



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

November 28, 2022

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Waterford Bank, National Association  
Charter Number 24685

3900 North Mccord Road  
Toledo, OH 43617

Office of the Comptroller of the Currency

200 Public Square Suite 1610  
Cleveland, OH 44114-2301

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**

**The lending test is rated: Satisfactory**

**The community development test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on the reasonable distribution of home mortgage loans and small loans to businesses among borrowers of different incomes, reasonable geographic distribution of home mortgages and small loans to businesses, and a reasonable loan-to-deposit (LTD) ratio.
- The Community Development (CD) Test rating is based on an adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's LTD is reasonable.

Waterford's LTD ratio is calculated on a bank-wide basis and meets the standard for satisfactory performance. During the evaluation period, the bank's average LTD ratio was 83.0 percent, and quarterly ratios ranged from a high of 96.3 percent to a low of 68.0 percent. In comparison, the average LTD ratio for two similarly situated institutions in the AA was 89.3 percent, and quarterly ratios ranged from a high of 114.7 percent to a low of 68.8 percent.

### Lending in Assessment Area

A majority of the bank's loans are inside its assessment area(s) (AAs).

The bank originated and purchased 72.2 percent of its total loans inside the bank's AAs during the evaluation period. This is based on the bank's HMDA data, as well as a sample of small business loans. 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.

**Table D - Lending Inside and Outside of the Assessment Area**

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	751	71.8	295	28.2	1,046	182,066	65.9	94,403	34.1	276,468
Small Business	99	75.6	32	24.4	131	72,918	71.1	29,597	28.9	102,515
<b>Subtotal</b>	<b>850</b>	<b>72.2</b>	<b>327</b>	<b>27.8</b>	<b>1,177</b>	<b>254,984</b>	<b>67.3</b>	<b>124,000</b>	<b>32.7</b>	<b>378,984</b>
<b>Total</b>	<b>850</b>	<b>72.2</b>	<b>327</b>	<b>27.8</b>	<b>1,177</b>	<b>254,984</b>	<b>67.3</b>	<b>124,000</b>	<b>32.7</b>	<b>378,984</b>

Source: Bank Data

Due to rounding, totals may not equal 100.0%

## Description of Institution

As of December 31, 2021, Waterford Bank, N.A. (Waterford or bank) is a \$1.533 billion interstate bank headquartered in Toledo, Ohio. It is a wholly owned subsidiary of Waterford Bancorp, Inc., a one-bank holding company headquartered in the same building as the bank. The bank has four full-service branches, including its main office, and two loan production offices. The main office is in Toledo, Ohio and the other branches are located in Perrysburg, Ohio; Clarkston, Michigan; and Troy, Michigan. The loan production offices are located in Bryan, Ohio and Findlay, Ohio. All branches and loan production offices are located in middle- or upper-income census tracts. Waterford does not operate any automated teller machines (ATMs). The bank's primary business strategy is to focus on business loans, with a secondary emphasis on home mortgage loans. The bank acquired Clarkston State Bank in 2020, which expanded the bank's AA into Oakland County. Bank management designated all of Oakland County, Michigan, in addition to all of Lucas County, Ohio, and portions of northern Wood County, Ohio as the bank's assessment area (AA), which is comprised of contiguous geographies and does not arbitrarily exclude any low- or moderate-income census tracts (CTs).

The two AAs have a competitive banking environment, with a mixture of large banks and community banks operating in the areas. According to the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share reports, 21 insured financial institutions with 144 offices serve the Ohio – Partial Toledo metropolitan statistical area (MSA). This does not include credit unions or other financial service providers. In this AA, Waterford ranked sixth in terms of deposit market share, with 7.1 percent of the AA's insured deposits. Top competitors for deposits in the AA include Fifth Third Bank, Huntington National Bank, KeyBank, PNC Bank, and Signature Bank, which had a combined 77.0 percent of the deposit market share as of June 30, 2021.

According to the June 30, 2021, FDIC Deposit Market Share reports, 29 insured financial institutions with 314 offices serve the Oakland County AA. This does not include credit unions or other financial service providers. In this AA, Waterford ranked thirteenth in terms of deposit market share, with 0.4 percent of the AA's insured deposits. Top competitors for deposits in the AA include Bank of America, Flagstar Bank, JP Morgan Chase Bank, PNC Bank, and Huntington National Bank, which had a combined 76.4 percent of the deposit market share as of June 30, 2021.

There are no legal, financial, or other factors impeding Waterford's ability to help meet the credit needs of its AA. As of December 31, 2021, the bank's Tier 1 capital totaled \$118.7 million, or 7.7 percent of its total assets. The bank received a "Satisfactory" rating in the previous Community Reinvestment Act (CRA) Performance Evaluation dated November 25, 2019.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation assesses the bank's record of meeting the credit needs of its AA. We performed this review using Intermediate-Small Bank CRA procedures, which included a lending test and a CD test. The evaluation period for both the lending and CD test covers January 1, 2019, to December 31, 2021. We determined that the bank's primary lending focus during the evaluation period was commercial loans and home mortgages, with primary emphasis on commercial lending.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one AA within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same 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 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 for Ohio and Michigan. In determining our conclusions, we considered information from the following performance criteria: LTD ratio, lending within the AA, lending to borrowers of different incomes, the geographic distribution of loans, and community development activities.

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

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

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

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's distribution of small loans to businesses and home mortgages to borrowers of different income levels is reasonable.
- The bank's geographic distribution of small loans to businesses and home mortgage loans is reasonable.
- The bank made an adequate level of CD loans, investments, and services.
- The bank did not receive any complaints during the evaluation period regarding its performance in helping meet the credit needs within the AA.

### Description of Institution's Operations in Ohio

Waterford offers traditional banking products including commercial, commercial real estate, small business, home mortgage, and consumer loans. The bank does not actively market consumer loans and offers them primarily as a service to current business customers. The bank also offers government insured mortgage loans, which provide no or low-down payment options. The bank's range of consumer deposit products and services includes checking and savings accounts, certificate of deposits, electronic and mobile banking, and ATM network access. Business related deposit products and services include checking accounts, cash management services, remote deposit capture, and wire transfers.

A majority of Waterford's lending occurs in Lucas and Wood Counties, surrounding the Toledo and Perrysburg branches. These branches offer identical products and operate 8:30 A.M. to 5:00 P.M., Monday through Friday. The Perrysburg location also offers drive-thru services. Both branches are located in upper-income CTs, according to 2015 American Community Survey (ACS) data. In addition, the bank has two loan production offices located in Bryan and Findlay, Ohio. The loan production offices do not offer customer deposit services. The bank does not operate any ATMs but offers customers a \$30 waiver on fees or ten free transactions per month at any ATM location.

Waterford's loan portfolio increased 64.4 percent during the evaluation period. As of December 31, 2021, the bank's loan portfolio totaled \$978.7 million, of which 65.9 percent was secured by real estate. The loan portfolio is 47.8 percent non-farm non-residential, 32.0 percent commercial and industrial, 7.9 percent construction and land development, 4.6 percent 1-4 family residential, 5.5 percent multi-family, and less than 2.2 percent other loans. Small business lending continues to be the primary focus for the bank, with a secondary emphasis on home mortgage loans. During the evaluation period, loan originations consisted of 85.0 percent commercial/business loans, 11.9 percent home mortgages loans, and 3.1 percent consumer loans (based on dollar amount). Further, a majority of deposit accounts at the bank are business-related accounts.

There is significant competition for loans in the AA. Based on 2021 mortgage loan data, Waterford ranked 23<sup>rd</sup> among 367 lenders originating or purchasing home mortgage loans within the AA. The bank's market share of mortgage loans was approximately one percent in 2021, which is competitive given the total number of competitors' branches in the AA. The top five home mortgage loan lenders in the AA are large banks and mortgage companies, which hold a combined 38.3 percent of the market as of December 31, 2021. The top five business lenders in the AA are large banks, which account for 50.1 percent of the business lending in the AA.

The AA is located in northwestern Ohio and includes both urban and suburban neighborhoods. Toledo is the primary city within the AA and contains most of the AA's low- and moderate-income CT's. Based on 2015 ACS data, the number of low-income CTs remained unchanged during the evaluation period. During the evaluation period, the AA included 30 upper-income CTs, 46 middle-income CTs, 25 moderate-income CTs, and 35 low-income CTs.

Based on a review of 2015 ACS data, owner-occupied housing units continue to make up the majority of total housing units available during the evaluation period. A majority of non-farm businesses in the AA are small. According to 2015 ACS data, a significant majority of businesses in the AA had less than five employees, operated from a single location, and had less than \$500,000 in gross annual revenues. Service and retail trade business sectors accounted for 61.3 percent of the employers within the AA, according to June 2021 Dun & Bradstreet data. Major employers include ProMedica Health Systems, The University of Toledo, and Mercy Health Partners.

Moody's Analytics reports that the AA's economy is still in a recovery stage as it continues to underperform compared to the rest of Ohio, due to continued population loss, above average employment volatility, and the lack of high-tech jobs. According to the U.S. Department of Labor, the unadjusted average annual unemployment rate for Lucas County remained fairly steady throughout the evaluation period and was 4.8 percent as of December 31, 2021. The state-wide unemployment rate declined during the evaluation period, to 4.5 percent as of December 31, 2021.

We considered information obtained from two community organizations within the AA. The two organizations focus primarily on affordable housing and services and homebuyer education. They identified community development needs such as rehabilitation housing projects and access to funding and financial education for low- and moderate-income borrowers. Currently, many houses in the AA are old and need remediation, which can be difficult for low- and moderate-income individuals given the higher investment costs. The organizations also cited an increase in outside investors buying homes to rent without the need for additional rehabilitation, which increases the risk of gentrification and displacement of residents in the area.

**Ohio – Partial Toledo MSA**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: 2019-2021 Toledo MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	137	25.5	18.2	33.6	21.9	0.7
Population by Geography	480,491	15.5	16.7	37.3	30.5	0.0
Housing Units by Geography	221,620	17.3	17.4	37.7	27.6	0.0
Owner-Occupied Units by Geography	120,778	8.5	14.7	40.2	36.6	0.0
Occupied Rental Units by Geography	75,155	25.1	19.6	37.5	17.7	0.0
Vacant Units by Geography	25,687	35.4	23.9	26.7	14.0	0.0
Businesses by Geography	31,247	14.6	10.8	35.9	38.7	0.0
Farms by Geography	714	6.7	10.6	37.3	45.4	0.0
Family Distribution by Income Level	118,234	24.8	16.5	18.8	39.9	0.0
Household Distribution by Income Level	195,933	27.1	15.6	15.9	41.5	0.0
Median Family Income MSA - 45780 Toledo, OH MSA		\$60,742	Median Housing Value			\$109,538
			Median Gross Rent			\$683
			Families Below Poverty Level			15.5%
<i>Source: 2015 ACS and 2021 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>						

**Scope of Evaluation in Ohio**

We performed a full-scope review for Waterford’s Ohio – Partial Toledo MSA AA. The Lending Test covered the bank’s primary loan product (business loans) and secondary loan product (home mortgage loans) from January 1, 2019, through December 31, 2021. Based on loan origination data, we placed more weight on small loans to businesses, given the bank’s emphasis on commercial/business lending, in order to arrive at our conclusions. As the bank is not required to report small business lending data, we based our small loans to businesses lending-related conclusions on a statistical sample of 46 small business loans originated during the evaluation period. The CD test evaluated the bank’s responsiveness to the CD needs and opportunities in the AA through CD loans, investments, and services, and covered the period from January 1, 2019, through December 31, 2021.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO****LENDING TEST**

The bank’s performance under the Lending Test in Ohio is rated Satisfactory.

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

Based on a full-scope review, the bank’s lending performance in the state of Ohio is reasonable.



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

The bank exhibits reasonable geographic distribution of loans in the state. We considered demographic factors that could affect the bank's ability to lend in low- and moderate-income geographies. This includes competition from larger institutions, the bank's limited branch presence, and the location of the majority of businesses and owner-occupied housing. Significant competition exists primarily from larger institutions such as Huntington National Bank, Fifth Third Bank, Key Bank, and PNC Bank. In addition, during the evaluation period, 75 percent of businesses and 76 percent of owner-occupied housing units were located in middle- or upper-income CTs. The bank also sells its home mortgages on the secondary market. Given the limited branch presence, the bank ensures its advertising campaigns reach the entire assessment area, and offers online banking services for customers, to ensure their services are available to low- and moderate-income individuals and geographies. We also considered economic factors within the AA, as the economy continues to recover and underperform compared to the state of Ohio, making it more difficult for low- and moderate-income borrowers to obtain funding.

Given the COVID-19 pandemic, the bank made 1,202 loans under the Paycheck Protection Program (PPP) totaling \$289.2 million, which constitutes 18 percent of loans, by dollar amount, made during the evaluation period. The bank made 517 PPP loans, or \$22.4 million, to small businesses.

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

Refer to Table Q in 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 bank's distribution of small loans to businesses among geographies of different income levels in the AA is reasonable. The bank's percentage of small loans to businesses among low-income CTs was 8.7 percent. This is below the 14.6 percent of businesses and the 11.8 percent aggregate bank lending. The bank's percentage of small loans to businesses among moderate-income CTs was 8.7 percent. This is below the 10.8 percent of businesses and the 10.8 percent aggregate bank lending.

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

Refer to Table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. We considered that of the 221,620 housing units in the Partial Toledo MSA, approximately 26,000 units are currently vacant. The majority of vacant units (59.3 percent) are in low- and moderate-income CTs. In addition, 44.7 percent of occupied rental units are in low- and moderate-income CTs. Only 23.2 percent of owner-occupied housing units are in low- and moderate-income CTs, while the remaining owner-occupied housing units (76.8 percent) are located in middle- and upper-income CTs.

The bank's distribution of home mortgage loans among geographies of different income levels in the AA is reasonable. The bank's percentage of home mortgage loans among low-income CTs was 1.1 percent. This is below the 8.5 percent of owner-occupied housing units and the 2.4 percent aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs was 7.8 percent. This is below the 14.7 percent of owner-occupied housing units and the 9.0 percent aggregate bank lending.

Reported HMDA data shows that other banks in the AA also have difficulty lending in low- and moderate-income CTs. The aggregate percentage of loans in low- and moderate-income CTs is 2.4 percent compared to the 8.5 percent owner-occupied housing units in the AA during the evaluation period.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses, given the product lines offered by the bank. In evaluating the borrower distribution of home mortgage loans, we considered the poverty levels and the associated barriers with home ownership, as well as the effects of the pandemic on the economy. Approximately 16 percent of families live below the poverty level. This, coupled with the effects of the COVID-19 pandemic, makes it difficult for low- and moderate-income borrowers to obtain conventional mortgage products. We also considered the level of competition from large banks and the bank's limited branch network, as mentioned above.

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

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

The bank's distribution of small loans to businesses reflects excellent penetration among businesses of different sizes. Based on our statistical sample of small loans to businesses originated during the evaluation period, the bank made 83.6 percent of its loans to businesses with gross annual revenues of \$1 million or less. This is above the 80.9 percent of businesses with gross annual revenues of \$1 million or less and significantly exceeds the aggregate lending percentage of 42.9 percent.

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

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

The bank's distribution of home mortgage loans among borrowers of different income levels in the AA is poor. The bank's percentage of home mortgage loans among low-income families was 2.5 percent. This is significantly below the 24.8 percent of low-income families in the AA and below the 7.6 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate income families was 10.3 percent. This is below the 16.5 percent of moderate-income families in the AA and the 19.7 percent aggregate bank lending.

## **Responses to Complaints**

The bank did not receive any complaints related to CRA during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Ohio is rated Satisfactory.

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

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA(s).

### Number and Amount of Community Development Loans

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Toledo MSA	1	33.3	150	54.5
Toledo MSA	1	33.3	50	18.2
Toledo MSA	1	33.3	75	27.3

The bank's level of CD lending demonstrates an adequate responsiveness to CD needs within the AA. Qualified CD lending activity during the evaluation period consists of three loans totaling \$275,000 within the bank's AA.

The Community Development Loans Table, shown above, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

### 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)
Toledo	3	2,240	33	39	36	100	2,279	100	0	0

The bank's level of qualified investments and donations demonstrates adequate responsiveness to the CD needs of its AA. During the evaluation period, the bank made 33 qualified donations totaling \$39,000. Investments made during the evaluation period include:

- Qualifying CD donations totaling \$39,000 to local community organizations within the AA, primarily to support initiatives related to affordable housing and community services targeted to low- and moderate-income individuals.

\* 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.

- A \$2 million home equity investment for affordable housing to benefit low- and moderate-income individuals.
- A \$240,000 loan to a local Community Development Financial Institution (CDFI) to provide financial services to low- and moderate-income individuals in the AA.

In addition, the bank had three prior period investments totaling \$2.2 million.

## **Extent to Which the Bank Provides Community Development Services**

### Retail Services

Waterford's Toledo and Perrysburg branch locations are both located in upper-income CTs. However, the Perrysburg branch is located near two low-income and two moderate-income CTs and provide access to financial services in that area. The bank's hours and days of operation, and available services, are provided consistently between the branches. The bank does not operate ATMs, but waives up to \$30 in fees or ten transactions per month with unlimited debit card transactions to help provide more access to funds. To increase customer accessibility to financial services, the bank also offers alternative delivery systems including online or telephone banking, bill pay, and mobile banking.

### Community Development Services

The bank demonstrates an excellent level of responsiveness to community needs by providing CD services, primarily through financial expertise, to non-profit groups. During the evaluation period, 14 employees provided services to 13 organizations through the following activities:

- Nine employees served on a board or committee of an organization providing scholarships, community services, and affordable housing for low- and moderate-income families.
- Four employees participated in volunteer efforts to build a new home for a low- to-moderate-income individual.
- One employee taught basic banking and financial literacy to students at schools located in low- and moderate-income CTs.

## State Rating

### State of Michigan

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

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's distribution of small loans to businesses and home mortgages to borrowers of different income levels is reasonable.
- The bank's geographic distribution of small loans to businesses and home mortgage loans is reasonable.
- The bank made an adequate level of CD loans, investments, and services.
- The bank did not receive any complaints during the evaluation period regarding its performance in helping meet the credit needs within the AA.

### Description of Institution's Operations in Michigan

A majority of Waterford's lending occurs in Oakland County, through the Clarkston and Troy branches. The bank merged with Clarkston State Bank in 2020 and expanded its lending footprint into Oakland County. These branches offer identical products and operate 8:30 A.M. to 5:00 P.M., Monday through Friday. The Clarkston branch is located in a middle-income CT and the Troy branch is located in an upper-income CT, according to 2015 ACS data. The bank does not operate any ATMs but offers customers a \$30 waiver on fees or ten free transactions per month at any ATM location.

There is significant competition for loans in the AA. Based on 2021 peer mortgage loan data, Waterford ranked 204<sup>th</sup> among 575 lenders originating or purchasing home mortgage loans within the AA. The bank's market share of mortgage loans was approximately 0.02 percent in both years. The top five home mortgage loan lenders in the AA are large banks and mortgage companies, which hold a combined 39.1 percent of the market as of December 31, 2021. The top five business lenders in the AA are large banks, which account for 53.7 percent of the business lending in the AA.

The AA is located in southeastern Michigan and includes both urban and suburban neighborhoods. The AA is a part of the larger Detroit-Dearborn-Livonia Michigan AA. Based on 2015 ACS data, during the evaluation period, the AA included 146 upper-income CTs, 113 middle-income CTs, 55 moderate-income CTs, and 23 low-income CTs.

Based on a review of 2015 ACS data, owner-occupied housing units continue to make up the majority of total housing units available during the evaluation period. A majority of non-farm businesses in the AA are small. According to 2015 data, a significant majority of businesses in the AA had less than five employees, ACS operated from a single location, and had less than \$500,000 in gross annual revenues. The service; retail trade; and finance, insurance and real estate business sectors accounted for 64.5 percent of the employers within the AA, according to June 2021 Dun & Bradstreet data. Major employers include General Motors, Ford Motor Company, and the University of Michigan.

Moody's Analytics reports that the AA's economy is still in a recovery stage as it continues to underperform compared to the rest of Michigan, due to below average quality of life, high crime rates and eroding infrastructure as well as persistent out-migration. According to the U.S. Department of Labor, the unadjusted average annual unemployment rate for Oakland County remained fairly steady throughout the evaluation period and was 3.2 percent as of December 31, 2021. The state-wide unemployment rate declined during the evaluation period, to 4.2 percent as of December 31, 2021.

We considered information obtained from two community organizations within the AA. The two organizations focus on affordable housing and services, economic development, and homebuyer education. They identified community development needs such as funding for loans to small businesses, rehabilitation housing projects, and access to funding and financial education for low- and moderate-income borrowers.

## Michigan – Oakland County

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: 2020-2021 Oakland County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	338	6.8	16.3	33.4	43.2	0.3
Population by Geography	1,229,503	6.2	15.3	33.5	45.0	0.0
Housing Units by Geography	531,609	7.1	17.0	34.4	41.4	0.0
Owner-Occupied Units by Geography	347,701	3.1	12.2	34.7	50.0	0.0
Occupied Rental Units by Geography	145,788	14.8	27.2	34.2	23.9	0.0
Vacant Units by Geography	38,120	14.9	21.9	33.1	30.1	0.0
Businesses by Geography	144,572	5.0	16.6	27.5	50.8	0.0
Farms by Geography	2,723	5.0	14.9	38.0	42.2	0.0
Family Distribution by Income Level	322,233	18.5	15.1	18.8	47.5	0.0
Household Distribution by Income Level	493,489	21.7	15.0	17.1	46.2	0.0
Median Family Income MSA - 47664 Warren-Troy-Farmington Hills, MI		\$76,739	Median Housing Value			\$184,495
			Median Gross Rent			\$974
			Families Below Poverty Level			7.4%
<i>Source: 2015 ACS and 2021 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>						

## **Scope of Evaluation in Michigan**

We performed a full-scope review for Waterford's Michigan – Oakland County AA. The Lending Test covered the bank's primary loan product (business loans) and secondary loan product (home mortgage loans) from January 1, 2019, through December 31, 2021. Based on loan origination data, we placed more weight on small loans to businesses, given the bank's emphasis on commercial/business lending, to arrive at our conclusions. As the bank is not required to report small business lending data, we based our small loans to businesses lending-related conclusions on a statistical sample of 43 business loans originated during the evaluation period. The CD test evaluated the bank's responsiveness to the CD needs and opportunities in the AA through CD loans, investments, and services, and covered the period from January 1, 2019, through December 31, 2021.

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

### **LENDING TEST**

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

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

Based on a full-scope review, the bank's lending performance in the state of Michigan is reasonable.

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

The bank exhibits reasonable geographic distribution of loans in the state. We considered demographic factors that could affect the bank's ability to lend in low- and moderate-income geographies. This includes competition from larger institutions, the purchase of Clarkston State Bank during the COVID-19 pandemic, and the location of the majority of businesses and owner-occupied housing. There continues to be significant competition in the area, especially from large bank institutions such as Rocket Mortgage, JP Morgan Chase, Huntington National Bank, and Flagstar Bank. During the evaluation period, 78 percent of businesses and 85 percent of owner-occupied housing units were located in middle- or upper-income CTs.

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

Refer to Table Q in 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. We considered that the bank acquired Clarkston State Bank in Troy, Michigan during the COVID-19 pandemic, as well as the bank's participation in the PPP. Further, approximately 78 percent of small businesses in the AA are in middle- and upper-income CTs.

The bank's distribution of small loans to businesses among geographies of different income levels in the AA is poor. The bank did not originate any small business loans in low- or moderate-income CTs during the evaluation period.

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

Refer to Table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. We considered the significant competition for home mortgages in the area, as well as the bank's recent penetration into this AA.

The bank's distribution of home mortgage loans among geographies of different income levels in the AA is reasonable. The bank's percentage of home mortgage loans among low-income CTs was 2.3 percent. This is consistent with the 3.1 percent of owner-occupied housing units and above the 1.5 percent aggregate bank lending. The bank's percentage of home mortgage loans among moderate-income CTs was 7.0 percent. This is below the 12.2 percent of owner-occupied housing units and the 11.3 percent aggregate bank lending.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank. In evaluating the borrower distribution of home mortgage loans, we considered the poverty levels and the associated barriers with home ownership, as well as the level of competition from large banks and the bank's recent entry into the AA. Approximately seven percent of families live below the poverty level and 36 percent of families are low- or moderate-income, which causes difficulty in obtaining conventional mortgage products. Further, the housing inventory within the AA consists of older homes, which require additional investment to rehabilitate. There is also increased gentrification in the area, especially within Oakland County, which makes it difficult for low- and moderate-income individuals and families to find affordable housing.

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

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

The bank's distribution of small loans to businesses reflects excellent penetration among businesses of different sizes. Based on our statistical sample of small loans to businesses originated during the evaluation period, the bank made 97.7 percent of its loans to businesses with gross annual revenues of \$1 million or less. This is above the 87.3 percent of businesses with gross annual revenues of \$1 million or less and significantly exceeds the aggregate lending percentage of 40.3 percent.

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

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

The bank's distribution of home mortgage loans among borrowers of different income levels in the AA is reasonable. The bank's percentage of home mortgage loans among low-income families was 7.0 percent. This is significantly below the 18.5 percent of low-income families in the AA and consistent with the 8.0 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate income families was 14.0 percent. This is consistent with the 15.1 percent of moderate-income families in the AA and below the 17.6 percent aggregate bank lending.

### **Responses to Complaints**

The bank did not receive any complaints related to CRA during the evaluation period.



## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Michigan is rated Satisfactory.

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

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA(s). The bank acquired Clarkston State Bank (CSB) in 2020.

### Number and Amount of Community Development Loans

The bank's level of CD lending demonstrates adequate responsiveness to CD needs within the AA. The bank did not make any qualified CD loans during the evaluation period; however, the FDIC previously evaluated Clarkston State Bank as a small bank under CRA. As a result, CSB was not required to make CD loans, investments, or services.

### 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)
Oakland County	0	0	2	20	2	100	20	100	0	0

The bank's level of qualified investments and donations demonstrates adequate responsiveness to the CD needs of its AA. During the evaluation period, the bank made two qualified donations totaling \$20,000, which includes:

- Two donations to Habitat for Humanity's Mortgage Relief Fund, which raises funds to assist low-income families with their mortgage.

### Extent to Which the Bank Provides Community Development Services

#### Retail Services

Waterford's Clarkston and Troy branch locations are located in a middle- and upper-income CTs, respectively. The bank's hours and days of operation, and available services, are provided consistently between the branches. The bank does not operate ATMs but waives up to \$30 in fees or ten transactions per month with unlimited debit card transactions to help provide more access to funds. To increase customer accessibility to financial services, the bank also offers alternative delivery systems including online or telephone banking, bill pay, and mobile banking.

\* 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.

### Community Development Services

The bank demonstrates an adequate level of responsiveness to community needs by providing CD services, primarily through financial expertise, to non-profit groups. During the evaluation period, two employees provided services to two organizations through the following activities:

- Two employees served on the board of non-profit organizations which provide community services and affordable housing for low- and moderate-income individuals.

## 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 MSA(s) and non-MSA(s) 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>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Home Mortgage, Small Business Community Development Loans, Qualified Investments, Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<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>
Ohio – Partial Toledo MSA	Full-Scope	
Michigan – Oakland County	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS (BANK NAME)			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
MMSA or State:			
Ohio – Partial Toledo MSA	Satisfactory	Satisfactory	Satisfactory
Michigan – Oakland County	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## 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/assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

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

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

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

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

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

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

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

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

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

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

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



## Appendix D: Tables of Performance Data

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

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2019-21</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
2019-2021 Toledo MSA	707	172,759	100.0	18,844	8.5	1.1	2.4	14.7	7.8	9.0	40.2	22.9	40.7	36.6	68.2	48.0	0.0	0.0	0.0
<b>Total</b>	<b>707</b>	<b>172,759</b>	<b>100.0</b>	<b>18,844</b>	<b>8.5</b>	<b>1.1</b>	<b>2.4</b>	<b>14.7</b>	<b>7.8</b>	<b>9.0</b>	<b>40.2</b>	<b>22.9</b>	<b>40.7</b>	<b>36.6</b>	<b>68.2</b>	<b>48.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%  
Waterford Bank N.A. (10000024685) excluded from Aggregate*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2019-21</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
2019-2021 Toledo MSA	707	172,759	100.0	18,844	24.8	2.5	7.6	16.5	10.3	19.7	18.8	14.4	22.5	39.9	65.2	37.8	0.0	7.5	12.3
<b>Total</b>	<b>707</b>	<b>172,759</b>	<b>100.0</b>	<b>18,844</b>	<b>24.8</b>	<b>2.5</b>	<b>7.6</b>	<b>16.5</b>	<b>10.3</b>	<b>19.7</b>	<b>18.8</b>	<b>14.4</b>	<b>22.5</b>	<b>39.9</b>	<b>65.2</b>	<b>37.8</b>	<b>0.0</b>	<b>7.5</b>	<b>12.3</b>

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%  
Waterford Bank N.A. (10000024685) excluded from Aggregate*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2020-21**

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
2020-2021 Oakland County	43	9,157	100.0	84,844	3.1	2.3	1.5	12.2	7.0	11.3	34.7	51.2	33.5	50.0	39.5	53.7	0.0	0.0	0.0
<b>Total</b>	<b>43</b>	<b>9,157</b>	<b>100.0</b>	<b>84,844</b>	<b>3.1</b>	<b>2.3</b>	<b>1.5</b>	<b>12.2</b>	<b>7.0</b>	<b>11.3</b>	<b>34.7</b>	<b>51.2</b>	<b>33.5</b>	<b>50.0</b>	<b>39.5</b>	<b>53.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Waterford Bank N.A. (10000024685) excluded from Aggregate

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2020-21**

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
2020-2021 Oakland County	43	9,157	100.0	84,844	18.5	7.0	8.0	15.1	14.0	17.6	18.8	20.9	23.9	47.5	39.5	39.6	0.0	18.6	11.0
<b>Total</b>	<b>43</b>	<b>9,157</b>	<b>100.0</b>	<b>84,844</b>	<b>18.5</b>	<b>7.0</b>	<b>8.0</b>	<b>15.1</b>	<b>14.0</b>	<b>17.6</b>	<b>18.8</b>	<b>20.9</b>	<b>23.9</b>	<b>47.5</b>	<b>39.5</b>	<b>39.6</b>	<b>0.0</b>	<b>18.6</b>	<b>11.0</b>

Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Waterford Bank N.A. (10000024685) excluded from Aggregate

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2019-21</b>
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
2019-2021 Toledo MSA	46	47,344	100	7,816	14.6	8.7	11.8	10.8	8.7	10.8	35.9	30.4	34.7	38.7	52.2	42.3	0.0	0.0	0.4
<b>Total</b>	<b>46</b>	<b>47,344</b>	<b>100</b>	<b>7,816</b>	<b>14.6</b>	<b>8.7</b>	<b>11.8</b>	<b>10.8</b>	<b>8.7</b>	<b>10.8</b>	<b>35.9</b>	<b>30.4</b>	<b>34.7</b>	<b>38.7</b>	<b>52.2</b>	<b>42.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

*Waterford Bank N.A. (10000024685) excluded from Aggregate*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2019-21</b>
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	
2019-2021 Toledo MSA	46	47,344	100.0	7,816	80.9	83.6	42.9	6.6	10.9	12.5	5.5	
<b>Total</b>	<b>46</b>	<b>47,344</b>	<b>100.0</b>	<b>7,816</b>	<b>80.9</b>	<b>83.6</b>	<b>42.9</b>	<b>6.6</b>	<b>10.9</b>	<b>12.5</b>	<b>5.5</b>	

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

*Waterford Bank N.A. (10000024685) excluded from Aggregate*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
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
2020-2021 Oakland County	43	21,623	100	41,846	5.0	0.0	5.2	16.6	0.0	17.3	27.5	44.2	25.9	50.8	55.8	51.6	0.0	0.0	0.0
<b>Total</b>	<b>43</b>	<b>21,623</b>	<b>100</b>	<b>41,846</b>	<b>5.0</b>	<b>0.0</b>	<b>5.2</b>	<b>16.6</b>	<b>0.0</b>	<b>17.3</b>	<b>27.5</b>	<b>44.2</b>	<b>25.9</b>	<b>50.8</b>	<b>55.8</b>	<b>51.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2020 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												2020-21
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	
2020-2021 Oakland County	43	21,623	100.0	41,846	87.3	97.7	40.3	5.4	2.3	7.3	0.0	
<b>Total</b>	<b>43</b>	<b>21,623</b>	<b>100.0</b>	<b>41,846</b>	<b>87.3</b>	<b>97.7</b>	<b>40.3</b>	<b>5.4</b>	<b>2.3</b>	<b>7.3</b>	<b>0.0</b>	

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%