



## **PUBLIC DISCLOSURE**

July 6, 2020

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

Lincoln Federal Savings Bank of Nebraska  
Charter #703896

8400 Maddox Drive  
Lincoln, NE 68520

Office of the Comptroller of the Currency  
13710 FNB Parkway, Suite 110  
Omaha, NE 68154-5298

**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.

## Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	5
Discriminatory or Other Illegal Credit Practices Review.....	6
Lending Test .....	7
State Rating.....	7
State of Nebraska.....	7
Lending Test.....	9
Community Development.....	12
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

## 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:

- Lincoln Federal Saving Bank’s (LFSB) loan-to-deposit (LTD) ratio is reasonable when considering the bank’s size, financial condition, and the credit needs of its assessment areas (AAs).
- LFSB originates and purchases a substantial majority of its loans to customers located inside the AAs.
- The distribution of mortgage loans to families of different income levels is reasonable.
- The geographic distribution of mortgage loans among census tracts (CTs) of different income levels is reasonable.

### Loan-to-Deposit Ratio

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

LFSB’s average quarterly LTD ratio was 88 percent for the 12 quarters from January 1, 2017 to December 31, 2019. The ratio ranged from a quarterly low of 84 percent to a quarterly high of 92 percent.

LFSB’s average LTD ratio is comparable to the average LTD ratio of other banks of similar size and strategy operating in the same AAs. The average quarterly LTD ratio for competitor banks was 91 percent for the 12 quarters from January 1, 2017 to December 31, 2019. The ratio ranged from an average quarterly low of 78 percent to an average quarterly high of 98 percent.

### Lending in Assessment Area

A majority of the bank’s loans are inside LFSB’s AAs.

LFSB originated and purchased 90 percent of home mortgage loans by number and 90 percent by dollar inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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	3,148	89.6	364	10.4	3,512	578,478	89.8	65,845	10.2	644,323
Total	3,148	89.6	364	10.4	3,512	578,478	89.8	65,845	10.2	644,323

*Source: Bank Data*

## Description of Institution

LFSB of Nebraska is a federally chartered single-state stock savings institution headquartered in Lincoln, Nebraska. As of December 31, 2019, LFSB had total assets of \$308 million and tier 1 capital of \$42 million. LFSB is a wholly owned subsidiary of Lincoln Federal Bancorp, Inc., which is owned by Lincoln Federal Bancorp, M.H.C.

LFSB operates all 13 of its locations in Nebraska. LFSB does not operate any automatic teller machines. One branch in Lincoln was closed during the evaluation period. No merger or acquisition activity occurred during the evaluation period.

LFSB's primary business focus is consistent with a traditional stock savings institution. LFSB offers a variety of consumer, commercial, and construction lending products; however, its focus continues to be residential real estate loans. As of December 31, 2019, residential real estate loans totaled \$173 million and represented 380 percent of tier 1 capital plus the allowance for loan and lease losses. In addition to lending products, the bank also offers a wide range of retail deposit products, including free checking and savings accounts.

There are no known legal, financial, or other impediments limiting LFSB's ability to meet the credit needs of the AAs. LFSB received a Satisfactory rating in the previous Performance Evaluation dated April 20, 2017.

## Assessment Areas

LFSB's AAs meet the requirements of the regulation and do not arbitrarily exclude low- or moderate-income (LMI) geographies. We combined LFSB's AAs into three AAs for purposes of this examination.

### Lincoln AA

The Lincoln AA includes all of Lancaster County in Nebraska. LFSB operates five branches in Lincoln. This AA represents LFSB's major market and includes the bank's main branch, which is also the location of LFSB's senior management team. LFSB reported \$85 million in deposits in the Lincoln AA as of June 30, 2019. This represents 31 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 17th in market share in the AA with a market share of 1.02 percent.

The Lincoln AA included 74 CTs in 2019. Five CTs are low-income, 21 are moderate-income, 21 are middle-income, and 22 are upper income. The income level of five CTs is unknown. The Lincoln AA had a population of 298,080 in 2019. The population included 71 thousand families and 118 thousand households. Of the families, 21 percent were low-income, 17 percent were moderate-income, 21 percent were middle-income, and 40 percent were upper income. The weighted-average median family income was \$81,300 in 2019. Fourteen percent of households lived below the poverty level.

There were 124 thousand housing units in the Lincoln AA in 2019. Fifty-six percent of the housing units are owner-occupied, and 39 percent are renter occupied. The median age of housing units in the AA is 45 years and the weighted average median housing cost is \$153 thousand. The weighted average monthly gross rent is \$726.

The Lincoln AA included 21 thousand businesses in 2019. Ninety-six percent of businesses are non-farm businesses and 64 percent employ fewer than five people. Eighty-two percent of businesses reported gross annual revenue (GAR) of less than \$1 million in 2019.

The economy in the Lincoln AA was stable during the evaluation period. Lincoln is the capital of Nebraska and the county seat of Lancaster County. Primary employers include government entities, the education sector, and healthcare industries. According to the Bureau of Labor Statistics, the unemployment rate in the Lincoln, NE, Metropolitan Statistical Area (MSA) as of December 2019 was 3.6 percent. This is slightly above the statewide unemployment rate of 3.1 percent and comparable with the national unemployment rate of 3.5 percent in December 2019.

Competition in the Lincoln AA is strong. As of June 30, 2019, there were 27 financial institutions operating 128 branches in Lancaster County. Competition includes branches from large national banks, regional institutions, and locally owned institutions.

### Nebraska Non-MSA AA

The Nebraska Non-MSA AA includes all of Adams, Dodge, Dundy, Lincoln, Phelps, and Red Willow counties in Nebraska. LFSB operates six branches in the AA. One branch is in each of the following towns: Fremont, Holdrege, Hastings, North Platte, McCook, and Benkelman. LFSB reported \$127 million in deposits in the Nebraska Non-MSA AA as of June 30, 2019. This represents 46 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 10th in market share in the AA with a market share of 2.91 percent.

While Dodge County is contiguous with the Omaha AA and could be combined with the Omaha AA for assessment purpose, we included Dodge County in the Nebraska Non-MSA AA. We determined this was appropriate given the demographics of Dodge County more closely align with the demographics of the other Nebraska Non-MSA AAs than the Omaha AA demographics.

The Nebraska Non-MSA included 33 CTs in 2019. Five CTs are moderate-income, 22 CTs are middle-income, and six are upper-income. There were no low-income CTs. The Nebraska Non-MSA had a population of 126,240 in 2019. The population included 33 thousand families and 52 thousand households. Of the families, 18 percent were low-income, 19 percent were moderate-income, 23 percent were middle-income, and 40 percent were upper income. The weighted-average median family income was \$62,098 in 2019. Twelve percent of households lived below the poverty level.

There were 57 thousand housing units in the Nebraska Non-MSA in 2019. Sixty-two percent of the housing units are owner-occupied, and 29 percent are renter occupied. The median age of housing units in the AA is 58 years and the weighted average median housing cost is \$109 thousand. The weighted average monthly gross rent is \$634.

The Nebraska Non-MSA included approximately ten thousand businesses in 2019. Eighty-seven percent of businesses are non-farm businesses and 67 percent employ fewer than five people. Eighty-one percent of businesses reported GAR of less than \$1 million in 2019.

The economy in the Nebraska Non-MSA was stable during the evaluation period. Primary employers include the healthcare sector, public school systems, and the agricultural industry. According to the Nebraska Bureau of Labor, the unemployment rate as of December 2019 for the Nebraska Non-MSA

was 3.0 percent. This is comparable to the statewide unemployment rate of 3.1 percent and the national unemployment rate of 3.5 percent in December 2019.

Competition in the Nebraska Non-MSA is moderate. As of June 30, 2019, there were 36 financial institutions operating 84 branches in the AA. Competition primarily includes branches from regional and locally owned institutions; however, there are also branches of large national banks present in the AA.

### Omaha AA

The Omaha AA includes all of Douglas and Washington counties in Nebraska. This area is included in the Omaha-Council Bluffs NE-IA Multistate MSA. We did not rate this area separately because management's operations are limited to the Nebraska portion of the Multistate MSA.

LFSB operates two branches in the AA – one in Blair and one in Omaha. LFSB reported \$62 million in deposits in the Omaha AA as of June 30, 2019. This represents 23 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 29th in market share in the AA with a market share of 0.22 percent.

The Omaha AA included 161 CTs in 2019. Twenty-seven CTs are low-income, 38 are moderate-income, 55 are middle-income, and 41 are upper-income. The Omaha AA had a population of 557,912 in 2019. The population included 135 thousand families and 217 thousand households. Of the families, 22 percent were low-income, 18 percent were moderate-income, 20 percent were middle-income, and 40 percent were upper income. The weighted-average median family income was \$76,752 in 2019. Fourteen percent of households lived below the poverty level.

There were 233 thousand housing units in the Omaha AA in 2019. Fifty-eight percent of the housing units are owner-occupied, and 35 percent are renter occupied. The median age of housing units in the AA is 98 years and the weighted average median housing cost is \$153 thousand. The weighted average monthly gross rent is \$821.

The Omaha AA included 43 thousand businesses in 2019. Ninety-seven percent of businesses are non-farm businesses and 64 percent employ fewer than five people. Eighty-three percent of businesses reported GAR of less than \$1 million in 2019.

The economy in the Omaha AA was stable during the evaluation period. Omaha is the largest city in Nebraska and serves as a major business center in the state. Primary employers include the U.S. military, the healthcare sector, and the public school system. According to the Bureau of Labor Statistics, the unemployment rate in the Omaha AA as of December 2019 was 3.9 percent. This is slightly above the statewide unemployment rate of 3.1 percent and the national unemployment rate of 3.5 percent in December 2019.

Competition in the Omaha AA is strong. As of June 30, 2019, there were 36 financial institutions operating 188 branches in Douglas and Washington counties. Competition includes branches from large national banks, regional institutions, and locally owned institutions.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated LFSB of Nebraska using Small Bank CRA examination procedures. The institution's overall rating is based on the Lending Test, which evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period for the Lending Test is January 1, 2017 to December 31, 2019. The Lending Test evaluated home mortgage loans, as they were determined to be the primary product in each of the bank's AAs. We used data from LFSB's Home Mortgage Disclosure Act (HMDA) register from January 1, 2017 to December 31, 2019 in our analysis.

### Selection of Areas for Full-Scope Review

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

LFSB operates in three AAs within the state of Nebraska. Two of these AAs have an MSA presence but are not multi-state MSAs. LFSB's CRA rating is based on the institution's performance in the Lincoln AA and Nebraska Non-MSA. We completed full scope reviews of these AAs as they represent a majority of the institution's branch locations, deposit volume, and loan volume originated during the evaluation period.

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

## **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 (or any affiliate whose loans have been considered as part of the institution's lending performance) 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 Nebraska

**CRA rating for the State of Nebraska<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- LFSB's LTD ratio is reasonable given its size, financial condition, and the credit needs of the AAs.
- LFSB originates and purchases a substantial majority of its loans to customers located inside the AAs.
- The distribution of mortgage loans to families of different income levels is reasonable.
- The geographic distribution of mortgage loans to CTs of different income levels is reasonable.

### Description of Institution's Operations in Nebraska

LFSB operates all 13 locations in Nebraska. Five branches, including the bank's main branch/corporate headquarters are in Lincoln, Nebraska. In addition to the Lincoln locations, one branch is in each of the following towns: Holdrege, Hastings, North Platte, McCook, Benkelman, Fremont, Blair, and Omaha.

LFSB reported \$85 million in deposits in the Lincoln AA as of June 30, 2019, which represents 31 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 17th in market share in the AA with a market share of 1.02 percent.

LFSB reported \$62 million in deposits in the Omaha AA as of June 30, 2019, which represents 23 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 29th in market share in the AA with a market share of 0.22 percent.

LFSB reported \$127 million in deposits in the Nebraska Non-MSA AA as of June 30, 2019, which represents 46 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2019, LFSB ranked 10th in market share in the AA with a market share of 2.91 percent.

We included one community contact from the Lincoln AA as a part of our CRA examination. The community contact is from a government planning agency in Waverly, Nebraska (Lancaster County). The contact identified the primary credit needed in the community is home loans and agricultural loans. The contact was satisfied with bank participation in the community and did not identify any unmet credit needs.

<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

# Lincoln AA

Demographic Information of the Assessment Area						
Assessment Area: Lincoln						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	6.8	28.4	28.4	29.7	6.8
Population by Geography	298,080	5.6	26.3	34.0	30.9	3.2
Housing Units by Geography	123,773	7.3	28.2	34.0	29.7	0.8
Owner-Occupied Units by Geography	69,852	1.6	19.5	38.5	40.2	0.2
Occupied Rental Units by Geography	47,815	15.0	39.6	28.8	15.0	1.6
Vacant Units by Geography	6,106	13.0	38.5	23.9	23.6	1.1
Businesses by Geography	20,461	3.7	28.9	30.1	35.2	2.1
Farms by Geography	780	1.5	12.7	22.4	63.2	0.1
Family Distribution by Income Level	70,549	21.3	17.1	21.2	40.5	0.0
Household Distribution by Income Level	117,667	23.7	16.8	17.3	42.1	0.0
Median Family Income MSA Lincoln, NE MSA		\$70,200	Median Housing Value			\$152,644
			Median Gross Rent			\$726
			Families Below Poverty Level			9.3%
<p><i>Source: 2015 ACS and 2019 D&amp;B Data;</i>  <i>Due to rounding, totals may not equal 100.0</i>  <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

## Nebraska Non-MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Nebraska Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	15.2	66.7	18.2	0.0
Population by Geography	126,240	0.0	14.7	65.9	19.4	0.0
Housing Units by Geography	57,445	0.0	15.6	66.1	18.3	0.0
Owner-Occupied Units by Geography	35,500	0.0	12.6	64.6	22.8	0.0
Occupied Rental Units by Geography	16,569	0.0	19.2	71.0	9.8	0.0
Vacant Units by Geography	5,376	0.0	24.7	60.5	14.8	0.0
Businesses by Geography	9,116	0.0	16.9	66.1	17.1	0.0
Farms by Geography	1,344	0.0	3.6	66.6	29.8	0.0
Family Distribution by Income Level	33,346	17.5	19.5	23.0	40.1	0.0
Household Distribution by Income Level	52,069	23.0	16.4	19.7	40.8	0.0
Median Family Income Non-MSAs - NE		\$61,457	Median Housing Value			\$109,495
			Median Gross Rent			\$634
			Families Below Poverty Level			7.7%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Nebraska

We completed full-scope reviews of the Lincoln and Nebraska Non-MSA AAs during the exam. Combined, these two AAs represent a majority of the institution's branches, deposit volume, and loan volume during the evaluation period. The Lincoln AA also includes the bank's main branch where senior bank management is located. Refer to Appendix A: Scope of Examination for a list of all AAs under review.

## LENDING TEST

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

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Lincoln and Nebraska Non-MSA AAs is good.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

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

Refer to Table O in the state of Nebraska 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.

LFSB's geographic distribution of mortgage loans reflects reasonable distribution throughout low- and moderate-income CTs. A geographic distribution is meaningful for the institution's Lincoln and Nebraska Non-MSA AAs.

Two percent of owner-occupied housing units are in low-income CTs and 20 percent are in moderate-income CTs in the Lincoln AA. Two percent of LFSB's loans were originated to borrowers in low-income CTs, and 16 percent of loans were originated to borrowers in moderate-income CTs during the evaluation period, which reflects reasonable distribution of Lincoln AA demographics.

Thirteen percent of owner-occupied housing units are in moderate-income CTs in the Nebraska Non-MSA AA. Eight percent of LFSB's loans were originated to borrowers in moderate-income CTs, which reflects reasonable distribution of Nebraska Non-MSA AA demographics. There are no low-income CTs in the Nebraska Non-MSA AA.

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

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

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

Refer to Table P in the state of Nebraska 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.

LFSB's distribution of mortgage loans reflects reasonable distribution among borrowers of different income levels during the evaluation period.

Twenty-one percent of families in the Lincoln AA are considered low-income, and nine percent of LFSB's loans in this AA were made to low-income borrowers. While this is below demographic levels, it is comparable to the aggregate, which shows eight percent of aggregate loans in the AA were made to low-income borrowers. Seventeen percent of families in the Lincoln AA are moderate-income, and 23 percent of the institution's loans in this AA were made to moderate-income borrowers.

Eighteen percent of families in the Nebraska Non-MSA AA are considered low-income, and twenty-five percent of LFSB's loans in this AA were made to low-income borrowers. Twenty percent of families in the Nebraska Non-MSA AA are moderate-income, and 32 percent of the institution's loans in this AA were made to moderate-income borrowers.

The percentage of bank loans made to low-income borrowers in the Lincoln and Omaha AAs was compared to the aggregate level of loans originated to low-income borrowers, and not the percentage of families. This is due to outside economic factors affecting the borrowers' ability to purchase housing in these two AAs. Our analysis determined that rent is a more affordable option for low-income families.

## **Responses to Complaints**

Neither the bank nor the OCC received any complaints regarding LFSB's CRA performance during the evaluation period.

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

Based on a limited-scope review, the bank's performance under the Lending Test in the Omaha AA is consistent with the bank's overall performance under the Lending Test in the full scope areas.

## COMMUNITY DEVELOPMENT

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through qualified investments and CD services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for CD in the bank’s AAs. Performance related to CD activities had a neutral effect on the bank’s rating in the state.

### 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)
Lincoln	0	0	3	4	3	43	4	2	0	0
Nebraska Non-MSA	0	0	1	0.5	1	14	0.5	1	0	0
Omaha	0	0	3	204	3	43	204	97	0	0

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

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

The bank’s qualified investments during the evaluation period totaled \$208,500. These investments were made up of donations to three community groups within the three AAs. The largest contribution was to the Midwest Housing Equity Group, which provides affordable housing to low-income individuals.

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

During the evaluation period, 25 bank employees provided 173 hours of community service to qualified organizations. The largest amount of community service was to Junior Achievement of Lincoln Public Schools, providing financial education to students in schools that serve LMI individuals.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2017 to 12/31/2019	
<b>Bank Products Reviewed:</b>	Home Mortgage loans  Community Development qualified investments, and 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>
Nebraska		
Lincoln AA	Full scope	County of Lancaster
Nebraska Non-MSA AA	Full scope	Counties of Adams, Dodge, Dundy, Lincoln, Phelps, and Red Willow
Omaha AA	Limited scope	Counties of Douglas and Washington

## Appendix B: Summary of MMSA and State Ratings

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RATINGS	Lincoln FSB of Nebraska
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
Lincoln FSB of Nebraska	Satisfactory
<b>MMSA or State:</b>	
Nebraska	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:** 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.

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2017 - 2019</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Lincoln AA	2,737	521,786	86.9	12,322	1.6	2.0	1.9	19.5	16.2	17.4	38.5	34.3	35.5	40.2	47.3	44.9	0.2	0.2	0.2		
Nebraska Non-MSA AA	143	15,294	4.5	3,157	0.0	0.0	0.0	12.6	7.7	9.6	64.6	82.5	65.0	22.8	9.8	25.4	0.0	0.0	0.0		
Omaha AA	268	41,399	8.5	23,837	7.3	6.3	5.0	20.8	23.9	17.5	38.1	35.1	35.2	33.8	34.7	42.3	0.0	0.0	0.0		
<b>Total</b>	<b>3,148</b>	<b>578,478</b>	<b>100.0</b>	<b>39,316</b>	<b>4.6</b>	<b>2.3</b>	<b>3.6</b>	<b>19.2</b>	<b>16.5</b>	<b>16.9</b>	<b>42.2</b>	<b>36.6</b>	<b>37.7</b>	<b>34.0</b>	<b>44.5</b>	<b>41.7</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0  
 LFSB is excluded from Aggregate

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
Lincoln AA	2,737	521,786	86.9	12,322	21.3	9.1	7.8	17.1	23.2	19.3	21.2	25.2	21.1	40.5	38.4	30.9	0.0	4.1	20.9
Nebraska Non-MSA AA	143	15,294	11.5	3,157	17.5	25.2	5.8	19.5	32.2	17.2	23.0	18.2	20.4	40.1	23.8	32.2	0.0	0.7	24.4
Omaha AA	268	41,399	8.5	23,837	22.6	10.4	8.9	17.8	24.6	18.0	19.8	21.3	21.6	39.8	31.7	32.5	0.0	11.9	19.1
<b>Total</b>	<b>3,148</b>	<b>578,478</b>	<b>100.0</b>	<b>39,316</b>	<b>21.5</b>	<b>9.9</b>	<b>8.3</b>	<b>17.8</b>	<b>23.7</b>	<b>18.3</b>	<b>20.7</b>	<b>24.5</b>	<b>21.3</b>	<b>40.0</b>	<b>37.2</b>	<b>32.0</b>	<b>0.0</b>	<b>4.6</b>	<b>20.1</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%  
LFSB is excluded from Aggregate