December 31, 2019, the national unemployment rate was 3.7 percent and the MMSA's unemployment rate was 2.8 percent. This is a significant decrease from that noted in the last CRA performance evaluation when unemployment was 11.4 percent as of January 2010.

In the Portland-Vancouver-Hillsboro AA, major industries include professional and business services, education and health care services, government, manufacturing, and leisure and hospitality services.

According to Moody's Analytics, major employers in this AA include Intel Corp., Providence Health Systems, Oregon Health and Science University, Legacy Health System, and Nike.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Portland-Vancouver-Hillsboro OR-WA MMSA at 4.9 compared to the state of Washington at 4.3, the state of Oregon at 4.4, and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. This means that the median housing value in the Portland-Vancouver-Hillsboro OR-WA MMSA is 4.9 times the median income in the AA. Housing in this AA is less affordable than housing in general in Oregon and Washington, and in the U.S. as a whole.

According to the 2018 ACS, 57 percent of the total housing units in the AA were owner-occupied in 2018. FFIEC data shows that the median house value for this AA was \$397,500 in 2018, up 40 percent from \$284,442 in 2015. FFIEC information also shows that the median gross rent for this AA was \$1,323 in 2018, up 30 percent from \$1,021 in 2015.

### *Community Contacts*

The OCC reviewed information from four community organizations. Each organization was focused on CD issues specific to this AA. One was a housing authority that focuses on finding shelter for persons who encounter barriers to housing because of income, disability, or special needs. The second was a chamber of commerce that supports commerce and community health in the region. The third was a community-based development corporation that provides food bank services, housing services and housing-related financial assistance to LMI persons. The fourth was a small business development center focused on assisting small business owners with business plans and obtaining financing for their businesses. Comments from the contacts centered around the lack of affordable housing in the area and the dwindling supply of affordable housing units. The contacts also stated that incomes for LMI individuals have failed to keep pace with the rising costs of housing.

## **Scope of Evaluation in Portland-Vancouver-Hillsboro, OR-WA MMSA**

Ratings in the Portland-Vancouver-Hillsboro OR-WA MMSA are based entirely on performance in the MMSA. The AA represents 100 percent of the deposits and loans as there are no other AAs in the MMSA.

In determining the bank's overall rating, less weight was placed on the bank's performance in the Portland-Vancouver-Hillsboro OR-WA MMSA. WaFd gathered 4.4 percent of bank-wide deposits and originated or purchased 4.4 percent of total home mortgage loans and 2.2 percent of total CRA loans in this AA. The bank operates eight branches in the MMSA.

When evaluating the bank’s performance under the lending test, greater weight was placed on home mortgage loans than on CRA loans. Home mortgage loans represent 93 percent and CRA loans represent seven percent of the total loans analyzed. The OCC did not evaluate small farm loans as they are not a significant product for the bank. The OCC also considered the volume of CD lending and other performance factors.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PORTLAND-VANCOUVER-HILLSBORO, OR-WA MMSA**

**LENDING TEST**

The bank’s performance under the Lending Test in the Portland-Vancouver-Hillsboro OR-WA MMSA is rated Needs to Improve.

Based on a full-scope review, the bank’s performance in the Portland-Vancouver-Hillsboro OR-WA MMSA is poor.

**Lending Activity**

Lending levels reflect good responsiveness to AA credit needs in the Portland-Vancouver-Hillsboro OR-WA MMSA.

<b>Number of Loans</b>					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Portland-Vancouver-Hillsboro OR-WA MMSA	428	30	0	12	470

<b>Dollar Volume of Loans (000s)</b>					
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total
Portland-Vancouver-Hillsboro OR-WA MMSA	280,965	16,850	0.00	3,889	301,704

The proportion of the bank’s loans is comparable to the proportion of the bank deposits in the AA. The percentage of the bank’s deposits in the OR-WA MMSA is 4.40 percent. In comparison, the proportion of home mortgage loans in the AA is 4.4 percent, and the proportion of small business loans is 2.2 percent. However, it is important to note that small business loans represent less than 7 percent of the bank’s total loans in the AA.

The bank’s market share and rank in loans is weaker than the bank’s market share and rank in deposits. The bank’s performance in the AA is driven by the fact that the Portland-Vancouver-Hillsboro OR-WA MMSA represents a primary market with eight branches. The bank has a one percent deposit market

share and ranks 11<sup>th</sup>. In comparison, the bank has a market share of 0.16 percent and ranks 88<sup>th</sup> out of 579 lenders for home mortgage loans and a market share of 0.01 percent and ranks 69<sup>th</sup> out of 144 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 25.10 percent of the market share; and the top five small business lenders hold 67.91 percent of the market share.

Relative to competition, the bank's mortgage loan market share percentile rank is 84.80 for home mortgage loans, which is higher than its deposit market share percentile rank of 65.60. The small business loan market share percentile rank is 52.58, which is lower than the bank's deposit percentile.

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

The bank exhibits a poor geographic distribution of loans in its Portland-Vancouver-Hillsboro OR-WA MMSA.

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

Refer to Table O in the "MMSA" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans in LMI geographies in the Portland-Vancouver-Hillsboro OR-WA MMSA is poor. The percentage of bank loans in low-income Census Tracts (CTs) is well below the aggregate and the percentage of owner-occupied housing units. In addition, the percentage of loans in moderate-income CTs is well below the aggregate and the percentage of owner-occupied housing units. While the demographic comparable is focused on owner-occupied housing units in LMI CTs, the aggregate also takes into consideration non-owner-occupied single family and multifamily housing units. The bank originated a number of multifamily loans in this AA, which are not owner-occupied but are compared to the owner-occupied housing units demographic.

#### ***Small Loans to Businesses***

Refer to Table Q in the MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The distribution of the bank's small loans to businesses in LMI geographies in the Portland-Vancouver-Hillsboro OR-WA MMSA is excellent. The percentage of bank loans in low-income tracts substantially exceeds both the aggregate and the percentage of businesses. In addition, the percentage of bank loans in moderate-income tracts substantially exceeds both the aggregate and the percentage of businesses. However, the bank's small loans to small businesses makes up less than 7 percent of the bank's total home mortgage and small business lending in the AA.

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

The OCC identified conspicuous gaps in the distribution of lending in LMI geographies in the AA. However, this was partially due to the distribution of the bank's branches in the AA. The gaps in lending were primarily in CTs that are farther from the bank's branches. This had a neutral impact on the bank's Lending Test rating.

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

The bank exhibits poor distribution of loans among individuals of different income levels and businesses of different sizes.

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

Refer to Table P in the "MMSA" section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans to LMI borrowers is poor even after considering performance context factors. The percentage of home mortgage loans to low-income borrowers is well below the aggregate and substantially below the percentage of low-income families. The percentage of loans to moderate-income borrowers is well below the aggregate and the percentage of moderate-income families. The bank's performance is partially impacted by the high cost of housing and the limited number of affordable housing units. The 2015 ACS U.S. Census data notes that only 57 percent of the housing units are owner-occupied units, further supporting the high cost of housing. Consequently, OCC placed more weight on comparison to the aggregate. It is also important to note that not all the bank's home mortgage loans are home purchase loans. During the review period the bank also offered home improvement and home refinance loans.

### ***Small Loans to Businesses***

Refer to Table R in the "MMSA" section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of the bank's small loans to businesses is poor. The percentage of small business loans is well below the aggregate and significantly below the percentage of businesses in the AA.

### **Community Development Lending**

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. There is significant need and abundant opportunities for banks to provide CD lending in the AA.

The institution has made an adequate level of CD loans in the MMSA. During the evaluation period, the bank originated 12 CD loans totaling \$3.9 million. All of the loans helped provide affordable housing for LMI individuals, which is a significant need in the AA. Some notable examples are as follows:

- The bank originated seven CD loans totaling \$609,000 to an organization whose primary purpose is to provide affordable rental units to individuals with income less than 80 percent of the area median income (AMI). The loans are provided through a partnership with a loan program whose mission is to strengthen communities through flexible financing, strategic partnerships and creative solutions that build and preserve affordable housing in Oregon. In total these loans provided 334 units of affordable housing to LMI individuals.
- The bank originated one loan totaling \$56,000 to an organization whose mission is to meet Washington's affordable housing needs through a loan consortium. The loan helped provide funding for a 30-unit building; 15 of the units are designated for individuals with income of 30 percent of the AMI and 15 units are designated for individuals with income of 50 percent of the AMI. Seventy-five percent of the units will be dedicated to housing formerly homeless individuals.

The level of CD loans had a neutral impact on the overall lending test in the Portland-Vancouver-Hillsboro OR-WA MMSA.

### **Product Innovation and Flexibility**

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs in this AA.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Portland-Vancouver-Hillsboro, OR-WA MMSA is rated Outstanding.

Based on full-scope reviews, the bank's performance in the Portland-Vancouver, OR-WA MMSA is excellent. WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 97.8 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd rarely uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Portland-Vancouver-Hillsboro MSA CSA	6	8,935	55	5,059	61	100.0	13,994	100.0	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

During the current period, the bank purchased \$4.9 million in affordable housing securities and made \$118,636 in grants in the AA. Prior period investments represent five low-income housing tax credit (LIHTC) funds providing financing for six housing projects and creating 953 affordable housing units in the AA. Total investment activity in the AA represents 18.95 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Notable grants in the AA include:

- Four grants totaling \$17,000 to an organization to sponsor three schools serving LMI students in the AA for financial literacy education.
- A \$13,500 grant to an economic development organization that supports job training in the banking industry to LMI youth and adults.

## SERVICE TEST

The institution's performance under the Service Test in Portland-Vancouver-Hillsboro, OR-WA MMSA is rated Outstanding.

Based on a full-scope review, the institution's performance in the Portland-Vancouver-Hillsboro, OR-WA MMSA is excellent.

## Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)*				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Portland-Vancouver-Hillsboro OR-WA MMSA	100.0	8	100.0	12.5	25.0	37.5	12.5	2.2	25.6	45.4	26.7

\*1 branch in unknown income tract.

The bank has one branch in a low-income tract and two branches in moderate-income tracts. The percentage of branches in low-income tracts exceeds the percentage of the population living in these geographies, while the percentage of branches in moderate-income tracts is similar to the percentage of the population living in these tracts. In addition, the bank has one branch in a tract with unknown income that is located in downtown Portland. This tract has historically been designated a low-income tract and census data reflects high poverty rates for residents in the tract, further indicating excellent accessibility to LMI geographies.

To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in six locations, one of which is in a low-income tract and two in moderate-income tracts. The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Portland-Vancouver-Hillsboro OR-WA MMSA	0	0	0	0	0	0

The bank did not open or close any branches in the AA during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of the AA, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have the same business hours, 9 am to 5 pm Monday through Thursday, and 9 am to 6 pm on Fridays. Four branch locations have drive-through facilities, two of which are in LMI tracts. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

## **Community Development Services**

The institution provides a relatively high level of CD services.

Twenty-five bank employees provided a total of 577 qualifying service hours to approximately 14 organizations. Staff provided 322 hours of financial literacy education, 250 hours of community services to LMI individuals and families, and five hours of economic development service hours. About 10 percent of community service hours included serving as board members for various qualifying organizations. Financial services primarily involved providing financial literacy classes through Junior Achievement at Title 1 schools, and Financial Beginnings, which teaches foundational financial concepts of personal finance. Community service hours include support to community outreach programs for neglected children, free tax filing assistance, fundraising assistance, and job training.

Based on a community contact, affordable housing is considered a significant need in the AA. While the bank did not provide any service hours related to affordable housing, a couple of examples of other meaningful services are summarized below:

- Junior Achievement of Oregon & SW Washington (over 100 hours) – multiple bank employees engaged with students through this organization whose mission is to help young people to succeed in a global economy through relevant, hands-on programs that promote work readiness, entrepreneurship and financial literacy.
- Bridge the Gap (over 50 hours) – A bank employee served on the board of this organization, whose mission is to work alongside law enforcement and other community partners to provide resources and support to survivors of exploitation and trauma as victims of human-trafficking.

## State Rating

### State of Arizona

**CRA rating for the State of Arizona:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to AA needs;
- An excellent distribution of loans in geographies of different income levels;
- An adequate distribution of loans among individuals of different income levels and to businesses of different sizes;
- An excellent level of CD loans that responded to some of the most significant needs in the AA, and positively impacted the bank's lending test rating;
- An excellent level of CD investments that are responsive to AA needs;
- Retail delivery systems are reasonably accessible to geographies and individuals in the AA; and
- A relatively high level of CD services that are adequately responsive to AA needs.

### Description of Institution's Operations in Arizona

WaFd has branch operations in six AAs in the state of Arizona. These AAs are the Phoenix-Mesa-Scottsdale MSA, the Prescott Valley-Prescott MSA, the Sierra Vista-Douglas MSA, the Tucson MSA, the Yuma MSA, and the four non-metropolitan counties combined into the Arizona non-MSA.

#### Arizona Non-MSA

WaFd operates five branches in the Arizona non-MSA. The bank offers its full range of products and services within this AA. Home mortgage lending was the bank's primary lending focus in the AA during the evaluation period. As of June 30, 2019, WaFd had \$197.5 million in deposits from this AA, representing 1.66 percent of total bank-wide deposits. There is moderate competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 7.16 percent deposit market share in this AA and ranks 5<sup>th</sup> among the nine deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share in this AA are: JPMorgan Chase Bank, NA; Wells Fargo Bank, NA; Zions Bancorporation, NA; Bank of the West; and Washington Federal Bank, NA. Together these banks account for 93.21 percent of deposit market share in the AA.

HMDA loans within the AA total 1.39 percent of all HMDA-reportable loans originated by WaFd during the review period. CRA loans (small loans to businesses and farms) within this AA total 0.87 percent of all CRA-reportable loans originated bank-wide.

### *Demographics*

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	66	1.5	36.4	34.8	27.3	0.0
Population by Geography	245,301	1.1	33.9	37.3	27.7	0.0
Housing Units by Geography	121,599	1.0	25.7	40.5	32.7	0.0
Owner-Occupied Units by Geography	56,980	0.9	24.4	43.0	31.7	0.0
Occupied Rental Units by Geography	24,376	0.6	35.3	38.3	25.7	0.0
Vacant Units by Geography	40,243	1.5	21.7	38.4	38.4	0.0
Businesses by Geography	12,954	0.2	18.9	46.3	34.6	0.0
Farms by Geography	420	0.0	7.9	41.9	50.2	0.0
Family Distribution by Income Level	57,424	22.7	16.3	18.4	42.6	0.0
Household Distribution by Income Level	81,356	25.0	15.3	15.9	43.7	0.0
Median Family Income Non-MSAs – AZ		\$44,368	Median Housing Value			\$139,479
			Median Gross Rent			\$673
			Families Below Poverty Level			20.5%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Arizona non-MSA AA consists of the counties of Gila, Graham, Navajo, and Santa Cruz. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd has five branches in this AA; one is in a moderate-income CT, three are in middle-income CTs, and one is in an upper-income CT.

FFIEC data shows that the 2018 Median Family Income for the AA was \$45,000, which is a one percent increase from the 2015 ACS Median Family Income of \$44,368. This information also shows that low-income families in the AA earned a median annual income of \$22,499 or less in 2018, and moderate-income families earned an annual income of \$22,500 to \$36,000.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, unemployment in the four counties that comprise the Arizona non-MSA ranged from 4.4 percent to 7.7 percent as of December 30, 2019, which is higher than both the national unemployment rate of 3.7 percent and the state of Arizona's unemployment rate of 4.2 percent. Unemployment in the AA fell significantly since January 2010 when unemployment in the four counties ranged between 14.3 percent and 16.1 percent.

Major industries in the state of Arizona include education and health services; professional and business services; government; leisure and hospitality services; and retail trade. According to Moody's Analytics, major employers in the state include Banner Health System, The University of Arizona, Fry's Food Stores, Raytheon Missile Systems, and Wells Fargo.

### *Housing*

The 2018 ACS also indicates that the median housing value for the four counties in this AA ranged between \$118,800 and \$157,600. The median gross rent for the four counties was shown to range from \$666 to \$783. According to the 2018 ACS U.S. Census, the percentage of housing units in this four-county AA that were owner-occupied ranged from 66.2 percent to 73.9 percent.

### *Community Contacts*

The OCC conducted two community contacts, both focused on community development needs specific to this AA. One organization was a community development financial institution serving Native American communities, and one was a social service organization serving low-income individuals. The organizations' comments centered on the need for increased availability of financial products, such as small-dollar personal loans, small business loans, and small business micro-loans. The contacts also commented on the need for increased technical business and financial assistance as well as consumer financial education.

### Phoenix-Mesa-Chandler MSA AA

WaFd operates 12 branches in the Phoenix-Mesa-Chandler MSA, with three branches in moderate CTs. The bank offers a full range of products and services within this AA. Home mortgage lending was the bank's primary lending focus in this AA during the evaluation period. As of June 30, 2019, WaFd had \$486.7 million in deposits from this AA, representing 4.09 percent of total bank-wide deposits. The bank has a 0.44 percent deposit market share and ranks 17<sup>th</sup> among the 63 deposit-taking institutions operating within the AA. There is significant competition for deposits in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The top five banks competing for deposits within the AA are JPMorgan Chase Bank, NA; Wells Fargo Bank, NA; Bank of America, NA; Western Alliance Bank; and MUFG Union Bank, NA. Together, these five banks account for 77.16 percent of deposit market share in this AA.

HMDA loans within the AA total 4.51 percent of all HMDA-reportable loans originated by the bank during the review period. CRA loans within this AA total 7.75 percent of all CRA-reportable loans originated bank-wide.

## Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	991	11.1	23.3	32.9	31.4	1.3
Population by Geography	4,407,915	10.6	23.5	33.7	31.9	0.3
Housing Units by Geography	1,832,045	9.4	23.9	35.6	31.1	0.1
Owner-Occupied Units by Geography	967,478	4.5	19.6	37.1	38.7	0.0
Occupied Rental Units by Geography	602,639	16.7	29.7	32.6	20.8	0.2
Vacant Units by Geography	261,928	10.7	26.4	36.5	26.3	0.1
Businesses by Geography	439,910	6.1	16.3	30.0	47.1	0.5
Farms by Geography	8,508	5.9	19.4	32.2	42.2	0.3
Family Distribution by Income Level	1,036,417	21.9	17.3	19.5	41.3	0.0
Household Distribution by Income Level	1,570,117	23.4	16.5	17.9	42.2	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$197,320
			Median Gross Rent			\$991
			Families Below Poverty Level			12.5%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Phoenix-Mesa-Chandler MSA consists of Maricopa and Pinal Counties. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates twelve branches in this AA; three are in moderate-income CTs, four are in middle-income CTs, and five are in upper-income CTs.

FFIEC data shows that the 2018 Median Family Income for the AA was \$69,100, which is a nine percent increase from the 2015 ACS Median Family Income of \$63,686. In 2018, low-income families in the AA earned a median annual income of \$34,549 or less, and moderate-income families earned an annual income of \$34,550 to \$55,280.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in this AA decreased during the evaluation period and is lower than the national unemployment rate. As of December 30, 2019, the national unemployment rate was 3.7 percent. The MSA's unemployment rate was 3.6 percent. Unemployment in the AA fell significantly since January 2010 when unemployment was 10.4 percent.

In the Phoenix-Mesa-Chandler AA, major industries include professional and business services, education and health services, government, retail trade, and leisure and hospitality services. According to Moody's Analytics, major employers in this AA include Banner Health System, Walmart Inc., Wells Fargo Bank, N.A., Arizona State University, and HonorHealth.

## *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Phoenix-Mesa-Chandler MSA at 3.9 compared to the state of Arizona at 3.5 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Phoenix-Mesa-Chandler MSA is 3.9 times the median income in the AA. This is higher than the affordability ratio for the state of Arizona and for the nation, meaning that housing for this AA is less affordable than for the rest of the state of Arizona and for the U.S. as a whole.

According to 2018 ACS information, 64 percent of the total housing units in the AA were owner-occupied. FFIEC data shows that the median housing value for a single-family residence (SFR) was \$267,000 in 2018, which is an increase of 35 percent from the median housing value of \$197,320 in 2015. The median gross rent for this AA was \$1,117 in 2018, an increase of 13 percent from \$991 in 2015.

## *Community Contacts*

The OCC reviewed information from three community organizations. Each organization was focused on CD issues specific to this AA. One organization focused on community revitalization through facilitating single family homeownership for LMI persons in the area. One organization focused on different community development needs ranging from affordable housing for LMI individuals and economic development, to financial services for small businesses. One organization focused primarily on increasing affordable housing units. One of the primary themes of all of the organizations was the need for additional affordable housing in the area, as incomes have not kept pace with the increases in housing prices. Contacts also noted the need for small business start-up loans and small dollar loans as alternatives to payday and title loans, and greater access for LMI individuals to bank accounts.

## **Scope of Evaluation in Arizona**

Ratings in the state of Arizona are based primarily on the bank's performance in the full-scope AAs, the Arizona non-MSA and the Phoenix-Mesa-Chandler MSA. The Phoenix-Mesa-Chandler MSA was selected because the AA represents a significant portion of the state's deposits and loans. Deposits in the Phoenix-Mesa-Chandler MSA represent 36 percent of total state deposits; home mortgage loans represent 46 percent of mortgage loans statewide; and CRA (small business loans) represent 76 percent of business loans statewide. Although the Arizona non-MSA represents only 15 percent of deposits, 14 percent of home mortgage loans, and nine percent of CRA loans in Arizona, this AA was selected for a full-scope review in order to ensure that a qualitative and quantitative analysis of the AA is performed periodically. The OCC also considered the bank's performance in the limited-scope AAs, with the Tucson MSA having the most impact on the final rating of all the limited-scope AAs. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, secondary weight was placed on the bank's performance in the state of Arizona. WaFd gathered 11 percent of its deposits and originated or purchased 10 percent of its home mortgage loans and 10 percent of its CRA loans in Arizona. The bank operates 31 branches in the state.

When evaluating the bank's performance under the lending test, greater weight was placed on home mortgage loans than on small loans to businesses. Home mortgage loans represents 87 percent of total loans in the state of Arizona, and CRA loans represent 13 percent. Small farm loans were not evaluated as loan volume is too low to be considered a primary loan product for the bank. The OCC also considered the volume of CD lending and other performance factors.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

### LENDING TEST

The bank's performance under the Lending Test in the state of Arizona is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Arizona non-MSA and the Phoenix-Mesa-Chandler MSA is excellent.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs. Specifically, responsiveness to the needs of the Arizona non-MSA and the Phoenix-Mesa-Chandler MSA is good. The number and dollar volume of loans and deposits in all AAs in Arizona are noted below:

Assessment Area	Number of Loans*				Total	%State Loans	%State Deposits
	Home Mortgage	Small Business	Small Farm	Community Development			
Arizona Non-MSA	134	11	1	3	148	13.22	14.68
Phoenix-Mesa-Chandler MSA	435	107	0	26	568	50.40	36.17
Prescott MSA	54	0	0	0	0	4.79	1.93
Sierra Vista-Douglas MSA	26	3	1	2	32	2.84	8.62
Tucson MSA	270	15	0	4	289	25.64	31.89
Yuma MSA	33	2	0	0	35	3.11	6.71

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Arizona Non-MSA	32,502	2,247	65	1,021	35,835	5.95	14.68
Phoenix-Mesa-Chandler MSA	319,688	40,233	0	69,543	429,464	71.33	36.17
Prescott MSA	17,073	0	0	0	17,073	2.84	1.93
Sierra Vista-Douglas MSA	11,332	1,210	50	3,977	16,569	2.75	8.62
Tucson MSA	88,186	3,866	0	6,358	98,410	16.35	31.89
Yuma MSA	4,534	168	0	0	4,702	0.78	6.71

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Dollar volume is in 000's.

### Arizona Non-MSA

The proportion of the bank's loans is comparable to the proportion of the bank deposits in the AA. The percentage of the bank's deposits in the Arizona non-MSA is 1.66 percent. In comparison, the proportion of home mortgage loans in the AA is 1.39 percent and the proportion of small business loans is 0.87 percent.

The bank's market share and rank in loans is weaker than the bank's market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with five branches. The bank has a 7.16 percent deposit market share and ranks fifth among nine financial institutions. In comparison, the bank has a market share of 1.08 percent and ranks 27<sup>th</sup> among 321 lenders for home mortgage loans and a market share of 0.44 and ranks 40<sup>th</sup> among 61 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 26.39 percent of the market share and the top five small business lenders hold 66.47 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 91.59 percent, which is better than its deposit market share percentile rank of 44.40 percent. The small business loan market share percentile rank is 34.43 percent, which is lower than the deposit percentile rank. However, it is important to note that small business loans represent less than seven percent of total loans evaluated.

### Phoenix-Mesa-Chandler MSA

The proportion of the bank's loans is greater than the proportion of the bank's deposits in this AA. The proportion of the bank's deposits in the Phoenix-Mesa-Chandler MSA is 4.09 percent. In comparison, the proportion of home mortgage loans in the AA is 4.51 percent and the proportion of small business loans is 7.75 percent.

The bank's market share and rank in loans is weaker than the bank's market share and rank in deposits. The bank's performance in the AA is driven by the fact that the Phoenix-Mesa-Chandler AA represents

a primary market with 12 branches. The bank has a 0.44 percent deposit market share and ranks 17<sup>th</sup> among 63 financial institutions. In comparison, the bank has a market share of 0.32 percent and ranks 128<sup>th</sup> among 867 lenders for home mortgage loans and a market share of 0.47 and ranks 64<sup>th</sup> among 203 lenders for small business loans. However, the bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 25.23 percent of the market share and the top five small business lenders hold 70.27 percent of the market share.

Relative to competition, the bank's mortgage loan market share percentile rank is 85.24 for home mortgage loans and is better than its deposit market share percentile rank of 73.0. The small business loan market share percentile rank is 68.47, which is lower than the deposit percentile.

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

The bank exhibits an excellent geographic distribution of loans in its AAs with adequate geographic distribution in the Arizona non-MSA and excellent distribution in the Phoenix-Mesa-Chandler MSA.

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

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Arizona Non-MSA**

The distribution of the bank's home mortgage loans in LMI geographies in the Arizona non-MSA is adequate. The bank did not make any loans in low-income CTs. However, opportunities to make home mortgage loans in low-income CTs in this AA are extremely limited. Owner-occupied units represent 0.09 percent. In addition, aggregate lenders also did not originate or purchase any home mortgage loans in low-income CTs in this AA, further demonstrating the lack of opportunities to make home mortgage loans. The percentage of the bank's home mortgage loans in moderate-income CTs exceeds the aggregate but is significantly below the percentage of owner-occupied units in these CTs.

#### **Phoenix-Mesa-Chandler MSA**

The distribution of the bank's home mortgage loans in LMI geographies in the Phoenix-Mesa-Chandler MSA is excellent. The percentage of the bank's loans in low-income CTs exceeds the aggregate and is near to the percentage of owner-occupied units in low-income CT. In addition, the percentage of the bank's home mortgage loans in moderate-income CTs exceeds the aggregate and the percentage of owner-occupied units in moderate-income CTs.

***Small Loans to Businesses***

Refer to Table Q in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

**Arizona non-MSA**

The bank did not originate a sufficient number of small loans to businesses in this AA to perform a meaningful analysis.

**Phoenix-Mesa-Chandler MSA**

The distribution of the bank's small loans to businesses in LMI geographies is excellent. The percentage of small loans to businesses in the Phoenix-Mesa-Chandler MSA exceeds the aggregate and the percentage of businesses in both low- and moderate-income CTs.

***Lending Gap Analysis***

The OCC identified conspicuous gaps in the distribution of lending in LMI geographies in the AAs. Despite a reasonable distribution of the bank's branches across the Arizona non-MSA, the bank made few loans in significant segments of the AA, including LMI areas with branches. However, there is a significant portion of vacant housing units in the Arizona non-MSA. In addition, in the Phoenix-Mesa-Chandler MSA, the gaps are in areas which are a distance from any WaFd branch. This had a neutral impact on the bank's conclusion of the geographic distribution of loans.

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

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution, with good distribution in the Arizona non-MSA and adequate distribution in the Phoenix-Mesa-Chandler MSA.

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

***Home Mortgage Loans*****Arizona Non-MSA**

The distribution of the bank's loans to LMI borrowers is good. The percentage of the bank's loans to low-income borrowers substantially exceeds the aggregate but is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeds the aggregate and is below the percentage of moderate-income families.

Phoenix-Mesa-Chandler MSA

The distribution of the bank's loans to LMI borrowers is adequate. The percentage of the bank's home mortgage loans to low-income borrowers is near to the aggregate, but it is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers is well below the aggregate and substantially below the percentage of moderate-income families. In concluding on the bank's performance, the OCC considered that the cost of housing in the AA has outpaced the income for LMI individuals in the AA; consequently, more weight was placed on the bank's performance compared to the aggregate. Home mortgage loans also include other types of mortgage lending and not just home purchase loans.

***Small Loans to Businesses***

Refer to Table R in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Arizona Non-MSA

The bank did not originate or purchase a sufficient number of small loans to businesses in this AA to perform a meaningful analysis.

Phoenix-Mesa-Chandler MSA

The distribution of the bank's small loans to businesses by revenue is adequate. The percentage of the bank's loans is near to the aggregate. However, the percentage of small loans to businesses is significantly below the percentage of small businesses.

**Community Development Lending**

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. There are significant opportunities to provide CD lending, particularly multifamily housing loans, in all of the bank's AAs in Arizona.

Arizona Non-MSA

WaFd has made an adequate level of CD loans in the Arizona non-MSA. During the evaluation period, the bank originated three loans totaling over \$1 million. One loan provided revitalization of a distressed middle-income CT and two loans provided affordable housing for LMI individuals. One notable CD loan is a \$270,000 loan through a loan consortium. This low-income housing tax credit (LIHTC) project will provide 70 affordable rental units for LMI seniors.

Phoenix-Mesa-Chandler MSA

WaFd has made a relatively high level of CD loans in the Phoenix-Mesa-Chandler MSA. During the evaluation period, the bank made 26 CD loans totaling \$69.5 million. All of the loans the bank originated are multifamily housing loans. In total, these loans helped provide 1,494 affordable rental units to LMI individuals.

In addition, the bank also provided two CD loans totaling nearly \$4 million in the Sierra Vista-Douglas MSA and four loans in the Tucson MSA totaling \$6.5 million. These loans provide affordable housing in the bank's AAs.

Overall, the volume of the bank's CD lending in Arizona reflects responsiveness to the AAs stated needs, positively impacting the bank's Lending Test rating.

**Product Innovation and Flexibility**

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

**Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Sierra Vista-Douglas MSA, the Tucson MSA, and the Yuma MSA is consistent with the bank's overall performance. In the Prescott Valley-Prescott MSA performance was weaker; geographic distribution of home mortgage loans was poor and borrower distribution was adequate. Overall, the bank's performance in the limited-scope AAs is consistent with performance in the full-scope AAs with performance in Tucson representing 32 percent of state deposits and 26 percent of the number of loans in the state, and has a neutral impact on the final rating.

Refer to Tables O through V in the state of Arizona section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

The bank's performance under the Investment Test in Arizona is rated Outstanding.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Phoenix MSA is excellent and in the Arizona non-MSA is adequate. The Phoenix MSA represents the largest market for the bank in Arizona holding 36 percent of its total deposits in the state, and the Arizona non-MSA is the third largest holding 15 percent of state deposits. As such, more weight is given to performance in the Phoenix MSA.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 97.8 percent of the bank's investments and grants advanced during the evaluation period were allocated to affordable housing, a critical need in the AA. WaFd rarely uses innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Arizona Non-MSA	0	0	7	668	7	6.8	668	3.3	0	0
Phoenix-Mesa-Scottsdale MSA	2	4,746	44	4,280	46	44.7	9,026	45.0	3	2,843
Limited-Scope:										
Prescott Valley - Prescott MSA	0	0	2	386	2	1.9	386	1.9	0	0
Sierra Vista-Douglas MSA	1	4,037	8	395	9	8.7	4,432	22.1	0	0
Tucson MSA	1	1,809	30	3,408	31	30.1	5,217	26.0	1	1,641
Yuma MSA	0	0	8	317	8	7.8	317	1.6	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

#### Arizona Non-MSA

During the current period, the bank purchased \$667,790 in affordable housing securities and made \$500 in grants in the AA. Total investment activity in the AA represents 2.4 percent of allocated tier 1 capital based on the AA's share of bank deposits.

With the exception of the single grant in the AA, all current period investments serve affordable housing needs.

#### Phoenix MSA

During the current period, the bank advanced \$1.6 million towards two low-income housing tax credit (LIHTC) funds and one private equity fund and has committed to fund an additional \$2.8 million to support long-term capital needs of the projects. The bank also purchased \$2.5 million in affordable housing securities and made \$150,191 in grants in the AA. Prior period investments represent two LIHTC funds providing financing for two housing projects and creating or rehabilitating 145 affordable housing units in the AA. Total investment activity in the AA represents 17.3 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Nearly all (97.5 percent) of the current period investments serve affordable housing needs. Notable grants in the AA include:

- A \$1.5 million commitment to a LIHTC to develop 90 affordable housing units for LMI seniors.
- Two grants totaling \$40,000 to an organization that provides support, including rental assistance to LMI families experiencing financial hardship due to extended illness or injury of a dependent child.
- A \$25,000 grant to an affiliate of a national self-help housing developer that provides home ownership opportunities for LMI families. The organization also provides homeownership education and zero interest loans to eligible home buyers.

### Arizona Statewide

The OCC also considered statewide and regional projects based on the bank's Outstanding performance in its AAs. The bank made a \$12,000 grant to an organization that provides scholarships to LMI children to attend private schools that better meet individual student's needs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Prescott MSA, the Sierra Vista MSA, and the Tucson MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. Performance in the Yuma MSA is weaker than the bank's overall performance but is still adequate. The weaker performance has no impact on the overall rating given that deposits in these AAs are 7 percent of deposits in the State of Arizona. Overall, performance in the limited-scope AAs is consistent with the overall Investment Test rating.

### **SERVICE TEST**

The bank's performance under the Service Test in Arizona is rated Low Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Arizona non-MSA is good and performance in the Phoenix-Mesa-Scottsdale MSA is adequate. Given a significantly higher proportion of deposits and lending activity, greater weight was placed on the Phoenix-Mesa-Scottsdale MSA in the final performance conclusion.

### **Retail Banking Services**

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AAs.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Arizona Non-MSA	14.7	5	16.1	0	20.0	60.0	20.0	1.1	33.9	37.3	27.7
Phoenix-Mesa-Scottsdale MSA	36.2	12	38.7	0	25.0	33.3	41.7	10.6	23.5	33.7	31.9
Prescott Valley-Prescott MSA	1.9	1	3.2	0	0	100	0	0	24.4	57.2	18.4
Sierra Vista-Douglas MSA	8.6	3	9.7	33.3	66.7	0	0	2.9	25.5	48.5	23.1
Tucson MSA	31.9	8	25.8	12.5	25.0	25.0	37.5	9.1	27.1	31.2	32.1
Yuma MSA	6.7	2	6.5	0	100	0	0	0	32.9	42	24.8

### Arizona Non-MSA

In the Arizona non-MSA, the bank has no branches in low-income tracts, where just 1.1 percent of the population resides. The bank has one branch in a moderate-income tract. The percentage of branches in moderate-income tracts is lower than the percentage of the population living in these tracts, which is not unreasonable given that the bank has only five total branch locations spread over four rural counties. The bank also has three branches that are located in distressed middle-income tracts which supports good accessibility. To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in seven locations in the Arizona non-MSA, two of which are in moderate-income tracts.

### Phoenix MSA

In the Phoenix-Mesa-Scottsdale MSA, the bank has no branches in low-income tracts, where 10.6 percent of the population resides. The bank has three branches in moderate-income tracts. The percentage of branches in moderate-income tracts is similar to the percentage of the population living in those tracts. In the Phoenix-Mesa-Scottsdale MSA, the bank has deposit-taking ATMs in 12 locations, and three are in moderate-income tracts. The bank also offers telephone banking access 24/7.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Arizona Non-MSA	0	0	0	0	0	0
Phoenix-Mesa-Scottsdale MSA	0	0	0	0	0	0
Prescott Valley-Prescott MSA	0	0	0	0	0	0
Sierra Vista-Douglas MSA	0	0	0	0	0	0
Tucson MSA	0	0	0	0	0	0
Yuma MSA	0	0	0	0	0	0

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of the AA, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have the same business hours, 9 am to 5 pm Monday through Thursday, and 9 am to 6 pm on Fridays. The Arizona non-MSA does not offer any drive-through locations. In the Phoenix-Mesa-Scottsdale MSA, six branch locations have drive-through facilities (two of which are in LMI tracts).

The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

### **Community Development Services**

The institution provides a relatively high level of CD services.

### Arizona Non-MSA

In the Arizona non-MSA, 29 bank employees provided a total of 349 qualifying service hours to approximately 22 organizations. They provided 278 hours of financial literacy education, 36 hours of economic development service hours, 25 hours of community services to LMI individuals and families, and 10 hours of affordable housing services. About 7 percent of economic development service hours included employee service as board members for various organizations. Financial services primarily involved providing financial literacy classes through the Save at School and Money Smart programs.

Community contacts in the AA commented upon a need for increased availability of small-dollar financial products for LMI consumers, business loans (including micro-loans), financial education for consumers and businesses, as well as technical assistance for small businesses. An example of a meaningful service in the Arizona non-MSA is summarized below:

- Local First Arizona (over 20 hours) – A bank employee served on the Small Business Loan Application Review Committee; this organization offers a micro-lending program which aims to invest in existing local businesses, encourage start-up businesses, and demonstrate the need for increased rural lending. This service is particularly responsive.

### Phoenix MSA

In the Phoenix-Mesa-Scottsdale MSA, 34 bank employees provided a total of 400 qualifying service hours to approximately 28 organizations. They provided 319 hours of financial literacy education, 66 hours of community services to LMI individuals and families, and 15 hours of economic development service hours. Economic development, community service, and financial literacy service hours included serving as board members for various qualifying organizations, totaling about 8 percent of total service hours in the AA. Financial services primarily involved providing financial literacy education to students at Title 1 schools through the Save at School, Real Money, and Money Smart programs, as well as Junior Achievement.

Community contacts in the AA noted that affordable housing is a need, as well as small-business start-up loans, and greater access to banking solutions for LMI individuals, including small-dollar loan options. Some examples of meaningful services in the Phoenix-Mesa-Scottsdale MSA are summarized below:

- Junior Achievement of Arizona – Employees served more than 100 hours engaging with students through this organization, whose mission is to provide students with the knowledge and skills they need to manage their money, plan for their future, and make smart academic, career and economic choices. The financial education benefitted students at various schools in the AA where a majority of students are eligible for free or reduced lunch.
- United Way Valley of the Sun (over 15 hours) – A bank employee served on the ‘Women United Steering Committee’; the organization’s mission is breaking the cycle of poverty for every child,

individual, and family in Maricopa County through the support education, housing, and economic preparedness organizations. Members of the ‘Women United Steering Committee’ serve as Ambassadors for United Way, donate annually towards United Way initiatives, and volunteer in the community. This service is particularly responsive to AA needs.

- Metro Tech High School (about 7 hours) – A bank employee served on the ‘Career and Technical Education Banking and Finance Advisory Board’ whose mission is to bring banking and financial management education into the classroom at Metro Tech High School, which has a high proportion of LMI students.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the Service Test in the Prescott Valley-Prescott MSA is weaker than the bank’s overall performance under the Service Test in the full-scope areas. Based on branch distribution, performance in the Sierra Vista-Douglas MSA, Tucson MSA, and Yuma MSA is stronger than the bank’s overall performance under the Service Test in the full-scope areas. Performance in the limited-scope AAs, overall, has a positive impact on the Service Test.

## State Rating

### State of Idaho

**CRA rating for the State of Idaho:** Satisfactory  
**The Lending Test is rated:** High Satisfactory  
**The Investment Test is rated:** Outstanding  
**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect a good response to AA needs;
- An adequate distribution of loans in geographies of different income levels;
- A good distribution of loans among individuals of different income levels and businesses of different sizes;
- An overall good level of CD loans, which were responsive to the CD needs in the AAs;
- An excellent level of CD investments that are responsive to AA needs;
- Retail delivery systems are reasonably accessible to geographies and individuals in the AA; and
- An adequate level of CD services that are adequately responsive to AA needs.

### Description of Institution's Operations in Idaho

WaFd operates 24 branches in five AAs in the state of Idaho. The bank operates in the Boise City MSA, the Idaho Falls MSA, the Pocatello MSA, the Twin Falls MSA, and 10 non-metropolitan counties combined into the Idaho non-MSA. The Boise MSA and Idaho non-MSA contain the majority of the branches.

#### Boise MSA

WaFd offers its full range of products and services within this AA. As of June 30, 2019, the bank had \$544.9 million in deposits from this AA, representing 4.58 percent of total bank-wide deposits. There is strong competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 4.4 percent deposit market share and ranks 6<sup>th</sup> among the 21 deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share are Wells Fargo Bank, NA; U.S. Bank, NA; KeyBank, NA; First Interstate Bank; and JPMorgan Chase Bank, NA. Together these banks account for 70.57 percent of deposit market share for this AA. HMDA loans within the AA total 4.35 percent of all HMDA-reportable loans

originated by WaFd during the review period. CRA-reportable loans within this AA total 5.29 percent of CRA-reportable loans originated bank-wide.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	88	6.8	28.4	37.5	27.3	0.0
Population by Geography	616,422	3.6	26.4	44.8	25.2	0.0
Housing Units by Geography	235,712	4.2	26.7	43.8	25.3	0.0
Owner-Occupied Units by Geography	151,060	1.5	22.2	46.4	29.9	0.0
Occupied Rental Units by Geography	72,033	8.9	35.5	39.4	16.1	0.0
Vacant Units by Geography	12,619	9.5	29.8	37.6	23.2	0.0
Businesses by Geography	57,620	9.8	23.0	37.4	29.9	0.0
Farms by Geography	2,179	4.3	22.9	46.9	26.0	0.0
Family Distribution by Income Level	152,134	18.9	18.6	21.8	40.7	0.0
Household Distribution by Income Level	223,093	22.5	16.6	18.9	42.0	0.0
Median Family Income MSA - 14260 Boise City, ID MSA		\$61,722	Median Housing Value			\$174,922
			Median Gross Rent			\$843
			Families Below Poverty Level			10.0%
Source: 2015 ACS 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.						

The Boise MSA AA consists of Canyon and Ada counties. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. The bank has 10 branches in this AA; two are in low-income CTs, two are in middle-income CTs, five are in moderate-income CTs, and one is in an upper-income CT.

FFIEC data shows that the 2018 Median Family Income for the AA was \$69,600, a 13 percent increase from the 2015 ACS Median Family Income of \$61,722. In 2018 low-income families in the AA earned a median annual income of \$34,800 or less, and moderate-income families earned an annual income of \$34,800 to \$55,680.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the Boise MSA was 2.6 percent as of December 31, 2019, and was lower than both the national unemployment rate of 3.7 percent and the state of Idaho's unemployment rate of 2.9 percent. Unemployment in the AA fell significantly since January 2010 when the unemployment rate was 10.6 percent.

Major industries in the AA include professional and business services, education and health services, government, retail trade, and leisure and hospitality services. According to Moody's Analytics, major

employers in the state include St. Luke's Health System; Micron Technology, Inc.; Boise State University; St. Alphonsus Regional Medical Center; and Walmart, Inc.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Boise MSA at 3.8 compared to the state of Idaho at 3.5 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. This means that the median housing value in the Boise MSA AA is 3.8 times the median income in the AA. This is higher than the affordability ratio for both the state of Idaho and the nation, which means that housing for this AA is less affordable than in the rest of the state of Idaho, or in the U.S.

The 2018 ACS also showed that the median housing value for the Boise AA was \$264,400, an increase of 51 percent from the median housing value of \$174,922 in 2015. The median gross rent for the AA was \$946 in 2018 compared to \$843 in 2015. The percentage of housing units in the Boise MSA AA that were owner-occupied was 71.1 percent.

### *Community Contact*

The OCC reviewed information from two community organizations. Each organization was focused on CD issues specific to this AA. One organization focused on providing housing solutions including housing development and ownership/management of rental units benefitting LMI residents. The organization also provides pre-and post-purchase housing counseling, foreclosure prevention counseling, and financial fitness counseling. The contact noted that the inventory of rental properties is primarily higher-end and luxury, and median sales prices are much higher and are not affordable to LMI potential homebuyers. The contact noted a need for financial education, specifically homebuyer education, and transportation for LMI persons. The contact also indicated that capital for housing for LMI persons is a significant need in the region.

One organization focused on the development of small businesses in the area through providing guidance in developing and growing successful businesses. The contact stated that there is a need for additional housing development and revitalization, as well as for additional low-income housing. The contact also stated that credit needs in the area include equipment loans, loans for operational expenses and inventory loans. In addition, the contact said there is a need for increased collaboration from banks with organizations that promote small businesses and economic growth.

### Idaho Non-MSA AA

WaFd operates 10 branches in the Idaho non-MSA. The bank offers its full range of products and services within this AA. However, the bank's primary lending focus is home mortgage loans. As of June 30, 2019, the bank had \$211.4 million in deposits from this AA, representing 1.78 percent total bank-wide deposits. There is strong competition for deposits in the AA. Competition includes large

nationwide banks, regional banks, savings banks, and community banks. The bank has a 5.84 percent deposit market share in this AA and ranks seventh among the 20 deposit-taking institutions operating within the AA. The top five banks competing for deposits in the AA are Wells Fargo Bank, NA; U.S. Bank, NA; Zions Bancorporation, NA; Glacier Bank; and The Bank of Commerce, NA. Together these banks account for 63.15 percent of the deposit market share for this AA.

Total home mortgage loans within the AA total 2.61 percent of all the bank's HMDA-reportable loans. Total CRA loans within this AA total 1.74 percent of all CRA-reportable loans originated bank-wide.

### *Demographics*

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	6.7	2.2	75.6	15.6	0.0
Population by Geography	226,657	9.2	1.5	76.4	12.9	0.0
Housing Units by Geography	115,594	6.3	1.4	71.9	20.4	0.0
Owner-Occupied Units by Geography	56,508	2.4	1.8	81.6	14.1	0.0
Occupied Rental Units by Geography	25,184	17.4	1.4	68.6	12.6	0.0
Vacant Units by Geography	33,902	4.3	0.8	58.2	36.7	0.0
Businesses by Geography	17,613	5.9	1.4	78.5	14.2	0.0
Farms by Geography	1,439	2.2	0.7	86.8	10.3	0.0
Family Distribution by Income Level	57,249	20.8	17.3	20.3	41.6	0.0
Household Distribution by Income Level	81,692	23.3	17.2	17.3	42.2	0.0
Median Family Income Non-MSAs - ID		\$52,867	Median Housing Value			\$223,338
			Median Gross Rent			\$701
			Families Below Poverty Level			13.3%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Idaho non-MSA AA consists of the Idaho counties of Bingham, Blaine, Bonner, Fremont, Gooding, Madison, Payette, Shoshone, Valley, and Lemhi. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. The bank operates 10 branches in this AA; eight are in middle-income CTs, and two are in upper-income CTs.

FFIEC data shows that the 2018 Median Family Income for the AA was \$55,600, which represents a five percent increase from the 2015 ACS Median Family Income of \$52,867. In 2018, low-income families in the AA earned a median annual income of \$27,800 or less, and moderate-income families earned an annual income of \$27,800 to \$44,480.

### *Employment and Economic Factors*

Based on data from the Bureau of Labor Statistics, unemployment in the 10 counties that comprise WaFd's non-MSA AA in the state of Idaho ranged from 1.6 percent to 6.3 percent as of December 31,

2019. This is higher than the national unemployment rate of 3.7 percent and the state of Idaho's unemployment rate of 2.9 percent. Unemployment in the AA fell significantly since January 2010 when levels in the 10 counties ranged between 5.5 percent and 19.6 percent.

Major industries in the state of Idaho include government; education and health services; professional and business services; retail trade; and leisure and hospitality services. According to Moody's Analytics, major employers in the state include St. Luke's Health System, Micron Technology, Inc., Mountain Home Air Force Base, Kootenai Health, and Boise State University.

### *Housing*

According to the 2018 ACS, the median housing value for the 10 counties in this AA ranged between \$124,600 and \$395,800 between 2014 to 2018, compared to a median housing value of \$223,338 in 2015. The median gross rent for the 10 counties ranged from \$634 to \$959 between 2014 to 2018, compared to median gross rent of \$701 in 2015. Between 2014 to 2018, the percentage of housing units in this 10-county AA that were owner-occupied ranged from 46.4 percent to 81.3 percent.

The 2018 ACS statistics estimates a range of affordability ratios for the 10 counties in the Idaho non-MSA AA to be between 2.2 and 7.1, compared to the state of Idaho at 3.5 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. This means that the median housing value in the counties within the AA ranged from 2.2 times the median income to 7.1 times the median income. This indicates that housing was more affordable than the rest of the state and the U.S. in some of the counties in the AA but was substantially less affordable for other areas in the Idaho non-MSA.

### *Community Contact*

The OCC reviewed information from two community organizations. Each organization was focused on CD issues specific to this AA. One organization was an economic development organization focused on retaining and attracting businesses to the region, including to smaller, rural communities. The contact indicated that while economic conditions have been generally favorable and homes are more affordable in some areas that it serves than in other areas, certain types of housing such as starter homes are harder to find. The contact also stated one of the most significant needs is access to credit by small businesses and first-time entrepreneurs.

The second organization was a community action organization focused on supporting LMI families by providing services including housing and employment programs, nutrition, and elderly assistance. This contact noted that some residents in the regions it serves have limited transportation options, which inhibits accessibility to affordable housing and health care. The contact also stated that LMI consumers in the area may feel inexperienced and uncomfortable with banks, and that it may be more beneficial for LMI families if services and financial education were tailored to address issues and discuss products below the standard checking and savings account products. The contact also noted that there is an

opportunity for banks to offer entry-level loans with low interest rates in the region as an alternative to payday lenders.

## **Scope of Evaluation in Idaho**

Ratings in the state of Idaho are based primarily on the bank's ratings in the full-scope AAs, the Boise City MSA and the Idaho non-MSA. These AAs were selected because they represent a substantial portion of the bank's deposits and/or loans. In the Boise MSA, deposits represent 61 percent, home mortgage loans represent 52 percent and CRA loans represent 70 percent of the state totals. In the Idaho non-MSA deposits represent 24 percent, home mortgage loans represent 31 percent, and CRA loans represent 23 percent of the state totals. To a lesser extent, the OCC also considered the bank's performance in the limited-scope AAs. Refer to appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, moderate weight was placed on the bank's performance in the state of Idaho. WaFd gathered 7.53 percent of its deposits and originated/purchased 8.42 percent of its home mortgage loans and 7.61 percent of its CRA loans in the state of Idaho. The bank operates 24 branches in the state.

When evaluating the bank's performance under the lending test, greater weight was placed on home mortgage loans than on small loans to businesses. Home mortgage loans represent 89 percent and CRA loans represent 11 percent of the total loans analyzed. This analysis also considered the volume of CD lending and other performance factors as well. Finally, due to Office of Management and Budget (OMB) changes which affected some of the bank's AAs in the state of Idaho, the analysis of the bank's data is split into two separate review periods, 2017 and 2018-2019.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IDAHO**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of Idaho is rated High Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Boise MSA and the Idaho non-MSA is good.

### **Lending Activity**

Lending levels reflect good responsiveness to AA credit needs. Responsiveness to credit needs was good in both the Boise City MSA and the Idaho non-MSA. The number and dollar volume of loans for all of the bank's AAs in the state of Idaho are noted below.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Boise City MSA	420	73	0	2	495	53.57	60.86
Idaho Falls MSA	57	3	0	1	61	6.60	4.11
Idaho Non-MSA	252	20	4	0	276	29.87	23.61
Pocatello MSA	21	0	0	3	24	2.60	2.81
Twin Falls MSA	63	5	0	0	68	7.36	8.60

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Boise City MSA	130,292	19,725	0	3,500	153,517	59.13	60.86
Idaho Falls MSA	11,561	85	0	97	11,743	4.52	4.11
Idaho Non-MSA	62,005	3,862	1,625	0	67,492	25.99	23.61
Pocatello MSA	4,522	0	0	2,648	7,170	2.76	2.81
Twin Falls MSA	18,563	1,150	0	0	19,713	7.59	8.60

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Boise City MSA

The proportion of the bank's loans is comparable to the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Boise City MSA is 4.58 percent. In comparison, the proportion of home mortgage loans in the AA is 4.35 percent and the proportion of small business loans is 5.34 percent.

The bank's market share and rank in loans is weaker than the bank's market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with 10 branches. The bank has a 4.66 percent deposit market share and ranks sixth among 21 financial institutions. In comparison, the bank has a market share of 0.54 percent and ranks 47<sup>th</sup> among 359 home mortgage lenders and a market share of 1.64 percent and ranks 28<sup>th</sup> among 81 small business lenders. However, the bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 36.43 percent of the market share and the top five small business lenders hold 64.50 percent of the small business loan market.

Relative to competition, the bank's mortgage loan market share percentile rank is 86.92, which is substantially higher than its deposit market share percentile rank of 71.4. However, the bank's deposit market share percentile rank is higher than its small business loan market share percentile rank of 65.43. It is important to note, however, that small business loans represent less than 15 percent of total loans.

Idaho Non-MSA

The proportion of the bank's loans is comparable to the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Idaho non-MSA is 1.78 percent of total bank deposits. In comparison, the proportion of home mortgage loans in the AA is 2.61 percent and the proportion of small business loans is 1.75 percent.

The bank's market share and rank in loans is weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a secondary market with only one branch. The bank has a 5.84 percent deposit market share and ranks seventh among 20 financial institutions. In comparison, the bank has a market share of 1.33 percent and ranks 26<sup>th</sup> among 298 lenders for home mortgage loans and a market share of 1.10 percent and ranks 32<sup>nd</sup> among 75 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 29.00 percent of the market share and the top five small business lenders hold 57.84 percent of the market share.

Relative to competition, the bank's mortgage loan market share percentile rank is 91.28, which is higher than its deposit market share percentile rank of 65.00. The small business loan market share percentile rank is 58.33, which is lower than the deposit percentile. However, it is important to note that small business loans represent less than six percent of total loans.

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

The bank exhibits an adequate geographic distribution of loans in both of its full-scope AAs.

***Home Mortgage Loans***

Refer to Table O in the state of Idaho section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Boise City MSA

The distribution of the bank's home mortgage loans in LMI geographies is adequate.

2017

The percentage of the bank's loans in low-income CTs substantially exceeds both the aggregate and the percentage of owner-occupied housing units. However, the percentage of the bank's loans in moderate-income CTs is well below the aggregate and the percentage of owner-occupied units.

2018-2019

The percentage of loans in low-income CTs is substantially below the aggregate and the percentage of owner-occupied housing units. However, the percentage of the bank's loans in moderate-income CTs is near to the aggregate and the percentage of owner-occupied units.

Idaho Non-MSA

The distribution of the bank's home mortgage loans in LMI geographies is adequate.

*2017*

The percentage of the bank's loans in low-income CTs substantially exceeds the aggregate and the percentage of owner-occupied housing units. The bank did not make any loans in moderate-income CTs during the 2017 review period. However, it is important to note that only 1.8 percent of the owner-occupied units are in moderate-income CTs.

*2018-2019*

The percentage of the bank's loans in low-income CTs meets the aggregate and exceeds the percentage of owner-occupied housing units. The percentage of the bank's loans in moderate-income CTs is significantly below the aggregate and the percentage of owner-occupied housing units.

***Small Loans to Businesses***

Refer to Table Q in the state of Idaho section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The distribution of the bank's small loans to businesses in LMI geographies is excellent in the Boise City MSA. The bank did not originate or purchase a sufficient number of loans in the Idaho non-MSA during either review period to perform a meaningful analysis.

Boise City MSA*2017*

The percentage of the bank's small loans to businesses during the 2017 review period exceeds the aggregate and the percentage of businesses in both LMI CTs.

*2018-2019*

The percentage of the bank's small loans to businesses during the 2018-2019 review period exceeds the aggregate and the percentage of businesses in both LMI CTs.

## Idaho Non-MSA

The bank did not originate or purchase a sufficient number of small loans to businesses during this review period to perform a meaningful analysis.

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

OCC identified minimal gaps in the distribution of lending in LMI geographies. While there were some areas where the bank made fewer loans, this was explained by the distance between these geographies and a WaFd branch.

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

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes given the bank's product lines. The distribution of home mortgage loans is good in the Boise City MSA and adequate in the Idaho non-MSA. In concluding on the bank's performance, OCC considered the affordability of homes. Consequently, more weight was placed on the aggregate. In addition, in concluding on the overall distribution of loans by income level of the borrower, the analysis also considered the poor distribution of small loans to businesses.

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

Refer to Table P in the state of Idaho section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of the bank's home mortgage loans is good.

## Boise City MSA

### *2017*

The percentage of the bank's loans to low-income borrowers during the 2017 review period is well below the aggregate and the percentage of low-income families. However, the percentage of loans to moderate-income families exceeds both the aggregate and the percentage of moderate-income families.

### *2018-2019*

The percentage of the bank's loans to low-income borrowers during the 2018-2019 review period exceeds the aggregate but is well below the percentage of low-income families. The percentage of loans to moderate-income families is near to the aggregate and the percentage of moderate-income families.

Idaho Non-MSA

2017

The percentage of the bank's loans to low-income borrowers during the 2017 review period exceeds the aggregate but is well below the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is near the aggregate and the percentage of moderate-income families.

2018-2019

The percentage of the bank's loans to low-income borrowers during the 2018-2019 review period is below the aggregate and well below the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is well below the aggregate and below the percentage of moderate-income families.

***Small Loans to Businesses***

Refer to Table R in the state of Idaho section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of the bank's small loans to businesses by revenue is poor.

Boise City MSA

2017

The percentage of the bank's loans during the 2017 review period is well below the aggregate and significantly below the percentage of small businesses.

2018-2019

The bank's performance during the 2017-2018 review period is the same as that noted during the 2017 review period. The percentage of the bank's loans is well below the aggregate and significantly below the percentage of small businesses.

Idaho Non-MSA

The bank did not originate a sufficient number of small loans to businesses during the review period to perform a meaningful analysis.

## **Community Development Lending**

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Boise City MSA

WaFd has made an adequate level of CD loans in the Boise City MSA. During the review period, the bank provided two CD loans in this AA totaling \$3.5 million. Both loans were responsive to stated needs in the AA. The most notable loan is a \$1.1 million line of credit to a non-profit organization that supports small business lending activities in the AA. The goal of this organization is to help small businesses reach bankability.

### Idaho Non-MSA

WaFd did not make any CD loans in the Idaho non-MSA. However, there are fewer opportunities to provide CD lending in this AA.

In addition to the CD loans the bank made in the Boise MSA, the bank made one CD loan totaling \$97,000 in the Idaho Falls MSA and three CD loans totaling \$2.6 million in the Pocatello MSA. All of these loans supported affordable housing. Overall, WaFd provided a good level of lending in the state of Idaho. The bank's CD lending had a neutral impact on the Lending Test in the state of Idaho.

## **Product Innovation and Flexibility**

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs in the Idaho AAs.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

The bank's performance in the Twin Falls MSA is consistent with the bank's performance under the Lending Test in the full-scope AAs. In the Idaho Falls MSA, performance was weaker than performance in the full-scope AAs. Geographic distribution of home mortgage loans was good, but borrower distribution was poor. The bank did not originate or purchase a sufficient number of home mortgage loans during either the 2017 and 2018/2019 review periods in the Pocatello MSA to perform a meaningful analysis. Weaker performance in the Idaho Falls and Pocatello MSAs does not impact the overall rating under the Lending Test given that these AAs, combined, represent less than 7 percent of state deposits.

Refer to Tables O through V in the state of Idaho section of appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Idaho is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Boise MSA and the Idaho non-MSA is excellent. The Boise MSA represents the largest market for the bank in Idaho holding 61 percent of its total deposit in this AA and the Idaho non-MSA is the second largest holding 24 percent of state deposits.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 96.8 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd rarely uses innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Boise City MSA	3	1,407	52	2,197	55	56.7	3,604	45.0	1	1,836
Idaho Non-MSA	2	2,177	25	1,333	27	27.8	3,510	43.9	0	0
Limited-Scope:										
Idaho Falls MSA	0	0	2	432	2	2.1	432	5.4	0	0
Pocatello MSA	0	0	5	305	5	5.2	305	3.8	0	0
Twin Falls MSA	0	0	8	153	8	8.2	153	1.9	0	0

### Boise MSA

During the current period, the bank advanced \$164,200 towards a low-income housing tax credit (LIHTC) fund and has committed to fund an additional \$1.8 million to support long-term capital needs of the project. The bank also purchased \$1.9 million in affordable housing securities and made \$152,800 in grants in the AA. Prior period investments represent three LIHTC funds providing financing for three housing projects and creating or rehabilitating 129 affordable housing units in the AA. Total investment activity in the AA represents 7.1 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Nearly all (95.7 percent) of the current period investments serve affordable housing needs. Notable investment and grants in the AA include:

- A \$2.0 million commitment to a LIHTC fund to develop a 51-unit senior housing project with 45 units restricted to LMI seniors, individuals with special needs, and the formerly homeless.
- Two grants totaling \$40,000 to an affiliate of a national financial literacy organization to provide financial education to students in three predominately LMI schools in the AA.
- Two grants totaling \$17,500 to an organization that provides emergency shelter and services to victims of domestic abuse.

### Idaho Non-MSA

During the current period, WaFd purchased \$1.3 million in affordable housing securities and made \$28,300 in grants in the AA. Prior period investments represent two LIHTC funds providing financing for two housing projects and creating or rehabilitating 71 affordable housing units in the AA. Total investment activity in the AA represents 11.8 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Over 98 percent of current period investments serve affordable housing needs. Notable grants include:

- Two grants totaling \$7,000 to an affordable housing developer focused on permanent affordable housing for LMI individuals.
- A \$3,800 grant to an organization that provides shelter and services to victims of domestic abuse or sexual assault.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Idaho Falls MSA and Pocatello MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. Performance in the Twin Falls MSA is weaker than the performance in the full-scope AAs. Performance in the Twin Falls MSA, while poor, does not impact the overall Investment Test rating as deposits in the AA represents only 9 percent of deposits in the State of Idaho. Overall performance in limited-scope AAs is excellent.

### **SERVICE TEST**

The bank's performance under the Service Test in Idaho is rated Low Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Boise City MSA is excellent and performance in the Idaho non-MSA is adequate. The Idaho non-MSA has a slightly higher deposit

market share, but the Boise City MSA has greater lending volume, so each AA was given equal weight in the overall conclusion.

## Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Boise City MSA	60.9	10	41.7	20.0	50.0	20.0	10.0	3.6	26.4	44.8	25.2
Idaho Falls MSA	4.1	1	4.2	0.0	0.0	0.0	100	0.0	16.7	58.9	24.4
Idaho Non-MSA	23.6	10	41.7	0.0	0.0	80.0	20.0	9.2	1.5	76.4	12.9
Pocatello MSA	2.8	1	4.2	0.0	0.0	100.0	0.0	3.1	18.0	52.3	26.6
Twin Falls MSA	8.6	2	8.3	0.0	0.0	100.0	0.0	0.0	3.6	88.6	7.7

### Boise MSA

In the Boise City MSA, the bank has two branches in low-income tracts and five branches in moderate-income tracts. The percentage of branches in LMI tracts is significantly higher than the percentage of the population living in these tracts. To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in 11 locations in the Boise City MSA, including one in a low-income tract and five in moderate-income tracts.

### Idaho Non-MSA

In the Idaho non-MSA, the bank has no branches in low-income tracts, and no branches in moderate-income tracts where a very limited percentage of the population lives. Combined, the LMI population represents less than 11 percent of the population in the AA, with a significant majority residing in middle-income tracts. One branch is located near two low-income tracts, and two branches located in underserved middle-income tracts which positively impacts branch accessibility. In the Idaho non-MSA, the bank has deposit-taking ATMs in 11 locations, including one in a low-income tract and three in distressed or underserved middle-income tracts.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Boise City MSA	0	0	0	0	0	0
Idaho Falls MSA	0	0	0	0	0	0
Idaho Non-MSA	0	0	0	0	0	0
Pocatello MSA	0	0	0	0	0	0
Twin Falls MSA	0	0	0	0	0	0

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. Branches and drive-through facilities have substantially similar business hours and are open Monday through Friday. All but one branch location in the Boise City MSA offers drive-through facilities, including six in LMI tracts. In the Idaho non-MSA, all branch locations have drive-through facilities, including one in a low-income tract.

The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide. The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

## Community Development Services

The institution provides an adequate level of CD services.

### Boise MSA

In the Boise City MSA, 15 bank employees provided a total of 257 qualifying service hours to approximately 10 organizations. They provided 94 hours of financial literacy education, 93 hours of community services to LMI individuals and families, and 70 hours of services related to affordable housing. Financial literacy, community service, and affordable housing service hours included serving

as board members for various qualifying organizations and represent about 60 percent of total service hours in the AA. Financial and community services primarily involved planning for and providing financial literacy classes and mentoring through various financial literacy programs aimed at school students, including Junior Achievement, Save at School, and Money Smart programs. Community and affordable housing services also benefited organizations such as the United Way and Habitat for Humanity.

Community contacts in the AA noted that affordable housing is a significant need in the AA, along with access to capital to finance inventory, equipment, and general operating expenses. The contacts also noted a need for financial literacy. Along with community services, the bank provided CD services that address financial literacy and affordable housing needs. A few examples of meaningful services in the Boise City MSA are summarized below:

- Junior Achievement of Idaho (over 60 hours) – A bank employee served on the board of this organization whose mission is to inspire and prepare young people to succeed in a global economy. The bank targeted this education in schools where the majority of students are eligible for free or reduced fee lunch.
- Habitat for Humanity of Canyon County (over 10 hours) – A bank employee served on the Fundraising Committee of this organization whose mission is building strength, stability and self-reliance through affordable housing. This activity is particularly responsive.
- United Way of Treasure Valley (about 10 hours) – A bank employees served in a leadership role at this organization, whose mission is to unite the community to fight for the health, education, and financial stability of every person in Treasure Valley, Idaho.

### Idaho Non-MSA

In the Idaho non-MSA, 12 bank employees provided a total of 381 qualifying service hours to approximately 16 organizations. They provided 141 hours of community services to LMI individuals and families, 180 hours of financial literacy education, and 60 hours of economic development service hours. Community service and economic development service hours included serving as board members for various qualifying organizations and represent about 53 percent of total service hours in the AA. Financial services primarily involved providing financial literacy classes through the Save at School and Money Smart programs. Community services primarily involve support to organizations that provide essential supplies and services to community food banks, as well as LMI teens and seniors.

A community contact in the AA noted that affordable housing is a significant need in the AA. The contact highlighted opportunities such as small-dollar loans for consumers as an alternative to payday loans, and targeted financial education to LMI individuals and the unbanked. While the bank did not have any affordable housing service hours in the AA, the bank provided financial literacy education. Examples of some other meaningful services in the Idaho non-MSA are summarized below:

- Wendell Senior Center (over 90 hours) – A bank employee served on the board and helped with grant writing for this organization, which provides meals and educational opportunities to senior citizens and these services benefit many low-income seniors.
- Bonner Community Food Bank (almost 40 hours) – A bank employee served on the board of this organization, which provides emergency food resources to low-income families, disabled individuals, children and senior citizens.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Idaho Falls MSA, Pocatello MSA, and the Twin Falls MSA is weaker than the bank's overall performance under the Service Test in the full-scope areas. Given that the limited-scope AAs represent 15.5 percent of state deposits, performance in the limited-scope AAs has some negative impact on overall Service Test rating.

## State Rating

### State of Nevada

**CRA rating for the State of Nevada:** Needs to Improve

**The Lending Test is rated:** Needs to Improve

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels that reflect excellent responsiveness to AA needs;
- A poor geographic distribution of loans in LMI geographies, which was further impacted by conspicuous lending gaps that could not be reasonably explained;
- A poor distribution of loans among individuals of different income levels and businesses of different sizes;
- A low level of CD loans that negatively impacted the overall lending test rating;
- A good level of CD investments that are responsive to AA needs;
- Retail delivery systems are accessible to geographies and individuals in the AA; and
- A relatively high level of CD services that are adequately responsive to AA needs.

### Description of Institution's Operations in Nevada

The bank operates 11 branches in the state of Nevada, serving two AAs. The AAs are the Las Vegas MSA and seven non-metropolitan counties combined into the Nevada non-MSA.

#### Las Vegas-Henderson-Paradise MSA AA

WaFd operates six branches in the Las Vegas-Henderson-Paradise MSA. The bank offers its full range of products and services within this AA. However, the bank's primary lending focus is home mortgage loans. As of June 30, 2019, WaFd had \$184.8 million in deposits from this AA, representing 1.55 percent total bank-wide deposits. There is strong competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 0.07 percent deposit market share in this AA and ranks 22<sup>nd</sup> among the 42 deposit-taking institutions operating within the AA. The top five banks competing for deposits in the AA are Charles Schwab Bank; Bank of America, NA; Wells Fargo Bank, NA; Charles Schwab Premier Bank; and Wells

Fargo National Bank West. Together these banks account for 90.59 percent of deposit market share for the AA.

HMDA loans in the AA represent 3.06 percent of all HMDA-reportable loans originated by WaFd during the review period. CRA loans represent 0.80 percent of all CRA-reportable loans originated bank-wide.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	487	5.7	26.3	37.2	30.6	0.2
Population by Geography	2,035,572	5.0	25.3	39.2	30.3	0.2
Housing Units by Geography	857,131	5.6	24.9	38.7	30.6	0.2
Owner-Occupied Units by Geography	380,425	1.9	16.9	41.7	39.5	0.0
Occupied Rental Units by Geography	344,021	8.7	33.0	36.9	21.1	0.2
Vacant Units by Geography	132,685	8.1	27.0	34.8	29.5	0.6
Businesses by Geography	129,471	3.6	21.3	38.2	36.2	0.6
Farms by Geography	1,830	2.3	19.9	41.3	36.4	0.1
Family Distribution by Income Level	465,442	20.7	18.4	20.5	40.5	0.0
Household Distribution by Income Level	724,446	22.6	17.0	18.8	41.6	0.0
Median Family Income MSA - 29820 Las Vegas-Henderson-Paradise, NV MSA		\$59,993	Median Housing Value			\$169,213
			Median Gross Rent			\$1,032
			Families Below Poverty Level			11.9%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Las Vegas-Henderson-Paradise MSA consists of Clark County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates six branches in the AA; three are in middle-income CTs, one is in a moderate-income CT, and two are in upper-income CTs.

FFIEC data shows that the 2018 Median Family Income for the AA was \$64,800, an 8 percent increase from the 2015 ACS Median Family Income of \$59,993. Low-income families in the AA earned a median annual income of \$32,400 or less in 2018, and moderate-income families earned an annual income of \$32,400 to \$51,840.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the Las Vegas-Henderson-Paradise MSA was 3.5 percent as of December 31, 2019. This is slightly higher than the unemployment rate of 3.4 for the state of Nevada, but slightly lower than the national unemployment rate of 3.7 percent. Unemployment in the AA fell significantly since January 2010 when unemployment was 13.5 percent.

Major industries in this AA include leisure and hospitality services, professional and business services, retail trade, government, and education and health services. According to Moody's Analytics, major employers in the state include MGM Resorts International; Caesars Entertainment Corp.; Station Casinos, Inc.; Wynn Las Vegas LLC; and Boyd Gaming Corp.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Las Vegas-Henderson-Paradise MSA at 4.4 compared to the State of Nevada's affordability ratio of 4.1, and the affordability ratio of the U.S. of 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Las Vegas-Henderson-Paradise MSA AA is 4.4 times the median income in the AA. This is higher than the affordability ratio for both the state of Nevada and for the nation, meaning that housing for this AA is less affordable than for the rest of the state of Nevada or for the U.S.

According to the 2018 ACS, the median housing value for this AA was \$286,600 up 69 percent from the median housing value of \$169,213 in 2015. The median monthly gross rent for the AAs was \$1,130, compared to \$1,032 in 2015. The percentage of housing units in this AA that were owner-occupied in 2018 was 54.2 percent.

### *Community Contact*

OCC reviewed information from four community organizations. Each organization was focused on CD issues specific to this AA. One organization was a regional housing agency focused on the provision and management of a large number of housing units to LMI populations. This contact stated that the primary issue in the area is housing affordability, and that more effort is needed by financial institutions to assist with the development of affordable housing projects.

Another organization focused on economic development for small businesses by providing training to entrepreneurs. This contact stated that small dollar business loans are a substantial need in the area.

A third organization focused on providing housing, property rehabilitation and housing-related counseling for LMI families in the area. This contact emphasized the need for increased multi-family housing projects in the area, as well as the need for innovative and creative affordable housing financing options and down payment assistance by financial institutions. The contact also stated that new loan programs that help LMI homebuyers with closing costs would be beneficial.

The fourth organization was a social services agency, which provides health care services to low-income and underserved families. This contact stated that there is a significant need for access to high quality primary and behavioral healthcare for underserved and minority communities. The contact said that

opportunities exist for banks to become involved in promoting healthcare for these communities by engaging in funding for organizations providing such care.

## **Scope of Evaluation in Nevada**

The rating in the state of Nevada is based primarily on the bank's rating in the Las Vegas MSA. The Las Vegas MSA was selected for a full-scope review because a majority of the state's deposits (52 percent) and a majority of the loans (87 percent of home mortgage and 85 percent of CRA loans) were originated or purchased in this AA. The analysis considered the bank's performance in its limited-scope AA, the Nevada non-MSA. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, less weight was placed on the bank's performance in the state of Nevada. WaFd gathered 2.98 percent of its deposits and originated or purchased 3.51 percent of home mortgage loans and 0.95 percent of its small business loans in this AA. The bank operates 11 branches in the state.

In determining the bank's overall performance under the lending test, substantial weight was placed on home mortgage loans. The bank did not originate a sufficient volume of CRA loans to perform a meaningful analysis in either AA. Small farm loans are not a significant product for the bank. In addition, the analysis considered CD loans and other performance factors in concluding on the bank's final lending performance.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEVADA**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of Nevada is Needs to Improve.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Las Vegas MSA is poor.

### **Lending Activity**

Lending levels reflect excellent responsiveness to AA credit needs in the Las Vegas MSA. The number and dollar volume of loans for both of the bank's AAs in the State of Nevada are noted below.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Las Vegas MSA	295	11	0	1	307	86.97	52.22
Nevada Non-MSA	44	2	0	0	46	13.03	47.78

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State*	%State Deposits
Las Vegas MSA	151,905	2,580	0.00	550	155,035	95.98	52.22
Nevada Non-MSA	6,470	30	0.00	0	6,500	4.02	47.78

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Las Vegas MSA

The proportion of the bank's loans in the Las Vegas MSA is significantly greater than the proportion of the bank's deposits in the AA. The proportion of the bank's deposits in the AA is 1.55 percent. In comparison, the proportion of home mortgage loans in the AA is 3.06 percent and the proportion of small business loans is 0.80 percent. However, small business loans are not a significant product in this AA.

The bank's lending market share and rank is comparable to its deposit market share and rank. The bank's performance in the AA is driven by the fact that the AA represents a primary market with six branches. The bank has a 0.07 percent deposit market share and ranks 22<sup>nd</sup> among 42 financial institutions. In comparison, the bank has a market share of 0.10 percent and ranks 132<sup>nd</sup> among 510 lenders for home mortgage loans and a market share of 0.01 percent and ranks 64<sup>th</sup> among 138 lenders for small business loans. However, the bank's market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 27.41 percent of the market share and the top five small business lenders hold 68.22 percent of the market share.

Relative to competition, the bank's home mortgage loan percentile rank is 74.12, which is higher than the bank's deposit market share percentile rank of 47.62. On the other hand, the bank's small business loan percentile rank is 53.62, which is lower than its deposit percentile. However, the volume of small business loans in the Las Vegas MSA is insignificant.

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

The bank exhibits poor geographic distribution of loans in its Las Vegas MSA.

***Home Mortgage Loans***

Refer to Table O in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's loans in LMI geographies in the Las Vegas MSA is poor.

**Las Vegas MSA**

The percentage of the bank's loans in both low- and moderate-income CTs is significantly below both the aggregate and the percentage of owner-occupied housing units in LMI CTs. The bank does not offer FHA and VA loans, which provide more affordability for individuals living in low- or moderate-income CTs.

***Small Loans to Businesses***

Refer to Table Q in the state of Nevada section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

**Las Vegas MSA**

The bank did not originate or purchase a sufficient number of small loans to businesses in the Las Vegas MSA to perform a meaningful analysis.

***Lending Gap Analysis***

OCC identified conspicuous gaps in the distribution of lending in LMI geographies in the AA. The bank made few or no loans in significant segments of the AA, including LMI areas with a branch or within close proximity to a branch. OCC was unable to identify significant performance context factors that explained those gaps. However, the number and dispersion of loans indicates the bank has the capacity to lend across the entire AA. This had a negative impact on the conclusion regarding the bank's geographic distribution of loans.

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

The bank exhibits a poor distribution of loans among individuals of different income levels.

***Home Mortgage Loans***

Refer to Table P in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Las Vegas MSA

The percentage of the bank's loans to low-income borrowers is below the aggregate and well below the percentage of low-income families. The percentage of loans to moderate-income borrowers is well below the aggregate and significantly below the percentage of moderate-income families.

***Small Loans to Businesses***

Refer to Table R in the state of Nevada section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Las Vegas MSA

The bank did not originate or purchase a sufficient number of small loans to businesses to perform a meaningful analysis.

**Community Development Lending**

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The institution has made a low level of CD loans, despite available opportunities and the need to originate CD loans within the bank's AAs. During the evaluation period, the bank originated one CD loan in the Las Vegas MSA totaling \$550,000. The loan supported affordable housing. The bank did not originate any CD loans in the Nevada non-MSA AA. This negatively impacted the bank's lending test rating.

**Product Innovation and Flexibility**

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

**Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank's performance under the Lending Test in the Nevada non-MSA is stronger than the bank's overall performance under the Lending Test in the full-scope area. Geographic distribution of home mortgage loans in the Nevada non-MSA is good and borrower distribution is adequate. While deposits in this AA are nearly as significant to the state as the full-scope AA, lending in this AA is significantly less representative. As such, the stronger lending performance does not mitigate the poor overall performance in the full-scope AA.

Refer to Tables O through V in the state of Nevada section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

The bank’s performance under the Investment Test in Nevada is rated High Satisfactory. Given equal weighting, weaker performance in the limited-scope AA had a negative impact on the overall Investment Test rating.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank’s performance in the Las Vegas MSA is excellent.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 97.4 percent of the bank’s investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd occasionally uses innovative and/or complex investments to support CD initiatives.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Full-Scope:										
Las Vegas MSA	1	3,085	20	4,757	21	72.4	7,842	90.5	2	3,752
Limited-Scope:										
Nevada Non-MSA	0	0	8	822	8	27.6	822	9.5	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

During the current period, the bank advanced \$4.6 million towards a private equity fund and has committed to fund an additional \$3.8 million to support long-term capital needs of the projects financed by the fund. The bank also made \$123,800 in grants in the AA. Prior period investments represent one LIHTC fund providing financing for the purchase and rehabilitation of a 155-unit affordable housing project in the AA. Total investment activity in the AA represents 44.4 percent of allocated tier 1 capital based on the AA’s share of bank deposits.

Notable investments and grants in the AA include:

- An \$8.8 million investment and commitment to invest in a private equity fund that provides financing for two affordable housing projects in the AA. This investment preserves 621 affordable housing units for LMI tenants.
- Four grants totaling \$62,800 to an organization to sponsor 10 local schools serving LMI students in the AA to receive financial literacy education.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Nevada non-MSA is weaker than the bank's overall performance under the Investment Test in the full-scope areas. Performance in this AA is adequate and, given that deposits in the AA represents 48 percent of total deposits in the State of Nevada, has a negative impact on the overall Investment Test rating.

### SERVICE TEST

The bank's performance under the Service Test in Nevada is rated High Satisfactory. Good levels of CD services and strong performance in the limited-scope AA had a positive impact on the overall Service Test rating.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Las Vegas MSA is adequate.

### Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Las Vegas MSA	52.2	6	54.5	0	16.7	50.0	33.3	5.0	25.3	39.2	30.3
Nevada Non-MSA	47.8	5	45.5	0	60.0	20.0	20.0	0	23.7	45.0	31.3

In the Las Vegas MSA, the bank has no branches in low-income tracts, and one branch in a moderate-income tract. The percentage of branches in moderate-income tracts is somewhat lower than the percentage of the population living in these tracts but is not unreasonable. The bank has a very limited presence in this competitive market, with a deposit market share of just 0.7 percent.

To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in six locations, one of which is in a moderate-income tract. The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Las Vegas MSA	0	0	0	0	0	0
Nevada Non-MSA	0	0	0	0	0	0

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the AA, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have substantially similar business hours and are open Monday through Friday. One branch location has a drive-through facility which is in a moderate-income tract. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

### **Community Development Services**

The institution provides a relatively high level of CD services.

In the Las Vegas MSA, 21 bank employees provided a total of 508 qualifying service hours to approximately 16 organizations. They provided 470 hours of financial literacy education, and 38 hours of community services to LMI individuals and families. Financial literacy and community service included a small number of hours where employees served as board members for qualifying organizations. Financial services primarily involved providing financial literacy education through various financial literacy programs aimed at public school students, including Junior Achievement, Save at School and EverFi programs. Adult financial education was also facilitated through Hopelink of Southern Nevada.

A community contact in this AA stated that affordable housing is a significant need, and there are other opportunities to facilitate small-dollar loans for local businesses, as well as programs that facilitate healthcare for underserved communities. Although bank staff did not provide any affordable housing or economic development service hours, a couple of examples of other meaningful service activities in the Las Vegas MSA are summarized below:

- Junior Achievement of Nevada (over 160 hours) – Various bank employees engaged with students through this organization, whose mission is to provide work-readiness, entrepreneurship, and financial literacy education programs to youth in Nevada. The education was targeted to schools where a majority of students are eligible for free or reduced fee lunch.
- Hopelink of Nevada (20 hours) – A bank employee served on the ‘Fundraising Committee’ of this organization whose mission is to help move individuals and families out of poverty and into self-sufficiency through comprehensive social services.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank’s performance under the Service Test in the Nevada non-MSA AA is stronger than the bank’s overall performance under the Service Test in the full-scope area. Branch distribution is excellent, and the level of CD services is good. Performance in this AA is excellent and, given that deposits in the AA represents 48 percent of total deposits in the state of Nevada, has a positive impact on the overall Investment Test rating.

## State Rating

### State of New Mexico

**CRA rating for the State of New Mexico:** Satisfactory

**The Lending Test is rated:** Low Satisfactory

**The Investment Test is rated:** High Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels that reflect an adequate response to AA needs;
- A good distribution of loans in geographies of different income levels but was negatively impacted by lending gaps that could not be reasonably explained;
- A poor distribution of loans to borrowers of different income levels and businesses of different sizes;
- A high level of CD loans that positively impacted the bank's Lending Test rating;
- A significant level of CD investments that are responsive to AA needs;
- Retail delivery systems are accessible to geographies and individuals in the AA; and
- An excellent level of CD services that are very responsive to AA needs.

### Description of Institution's Operations in New Mexico

WaFd operates 27 branches in the state of New Mexico serving five AAs. The AAs are the Albuquerque MSA, the Farmington MSA, the Las Cruces MSA, the Santa Fe MSA, and 11 non-metropolitan counties combined into the New Mexico non-MSA. Operations in New Mexico represents 11 percent of all WaFd branches, 8 percent of total deposits, and 6 percent of total home mortgage and CRA loans.

#### Albuquerque MSA AA

WaFd operates four branch offices in the Albuquerque MSA AA. WaFd offers its full range of products and services within this AA. However, the primary lending product is home mortgage loans. As of June 30, 2019, the bank had \$273.5 million in deposits from this AA, representing 2.3 percent of total bank-wide deposits. There is strong competition for deposits in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 1.92 percent deposit market share in this AA and ranks eighth among the 22 deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share in this AA are Wells Fargo Bank, NA; Bank of America, NA; Bank of the West; BOKF, NA; and U.S. Bank, NA. Together these banks account for 73.58 percent of deposit market share in this AA.

Total HMDA loans within the AA represent 1.71 percent of all HMDA-reportable loans the bank originated/purchased during the review period. Total CRA-reportable loans within this AA represent 4.97 percent of CRA-reportable loans originated/purchased bank-wide.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	181	6.1	28.2	31.5	32.6	1.7
Population by Geography	810,581	5.7	29.0	31.3	33.6	0.4
Housing Units by Geography	340,729	6.3	27.5	32.3	33.6	0.3
Owner-Occupied Units by Geography	202,674	2.5	24.6	32.7	40.1	0.1
Occupied Rental Units by Geography	108,527	12.9	32.4	31.0	23.2	0.5
Vacant Units by Geography	29,528	8.6	29.7	33.9	27.3	0.5
Businesses by Geography	66,742	9.0	22.1	31.3	36.7	0.8
Farms by Geography	1,339	5.0	23.2	31.9	39.8	0.1
Family Distribution by Income Level	195,245	23.7	15.2	18.5	42.5	0.0
Household Distribution by Income Level	311,201	25.2	15.2	16.4	43.2	0.0
Median Family Income MSA - 10740 Albuquerque, NM MSA		\$60,032	Median Housing Value			\$195,875
			Median Gross Rent			\$841
			Families Below Poverty Level			14.1%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Albuquerque MSA consists of the New Mexico counties of Bernalillo and Sandoval. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The bank operates four branches in this AA; three are in moderate-income CTs and one is in an upper-income CT.

FFIEC data shows that the 2018 Median Family Income for the AA was \$65,000, an 8 percent increase from the 2015 ACS Median Family Income of \$60,032. In 2018, low-income families in the AA earned a median annual income of \$32,500 or less and moderate-income families earned an annual income of \$32,500 to \$52,000.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the Albuquerque MSA AA was 4.1 percent as of December 30, 2019. This is lower than the 4.5 percent unemployment rate for the state of New Mexico but higher than the 3.7 percent unemployment for the nation. Unemployment in the AA fell significantly since January 2010 when unemployment was 7.8 percent in the AA.

Major industries in the Albuquerque AA include government, education, health services, professional and business services, leisure and hospitality services, and retail trade. According to Moody's Analytics,

major employers in the state include the University of New Mexico; Kirtland Air Force Base, Sandia National Laboratories, Presbyterian Healthcare Services, and UNM Hospital.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Albuquerque MSA at 3.1. This is slightly higher than the affordability ratios of the state of New Mexico and the U.S, both of which are 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Albuquerque AA is 3.1 times the median income in the AA and is slightly less affordable than in the rest of the state of New Mexico, or in the U.S.

According to the 2018 ACS, the median housing value for this AA was \$201,400 up three percent from the median housing value of \$195,875 in 2015. The median monthly gross rent for the AAs was \$886, compared to \$841 in 2015. The percentage of housing units in this AA that were owner-occupied in 2018 was 64.5 percent.

### *Community Contact*

OCC reviewed information from an organization that focused on providing loans to small businesses. This contact emphasized that the primary banking and credit need in the area is for working capital loans, particularly for small businesses and start-up companies. The contact also discussed opportunities for financial institutions to become more involved by providing financial literacy and financial education, and by offering counseling to owners of small businesses.

### Santa Fe MSA AA

WaFd operates two branch offices in the Santa Fe MSA. The bank also offers its full range of products and services within this AA. The primary lending focus during the evaluation period was home mortgage loans. As of June 30, 2019, WaFd gathered \$43.5 million in deposits from this AA, representing 0.37 percent of bank-wide deposits. There is moderate competition for deposits in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 1.40 percent deposit market share in this AA and ranks eighth among the 10 deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share in this AA are Wells Fargo Bank, NA; Sunflower Bank, NA; Bank of America, NA; Century Bank; and Enterprise Bank & Trust. Together these banks account for 82.1 percent of the deposit market share for this AA.

HMDA loans within the AA total 0.69 percent of all HMDA-reportable loans originated/purchased by WaFd during the review period. Total CRA-reportable loans within this AA total 2.70 percent of all CRA-reportable loans originated bank-wide.

## Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	50	2.0	20.0	46.0	32.0	0.0
Population by Geography	147,108	3.9	23.0	44.6	28.5	0.0
Housing Units by Geography	71,673	3.4	19.4	43.9	33.4	0.0
Owner-Occupied Units by Geography	42,266	2.6	17.4	45.8	34.2	0.0
Occupied Rental Units by Geography	18,913	6.5	26.1	42.4	25.0	0.0
Vacant Units by Geography	10,494	1.4	15.0	38.6	45.1	0.0
Businesses by Geography	17,696	4.2	14.4	39.3	42.1	0.0
Farms by Geography	438	3.0	16.7	43.6	36.8	0.0
Family Distribution by Income Level	36,482	22.8	16.9	18.3	42.0	0.0
Household Distribution by Income Level	61,179	24.6	15.6	17.9	41.9	0.0
Median Family Income MSA - 42140 Santa Fe, NM MSA		\$64,734	Median Housing Value			\$316,063
			Median Gross Rent			\$976
			Families Below Poverty Level			11.0%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Santa Fe MSA AA consists of Santa Fe County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates two branches in this AA; one is in a moderate-income CT, and one is in an upper-income CT.

FFIEC data shows that the 2018 Median Family Income for the AA was \$72,000, an 11 percent increase from the 2015 ACS Median Family Income of \$64,734. In 2018, low-income families in the AA earned a median annual income of \$36,000 or less and moderate-income families earned an annual income of \$36,000 to \$57,600.

## Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in Santa Fe MSA was 3.5 percent as of December 31, 2019. This was lower than both the 4.5 percent unemployment rate for the state of New Mexico and the 3.7 percent unemployment rate for the nation. Unemployment in the AA fell significantly since January 2010 when unemployment was 7.0 percent in the AA.

Major industries in the Santa Fe AA include government, education and health services, leisure and hospitality services, retail trade, and professional and business services. According to Moody's Analytics, major employers in the MSA include CHRISTUS St. Vincent Regional Medical Center, Presbyterian Medical Services, Santa Fe Community College, Santa Fe Opera, and Walmart, Inc.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Santa Fe MSA at 4.1, which is higher than the affordability ratios of both the state of New Mexico at 3.0 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Santa Fe AA is 4.1 times the median income in the AA. This is higher than the affordability ratio for both the state of New Mexico and for the nation, meaning that housing for this AA is less affordable than for the rest of the state of New Mexico, or for the U.S.

According to the 2018 ACS, the median housing value for this AA was \$296,100, down six percent from the median housing value of \$316,063 in 2015. The median gross rent for the AA was \$1,076 in 2018, compared to \$976 in 2015. The percentage of housing units in this AA that were owner-occupied in 2018 was 71.2 percent.

### *Community Contact*

OCC reviewed information from a community organization focused on supporting the building of affordable housing for LMI individuals. The organization also offers financial fitness and homebuyer education programs for persons it assists with achieving home ownership. The contact stated that the area has a lack of access to capital. The contact also indicated that there is a general lack of knowledge by many financial institutions regarding some community development tools such as New Market Tax Credits and Low-Income Housing Tax Credits, particularly among smaller financial institutions

### **Scope of Evaluation in New Mexico**

Ratings in the state of New Mexico are based primarily on the bank's performance in the full-scope AAs, the Albuquerque MSA and the Santa Fe MSA. The Albuquerque MSA was selected because it represents 27 percent of the deposits, 35 percent of the home mortgage loans, and 38 percent of the CRA loans that are originated or purchased in the state of New Mexico. Although the Santa Fe MSA represents just over 4 percent of WaFd's deposits in the state, 14 percent of home mortgage loans, and 20 percent of the CRA loans, this AA was selected in order to ensure that a qualitative and quantitative analysis of the AA is performed periodically. The overall rating considered the bank's performance in the limited-scope AAs. Performance in the New Mexico non-MSA impacted the overall lending test rating for the state of New Mexico more significantly since 59 percent of the bank's deposits in New Mexico were gathered in this AA. Refer to Appendix A: Scope of Examination for a list the full- and limited-scope AAs.

In determining the bank's overall rating, moderate weight was placed on the bank's performance in the state of New Mexico. WaFd gathered 8 percent of the bank's deposits and originated or purchased 5 percent of its home mortgage loans and 13 percent of its CRA loans in the state. The bank operates 26 branches in the state of New Mexico.

When evaluating the bank's performance under the lending test, greater weight was placed on home mortgage loans than on CRA loans. Home mortgage loans represent 72 percent of total loans in the state and CRA loans represent 28 percent. Small farm loans were not evaluated since they are not a significant product for the bank. The analysis considered the volume of CD lending and other performance factors as well.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW MEXICO**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of New Mexico is rated Low Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Albuquerque MSA and the Santa Fe MSA is adequate.

### **Lending Activity**

Lending levels reflect adequate responsiveness to AA credit needs. Lending activity is adequate in the Albuquerque MSA and good in the Santa Fe MSA. The number and dollar volume of loans for all of the bank's AAs in the state of New Mexico are noted below.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Albuquerque MSA	165	67	1	14	247	37.14	27.19
Farmington MSA	31	10	1	0	42	6.32	4.52
Las Cruces MSA	69	2	0	0	71	10.68	5.22
New Mexico Non-MSA	133	60	4	2	398	29.92	58.74
Santa Fe MSA	67	37	0	2	106	15.94	4.33

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Albuquerque MSA	129,901	20,011	350	18,180	168,442	57.48	27.19
Farmington MSA	7,166	1,593	10	0	8,769	2.99	4.52
Las Cruces MSA	23,354	1,000	0	0	24,354	8.31	5.22
New Mexico Non-MSA	24,811	9,685	398	2,141	37,006	12.64	58.74
Santa Fe MSA	42,660	11,080	0	700	54,440	18.58	4.33

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Albuquerque MSA

The proportion of the bank's loans is weaker than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Albuquerque MSA is 2.30 percent. In comparison, the proportion of home mortgage loans in the AA is 1.71 percent and the proportion of small business loans is 4.97 percent.

The bank's market share and rank in loans is substantially weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with four branches. The bank has a 1.92 percent deposit market share and ranks eighth among 22 financial institutions. In comparison, the bank has a market share of 0.22 percent and ranks 74<sup>th</sup> among 368 lenders for home mortgage loans and a market share of 0.17 percent and ranks 33<sup>rd</sup> among 113 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 26.87 percent of the market share and the top five small business lenders hold 61.33 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 79.89, which is better than its deposit market share percentile rank of 63.64. The small business loan market share percentile rank is 70.80, which is higher than the deposit percentile.

### Santa Fe MSA

The proportion of the bank's loans is higher than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Santa Fe MSA is 0.37 percent. In comparison, the proportion of home mortgage loans in the AA is 0.69 percent and the proportion of small business loans is 2.70 percent.

The bank's market share and rank in loans is weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a secondary market with only two branches. The bank has a 1.40 percent deposit market share and ranks eighth among 10 financial

institutions. In comparison, the bank has a market share of 0.61 percent and ranks 37<sup>th</sup> among 272 lenders for home mortgage loans and a market share of 0.41 percent and ranks 18<sup>th</sup> among 85 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 26.44 percent of the market share and the top five small business lenders hold 62.30 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 86.40, which is higher than its deposit market share percentile rank of 20.00. The small business loan market share percentile rank is 78.82, which is also higher than the deposit percentile.

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

The bank exhibits a good geographic distribution of loans in its AAs, with excellent distribution in the Albuquerque MSA and adequate distribution in the Santa Fe MSA.

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

The distribution of the bank's home mortgage loans in LMI geographies is good.

Refer to Table O in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### **Albuquerque MSA**

The percentage of the bank's loans in low-income CTs substantially exceeds both the aggregate and the percentage of owner-occupied units. The percentage of loans in moderate-income CTs meets the aggregate but is below the percentage of owner-occupied housing units.

#### **Santa Fe MSA**

The percentage of loans in low-income CTs exceeds the aggregate and the percentage of owner-occupied housing units. The percentage of loans in moderate-income CTs is well below the aggregate and substantially below the percentage of owner-occupied units.

#### ***Small Loans to Businesses***

The distribution of the bank's small loans to businesses in LMI geographies is excellent.

Refer to Table Q in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Albuquerque MSA

The percentage of the bank's loans substantially exceeds aggregate and the percentage of businesses in LMI CTs.

Santa Fe MSA

The percentage of the bank's loans in low-income CTs substantially exceeds both the aggregate and the percentage of businesses. The percentage of the bank's loans in moderate-income CTs is well below the aggregate and the percentage of businesses.

***Lending Gap Analysis***

OCC identified conspicuous gaps in the distribution of lending in LMI geographies in the AA. Despite a reasonable distribution of the bank's branches across the AAs, the bank made no loans in significant segments of the AAs including LMI areas with a branch or near to a branch. OCC was unable to identify significant performance context factors that explained those gaps. However, the number or dispersion of loans indicates the bank has the capacity to lend across the entire MSA. This had a negative impact on the conclusion regarding the bank's geographic distribution of loans.

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

The bank exhibits a poor distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution in both the Albuquerque MSA and the Santa Fe MSA.

***Home Mortgage Loans***

The distribution of the bank's home mortgage loans to LMI borrowers is poor. In concluding on the bank's performance, OCC considered performance context factors, including the affordability of homes for LMI individuals in the AAs. Consequently, more weight was placed on the comparison to the aggregate.

Refer to Table P in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Albuquerque MSA

The percentage of home mortgage loans to low-income borrowers is significantly below the aggregate and the percentage of low-income families. The percentage of loans to moderate-income borrowers is significantly below the aggregate and the percentage of moderate-income families.

### Santa Fe MSA

The percentage of the bank's home mortgage loans to low-income borrowers is well below the aggregate and substantially below the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is well below the aggregate and the percentage of moderate-income families.

### *Small Loans to Businesses*

The distribution of the bank's loans to small businesses is good. Refer to Table R in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

### Albuquerque MSA

The percentage of the bank's loans to small businesses exceeds the aggregate but is well below the percentage of small businesses.

### Santa Fe MSA

The percentage of the bank's loans to small businesses exceeds the aggregate but is well below the percentage of small businesses.

## **Community Development Lending**

The institution has made a relatively high level of CD loans in both the Albuquerque MSA and the Santa Fe MSA. This positively impacted the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Albuquerque MSA

WaFd originated 14 CD loans totaling \$18.2 million in the Albuquerque MSA. The bank originated nine loans totaling \$8.4 million which provided 187 units of affordable housing for LMI individuals; \$7.5 million provided economic development by financing small businesses; and \$2.3 million provided revitalization in a low-income CT. Some noteworthy examples are detailed below:

- The bank made a \$1.1 million revolving line of credit to a Community Development Financial Institution (CDFI) to meet the critical needs supply of early stage financing for affordable housing construction and rehabilitation projects for LMI individuals.
- The bank made a \$1.5 million line of credit to a CDFI that provides capital to small businesses and individuals with modest capital needs. The program provides microenterprises and small businesses micro lending and financial literacy services.

### Santa Fe MSA

The bank provided two CD loans totaling \$700,000. This represents a high level of CD lending. Both loans were provided to CD organizations that provide affordable housing and related services to LMI individuals.

In addition, the bank's CD lending in the state was responsive to some of the most critical CD needs outside the AA. Overall, CD lending is excellent, which positively impacted the bank's Lending Test rating in the state of New Mexico.

### **Product Innovation and Flexibility**

The bank makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Las Cruces MSA and the New Mexico non-MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. In the Farmington MSA, performance is substantially weaker with both geographic and borrower distribution very poor as a result of no lending in LMI tracts or to LMI borrowers. Overall, performance in the limited-scope AAs did not impact the overall Lending Test rating. In terms of deposits, the New Mexico non-MSA is the most significant of the bank's AAs in the state. As such, performance in the New Mexico non-MSA impacts the overall Lending Test rating; however, performance in this AA is consistent with performance in the full-scope AAs.

Refer to Tables O through V in the state of New Mexico section of appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in New Mexico is rated High Satisfactory. Based on significance of the limited-scope AAs, particularly the New Mexico non-MSA, performance in the limited-scope AAs had a positive impact on the Investment Test rating.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the full-scope AAs is adequate. Performance in the Santa Fe MSA is excellent and in the Albuquerque MSA is adequate. The Albuquerque MSA represents the second largest market for the bank in New Mexico holding 27 percent of state total deposit in this AA and the Santa Fe MSA is the smallest holding 4 percent of state deposits. As such, more weight is given to performance in the Albuquerque MSA.

WaFd has an adequate level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 93.5 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd rarely uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Albuquerque MSA	0	0	37	1,354	37	42.5	1,354	9.3	0	0
Santa Fe MSA	1	1,294	16	593	17	19.5	1,887	12.9	0	0
Limited-Scope:										
Farmington MSA	1	3,775	3	436	4	4.6	4,211	28.8	0	0
Las Cruces MSA	1	3,480	5	262	6	6.9	3,741	25.6	0	0
New Mexico Non-MSA	1	1,686	22	1,735	23	26.4	3,421	23.4	1	4,352

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Albuquerque MSA

During the current period, WaFd purchased \$1.2 million in affordable housing securities and made \$124,700 in grants in the AA. Total investment activity in the AA represents 3.5 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Ninety-two percent of current period investments serve affordable housing needs, which is a critical need in the AA. Notable grants include:

- Two grants totaling \$35,000 to an economic development organization that offers business loans to businesses when traditional sources cannot.

- Four grants totaling \$23,300 to an organization to sponsor four local schools serving LMI students in the AA for financial literacy education.

### Santa Fe MSA

During the current period, the bank purchased \$526,700 in affordable housing securities and made \$66,000 in grants in the AA. Prior period investments represent one LIHTC fund providing financing for an 86-unit housing project, for which 83 units are restricted to LMI individuals in the AA. Total investment activity in the AA represents 30.7 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Nearly 97 percent of current period investments serve affordable housing needs, which is a need in the AA. Notable grants in the AA include:

- A \$15,000 grant to an organization that provides emergency assistance resources to LMI individuals.
- A \$2,000 grant to an affiliate of a national self-help housing developer that provides home ownership opportunities for LMI families. The organization also provides homeownership education and zero interest loans to eligible home buyers.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Farmington MSA, Las Cruces MSA, and the New Mexico non-MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Deposits in these AAs, combined, are 69 percent of deposits in the State of New Mexico. Performance in each limited-scope AA is excellent and, overall, has a significant positive impact on the overall rating.

### **SERVICE TEST**

The bank's performance under the Service Test in New Mexico is rated High Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Albuquerque MSA and Santa Fe MSA are both good.

### **Retail Banking Services**

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Albuquerque MSA	27.2	4	14.8	0	75.0	0	25.0	5.8	29.0	31.2	33.7
Farmington MSA	4.5	1	3.7	0	100	0	0	3.5	26.0	42.0	28.5
Las Cruces MSA	5.2	2	7.4	0	50.0	0	50.0	7.7	36.0	26.4	29.8
New Mexico Non-MSA	58.7	18	66.7	0	23.5	64.7	11.8	2.8	25.8	44.9	26.5
Santa Fe MSA	4.3	2	7.4	0	50.0	0	50.0	3.9	23.0	44.6	28.5

### Albuquerque MSA

In the Albuquerque MSA, the bank has no branches in low-income tracts and three branches in moderate-income tracts. The percentage of branches in moderate-income tracts is significantly higher than the percentage of the population living in these tracts. To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in four locations in the Albuquerque MSA, including three in moderate-income tracts.

### Santa Fe MSA

In the Santa Fe MSA, the bank has no branches in low-income tracts, and one branch in a moderate-income tract. The percentage of branches in moderate-income tracts is significantly higher than the percentage of the population living in those tracts. In the Santa Fe MSA, the bank has deposit-taking ATMs in two locations, including one in a moderate-income tract. The bank also offers telephone banking access 24/7.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Albuquerque MSA	0	0	0	0	0	0
Farmington MSA	0	0	0	0	0	0
Las Cruces MSA	0	0	0	0	0	0
New Mexico Non-MSA	0	1	0	0	-1	0
Santa Fe MSA	0	0	0	0	0	0

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. WaFd consolidated one of its branches in a middle-income tract with another nearby branch in the same tract.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have substantially similar business hours and are open Monday through Friday. One branch location has a drive-through facility, which is in a moderate-income tract. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

### **Community Development Services**

The institution provides a high level of CD services.

#### Albuquerque MSA

In the Albuquerque MSA, six bank employees provided a total of 143 qualifying service hours to approximately nine organizations. They provided 59 hours of financial literacy education, 32 hours of

services related to economic development, 28 hours of community services to LMI individuals and families, and 24 hours of services related to affordable housing. Community, economic development, and affordable housing service hours included serving as board members for some qualifying organizations, which total about 37 percent of total service hours in the AA. Financial services primarily involved providing financial literacy education in select public schools servicing predominately LMI students through the Real Money, Money Smart, and EverFi programs. A more limited number of hours facilitated adult financial education and tax assistance. Affordable housing service hours benefited organizations such as Habitat for Humanity.

A community contact mentioned the need for improved access to working capital loans for small businesses, as well as opportunities to provide more financial literacy and financial education, to include counseling for small businesses. Some meaningful services in the Albuquerque MSA are summarized below:

- Dreamspring (formerly Accion/over 30 hours) – A bank employee served on the board of this organization whose mission is to increase access to credit, make loans and provide a community of support to help entrepreneurs realize their dreams. This activity is considered particularly responsive.
- Habitat for Humanity of Greater Albuquerque (over 20 hours) – A bank employee served on the ‘Development Committee’ for this organization, whose mission is to make it possible for low-income families to own decent, affordable homes.

### Santa Fe MSA

In the Santa Fe MSA, three bank employees provided a total of 117 qualifying service hours to four organizations. They provided 83 service hours related to affordable housing, and 34 hours of community services to LMI individuals and families. All service hours in the AA were related to serving as board members for qualifying organizations. The majority of service hours supported the goal of affordable housing through organizations such as Habitat for Humanity and Santa Fe Housing Trust.

Home affordability in this AA is lower than average across the state and the U.S. A community contact commented that the area has a lack of access to capital, and that many smaller institutions have an opportunity to better understand and engage in community development vehicles such as New Market Tax Credits and Low-Income Housing Tax Credits. A couple of meaningful services in the Santa Fe MSA, which are considered particularly responsive, are summarized below:

- Santa Fe Housing Trust (over 55 hours) – A bank employee served on the board of this organization whose mission is to support the development of affordable housing, training, and counseling to renters and homeowners in New Mexico.
- Santa Fe Habitat for Humanity (over 40 hours) – A bank employee served on the board for this organization, whose mission is to promote affordable home ownership for Santa Fe area

residents by constructing simple, adequate, and energy-efficient new homes and repairing or rehabilitating existing homes.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Farmington MSA, Las Cruces MSA, and New Mexico non-MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas.

## State Rating

### State of Oregon

**CRA rating for the State of Oregon<sup>2</sup>:** Satisfactory  
**The Lending Test is rated:** Low Satisfactory  
**The Investment Test is rated:** High Satisfactory  
**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels that reflect adequate response to the AA needs;
- An adequate distribution of loans in geographies of different income levels;
- An adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- An adequate level of CD lending;
- A good level of CD investments that are responsive to AA needs;
- Retail delivery systems are readily accessible to geographies and individuals in the AA; and
- A relatively high level of CD services that are adequately responsive to AA needs.

### Description of Institution's Operations in Oregon

WaFd operates 39 branches in Oregon serving eight AAs. The AAs are the Albany MSA, the Bend-Redmond MSA, the Corvallis MSA, the Eugene MSA, the Grants Pass MSA, the Medford MSA, the Salem MSA, and 11 non-metropolitan counties combined into the Oregon non-MSA. Deposits gathered within the state total \$1.9 billion and comprise 16 percent of WaFd's total deposits. During the evaluation period, the bank originated/purchased 12 percent of all its HMDA loans and 36 percent of all its CRA loans in Oregon.

#### Oregon Non-MSA AA

WaFd operates 15 branch offices in the Oregon non-MSA. The bank offers its full range of products and services within this AA. Home mortgage loans represent the bank's primary loan product in the AA during the evaluation period. As of June 30, 2019, WaFd had \$626.24 million in deposits from this AA, representing 5.27 percent of total bank-wide deposits. The bank has a 11.67 percent deposit market share

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<sup>2</sup> The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

and ranks fourth among the 15 deposit-taking institutions operating within the AA. There is moderate competition for deposits in the AA. Competition includes large interstate banks, regional banks, savings banks, and community banks. The top five banks within the AA in terms of deposits are US Bank, NA; Umpqua Bank; Columbia State Bank; Washington Federal Bank, NA; and Wells Fargo Bank, NA. Together, these five banks account for 68.21 percent of deposit market share in this AA. HMDA loans within the AA total 3.07 percent of all HMDA-reportable loans originated by WaFd during the evaluation period. CRA loans within this AA total 12.49 percent of all CRA loans originated bank-wide.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	99	1.0	9.1	68.7	19.2	2.0
Population by Geography	360,505	1.0	8.1	69.9	21.0	0.0
Housing Units by Geography	170,608	1.0	8.2	72.2	18.7	0.0
Owner-Occupied Units by Geography	89,943	0.6	6.3	72.4	20.7	0.0
Occupied Rental Units by Geography	50,371	1.9	13.0	68.0	17.1	0.0
Vacant Units by Geography	30,294	0.6	5.8	78.4	15.2	0.0
Businesses by Geography	28,872	0.9	10.9	68.5	19.7	0.0
Farms by Geography	2,938	0.1	3.3	71.3	25.3	0.0
Family Distribution by Income Level	91,288	20.4	17.4	20.5	41.8	0.0
Household Distribution by Income Level	140,314	23.1	16.4	17.9	42.6	0.0
Median Family Income Non-MSAs – OR		\$51,555	Median Housing Value			\$174,936
			Median Gross Rent			\$737
			Families Below Poverty Level			13.1%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Oregon non-MSA consists of the counties of Baker, Crook, Hood River, Jefferson, Klamath, Lake, Lincoln, Malheur, Umatilla, Union, and Wasco. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. WaFd operates fifteen branches in this AA; nine are in middle-income CTs, four are in moderate-income CTs, and two are in upper-income CTs.

According to FFIEC data, the 2018 Median Family Income for the AA was \$54,700, which is a 6 percent increase from the 2015 ACS Median Family Income of \$51,555. Low-income families in the AA earned a median annual income of \$27,349 or less and moderate-income families earned an annual income of \$27,350 to \$43,760.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, unemployment in the Oregon non-MSA decreased during the evaluation period and is slightly lower than the national average. As of December 31, 2019, the national unemployment rate was 3.7 percent and the state of Oregon unemployment rate was 2.94 percent. The unemployment rate for the eleven counties that comprise the Oregon non-MSA ranged from 2.5 percent to 5.8 percent. Unemployment in this AA fell significantly since January 2010 when unemployment rates for these counties ranged from 9.5 percent to 18.4 percent.

Major industries in the state of Oregon include education and health services, government, professional and businesses services, leisure and hospitality services, and retail trade. According to Moody's Analytics, major employers in this state include Intel Corp., Providence Health Systems, Oregon Health & Science University, Legacy Health System, and Fred Meyer Stores.

### *Housing*

According to the 2018 ACS, the median housing value for the eleven counties in this AA ranged between \$125,300 and \$355,100 compared to a median housing value of \$174,396 in 2015. The median gross rent for the eleven counties ranged from \$675 to \$1,150. The percentage of housing units in this eleven-county AA that were owner-occupied ranged from 58.9 percent to 70.7 percent.

### *Community Contact*

OCC reviewed information received from one community organization that was focused on CD needs specific to the AA. The primary focus of the organization is to help Oregonians achieve housing stability and build financial security. The contact commented that there is a housing shortage in the Portland metro area that is attributable to a large increase in population caused by the growing presence of technology companies. The contact also commented that high-paying technology jobs have caused a growing income disparity due to declining jobs in traditional Oregon industries such as timber and fisheries. In addition, the contact stated small business loans are a need in the Portland metro area. Outside of the Portland metro area, the organization sees significant needs for construction lending. The contact advised that financial institutions can contribute to community needs by being more involved with CDFIs that have connections with those in need of affordable housing and small business loans.

### Salem MSA AA

WaFd operates five branches in the Salem MSA. The bank offers its full range of products and services within this AA. The bank's primary lending focus was home mortgage loans in the AA during the evaluation period. As of June 30, 2019, WaFd had \$243.1 million in deposits from this AA, representing 2.04 percent of total bank-wide deposits. The bank has a 3.96 percent deposit market share in this AA and ranks ninth among the 15 deposit-taking institutions operating within the AA. There is moderate competition for deposits in the AA. Competition includes large nationwide banks, regional banks,

savings banks, and community banks. The top five banks within the AA in terms of deposits are US Bank, NA; Wells Fargo Bank, NA; Columbia State Bank; JPMorgan Chase Bank, NA; and Pioneer Trust Bank, NA. Together, these banks account for 71.29 percent deposit market share in the AA.

HMDA loans within the AA total 1.38 percent of all of WaFd's HMDA-reportable loans during the evaluation period. CRA-reportable loans within this AA total 0.80 percent of all CRA-reportable loans bank-wide.

### *Demographics*

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	70	2.9	22.9	47.1	27.1	0.0
Population by Geography	400,523	2.5	24.3	46.5	26.6	0.0
Housing Units by Geography	152,966	2.4	22.3	46.9	28.4	0.0
Owner-Occupied Units by Geography	86,426	1.0	15.3	51.4	32.3	0.0
Occupied Rental Units by Geography	56,028	4.4	32.2	40.5	22.9	0.0
Vacant Units by Geography	10,512	3.1	27.3	44.4	25.1	0.0
Businesses by Geography	32,019	2.6	22.0	42.6	32.8	0.0
Farms by Geography	2,080	1.3	10.9	50.0	37.8	0.0
Family Distribution by Income Level	98,277	21.5	17.2	20.5	40.7	0.0
Household Distribution by Income Level	142,454	23.4	16.4	19.1	41.2	0.0
Median Family Income MSA - 41420 Salem, OR MSA		\$58,033	Median Housing Value			\$194,292
			Median Gross Rent			\$807
			Families Below Poverty Level			13.5%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

The Salem MSA AA consists of the counties of Polk and Marion. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates five branches in this AA; one is in a low-income CT, three are in moderate-income CTs, and one is in a middle-income CT.

Based on the FFIEC data, the 2018 Median Family Income for the AA was \$67,300 in 2018, a 16 percent increase from the 2015 ACS Median Family Income of \$58,033. In 2018, low-income families in the AA earned a median annual income of \$33,649 or less and moderate-income families earned an annual income of \$33,650 to \$53,840.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, unemployment in this AA decreased during the evaluation period and is lower than the national average. As of December 31, 2019, the national unemployment was 3.7 percent. The MSA's unemployment rate was 3.1 percent. Unemployment in the AA fell significantly since January 2010 when unemployment was 11.9 percent.

Major industries in the AA include government, education, health services, retail trade, leisure and hospitality services, and professional and business services. According to Moody's Analytics, major employers in this AA include Salem Hospital; SuperMedia, LLC; Association of Salem Kelzer Education Support; Fred Meyer Stores; and Cherneketa Community College.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Salem MSA at 4.1 compared to the state of Oregon at 4.4 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median family income of the area. The median housing value in the Salem MSA AA is 4.1 times the median family income in the AA and is lower than the affordability ratio for the state of Oregon but higher than for the nation. This means that housing for this AA is more affordable than for the rest of the state of Oregon, but less affordable than for the U.S.

According to the 2018 ACS information, 60 percent of the total housing units in the AA were owner-occupied in 2018. The median housing value for this AA was \$273,400 in 2018, up 41 percent from the median house value of \$194,292 in 2015. The median gross rent for this AA was \$1,006 in 2018, up 25 percent from \$807 in 2015.

### *Community Contact*

OCC reviewed information from two community organizations for this AA. Both organizations focused on CD issues specific to this AA. One organization was a government housing agency that works to build and maintain affordable housing, and links bank financing with state and federal grants and tax credits to facilitate new low-income housing development and rehabilitation projects. The contact for this organization commented that while affordable housing is a continuing need within the area it serves, rural affordable housing is a particular area of opportunity for financial institutions.

The other organization was an economic development corporation that also provides affordable rental housing, financial education, homeownership education and counseling, and matched savings accounts for LMI individuals. The organization also provides affordable capital through a CDFI for home repairs and down payment assistance loans. Comments from this contact centered around the shortage of affordable housing and the unaffordability of homes for first-time homebuyers and LMI families. The contact commented that there is a large number of homeless persons in the area and permanent housing for this population is needed. The contact mentioned that there is a high proportion of Hispanic households in the area and financial institutions could offer better service for the LMI Latino community. Also, many persons have Individual Taxpayer Identification Numbers (ITINs) and are not eligible for social security numbers, and there is a critical need and opportunity for financial institutions to provide home mortgages for ITIN customers. According to the contact, there is a need for financial institutions to offer funding and services for Individual Development Accounts (IDAs). The contact

stated financial institutions need to be more creative and become involved in more complex transactions to meet the needs of the local communities.

## **Scope of Evaluation in Oregon**

Ratings in the state of Oregon are based primarily on the bank's performance in the full-scope AAs, the Oregon non-MSA and the Salem MSA. The Oregon non-MSA was selected because it holds 33 percent of the bank's deposits in the state, 26 percent of home mortgage loans, and 35 percent of CRA loans in the state of Oregon. In the Salem MSA deposits represent 13 percent of WaFd's state deposits, 12 percent of the home mortgage loans, and just over two percent of the CRA loans in the state. The Salem MSA was selected in order to ensure that a qualitative and quantitative analysis of this AA is performed periodically. To a lesser extent, we also considered the bank's performance in the limited-scope AAs. However, the rating for the Bend-Redmond MSA more significantly impacted the state rating since 23 percent of the bank's state deposits are gathered in this AA. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, slightly more weight was placed on the bank's performance in the state of Oregon. WaFd gathered 16 percent of its deposits and originated or purchased 12 percent of its home mortgage and 36 percent of its CRA loans in the state of Oregon.

When evaluating the bank's performance under the lending test, greater weight was placed on home mortgage loans than on CRA loans. Home mortgage loans represent 70 percent and small business loans represent 30 percent of total loans evaluated. Small farm loans were not evaluated since they are not a significant product for the bank and the portion of these loans is minimal. The analysis considered the volume of CD lending and other performance factors as well.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OREGON**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of Oregon is rated Low Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Oregon non-MSA and the Salem MSA is adequate.

### **Lending Activity**

Lending levels reflect adequate responsiveness to AA credit needs. Specifically, lending levels are adequate in both the Oregon non-MSA and the Salem MSA. The number and dollar volume of loans for all of the bank's AAs in the State of Oregon are noted on the following page.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Albany-Lebanon MSA	62	1	0	0	63	3.79	2.32
Bend MSA	313	97	3	6	419	25.21	22.96
Corvallis MSA	67	5	0	0	72	4.33	4.44
Eugene-Springfield MSA	118	13	0	3	134	8.06	5.98
Grants Pass MSA	68	21	4	0	93	5.60	8.88
Medford MSA	94	123	44	2	263	15.82	9.92
Oregon Non-MSA	296	93	78	7	474	28.52	32.77
Salem MSA	133	11	0	0	144	8.66	12.72

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State* Loans	% State Deposits
Albany-Lebanon MSA	38,567	250	0	0	38,817	6.17	2.32
Bend-Redmond MSA	119,374	26,979	238	17,913	164,504	26.14	22.96
Corvallis MSA	40,602	705	0.00	0	41,307	6.56	4.44
Eugene-Springfield MSA	126,817	3,862	0.00	951	131,630	20.92	5.98
Grants Pass MSA	12,840	3,345	478	0	16,663	2.65	8.88
Medford MSA	31,893	37,971	6,878	107	76,849	12.21	9.92
Oregon Non-MSA	68,889	12,351	12,117	5,284	98,641	15.67	32.77
Salem MSA	55,644	5,234	0.00	0	60,878	9.67	12.72

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Oregon Non-MSA

The proportion of the bank's loans is weaker than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Oregon non-MSA is 5.27 percent. In comparison, the proportion of bank home mortgage loans in the AA is 3.07 percent and the proportion of small business loans is 12.39 percent.

The bank's market share and rank in loans is substantially weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with fifteen branches. The bank has an 11.67 percent deposit market share and ranks fourth among 15 financial institutions. In comparison, the bank has a market share of 1.01 percent and ranks 29<sup>th</sup> among 346 lenders for home mortgage loans and a market share of 0.61 percent and ranks 19<sup>th</sup> among 77 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home

mortgage lenders hold 26.35 percent of the market share and the top five small business lenders hold 57.56 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 91.62, which is higher than its deposit market share percentile rank of 73.33. The small business loan market share percentile rank is 75.32, which is comparable to the deposit percentile.

### Salem MSA

The proportion of the bank's loans is weaker than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Salem MSA is 2.04 percent. In comparison, the proportion of home mortgage loans in the AA is 1.38 percent and the proportion of small business loans is 0.80 percent.

The bank's market share and rank in loans is substantially weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with five branches. The bank has a 3.96 percent deposit market share and ranks ninth among 15 financial institutions. In comparison, the bank has a market share of 0.27 percent and ranks 60<sup>th</sup> among 373 lenders for home mortgage loans and a market share of 0.08 percent and ranks 33<sup>rd</sup> among 73 lenders for small business loans. However, the bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 23.72 percent of the market share and the top five small business lenders hold 62.20 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 83.91 which is significantly higher than its deposit market share percentile rank of 40.00. The small business loan market share percentile rank is 54.79 which is also higher than the deposit percentile.

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

The bank exhibits an adequate geographic distribution of loans in its AAs.

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

The distribution of home mortgage loans in LMI geographies is adequate in both the Oregon non-MSA and the Salem MSA. Refer to Table O in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

### Oregon Non-MSA

The percentage of the bank's loans in low-income CTs exceeds the aggregate and the percentage of owner-occupied housing units in low-income CTs. However, this represents only three loans. It is also important to note that the percentage of owner-occupied housing units is well below one percent. The percentage of the bank's loans in moderate-income CTs is well below the aggregate and the percentage of owner-occupied units.

### Salem MSA

The percentage of the bank's loans in low-income CTs is well below the aggregate and is below the percentage of owner-occupied housing units. However, only one percent of the owner-occupied units is located in low-income CTs. The percentage of the bank's loans in moderate-income CTs is near to the aggregate and exceeds the percentage of owner-occupied units.

### ***Small Loans to Businesses***

The distribution of small loans to businesses in LMI geographies is adequate. Refer to Table Q in the state of Oregon section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

### Oregon Non-MSA

The bank did not make any small loans to businesses in low-income CTs. However, only 0.9 percent of businesses are located in low-income CTs, which limits opportunities to make small business loans. The percentage of the bank's loans in moderate-income CTs significantly exceeds the aggregate and the percentage of businesses in moderate-income CTs.

### Salem MSA

The bank did not originate a sufficient number of small loans to businesses in the Salem MSA to perform a meaningful analysis.

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

The OCC identified conspicuous gaps in the distribution of lending in LMI geographies. Despite a reasonable distribution of the bank's branches across the AA, the bank made few or no loans in significant segments of the AA including LMI areas with branches or near to a branch. The OCC was unable to identify significant performance context factors that explained some of the gaps. This had a neutral impact on our conclusion regarding the bank's geographic distribution of loans.

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

The bank exhibits an adequate distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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

The distribution of home mortgage loans to LMI borrowers is adequate, given performance context factors. These include the higher cost of housing and the lack of affordable homes for LMI individuals to purchase. The poor borrower distribution of loans in the Salem MSA was offset by the good distribution of loans in the Oregon non-MSA. Refer to Table P in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Oregon Non-MSA**

The percentage of the bank's loans to low-income borrowers exceeds the aggregate but is well below the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is below the aggregate and is well below the percentage of moderate-income families.

#### **Salem MSA**

The percentage of the bank's loans to low-income borrowers is significantly below the aggregate and the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is significantly below the aggregate and significantly below the percentage of moderate-income families.

### ***Small Loans to Businesses***

The geographic distribution of the bank's small business loans is adequate. Refer to Table R in the state of Oregon section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### **Oregon Non-MSA**

The percentage of the bank's small loans to businesses exceeds the aggregate but is well below the percentage of businesses.

#### **Salem MSA**

The bank did not originate a sufficient number of small loans to businesses in the Salem MSA to perform a meaningful analysis.

## Community Development Lending

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Oregon Non-MSA

The bank has made a relatively high level of CD loans in the Oregon non-MSA. During the review period, the bank made seven loans totaling \$5.3 million in CD loans. Seven loans totaling \$5.3 million provided 111 units of affordable housing for LMI individuals. One loan provided economic development. The most notable loans are as follows:

- One loan totaling \$145 thousand was provided to a non-profit organization whose mission is to provide productive work, rehabilitation, and training for people with disabilities and other barriers to employment. The target population is 91 percent LMI individuals.
- One loan totaling \$1.7 million was provided to a non-profit organization to finance the construction of an affordable housing project which will provide 23 units of affordable housing for LMI individuals. Rents will be income restricted and affordable to individuals with incomes at 60 percent of the AMI.
- Two loans totaling just over \$3 million were provided to a non-profit organization that is dedicated to providing relief to the poor and distressed, especially through affordable housing for LMI working families. These loans provided 21 units of affordable housing for LMI individuals.

### Salem MSA

The bank did not make any CD loans in the Salem MSA.

Overall, the bank made a relatively high level of CD loans in its AAs in Oregon. In the Bend-Redmond MSA, the bank originated six CD loans totaling almost \$18 million. All of the loans supported affordable housing for LMI in the Bend-Redmond MSA. In the Eugene MSA, the bank originated three loans totaling \$951 thousand; and in the Medford MSA, the bank originated two CD loans totaling \$107 thousand. In addition, the bank originated one loan outside the bank's AAs, but within the state of Oregon totaling \$2.2 million. However, the bank did not make any CD loans in the Corvallis MSA, the Grants Pass MSA, and the Albany-Lebanon MSA. The level of CD lending had a neutral impact on the overall Lending Test in the state of Oregon.

## Product Innovation and Flexibility

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Corvallis MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. In the Albany-Lebanon MSA, the Bend-Redmond MSA, and the Grants Pass MSA performance was stronger. In the Eugene MSA and the Medford MSA performance was weaker; both geographic and borrower distribution of home mortgage loans is poor in both of these AAs. Performance in the limited-scope AAs, overall, has some positive impact on the overall Lending Test rating. Limited-scope AAs with stronger performance than that of the full-scope AAs hold 34 percent of statewide deposits, while limited-scope AAs with weaker performance hold 16 percent of statewide deposits.

Refer to Tables O through V in the state of Oregon section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Oregon is rated High Satisfactory.

## **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Oregon non-MSA is good and in the Salem MSA is adequate. The Oregon non-MSA represents the largest market for the bank in Oregon, with 33 percent of its total deposits in this AA; the Salem MSA is the third largest, holding 13 percent of state deposits. As such, more weight is given to performance in the Oregon non-MSA.

WaFd has a good level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, rarely in a leadership position. WaFd exhibits good responsiveness to credit and community economic development needs. In terms of dollar volume, 99.0 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing. WaFd rarely uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Oregon Non-MSA	3	618	50	4,390	53	39.0	5,008	31.4	0	0
Salem MSA	0	0	12	1,132	12	8.8	1,132	7.1	0	0
Limited-Scope:										
Albany MSA	0	0	2	341	2	1.5	341	2.1	0	0
Bend-Redmond MSA	3	2,736	30	861	33	24.3	3,597	22.5	1	1,699
Corvallis MSA	1	3,699	10	586	11	8.1	4,285	26.9	0	0
Eugene MSA	0	0	7	579	7	5.1	579	3.6	0	0
Grants Pass MSA	0	0	5	595	5	3.7	595	3.7	0	0
Medford MSA	0	0	13	421	13	9.6	421	2.6	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Oregon Non-MSA

During the current period, the bank purchased \$4.3 million in affordable housing securities and made \$52,446 in grants in the AA. Prior period investments represent two LIHTC funds and one agriculture workforce housing tax credit fund providing financing for three housing projects and creating 124 affordable housing units in the AA. Total investment activity in the AA represents 5.7 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Nearly all (99.0 percent) of the current period investments serve affordable housing needs. Notable grants in the AA include:

- Two grants totaling \$10,000 to an organization that serves LMI children by providing long-term mentoring to high-risk children in order to stop the cycle of poverty.
- Two grants totaling \$5,000 to an organization that gathers and directs public and private funds and donations to shelters and provides services to LMI individuals.

### Salem MSA

During the current period, the bank purchased \$1.1 million in affordable housing securities and made \$41,400 in grants in the AA. Total investment activity in the AA represents 3.3 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Nearly all (99.0 percent) of the current period investments serve affordable housing needs. Notable grants in the AA include:

- Three grants totaling \$8,910 to an organization to sponsor three local schools serving LMI students in the AA to receive financial literacy education.
- A \$5,000 grant to a local affiliate of a self-help housing developer that provides home ownership opportunities for LMI families. The organization also provides homeownership education and zero interest loans to eligible home buyers.
- Three grants totaling \$3,250 to a community service organization offering programs for the homeless.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Bend MSA and the Corvallis MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Considering the Bend MSA represents the second largest AA in Oregon for the bank with respect to deposits (23 percent) and investments include new commitments to a LIHTC fund, performance in the Bend MSA provides a positive impact on the overall Investment Test rating. Performance in the Albany MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. Performance in the Eugene MSA and the Grants Pass MSA is weaker than the bank's overall performance but is still adequate, while performance in the Medford MSA is poor. Limited-scope AAs with weaker performance hold 25 percent of statewide deposit; however, weaker performance is offset by stronger performance in limited-scope AAs holding 27 percent of statewide deposits. Overall, performance in the limited-scope AAs has a neutral impact on the overall Investment Test rating.

### **SERVICE TEST**

The bank's performance under the Service Test in Oregon is rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Oregon non-MSA and the Salem MSA is excellent.

### **Retail Banking Services**

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Albany MSA	2.3	1	2.6	0	100	0	0	5.3	16.0	62.3	16.4
Bend-Redmond MSA	23.0	5	12.8	0	80.0	20.0	0	0	23.5	57.2	19.3
Corvallis MSA	4.4	1	2.6	0	100	0	0	5.0	28.9	31.6	30.3
Eugene MSA	6.0	3	7.7	0	33.3	66.7	0	4.5	20.3	53.5	21.7
Grants Pass MSA	8.9	4	10.3	0	25.0	75.0	0	0	12.8	65.1	22.1
Medford MSA	9.9	5	12.8	0	20.0	60.0	20.0	1.0	16.6	57.2	25.2
Oregon Non-MSA	32.8	15	38.5	0	26.7	60.0	13.3	1.0	8.1	69.9	21.0
Salem MSA	12.7	5	12.8	20.0	60.0	20.0	0	2.5	24.4	46.5	26.6

### Oregon Non-MSA

In the Oregon non-MSA, the bank has no branches in low-income tracts where a very small percentage of the population resides, and four branches in moderate-income tracts. The percentage of branches in moderate-income tracts is significantly higher than the percentage of the population living in these tracts. In addition, three branches are located in distressed or underserved middle-income tracts, which positively impacts branch accessibility. To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in 20 locations in the Oregon non-MSA, including one in a low-income tract and four in moderate-income tracts.

### Salem MSA

In the Salem MSA, the bank has one branch in a low-income tract, and three branches in moderate-income tracts. The percentage of branches in both LMI tracts is significantly higher than the percentage of the population living in those tracts. In the Salem MSA, the bank has deposit-taking ATMs in four locations, including three in moderate-income tracts.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Albany MSA	0	0	0	0	0	0
Bend-Redmond MSA	0	0	0	0	0	0
Corvallis MSA	0	0	0	0	0	0
Eugene MSA	0	0	0	0	0	0
Grants Pass MSA	0	0	0	0	0	0
Medford MSA	0	0	0	0	0	0
Oregon Non-MSA	0	1	0	0	-1	0
Salem MSA	0	0	0	0	0	0

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. A branch in a middle-income tract was consolidated with another branch in the same tract.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have the same business hours, 9 am to 5 pm Monday through Thursday, and 9 am to 6 pm on Friday. In the Oregon non-MSA, 12 locations have drive-through facilities, three of which are in moderate-income tracts. In the Salem MSA, all branch locations have a drive-through facility, four of which are in LMI tracts. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

### **Community Development Services**

The institution provides a relatively high level of CD services.

Oregon Non-MSA

In the Oregon non-MSA, 41 bank employees provided a total of 869 qualifying service hours to at least 25 organizations. They provided 385 hours of community services benefitting LMI individuals and families, 369 hours of financial literacy education, 99 hours of services related to affordable housing, and 16 service hours related to economic development. All service hour categories include hours where employees serve as board members for qualifying organizations, totaling about 57 percent of total service hours in the AA. Financial literacy service hours primarily involved providing financial literacy education targeted at public schools where the majority of students are LMI through the Junior Achievement, Save at School, and Money Smart programs. Community service hours primarily helped support organizations providing basic needs targeted to LMI individuals and families. Affordable housing service hours benefit organizations such as Habitat for Humanity and Klamath Housing Authority.

Based on contact with a local community organization in this AA, affordable housing is a significant need. The contact also stated that increased demand and rising costs in the Portland metro area impacts access and affordability for homes in nearby outlying areas as well. In addition to affordable housing service hours mentioned above, some other examples of meaningful community services in the Oregon non-MSA are summarized below:

- Angels Anonymous (over 160 hours) – A bank employee served on the board of this organization whose mission is to provide immediate and basic services for those in need in the Lincoln City area.
- Friends of the Children (over 40 hours) – A bank employee served on the board of this organization whose mission is to break the cycle of generational poverty through salaried, professional mentoring.
- Central Oregon Youth Development (almost 20 hours) – A bank employee served on the board of this organization whose mission is to support the academic and social success of all students in Crook County.

Salem MSA

In the Salem MSA, 22 bank employees provided a total of 293 qualifying service hours to more than 15 organizations. They provided 240 hours of financial literacy education, 41 service hours related to affordable housing, 11 hours of community services to LMI individuals and families, and one economic development service hour. A small number of service hours related to community service and affordable housing included serving as board members for qualifying organizations, totaling 3 percent of service hours. Financial literacy service hours primarily involved providing financial literacy education to LMI public school students through programs such as Junior Achievement, Save at School, Money Smart, and Financial Beginnings. Affordable housing service hours benefit organizations such as Habitat for Humanity.

Affordable housing continues to be a need in the AA, particularly for rural residents, the homeless, and non-citizens. In addition to service hours that directly address affordable housing, another example of a meaningful CD service in the Salem MSA follows:

- United Way of Mid-Willamette Valley (10 hours) – An employee served on the board of this organization whose mission is to create a network of thriving and resilient communities by building community capacity, creating housing, meeting basic needs, and strengthening families.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Bend-Redmond MSA and the Grants Pass MSA is stronger than the bank's overall performance under the Service Test in the full-scope areas. The bank's performance in the Albany MSA, Corvallis MSA, Eugene MSA, and Medford MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Overall, performance in the limited-scope AAs has a neutral impact on the overall Service Test rating.

## State Rating

### State of Texas

**CRA rating for the State of Texas:** Satisfactory

**The Lending Test is rated:** Low Satisfactory

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect adequate responsiveness to AA needs;
- A poor geographic distribution of loans in LMI geographies, that was further negatively impacted by lending gaps that were not explainable;
- A poor distribution of loans among individuals of different income levels;
- A high level of CD lending, which had a positive impact on the Lending Test rating;
- An excellent level of CD investments that are responsive to AA needs;
- Retail delivery systems are unreasonably inaccessible to portions of geographies and individuals in the AA; and
- A relatively high level of CD services that are responsive to AA needs and have a positive impact on the Service Test.

### Description of Institution's Operations in Texas

WaFd operates six branches in the state of Texas representing three percent of all WaFd branches. The bank's Texas AAs include the Dallas-Plano-Irving metropolitan division (MD) and the Austin-Round Rock-Georgetown MSA. The bank does not operate a branch in the Austin-Round Rock-Georgetown MSA, as the bank's only presence in this AA is a full-service ATM. Deposits from this state total \$176.6 million and comprise 1 percent of WaFd's total deposits. Texas accounts for 1 percent of all the bank's HMDA loans and 2 percent of all CRA loans.

#### Dallas-Plano-Irving MD AA

WaFd operates six branches in the Dallas-Plano-Irving MD. The bank offers its full range of products and services within this AA. However, the bank's primary loan product is home mortgage loans. As of June 30, 2019, WaFd had \$176.6 million in deposits from this AA, representing 1.48 percent of total bank-wide deposits. There is strong competition for deposits in the AA. Competition includes large

nationwide banks, regional banks, savings banks, and community banks. The bank has a 0.07 percent deposit market share and ranks 60<sup>th</sup> among the 125 deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share in this AA are Bank of America, NA; JPMorgan Chase Bank, NA; Texas Capital Bank, NA; Wells Fargo Bank, NA; and BBVA USA. Together these banks account for 70.06 percent of deposit market share in the AA.

HMDA loans within the AA total 1.06 percent of all WaFd HMDA-reportable loans originated/purchased during the review period. CRA loans in this AA total 0.65 percent of all WaFd CRA-reportable loans originated/purchased.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	897	13.5	26.2	25.5	34.1	0.7
Population by Geography	4,519,004	11.8	26.1	27.4	34.5	0.2
Housing Units by Geography	1,721,065	12.5	24.5	27.8	34.9	0.3
Owner-Occupied Units by Geography	930,164	5.4	20.4	28.9	45.2	0.1
Occupied Rental Units by Geography	661,577	20.8	29.6	26.7	22.4	0.5
Vacant Units by Geography	129,324	21.6	27.8	25.7	24.5	0.4
Businesses by Geography	473,603	7.2	18.2	26.1	47.6	0.8
Farms by Geography	8,432	5.4	17.5	31.5	45.0	0.6
Family Distribution by Income Level	1,098,880	23.7	16.5	17.6	42.2	0.0
Household Distribution by Income Level	1,591,741	24.0	16.5	17.5	42.0	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$186,544
			Median Gross Rent			\$994
			Families Below Poverty Level			11.5%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Dallas-Plano-Irving MD consists of the counties of Collin, Rockwall, Ellis, Hunt, Kaufman, Denton, and Dallas. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. WaFd operates six branches in this AA; two are in middle-income CTs, and four are in upper-income CTs.

FFIEC data shows that the 2018 Median Family Income for the AA was \$77,200, which is a 9 percent increase from the 2015 ACS Median Family Income of \$71,149. Low-income families in the AA earned a median annual income of \$38,600 or less and moderate-income families earned an annual income of \$38,600 to \$61,760.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, unemployment in the Dallas-Plano-Irving MD was 2.9 percent as of December 31, 2019, which is lower than both the national unemployment rate of 3.7 percent and the state of Texas's unemployment rate of 3.3 percent. Unemployment in the AA fell significantly since January 2010 when the unemployment rate in the AA was 8.5 percent. Major industries in the AA include professional and business services, education and health services, government, leisure and hospitality services, and retail trade. According to Moody's Analytics, major employers in the state include Walmart, Inc.; AT&T; Baylor Scott & White Health; Bank of America Corp.; and Texas Instruments, Inc.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Dallas-Plano-Irving MD at 3.4, which is higher than affordability ratio of 2.6 for Texas and the affordability ratio of 3.0 for the U.S. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Dallas-Plano-Irving MD is 3.4 times the median income in the AA. This is higher than the affordability ratio for both the state of Texas and for the nation, meaning that housing for this AA is less affordable than for the rest of the state of Texas and for the U.S.

According to the 2018 ACS, the median housing value for this AA was \$259,900, which is an increase of 39 percent from the median housing value of \$186,544 in 2015. The median monthly gross rent for the AA was \$1,176, compared to \$994 in 2015. The percentage of housing units in this AA that were owner-occupied in 2018 was 57.4 percent.

### *Community Contacts*

The OCC reviewed information from four community organizations. Each organization was focused on CD issues specific to this AA. One organization focused on providing structure and guidance to communities for the building and repairing of homes for LMI persons. This contact stated that the primary credit need is commercial loans to revitalize the downtowns of different local cities that are in disrepair. Specifically, the contact stated that there are opportunities for financial institutions to become more involved by providing small business and commercial loans for the revitalization of government and business areas.

Another organization focused on the economic development of the local area and the creation and retention of local employment opportunities. This contact emphasized that the predominant credit need is for small business development. In addition, the contact mentioned that the next greatest local credit need is funding for residential housing. Finally, the contact indicated that opportunities exist for banks to partner with both public and private entities in the area to meet local needs.

The third organization was focused on the economic development of another part of the AA. This contact stated that the financing for start-up businesses is a continuing credit need for the area. The contact also stated that job growth and population growth in the area have created a shortage of single-family homes, that prices for single-family homes have increased significantly, and that most of the local population lives in rental units.

The fourth organization was a small business development organization that offered educational services and training for small start-up businesses in local areas. This contact emphasized that funding for small businesses continues to be a need in the area and further stated that access to capital for the development or expansion of businesses is difficult to obtain. The contact also indicated that there is an opportunity for banks to do more by providing funding for start-up companies.

### **Scope of Evaluation in Texas**

Ratings in the state of Texas are based almost entirely on the bank's performance in the Dallas-Plano-Irving MD. WaFd operates six branches in the Dallas-Plano MD but does not operate any branches in the Austin MSA. The bank operates only a full-service ATM in the Austin AA. Consequently, all of the deposits in the state of Texas are gathered from the Dallas-Plano-Irving MD. In addition, 88 percent of the home mortgage loans are originated or purchased in the Dallas-Plano-Irving MD. The volume of CRA loans in the state is insignificant. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, minimal weight was placed on the bank's performance in the state of Texas. WaFd gathered only 1.48 percent of its deposits and originated/purchased 1.2 percent of home mortgage loans and 1.68 percent of CRA loans in the state of Texas.

When evaluating the bank's performance under the lending test, all weight was placed on home mortgage loans. CRA loan volume was too low in both AAs to perform a meaningful analysis. The evaluation also considered the volume of CD lending and other performance factors as well.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**

### **LENDING TEST**

The bank's performance under the Lending Test in Texas is rated Low Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Dallas-Plano-Irving MD is adequate given the positive impact of the bank's CD lending.

## Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs in the Dallas-Plano-Irving MD. The number and dollar volume of loans in both of the bank's AAs in Texas are noted on the next page.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Austin MSA	14	14	0	2	30	21.13	0.00
Dallas-Plano-Irving MD	102	9	0	1	112	78.87	100.00

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State*	%State Deposits
Austin MSA	9,470	7,167	0.00	14.404	31,041	28.35	0.00
Dallas-Plano-Irving MD	69,962	3,481	0.00	5,000	78,443	71.65	100.00

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Dallas-Plano-Irving MD

The proportion of the bank's loans is lower than the proportion of the bank's deposits in the AA. The proportion of the bank's deposits in the Dallas-Plano-Irving MD is 1.48 percent. In comparison, the proportion of home mortgage loans in the AA is 1.06 percent and the proportion of small business loans is 0.65 percent.

The bank's market share and rank in loans is comparable to its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with six branches. The bank has a 0.07 percent deposit market share and ranks 60<sup>th</sup> among 125 financial institutions. In comparison, the bank has a market share of 0.02 percent and ranks 326<sup>th</sup> among 922 lenders for home mortgage loans and a market share of 0.00 percent and ranks 142<sup>nd</sup> among 229 lenders for small business loans. The bank's lending market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 26.47 percent of the market share and the top five small business lenders hold 64.72 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 64.64, which is higher than its deposit market share percentile rank of 52.00. The small business loan market share percentile rank is 37.99, which is lower than the deposit percentile. However, it is important to note that small business loans represent less than one percent of total home mortgage and small business loans.

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

The bank exhibits a poor geographic distribution of loans in the Dallas-Plano Irving MD.

***Home Mortgage Loans***

Refer to Table O in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

**Dallas-Plano-Irving MD**

The percentage of the bank's loans in low-income CTs is near to the aggregate but well below the percentage of owner-occupied units. The percentage of the bank's loans in moderate-income CTs is significantly below the aggregate and the percentage of owner-occupied units.

***Small Loans to Businesses***

Refer to Table Q in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

**Dallas-Plano-Irving MD**

The bank did not originate or purchase a sufficient number of small loans to businesses in the Dallas-Plano-Irving MD to perform a meaningful analysis.

***Lending Gap Analysis***

The OCC identified conspicuous gaps in the distribution of lending in LMI geographies in the AA. Despite a reasonable distribution of the bank's branches across the AA, the bank made few or no loans in significant segments of the AA, including LMI areas with branches or near to branches. This had a negative impact on the conclusion regarding the bank's geographic distribution of loans.

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

The bank exhibits a poor distribution of loans among individuals of different income levels, and businesses and farms of different sizes, given the product lines offered by the institution. In concluding on the bank's performance, the OCC considered performance context factors. Consequently, the OCC considered the bank's performance in comparison to the aggregate and adjusted otherwise very poor performance to poor.

***Home Mortgage Loans***

Refer to Table P in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Dallas-Plano-Irving MD

The bank did not make any home mortgage loans to low-income borrowers in the Dallas-Plano-Irving MD. The percentage of the bank's loans to moderate-income borrowers is significantly below the aggregate and well below the percentage of moderate-income families.

*Small Loans to Businesses*

Refer to Table R in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Dallas-Plano-Irving MD

The bank did not originate or purchase a sufficient number of small loans to businesses in the Dallas-Plano-Irving MD to perform a meaningful analysis.

**Community Development Lending**Dallas-Plano-Irving MD

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. It is important to note that there are significant opportunities for CD lending in the bank's AAs.

The institution has made one CD loan totaling \$5 million in the Dallas-Plano-Irving MD. The loan provided 125 units of affordable housing for LMI.

The bank made two loans totaling \$14.4 million in the Austin MSA. In addition, WaFd originated two CD loans totaling \$17.8 million outside the bank's AAs, but within the state of Texas. Overall, the level of CD lending positively impacted the bank's Lending Test rating in the state of Texas.

**Product Innovation and Flexibility**

In responses to the challenges in generating home mortgage loans to LMI individuals in the Dallas-Plano-Irving MD, the bank implemented a flexible home mortgage loan program, which required three percent down and was restricted to borrowers with an income of 80 percent or less of the median family income. Bank employees started developing this program in January 2019. The program received approval in May 2019, but the program was not fully developed and approved until September 2019. However, due to slightly higher rates and other requirements, the program was not successful, and the bank did not make any loans.

## Conclusions for Area Receiving a Limited-Scope Review

In the bank's limited-scope AA, the Austin MSA, the bank did not originate a sufficient number of home mortgage or small business loans to perform a meaningful analysis. As this AA is only serviced by a single ATM, performance in the limited-scope AA has a neutral impact on the Lending Test rating.

Refer to Tables O through V in the state of Texas section of appendix D for the facts and data that support these conclusions.

## INVESTMENT TEST

The bank's performance under the Investment Test in Texas is rated Outstanding.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Dallas MSA is excellent.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 93.4 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd occasionally uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Dallas-Plano-Irving MD	1	1,125	31	1,964	32	97.0	3,088	86.1	1	540
Limited-Scope:										
Austin MSA	0	0	1	500	1	3.0	500	13.9	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

During the current period, the bank advanced \$667,101 towards a private equity fund and has committed to fund an additional \$540,262 to support long-term capital needs of the project financed by the fund. The bank also purchased \$1.2 million in affordable housing securities and made \$135,221 in grants in the AA. Prior period investments represent one LIHTC fund providing financing and rehabilitation of a

168-unit affordable housing project restricted to LMI tenants in the AA. Total investment activity in the AA represents 14.6 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Notable investments and grants in the AA include:

- A \$1.2 million investment in a private equity fund for preservation of 127 affordable housing units for LMI tenants.
- Five grants totaling \$48,300 to an organization that provides transitional housing, food, clothing, and life skills training to homeless teens.
- Four grants totaling \$29,900 to an organization to sponsor seven local schools serving LMI students in the AA for financial literacy education.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Austin MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. The Austin MSA does not have a physical branch but has a deposit taking ATM preventing the allocation of specific deposits to this AA to measure against investment performance. The \$500,000 investment in this AA further strengthens the already Outstanding performance in the State of Texas.

### **SERVICE TEST**

The bank's performance under the Service Test in Texas is rated Low Satisfactory. Considering the bank has a very limited presence in Texas marked by very low deposit market share and, to a lesser extent, restrictions on branching, more weight was placed on high level of CD services.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Dallas-Plano-Irving MD is adequate. More weight was placed on CD services given the bank's very low deposit market share and, to a lesser extent, restrictions on branching.

### **Retail Banking Services**

Delivery systems are unreasonably inaccessible to portions of the AA, particularly LMI geographies and/or LMI individuals. Performance is slightly mitigated by accessibility to nearby LMI tracts, but customer metrics was not available to support actual use by residents in these nearby geographies.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Austin MSA	0	0*	0	0	0	0	0	15.4	22.0	28.4	32.3
Dallas-Plano-Irving MD	100	6	100	0	0	33.3	66.7	11.8	26.1	27.4	34.5

\*One deposit-taking ATM is located in this AA.

In the Dallas-Plano-Irving MSA, the bank has no branches in low- or moderate-income tracts. Four branches are located very near two low-income and two moderate-income tracts, and lending data indicate some lending penetration to LMI tracts. The bank also has a very limited presence in this competitive market, with a deposit market share of just 0.07 percent. These contextual factors did not result in an overall assessment of reasonable accessibility, but they did positively impact our assessment.

To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in six locations. The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

To the extent changes have been made, the institution's opening and closing of branches has improved the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. In 2017, WaFd opened one new branch (Lovers Lane location) in an upper-income tract, and the bank branch is located across the street from a moderate-income tract.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. Branches and drive-through facilities have the same business hours and are open 9 am to 5 pm Monday through Friday, except for the Highland Springs location (in an upper-income tract) that has limited hours of 1 pm to 4 pm. Three branch locations have drive-through facilities. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

## Community Development Services

The institution provides a relatively high level of CD services. Over the evaluation period, the institution actively increased the level of service hours in this AA.

In the Dallas-Plano-Irving MD, 20 bank employees provided a total of 234 qualifying service hours to approximately 16 organizations. They provided 134 hours of financial literacy education, 74 hours of community services to LMI individuals and families, 18 service hours related to affordable housing, and nine economic development service hours. A small number of service hours related to financial literacy included serving as a board member for a qualifying organization, totaling 3 percent of total service hours. Financial literacy and community service hours primarily involved providing financial literacy education to LMI public school students through programs such as Junior Achievement and EverFi, other targeted financial workshops geared toward LMI women, tax preparation assistance for low-income seniors, and fundraising assistance for a community service organization.

Community contacts identified affordable housing as a need in the AA, along with small business development, improved lending opportunities for start-ups, and funding for downtown revitalization efforts. A couple of examples of meaningful services in the Dallas-Plano-Irving MD are summarized below:

- Journey to Dream (almost 30 hours) – A bank employee served on a fundraising committee of this organization. Their mission is to empower, equip, and embrace victimized, at-risk, and homeless teens to overcome adversity and homelessness through education, life skills, and positive experiences, thereby enabling self-sufficient and productive adults.
- Habitat for Humanity of Collin County (over 10 hours) – A bank employee served on the ‘Family Selection Committee’ of this organization, whose mission is to eliminate substandard housing through building affordable housing. This activity is considered particularly responsive.

## Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Service Test in the Austin MSA is consistent with the bank’s overall performance under the Service Test in the full-scope area. Given that this AA is served by only an ATM, performance in the limited scope AA has no impact on the overall Service Test rating.

## State Rating

### State of Utah

**CRA rating for the State of Utah:** Satisfactory  
**The Lending Test is rated:** Low Satisfactory  
**The Investment Test is rated:** High Satisfactory  
**The Service Test is rated:** Low Satisfactory

The major factors that support this rating include:

- Lending levels that reflect excellent responsiveness to AA needs;
- An adequate geographic distribution of loans in LMI geographies, which was negatively impacted by lending gaps that could not be explained;
- A poor distribution of loans among individuals of different income levels;
- A relatively high level of CD loans, which had a positive impact on the Lending Test rating;
- A good level of CD investments that are responsive to AA needs, which was negatively impacted by performance in the limited-scope AAs;
- Retail delivery systems are reasonably accessible to geographies and individuals in the AA; and
- An excellent level of CD services that are responsive to AA needs and have a positive impact on the Service Test.

### Description of Institution's Operations in Utah

WaFd operates 10 branches in the state of Utah serving four AAs in the state. The AAs are the Logan MSA, the Ogden-Clearfield MSA, the Salt Lake City MSA, and two non-metropolitan counties combined into the Utah non-MSA. Branches in the state represent 4 percent of all the bank's branches and hold \$373.6 million, or 3 percent of total deposits bank-wide. Utah accounts for 6 percent of total WaFd's HMDA loans, and 1 percent of total CRA loans.

#### Salt Lake City MSA

WaFd operates seven branch offices in the Salt Lake City MSA AA. The bank offers its full range of products and services within this AA. The bank's primary lending focus in the AA during the evaluation period was home mortgage loans. As of June 30, 2019, WaFd had \$288.8 million in deposits from this AA, representing 2.43 percent of total bank-wide deposits. There is strong competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The bank has a 0.05 percent deposit market share in this AA and ranks 27<sup>th</sup>

among the 39 deposit-taking institutions operating within the AA. The top five banks in terms of deposit market share in this AA are Ally Bank; Morgan Stanley Bank, NA; American Express National Bank; Synchrony Bank; and UBS Bank USA. Together these banks account for 76.14 percent of deposit market share for this AA.

HMDA loans within the AA total 3.43 percent of all HMDA-reportable loans originated by WaFd during the review period. CRA loans within this AA total 1.01 percent of all CRA-reportable loans originated bank-wide.

### *Demographics*

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	212	3.3	24.1	40.6	30.7	1.4
Population by Geography	1,078,958	3.2	22.8	43.1	30.0	0.9
Housing Units by Geography	372,990	3.1	24.3	42.6	29.2	0.7
Owner-Occupied Units by Geography	233,092	1.5	17.5	44.9	35.6	0.5
Occupied Rental Units by Geography	118,800	6.4	36.9	39.4	16.1	1.2
Vacant Units by Geography	21,098	2.3	28.9	35.3	33.3	0.2
Businesses by Geography	109,968	2.9	21.2	39.3	35.8	0.9
Farms by Geography	1,703	2.2	19.8	40.2	37.3	0.4
Family Distribution by Income Level	247,693	19.9	17.6	22.0	40.5	0.0
Household Distribution by Income Level	351,892	22.3	16.6	20.4	40.6	0.0
Median Family Income MSA - 41620 Salt Lake City, UT MSA		\$71,849	Median Housing Value			\$247,942
			Median Gross Rent			\$966
			Families Below Poverty Level			9.2%
Source: 2015 ACS 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.						

The Salt Lake City MSA consists of Salt Lake County. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. WaFd operates seven branches in this AA; three are in middle-income CTs, and four are in upper-income CTs.

FFIEC data shows that the 2018 Median Family Income for the AA was \$79,700, an 11 percent increase from the 2015 ACS Median Family Income of \$71,849. Low-income families in the AA earned a median annual income of \$39,850 or less and moderate-income families earned an annual income of \$39,850 to \$63,760.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, unemployment in the Salt Lake City MSA was 2.1 percent as of December 31, 2019. This is slightly lower than the state of Utah's unemployment rate of 2.2

percent and lower than the U.S. unemployment rate of 3.7 percent. Unemployment in the AA fell significantly since January 2010 when then unemployment rate was 8.2 percent.

Major industries in the AA include professional and business services, government, education and health services, retail trade, and leisure and hospitality services. According to Moody's Analytics, major employers in the state include the University of Utah; Intermountain Health Care, Inc.; Walmart, Inc.; Delta Airlines; and Smith's Food & Drug.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Salt Lake City MSA at 4.1 compared to the State of Utah's affordability ratio of 3.7 and the affordability ratio of the U.S. of 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The median housing value in the Salt Lake City MSA AA is 4.1 times the median income in the AA. This is higher than the affordability ratio for both the state of Utah and for the nation, meaning that housing for this AA is less affordable than for the rest of the state of Utah and the U.S.

According to the 2018 ACS, the median housing value for this AA was \$329,200, up 33 percent from the median housing value of \$247,942 in 2015. The median gross rent for the AA was \$1,133, compared to \$966 in 2015. The percentage of housing units in this AA that were owner-occupied in 2018 was 67.4 percent.

### *Community Contact*

The OCC reviewed information received from several community organizations. Each organization was focused on CD issues specific to this AA. Comments from many of the organizations indicated that primary credit needs in the local area center around affordable housing for LMI families, affordable small-dollar consumer lending, and small-dollar business lending. Comments regarding prominent non-credit needs indicated the necessity for financial literacy programs customized to various community needs and populations, additional flexibility by financial institutions in the accessibility of deposit and loan products for LMI persons, and provision of financial products and education in different languages. Comments also included opportunities for banks to become more involved by providing funding for local communities and community development organizations in the form of grants, low-interest EQ2 investments, and increased investment in CDFIs.

## **Scope of Evaluation in Utah**

Ratings in the state of Utah are based primarily on the bank's performance in the full-scope AA, the Salt Lake City MSA. This AA was selected because a substantial portion (77 percent) of the bank's deposits in the state were gathered in this AA. In addition, 55 percent of the statewide home mortgage loans and 78 percent of the CRA loans were originated/purchased in this AA. This evaluation also considered the

bank's performance in the limited-scope AAs. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, less weight was placed on the bank's performance in the state of Utah. WaFd gathered 3 percent of its deposits and originated or purchased 6 percent of home mortgage loans and 1 percent of CRA loans in the state. The bank operates 10 branches in Utah.

When evaluating the bank's performance under the lending test, all weight was placed on home mortgage loans. Home mortgage loans represent 97 percent of total state loans and CRA loans represent only 3 percent. Furthermore, the bank did not make a sufficient number of CRA loans in any AA to perform a meaningful analysis. The analysis also considered the volume of CD lending and other performance factors as well. Finally, due to changes in the bank's Utah non-MSA AA, the analysis of the bank's lending data is separated into two data sets, 2017 and 2018-2019.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN UTAH

### LENDING TEST

The bank's performance under the Lending Test in the state of Utah is rated Low Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Salt Lake City MSA is adequate given the positive impact of the bank's CD lending.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs in the Salt Lake City MSA. The number and dollar volume of loans for all of the bank's AAs in the state of Utah are noted below.

Assessment Area	Number of Loans*					%State Loans	%State Deposits
	Home Mortgage	Small Business	Small Farm	Community Development	Total		
Logan MSA	45	1	0	0	46	7.32	14.31
Ogden-Clearfield MSA	150	1	0	4	155	24.68	2.33
Salt Lake City MSA	331	14	0	7	352	56.05	77.30
Utah Non-MSA	72	2	0	1	75	11.94	6.06

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Logan MSA	12,967	3	0.00	0	12,970	3.18	14.31
Ogden-Clearfield MSA	61,637	694	0.00	13	62,344	15.28	2.33
Salt Lake City MSA	279,993	4,177	0.00	6,496	290,666	71.24	77.30
Utah Non-MSA	38,350	165	0.00	3,500	42,015	10.30	6.06

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Salt Lake City MSA

The proportion of the bank's loans is higher than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in Salt Lake City MSA is 2.43 percent. In comparison, the proportion of home mortgage loans in the AA is 3.43 percent and the proportion of small business loans is 1.01 percent.

The bank's market share and rank in loans is greater than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with seven branches. The bank has a 0.05 percent deposit market share and ranks 27<sup>th</sup> among 39 financial institutions. In comparison, the bank has a market share of 0.24 percent and ranks 61<sup>st</sup> among 379 lenders for home mortgage loans and a market share of 0.03 percent and ranks 54<sup>th</sup> among 112 lenders for small business loans. The bank's market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 30.38 percent of the market share and the top five small business lenders hold 70.56 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 83.91, which is higher than its deposit market share percentile rank of 30.77. The small business loan market share percentile rank is 51.79, which is also higher than the deposit percentile.

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

The bank exhibits an adequate geographic distribution of loans in its Salt Lake City AA.

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

The bank's geographic distribution of home mortgage loans is adequate. Refer to Table O in the state of Utah section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

## Salt Lake City MSA

2017

The percentage of the bank's home mortgage loans in low-income CTs is well below the aggregate and the percentage of owner-occupied housing units. However, only 1.5 percent of the owner-occupied housing units is located in low-income CTs. In addition, the percentage of home mortgage loans in moderate-income CTs exceeds both the aggregate and the percentage of owner-occupied housing units in moderate-income CTs.

2018-2019

The percentage of the bank's home mortgage loans in low-income CTs is well below the aggregate and the percentage of owner-occupied housing units in low-income CTs. In addition, the percentage of the bank's loans in moderate-income CTs is also well below the aggregate and the percentage of owner-occupied housing units in moderate-income CTs.

### ***Small Loans to Businesses***

Refer to Table Q in the state of Utah section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

During the 2017 and 2018-2019 review periods, the bank did not originate a sufficient number of small loans to businesses in either the full-scope or the limited-scope AAs to perform a meaningful analysis.

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

The OCC identified some significant gaps in the distribution of lending in LMI geographies in the AA. Although the bank's branches are located in suburban areas, the number and dispersion of loans indicate the bank has the capacity to lend across the entire MSA. Some gaps were explainable, while others were not. This had a neutral impact on our conclusion regarding the bank's geographic distribution of loans.

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

The bank exhibits a poor distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution. In concluding on the bank's performance, the OCC considered performance context factors and adjusted the bank's performance to poor from otherwise very poor borrower distribution.

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

Refer to Table P in the state of Utah section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Salt Lake City MSA**

*2017*

The percentage of the bank's home mortgage loans to low-income borrowers is significantly below the aggregate and the percentage of low-income families. The percentage of the bank's loans to moderate-income borrowers is well below the aggregate, but nearly meets the percentage of moderate-income families.

*2018-2019*

The percentage of the bank's home mortgage loans to low-income borrowers is well below the aggregate and the percentage of low-income families. The percentage of the bank's loans to moderate-income families is significantly below the aggregate, and it is below the percentage of moderate-income families.

The bank's weaker performance during the review period is partially explainable due to the increased cost of producing new homes, rising interest rates during the review period, and a reduced inventory of affordable homes. During the review period, housing prices increased at twice the rate of incomes. The rising price of homes, coupled with the undersupply of new housing units, has created a housing shortage in the state, particularly in the more urban areas of the Wasatch Front. However, there are still areas that are more affordable than others and continue to provide opportunities for moderate-income families to purchase single family residences. In addition, it is important to note that home mortgage loans also include refinance and home improvement loans, which are not affected by the rising cost of housing.

### ***Small Loans to Businesses***

Refer to Table R in the state of Utah section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

During the 2017 and 2018-2019 review periods, the bank did not originate a sufficient number of small loans to businesses in either the full-scope or the limited-scope AAs to perform a meaningful analysis.

## **Community Development Lending**

### Salt Lake City MSA

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. There are significant opportunities for CD lending in the bank's AAs.

The bank has made a relatively high level of CD loans in the Salt Lake City MSA. The bank made seven loans totaling \$6.5 million. The loans helped provide 323 units of affordable housing for LMI individuals in the Salt Lake City MSA.

WaFd also made a \$3 million CD loan in the Utah non-MSA and a \$13,000 CD loan in the Ogden-Clearfield MSA. In addition, the bank made two CD loans totaling nearly \$8,000 outside the bank's AAs, but within the state of Utah. Overall, the bank's lending in the bank's AAs positively impacted the bank's Lending Test rating in the state of Utah.

### **Product Innovation and Flexibility**

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Ogden-Clearfield MSA and the Utah non-MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. The bank did not make a sufficient number of home mortgage loans in the Logan MSA to perform a meaningful analysis. Performance in the Logan MSA has a negative impact on the over Lending Test rating but is negated by the positive impact of CD lending.

Refer to Tables O through V in the state of Utah section of appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in Utah is rated High Satisfactory. Weaker performance in the limited-scope AAs had a negative impact on the overall Investment Test rating.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Salt Lake City MSA is excellent.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 97.9 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd occasionally uses innovative and/or complex investments to support CD initiatives.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Salt Lake City MSA	1	1,731	27	2,754	28	75.7	4,486	62.7	2	1,310
Limited-Scope:										
Logan MSA	0	0	2	2	2	5.4	2	0.0	0	0
Ogden-Clearfield MSA	1	2,039	1	315	2	5.4	2,354	32.9	0	0
Utah Non-MSA	0	0	5	308	5	13.5	308	4.3	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

During the current period, the bank advanced \$1.6 million towards two private equity funds and has committed to fund an additional \$1.3 million to support long-term capital needs of the projects financed by the funds. The bank also purchased \$1.0 million in affordable housing securities and made \$95,000 in grants in the AA. Prior period investments represent one LIHTC fund providing financing for the rehabilitation of a 32-unit affordable housing project in the AA. Total investment activity in the AA represents 14.2 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Notable investments and grants in the AA include:

- A \$1.1 million investment in a private equity fund for preservation of a 247-unit housing complex. Of the 247 units, 191 units are restricted to LMI tenants.
- Two grants totaling \$30,000 to an organization that promotes revitalization of neighborhoods and creates affordable housing.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Ogden MSA and Utah non-MSA is consistent with the bank's overall performance under the Investment Test in the full-scope areas and is excellent. Performance in the Logan MSA is weaker than the performance in the full-scope AAs. Performance in the Logan MSA is very poor and negatively impacts overall performance in the limited-scope areas as deposits in the AA represents 14 percent of deposits in the

State of Utah and represents the second largest AA in the state. Overall performance in limited-scope AAs is adequate and has a negative impact on the overall Investment Test rating.

## SERVICE TEST

The bank's performance under the Service Test in Utah is rated Low Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Salt Lake City MSA is adequate. Considering the bank has a very limited presence in this AA marked by very low deposit market share and, to a lesser extent, restrictions on branching, more weight was placed on high level of CD services.

## Retail Banking Services

Delivery systems are unreasonably inaccessible to portions of the AA, particularly LMI geographies and/or LMI individuals.

Distribution of Branch Delivery System											
Assessment Area	Deposits		Branches					Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Logan MSA	14.3	1	10.0	0.0	100.0	0.0	0.0	6.8	22.2	40.2	30.8
Ogden-Clearfield MSA	2.3	1	10.0	0.0	0.0	100.0	0.0	1.8	21.2	45.4	31.7
Salt Lake City MSA	77.3	7	70.0	0.0	0.0	42.9	57.1	3.2	22.8	43.1	30.0
Utah Non-MSA	6.1	1	10.0	0.0	100.0	0.0	0.0	0	7.4	48.6	43.6

In the Salt Lake City MSA, the bank has no branches in low- or moderate-income tracts. Two locations are very near four LMI tracts, and lending data indicates some lending penetration in LMI tracts. The bank also has a very limited presence in this competitive market, with a deposit market share of just 0.05 percent. These contextual factors did not result in an overall assessment of reasonable accessibility, but they did positively impact our assessment.

To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in seven locations, but none of them are in LMI tracts. The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on

these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Logan MSA	0	0	0	0	0	0
Ogden-Clearfield MSA	0	0	0	0	0	0
Salt Lake City MSA	0	0	0	0	0	0
Utah Non-MSA	0	0	0	0	0	0

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have substantially similar business hours and are open Monday through Friday. In the Salt Lake City MSA, all locations have drive-through facilities. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

### Community Development Services

The institution provides a relatively high level of CD services.

In the Salt Lake City MSA, 30 bank employees provided a total of 714 qualifying service hours to approximately 25 organizations. They provided 384 hours of financial literacy education, 185 service hours related to economic development, 105 service hours related to affordable housing, and 40 hours of community services to LMI individuals and families. A good number of service hours related to economic development, and some hours related to other service types included serving as a board member for a qualifying organization, and these hours represented about 28 percent of total service hours in the AA. Financial literacy hours primarily involved providing financial literacy education to public school students through programs such as Junior Achievement, Save at School, and Money Smart. Economic development service hours primarily involved work with the Utah Microenterprise Loan fund, a Community Development Financial Institution, that works in partnership with banks to help launch or expand small businesses across the state.

Community contacts commented that area needs include affordable housing, small dollar loans for both consumers and small businesses, and financial literacy tailored for various diverse audiences.

Opportunities exist for banks to be more involved in investing through community development organizations. A couple of examples of meaningful community services in the Salt Lake City MSA, which are both considered especially responsive, are summarized below:

- Utah Microenterprise Loan Fund (over 150 hours) – A bank employee served on the board of this organization, whose mission is to empower underserved communities throughout Utah by providing business training and funding to entrepreneurs in start-up and existing businesses that do not qualify for traditional funding sources.
- NeighborWorks Salt Lake (over 100 hours) – Two bank employees served in a leadership capacity (loan committee and board) at this organization, whose mission is revitalizing neighborhoods and creating affordable housing by providing dynamic and creative leadership through partnerships with residents, youth, businesses, and government entities.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Logan MSA and the Utah non-MSA is stronger than the bank's overall performance in the full-scope AA. Performance in the Ogden-Clearfield MSA is consistent with the bank's overall performance in the full-scope AA. The limited-scope AAs with stronger performance, based on branch distribution, hold 20 percent of statewide deposits. Performance in the limited-scope AAs had a positive impact on the overall Service Test rating.

## State Rating

### State of Washington

**CRA rating for the State of Washington<sup>3</sup>:** High Satisfactory

**The Lending Test is rated:** Low Satisfactory

**The Investment Test is rated:** Outstanding

**The Service Test is rated:** Outstanding

The major factors that support this rating include:

- Lending levels that reflect adequate responsiveness to AA needs;
- A good distribution of loans among individuals of different income levels and businesses of different sizes;
- The lack of CD lending in seven of the 12 AAs had negative impact on the overall Lending Test rating;
- An excellent level of CD investments that are responsive to AA needs;
- Retail delivery systems are readily accessible to geographies and individuals in the AA; and
- A relatively high level of CD services that are responsive to AA needs and have a positive impact of the Service Test.

### Description of Institution's Operations in Washington

The State of Washington is WaFd's most prominent state in terms of both amount and percent of the bank's total branches, deposits, HMDA loans, and CRA loans. WaFd has 80 branches in the state of Washington, 34 percent of all WaFd branches, and services 12 AAs. The AAs include the Bellingham MSA, the Bremerton-Silverdale-Port Orchard MSA, the Lewiston ID-WA MSA, the Mount Vernon-Anacortes MSA, the Olympia-Lacey-Tumwater MSA, the Seattle-Bellevue-Kent MD, the Spokane-Spokane Valley MSA, the Tacoma-Lakewood MD, the Walla Walla MSA, the Wenatchee MSA, the Yakima MSA, and 15 non-metropolitan counties combined into the Washington non-MSA.

Deposits in Washington total \$5.3 billion and represent 45 percent of all WaFd deposits bank-wide. In addition, 50 percent of all WaFd HMDA loans and 27 percent of all CRA loans originated by WaFd during the evaluation period were in the state of Washington. Because the dominant share of WaFd's

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<sup>3</sup> The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

presence and performance is in the state of Washington compared to all other states, WaFd's performance in Washington is given primary weighting in this examination.

### Bellingham MSA

The Bellingham MSA consists of Whatcom County. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates seven branches in this AA; five are in middle-income CTs, and one is in a moderate-income CT. The income level for one CT was not available.

WaFd offers its full range of products and services within this AA. The bank's most significant loan product in the AA during the evaluation period was home mortgage loans. As of June 30, 2019, the bank held \$375.4 million in deposits in this AA, representing 3.16 percent of total bank-wide deposits. The bank has a 9.15 percent deposit market share in this AA and ranks fourth among the 14 deposit-taking institutions operating within the AA. There is moderate competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The top five banks within the AA in terms of deposits are: Peoples Bank; Bank of America, NA; US Bank, NA; Washington Federal Bank, NA; and Wells Fargo Bank, NA. Together, these five banks account for 62.09 percent of deposit market share in this AA.

Total HMDA loans within the AA total 5.19 percent of all HMDA-reportable loans originated by WaFd during the evaluation period. Total CRA-reportable loans within this AA total 2.97 percent of all CRA-reportable loans originated bank-wide.

## Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	34	2.9	5.9	73.5	14.7	2.9
Population by Geography	207,100	3.4	7.5	74.3	14.0	0.8
Housing Units by Geography	91,911	3.5	6.7	74.8	14.0	1.0
Owner-Occupied Units by Geography	50,359	1.0	4.1	77.8	17.0	0.1
Occupied Rental Units by Geography	29,408	8.5	13.1	65.0	10.7	2.6
Vacant Units by Geography	12,144	1.8	1.8	85.8	9.7	0.9
Businesses by Geography	18,877	1.7	5.4	72.5	14.8	5.6
Farms by Geography	993	1.3	2.1	82.1	14.4	0.1
Family Distribution by Income Level	49,259	20.8	17.1	22.5	39.6	0.0
Household Distribution by Income Level	79,767	25.4	15.8	17.0	41.9	0.0
Median Family Income MSA - 13380 Bellingham, WA MSA		\$68,376	Median Housing Value			\$276,439
			Median Gross Rent			\$938
			Families Below Poverty Level			10.1%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

According to FFIEC data, the 2018 Median Family Income for the AA was \$77,500, a 13 percent increase from the 2015 ACS Median Family Income of \$68,376. In 2018, low-income families in the AA earned a median annual income of \$38,749 or less, and moderate-income families earned an annual income of \$38,750 to \$62,000.

## Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in this AA decreased during the evaluation period but is higher than the national average. The national unemployment rate as of December 31, 2019, was 3.7 percent. The MSA's unemployment rate was 4.7 percent as of December 31, 2019. Unemployment in the AA fell significantly since January 2010 when levels were at 10.9 percent.

In the Bellingham MSA AA, major industries include government, education and health services, retail trade, leisure and hospitality services, and manufacturing. According to Moody's Analytics, major employers in this AA include St. Joseph Hospital, Lummi Nation, Western Washington University, BP Cherry Point, and Mayberry Packing, LLC.

## Housing

The 2018 ACS statistics estimated an affordability ratio for the Bellingham, WA MSA at 4.7 compared to the State of Washington at 4.3 and the U.S. at 3.0. The affordability ratio measures home ownership opportunity by dividing the median value of owner-occupied housing by the median household income

of the area. According to the 2018 ACS, 61 percent of the total housing units in the AA were owner occupied. The median housing value for this AA was \$362,500 in 2018, up 31 percent from 2015 when the median housing value was \$276,439, and that median gross rent for this AA was \$1,110, up 18 percent from 2015's median gross rent of \$938.

### *Community Contacts*

The OCC reviewed community contact information from three organizations that are focused on CD issues specific to this AA. One is a social service organization providing housing and employment assistance to the local LMI and homeless population, financial education, home improvement and weatherization programs, early learning programs, and development of affordable multifamily rental housing and permanent supportive housing for formerly homeless persons. The contact noted that there is a big imbalance between wages and housing costs, and that there are few rental units that are affordable to low-income persons. Areas of opportunity for financial institutions include financing with flexible and affordable terms for developers of affordable housing, involvement with first-time developers (e.g. in LIHTC projects), financial literacy for LMI individuals, and commercial loans for small businesses.

Another organization is a local housing authority focusing on providing quality affordable housing for LMI families, elderly households, and persons with disabilities. The contact stated there is a problem finding affordable housing for these populations. The contact also stated that the area is seeing an influx of workers from the Seattle area that are seeking more affordable housing, and that this dynamic puts a strain on the number of available rental/housing units in the area.

The third organization is an economic development organization in the area focusing on attracting and retaining jobs and private investment, and to provide access to economic development resources. The contact stated that businesses in the area have been thriving, but they are having difficulties finding qualified workers. The contact also commented that affordable housing is in great demand, as economic expansion in the Seattle area has pushed workers to seek affordable housing alternatives in this AA.

### Seattle-Bellevue-Kent MD

The Seattle-Bellevue-Kent MD comprises the northern portion of the Seattle-Tacoma-Bellevue MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. WaFd operates 37 branch offices in this AA. WaFd offers its full range of products and services within this AA. The bank's primary lending focus in the AA during the evaluation period was home mortgage loans. As of June 30, 2019, WaFd had \$3.37 billion in deposits from this AA, representing 28.34 percent of total bank-wide deposits. The bank has a 3.38 percent deposit market share in this AA and ranks sixth among the 47 deposit-taking institutions operating within the AA. There is strong competition for deposit opportunities in the AA. Competition includes large nationwide banks, regional banks, savings banks, and community banks. The top five banks within the AA in terms of deposits are Bank of

America, NA; Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; US Bank, NA; and KeyBank, NA. Together, these five institutions account for 73.35 percent of deposit market share in this AA.

Total HMDA loans within the AA total 21.18 percent of all HMDA-reportable loans originated by WaFd during the evaluation period. Total CRA-reportable loans within this AA total 16.16 percent of all WaFd CRA-reportable loans originated bank-wide.

### Demographics

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	549	5.6	22.8	41.5	29.1	0.9
Population by Geography	2,792,409	6.0	22.9	41.3	29.5	0.3
Housing Units by Geography	1,165,983	5.8	22.4	41.2	30.4	0.2
Owner-Occupied Units by Geography	651,888	3.0	18.1	44.8	34.1	0.0
Occupied Rental Units by Geography	442,529	9.7	28.4	36.2	25.3	0.4
Vacant Units by Geography	71,566	6.7	24.7	40.5	27.9	0.2
Businesses by Geography	245,638	6.0	19.2	37.5	36.9	0.5
Farms by Geography	5,103	4.2	18.0	46.2	31.5	0.1
Family Distribution by Income Level	675,378	21.5	17.5	20.6	40.4	0.0
Household Distribution by Income Level	1,094,417	24.1	16.1	17.8	42.0	0.0
Median Family Income MSA - 42644 Seattle-Bellevue-Kent, WA		\$92,317	Median Housing Value			\$380,393
			Median Gross Rent			\$1,228
			Families Below Poverty Level			6.9%
<p>Source: 2015 ACS and 2019 D&amp;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.</p>						

The Seattle-Bellevue-Kent MD AA consists of the counties of King and Snohomish. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. WaFd has 37 branches in this AA; four are in low-income CTs, 13 are in moderate-income CTs, 10 are in middle-income CTs, and 10 are in upper-income CTs. WaFd designated the entirety of King and Snohomish Counties as its AA.

According to FFIEC data, the 2018 Median Family Income for the AA was \$103,400, a 12 percent increase from the 2015 ACS Median Family Income of \$92,317. In 2018, low-income families in the AA earned a median annual income of \$51,699 or less, and moderate-income families earned an annual income of \$51,700 to \$82,720.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in this AA decreased during the evaluation period and is lower than the national average. As of December 31, 2019, unemployment in the MSA was

2.7 percent, which was lower than the national unemployment rate of 3.7 percent. Unemployment in the AA fell significantly since January 2010 when levels were at 9.6 percent.

In the Seattle-Bellevue-Kent MD AA, major industries include professional and business services, education and health services, government, retail trade, and leisure and hospitality services. According to Moody's Analytics, major employers in this AA include Boeing Co., Amazon, Microsoft Corp., the University of Washington, and Providence Health & Services.

### *Housing*

The 2018 ACS statistics estimated an affordability ratio for the Seattle-Bellevue-Kent MD at 5.5 compared to the State of Washington at 4.3 and the U.S. at 3.0. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. According to the 2018 ACS data, 59 percent of the total housing units in the AA were owner occupied. According to FFIEC data, the median housing value for this AA in 2018 was \$566,200, up 49 percent from the \$380,393 median house value for the AA in 2015. The median gross rent for this AA was \$1,642 in 2018, up from \$1,228 in 2015.

### *Community Contacts*

The OCC reviewed community contact information from three organizations that are focused on CD issues specific to this AA. One is an economic development organization that focuses on generating revenue to enable the private sector to invest, create jobs, and develop the local area. The organization offers business planning, referrals for financing, and small business loans through non-profits. This organization stated that there are opportunities for financial institutions to become involved by providing financial literacy education and providing small business loans.

Another organization provides prevention and intervention of substance abuse programs, counselors for elementary schools, after-school programs, and child care centers. The contact commented that although economic conditions have improved over the years, rising housing costs in the area make affordable housing a challenge, particularly affordable rental homes. The contact stated there are opportunities for financial institutions to provide homebuyer assistance programs to help home buyers buy a new home, including down payment assistance and financing for security deposits. In addition, the contact stated there is a significant need for access to funds and capital from institutions for small businesses.

The third organization focuses on helping minorities and low-income families and individuals obtain housing, achieve better health and nutrition, and access transportation. The contact stated that the cost of living in the AA has risen significantly more than the rest of the country, and that there is a lack of affordable housing and rental properties throughout the AA. The contact said there is also a need for non-predatory credit for low-income individuals who need a sudden credit line for unexpected expenses or crisis needs. Finally, the contact said there are opportunities for financial institutions to become more

involved in the area by offering financial empowerment programs, bank accounts, and financial education for lower-income persons.

## **Scope of Evaluation in Washington**

Ratings in the state of Washington are based primarily on the bank's ratings in the full-scope AAs, the Bellingham MSA and the Seattle-Bellevue-Kent MD. Although the Bellingham MSA represents only 7 percent of the bank's deposits in the state, 10 percent of home mortgage loans and 11 percent of CRA loans, this AA was selected in order to ensure that a qualitative and quantitative analysis of the AA is performed periodically. The Seattle-Bellevue-Kent MD was selected because it represents 64 percent of deposits, 43 percent of home mortgage loans, and 60 percent of CRA loans in the state. To a lesser extent, the bank's performance in the limited-scope AAs is considered in the overall rating, with the Washington non-MSA impacting the final rating the most. Refer to Appendix A: Scope of Examination for a list of the full- and limited-scope AAs.

In determining the bank's overall rating, substantial weight was placed on the bank's performance in the state of Washington. Deposits in the state total \$5.3 billion and represent 34 percent of all WaFd deposits bank-wide. In addition, 50 percent of home mortgage loans and 27 percent of all CRA loans originated by WaFd during the evaluation period were in the state of Washington. The bank operates 80 branches in the state representing 34 percent of all the bank's branches.

When evaluating the bank's performance under the lending test, substantially greater weight was placed on home mortgage loans than on CRA loans. Home mortgage loans represent 93 percent and CRA loans represent seven percent of total home mortgage and CRA loans. With the exception of the Bellingham MSA, the Seattle-Bellevue-Kent MD, and the Washington non-MSA, the number of CRA loans in all AAs in the state of Washington were insufficient to perform a meaningful analysis. This analysis also considered the volume of CD lending and other performance factors in determining the lending test rating as well. Finally, due to OMB changes that affected some of the bank's AAs, the bank's lending data for those AAs was analyzed during two separate review periods, 2017-2018 and 2019. AAs not impacted by OMB changes were evaluated in one review period, 2017-2019.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WASHINGTON**

### **LENDING TEST**

The bank's performance under the Lending Test in the state of Washington is rated Low Satisfactory. Overall, CD lending had a negative impact on the Lending Test rating. While CD lending had a positive impact on the Seattle-Bellevue-Kent MD, the lack of CD lending in seven of the 12 AAs had a negative impact on the overall Lending Test rating.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Bellingham MSA is adequate and performance in the Seattle-Bellevue-Kent MD is good. Given the proportion of the bank's deposits and loans in the Seattle-Bellevue-Kent MD, performance in this AA has a significant impact on the overall Lending Test rating.

### Lending Activity

Lending levels reflect an adequate responsiveness to AA credit needs. In the Bellingham MSA, the lending levels are good. However, in the Seattle-Bellevue-Kent AA lending levels are adequate. The number and dollar volume of loans for all of the bank's AAs in the state of Washington are noted below.

Assessment Area	Number of Loans*				Total	%State Loans	%State Deposits
	Home Mortgage	Small Business	Small Farm	Community Development			
Bellingham MSA	501	39	2	0	542	10.43	7.07
Bremerton-Silverdale-Port Orchard MSA	224	1	0	1	226	4.35	1.45
Lewiston ID-WA MSA	21	17	0	0	38	0.73	0.79
Mount Vernon-Anacortes MSA	292	14	0	0	306	5.89	6.43
Olympia-Lacey-Tumwater MSA	91	8	0	0	99	1.91	1.35
Seattle-Bellevue-Kent MD	2,045	223	0	15	2,283	43.94	63.51
Spokane-Spokane Valley MSA	153	11	2	2	168	3.23	2.52
Tacoma-Lakewood MD	277	11	0	2	290	5.58	1.75
Walla Walla MSA	55	1	0	0	56	1.08	1.05
Washington Non-MSA	881	28	8	6	923	17.76	11.06
Wenatchee MSA	219	7	0	0	226	4.35	2.70
Yakima MSA	34	5	0	0	39	0.75	0.33

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Bellingham MSA	188,192	11,907	646	0	200,745	8.38	7.07
Bremerton-Silverdale-Port Orchard MSA	98,344	75	0	275	98,694	4.12	1.45
Lewiston ID-WA MSA	3,062	4,551	0	0	7,613	0.32	0.79
Mount Vernon-Anacortes MSA	98,585	3,148	0	0	101,733	4.25	6.43
Olympia-Lacey-Tumwater MSA	32,570	1,847	0	0	34,417	1.44	1.35
Seattle-Bellevue-Kent MD	1,234,797	75,407	0	34,101	1,344,305	56.14	63.51
Spokane-Spokane Valley MSA	37,133	2,756	209	4,306	44,404	1.85	2.52
Tacoma-Lakewood MD	135,828	3,338	0	2,100	141,266	5.90	1.75
Walla Walla MSA	10,756	20	0	0	10,776	0.45	1.05
Washington Non-MSA	297,745	4,716	1,180	12,485	316,126	13.20	11.06
Wenatchee MSA	84,340	293	0	0	84,633	3.53	2.70
Yakima MSA	8,524	1,235	0	0	9,759	0.41	0.33

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### Bellingham MSA

The proportion of the bank's loans is significantly greater than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Bellingham MSA is 3.16 percent. In comparison, the proportion of home mortgage loans in the AA is 5.19 percent and the proportion of small business loans is 2.99 percent. It is important to note that small business loans represent less than 8 percent of the total loans analyzed in the AA.

The bank's market share and rank in loans is weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with seven branches. The bank has a 9.15 percent deposit market share and ranks fourth among 14 financial institutions. In comparison, the bank has a market share of 2.34 percent and ranks 12<sup>th</sup> among 64 lenders for home mortgage loans and a market share of 0.36 percent and ranks 24<sup>th</sup> among 59 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 40.0 percent of the market share and the top five small business lenders hold 59.27 percent of the market share.

Relative to competition, the bank's home mortgage loan market share percentile rank is 81.25, which is higher than its deposit market share percentile rank of 71.43. The small business loan market share percentile rank is 59.32, which is lower than the deposit percentile. However, as noted above, the bank's small business loans represent only six percent of total home mortgage and small business loans.

### Seattle-Bellevue-Kent MD

The proportion of the bank's loans is weaker than the proportion of the bank deposits in the AA. The proportion of the bank's deposits in the Seattle-Bellevue-Kent MD is 28.34 percent. In comparison, the proportion of home mortgage loans in the AA is 21.18 percent and the proportion of small business loans is 16.24 percent.

The bank's market share and rank in loans is weaker than its market share and rank in deposits. The bank's performance in the AA is driven by the fact that the AA represents a primary market with 37 branches, representing 46 percent of the branches in the state of Washington and 16 percent of all the bank's branches. The bank has a 3.38 percent deposit market share and ranks sixth among 47 financial institutions. In comparison, the bank has a market share of 0.58 percent and ranks 30<sup>th</sup> among 596 lenders for home mortgage loans and a market share of 0.10 percent and ranks 36<sup>th</sup> among 134 lenders for small business loans. The bank's weaker market share is impacted by the significant competition for home mortgage and small business loans in this AA. The top five home mortgage lenders hold 34.11 percent of the market share. The top five small business lenders hold 71.05 percent of the market share.

The bank's home mortgage loan market share percentile rank is 94.97, which is higher than its deposit market share percentile rank of 87.23. The small business loan market share percentile rank is 73.13, which is lower than the deposit percentile. However, small business loans represent less than 10 percent of total loans in the AA.

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

The bank exhibits a poor geographic distribution of loans in its AAs. In concluding on the bank's performance, OCC considered the high cost of housing and the lack of affordable housing for LMI individuals in the Seattle-Bellevue-Kent MD. Consequently, more weight was placed on comparison to the aggregate. The bank originates a substantial number of multifamily housing loans that are included in the home mortgage numbers and are compared to the percentage of owner-occupied housing units, but these properties are not owner-occupied.

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

The geographic distribution of home mortgage loans in the bank's full-scope AAs is poor. Refer to Table O in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Bellingham MSA

The percentage of the bank's loans in low-income CTs is well below the aggregate and below the percentage of owner-occupied housing units. The percentage of loans in moderate-income CTs is significantly below both the aggregate and the percentage of owner-occupied housing units.

Seattle-Bellevue-Kent MD

The percentage of the bank's loans in low-income CTs is significantly below the aggregate and well below the percentage of owner-occupied housing units. The percentage of loans in moderate-income CTs is well below the aggregate and below the percentage of owner-occupied housing units.

*Small Loans to Businesses*

The geographic distribution of small loans to businesses is adequate in the Bellingham MSA and excellent in the Seattle-Bellevue-Kent MD. Refer to Table Q in the state of Washington section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Bellingham MSA

The percentage of the bank's loans in low-income CTs is significantly below the aggregate and the percentage of businesses. The percentage of the bank's loans in moderate-income CTs exceeds the aggregate and the percentage of businesses.

Seattle-Bellevue-Kent MD

The percentage of the bank's loans in low-income CTs exceeds the aggregate and the percentage of businesses. The percentage of bank loans in moderate-income CTs is near to the aggregate and meets the percentage of businesses.

*Lending Gap Analysis*

There are minimal conspicuous gaps in the distribution of lending in LMI geographies in the AA. The maps show a reasonable distribution of loans across the AA. This had a neutral impact on the bank's geographic distribution of loans.

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

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution. In concluding on the

bank's performance, the OCC considered the high cost of housing and the lack of affordable housing for LMI individuals in the Seattle-Bellevue-Kent MD. Consequently, more weight was placed on comparison to the aggregate.

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

The borrower distribution of the bank's home mortgage loans is good in both the Bellingham MSA and the Seattle-Bellevue-Kent MD. Refer to Table P in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Bellingham MSA**

The percentage of the bank's loans to low-income borrowers exceeds the aggregate but is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers is near to the aggregate and the percentage of moderate-income families,

#### **Seattle-Bellevue-Kent MD**

The percentage of the bank's loans to low-income borrowers exceeds the aggregate but is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers is below the aggregate but is near to the percentage of moderate-income families.

### ***Small Loans to Businesses***

The borrower distribution of bank's small loans to businesses is poor in both the Bellingham MSA and the Seattle-Bellevue-Kent MD. Refer to Table R in the state of Washington section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### **Bellingham MSA**

The percentage of the bank's loans to small businesses is well below the aggregate and significantly below the percentage of small businesses.

#### **Seattle-Bellevue-Kent MD**

The percentage of the bank's loans to small businesses is well below the aggregate and significantly below the percentage of small businesses.

## Community Development Lending

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

There are significant needs and numerous opportunities for CD lending in the bank's AAs.

### Bellingham MSA

During the review period, the bank did not make any CD loans in the Bellingham MSA.

### Seattle-Bellevue-Kent MD

The bank has made a relatively high level of CD loans in the Seattle-Bellevue-Kent MD. During the review period the bank made 15 loans totaling \$34 million. The majority of the loans (13) provided 503 units of affordable housing for LMI individuals. The remaining two loans contributed to economic development. Some noteworthy examples are detailed below:

- As part of seven larger loans, the bank provided \$24.1 million in qualified CD lending which provided 179 affordable housing units for LMI individuals. These units are rent restricted to LMI individuals.
- The bank provided a \$2 million line of credit to a CDFI that lends to established nonprofits and growing and start-up businesses, including those that do not qualify for traditional loans.

In addition to the CD loans WaFd made in the Seattle-Bellevue-Kent MD, the bank also made one CD loan totaling \$275,000 in the Bremerton MSA, two CD loans totaling \$4.3 million in the Spokane MSA, two loans totaling \$2.1 million in the Tacoma MSA, six CD loans totaling \$12.5 million in the Washington non-MSA. The bank also made one loan totaling \$56,000 outside the bank's AAs, but within the state of Washington. Overall, the bank provided a low level of CD lending which had a negative impact on the Lending Test in the state of Washington.

## Product Innovation and Flexibility

The institution makes no use of innovative and/or flexible lending practices in order to serve AA credit needs.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Lewiston ID-WA MSA, the Olympia MSA, and the Walla Walla MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. In the Spokane-Spokane Valley MSA and the Tacoma-Lakewood MSA,

performance was stronger. In the Bremerton MSA, the Mount Vernon MSA, the Washington non-MSA, and the Wenatchee MSA the bank's performance was weaker and poor and the bank's performance was very poor in the Yakima MSA. The weaker performance in some AAs did not materially impact the bank's overall lending test performance because deposits and loans in these AAs did not represent a significant portion of the state totals.

The bank did not make a sufficient number of small loans to businesses in any of the limited-scope AAs to perform a meaningful analysis.

Refer to Tables O through V in the state of Washington section of appendix D for the facts and data that support these conclusions

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Washington is rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Seattle MD is excellent and in the Bellingham MSA is good. The Seattle MD represents the largest market for the bank in Washington holding 63 percent of its total deposit in the state and the Bellingham MSA is the third largest holding 7 percent of state deposits. As such, more weight is given to performance in the Seattle MD.

WaFd has an excellent level of qualified CD investment and grants, particularly those that are not routinely provided by private investors, but rarely in a leadership position. WaFd exhibits excellent responsiveness to credit and community economic development needs. In terms of dollar volume, 97.4 percent of the bank's investments and grants during the evaluation period were allocated to affordable housing, an identified need of the AA. WaFd occasionally uses innovative and/or complex investments to support CD initiatives.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope:										
Bellingham MSA	0	0	34	2,601	34	9.6	2,601	3.8	0	0
Seattle-Bellevue-Kent MD	7	10,915	174	20,849	181	51.3	31,764	45.8	1	4,976
Limited-Scope:										
Bremerton MSA	0	0	3	237	3	0.8	237	0.3	0	0
Lewiston ID-WA MSA	0	0	6	610	6	1.7	610	0.9	0	0
Mount Vernon MSA	1	2,535	17	1,786	18	5.1	4,321	6.2	0	0
Olympia MSA	1	3,812	16	2,102	17	4.8	5,914	8.5	0	0
Spokane-Spokane Valley MSA	1	3,340	19	545	20	5.7	3,885	5.6	0	0
Tacoma-Lakewood MD	2	2,919	21	1,277	23	6.5	4,197	6.1	0	0
Walla Walla MSA	1	2,384	2	351	3	0.8	2,735	3.9	0	0
Washington non-MSA	2	4,135	34	3,079	36	10.2	7,214	10.4	2	4,487
Wenatchee MSA	0	0	2	408	2	0.6	408	0.6	0	0
Yakima MSA	3	5,012	7	388	10	2.8	5,400	7.8	0	0

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

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Bellingham MSA

During the current period, the bank purchased \$2.5 million in affordable housing securities and made \$68,498 in grants in the AA. Total investment activity in the AA represents 4.9 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Notable grants in the AA include:

- Two grants totaling \$4,200 to an organization to sponsor a local school serving LMI students in the AA to receive financial literacy education.
- Three grants totaling \$3,250 to a community service organization offering programs for the homeless.

### Seattle-Bellevue-Kent MD

During the current period, the bank advanced \$1.0 million towards a low-income housing tax credit (LIHTC) fund and has committed to fund an additional \$5.0 million to support long-term capital needs of the project. The bank also purchased \$19.0 million in affordable housing securities and made \$826,997 in grants in the AA. Prior period investments represent seven LIHTC funds providing

financing for seven housing projects and creating 460 affordable housing units in the AA. Total investment activity in the AA represents 7.7 percent of allocated tier 1 capital based on the AA's share of bank deposits.

Over 97.0 percent of current period investments serve affordable housing needs, which is a critical need in the AA. Notable investments and grants include:

- A \$6 million commitment to a LIHTC to develop 126 affordable housing units for LMI individuals.
- A \$25,000 grant to an affordable housing developer to create housing for LMI workers to live close to their jobs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lewiston MSA, Mount Vernon MSA, Olympia MSA, Spokane MSA, Tacoma MSA, Walla Walla MSA, Yakima MSA, and the Washington non-MSA AA is consistent with the bank's overall performance under the Investment Test in the full-scope areas. Performance in the Bremerton MSA and the Wenatchee MSA is weaker than the bank's overall performance. The weaker performance does not impact the overall rating given that deposits in these AAs, combined, are only 4.0 percent of deposits in the state of Washington.

### **SERVICE TEST**

The bank's performance under the Service Test in Washington is rated Outstanding.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the Bellingham MSA is adequate and performance in the Seattle-Bellevue-Kent MD is excellent. Because the Seattle-Bellevue-Kent MD AA represents the most significant AA in the state of Washington, in terms of both deposits and lending activity, this AA carries the most weight.

### **Retail Banking Services**

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AAs.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of WaFd Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Bellingham MSA*	7.1	7	8.8	0.0	14.3	71.4	0.0	3.4	7.5	74.3	14.0
Bremerton MSA	1.4	3	3.8	0.0	0.0	66.7	33.3	1.0	22.8	57.6	18.6
Lewiston ID-WA MSA	0.8	1	1.2	0.0	100.0	0.0	0.0	0.0	9.4	68.4	22.2
Mount Vernon MSA	6.4	4	5.0	0.0	50.0	50.0	0.0	4.2	15.9	51.7	28.1
Olympia MSA	1.4	2	2.5	0.0	100.0	0.0	0.0	0.0	20.9	57.3	21.9
Seattle-Bellevue-Kent MD	63.5	37	46.2	10.8	35.1	27.0	27.0	6.0	22.9	41.3	29.5
Spokane-Spokane Valley MSA	2.5	4	5.0	0.0	100.0	0.0	0.0	0.6	27.0	45.2	26.4
Tacoma-Lakewood MD	1.8	3	3.8	0.0	100.0	0.0	0.0	4.4	22.3	49.0	24.1
Walla Walla MSA	1.0	1	1.2	0.0	100.0	0.0	0.0	4.9	9.1	66.6	14.6
Washington Non-MSA	11.1	14	17.5	0.0	14.3	78.6	7.1	2.8	11.5	63.6	22.0
Wenatchee MSA	2.7	3	3.8	0.0	0.0	100.0	0.0	0.0	15.2	78.0	6.8
Yakima MSA	0.3	1	1.2	0.0	0.0	0.0	100.0	0.0	28.5	42.6	28.9

\*1 branch in unknown income tract.

### Bellingham MSA

In the Bellingham MSA, the bank has no branches in low-income tracts where a small percentage of the population resides, and one branch in a moderate-income tract. The percentage of branches in moderate-income tracts is higher than the percentage of the population living in these tracts. To complement its traditional service delivery methods, WaFd offers access to deposit-taking ATMs in seven locations in the Bellingham MSA, including one in a moderate-income tract.

### Seattle-Bellevue-Kent MD

In the Seattle-Bellevue-Kent MD, the bank has four branches in low-income tracts, and 13 branches in moderate-income tracts. The percentage of branches in both LMI tracts is higher than the percentage of

the population living in those tracts. In the Seattle-Bellevue-Kent MD, the bank has deposit-taking ATMs in 36 locations, including four in low-income tracts and 14 in moderate-income tracts.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Bellingham MSA	0	0	0	0	0	0
Bremerton MSA	0	0	0	0	0	0
Lewiston ID-WA MSA	0	0	0	0	0	0
Mount Vernon MSA	0	0	0	0	0	0
Olympia MSA	0	0	0	0	0	0
Seattle-Bellevue-Kent MD	0	0	0	0	0	0
Spokane-Spokane Valley MSA	0	0	0	0	0	0
Tacoma-Lakewood MD	0	0	0	0	0	0
Walla Walla MSA	0	0	0	0	0	0
Washington Non-MSA	0	0	0	0	0	0
Wenatchee MSA	0	1	0	-1	0	0

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. In 2018, WaFd closed a leased branch location in Wenatchee after consolidating operations with another nearby branch in Wenatchee. Both affected branches were in adjacent middle-income tracts in 2017, but the closed branch was in a tract that became a moderate-income tract in 2018.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the AAs, particularly LMI geographies and/or individuals. All locations offer the same loan and deposit products. WaFd also introduced a free checking product during the evaluation period to reduce barriers to banking access. All branches and drive-through facilities have substantially the same business hours, typically 9 am to 5 pm Monday through Thursday, and 9 am to 6 pm on Friday. In the Bellingham MSA, all seven locations have drive-through facilities, one of which is in a moderate-income tract. In the Seattle-Bellevue-Kent MD, 21 branch locations have a drive-through facility, two of which are in low-income tracts, and 10 of which are in moderate-income tracts. The bank also participates in the MoneyPass ATM network, which provides customers with fee-free access to 32,000 ATMs nationwide.

The bank also offers telephone banking access 24/7. Online and mobile banking services for consumers, which include online bill payment, funds transfers, and mobile photo deposits, are offered for the convenience of all customers at no additional cost, though fees apply for certain actions as disclosed in the fee schedule. These delivery methods are offered to increase access to banking services throughout the AA. Examiners did not place significant weight on these alternative delivery systems, as the bank does not maintain metrics to determine their effectiveness in helping to meet the service and credit needs of LMI individuals.

## **Community Development Services**

The institution provides a relatively high level of CD services.

### Bellingham MSA

In the Bellingham MSA, six bank employees provided a total of 113 qualifying service hours to six organizations. They provided 49 hours of community services to LMI individuals and families, 32 hours of financial literacy education, 27 service hours related to affordable housing, and five service hours related to economic development. Affordable housing and community service hours included hours serving as a board member for a qualifying organization, totaling about 57 percent of total service hours in the AA. Affordable housing and community service hours primarily supported organizations such as Habitat for Humanity and United Way, as well as a local organization that works to reduce poverty in the AA.

Based on community contacts made in this AA, affordable housing is a critical need, both for buyers and renters. There are also opportunities for financial literacy and more commercial lending for small businesses. A few examples of meaningful CD services in the Bellingham MSA are summarized below:

- Habitat for Humanity of Whatcom County (30 hours) – a bank employee serves on the board of this organization whose mission is to eliminate substandard housing and provide safe and affordable housing for Whatcom residents. This activity is considered particularly responsive.
- The Whatcom Dream (30 hours) – A bank employee serves on the board of this organization; whose mission is to provide financial literacy services to all residents of Whatcom County. This activity is considered particularly responsive.
- Love Inc. (9 hours) – A bank employee serves on the board of this organization; whose mission is to coordinate with local churches and social service agencies to serve the needs of struggling families.

### Seattle-Bellevue-Kent MD

In the Seattle-Bellevue-Kent MD, 69 bank employees provided a total of 1,544 qualifying service hours to approximately 32 organizations. They provided 821 hours of community services to LMI individuals and families, 390 hours of financial literacy education, 232 service hours related to affordable housing,

and 101 service hours related to economic development. All service hour types included some hours serving as a board member for a qualifying organization, and these hours represented about 32 percent of total service hours in the AA. Community service hours primarily supported programs through the United Way, such as free tax preparation, help with fundraising for a local organization helping women in need, and other community services. Financial literacy hours primarily involved providing financial literacy education to LMI public school students through programs such as Save at School, EverFi, and Money Smart.

Based on community contacts made in this AA, affordable housing is identified as a significant need given affordability issues for both home purchases and home rentals. Financial education targeted to small businesses, access to capital for small businesses, consumer financial education, and lower-cost emergency funding options for consumers were all cited as needs in the AA. Some examples of meaningful CD services in the Seattle-Bellevue-Kent MD are summarized below:

- Free Tax Prep VITA (hundreds of service hours through United Way and Hopelink) – The IRS’s Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs offer free basic tax return preparation to qualified individuals. The VITA program has operated for over 50 years, offering free tax help to people who generally make \$56,000 or less.
- Imagine Housing (90 hours) – A bank employee served on the board at this organization, whose mission is to develop affordable housing and build welcoming communities. This activity is particularly responsive.
- Big Brothers Big Sisters of Puget Sound (over 50 hours) – A bank employee serves on the board of this organization whose mission is to create and support one-to-one mentoring relationships that ignite the power and promise of youth.
- Downtown Action to Save Housing (over 50 hours) – A bank employee serves on the board of this organization, whose mission is to create and preserve affordable communities. This activity is particularly responsive.
- Plymouth Housing (over 50 hours) – A bank employee served on the Fundraising Committee of this organization, whose mission is to eliminate homelessness and address its causes by preserving, developing, and operating safe, supportive housing of good quality. This activity is particularly responsive.
- Housing Hope (17 hours) – A bank employee served on the board of this organization, whose mission is to promote and provide affordable housing and tailored services to reduce homelessness and poverty for residents of Snohomish County and Camano Island. This activity is particularly responsive.
- Washington Women in Need (17 hours) – A bank employee serves on the board of this organization whose mission is to empower women in Washington State to achieve economic stability through higher education and living wage careers.
- Rainier Beach Merchants Association (over 10 hours) – A bank employee served on the board of this organization, whose mission is to promote equitable economic development for all business, professional, civic, and cultural interests in the Rainier Beach community, an area with many LMI residents.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Lewiston ID-WA MSA, the Olympia MSA, and the Washington non-MSA is consistent with the bank's overall performance under the Service Test in the full-scope areas. Performance in the Mount Vernon MSA, the Spokane-Spokane Valley MSA, the Tacoma-Lakewood MD, and the Walla Walla MSA is weaker than performance in the full-scope AAs but is still good. Performance in the Bremerton MSA, the Wenatchee MSA, and the Yakima MSA is weaker than the bank's overall performance under the Service Test in the full-scope areas. The limited-scope AAs with weaker performance do not impact the overall Service Test rating given the overwhelming significance of the bank's operations in the Seattle-Bellevue-Kent AA.

## 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”.

<b>Time Period Reviewed:</b>	Lending Test: 1/1/17 to 12/31/19 CD Loans, Investments, and Services: 5/1/17 – 12/31/19	
<b>Bank Products Reviewed:</b>	(Home mortgage, small business, small farm, (Community development loans, qualified investments, community development services)	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
Portland-Vancouver-Hillsboro OR-WA MMSA	Full-Scope	Counties of Clackamas, Multnomah, Washington, and Yamhill, OR  County of Clark, WA
<b>Arizona</b>		
Arizona Non-MSA	Full-Scope	Counties of Gila, Graham, Navajo, and Santa Cruz
Phoenix-Mesa-Chandler MSA	Full-Scope	Counties of Maricopa and Pinal
Prescott Valley-Prescott MSA	Limited-Scope	County of Yavapai
Sierra Vista-Douglas MSA	Limited-Scope	County of Cochise
Tucson MSA	Limited-Scope	County of Pima
Yuma MSA	Limited-Scope	County of Yuma
<b>Idaho</b>		
Boise City MSA	Full-Scope	Counties of Ada and Canyon
Idaho Falls MSA	Limited-Scope	Counties of Bonneville and Jefferson
Idaho Non-MSA	Full-Scope	Counties of Bingham, Blaine, Bonner, Fremont, Gooding, Lemhi, Madison, Payette, Shoshone, and Valley
Pocatello MSA	Limited-Scope	County of Bannock
Twin Falls MSA	Limited-Scope	Counties of Jerome and Twin Falls
<b>Nevada</b>		
Las Vegas-Henderson-Paradise MSA	Full-Scope	County of Clark
Nevada Non-MSA	Limited-Scope	Counties of Churchill, Elko, Humboldt, Lyon, Mineral, Storey, and White Pine
<b>New Mexico</b>		
Albuquerque MSA	Full-Scope	Counties of Bernalillo and Sandoval
Farmington MSA	Limited-Scope	County of San Juan
Las Cruces MSA	Limited-Scope	County of Dona Ana
New Mexico Non-MSA	Limited-Scope	Counties of Chaves, Colfax, Curry, Eddy, Grant, Lea, Lincoln, McKinley, Otero, Rio Arriba, and Socorro

Santa Fe MSA	Full-Scope	County of Santa Fe
<b>Oregon</b>		
Albany-Lebanon MSA	Limited-Scope	County of Linn
Bend MSA	Limited-Scope	County of Deschutes
Corvallis MSA	Limited-Scope	County of Benton
Eugene-Springfield MSA	Limited-Scope	County of Lane
Grants Pass MSA	Limited-Scope	County of Josephine
Medford MSA	Limited-Scope	County of Jackson
Oregon Non-MSA	Full-Scope	Counties of Baker, Crook, Hood River, Jefferson, Klamath, Lake, Lincoln, Malheur, Umatilla, Union, and Wasco
Salem MSA	Full-Scope	Counties of Marion and Polk
<b>Texas</b>		
Austin-Round Rock-Georgetown MSA	Limited-Scope	County of Travis
Dallas-Plano-Irving MD	Full-Scope	Counties of Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall
<b>Utah</b>		
Logan MSA	Limited-Scope	County of Cache
Ogden-Clearfield MSA	Limited-Scope	Counties of Box Elder, Davis, Morgan, and Weber
Salt Lake City MSA	Full-Scope	County of Salt Lake
Utah Non-MSA	Limited-Scope	Counties of Carbon and Summit
<b>Washington</b>		
Bellingham MSA	Full-Scope	County of Whatcom
Bremerton-Silverdale-Port Orchard MSA	Limited-Scope	County of Kitsap
Lewiston ID-WA MSA*	Limited-Scope	Counties of Nez Perce, ID and Asotin, WA
Mount Vernon-Anacortes MSA	Limited-Scope	County of Skagit
Olympia-Lacey-Tumwater MSA	Limited-Scope	County of Thurston
Seattle-Bellevue-Kent MD	Full-Scope	Counties of King and Snohomish
Spokane-Spokane Valley MSA	Limited-Scope	Counties of Spokane and Stevens
Tacoma-Lakewood MD	Limited-Scope	County of Pierce
Walla Walla MSA	Limited-Scope	County of Walla Walla
Washington Non-MSA	Limited-Scope	Counties of Clallam, Columbia, Ferry, Grant, Island, Jefferson, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pend-Oreille, San Juan, and Whitman
Wenatchee MSA	Limited-Scope	Counties of Chelan and Douglas
Yakima MSA	Limited-Scope	County of Yakima

\*No branches in Idaho.

## Appendix B: Summary of MMSA and State Ratings

RATINGS Washington Federal Bank, National Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
<b>Washington Federal Bank, National Association</b>	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
MMSA or State:				
<b>Portland-Vancouver-Hillsboro OR-WA MMSA</b>	Needs to Improve	Outstanding	Outstanding	Needs to Improve
<b>Arizona</b>	Outstanding	Outstanding	Low Satisfactory	Outstanding
<b>Idaho</b>	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
<b>Nevada</b>	Needs to Improve	High Satisfactory	High Satisfactory	Needs to Improve
<b>New Mexico</b>	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
<b>Oregon</b>	Low Satisfactory	High Satisfactory	Outstanding	Satisfactory
<b>Texas</b>	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
<b>Utah</b>	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
<b>Washington</b>	Low Satisfactory	Outstanding	Outstanding	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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

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### 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 loans are treated the same 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 30<sup>th</sup> 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.
- 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 that were 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) in those geographies. Because aggregate 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 (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business 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 aggregate 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 (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm 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 in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

**PORTLAND-VANCOUVER-HILLSBORO OR-WA MMSA**

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017-2019</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% 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		
Portland-Vancouver-Hillsboro MMSA	428	280,965	100.0	96,185	0.9	0.5	0.9	19.5	11.9	20.3	48.0	49.5	48.0	31.6	38.1	30.7	0.0	0.0	0.0		
<b>Total</b>	<b>428</b>	<b>280,965</b>	<b>100.0</b>	<b>96,185</b>	<b>0.9</b>	<b>0.5</b>	<b>0.9</b>	<b>19.5</b>	<b>11.9</b>	<b>20.3</b>	<b>48.0</b>	<b>49.5</b>	<b>48.0</b>	<b>31.6</b>	<b>38.1</b>	<b>30.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*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%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-2019</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Portland-Vancouver-Hillsboro MMSA	428	280,965	100.0	96,185	21.4	2.6	4.0	17.5	8.9	16.1	20.4	12.6	24.8	40.7	55.4	44.0	0.0	20.6	11.0		
<b>Total</b>	<b>428</b>	<b>280,965</b>	<b>100.0</b>	<b>96,185</b>	<b>21.4</b>	<b>2.6</b>	<b>4.0</b>	<b>17.5</b>	<b>8.9</b>	<b>16.1</b>	<b>20.4</b>	<b>12.6</b>	<b>24.8</b>	<b>40.7</b>	<b>55.4</b>	<b>44.0</b>	<b>0.0</b>	<b>20.6</b>	<b>11.0</b>		

*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%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Portland-Vancouver-Hillsboro MMSA	30	16,850	100.0	58,199	2.6	10.0	2.5	21.9	43.3	21.7	40.3	23.3	40.7	32.9	20.0	33.2	2.3	3.3	1.8
<b>Total</b>	<b>30</b>	<b>16,850</b>	<b>100.0</b>	<b>58,199</b>	<b>2.6</b>	<b>10.0</b>	<b>2.5</b>	<b>21.9</b>	<b>43.3</b>	<b>21.7</b>	<b>40.3</b>	<b>23.3</b>	<b>40.7</b>	<b>32.9</b>	<b>20.0</b>	<b>33.2</b>	<b>2.3</b>	<b>3.3</b>	<b>1.8</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Portland-Vancouver-Hillsboro MMSA	30	16,850	100.0	58,199	89.2	23.3	48.4	3.9	76.7	6.9	0.0
<b>Total</b>	<b>30</b>	<b>16,850</b>	<b>100.0</b>	<b>58,199</b>	<b>89.2</b>	<b>23.3</b>	<b>48.4</b>	<b>3.9</b>	<b>76.7</b>	<b>6.9</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

## STATE OF ARIZONA

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
Arizona Non-MSA	134	32,502	14.1	6,931	0.9	0.0	0.0	24.4	11.2	9.6	43.0	49.3	47.9	31.7	39.6	42.4	0.0	0.0	0.0
Phoenix-Mesa-Chandler MSA	435	319,688	45.7	212,805	4.5	4.1	3.7	19.6	21.8	15.8	37.1	30.1	39.8	38.7	43.7	40.2	0.0	0.2	0.5
Prescott Valley-Prescott MSA	54	17,073	5.7	10,742	0.0	0.0	0.0	18.7	11.1	16.9	61.2	61.1	65.3	20.1	27.8	17.9	0.0	0.0	0.0
Sierra Vista-Douglas MSA	26	11,332	2.7	3,559	2.3	3.8	2.2	26.6	46.2	24.4	44.2	50.0	38.3	26.9	0.0	35.0	0.0	0.0	0.0
Tucson MSA	270	88,186	28.4	36,775	4.7	4.4	3.7	21.4	12.2	16.0	32.9	27.4	33.2	41.0	55.6	47.1	0.0	0.4	0.0
Yuma MSA	33	4,534	3.5	5,964	0.0	0.0	0.0	25.7	15.2	18.0	47.0	42.4	42.1	27.3	42.4	39.9	0.0	0.0	0.1
<b>Total</b>	<b>952</b>	<b>473,315</b>	<b>100.0</b>	<b>276,776</b>	<b>4.0</b>	<b>3.3</b>	<b>3.4</b>	<b>20.5</b>	<b>17.4</b>	<b>15.9</b>	<b>38.3</b>	<b>34.8</b>	<b>40.2</b>	<b>37.3</b>	<b>44.3</b>	<b>40.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.4</b>

*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%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-2019</b>		
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Arizona Non-MSA	134	32,502	14.1	6,931	22.7	6.7	2.3	16.3	10.4	8.4	18.4	20.1	16.7	42.6	55.2	55.6	0.0	7.5	17.0		
Phoenix-Mesa-Chandler MSA	435	319,688	45.7	212,805	21.9	4.4	5.2	17.3	7.8	16.6	19.5	9.4	20.9	41.3	52.0	39.1	0.0	26.4	18.2		
Prescott Valley-Prescott MSA	54	17,073	12.0	10,742	18.8	5.6	6.0	19.3	7.4	14.9	22.4	22.2	22.9	39.6	63.0	41.6	0.0	1.9	14.6		
Sierra Vista-Douglas MSA	26	11,332	2.7	3,559	23.1	7.7	8.9	16.0	42.3	15.2	19.9	19.2	18.0	41.1	15.4	34.3	0.0	15.4	23.6		
Tucson MSA	270	88,186	28.4	36,775	22.2	6.3	5.3	17.3	13.3	14.9	19.1	11.1	19.6	41.4	50.4	39.5	0.0	18.9	20.8		
Yuma MSA	33	4,534	7.4	5,964	20.0	6.1	3.4	19.1	24.2	13.5	19.6	21.2	20.1	41.3	45.5	40.2	0.0	3.0	22.8		
<b>Total</b>	<b>952</b>	<b>473,315</b>	<b>100.0</b>	<b>276,776</b>	<b>21.8</b>	<b>5.5</b>	<b>5.2</b>	<b>17.4</b>	<b>11.2</b>	<b>16.0</b>	<b>19.5</b>	<b>12.8</b>	<b>20.6</b>	<b>41.3</b>	<b>51.4</b>	<b>39.6</b>	<b>0.0</b>	<b>19.1</b>	<b>18.5</b>		

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%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Arizona Non-MSA	11	2,247	8.0	3,114	0.2	0.0	0.0	18.9	27.3	21.7	46.3	36.4	46.5	34.6	36.4	31.8	0.0	0.0	0.0
Phoenix-Mesa-Chandler MSA	107	40,233	77.5	108,647	6.1	8.4	6.8	16.3	24.3	16.9	30.0	43.0	27.9	47.1	24.3	47.8	0.5	0.0	0.6
Prescott Valley-Prescott MSA	0	0	0.0	5,532	0.0	0.0	0.0	22.3	0.0	23.1	51.3	0.0	51.0	26.4	0.0	25.9	0.0	0.0	0.0
Sierra Vista-Douglas MSA	3	1,210	2.2	1,375	4.0	0.0	3.9	30.0	66.7	27.4	41.6	33.3	41.6	24.4	0.0	27.1	0.0	0.0	0.0
Tucson MSA	15	3,866	10.9	17,564	6.3	13.3	6.3	23.3	33.3	24.1	29.6	46.7	29.2	39.8	6.7	39.4	1.0	0.0	1.0
Yuma MSA	2	168	1.4	1,917	0.0	0.0	0.0	28.1	0.0	28.5	39.1	0.0	38.3	32.8	100.0	33.2	0.0	0.0	0.0
<b>Total</b>	<b>138</b>	<b>47,724</b>	<b>100.0</b>	<b>138,149</b>	<b>5.6</b>	<b>8.0</b>	<b>6.2</b>	<b>17.9</b>	<b>26.1</b>	<b>18.5</b>	<b>31.4</b>	<b>42.0</b>	<b>29.7</b>	<b>44.5</b>	<b>23.9</b>	<b>45.1</b>	<b>0.5</b>	<b>0.0</b>	<b>0.6</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Arizona Non-MSA	11	2,247	8.0	3,114	81.5	63.6	44.9	4.8	18.2	13.7	18.2
Phoenix-Mesa-Chandler MSA	107	40,233	77.5	108,647	89.7	41.1	46.5	3.4	57.9	6.9	0.9
Prescott Valley-Prescott MSA	--	--	--	5,532	90.3	--	51.0	2.9	--	6.8	--
Sierra Vista-Douglas MSA	3	1,210	2.2	1,375	84.4	100.0	48.5	3.1	0.0	12.5	0.0
Tucson MSA	15	3,866	10.9	17,564	87.6	73.3	46.2	3.7	26.7	8.7	0.0
Yuma MSA	2	168	1.4	1,917	81.6	50.0	45.2	5.1	50.0	13.3	0.0
<b>Total</b>	<b>138</b>	<b>47,724</b>	<b>100.0</b>	<b>138,149</b>	<b>89.1</b>	<b>47.8</b>	<b>46.6</b>	<b>3.5</b>	<b>50.0</b>	<b>7.4</b>	<b>2.2</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Arizona Non-MSA	1	65	50.0	71	0.0	0.0	0.0	7.9	0.0	11.3	41.9	100.0	33.8	50.2	0.0	54.9	0.0	0.0	0.0		
Phoenix-Mesa-Chandler MSA	0	0	0.0	484	5.9	0.0	2.3	19.4	0.0	22.1	32.2	0.0	38.0	42.2	0.0	37.2	0.3	0.0	0.4		
Prescott Valley-Prescott MSA	0	0	0.0	49	0.0	0.0	0.0	19.3	0.0	20.4	54.5	0.0	46.9	26.2	0.0	32.7	0.0	0.0	0.0		
Sierra Vista-Douglas MSA	1	50	50.0	81	1.2	0.0	0.0	11.0	0.0	7.4	73.9	100.0	90.1	13.9	0.0	2.5	0.0	0.0	0.0		
Tucson MSA	0	0	0.0	75	4.8	0.0	1.3	22.8	0.0	13.3	34.2	0.0	41.3	37.9	0.0	44.0	0.2	0.0	0.0		
Yuma MSA	0	0	0.0	85	0.0	0.0	0.0	21.1	0.0	16.5	49.5	0.0	55.3	29.4	0.0	28.2	0.0	0.0	0.0		
<b>Total</b>	<b>2</b>	<b>115</b>	<b>100.0</b>	<b>845</b>	<b>4.9</b>	<b>0.0</b>	<b>1.4</b>	<b>19.3</b>	<b>0.0</b>	<b>18.3</b>	<b>36.0</b>	<b>100.0</b>	<b>45.2</b>	<b>39.6</b>	<b>0.0</b>	<b>34.8</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Arizona Non-MSA	1	65	50.0	71	96.4	0.0	47.9	2.1	100.0	1.4	0.0
Phoenix-Mesa-Chandler MSA	--	--	--	484	95.0	--	37.6	3.2	--	1.8	--
Prescott Valley-Prescott MSA	--	--	--	49	96.5	--	65.3	2.0	--	1.5	--
Sierra Vista-Douglas MSA	1	50	50.0	81	97.1	0.0	40.7	1.4	0.0	1.4	100.0
Tucson MSA	--	--	--	75	96.3	--	46.7	2.6	--	1.1	--
Yuma MSA	--	--	--	85	80.7	--	29.4	12.1	--	7.2	--
<b>Total</b>	<b>2</b>	<b>115</b>	<b>100.0</b>	<b>845</b>	<b>94.9</b>	<b>0.0</b>	<b>40.4</b>	<b>3.2</b>	<b>50.0</b>	<b>1.9</b>	<b>50.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

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Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
Boise City MSA	99	43,175	47.6	30,325	1.5	5.1	1.6	22.2	11.1	20.2	46.4	43.4	47.6	29.9	40.4	30.5	0.0	0.0	0.0
Idaho Falls MSA	19	3,291	9.1	5,554	0.0	0.0	0.0	13.0	26.3	12.6	59.1	42.1	59.6	27.9	31.6	27.8	0.0	0.0	0.0
Idaho Non-MSA	62	14,045	29.8	7,548	2.4	4.8	3.6	1.8	0.0	2.0	81.6	58.1	76.0	14.1	37.1	18.5	0.0	0.0	0.0
Pocatello MSA	10	3,325	4.8	2,608	3.0	0.0	4.3	14.8	20.0	13.8	49.4	80.0	50.8	32.8	0.0	31.0	0.0	0.0	0.0
Twin Falls MSA	18	4,085	8.7	2,872	0.0	0.0	0.0	2.1	5.6	2.3	87.8	77.8	90.2	10.1	16.7	7.6	0.0	0.0	0.0
<b>Total</b>	<b>208</b>	<b>67,921</b>	<b>100.0</b>	<b>48,907</b>	<b>1.5</b>	<b>3.8</b>	<b>1.8</b>	<b>14.9</b>	<b>9.1</b>	<b>15.2</b>	<b>58.6</b>	<b>52.4</b>	<b>56.0</b>	<b>25.1</b>	<b>34.6</b>	<b>27.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-2019</b>		
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Boise City MSA	321	87,117	53.1	35,499	1.5	0.6	1.7	22.2	19.6	20.0	46.4	44.2	47.1	29.9	35.5	31.1	0.0	0.0	0.0		
Idaho Falls MSA	38	8,270	6.3	6,305	0.0	0.0	0.0	13.0	13.2	13.3	59.1	52.6	57.6	27.9	34.2	29.1	0.0	0.0	0.0		
Idaho Non-MSA	190	47,960	31.4	8,629	2.4	3.2	3.2	1.8	0.5	1.5	81.6	71.6	77.2	14.1	24.7	18.1	0.0	0.0	0.0		
Pocatello MSA	11	1,197	1.8	3,087	1.8	18.2	4.1	16.1	18.2	12.6	49.4	63.6	45.1	32.8	0.0	38.2	0.0	0.0	0.0		
Twin Falls MSA	45	14,478	7.4	3,889	0.0	0.0	0.0	2.1	2.2	2.5	87.8	86.7	89.1	10.1	11.1	8.4	0.0	0.0	0.0		
<b>Total</b>	<b>605</b>	<b>159,022</b>	<b>100.0</b>	<b>57,409</b>	<b>1.4</b>	<b>1.7</b>	<b>1.8</b>	<b>14.9</b>	<b>11.9</b>	<b>14.9</b>	<b>58.6</b>	<b>56.9</b>	<b>55.5</b>	<b>25.1</b>	<b>29.6</b>	<b>27.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boise City MSA	99	43,175	47.6	30,325	18.9	4.0	6.0	18.6	20.2	19.8	21.8	11.1	23.4	40.7	50.5	40.2	0.0	14.1	10.6
Idaho Falls MSA	19	3,291	9.1	5,554	18.5	15.8	5.8	19.0	21.1	17.3	21.3	10.5	23.5	41.1	42.1	39.1	0.0	10.5	14.3
Idaho Non-MSA	62	14,045	29.8	7,548	20.7	4.8	4.7	17.2	12.9	14.4	20.2	19.4	19.8	41.9	62.9	47.3	0.0	0.0	13.9
Pocatello MSA	10	3,325	4.8	2,608	21.2	10.0	7.2	19.2	0.0	18.4	19.5	10.0	22.3	40.1	70.0	36.2	0.0	10.0	15.8
Twin Falls MSA	18	4,085	8.7	2,872	19.5	0.0	5.9	19.4	38.9	22.0	22.6	11.1	23.9	38.5	50.0	32.3	0.0	0.0	16.0
<b>Total</b>	<b>208</b>	<b>67,921</b>	<b>100.0</b>	<b>48,907</b>	<b>19.4</b>	<b>5.3</b>	<b>5.8</b>	<b>18.5</b>	<b>18.8</b>	<b>18.7</b>	<b>21.3</b>	<b>13.5</b>	<b>22.8</b>	<b>40.8</b>	<b>54.3</b>	<b>40.5</b>	<b>0.0</b>	<b>8.2</b>	<b>12.1</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-2019</b>		
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Boise City MSA	321	87,117	53.1	35,499	18.9	7.8	6.1	18.6	17.8	19.9	21.8	17.4	24.9	40.7	48.9	40.6	0.0	8.1	8.6		
Idaho Falls MSA	38	8,270	12.6	6,305	18.5	2.6	6.3	19.0	13.2	17.7	21.3	15.8	23.5	41.1	68.4	40.3	0.0	0.0	12.2		
Idaho Non-MSA	190	47,960	31.4	8,629	20.8	3.2	4.0	17.3	8.9	13.2	20.3	17.9	20.0	41.6	66.3	51.9	0.0	3.7	11.0		
Pocatello MSA	11	1,197	3.6	3,087	21.2	18.2	5.2	19.2	9.1	17.0	19.5	9.1	22.4	40.1	54.5	44.3	0.0	9.1	11.1		
Twin Falls MSA	45	14,478	7.4	3,889	18.8	6.7	4.1	19.3	28.9	19.2	22.3	35.6	24.3	39.5	24.4	40.2	0.0	4.4	12.2		
<b>Total</b>	<b>605</b>	<b>159,022</b>	<b>100.0</b>	<b>57,409</b>	<b>19.4</b>	<b>6.1</b>	<b>5.6</b>	<b>18.5</b>	<b>15.4</b>	<b>18.4</b>	<b>21.3</b>	<b>18.7</b>	<b>23.8</b>	<b>40.8</b>	<b>53.9</b>	<b>42.4</b>	<b>0.0</b>	<b>6.0</b>	<b>9.7</b>		

Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boise City MSA	24	5,075	66.7	13,099	10.9	16.7	10.1	24.3	25.0	22.6	36.5	29.2	37.3	28.3	29.2	30.0	0.0	0.0	0.0
Idaho Falls MSA	1	50	2.8	3,234	0.0	0.0	0.0	22.6	100.0	17.1	45.6	0.0	50.1	31.8	0.0	32.8	0.0	0.0	0.0
Idaho Non-MSA	8	1,190	22.2	5,175	5.4	0.0	5.7	1.5	0.0	1.2	78.2	62.5	72.6	15.0	37.5	20.6	0.0	0.0	0.0
Pocatello MSA	0	0	0.0	1,172	11.3	0.0	10.8	20.2	0.0	17.5	45.8	0.0	47.4	22.7	0.0	24.3	0.0	0.0	0.0
Twin Falls MSA	3	500	8.3	1,794	0.0	0.0	0.0	8.9	0.0	7.5	80.1	100.0	83.4	11.0	0.0	9.1	0.0	0.0	0.0
<b>Total</b>	<b>36</b>	<b>6,815</b>	<b>100.0</b>	<b>24,474</b>	<b>7.7</b>	<b>11.1</b>	<b>7.1</b>	<b>18.2</b>	<b>19.4</b>	<b>16.0</b>	<b>49.6</b>	<b>41.7</b>	<b>50.3</b>	<b>24.4</b>	<b>27.8</b>	<b>26.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boise City MSA	49	14,650	75.4	13,599	9.8	12.2	10.1	23.0	36.7	21.3	37.4	26.5	37.4	29.9	24.5	31.3	0.0	0.0	0.0
Idaho Falls MSA	2	35	3.1	3,196	0.0	0.0	0.0	21.3	50.0	17.7	45.9	0.0	50.5	32.7	50.0	31.7	0.0	0.0	0.0
Idaho Non-MSA	12	2,672	18.5	5,268	5.9	0.0	5.8	1.4	0.0	1.4	78.5	66.7	74.2	14.2	33.3	18.5	0.0	0.0	0.0
Pocatello MSA	0	0	0.0	1,230	4.6	0.0	10.4	25.0	0.0	17.9	46.0	0.0	43.7	24.4	0.0	28.0	0.0	0.0	0.0
Twin Falls MSA	2	650	3.1	1,846	0.0	0.0	0.0	8.0	0.0	6.8	80.8	100.0	81.7	11.2	0.0	11.5	0.0	0.0	0.0
<b>Total</b>	<b>65</b>	<b>18,007</b>	<b>100.0</b>	<b>25,139</b>	<b>7.0</b>	<b>9.2</b>	<b>7.2</b>	<b>17.9</b>	<b>29.2</b>	<b>15.4</b>	<b>49.4</b>	<b>35.4</b>	<b>50.3</b>	<b>25.7</b>	<b>26.2</b>	<b>27.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boise City MSA	24	5,075	66.7	13,099	85.0	25.0	51.3	5.2	70.8	9.8	4.2
Idaho Falls MSA	1	50	2.8	3,234	82.0	0.0	47.3	6.3	100.0	11.7	0.0
Idaho Non-MSA	8	1,190	22.2	5,175	84.0	50.0	54.6	5.1	37.5	10.9	12.5
Pocatello MSA	--	--	--	1,172	79.8	--	49.1	5.6	--	14.6	--
Twin Falls MSA	3	500	8.3	1,794	80.4	0.0	51.4	5.8	100.0	13.8	0.0
<b>Total</b>	<b>36</b>	<b>6,815</b>	<b>100.0</b>	<b>24,474</b>	<b>83.8</b>	<b>27.8</b>	<b>51.4</b>	<b>5.4</b>	<b>66.7</b>	<b>10.8</b>	<b>5.6</b>

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2018-2019
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boise City MSA	49	14,650	75.4	13,599	88.1	28.6	48.0	3.9	69.4	8.0	2.0
Idaho Falls MSA	2	35	3.1	3,196	84.6	100.0	47.6	5.2	0.0	10.2	0.0
Idaho Non-MSA	12	2,672	18.5	5,268	85.9	66.7	55.1	4.3	25.0	9.7	8.3
Pocatello MSA	--	--	--	1,230	82.1	--	51.7	4.7	--	13.2	--
Twin Falls MSA	2	650	3.1	1,846	83.2	50.0	48.3	4.7	50.0	12.2	0.0
<b>Total</b>	<b>65</b>	<b>18,007</b>	<b>100.0</b>	<b>25,139</b>	<b>86.6</b>	<b>38.5</b>	<b>49.7</b>	<b>4.2</b>	<b>58.5</b>	<b>9.1</b>	<b>3.1</b>

Source: 2019 D&B Data; 01/01/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2017**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Boise City MSA	0	0	0.0	372	4.8	0.0	1.3	23.8	0.0	25.0	46.2	0.0	49.7	25.1	0.0	23.9	0.0	0.0	0.0
Idaho Falls MSA	0	0	0.0	429	0.0	0.0	0.0	8.2	0.0	0.2	66.8	0.0	83.5	25.0	0.0	16.3	0.0	0.0	0.0
Idaho Non-MSA	1	500	100.0	818	1.9	0.0	0.5	1.2	0.0	0.2	85.7	0.0	87.2	11.2	100.0	12.1	0.0	0.0	0.0
Pocatello MSA	0	0	0.0	41	2.7	0.0	7.3	12.4	0.0	0.0	56.2	0.0	70.7	28.6	0.0	22.0	0.0	0.0	0.0
Twin Falls MSA	0	0	0.0	342	0.0	0.0	0.0	1.4	0.0	0.0	90.2	0.0	93.9	8.4	0.0	6.1	0.0	0.0	0.0
<b>Total</b>	<b>1</b>	<b>500</b>	<b>100.0</b>	<b>2,002</b>	<b>2.5</b>	<b>0.0</b>	<b>0.6</b>	<b>11.2</b>	<b>0.0</b>	<b>4.8</b>	<b>67.8</b>	<b>0.0</b>	<b>80.2</b>	<b>18.5</b>	<b>100.0</b>	<b>14.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2018-2019**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Boise City MSA	0	0	0.0	356	4.3	0.0	1.7	22.9	0.0	22.5	46.9	0.0	50.8	26.0	0.0	25.0	0.0	0.0	0.0
Idaho Falls MSA	0	0	0.0	340	0.0	0.0	0.0	9.1	0.0	0.9	64.8	0.0	82.9	26.1	0.0	16.2	0.0	0.0	0.0
Idaho Non-MSA	3	1,125	100.0	750	2.2	0.0	0.4	0.7	0.0	0.5	86.8	100.0	85.7	10.3	0.0	13.3	0.0	0.0	0.0
Pocatello MSA	0	0	0.0	45	1.0	0.0	4.4	14.8	0.0	0.0	57.1	0.0	73.3	27.0	0.0	22.2	0.0	0.0	0.0
Twin Falls MSA	0	0	0.0	289	0.0	0.0	0.0	1.6	0.0	0.3	89.5	0.0	93.4	8.9	0.0	6.2	0.0	0.0	0.0
<b>Total</b>	<b>3</b>	<b>1,125</b>	<b>100.0</b>	<b>1,780</b>	<b>2.5</b>	<b>0.0</b>	<b>0.6</b>	<b>11.7</b>	<b>0.0</b>	<b>4.9</b>	<b>66.7</b>	<b>100.0</b>	<b>79.2</b>	<b>19.1</b>	<b>0.0</b>	<b>15.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2017</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Boise City MSA	--	--	--	372	94.5	--	56.7	4.4	--	1.1	--	
Idaho Falls MSA	--	--	--	429	93.8	--	69.0	4.0	--	2.2	--	
Idaho Non-MSA	1	500	100.0	818	93.7	0.0	69.4	5.1	100.0	1.2	0.0	
Pocatello MSA	--	--	--	41	97.8	--	63.4	1.1	--	1.1	--	
Twin Falls MSA	--	--	--	342	91.2	--	49.4	6.9	--	1.9	--	
<b>Total</b>	<b>1</b>	<b>500</b>	<b>100.0</b>	<b>2,002</b>	<b>93.8</b>	<b>0.0</b>	<b>63.4</b>	<b>4.8</b>	<b>100.0</b>	<b>1.4</b>	<b>0.0</b>	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2018-2019</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Boise City MSA	--	--	--	356	95.5	--	59.8	3.4	--	1.1	--	
Idaho Falls MSA	--	--	--	340	94.6	--	70.0	3.5	--	1.9	--	
Idaho Non-MSA	3	1,125	100.0	750	94.2	66.7	66.7	4.4	33.3	1.3	0.0	
Pocatello MSA	--	--	--	45	96.9	--	55.6	1.0	--	2.0	--	
Twin Falls MSA	--	--	--	289	91.8	--	51.2	6.0	--	2.2	--	
<b>Total</b>	<b>3</b>	<b>1,125</b>	<b>100.0</b>	<b>1,780</b>	<b>94.5</b>	<b>66.7</b>	<b>63.1</b>	<b>4.0</b>	<b>33.3</b>	<b>1.5</b>	<b>0.0</b>	

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

STATE OF NEVADA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% 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		
Las Vegas-Henderson-Paradise MSA	295	151,905	87.0	93,052	1.9	0.3	1.6	16.9	4.1	14.3	41.7	47.5	42.8	39.5	48.1	41.3	0.0	0.0	0.1		
Nevada Non-MSA	44	6,470	13.0	6,670	0.0	0.0	0.0	19.5	13.6	16.0	47.2	40.9	53.6	33.3	45.5	30.4	0.0	0.0	0.0		
<b>Total</b>	<b>339</b>	<b>158,375</b>	<b>100.0</b>	<b>99,722</b>	<b>1.7</b>	<b>0.3</b>	<b>1.5</b>	<b>17.1</b>	<b>5.3</b>	<b>14.4</b>	<b>42.2</b>	<b>46.6</b>	<b>43.5</b>	<b>38.9</b>	<b>47.8</b>	<b>40.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>		

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%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Las Vegas-Henderson-Paradise MSA	295	151,905	87.0	93,052	20.7	3.4	4.4	18.4	7.8	14.9	20.5	12.5	22.2	40.5	69.8	38.9	0.0	6.4	19.6		
Nevada Non-MSA	44	6,470	37.6	6,670	19.4	4.5	6.4	18.5	15.9	18.2	20.0	31.8	27.7	42.2	45.5	28.7	0.0	2.3	19.0		
<b>Total</b>	<b>339</b>	<b>158,375</b>	<b>100.0</b>	<b>99,722</b>	<b>20.6</b>	<b>3.5</b>	<b>4.6</b>	<b>18.4</b>	<b>8.9</b>	<b>15.1</b>	<b>20.5</b>	<b>15.0</b>	<b>22.5</b>	<b>40.6</b>	<b>66.7</b>	<b>38.2</b>	<b>0.0</b>	<b>5.9</b>	<b>19.6</b>		

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%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Las Vegas-Henderson-Paradise MSA	11	2,580	84.6	46,625	3.6	0.0	3.0	21.3	27.3	18.7	38.2	36.4	37.5	36.2	36.4	40.4	0.6	0.0	0.4
Nevada Non-MSA	2	30	15.4	2,288	0.0	0.0	0.0	25.9	50.0	25.7	46.6	50.0	51.0	27.6	0.0	23.3	0.0	0.0	0.0
<b>Total</b>	<b>13</b>	<b>2,610</b>	<b>100.0</b>	<b>48,913</b>	<b>3.4</b>	<b>0.0</b>	<b>2.8</b>	<b>21.6</b>	<b>30.8</b>	<b>19.1</b>	<b>38.7</b>	<b>38.5</b>	<b>38.2</b>	<b>35.7</b>	<b>30.8</b>	<b>39.6</b>	<b>0.5</b>	<b>0.0</b>	<b>0.3</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Las Vegas-Henderson-Paradise MSA	11	2,580	84.6	46,625	86.6	72.7	44.8	4.6	27.3	8.8	0.0
Nevada Non-MSA	2	30	15.4	2,288	77.8	100.0	45.4	5.2	0.0	16.9	0.0
<b>Total</b>	<b>13</b>	<b>2,610</b>	<b>100.0</b>	<b>48,913</b>	<b>86.1</b>	<b>76.9</b>	<b>44.8</b>	<b>4.7</b>	<b>23.1</b>	<b>9.3</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

STATE OF NEW MEXICO

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% 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		
Albuquerque MSA	165	129,901	35.5	23,993	2.5	10.3	1.7	24.6	20.0	20.0	32.7	20.0	34.4	40.1	49.7	43.8	0.1	0.0	0.1		
Farmington MSA	31	7,166	6.7	1,856	3.8	0.0	0.3	20.2	0.0	8.9	44.0	22.6	44.2	32.0	77.4	46.6	0.0	0.0	0.0		
Las Cruces MSA	69	25,354	14.8	5,019	3.6	5.8	2.7	34.5	2.9	16.2	24.8	26.1	30.5	37.1	65.2	50.6	0.0	0.0	0.0		
New Mexico Non-MSA	133	24,811	28.6	7,976	2.1	0.8	1.0	20.8	9.0	9.3	47.0	54.9	44.6	30.2	35.3	45.2	0.0	0.0	0.0		
Santa Fe MSA	67	42,660	14.4	4,066	2.6	3.0	1.8	17.4	7.5	12.0	45.8	31.3	45.3	34.2	58.2	41.0	0.0	0.0	0.0		
<b>Total</b>	<b>465</b>	<b>229,892</b>	<b>100.0</b>	<b>42,910</b>	<b>2.6</b>	<b>5.2</b>	<b>1.6</b>	<b>23.7</b>	<b>11.2</b>	<b>16.3</b>	<b>37.7</b>	<b>32.7</b>	<b>37.3</b>	<b>36.0</b>	<b>51.0</b>	<b>44.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>		

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%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Albuquerque MSA	165	129,901	48.4	23,993	23.7	1.8	6.6	15.2	5.5	17.8	18.5	9.7	21.3	42.5	47.3	38.2	0.0	35.8	16.1
Farmington MSA	31	7,166	17.1	1,856	24.5	0.0	4.7	16.3	6.5	19.0	17.5	9.7	24.7	41.8	71.0	36.6	0.0	12.9	15.0
Las Cruces MSA	69	25,354	38.1	5,019	25.1	4.3	2.3	15.6	11.6	8.1	16.9	8.7	18.6	42.4	52.2	49.4	0.0	23.2	21.7
New Mexico Non-MSA	133	24,811	28.6	7,976	22.3	6.8	4.4	16.4	12.8	12.0	17.7	21.1	19.9	43.5	51.1	45.9	0.0	8.3	17.8
Santa Fe MSA	67	42,660	37.0	4,066	22.8	3.0	5.6	16.9	4.5	14.3	18.3	7.5	20.2	42.0	76.1	47.3	0.0	9.0	12.6
<b>Total</b>	<b>465</b>	<b>229,892</b>	<b>100.0</b>	<b>42,910</b>	<b>23.5</b>	<b>3.7</b>	<b>5.5</b>	<b>15.8</b>	<b>8.4</b>	<b>15.3</b>	<b>18.0</b>	<b>12.5</b>	<b>20.7</b>	<b>42.7</b>	<b>54.8</b>	<b>41.7</b>	<b>0.0</b>	<b>20.6</b>	<b>16.7</b>

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%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Albuquerque MSA	67	20,011	38.1	13,830	9.0	10.4	10.1	22.1	43.3	24.1	31.3	28.4	28.5	36.7	17.9	36.9	0.8	0.0	0.4
Farmington MSA	10	1,593	5.7	1,347	0.7	0.0	0.2	25.1	40.0	23.8	42.1	40.0	44.0	32.0	20.0	32.0	0.0	0.0	0.0
Las Cruces MSA	2	1,000	1.1	2,589	6.9	0.0	6.0	32.4	0.0	36.0	25.2	0.0	22.8	35.4	100.0	35.3	0.0	0.0	0.0
New Mexico Non-MSA	60	9,685	34.1	5,823	2.2	0.0	2.1	18.2	35.0	14.5	46.5	55.0	44.7	33.1	10.0	38.7	0.0	0.0	0.0
Santa Fe MSA	37	11,080	21.0	3,804	4.2	21.6	5.6	14.4	8.1	14.4	39.3	18.9	36.6	42.1	51.4	43.5	0.0	0.0	0.0
<b>Total</b>	<b>176</b>	<b>43,369</b>	<b>100.0</b>	<b>27,393</b>	<b>6.4</b>	<b>8.5</b>	<b>6.9</b>	<b>21.3</b>	<b>32.4</b>	<b>21.8</b>	<b>35.5</b>	<b>35.8</b>	<b>33.3</b>	<b>36.4</b>	<b>23.3</b>	<b>37.8</b>	<b>0.4</b>	<b>0.0</b>	<b>0.2</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Albuquerque MSA	67	20,011	38.1	13,830	87.1	49.3	45.1	4.3	49.3	8.6	1.5
Farmington MSA	10	1,593	5.7	1,347	78.8	30.0	37.3	5.8	70.0	15.4	0.0
Las Cruces MSA	2	1,000	1.1	2,589	83.7	100.0	42.5	4.3	0.0	12.0	0.0
New Mexico Non-MSA	60	9,685	34.1	5,823	78.7	51.7	36.0	5.3	43.3	16.0	5.0
Santa Fe MSA	37	11,080	21.0	3,804	88.4	51.4	45.1	3.5	45.9	8.1	2.7
<b>Total</b>	<b>176</b>	<b>43,369</b>	<b>100.0</b>	<b>27,393</b>	<b>84.9</b>	<b>50.0</b>	<b>42.6</b>	<b>4.5</b>	<b>47.2</b>	<b>10.7</b>	<b>2.8</b>

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2017-2019**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Albuquerque MSA	1	350	50.0	59	5.0	0.0	15.3	23.2	0.0	13.6	31.9	0.0	32.2	39.8	100.0	39.0	0.1	0.0	0.0
Farmington MSA	1	10	33.3	17	0.0	0.0	0.0	12.2	0.0	0.0	44.6	100.0	41.2	43.2	0.0	58.8	0.0	0.0	0.0
Las Cruces MSA	0	0	0.0	59	2.1	0.0	0.0	40.7	0.0	42.4	30.1	0.0	30.5	27.1	0.0	27.1	0.0	0.0	0.0
New Mexico Non-MSA	3	369	75.0	225	1.3	0.0	0.4	10.3	33.3	11.1	47.5	33.3	43.6	40.8	66.7	44.9	0.0	0.0	0.0
Santa Fe MSA	0	0	0.0	24	3.0	0.0	0.0	16.7	0.0	12.5	43.6	0.0	75.0	36.8	0.0	12.5	0.0	0.0	0.0
<b>Total</b>	<b>6</b>	<b>758</b>	<b>100.0</b>	<b>384</b>	<b>3.0</b>	<b>0.0</b>	<b>2.6</b>	<b>19.8</b>	<b>16.7</b>	<b>15.9</b>	<b>38.8</b>	<b>33.3</b>	<b>41.7</b>	<b>38.4</b>	<b>50.0</b>	<b>39.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** **2017-2019**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Albuquerque MSA	1	350	16.7	59	96.1	0.0	55.9	2.3	100.0	1.6	0.0
Farmington MSA	1	10	16.7	17	98.6	0.0	52.9	1.4	0.0	0.0	100.0
Las Cruces MSA	--	--	--	59	90.8	--	27.1	7.5	--	1.6	--
New Mexico Non-MSA	4	398	66.7	225	94.4	100.0	31.1	4.7	0.0	0.9	0.0
Santa Fe MSA	--	--	--	24	97.7	--	58.3	1.8	--	0.5	--
<b>Total</b>	<b>6</b>	<b>758</b>	<b>100.0</b>	<b>384</b>	<b>95.2</b>	<b>66.7</b>	<b>37.0</b>	<b>3.6</b>	<b>16.7</b>	<b>1.2</b>	<b>16.7</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

## STATE OF OREGON

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
Albany-Lebanon MSA	62	38,567	5.4	5,020	1.7	4.8	3.0	14.2	21.0	15.2	65.6	48.4	60.4	18.5	25.8	21.4	0.0	0.0	0.0
Bend MSA	313	119,374	27.2	10,460	0.0	0.0	0.0	19.1	18.2	18.5	59.1	63.3	60.6	21.8	18.5	20.9	0.0	0.0	0.0
Corvallis MSA	67	40,602	5.8	2,162	4.9	3.0	4.4	15.0	10.4	16.1	41.2	46.3	45.5	38.2	40.3	33.0	0.6	0.0	1.0
Eugene-Springfield MSA	118	126,817	10.3	12,553	0.9	1.7	1.1	16.9	22.0	18.0	57.2	44.9	57.9	25.0	31.4	23.0	0.0	0.0	0.0
Grants Pass MSA	68	12,840	5.9	2,834	0.0	0.0	0.0	6.9	13.2	12.1	66.2	76.5	61.6	26.9	10.3	26.3	0.0	0.0	0.0
Medford MSA	94	31,893	8.2	7,483	0.2	0.0	0.5	12.2	8.5	11.7	59.0	54.3	57.4	28.6	37.2	30.4	0.0	0.0	0.0
Oregon Non-MSA	296	68,889	25.7	11,160	0.6	1.0	0.4	6.3	3.7	5.7	72.4	74.3	72.4	20.7	20.9	21.5	0.0	0.0	0.0
Salem MSA	133	55,644	11.6	15,059	1.0	0.8	1.4	15.3	15.8	16.4	51.4	42.9	49.9	32.3	40.6	32.3	0.0	0.0	0.0
<b>Total</b>	<b>1,151</b>	<b>494,626</b>	<b>100.0</b>	<b>66,731</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>13.2</b>	<b>13.2</b>	<b>14.4</b>	<b>60.0</b>	<b>60.1</b>	<b>58.8</b>	<b>26.0</b>	<b>25.7</b>	<b>25.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-2019</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Albany-Lebanon MSA	62	38,567	8.9	5,020	22.2	3.2	3.6	17.8	8.1	14.2	20.3	22.6	25.5	39.8	50.0	41.0	0.0	16.1	15.7		
Bend MSA	313	119,374	27.2	10,460	21.7	2.9	3.3	18.7	9.9	12.4	19.8	13.1	22.0	39.8	55.0	52.5	0.0	19.2	9.8		
Corvallis MSA	67	40,602	14.7	2,162	21.9	4.5	5.2	17.5	13.4	15.7	20.7	11.9	24.5	40.0	59.7	43.0	0.0	10.4	11.7		
Eugene-Springfield MSA	118	126,817	42.3	12,553	21.4	0.8	4.4	17.8	10.2	15.2	20.5	15.3	23.5	40.3	61.9	45.4	0.0	11.9	11.5		
Grants Pass MSA	68	12,840	7.8	2,834	19.4	7.4	3.6	19.5	20.6	12.3	19.7	11.8	23.5	41.4	38.2	47.4	0.0	22.1	13.1		
Medford MSA	94	31,893	20.6	7,483	21.2	2.1	3.0	18.2	7.4	12.9	19.6	10.6	22.7	41.1	64.9	49.5	0.0	14.9	11.9		
Oregon Non-MSA	296	68,889	25.7	11,160	20.4	5.1	3.7	17.4	10.5	12.7	20.5	18.2	22.1	41.8	57.8	47.4	0.0	8.4	14.1		
Salem MSA	133	55,644	15.3	15,059	21.5	1.5	3.7	17.2	6.0	15.8	20.5	19.5	26.6	40.7	54.9	39.9	0.0	18.0	14.1		
<b>Total</b>	<b>1,151</b>	<b>494,626</b>	<b>100.0</b>	<b>66,731</b>	<b>21.2</b>	<b>3.4</b>	<b>3.7</b>	<b>17.8</b>	<b>10.2</b>	<b>14.0</b>	<b>20.3</b>	<b>15.6</b>	<b>23.8</b>	<b>40.7</b>	<b>56.2</b>	<b>45.7</b>	<b>0.0</b>	<b>14.7</b>	<b>12.7</b>		

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%

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2017-2019</b>		
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>					
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>			
Albany-Lebanon MSA	1	250	0.3	1,872	3.3	0.0	2.2	18.0	0.0	15.5	61.6	100.0	63.5	17.2	0.0	18.8	0.0	0.0	0.0			
Bend MSA	97	26,979	26.6	5,972	0.0	0.0	0.0	31.3	57.7	29.0	43.3	34.0	43.5	25.4	8.2	27.5	0.0	0.0	0.0			
Corvallis MSA	5	705	1.4	1,370	4.4	0.0	3.9	33.7	80.0	31.5	31.4	20.0	34.7	28.3	0.0	28.8	2.2	0.0	1.1			
Eugene-Springfield MSA	13	3,862	3.6	6,623	5.4	0.0	5.7	23.7	38.5	24.9	48.4	53.8	46.7	22.5	7.7	22.8	0.0	0.0	0.0			
Grants Pass MSA	21	3,345	5.8	1,262	0.0	0.0	0.0	20.8	33.3	21.2	61.3	66.7	57.9	17.9	0.0	20.9	0.0	0.0	0.0			
Medford MSA	123	37,971	33.8	4,548	5.4	0.8	5.2	15.2	8.1	12.5	54.3	83.7	55.8	25.1	7.3	26.5	0.0	0.0	0.0			
Oregon Non-MSA	93	12,351	25.5	5,999	0.9	0.0	0.7	10.9	25.8	9.6	68.5	63.4	70.2	19.7	10.8	19.5	0.0	0.0	0.0			
Salem MSA	11	5,234	3.0	6,924	2.6	0.0	2.7	22.0	27.3	21.1	42.6	63.6	41.9	32.8	9.1	34.4	0.0	0.0	0.0			
<b>Total</b>	<b>364</b>	<b>90,707</b>	<b>100.0</b>	<b>34,570</b>	<b>2.9</b>	<b>0.3</b>	<b>2.7</b>	<b>21.0</b>	<b>29.9</b>	<b>20.2</b>	<b>51.5</b>	<b>61.8</b>	<b>51.3</b>	<b>24.6</b>	<b>8.0</b>	<b>25.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>			

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Albany-Lebanon MSA	1	250	0.3	1,872	87.0	0.0	46.4	4.3	100.0	8.6	0.0
Bend MSA	97	26,979	26.6	5,972	90.8	47.4	47.9	3.3	51.5	6.0	1.0
Corvallis MSA	5	715	1.4	1,370	88.0	40.0	51.8	3.3	60.0	8.7	0.0
Eugene-Springfield MSA	13	3,862	3.6	6,623	87.6	69.2	49.6	4.3	30.8	8.1	0.0
Grants Pass MSA	21	3,345	5.8	1,262	90.0	61.9	51.8	3.1	28.6	7.0	9.5
Medford MSA	123	37,971	33.8	4,548	89.2	18.7	47.1	3.5	80.5	7.3	0.8
Oregon Non-MSA	93	12,351	25.5	5,999	85.6	57.0	54.0	3.7	41.9	10.7	1.1
Salem MSA	11	5,234	3.0	6,924	87.8	27.3	48.2	3.6	72.7	8.7	0.0
<b>Total</b>	<b>364</b>	<b>90,707</b>	<b>100.0</b>	<b>34,570</b>	<b>88.1</b>	<b>40.9</b>	<b>49.5</b>	<b>3.7</b>	<b>57.7</b>	<b>8.3</b>	<b>1.4</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Albany-Lebanon MSA	0	0	0.0	131	0.8	0.0	0.0	3.2	0.0	0.0	81.1	0.0	78.6	14.8	0.0	21.4	0.0	0.0	0.0		
Bend MSA	3	238	3.5	85	0.0	0.0	0.0	19.2	0.0	12.9	62.6	100.0	70.6	18.2	33.3	16.5	0.0	0.0	0.0		
Corvallis MSA	0	0	0.0	58	6.0	0.0	6.9	13.3	0.0	1.7	59.1	0.0	86.2	21.4	0.0	5.2	0.2	0.0	0.0		
Eugene-Springfield MSA	0	0	0.0	146	1.6	0.0	1.4	14.5	0.0	14.4	54.3	0.0	49.3	29.6	0.0	34.9	0.0	0.0	0.0		
Grants Pass MSA	4	478	3.1	29	0.0	0.0	0.0	4.1	0.0	0.0	69.1	100.0	72.4	26.9	0.0	27.6	0.0	0.0	0.0		
Medford MSA	44	6,878	33.8	145	1.7	0.0	2.1	10.6	0.0	9.0	65.7	63.6	68.3	22.0	36.4	20.7	0.0	0.0	0.0		
Oregon Non-MSA	78	12,117	60.0	1,037	0.1	0.0	0.0	3.3	0.0	1.1	71.3	92.3	78.8	25.3	7.7	20.2	0.0	0.0	0.0		
Salem MSA	0	0	0.0	401	1.3	0.0	0.2	10.9	0.0	5.2	50.0	0.0	52.9	37.8	0.0	41.6	0.0	0.0	0.0		
<b>Total</b>	<b>130</b>	<b>19,716</b>	<b>100.0</b>	<b>2,032</b>	<b>1.0</b>	<b>0.0</b>	<b>0.5</b>	<b>9.0</b>	<b>0.0</b>	<b>3.8</b>	<b>63.5</b>	<b>82.3</b>	<b>70.6</b>	<b>26.5</b>	<b>17.7</b>	<b>25.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-2019	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Albany-Lebanon MSA	--	--	--	131	96.2	--	45.0	3.0	--	0.8	--	
Bend MSA	4	243	3.1	85	98.1	100.0	54.1	1.5	0.0	0.5	0.0	
Corvallis MSA	--	--	--	58	95.5	--	37.9	3.9	--	0.6	--	
Eugene-Springfield MSA	--	--	--	146	96.7	--	56.2	2.1	--	1.2	--	
Grants Pass MSA	4	478	3.1	29	96.2	100.0	58.6	1.5	0.0	2.3	0.0	
Medford MSA	44	6,878	33.8	145	97.0	81.8	52.4	1.9	18.2	1.1	0.0	
Oregon Non-MSA	78	12,117	60.0	1,037	95.1	83.3	66.9	3.2	15.4	1.7	1.3	
Salem MSA	--	--	--	401	92.9	--	46.1	5.4	--	1.7	--	
<b>Total</b>	<b>130</b>	<b>19,716</b>	<b>100.0</b>	<b>2,032</b>	<b>95.5</b>	<b>83.8</b>	<b>58.1</b>	<b>3.2</b>	<b>15.4</b>	<b>1.4</b>	<b>0.8</b>	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

STATE OF TEXAS

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017-2019</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% 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		
Austin-Round Rock-Georgetown MSA	14	9,470	12.1	41,181	6.2	0.0	6.6	18.6	7.1	18.6	29.9	28.6	33.6	45.0	64.3	40.7	0.3	0.0	0.5		
Dallas-Plano-Irving MD	102	69,962	87.9	157,727	5.4	2.9	3.3	20.4	5.9	13.4	28.9	24.5	30.7	45.2	66.7	52.5	0.1	0.0	0.1		
<b>Total</b>	<b>116</b>	<b>79,432</b>	<b>100.0</b>	<b>198,908</b>	<b>5.6</b>	<b>2.6</b>	<b>4.0</b>	<b>20.0</b>	<b>6.0</b>	<b>14.5</b>	<b>29.1</b>	<b>25.0</b>	<b>31.3</b>	<b>45.2</b>	<b>66.4</b>	<b>50.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>		

*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%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-2019</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Austin-Round Rock-Georgetown MSA	14	9,470	14.9	41,181	24.8	0.0	3.5	15.9	0.0	13.7	18.1	0.0	19.8	41.2	21.4	49.7	0.0	78.6	13.3		
Dallas-Plano-Irving MD	102	69,962	108.5	157,727	23.7	0.0	3.7	16.5	3.9	12.6	17.6	5.9	19.3	42.2	67.6	47.0	0.0	22.5	17.4		
<b>Total</b>	<b>116</b>	<b>79,432</b>	<b>123.4</b>	<b>198,908</b>	<b>23.9</b>	<b>0.0</b>	<b>3.7</b>	<b>16.4</b>	<b>3.4</b>	<b>12.8</b>	<b>17.7</b>	<b>5.2</b>	<b>19.4</b>	<b>42.0</b>	<b>62.1</b>	<b>47.5</b>	<b>0.0</b>	<b>29.3</b>	<b>16.6</b>		

*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%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Austin-Round Rock-Georgetown MSA	14	7,167	60.9	36,941	8.7	0.0	9.4	12.1	14.3	13.6	26.7	21.4	26.9	50.8	64.3	48.9	1.8	0.0	1.2
Dallas-Plano-Irving MD	9	3,481	39.1	121,564	7.2	11.1	7.1	18.2	33.3	18.6	26.1	0.0	24.9	47.6	55.6	48.4	0.8	0.0	1.0
<b>Total</b>	<b>23</b>	<b>10,648</b>	<b>100.0</b>	<b>158,505</b>	<b>7.6</b>	<b>4.3</b>	<b>7.6</b>	<b>16.8</b>	<b>21.7</b>	<b>17.4</b>	<b>26.2</b>	<b>13.0</b>	<b>25.4</b>	<b>48.3</b>	<b>60.9</b>	<b>48.6</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Austin-Round Rock-Georgetown MSA	14	7,167	60.9	36,941	87.6	57.1	42.6	4.2	42.9	8.2	0.0
Dallas-Plano-Irving MD	9	3,481	39.1	121,564	87.6	44.4	42.1	4.4	55.6	8.0	0.0
<b>Total</b>	<b>23</b>	<b>10,648</b>	<b>100.0</b>	<b>158,505</b>	<b>87.6</b>	<b>52.2</b>	<b>42.2</b>	<b>4.3</b>	<b>47.8</b>	<b>8.1</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**STATE OF UTAH**

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Logan MSA	11	3,166	5.2	4,452	1.5	0.0	2.0	12.7	18.2	14.1	47.3	27.3	47.7	38.6	54.5	36.1	0.0	0.0	0.0	
Ogden-Clearfield MSA	61	24,640	28.6	32,926	0.9	0.0	1.3	17.5	9.8	18.7	48.0	31.1	48.6	33.5	59.0	31.4	0.0	0.0	0.0	
Salt Lake City MSA	111	90,743	52.1	49,250	1.5	0.9	1.3	17.5	18.0	16.6	44.9	36.9	47.4	35.6	43.2	34.1	0.5	0.9	0.6	
Utah Non-MSA	30	24,675	14.1	3,035	0.0	0.0	0.0	4.3	0.0	2.5	57.5	30.0	38.9	38.0	70.0	57.8	0.3	0.0	0.8	
<b>Total</b>	<b>213</b>	<b>143,224</b>	<b>100.0</b>	<b>89,663</b>	<b>1.2</b>	<b>0.5</b>	<b>1.3</b>	<b>16.7</b>	<b>13.1</b>	<b>16.8</b>	<b>46.7</b>	<b>33.8</b>	<b>47.5</b>	<b>35.1</b>	<b>52.1</b>	<b>34.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.3</b>	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-2019</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Logan MSA	34	9,801	8.8	4,753	1.5	0.0	1.8	12.7	8.8	13.4	47.3	35.3	46.1	38.6	55.9	38.7	0.0	0.0	0.0	
Ogden-Clearfield MSA	89	36,997	23.1	35,117	0.9	1.1	1.3	17.5	7.9	18.5	48.0	38.2	48.4	33.5	52.8	31.8	0.0	0.0	0.0	
Salt Lake City MSA	220	189,250	57.1	52,712	1.5	0.9	1.3	17.5	9.5	16.4	44.9	36.4	46.4	35.6	53.2	35.4	0.5	0.0	0.5	
Utah Non-MSA	42	13,675	10.9	3,098	0.0	0.0	0.0	5.1	7.1	3.7	49.7	54.8	35.2	44.9	38.1	59.8	0.3	0.0	1.3	
<b>Total</b>	<b>385</b>	<b>249,722</b>	<b>100.0</b>	<b>95,680</b>	<b>1.2</b>	<b>0.8</b>	<b>1.3</b>	<b>16.8</b>	<b>8.8</b>	<b>16.6</b>	<b>46.3</b>	<b>38.7</b>	<b>46.8</b>	<b>35.4</b>	<b>51.7</b>	<b>35.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Logan MSA	11	3,166	5.2	4,452	19.4	0.0	4.6	18.5	18.2	18.8	22.5	9.1	24.8	39.5	72.7	31.9	0.0	0.0	19.9
Ogden-Clearfield MSA	61	24,640	28.6	32,926	17.6	4.9	8.3	19.3	6.6	23.0	24.1	13.1	26.4	39.1	73.8	26.9	0.0	1.6	15.4
Salt Lake City MSA	111	90,743	52.1	49,250	19.9	0.9	6.2	17.6	14.4	22.8	22.0	16.2	25.1	40.5	62.2	32.4	0.0	6.3	13.5
Utah Non-MSA	30	24,675	14.1	3,035	15.8	3.3	3.9	13.8	0.0	9.4	19.5	6.7	12.5	50.9	76.7	62.0	0.0	13.3	12.3
<b>Total</b>	<b>213</b>	<b>143,224</b>	<b>100.0</b>	<b>89,663</b>	<b>18.9</b>	<b>2.3</b>	<b>6.8</b>	<b>18.1</b>	<b>10.3</b>	<b>22.2</b>	<b>22.6</b>	<b>13.6</b>	<b>25.1</b>	<b>40.4</b>	<b>68.1</b>	<b>31.4</b>	<b>0.0</b>	<b>5.6</b>	<b>14.5</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Logan MSA	34	9,801	19.2	4,753	19.4	0.0	4.2	18.5	5.9	18.3	22.5	23.5	26.2	39.5	67.6	36.1	0.0	2.9	15.2
Ogden-Clearfield MSA	89	36,997	50.3	35,117	17.6	1.1	7.2	19.3	14.6	22.7	24.1	20.2	27.1	39.1	62.9	30.3	0.0	1.1	12.7
Salt Lake City MSA	220	189,250	57.1	52,712	19.9	3.6	6.1	17.6	9.5	22.2	22.0	15.9	26.0	40.5	65.0	33.9	0.0	5.9	11.8
Utah Non-MSA	42	13,675	20.2	3,098	15.4	2.4	4.2	11.9	7.1	9.0	18.7	14.3	11.7	54.1	76.2	63.7	0.0	0.0	11.4
<b>Total</b>	<b>385</b>	<b>249,722</b>	<b>100.0</b>	<b>95,680</b>	<b>18.9</b>	<b>2.6</b>	<b>6.3</b>	<b>18.1</b>	<b>10.1</b>	<b>21.7</b>	<b>22.6</b>	<b>17.4</b>	<b>25.9</b>	<b>40.4</b>	<b>66.0</b>	<b>33.7</b>	<b>0.0</b>	<b>3.9</b>	<b>12.3</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Logan MSA	1	3	20.0	2,544	6.8	0.0	5.2	22.4	100.0	19.6	40.1	0.0	40.6	30.8	0.0	34.6	0.0	0.0	0.0
Ogden-Clearfield MSA	0	0	0.0	11,389	5.0	0.0	5.2	17.7	0.0	15.3	42.2	0.0	42.1	35.1	0.0	37.4	0.0	0.0	0.0
Salt Lake City MSA	4	718	80.0	27,790	3.0	0.0	3.1	22.3	75.0	23.0	39.3	0.0	38.0	34.4	25.0	35.1	0.9	0.0	0.9
Utah Non-MSA	0	0	0.0	2,773	0.0	0.0	0.0	5.2	0.0	2.6	33.2	0.0	31.2	61.6	0.0	66.1	0.1	0.0	0.1
<b>Total</b>	<b>5</b>	<b>721</b>	<b>100.0</b>	<b>44,496</b>	<b>3.6</b>	<b>0.0</b>	<b>3.5</b>	<b>20.1</b>	<b>80.0</b>	<b>19.6</b>	<b>39.8</b>	<b>0.0</b>	<b>38.8</b>	<b>36.0</b>	<b>20.0</b>	<b>37.6</b>	<b>0.6</b>	<b>0.0</b>	<b>0.5</b>

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Logan MSA	0	0	0.0	2,126	6.7	0.0	4.8	20.7	0.0	19.3	38.8	0.0	41.5	33.8	0.0	34.4	0.0	0.0	0.0
Ogden-Clearfield MSA	1	694	7.7	10,541	4.5	0.0	5.1	16.7	0.0	15.3	42.4	0.0	42.7	36.4	100.0	36.9	0.0	0.0	0.0
Salt Lake City MSA	10	3,459	76.9	26,714	2.9	0.0	3.0	21.2	60.0	22.4	39.3	30.0	38.8	35.8	10.0	34.9	0.9	0.0	0.9
Utah Non-MSA	2	165	15.4	2,399	0.0	0.0	0.0	4.8	50.0	2.3	27.5	50.0	26.1	67.7	0.0	71.5	0.1	0.0	0.1
<b>Total</b>	<b>13</b>	<b>4,318</b>	<b>100.0</b>	<b>41,780</b>	<b>3.4</b>	<b>0.0</b>	<b>3.5</b>	<b>19.1</b>	<b>53.8</b>	<b>19.3</b>	<b>39.5</b>	<b>30.8</b>	<b>39.2</b>	<b>37.5</b>	<b>15.4</b>	<b>37.5</b>	<b>0.6</b>	<b>0.0</b>	<b>0.6</b>

Source: 2019 D&B Data; 01/01/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2017</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Logan MSA	1	3	20.0	2,544	83.4	100.0	36.9	5.0	0.0	11.6	0.0	
Ogden-Clearfield MSA	--	--	--	11,389	85.5	--	46.1	4.7	--	9.7	--	
Salt Lake City MSA	4	718	80.0	27,790	84.3	75.0	45.4	6.4	25.0	9.3	0.0	
Utah Non-MSA	--	--	--	2,773	84.7	--	48.9	4.9	--	10.4	--	
<b>Total</b>	<b>5</b>	<b>721</b>	<b>100.0</b>	<b>44,496</b>	<b>84.6</b>	<b>80.0</b>	<b>45.3</b>	<b>5.8</b>	<b>20.0</b>	<b>9.6</b>	<b>0.0</b>	
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2018-2019</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Logan MSA	--	--	--	2,126	85.9	--	44.3	4.0	--	10.1	--	
Ogden-Clearfield MSA	1	694	7.7	10,541	88.1	0.0	43.9	3.5	100.0	8.4	0.0	
Salt Lake City MSA	10	3,459	76.9	26,714	87.3	10.0	44.1	4.7	90.0	8.0	0.0	
Utah Non-MSA	2	165	15.4	2,399	88.1	100.0	49.1	3.8	0.0	8.1	0.0	
<b>Total</b>	<b>13</b>	<b>4,318</b>	<b>100.0</b>	<b>41,780</b>	<b>87.5</b>	<b>23.1</b>	<b>44.4</b>	<b>4.3</b>	<b>76.9</b>	<b>8.2</b>	<b>0.0</b>	
<i>Source: 2019 D&amp;B Data; 01/01/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

STATE OF WASHINGTON

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% 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		
Bellingham MSA	501	188,192	13.5	6,970	1.0	0.8	1.3	4.1	2.0	4.4	77.8	83.4	80.7	17.0	13.6	13.4	0.1	0.2	0.1		
Bremerton-Silverdale-Port Orchard MSA	224	98,344	6.0	11,892	0.6	0.4	0.9	14.7	2.7	18.2	63.5	46.0	62.2	21.2	50.9	18.7	0.0	0.0	0.0		
Lewiston ID-WA MSA	21	3,062	0.6	1,901	0.0	0.0	0.0	7.6	14.3	8.4	67.8	76.2	68.8	24.6	9.5	22.9	0.0	0.0	0.0		
Mount Vernon-Anacortes MSA	292	98,585	7.9	4,590	1.9	0.7	2.3	11.3	5.1	13.0	50.8	53.4	51.8	36.0	40.8	32.9	0.0	0.0	0.0		
Olympia-Lacey-Tumwater MSA	91	32,570	2.5	12,987	0.0	0.0	0.0	18.0	7.7	18.9	54.8	44.0	56.3	27.2	48.4	24.7	0.0	0.0	0.0		
Seattle-Bellevue-Kent MD	2,045	1,234,797	55.2	116,578	3.0	1.5	3.3	18.1	12.7	19.1	44.8	43.9	45.9	34.1	41.9	31.7	0.0	0.0	0.0		
Tacoma-Lakewood MD	277	135,828	7.5	40,843	1.4	3.2	1.4	16.6	10.8	17.9	51.2	46.9	50.7	30.7	39.0	30.0	0.0	0.0	0.0		
Wenatchee MSA	219	84,340	5.9	3,965	0.0	0.0	0.0	12.3	7.3	12.6	78.4	83.6	78.7	9.3	9.1	8.7	0.0	0.0	0.0		
Yakima MSA	34	8,524	0.9	5,313	0.0	0.0	0.0	17.6	0.0	12.1	41.2	29.4	39.9	41.3	70.6	48.0	0.0	0.0	0.0		
<b>Total</b>	<b>3,704</b>	<b>1,884,240</b>	<b>100.0</b>	<b>205,039</b>	<b>2.1</b>	<b>1.3</b>	<b>2.3</b>	<b>16.6</b>	<b>9.4</b>	<b>17.8</b>	<b>50.1</b>	<b>52.8</b>	<b>50.5</b>	<b>31.3</b>	<b>36.6</b>	<b>29.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

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%

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017-2018**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
Spokane-Spokane Valley MSA	97	23,996	13.9	23,213	0.1	0.0	0.1	20.7	28.9	23.5	46.9	44.3	43.6	32.0	26.8	32.4	0.3	0.0	0.4
Walla Walla MSA	28	5,285	4.0	1,937	3.4	3.6	3.0	8.3	3.6	7.2	69.0	64.3	70.9	19.3	28.6	18.8	0.0	0.0	0.0
Washington Non-MSA	571	192,841	82.0	21,523	0.3	0.0	0.4	9.5	6.3	7.7	65.4	60.6	63.1	24.7	33.1	28.8	0.0	0.0	0.0
<b>Total</b>	<b>696</b>	<b>222,123</b>	<b>100.0</b>	<b>46,673</b>	<b>0.3</b>	<b>0.1</b>	<b>0.4</b>	<b>14.4</b>	<b>9.3</b>	<b>15.6</b>	<b>57.4</b>	<b>58.5</b>	<b>53.7</b>	<b>27.7</b>	<b>32.0</b>	<b>30.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% 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
Spokane-Spokane Valley MSA	56	13,137	14.2	22,743	0.1	0.0	0.1	20.7	32.1	23.5	47.5	44.6	42.9	31.4	23.2	33.0	0.3	0.0	0.4
Walla Walla MSA	27	5,471	6.9	1,833	3.7	3.7	3.2	9.0	11.1	7.6	66.2	70.4	69.3	21.0	14.8	19.9	0.0	0.0	0.0
Washington Non-MSA	310	104,904	78.9	22,097	0.3	0.6	0.4	7.2	3.2	8.0	66.4	61.3	63.5	26.1	34.8	28.0	0.0	0.0	0.0
<b>Total</b>	<b>393</b>	<b>123,512</b>	<b>100.0</b>	<b>46,673</b>	<b>0.3</b>	<b>0.8</b>	<b>0.4</b>	<b>13.1</b>	<b>7.9</b>	<b>15.6</b>	<b>58.2</b>	<b>59.5</b>	<b>53.7</b>	<b>28.1</b>	<b>31.8</b>	<b>30.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Bellingham MSA	501	188,192	13.5	6,970	20.8	5.0	4.6	17.1	14.6	15.7	22.5	24.4	25.8	39.6	49.3	44.2	0.0	6.8	9.6
Bremerton-Silverdale-Port Orchard MSA	224	98,344	6.0	11,892	19.3	3.6	4.9	18.7	10.3	17.6	21.9	16.1	26.2	40.1	61.6	37.8	0.0	8.5	13.6
Lewiston ID-WA MSA	21	3,062	1.7	1,901	18.9	9.5	7.8	20.0	9.5	22.9	22.2	33.3	28.4	38.9	42.9	29.9	0.0	4.8	11.0
Mount Vernon-Anacortes MSA	292	98,585	7.9	4,590	20.6	4.8	3.0	18.7	17.1	13.0	20.2	18.2	25.9	40.5	55.8	45.6	0.0	4.1	12.4
Olympia-Lacey-Tumwater MSA	91	32,570	2.5	12,987	19.7	5.5	3.6	17.8	8.8	16.5	23.6	11.0	27.7	39.0	62.6	38.1	0.0	12.1	14.2
Seattle-Bellevue-Kent MD	2,045	1,234,797	55.2	116,578	21.5	6.1	5.2	17.5	11.2	15.9	20.6	18.7	23.8	40.4	56.2	44.8	0.0	7.8	10.3
Tacoma-Lakewood MD	277	135,828	7.5	40,843	20.2	3.6	2.9	18.0	7.2	13.0	21.5	16.6	26.2	40.2	62.5	43.1	0.0	10.1	14.8
Wenatchee MSA	219	84,340	9.1	3,965	19.1	2.3	3.0	19.1	4.6	11.6	22.3	11.9	23.3	39.6	75.3	51.8	0.0	5.9	10.4
Yakima MSA	34	8,524	2.9	5,313	20.2	0.0	3.4	18.1	2.9	12.5	20.6	23.5	22.4	41.1	70.6	47.9	0.0	2.9	13.8
<b>Total</b>	<b>3,704</b>	<b>1,884,240</b>	<b>100.0</b>	<b>205,039</b>	<b>20.9</b>	<b>5.2</b>	<b>4.5</b>	<b>17.8</b>	<b>11.2</b>	<b>15.3</b>	<b>21.1</b>	<b>18.7</b>	<b>24.8</b>	<b>40.2</b>	<b>57.4</b>	<b>43.7</b>	<b>0.0</b>	<b>7.5</b>	<b>11.7</b>

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%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-2018**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	97	23,996	13.9	23,213	21.0	10.3	4.7	17.2	12.4	16.6	22.0	18.6	22.9	39.8	50.5	41.1	0.0	8.2	14.8
Walla Walla MSA	28	5,285	8.2	1,937	22.4	3.6	5.3	15.7	21.4	16.9	22.0	32.1	22.7	40.0	35.7	37.6	0.0	7.1	17.5
Washington Non-MSA	571	192,841	82.0	21,523	18.7	2.8	4.2	18.1	8.1	13.8	22.0	17.5	24.0	41.2	65.0	45.8	0.0	6.7	12.2
<b>Total</b>	<b>696</b>	<b>222,123</b>	<b>100.0</b>	<b>46,673</b>	<b>19.9</b>	<b>3.9</b>	<b>4.5</b>	<b>17.6</b>	<b>9.2</b>	<b>15.3</b>	<b>22.0</b>	<b>18.2</b>	<b>23.4</b>	<b>40.5</b>	<b>61.8</b>	<b>43.1</b>	<b>0.0</b>	<b>6.9</b>	<b>13.7</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	56	13,137	14.2	22,743	20.7	8.9	4.7	17.1	17.9	16.6	22.1	21.4	23.0	40.1	48.2	41.0	0.0	3.6	14.8
Walla Walla MSA	27	5,471	6.9	1,833	22.1	7.4	5.3	15.1	14.8	16.7	22.2	29.6	22.9	40.6	37.0	37.4	0.0	11.1	17.7
Washington Non-MSA	310	104,904	78.9	22,097	19.1	2.6	4.3	18.1	8.4	13.9	21.9	17.1	23.9	40.9	66.5	45.8	0.0	5.5	12.2
<b>Total</b>	<b>393</b>	<b>123,512</b>	<b>100.0</b>	<b>46,673</b>	<b>19.9</b>	<b>3.8</b>	<b>4.5</b>	<b>17.6</b>	<b>10.2</b>	<b>15.3</b>	<b>22.0</b>	<b>18.6</b>	<b>23.4</b>	<b>40.5</b>	<b>61.8</b>	<b>43.1</b>	<b>0.0</b>	<b>5.6</b>	<b>13.7</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Bellingham MSA	39	11,907	12.0	4,617	1.7	0.0	1.7	5.4	2.6	6.5	72.5	79.5	74.2	14.8	10.3	12.9	5.6	7.7	4.8
Bremerton-Silverdale-Port Orchard MSA	1	75	0.3	4,025	2.1	0.0	2.2	15.3	0.0	12.2	54.9	100.0	56.0	27.7	0.0	29.6	0.0	0.0	0.0
Lewiston ID-WA MSA	17	4,551	5.2	981	0.0	0.0	0.0	11.8	17.6	10.3	71.1	29.4	68.4	17.1	52.9	21.3	0.0	0.0	0.0
Mount Vernon-Anacortes MSA	14	3,148	4.3	2,172	1.5	0.0	1.9	22.2	14.3	21.1	46.2	64.3	43.3	30.0	21.4	33.5	0.1	0.0	0.2
Olympia-Lacey-Tumwater MSA	8	1,847	2.5	4,024	0.0	0.0	0.0	25.1	37.5	23.6	53.7	12.5	52.2	21.2	50.0	24.2	0.0	0.0	0.0
Seattle-Bellevue-Kent MD	223	75,407	68.6	73,520	6.0	4.5	5.7	19.2	18.4	18.0	37.5	37.2	38.4	36.9	39.9	37.3	0.5	0.0	0.5
Tacoma-Lakewood MD	11	3,338	3.4	14,539	5.5	9.1	4.9	20.2	27.3	18.6	47.7	45.5	47.3	26.6	18.2	29.2	0.0	0.0	0.0
Wenatchee MSA	7	293	2.2	2,179	0.0	0.0	0.0	20.2	0.0	18.4	71.1	85.7	73.3	8.8	14.3	8.2	0.0	0.0	0.0
Yakima MSA	5	1,235	1.5	3,006	0.0	0.0	0.0	28.4	0.0	24.9	39.4	60.0	42.9	32.2	40.0	32.2	0.0	0.0	0.0
<b>Total</b>	<b>325</b>	<b>101,801</b>	<b>100.0</b>	<b>109,063</b>	<b>4.8</b>	<b>3.4</b>	<b>4.7</b>	<b>19.1</b>	<b>16.3</b>	<b>17.8</b>	<b>43.4</b>	<b>44.3</b>	<b>43.5</b>	<b>32.2</b>	<b>35.1</b>	<b>33.5</b>	<b>0.6</b>	<b>0.9</b>	<b>0.6</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-2018**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	5	1,485	23.8	8,828	3.0	0.0	2.3	32.6	40.0	30.0	39.2	40.0	38.6	24.5	20.0	28.4	0.8	0.0	0.7
Walla Walla MSA	1	20	4.8	866	5.3	0.0	7.9	14.9	0.0	15.5	66.6	100.0	61.0	13.1	0.0	15.7	0.1	0.0	0.0
Washington Non-MSA	15	3,353	71.4	8,870	1.2	0.0	0.5	12.3	6.7	11.4	64.6	86.7	65.0	21.9	6.7	23.1	0.0	0.0	0.0
<b>Total</b>	<b>21</b>	<b>4,858</b>	<b>100.0</b>	<b>18,564</b>	<b>2.2</b>	<b>0.0</b>	<b>1.7</b>	<b>21.7</b>	<b>14.3</b>	<b>20.5</b>	<b>53.1</b>	<b>76.2</b>	<b>52.3</b>	<b>22.6</b>	<b>9.5</b>	<b>25.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.3</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2019**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	6	1,271	31.6	8,699	2.9	0.0	2.3	32.3	83.3	30.1	39.8	16.7	38.1	24.1	0.0	28.8	0.9	0.0	0.7
Walla Walla MSA	0	0	0.0	813	5.7	0.0	8.4	16.2	0.0	16.5	63.3	0.0	58.4	14.7	0.0	16.7	0.1	0.0	0.0
Washington Non-MSA	13	1,363	68.4	9,052	1.1	0.0	0.5	10.4	15.4	11.6	64.9	76.9	65.3	23.5	7.7	22.6	0.0	0.0	0.0
<b>Total</b>	<b>19</b>	<b>2,634</b>	<b>100.0</b>	<b>18,564</b>	<b>2.2</b>	<b>0.0</b>	<b>1.7</b>	<b>20.7</b>	<b>36.8</b>	<b>20.5</b>	<b>53.4</b>	<b>57.9</b>	<b>52.3</b>	<b>23.4</b>	<b>5.3</b>	<b>25.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.3</b>

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											
											<b>2017-2019</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>	
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>
Bellingham MSA	39	11,907	12.0	4,617	87.9	23.1	43.9	4.7	66.7	7.4	10.3
Bremerton-Silverdale-Port Orchard MSA	1	75	0.3	4,025	88.4	0.0	47.4	3.3	100.0	8.3	0.0
Lewiston ID-WA MSA	17	4,551	5.2	981	80.7	29.4	57.8	5.2	70.6	14.1	0.0
Mount Vernon-Anacortes MSA	14	3,148	4.3	2,172	84.1	42.9	50.5	4.9	35.7	11.1	21.4
Olympia-Lacey-Tumwater MSA	8	1,847	2.5	4,024	86.5	50.0	44.7	3.6	50.0	9.9	0.0
Seattle-Bellevue-Kent MD	223	75,407	68.6	73,520	87.1	28.7	44.9	4.8	69.5	8.1	1.8
Tacoma-Lakewood MD	11	3,338	3.4	14,539	87.0	54.5	45.7	4.1	27.3	9.0	18.2
Wenatchee MSA	7	293	2.2	2,179	83.9	85.7	47.7	4.8	14.3	11.2	0.0
Yakima MSA	5	1,235	1.5	3,006	81.0	80.0	49.8	5.9	20.0	13.1	0.0
<b>Total</b>	<b>325</b>	<b>101,801</b>	<b>100.0</b>	<b>109,063</b>	<b>86.8</b>	<b>32.0</b>	<b>45.5</b>	<b>4.6</b>	<b>64.0</b>	<b>8.6</b>	<b>4.0</b>
<i>Source: 2019 D&amp;B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-2018
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Spokane-Spokane Valley MSA	5	1,485	23.8	8,828	83.5	40.0	47.1	5.4	60.0	11.1	0.0
Walla Walla MSA	1	20	4.8	866	83.3	100.0	47.6	4.4	0.0	12.3	0.0
Washington Non-MSA	15	3,353	71.4	8,870	84.7	73.3	50.8	3.9	26.7	11.4	0.0
<b>Total</b>	<b>21</b>	<b>4,858</b>	<b>100.0</b>	<b>18,564</b>	<b>84.1</b>	<b>66.7</b>	<b>48.9</b>	<b>4.6</b>	<b>33.3</b>	<b>11.3</b>	<b>0.0</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Spokane-Spokane Valley MSA	6	1,271	31.6	8,699	84.9	66.7	47.1	4.9	16.7	10.2	16.7
Walla Walla MSA	--	--	--	813	84.7	--	46.9	4.3	--	11.0	--
Washington Non-MSA	13	1,363	68.4	9,052	85.5	76.9	50.8	3.8	15.4	10.8	7.7
<b>Total</b>	<b>19</b>	<b>2,634</b>	<b>100.0</b>	<b>18,564</b>	<b>85.2</b>	<b>73.7</b>	<b>48.9</b>	<b>4.3</b>	<b>15.8</b>	<b>10.5</b>	<b>10.5</b>

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2017-2019**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Bellingham MSA	2	646	100.0	183	1.3	0.0	0.0	2.1	0.0	2.2	82.1	0.0	73.2	14.4	100.0	24.6	0.1	0.0	0.0
Bremerton-Silverdale-Port Orchard MSA	0	0	0.0	32	0.5	0.0	0.0	9.1	0.0	9.4	62.3	0.0	53.1	28.1	0.0	37.5	0.0	0.0	0.0
Lewiston ID-WA MSA	0	0	0.0	98	0.0	0.0	0.0	4.0	0.0	1.0	68.5	0.0	57.1	27.5	0.0	41.8	0.0	0.0	0.0
Mount Vernon-Anacortes MSA	0	0	0.0	81	2.3	0.0	0.0	9.3	0.0	6.2	48.1	0.0	50.6	40.3	0.0	43.2	0.0	0.0	0.0
Olympia-Lacey-Tumwater MSA	0	0	0.0	62	0.0	0.0	0.0	23.6	0.0	32.3	46.6	0.0	43.5	29.8	0.0	24.2	0.0	0.0	0.0
Seattle-Bellevue-Kent MD	0	0	0.0	293	4.2	0.0	1.4	18.0	0.0	11.9	46.2	0.0	57.3	31.5	0.0	29.4	0.1	0.0	0.0
Tacoma-Lakewood MD	0	0	0.0	65	2.4	0.0	0.0	19.5	0.0	6.2	49.8	0.0	49.2	28.4	0.0	44.6	0.0	0.0	0.0
Wenatchee MSA	0	0	0.0	148	0.0	0.0	0.0	14.4	0.0	14.2	77.0	0.0	83.8	8.6	0.0	2.0	0.0	0.0	0.0
Yakima MSA	0	0	0.0	308	0.0	0.0	0.0	8.3	0.0	4.2	56.4	0.0	63.0	35.3	0.0	32.8	0.0	0.0	0.0
<b>Total</b>	<b>2</b>	<b>646</b>	<b>100.0</b>	<b>1,270</b>	<b>2.4</b>	<b>0.0</b>	<b>0.3</b>	<b>14.7</b>	<b>0.0</b>	<b>8.3</b>	<b>54.4</b>	<b>0.0</b>	<b>62.4</b>	<b>28.4</b>	<b>100.0</b>	<b>28.9</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2017-2018**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	1	34	25.0	213	96.4	100.0	51.2	2.0	0.0	1.6	0.0	1	34	25.0	213	96.4	100.0	51.2	2.0
Walla Walla MSA	--	--	--	99	97.0	--	47.5	1.8	--	1.2	--	--	--	--	99	97.0	--	47.5	1.8
Washington Non-MSA	3	470	75.0	974	95.8	100.0	56.0	2.2	0.0	2.0	0.0	3	470	75.0	974	95.8	100.0	56.0	2.2
<b>Total</b>	<b>4</b>	<b>504</b>	<b>100.0</b>	<b>1,286</b>	<b>96.1</b>	<b>100.0</b>	<b>54.5</b>	<b>2.1</b>	<b>0.0</b>	<b>1.8</b>	<b>0.0</b>	<b>4</b>	<b>504</b>	<b>100.0</b>	<b>1,286</b>	<b>96.1</b>	<b>100.0</b>	<b>54.5</b>	<b>2.1</b>

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2019**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Spokane-Spokane Valley MSA	1	175	16.7	207	0.6	0.0	0.0	18.7	0.0	20.3	49.3	100.0	46.9	31.4	0.0	32.9	0.0	0.0	0.0
Walla Walla MSA	0	0	0.0	72	2.7	0.0	0.0	5.1	0.0	4.2	77.7	0.0	79.2	14.5	0.0	16.7	0.0	0.0	0.0
Washington Non-MSA	5	710	83.3	1,007	0.2	0.0	0.0	8.3	0.0	11.5	72.3	80.0	72.3	19.2	20.0	16.2	0.0	0.0	0.0
<b>Total</b>	<b>6</b>	<b>885</b>	<b>100.0</b>	<b>1,286</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>10.9</b>	<b>0.0</b>	<b>12.5</b>	<b>66.5</b>	<b>83.3</b>	<b>68.6</b>	<b>22.1</b>	<b>16.7</b>	<b>18.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-2019	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Bellingham MSA	2	646	100.0	183	96.2	0.0	33.9	2.1	100.0	1.7	0.0	
Bremerton-Silverdale-Port Orchard MSA	--	--	--	32	98.0	--	40.6	1.5	--	0.5	--	
Lewiston ID-WA MSA	--	--	--	98	96.0	--	74.5	2.3	--	1.7	--	
Mount Vernon-Anacortes MSA	--	--	--	81	93.2	--	45.7	4.7	--	2.1	--	
Olympia-Lacey-Tumwater MSA	--	--	--	62	96.3	--	54.8	1.9	--	1.8	--	
Seattle-Bellevue-Kent MD	--	--	--	293	95.7	--	49.8	2.5	--	1.9	--	
Tacoma-Lakewood MD	--	--	--	65	95.0	--	40.0	2.9	--	2.1	--	
Wenatchee MSA	--	--	--	148	93.9	--	60.8	3.8	--	2.3	--	
Yakima MSA	--	--	--	308	88.8	--	44.8	8.5	--	2.7	--	
<b>Total</b>	<b>2</b>	<b>646</b>	<b>100.0</b>	<b>1,270</b>	<b>94.9</b>	<b>0.0</b>	<b>48.7</b>	<b>3.2</b>	<b>100.0</b>	<b>1.9</b>	<b>0.0</b>	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-2018	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Spokane-Spokane Valley MSA	1	34	50.0	213	0.4	0.0	0.0	18.5	0.0	20.2	49.0	
Walla Walla MSA	0	0	0.0	99	2.2	0.0	0.0	4.3	0.0	3.0	80.8	
Washington Non-MSA	3	470	75.0	974	0.3	0.0	0.0	10.8	0.0	11.8	70.6	
<b>Total</b>	<b>4</b>	<b>504</b>	<b>100.0</b>	<b>1,286</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>12.3</b>	<b>0.0</b>	<b>12.5</b>	<b>65.7</b>	

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2019	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Spokane-Spokane Valley MSA	1	175	16.7	207	96.3	100.0	51.2	2.1	0.0	1.6	0.0	
Walla Walla MSA	--	--	--	72	96.9	--	43.1	1.9	--	1.2	--	
Washington Non-MSA	5	710	83.3	1,007	96.2	80.0	56.0	2.0	0.0	1.8	20.0	
<b>Total</b>	<b>6</b>	<b>885</b>	<b>100.0</b>	<b>1,286</b>	<b>96.3</b>	<b>83.3</b>	<b>54.5</b>	<b>2.0</b>	<b>0.0</b>	<b>1.7</b>	<b>16.7</b>	

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

