



PUBLIC DISCLOSURE

June 16, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

USAA Federal Savings Bank
Charter Number 707975

1 Norterra Drive
Phoenix, AZ 85085

Office of the Comptroller of the Currency

400 7th Street, SW
Washington, DC 20219

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 Outstanding.

CONCLUSIONS:

United Services Automobile Association Federal Savings Bank (USAA FSB) exceeded its Strategic Plan (Plan) goals for a satisfactory rating and substantially achieved its Plan goals for an outstanding rating.

USAA FSB exhibited an excellent level of total qualified investments and contributions. USAA FSB exceeded the investment goals for outstanding performance set forth in USAA FSB's Plan for the 2022 to 2024 evaluation period. USAA FSB maintained more than \$2.4 billion in total qualified investments during the three-year period. The majority of tax credit investments supported affordable housing while the rest addressed economic development. Bank contributions addressed affordable housing, economic development, revitalization and stabilization, community services, and disaster relief.

USAA FSB exhibited an excellent level of community development (CD) services. USAA FSB exceeded the service goals for outstanding performance set forth in its Plan for the 2022 to 2024 evaluation period. USAA FSB was responsive to identified community needs and supported services that targeted affordable housing, financial education, and social services to low- and moderate-income individuals and families with a primary focus on military members and veterans.

Description of Institution

USAA FSB is a large, interstate federally-chartered stock institution headquartered in Phoenix, Arizona and is an indirect, wholly owned subsidiary of USAA Capital Corporation (CapCo), an intermediate savings and loan holding company. USAA, an insurance savings and loan holding company, owns CapCo and, directly or indirectly, all other entities in the USAA family of companies. As of December 31, 2024, USAA and its subsidiaries reported total assets of \$220.8 billion and approximately 14 million members.

USAA and its subsidiaries have a membership-based business model, serving members comprised of retired, veteran, and active-duty servicemembers; reserves; National Guard; U.S. Foreign Service officers; FBI; Secret Service; and Naval Investigative Service agents; and their families. USAA's members are located throughout the United States and at military installations around the world.

USAA has expanded the services it provides to its membership base to include an array of consumer banking products offered through USAA FSB. USAA FSB is a full-service retail bank that provides USAA members banking services including credit cards, consumer loans, residential real estate loans and a full range of deposit products. Credit card products were offered through USAA Savings Bank (USB) as a direct, wholly owned subsidiary of USAA FSB. In the second quarter of 2024, USAA FSB and USB merged to simplify operations and reduce regulatory complexity. USAA FSB has one branch location in San Antonio, Texas. USAA FSB is primarily a digital bank and does not rely on a branch network to offer its products and services but rather utilizes alternative delivery systems to provide financial services to its members.

USAA FSB has three limited-service financial centers to serve its military members. These financial centers are in Colorado Springs, Colorado; Annapolis, Maryland; and Highland Falls, New York, all near a United States military school or academy. These locations offer notary services but do not have teller services. Deposit and withdrawals are completed from on-site automated teller machines.

As of December 31, 2024, USAA FSB reported total assets of \$109.2 billion, gross loans of \$45.1 billion, securities of \$52.6 billion and tier 1 capital of \$9.3 billion. USAA FSB's loan portfolio consists of automobile loans of \$17.9 billion (39.7 percent), credit card loans of \$17.5 billion (38.8 percent), other consumer loans of \$7.1 billion (15.7 percent), and residential mortgages (one- to four-family) of \$2.6 billion (5.8 percent).

USAA FSB's primary business strategy is to meet the unique needs of the United States military community, veterans, and their families by providing a full range of retail deposit and loan products to its membership base. As a result, USAA FSB elected to be evaluated as a bank or savings association that serves military personnel, as permitted under the Community Reinvestment Act (CRA) statute, 12 USC 2902(4). See Scope of Evaluation section of this report for more information on this election.

USAA FSB chose to include qualified investments and CD services from its affiliates in this evaluation. Please see Appendix A for the listing of affiliates and the applicable activities considered. None of the affiliate activities consideration in this CRA evaluation are included in any other affiliate bank CRA performance evaluation.

There are no known legal, financial, or other factors that affect USAA FSB's ability to meet the credit and CD needs of its AA.

The Office of the Comptroller of the Currency's (OCC) previous evaluation of USAA FSB was dated March 21, 2022, and was completed using the large bank lending, investment, and services tests. The OCC lowered USAA FSB's previous CRA Performance Evaluation rating from Satisfactory to Needs to Improve due to identified discriminatory or other illegal credit practices.

Bank Identified Community Needs

The OCC reviewed information provided by USAA FSB's internal community needs assessments. USAA FSB reviewed industry analysis, military surveys, and feedback obtained from USAA FSB community partnerships and the public. USAA FSB identified the following community needs and is working to meet the needs of the military community and their families:

- Financial literacy education including budgeting, building credit, managing debt and savings
- Educational resources and opportunities for children of military families
- Job training and employment opportunities for veterans, transitioning servicemembers, and military spouses in need of meaningful employment opportunities
- Family and social services including supporting caregivers, grief and trauma resources for adults and children, and emotional support
- Affordable housing including multi-family housing that provides an affordable solution to military members and their families
- Access to a range of credit products including credit card, unsecured loans, auto loans, etc.

Community Contact Information

As part of the CRA evaluation, the OCC reviewed information from 11 community contacts performed during the evaluation period to determine economic conditions and community needs within the AA. Since USAA FSB has chosen to take its deposit customer base as its AA, the OCC reviewed contacts in the four cities USAA FSB has a physical presence. All organizations are nonprofits that offer affordable housing and economic development programs or organizations that provide services to military servicemembers and veterans. They reported the following identified needs for servicemembers and veterans:

- Affordable housing credit for homeownership and rental units.
- Financial education programs.
- Food access programs.
- Childcare facilities development.
- Legal services.
- Mental health services.
- Access to credit for small businesses.
- Infrastructure improvement.

Scope of the Evaluation

Evaluation Period/Products Evaluated

On June 29, 2021, the OCC acknowledged receipt of the USAA FSB Plan submission. In the Plan, USAA FSB elected to be evaluated as an institution whose business predominately consists of serving the needs of military personnel or their dependents who are not located within a defined geographic area. USAA FSB's AA under the Plan consisted of the entire United States of America and its Territories (the United States, District of Columbia, and United States Territories).

The Plan addresses the types and volume of qualifying activities USAA FSB will conduct with a focus on certain types of qualifying activities considering USAA FSB's capacity and constraints, product offerings, and business strategy. USAA FSB is challenged to target and lend (including mortgage and consumer loans) to low- and moderate-income borrowers and geographies, as its business model is limited to lending to only its membership base. Income information is not requested or required as part of the membership approval process. Therefore, the USAA FSB's Plan includes measurable goals for qualified investments and CD services; the Plan did not include measurable goals for lending activities.

The OCC approved the Plan on November 11, 2021. The OCC evaluated USAA FSB's CRA performance based on measurable goals provided in the Plan's addendum. The Plan covered the evaluation period of January 1, 2022, through December 31, 2024.

On March 9, 2020, the federal financial institution regulatory agencies and state bank regulators issued a statement to encourage financial institutions to meet the financial services needs of their customers and members in areas affected by COVID-19. On March 20, 2020, the OCC, Federal Reserve, and the Federal Deposit Insurance Corporation (FDIC) clarified that financial institutions would receive CRA consideration for qualifying activities. Qualifying activities include those that help to revitalize or stabilize low- or moderate-income geographies as well as distressed or underserved non-metropolitan middle-income geographies, and that support community services targeted to low- or moderate-income individuals. Such activities may include, but are not limited to:

- loans, investments or services that support digital access for low- and moderate-income individuals or communities;
- loans, investments or services that support access to health care, particularly for low- and moderate-income individuals or communities;
- economic development activities that sustain small business operations, particularly in low- and moderate-income communities; and
- investment or service activities that support provision of food supplies and services for low- and moderate-income individuals or communities.

This statement was effective through the six-month period after the national emergency declaration was lifted, unless extended by the agencies. The federal public health emergency for COVID-19 expired on May 11, 2023. Examiners considered qualified investments completed by USAA FSB or its affiliates that occurred on or before November 11, 2023.

The OCC reviewed qualified investments and CD services as outlined in the Plan.

Selection of Areas for Full-Scope Review

USAA FSB's only AA, consisting of the United States, District of Columbia, and United States Territories received a full-scope review.

Ratings

USAA FSB's overall rating is based on the performance as agreed upon in the strategic planning application process.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national bank or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that USAA FSB 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 USAA FSB'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.

Assessment Area Rating

Assessment Area

CRA Rating for the AA: Outstanding

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN THE AA:

USAA FSB exceeded its Plan goals for a satisfactory rating and substantially achieved its Plan goals for an outstanding rating within its AA.

DISCUSSION OF PERFORMANCE IN THE AA:

Qualified Investments

Qualified investment performance is excellent. As shown in the table below, USAA FSB exceeded the investment goals established for outstanding performance every year during the evaluation period as well as for the total exam cycle.

Qualified Investments USAA AA					
Performance Measurement	Interim Annual Goals (Percentage of Tier 1 Capital)			Total	Performance Rating
	2022	2023	2024		
Aggregate of contributions and new or outstanding prior-period qualified investments as a percentage of tier 1 capital	4.0	5.0	6.0	15.0	Satisfactory
	5.0	6.0	7.0	18.0	Outstanding
Actual Performance	23.6	19.9	18.8	26.1	Outstanding

USAA FSB made over \$2.4 billion in investments and contributions during the evaluation period in USAA FSB's AA, which included outstanding prior-period investments. USAA FSB received consideration for 541 new investments and contributions during the evaluation period, totaling \$923.9 million. Among these were 32 current-period low-income housing tax credits (LIHTC) totaling more than \$427.1 million that provided over 8,518 affordable housing units targeted to low- and moderate-income seniors, homeless, and veterans. These investments illustrate leadership in complex transactions as they required coordination among non-profits, banks, government agencies, and investors.

USAA FSB received consideration for investments made in economic development projects. This included \$6.1 million toward the Small Business Recovery Loan Program for COVID-19 impacted businesses, which provided relief for small businesses impacted by the nationwide pandemic shutdown.

USAA FSB invested over \$124.1 million in 12 current-period Fannie Mae mortgage-backed securities with the securing loans located in multiple states. All loans have income ranging from 47.6 percent to 78.9 percent of Federal Housing Authority Area Median Income, qualifying the borrowers as low- and middle-income individuals. In addition, USAA FSB received consideration for 162 prior-period mortgage-backed securities with outstanding balances totaling \$825.4 million.

USAA FSB made a total of over \$76.8 million in contributions to qualifying organizations during the evaluation period. Twenty-three contributions totaling over \$1.5 million were made to a nonprofit organization that provided grade-specific, hands-on programming to help students from low- and moderate-income families gain financial literacy, identify careers of interest, and prepare for the workplace and their personal lives in the future.

Examples of qualified investments included:

- A \$35 million LIHTC investment in a \$217 million fund to purchase 19 specified property entities in 13 states. The property entities included apartment complexes, duplexes, and lofts with a total of 1,607 housing units, of which 1,465 were targeted to low- and moderate-income individuals and families.
- A \$22.1 million LIHTC investment in a \$1.1 billion construction project for a Veterans Affairs campus development in Los Angeles, California that consisted of 1,694 housing units, service buildings, and amenities. Phase one included 402 veteran units for homeless veterans, 37 permanent supportive housing units for women, eight manager units, and 10 units for transitional housing. Income sources include City and County of Los Angeles, State of California, Federal Government, tax credit equity, philanthropy, and private mortgage to be completed in two phases.
- Contributions totaling over \$2.2 million to an organization that provided childcare services for low- to moderate-income military families. The services include full-time, part-time, drop-off, before and after school care, and camp programs. They are provided at low or no-cost to military families serving nearly 100 military installations across the United States.
- Over \$1 million in contributions to the leading hunger relief organization in the United States. Service members often face distinct challenges that make it difficult to access and afford food. These include a low pay scale for enlisted members, frequent mandatory moves, occupational licensing challenges, and barriers to employment for military spouses. Food banks are a crucial resource for enlisted military personnel and the communities where they live. The contribution allowed the organization to develop an innovative geo-located data-science approach to target critical food insecurity needs for military families across the nation in 10 areas with large military concentrations.

CD Services

CD services performance was excellent. As shown in the table below, USAA FSB exceeded the community service-hour goals established in the Plan for outstanding performance every year during the evaluation period as well as for the total exam cycle.

CD Service Hours USAA AA					
Performance Measurement	Interim Annual Goals (Total Hours)			Total	Performance Rating
	2022	2023	2024		
Aggregate of total CD Service Hours to qualifying organizations.	5,000	5,500	6,000	16,500	Satisfactory
	7,000	7,500	8,000	22,500	Outstanding
Actual Performance	38,068	33,824	11,505	83,397	Outstanding

Examples of CD services activities included:

In 2022, employees of USAA FSB and its affiliates provided 27,215 service hours that were responsive to the COVID-19 public health emergency. In 2023, employees provided 21,334 of COVID-19 related service hours. COVID-19 related activities included:

- Collecting, sorting, packing, and distributing food at food banks and organizations that assist low- and moderate-income individuals, families, and at-risk or homeless veterans;
- donating blood, platelets, and personal protection equipment; and
- helping to identify at-risk populations and map missing data on health infrastructure such as facilities, testing sites, pharmacies, laboratories, and resource distribution centers.

Traditional CRA service hours performed during the evaluation period included serving on boards and committees of nonprofits that assisted low- and moderate-income individuals, families, and military service members. In 2022, 126 employees provided 2,904 service hours to 124 organizations. In 2023, 126 employees provided 4,323 service hours to 122 organizations. In 2024, 89 employees provided 3,197 service hours to 84 organization.

USAA Military Affairs (MA) employees delivered financial education training through the MA Financial Readiness Training program during the evaluation period. MA's mission is to advocate for the sustained resiliency of the military community while building collaborative relationships surrounding important veteran and spouse issues. These issues included financial readiness and successful transitions into the civilian workforce of pre-commission, spouse, and national guard communities. During 2022, MA employees spent 666 hours delivering financial education training at 201 events with 6,818 attendees. In 2023, MA employees spent 708 hours at 231 events with 8,401 attendees. In 2024, MA employees spent 917 hours at 300 events with 11,125 attendees.

USAA employees provided service hours to a national nonprofit organization focused on helping returning veterans and active-duty spouses find meaningful employment opportunities and develop long-term careers. This workforce development was accomplished through one-on-one mentoring, networking, and online career advice. During 2022, employees spent 330 hours at 117 organization-related activities. In 2023, employees spent 399 hours at 139 activities. In 2024, employees spent 572 hours at 219 activities.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, loan products considered, and affiliate activities that were reviewed.

Time Period Reviewed:	January 1, 2022, to December 31, 2024	
Bank Products Reviewed:	Qualified Investments and CD Services	
Affiliates	Affiliate Relationship	Products Reviewed
USAA	Affiliate	Qualified Investments and CD Services
USAA Foundation	Affiliate	Qualified Investments and CD Services
USAA General Indemnity Company	Affiliate	Qualified Investments and CD Services
USAA Casualty Insurance Company	Affiliate	Qualified Investments and CD Services
Garrison Property and Casualty Insurance Company	Affiliate	Qualified Investments and CD Services
USAA Insurance Agency, Inc.	Affiliate	CD Services
Catastrophe Reinsurance Company	Affiliate	CD Services
USAA Life Insurance Company	Affiliate	Qualified Investments and CD Services
USAA Capital Corporation	Affiliate	CD Services
Rating and Assessment Area	Type of Exam	Other Information
United States, District of Columbia, and United States Territories	Strategic Plan	None

Appendix B: Summary of State and Multistate Metropolitan Area Ratings

Assessment Area	Assessment Area Rating
United States, District of Columbia, and United States Territories	Outstanding

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this 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 MA/AA.

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.

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 CD loans and qualified investments, branch distribution, and CD services).

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

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.

Multistate Metropolitan Statistical Area (MMSA): 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.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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.