



## **PUBLIC DISCLOSURE**

January 12, 2026

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

Security Federal Savings Bank  
Charter Number 702578

314 4<sup>th</sup> Street  
Logansport, IN 46947

Office of the Comptroller of the Currency

8777 Purdue Rd., Suite 105  
Indianapolis, IN 46268

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**.

**The lending test is rated: Outstanding.**

The major factors that support this rating include:

The Lending Test rating is based on the state of Indiana rating and the following overall conclusions:

- Security Federal Savings Bank’s (Security or bank) loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank’s loans are inside the assessment areas (AAs).
- The bank exhibits an excellent geographic distribution of loans in the AAs.
- The bank exhibits an excellent distribution of loans to individuals of different income levels in the AAs.

### Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AAs, the bank’s LTD ratio was reasonable.

Security’s quarterly average LTD ratio over the 12 quarters (January 1, 2022, to December 31, 2024) since the previous Community Reinvestment Act (CRA) Performance Evaluation was 86.3 percent. The ratio ranged from a high of 94.2 percent as of September 30, 2024, to a low of 78 percent as of March 31, 2022. The bank’s quarterly average LTD ratio was above the quarterly average LTD ratio of 75.5 percent for similarly situated financial institutions headquartered in Logansport, Indiana. The custom peer group consisted of nine financial institutions with total assets between \$205 million and \$662 million, and quarterly average LTD ratios ranging from 45.9 percent to 118.3 percent.

### Lending in Assessment Area

A substantial majority of the bank’s loans were inside its AAs.

The bank originated and purchased 91.3 percent of its total loans inside the AAs 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.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	714	91.30	68	8.70	782	116,893	80.92	27,569	19.08	144,462
<b>Total</b>	<b>714</b>	<b>91.30</b>	<b>68</b>	<b>8.70</b>	<b>782</b>	<b>116,893</b>	<b>80.92</b>	<b>27,569</b>	<b>19.08</b>	<b>144,462</b>

*Source: 1/1/2022 - 12/31/2024 Bank Data.  
Due to rounding, totals may not equal 100.0%*

### Description of Institution

Security is a federally chartered thrift headquartered in Logansport, Indiana (IN). As of December 1, 2024, Security reported total assets of \$411 million and tier 1 capital of \$41.8 million, representing 14.4

percent of total assets. The bank has six additional full-service branches in Lafayette, Kokomo, Logansport, Delphi, West Lafayette, and Zionsville, IN. The bank also has a drive through services only and a banking operations center located in Kokomo, IN along with a loan production office (LPO) in Carmel, IN. The Zionsville branch opened in August 2024 and, therefore, was not open for a sufficient amount of time for consideration in this performance evaluation. There was no merger or acquisition activity that affected the scope of the bank's operations during the evaluation period.

Security is a single-state financial institution with one rating area (Indiana) and three AAs. The IN Non-Metropolitan Statistical Area (MSA) consists of the full Cass, Clinton, Fulton, Grant, Miami, Montgomery, Pulaski, Tipton, and White counties. The Kokomo, IN MSA (Kokomo MSA) consists of all of Howard county. The Lafayette-West Lafayette, IN MSA (Lafayette MSA) consists of the full Benton, Carroll, Tippecanoe, and Warren counties.

Security offers a variety of traditional banking products and services, including residential real estate (home mortgage) and commercial real estate (small business) loans. As of December 31, 2024, the bank's net loans and leases totaled \$323.9 million, or 78.7 percent of total assets. The loan portfolio, as of the December 31, 2024, Consolidated Report of Condition and Income (Call Report), is comprised of approximately 66 percent home mortgage loans (including home equity lines of credit and multifamily residential properties) and 29 percent business loans. The bank's primary business strategy is originating loans secured by real estate, with home mortgage lending as the primary product.

There are no financial, legal, or other factors that impede Security's ability to help meet the credit needs of its AAs. The bank's previous CRA evaluation was conducted on January 17, 2023, and resulted in an Outstanding rating.

## **Scope of the Evaluation**

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

This performance evaluation assesses the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. The Office of the Comptroller of the Currency (OCC) used small bank CRA evaluation procedures to assess the bank's performance under the Lending Test. The OCC analyzed lending activity in full-year increments during the evaluation period, January 1, 2022, to December 31, 2024.

The OCC evaluated the bank's lending performance based on its primary lending product, home mortgage lending. Home mortgage loans represented 73.7 percent of the number of loans originated and purchased during the evaluation period and 71.8 percent of the dollar volume, consumer loans represented 15.6 percent of the number of loans originated and purchased during the evaluation period and 1.8 percent of the dollar volume, business loans represented 9.9 percent of the number of loans originated and purchased during the evaluation period and 24 percent of the dollar volume, and farm loans represented 0.8 percent of the number of loans originated and purchased during the evaluation period and 2.4 percent of the dollar volume. Business, consumer, and farm loans were not considered in this evaluation as these loan types did not constitute a substantial majority of the bank's lending. The OCC used Home Mortgage Disclosure Act (HMDA) data for each year of the evaluation for the home mortgage lending analysis.

For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2020 and 2024 U.S. Census for 2022, 2023, and 2024 home mortgages. No affiliate activity was included in this analysis. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

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

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable 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 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.

The OCC performed a full-scope review of all three AAs: IN Non-MSA, Kokomo MSA, and Lafayette MSA. A description of the AAs is provided in the "Description of Institution" section of this performance evaluation.

### **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. Security's overall CRA rating is based on the performance in the state of Indiana. When determining the overall rating, the OCC gave the most weight to the IN Non-MSA as it represents 68.8 percent of the bank's total deposits. The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. 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.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks 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 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.

# State Rating

## State of Indiana

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

**The Lending Test is rated:** Outstanding

The major factors that support this rating include:

- The distribution of home mortgage loans among borrowers of different geographies is excellent.
- The distribution of home mortgage loans among borrowers of different income levels is excellent.
- The bank has not received any complaints about its performance in helping to meet the AAs’ credit needs during the evaluation period.

## Description of Institution’s Operations in Indiana

### IN Non-MSA

Assessment Area(s) - IN Non-MSA AA 2024						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	78	2.56	21.79	65.38	10.26	0.00
Population by Geography	284,673	2.51	19.65	66.81	11.04	0.00
Housing Units by Geography	128,370	2.87	20.04	64.69	12.40	0.00
Owner-Occupied Housing by Geography	82,272	2.29	16.56	67.58	13.57	0.00
Occupied Rental Units by Geography	29,972	4.35	28.30	59.30	8.05	0.00
Vacant Units by Geography	16,126	3.09	22.40	59.97	14.53	0.00
Businesses by Geography	8,648	2.41	18.80	67.10	11.69	0.00
Farms by Geography	1,240	0.32	6.94	78.71	14.03	0.00
Family Distribution by Income Level	73,363	19.79	19.52	22.55	38.14	0.00
Household Distribution by Income Level	112,244	24.04	17.97	19.26	38.72	0.00
Unemployment rate (%)	5.14	8.46	7.16	4.78	3.48	0.00
Households Below Poverty Level (%)	12.53	29.02	19.50	10.61	7.68	0.00
Median Family Income (26900 - Indianapolis-Carmel-Greenwood, IN MSA)		\$80,333		Median Housing Value		\$111,050
Median Family Income (Non-MSAs - IN)		\$66,091		Median Gross Rent		\$703
Median Family Income (26900 - Indianapolis-Carmel-Greenwood, IN MSA) for 2024		\$98,600		Families Below Poverty Level		9.60
Median Family Income (Non-MSAs - IN) for 2024		\$81,800				
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

### Demographic Data

As of the 2024 U.S. Census data in the table above, the population of the IN Non-MSA was 284,673, with 2.5 percent of the population living in low-income CTs and 19.7 percent of the population living in moderate-income CTs. The AA consists of 78 CTs, and was comprised of two low-income, 17

moderate-income, 51 middle-income, and eight upper-income CTs. The AA included 73,363 families and 112,244 households.

### Affordable Housing

According to 2024 U.S. Census data, the median housing value in the AA was \$111,050 and the median family income for Non-MSAs in Indiana was \$66,091. There were 128,724 housing units in the AA, of which 64.1 percent were owner-occupied, 23.3 percent were occupied rental units, and 12.6 percent were vacant. Low-income families made up 19.8 percent of the families in the AA and moderate-income families made up 19.5 percent of the families in the AA. Families living below the poverty level were 9.6 percent as referenced in the table above.

According to Realtor.com, the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the census data in the table above. The median list price in the AA was \$279,900 at the beginning of the evaluation period and \$309,959 at the end of the evaluation period, reflecting an 11 percent change from 2022 to 2024. When not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$40,900 per year (or less than 50 percent of the 2024 Federal Financial Institutions Examination Council (FFIEC) adjusted median family income (MFI) in the AA) and a moderate-income borrower making \$65,440 (or less than 80 percent of the 2024 FFIEC MFI) could afford a monthly mortgage payment of \$1,023 and \$1,636, respectively. Assuming a 30-year mortgage with a 6 percent interest rate on a \$294,930 mortgage (average of the median list price from the beginning and end of the evaluation period), the monthly payment would be \$1,768, illustrating that low-income borrowers and some moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

### Job Market and Economic Conditions

Economic conditions in the IN Non-MSA have been slowly deteriorating but are in line with state and national changes. According to the U.S. Bureau of Labor Statistics, the average annual unemployment rate for the state of Indiana and counties located in the IN Non-MSA increased each year during the evaluation period, with the most material increase in 2024. The average unemployment for all counties in the AA was 4.2 percent in 2024, which is in line with the state of Indiana and national unemployment rates of 4.2 percent and 4.1 percent, respectively, for the same period. The increase is due to the number of job seekers growing faster than new job creations as well as significant layoffs in the automobile and manufacturing industries. Top employers by county include:

- Cass County: Tyson Fresh Meats, Logansport Memorial Hospital, Logansport State Hospital, and Walmart Supercenter.
- Clinton County: Frito-Lay Inc., Frito Lay, Mulberry Health, Zachary Confections Inc., and Walmart Supercenter.
- Fulton County: Rochester Metal Productions Corp, Winamac Coil Spring, Topp Industries, American Axle, and Rochester Homes.
- Grant County: Indiana Wesleyan University, General Motors Marion Metal Castings, and Marion Health.
- Miami County: Miami Correctional Facility, Smithfield Packaged Meats, Dukes Memorial Hospital, and Bryan Steam LLS.
- Montgomery County: Nucor Steel, LSC Communications, Walmart, South Montgomery School System, and Banjo Corp.
- Pulaski County: Tyson Foods, Walmart, Ascension St. Vincent, and Marion Health.

- Tipton County: IU Health Tipton Hospital, Corteva Agriscience, International Paper Co., Pioneer Hi-Bred, and Functional Devices Inc.
- White County: Indiana Beach, Walmart, Vanguard National Trailer Corp., McGill Manufacturing, Jordan Manufacturing, and Ball Metal Beverage Container Corp.

Average Annual Unemployment Rates			
	2022	2023	2024
State of Indiana	3.1	3.4	4.2
Cass County	3.2	3.8	4.7
Clinton County	2.8	2.9	3.5
Fulton County	3.2	3.7	4.6
Grant County	3.5	3.8	4.8
Miami County	3.9	3.9	5.0
Montgomery County	2.5	2.8	3.4
Pulaski County	2.7	3.0	3.7
Tipton County	3.3	3.5	4.3
White County	3.0	3.2	4.1

*Source: U.S. Bureau of Labor Statistics; Rates Not Seasonally Adjusted.*

Competition

Competition in the IN Non-MSA is moderate and comprised of a diverse mix of community banks, state banks, and branches of large banks. According to the June 30, 2024, FDIC Deposit Market Share Report, there were 29 financial institutions competing in the IN Non-MSA AA with 84 offices. The top five financial institutions had a combined market share of 39.5 percent, with Security having the 10<sup>th</sup> highest deposit market share at 3.6 percent and \$224.5 million in deposits. The top five competitors included First Farmers Bank & Trust Co., The Farmers Bank, First Merchants Bank, STAR Financial Bank, and First Federal Savings Bank.

Strong competition for home mortgage loans exists. According to the 2024 HMDA Market Share Analysis Report, there were 292 home mortgage lenders competing in the AA, with the top five lenders maintaining a combined market share of 23.5 percent. Security was ranked 16<sup>th</sup> with 1.7 percent of the market share. The top lenders included Ruoff Mortgage Company, Rocket Mortgage, Pennymac Loan Services LLC., First Farmers Bank & Trust, and First Merchants Bank.

Community Contacts/Credit Needs

As part of this CRA performance evaluation, the OCC reviewed information provided from two interviews with representatives from a community development organization and a community service organization. The information from these contacts was applicable for all three AAs. The organizations indicated they have a familiar relationship with some of the banks in the AAs, but not five of the larger asset sized banks in the area. The community contacts believe that some banks in the area were relatively responsive, supportive, and willing to extend credit if needed. They both identified needs in their respective communities that included food assistance, affordable housing, transportation alternatives due to the lack of public transportation in the region, good jobs with adequate wages, and mental health and/or counseling services. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

## Kokomo MSA

Assessment Area(s) - Kokomo MSA AA 2024						
2022 - 2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	21	4.76	23.81	42.86	28.57	0.00
Population by Geography	83,658	4.30	21.57	40.78	33.35	0.00
Housing Units by Geography	39,662	5.20	22.06	43.86	28.87	0.00
Owner-Occupied Housing by Geography	24,980	2.27	18.25	42.61	36.88	0.00
Occupied Rental Units by Geography	9,652	10.31	24.99	50.66	14.04	0.00
Vacant Units by Geography	5,030	9.98	35.41	37.02	17.59	0.00
Businesses by Geography	2,590	7.99	20.66	42.63	28.73	0.00
Farms by Geography	186	1.61	3.76	27.42	67.20	0.00
Family Distribution by Income Level	22,017	20.12	16.81	22.51	40.56	0.00
Household Distribution by Income Level	34,632	22.92	16.85	19.50	40.74	0.00
Unemployment rate (%)	5.34	6.86	9.71	4.60	3.82	0.00
Households Below Poverty Level (%)	11.93	38.16	18.91	10.73	5.23	0.00
Median Family Income (29020 - Kokomo, IN MSA)		\$69,896		Median Housing Value		\$108,500
Median Family Income (29020 - Kokomo, IN MSA) for 2024		\$74,400		Median Gross Rent		\$736
				Families Below Poverty Level		9.60
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

### Demographic Data

As of the 2024 U.S. Census data in the table above, the population of the Kokomo MSA was 83,658, with 4.3 percent of the population living in low-income CTs and 21.6 percent of the population living in moderate-income CTs. The AA consists of 21 CTs, and was comprised of one low-income, five moderate-income, nine middle-income, and six upper-income CTs. The AA included 22,017 families and 34,632 households.

### Affordable Housing

According to 2024 U.S. Census data, the median housing value in the AA was \$108,500 and the median family income for the Kokomo MSA in Indiana was \$69,896. There were 39,662 housing units in the AA, of which 63 percent were owner-occupied, 24.3 percent were occupied rental units, and 12.7 percent were vacant. Low-income families made up 20.1 percent of the families in the AA and moderate-income families made up 16.9 percent of the families in the AA. Families living below the poverty level were 9.6 percent as referenced in the table above.

According to Realtor.com, the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the census data in the table above. The median list price in the AA was \$113,900 at the beginning of the evaluation period and \$192,000 at the end of the evaluation period, reflecting a 68 percent change from 2022 to 2024. When not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$37,200 per year (or less than 50 percent of the MFI) and a moderate-income borrower making \$59,520 per year (or less than 80 percent of the MFI) could afford a monthly mortgage payment of \$930 and \$1,488, respectively. Assuming a 30-year mortgage with a 6 percent interest rate on a

\$152,950 mortgage (average of the median list price from the beginning and end of the evaluation period), the monthly payment would be \$917, illustrating that low-income and moderate-income borrowers would not be challenged to qualify for a mortgage loan in the AA.

Job Market and Economic Conditions

Economic conditions in the Kokomo MSA have been deteriorating, similar to state and national changes, though at higher rates. According to the U.S. Bureau of Labor Statistics, the average annual unemployment rate for counties located in the Kokomo MSA was relatively stable from 2022 to 2023, but increased in 2024. The unemployment rate increased to 6.9 percent in the Kokomo MSA which was higher than the state of Indiana and national rates of 4.2 and 4.1 percent, respectively. This is due to the significant layoffs in the manufacturing industries in Howard County. Top employers in Howard County include Chrysler, Community Howard Regional Health, Haynes International, Walmart, Meijer, BorgWarner, and Bona Vista Industries.

Average Annual Unemployment Rates			
	2022	2023	2024
State of Indiana	3.1	3.4	4.2
Howard County	4.8	5.0	6.9

*Source: U.S. Bureau of Labor Statistics; Rates Not Seasonally Adjusted.*

Competition

Competition in the Kokomo MSA is low and comprised of a diverse mix of community banks, state banks, and branches of large banks. According to the June 30, 2024, FDIC Deposit Market Share Report, there were eight financial institutions competing in the Kokomo MSA with 20 offices. The top five financial institutions had a combined market share of 91.1 percent, with Security having the eighth highest deposit market share at 1.6 percent and \$26.3 million in deposits. The top five competitors included Community First Bank of Indiana, First Farmers Bank & Trust Co., BMO Bank National Association, Key Bank National Association, and PNC Bank, National Association.

Strong competition for home mortgage loans exists. According to the 2024 HMDA Market Share Analysis Report, there were 211 home mortgage lenders competing in the AA, with the top five lenders maintaining a combined market share of 23.1 percent. Security was ranked 39<sup>th</sup> with 0.5 percent of the market share. The top lenders included Ruoff Mortgage Company, First Farmers Bank & Trust, Solidarity Community Federal, GVC Mortgage, Inc., and Rocket Mortgage.

# Lafayette MSA

Assessment Area(s) - Lafayette MSA AA 2024						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	56	5.36	21.43	48.21	17.86	7.14
<b>Population by Geography</b>	223,716	5.19	17.95	46.16	22.81	7.89
<b>Housing Units by Geography</b>	94,448	6.19	18.81	49.44	21.49	4.07
<b>Owner-Occupied Housing by Geography</b>	51,310	2.17	14.16	53.30	30.37	0.00
<b>Occupied Rental Units by Geography</b>	35,317	11.76	24.00	45.28	9.61	9.34
<b>Vacant Units by Geography</b>	7,821	7.40	25.92	42.87	16.86	6.94
<b>Businesses by Geography</b>	7,011	7.13	26.13	40.64	22.94	3.17
<b>Farms by Geography</b>	681	2.06	12.92	60.79	23.64	0.59
<b>Family Distribution by Income Level</b>	50,615	21.46	17.51	20.54	40.49	0.00
<b>Household Distribution by Income Level</b>	86,627	25.42	15.32	16.99	42.26	0.00
<b>Unemployment rate (%)</b>	3.80	8.66	5.63	2.97	2.84	4.72
<b>Households Below Poverty Level (%)</b>	16.86	31.31	22.15	14.02	6.87	63.30
<b>Median Family Income (29200 - Lafayette-West Lafayette, IN MSA)</b>		\$73,007	<b>Median Housing Value</b>		\$128,850	
<b>Median Family Income (29200 - Lafayette-West Lafayette, IN MSA) for 2024</b>		\$83,100	<b>Median Gross Rent</b>		\$824	
					<b>Families Below Poverty Level</b>	8.28
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Demographic Data

As of the 2024 U.S. Census data in the table above, the population of the Lafayette MSA was 223,716, with 5.2 percent of the population living in low-income census tracts (CTs), 18 percent in moderate-income CTs, 46.2 percent in middle-income CTs, 22.8 percent in upper-income CTs, and 7.9 percent with NA data. The AA consisted of 56 CTs, and was comprised of three low-income, 12 moderate-income, 27 middle-income, 10 upper-income, and four NA CTs. The AA included 50,615 families and 86,627 households.

## Affordable Housing

According to 2024 U.S. Census data, the median housing value in the AA was \$128,850 and the median family income for the Lafayette MSA was \$83,100. There were 94,448 housing units in the AA, of which 54.3 percent were owner-occupied, 37.4 percent were rental-occupied, and 8.3 percent were vacant. Low-income families made up 21.5 percent of families in the AA and moderate-income families made up 17.5 percent of families in the AA. Families living below the poverty level was 8.3 percent as referenced in the above table.

According to Realtor.com, the median list price for homes rose during the evaluation period and was higher than the median housing value indicated by the census data in the table above. The median list price in the AA was \$223,700 at the beginning of the evaluation period and \$364,975 at the end of the evaluation period, reflecting a 63 percent change from 2022 to 2024. When not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$41,550 per year (or less than 50 percent of the 2024 MFI) and a moderate-income borrower making \$65,040 (or less than 80 percent of the 2024 MFI) could afford a monthly mortgage payment of \$1,039 and \$1,662, respectively. Assuming a 30-year mortgage with a 6 percent interest rate

on a \$294,338 mortgage (average of the median list price from the beginning and end of the evaluation period), the monthly payment would be \$1,765, illustrating that low-income borrowers and some moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

Job Market and Economic Conditions

Economic conditions in the Lafayette MSA have been slowly deteriorating but are in line with state and national changes. As of December 2024, according to the U.S. Bureau of Labor Statistics, the Lafayette MSA had an unemployment rate (not seasonally adjusted) of 3.7 percent. The unemployment rate was stable throughout 2022 and 2023 but increased in 2024, although it remains below the Indiana and national unemployment rates of 4.2 percent and 4.1 percent, respectively, for the same period. Top employers by county include:

- Benton County: Drug Plastics & Glass Co., Greenhill Manor, Holscher Products Inc., and Strasburger Trucking
- Carroll County: Indiana Packers Corporation, Carroll Consolidated School Corp., St. Elizabeth Health Care Center, Tri-Green Tractor, and The Andersons, Inc.
- Tippecanoe County: Purdue University, Subaru of Indiana Automotive, Caterpillar, Wabash, and Franciscan Health
- Warren County: Hubner Industries LLC, Accuburn Inc., Seeger Junior/Senior High School, Warren Central Elementary, and the Williamsport Volunteer Fire Department

Average Annual Unemployment Rates			
	2022	2023	2024
State of Indiana	3.1	3.4	4.2
Lafayette MSA	2.8	2.9	3.7
<i>Source: U.S. Bureau of Labor Statistics; Rates Not Seasonally Adjusted.</i>			

Competition

Competition in the Lafayette MSA is high given the geographic size of the AA compared to the number of institutions competing for the same customers. The AA includes a diverse mix of community banks, state banks, and branches of large banks. According to the 2024 Federal Deposit Insurance Corporation’s (FDIC) Deposit Market Share Report, there were 20 financial institutions competing in the Lafayette MSA, with a total of 61 offices. The top five financial institutions had a combined market share of 66.8 percent, with Security having the 15<sup>th</sup> largest deposit market share at 1.6 percent and \$75.7 million in deposits. The bank’s deposits within the Lafayette MSA account for 23.2 percent of total deposits. The top five competitors include JPMorgan Chase Bank, First Merchants Bank, Horizon Bank, Regions Bank, and Old National Bank.

Strong competition for home mortgage loans exists. According to the 2024 HMDA Marke Share Analysis Report, there were 260 home mortgage lenders in the Lafayette MSA, with the top five maintaining a combined market share of 33.8 percent. Security represented 1.8 percent of the market with 95 loans totaling \$20 million. The top lenders included Purdue Federal CU, First Merchants Bank, Rocket Mortgage, Fairway Independent Mortgage Corporation, and Ruoff Mortgage Company.

## **Scope of Evaluation in Indiana**

The OCC completed a full-scope review for each AA in Indiana. When determining the state rating, the OCC placed greater weight on the IN Non-MSA as it represents 68.8 percent of deposits within Indiana. The Kokomo MSA received the least weight based on the lowest percentage of deposits at 8.1 percent. Refer to the “Scope of the Evaluation” section for more details.

## **LENDING TEST**

The bank’s performance under the Lending Test in Indiana is rated Outstanding.

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

Based on a full-scope review, the bank’s performance in the state of Indiana was excellent.

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

The bank exhibited excellent geographic distribution of loans in the state.

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

Refer to Table 7 in the state of Indiana 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 among borrowers of different geographies is excellent.

### **IN Non-MSA**

The geographic distribution of home mortgage loans in the IN Non-MSA was excellent.

The bank did not originate any home mortgage loans in low-income geographies during the review period. The AA only has one low-income CT, which is small in size. The percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of owner-occupied (OO) housing units located in those geographies and the aggregate percentage of all reporting lenders (HMDA aggregate data).

### **Kokomo MSA**

The geographic distribution of home mortgage loans in the Kokomo MSA was excellent.

The percentage of home mortgage loans in low-income geographies exceeded both the percentage of OO housing units located in those geographies and the aggregate percentage of all reporting lenders. The percentage of home mortgage loans in moderate-income geographies exceeded the percentage of OO housing units located in those geographies but was below the aggregate percentage of all reporting lenders.

Lafayette MSA

The geographic distribution of home mortgage loans in the Lafayette MSA was excellent.

The percentage of home mortgage loans in low-income geographies exceeded both the percentage of OO housing units located in those geographies and the aggregate percentage of all reporting lenders. The percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of OO housing units located in those geographies and the aggregate percentage of all reporting lenders.

***Lending Gap Analysis***

The OCC reviewed summary reports and maps and analyzed the bank's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps in the bank's AAs, given performance context considerations.

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

The bank exhibited an excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.

***Home Mortgage Loans***

Refer to Table 8 in the state of Indiana 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 distribution of home mortgage loans among borrowers of different income levels is excellent.

IN Non-MSA

The distribution of home mortgage loans among individuals of different income levels in the IN Non-MSA was excellent.

The percentage of home mortgage loans to low-income borrowers was below the percentage of families but exceeded the aggregate percentage of all reporting lenders. The percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of families and the aggregate percentage of all reporting lenders.

Kokomo MSA

The distribution of home mortgage loans among individuals of different income levels in the Kokomo MSA was reasonable.

The percentage of home mortgage loans to low-income borrowers was below the percentage of families but exceeded the aggregate percentage of all reporting lenders. The percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of families but was below the aggregate percentage of all reporting lenders due to strong competition for loans.

### Lafayette MSA

The distribution of home mortgage loans among individuals of different income levels in the Lafayette MSA was excellent.

The percentage of home mortgage loans to low-income borrowers was significantly below the percentage of families due to affordability challenges to qualify for a mortgage loan. However, the percentage of home mortgage loans to low-income borrowers exceeded the aggregate percentage of all reporting lenders. The percentage of home mortgage loans to moderate-income borrowers exceeded both the percentage of families and the aggregate percentage of all reporting lenders.

### **Responses to Complaints**

Security has not received any complaints about its performance in helping to meet the AAs' credit needs during the evaluation period.

## Appendix A: Scope of Examination

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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>	1/1/2022 – 12/31/2024	
<b>Bank Products Reviewed:</b>	Home mortgage loans	
<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>Indiana</b>		
IN Non-MSA	Full-scope	Cass, Clinton, Fulton, Grant, Miami, Montgomery, Pulaski, Tipton, and White Counties (full counties)
Kokomo MSA	Full-scope	Howard County (full)
Lafayette MSA	Full-scope	Benton, Carroll, Tippecanoe, and Warren (full counties)

## Appendix B: Summary of MMSA and State Ratings

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RATINGS	
Overall Bank:	Lending Test Rating
Security Federal Savings Bank	Outstanding
State:	
Indiana	Outstanding

## Appendix C: Definitions and Common Abbreviations

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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/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.

**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 the 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 low- and moderate-income 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):** Loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a ‘male householder’ and no wife present) or ‘female householder’ (a family with a ‘female householder’ and no husband present).

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

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

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

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

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of CD loans and qualified investments, branch distribution, and CD services).

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

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the 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 community development.

**Rating Area:** A rated area is a state or multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

**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.

## 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. 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 7. 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 8. 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/AA. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

**Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022 - 2024**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	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
IN Non-MSA AA 2024	385	52,279	53.92	19,921	2.29	--	1.03	16.56	26.23	18.19	67.58	70.65	66.20	13.57	3.12	14.58	--	--	--
Kokomo MSA AA 2024	64	8,610	8.96	7,902	2.27	3.13	3.02	18.25	20.31	21.20	42.61	51.56	41.85	36.88	25.00	33.88	--	--	--
Lafayette MSA AA 2024	265	56,004	37.11	16,739	2.17	7.17	2.86	14.16	22.26	15.75	53.30	48.68	49.24	30.37	21.89	32.02	--	--	0.13
<b>Total</b>	<b>714</b>	<b>116,893</b>	<b>100.00</b>	<b>44,562</b>	<b>2.25</b>	<b>2.94</b>	<b>2.07</b>	<b>16.05</b>	<b>24.23</b>	<b>17.80</b>	<b>59.03</b>	<b>60.78</b>	<b>55.51</b>	<b>22.68</b>	<b>12.04</b>	<b>24.55</b>	<b>--</b>	<b>--</b>	<b>0.05</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, 2024 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2022 - 2024**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
IN Non-MSA AA 2024	385	52,279	53.92	19,921	19.79	18.44	13.59	19.52	32.73	27.18	22.55	21.30	22.30	38.14	23.12	22.52	--	4.42	14.40
Kokomo MSA AA 2024	64	8,610	8.96	7,902	20.12	17.19	11.63	16.81	20.31	22.06	22.51	20.31	24.50	40.56	26.56	25.51	--	15.63	16.30
Lafayette MSA AA 2024	265	56,004	37.11	16,739	21.46	11.32	8.41	17.51	23.40	20.89	20.54	18.87	22.73	40.49	26.79	34.66	--	19.62	13.32
<b>Total</b>	<b>714</b>	<b>116,893</b>	<b>100.00</b>	<b>44,562</b>	<b>20.42</b>	<b>15.69</b>	<b>11.30</b>	<b>18.42</b>	<b>28.15</b>	<b>23.91</b>	<b>21.85</b>	<b>20.31</b>	<b>22.85</b>	<b>39.32</b>	<b>24.79</b>	<b>27.61</b>	<b>--</b>	<b>11.06</b>	<b>14.33</b>

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, 2024 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.