



## **PUBLIC DISCLOSURE**

January 21, 2020

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

Community First Bank, National Association  
Charter Number 7518

118 East Lima Street  
Forest, OH 45843

Office of the Comptroller of the Currency

Central Ohio Field Office  
Westlake Center  
4555 Lake Forest Drive, Suite 520  
Cincinnati, OH 45242

**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 major factors that support this rating include:

- The Lending Test rating is based on the State of Ohio rating, which is satisfactory. The bank exhibits a reasonable distribution of loans to individuals of different income levels and farms of different sizes.
- Additionally, the bank's performance relative to the activities considered at the bank-wide level is overall reasonable. These include:
  - The bank's loan-to-deposit (LTD) ratio is reasonable.
  - A substantial majority of the bank's loans are inside the assessment area (AA).

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is reasonable.

The bank's quarterly average LTD ratio over the 22 quarters since the previous CRA evaluation (June 30, 2014 to September 30, 2019) is 64.8 percent. The ratio ranged from a low of 57.3 percent at March 31, 2017, to a high of 72.1 percent at June 30, 2019. The bank's average LTD ratio of 64.8 percent is reasonable when compared to the average LTD ratio of 68.0 percent for similarly situated financial institutions, with total assets less than \$500 million and bank offices in the AA (Hardin and Wyandot Counties in Ohio).

### Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank originated and purchased 90.5 percent of its total loans inside the bank's AA 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.

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	53	88.3	7	11.7	60	5,787	89.7	667	10.3	6,454
Small Farm	42	93.3	3	6.7	45	2,893	78.1	811	21.9	3,704
Total	95	90.5	10	9.5	105	8,680	85.4	1,478	14.6	10,158

*Source: 1/1/2017 – 12/31/2019 Bank Data; Loan Sample.  
Due to rounding, totals may not equal 100.0 percent.*

## Description of Institution

Community First Bank, National Association (CFB or bank) is a wholly owned subsidiary of a one-bank holding company, Community First Bancshares, Inc. As of December 31, 2019, CFB has total assets of \$51.4 million and \$5.3 million in tier 1 capital. The bank's main office and holding company are headquartered in Forest, Ohio, approximately 70 miles northwest of Columbus, Ohio, in Hardin County. In addition to its main office, CFB operates two full-service branches located in Kenton (Hardin County) and Upper Sandusky (Wyandot County). The Kenton office is in a moderate-income geography, while the other two offices are in middle-and upper-income geographies. Both branch offices have automated teller machines (ATMs) and either a drive-up or walk-in facility. CFB offers a variety of traditional products and services, including residential real estate, farm, commercial, and consumer loans. The bank also offers online banking. No offices have been opened or closed since the prior CRA evaluation in 2014. There is no merger or acquisition activity that affects the scope of the bank's operations during the evaluation period.

CFB is a single-state financial institution with one rating area (State of Ohio) and one AA. The AA includes Hardin and Wyandot counties in Ohio, which are in a non-metropolitan statistical area (Non-MSA).

As of December 31, 2019, the bank's net loans and leases totaled \$30.2 million, or 58.7 percent of total assets. The bank's loan portfolio, as of the December 31, 2019 Consolidated Reports of Condition and Income (Call Report), is comprised of approximately 52.0 percent residential real estate (including home equity lines of credit), 11.7 percent commercial and commercial real estate, 32.9 percent farm, 2.9 percent consumer, and 0.5 percent other loans. The bank's primary lending focus is residential real estate lending (home mortgage) and farm lending.

There are no financial, legal, or the other factors that impede CFB's ability to help meet the credit needs of its AA. The bank's previous CRA rating was Outstanding as of the CRA Performance Evaluation (PE) dated August 11, 2014.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We conducted a full-scope CRA evaluation to assess the bank's record of meeting the credit needs of its entire community, including low-and moderate-income (LMI) areas. We used the small bank CRA evaluation procedures to assess the bank's performance. Based on discussions with bank management and the number and dollar volume of loan origination data supplied by the bank, home mortgage loans and small loans to farms (farm loans) are the bank's primary lending products and were evaluated under the Lending Test. We analyzed lending activity in full-year increments during the evaluation period, January 1, 2017 to December 31, 2019. The review included all home mortgage loans originated or purchased in 2018 and 2019 and a random sample of home mortgage loans originated or purchased in 2017, totaling 60 loans. The review included all small loans to farms that were originated or purchased during the evaluation period. We used only the home mortgage and farm loans that were originated and purchased inside the AA to evaluate CFB's performance relative to the geographic and borrower income distributions.

For analysis purposes, we compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census and the 2019 Dun and Bradstreet (D&B) data. No affiliate activity was included in this analysis. Refer to the table in appendix A 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 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.

CFB has one non-MSA AA in the State of Ohio, and we completed a full-scope review of this AA. A community profile for the AA is provided in the "Description of Institution's Operations in Ohio" in the State of Ohio section of this evaluation.

### **Ratings**

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The bank's overall rating is based on the State of Ohio rating. CFB operates in the state of Ohio, with all branch offices in Ohio. The State of Ohio rating is based on the performance in the bank's only AA, the Non-MSA AA. We completed a full-scope review of the Non-MSA AA.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state 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) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution 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 major factors that support this rating include:

- The bank exhibits a reasonable distribution of loans to individuals of different income levels and farms of different sizes, given the product lines offered by the bank.
- The LTD ratio is reasonable.
- A substantial majority of the bank's loans are inside the bank's AA.

### Description of Institution's Operations in Ohio

CFB's AA consists of Hardin and Wyandot counties in Ohio, which is in a Non-MSA. The Non-MSA AA is contiguous, meets the requirements of the CRA regulation, and does not arbitrarily exclude any LMI areas. Bank management selected the AA based on their targeted lending area, the area with the most deposit activity, and office locations. The bank has three office locations, with an office in Forest, Kenton, and Upper Sandusky, Ohio. Both the main office in Forest, Ohio (located in an upper-income census tract) and branch office in Kenton, Ohio (located in moderate-income census tract) are in Hardin County. The Upper Sandusky branch is in Wyandot County, in a middle-income census tract. All branches have an onsite ATM.

The bank's primary lending focus is home mortgage and farm lending. Based on the number of loans originated and purchased during the evaluation period (2017 – 2019), home mortgages accounted for 27.9 percent, commercial and commercial real estate accounted for 19.7 percent, farms accounted for 17.8 percent, and consumer loans accounted for 34.6 percent. Based on the dollar amount of loans originated and purchased, home mortgages accounted for 36.3 percent, commercial and commercial real estate accounted for 23.2 percent, farms accounted for 31.0 percent, and consumer loans accounted for 9.5 percent. Although consumer lending accounts for 34.6 percent of the originations and purchases based on number, the dollar volume outstanding at year-end 2019 was \$886,000 and is not considered to be a primary product by management.

As part of this CRA evaluation, we reviewed information provided from an interview with a representative from an affordable housing/community development organization. The contact identified affordable housing for LMI individuals as a credit need in the community. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

#### Non-MSA AA

Based on 2015 ACS U.S. Census data, the Non-MSA AA includes two moderate-income, eight middle-income, and three upper-income census tracts. Of note, census tract 5.00 in Hardin County was middle-income as of the 2010 U.S. Census and changed to moderate-income as of the 2015 ACS U.S. Census.

The economic conditions in the Non-MSA AA are overall stable. According to November 2019 U.S. Bureau of Labor Statistics Data, Hardin and Wyandot Counties have unemployment rates (not seasonally adjusted) of 3.8 percent and 2.9 percent, respectively, which are better than, or commensurate with, the statewide and nationwide unemployment rates of 3.8 and 3.3 percent, respectively. The AA has a mix of industries, including manufacturing, services, and agriculture. Large employers in Hardin County include International Paper, Ohio Northern University, Ada Technologies, Inc., and the Hardin County Government. Large employers in Wyandot County include Bridgestone APM Company, Kasai North American Inc. (M-Tek), Walmart, Wyandot Memorial Hospital, and Kalmbach Feeds Inc. Farming is important to the overall health of the local economy. Agriculture is one of Ohio's most important industries, and the bank's AA is an agricultural area.

CFB operates in a competitive financial services market, with national banks, state banks, savings associations, and branches of larger financial institutions. According to the June 30, 2019 Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, there are 11 financial institutions in the Non-MSA AA, with 23 total banking offices. Total deposits of all financial institutions within the Non-MSA AA equaled approximately \$978.1 million. CFB held approximately \$43.3 million, or 4.4 percent, of the Non-MSA AA's total deposits, ranking eighth out of 11 financial institutions. The bank has three offices in the Non-MSA AA. Financial institutions with significant deposit market share in the non-MSA AA include Liberty National Bank, First Federal Bank of the Midwest, and the First Citizens National Bank of Upper Sandusky. According to 2015 ACS U.S. Census data, the 2018 peer mortgage data (HMDA data) shows the top primary mortgage lenders in the Non-MSA AA to include Huntington National Bank and First Federal Bank of the Midwest, both with lending market shares over 10.0 percent. CFB is not a HMDA reporter; therefore, their data was not included in this report.

According to 2015 ACS U.S. Census data, the median housing value in the Non-MSA AA was \$100,018. Based on the 2017 median family income of \$57,600, low-income families make less than \$28,800 and moderate-income families make less than \$46,080. Overall median housing values are approximately 2.2 to 3.5 times the annual income of LMI families in the AA. Based on the 2018 median family income of \$61,400, low-income families make less than \$30,700 and moderate-income families make less than \$49,120. Overall median housing values are approximately 2.0 to 3.3 times the annual income of LMI families in the AA. Based on the 2019 median family income of \$61,000, low-income families make less than \$30,500 and moderate-income families make less than \$48,800. Overall median housing values are approximately 2.0 to 3.3 times the annual income of LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. There are 23,002 total housing units in the Non-MSA AA, of which 64.9 percent are owner-occupied and 25.9 percent are rental occupied units. Approximately 10.8 percent of the families and 14.6 percent of the households live below the poverty level.

Though not severe, the overall poverty rate is still significant. We separately analyzed the poverty rate for the moderate-income census tracts during the evaluation period. According to 2015 ACS U.S. Census data, the percentage below poverty was 18.9 percent in the moderate-income census tracts. This is significantly higher than the overall poverty rate of 10.8 percent as indicated above, and the 10.8 percent in middle-income and 5.4 percent in upper-income geographies. Additionally, the median age

of housing stock in moderate-income census tracts is 54 years. Further, the homeownership affordability for LMI families is present. Therefore, we considered the poverty rate, median age of housing stock, and home affordability in our analysis of home mortgage lending to LMI borrowers and/or in LMI census tracts.

In our geographic lending analysis, we considered that two of the bank's three offices are in middle-or upper-income geographies. Only the bank's Kenton office is in and near the two moderate-income geographies in the AA. Management stated that approximately only \$3.0 million of the \$30.2 million of net loans at December 31, 2019 were originated out of the Kenton Branch. Lending volume out of the Kenton Branch represents less than 10.0 percent of total loans outstanding and is overall minimal.

Additionally, we considered the substantial competition from other financial institutions in the Non-MSA AA, which are competing for the same loans in the two moderate-income tracts. Substantial competition in the Non-MSA AA may saturate the market and further limit lending opportunities to LMI individuals and in LMI tracts.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Non-MSA AA (2017 – 2019)</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)	13	0.0	15.4	61.5	23.1	0.0
Population by Geography	54,203	0.0	14.8	64.3	20.9	0.0
Housing Units by Geography	23,002	0.0	15.9	63.8	20.3	0.0
Owner-Occupied Units by Geography	14,919	0.0	14.6	60.4	25.0	0.0
Occupied Rental Units by Geography	5,948	0.0	16.5	72.2	11.3	0.0
Vacant Units by Geography	2,135	0.0	23.2	64.4	12.5	0.0
Businesses by Geography	2,462	0.0	18.6	63.1	18.2	0.0
Farms by Geography	327	0.0	12.8	48.3	38.8	0.0
Family Distribution by Income Level	13,922	17.8	21.6	20.7	39.8	0.0
Household Distribution by Income Level	20,867	22.5	16.6	20.1	40.8	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$100,018
			Median Gross Rent			\$631
			Families Below Poverty Level			10.8%

*Source: 2015 ACS Census and 2019 D&B Data.  
Due to rounding, totals may not equal 100.0.  
(\* The NA category consists of geographies that have not been assigned an income classification.*

## Scope of Evaluation in Ohio

We conducted a full-scope review of the bank's only AA, the Non-MSA AA, to assess the bank's record of meeting the credit needs of its entire community, including LMI areas. The bank's Non-MSA AA includes Hardin and Wyandot Counties in Ohio, and data in this AA was analyzed and presented as one AA for purposes of this evaluation. Home mortgage and farm loans are the bank's primary lending



products and were evaluated under the Lending Test during this evaluation. The review included an evaluation of 60 home mortgage loans and all farm loans originated during the evaluation period. Refer to the Scope of the Evaluation section for more details.

## **LENDING TEST**

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

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 poor geographic distribution of loans in the AA.

The bank has two moderate-income census tracts in the Non-MSA AA, as of the 2015 ACS U.S. Census data. There are no low-income geographies in the AA. Of the bank's three offices, one is in a moderate-income geography (Kenton Branch). As noted above, census tract 5.00 in Hardin County was middle-income as of the 2010 U.S. Census and changed to moderate-income as of the 2015 ACS U.S. Census.

In our lending analysis, we considered several performance context factors. Our analysis took into consideration the limited opportunities to lend in moderate-income tracts given the level of owner occupied-housing, the significant market competition in the AA, as well as mortgage and farm products offered by other financial institutions. According to the 2015 ACS U.S. Census, the average age of one-to-four family housing stock in the moderate-income census tracts is 54 years. The maintenance costs associated with older housing stock is a significant obstacle to homeownership, which could result in a reduction of mortgage loan demand. The percentage of owner-occupied units within the moderate-income tracts of 59.5 percent is lower than the percentage of owner-occupied units within the middle- (61.4 percent) and upper-income (79.9 percent) tracts. In addition, occupied rental units account for 27.0 percent in the moderate-income geographies. There is significant competition in Hardin County, with credit unions and other financial institutions competing for the same loans and some lenders offering first-time homebuyer loan products and services to attract such loans.

Management stated that approximately \$3.0 million of the \$30.2 million of net outstanding loans at December 31, 2019 were originated out of the Kenton Branch. The Kenton branch has not been a significant originator of loans for CFB; therefore, this branch office shares a loan officer with the main office in Forest, Ohio. In general, we gave less weight to the geographic distribution of loans given the performance context factors discussed in this PE.

We reviewed summary reports and maps and analyzed the bank's home mortgage and farm lending over the evaluation period to identify any significant gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

Refer to Table O in the state of Ohio 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.

To help assess performance under this criterion, we compared the percentage of home mortgage loans originated and purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on the LMI geographies. We also compared the bank's performance against the percentage of home mortgage loans of other home mortgage lenders (aggregate data) in the Non-MSA AA, as demonstrated by HMDA aggregate data.

The bank exhibits poor geographic distribution of home mortgage loans in the Non-MSA AA. During the evaluation period, the bank did not originate or purchase any loans in our sample in either of the two moderate-income census tracts, which is below both demographic (14.6 percent) and aggregate (12.1 percent) data.

CFB does not offer any first-time homebuyer loan products. The bank does not offer Fair Housing Administration (FHA), Veterans Affairs (VA), or United States Department of Agriculture (USDA)/ Guaranteed Rural Development loans; however, they will take the application and forward it onto a secondary lender. These loans do not close in the bank's name. Management stated that very few of their customers request these loans, and they took one application in 2019 and forwarded it onto a secondary lender. Other financial institutions in the bank's AA, including Liberty National Bank with an office in Kenton, offer first-time homebuyer loan products and USDA loans. In addition to traditional mortgage products, other financial institutions in the AA also participate in the Federal Home Loan Bank's (FHLB) Welcome Home Grant Program which is designed to remove down-payment and closing cost obstacles for LMI residents. CFB does not participate in the FHLB's Welcome Home Grant Program. With other financial institutions offering these types of products and services, CFB has limited opportunities to originate many home mortgage loans in LMI areas or to LMI borrowers.

### ***Small Loans to Farms***

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

To help assess performance under this criterion, we compared the percentage distribution of the number of small loans to farms originated and purchased by the bank in the four geographic income categories to the distribution of farms throughout those geographies (demographic data), placing emphasis on the LMI geographies. We also compared the bank's performance against the percentage of small loans to farms of other lenders (aggregate data) in the Non-MSA AA, as demonstrated by CRA aggregate data.

The bank exhibits poor geographic distribution of small loans to farms in the Non-MSA AA. During the evaluation period, the bank did not originate or purchase any loans in our farm sample in either of the two moderate-income census tracts, which is below both demographic (12.8 percent) and aggregate (12.2 percent) data.

One of the two moderate-income census tracts in the AA includes the city of Kenton, Ohio. Typically farming is not as prevalent within city limits. According to D&B data as of June 2019, there are 327 farms in the bank's AA, with 42 of them in moderate-income census tracts. Many of the 42 farms are in census tract 5.0 which is near the city of Kenton, but not within the city limits. Other financial institutions in Kenton, including Liberty National Bank, with a significant deposit base in Hardin County offer farm loans including the AgLink product offered through the State of Ohio's Treasury program for economic development in Ohio. Management stated that AgCredit is a significant competitor for farm-related loans in Hardin County, accounting for their lower volume of farm loans in this county.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels and farms of different sizes, given the product lines offered by the bank.

In our analyses, we considered several performance context factors, including the poverty rate in the AA. Limited income is a substantial obstacle to credit qualification and serves to reduce the number of loans made to low-income borrowers.

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

Refer to Table P in the state of Ohio 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.

To help assess performance under this criterion, we compared the percentage of home mortgage loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level (demographic data) in the AA, placing emphasis on lending to LMI families. We also compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels in the AA, given various performance context factors. Based on our analysis of the home mortgage loan production inside the AA, the bank's percentage of home mortgage loans to moderate-income borrowers of 13.3 percent is below both demographic and aggregate data but is overall reasonable. The bank originated eight loans in our sample to moderate-income borrowers. In our loan sample, the bank did not originate any home mortgage loans to low-income borrowers.

As discussed above, we considered the poverty rate and home affordability in our analysis of home mortgage lending to LMI borrowers, as well as the significant competition in the AA. We note that the poverty rate for families below the poverty level in the Non-MSA AA was 10.8 percent. The poverty rate may limit lending opportunities, as residents of limited income may encounter difficulty meeting credit underwriting standards. We also considered the median price of housing in the AA relative to the maximum income of LMI borrowers, which may demonstrate a barrier to homeownership. Refer to the "Description of Institution's Operations in Ohio" for more details on the median price of housing in the AA. As discussed above, other financial institutions in the AA offer first-time homebuyer loan products and FHA, VA, and USDA Rural Housing loans, which may limit the bank's opportunities to lend to LMI borrowers as the bank does not offer these loan products.

### ***Small Loans to Farms***

Refer to Table T in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

To help assess performance under this criterion, we compared the percentage distribution of the number of small loans to farms originated and purchased by the bank (by annual gross revenue level) to farms with annual gross revenues of \$1 million or less. We also compared the bank's performance to aggregate small farm data, as demonstrated by CRA aggregate data.

The bank's lending to small farms in the Non-MSA AA is excellent. During the evaluation period, the bank originated 100.0 percent of our farm loan sample to farms with annual gross revenues less than \$1 million, which compares favorably with demographic and aggregate data.

### **Responses to Complaints**

The bank has not received any complaints about its CRA performance in helping to meet the AA's 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>	01/01/2017 – 12/31/2019	
<b>Bank Products Reviewed:</b>	Home mortgage loans and small loans to farms	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<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>
State of Ohio		
Non-MSA AA	Full-scope	The Non-MSA AA includes Hardin and Wyandot counties in Ohio. The bank operates in the State of Ohio, with all branches in Ohio.

# Appendix B: Summary of State Ratings

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<b>RATINGS: COMMUNITY FIRST BANK, NATIONAL ASSOCIATION</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
Community First Bank, National Association	Satisfactory
<b>State:</b>	
Ohio	Satisfactory

## 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 (MSA):** 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>2017-19</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% 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	
Non-MSA AA	60	6,613	100.0	986	0.0	0.0	0.0	14.6	0.0	12.1	60.4	45.0	63.5	25.0	55.0	24.4	0.0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>6,613</b>	<b>100.0</b>	<b>986</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.6</b>	<b>0.0</b>	<b>12.1</b>	<b>60.4</b>	<b>45.0</b>	<b>63.5</b>	<b>25.0</b>	<b>55.0</b>	<b>24.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data; 2018 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0.*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017-19</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$ (000s)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Non-MSA AA	60	6,613	100.0	986	17.8	0.0	9.3	21.6	13.3	26.1	20.7	31.7	23.7	39.8	53.3	31.1	0.0	1.7	9.7	
<b>Total</b>	<b>60</b>	<b>6,613</b>	<b>100.0</b>	<b>986</b>	<b>17.8</b>	<b>0.0</b>	<b>9.3</b>	<b>21.6</b>	<b>13.3</b>	<b>26.1</b>	<b>20.7</b>	<b>31.7</b>	<b>23.7</b>	<b>39.8</b>	<b>53.3</b>	<b>31.1</b>	<b>0.0</b>	<b>1.7</b>	<b>9.7</b>	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data; 2018 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0.*

<b>Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																			<b>2017-19</b>	
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Non-MSA AA	42	2,893	100.0	98	0.0	0.0	0.0	12.8	0.0	12.2	48.3	11.9	54.1	38.8	88.1	33.7	0.0	0.0	0.0	
<b>Total</b>	<b>42</b>	<b>2,893</b>	<b>100.0</b>	<b>98</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.8</b>	<b>0.0</b>	<b>12.2</b>	<b>48.3</b>	<b>11.9</b>	<b>54.1</b>	<b>38.8</b>	<b>88.1</b>	<b>33.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0.

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2017-19</b>	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available			
	#	\$ (000s)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans		
Non-MSA AA	42	2,893	100.0	98	96.6	100.0	43.9	1.8	0.0	1.5	0.0		
<b>Total</b>	<b>42</b>	<b>2,893</b>	<b>100.0</b>	<b>98</b>	<b>96.6</b>	<b>100.0</b>	<b>43.9</b>	<b>1.8</b>	<b>0.0</b>	<b>1.5</b>	<b>0.0</b>		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0.