



PUBLIC DISCLOSURE

October 02, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First FS&LA of San Rafael
Charter Number 706896

1030 Third Street at A Street
San Rafael, CA 94901-3246

Office of the Comptroller of the Currency

One Front Street
Suite 1000
San Francisco, CA 94111

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	3
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	9
SCOPE OF THE EVALUATION.....	10
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	12
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	13
LENDING TEST	13
APPENDIX A: SCOPE OF EXAMINATION.....	1
APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	1

Overall CRA Rating

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- More than reasonable loan-to-deposit ratio.
- A majority of loans are in the association's assessment area.
- The geographic distribution of loans reflects reasonable penetration in geographies of different income levels.
- The borrower distribution of loans reflects reasonable penetration among businesses of different sizes.
- Adequate responsiveness to community credit needs through community development activities.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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

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

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

by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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.

Description of Institution

First Federal Savings and Loan Association of San Rafael (First Federal or association) is a federally chartered mutual savings and loan association, headquartered in San Rafael, California. First Federal has been operating since 1963. First Federal maintains two branch offices, including its main office, in Marin County, two branches in the City and County of San Francisco, and one branch in the City of Oakland in Alameda County. The association's footprint is within the San Francisco-Oakland-Hayward Metropolitan Statistical Area. The association can reasonably service the counties of Marin and San Francisco and a portion of Alameda County.

As of June 30, 2017, First Federal had total assets of \$192.3 million with \$178.9 million in net loans, which represents net loans to total assets of 93.8 percent. The association's tier-1 capital is \$39.1 million. First Federal is primarily a multifamily (5+ units) dwelling lender and offers commercial real estate mortgage loans. Unlike most savings associations, single-family mortgage lending is not the dominant lending activity of First Federal. During the evaluation period, the association did not grant any single-family residential mortgage loans.

The following table reflects details about the Bank's loan portfolio:

Table 1

First Federal Savings and Loan Association of San Rafael Loan Portfolio Composition as of June 30, 2017		
Asset Type	Amount (\$000)	% of Loan Portfolio
Permanent Mortgage Loans		
- Single Family	4,226	2.3
- Multifamily	147,039	81.5
- Nonresidential RE and Land	29,068	16.1
- Farm	0	0.0
Construction Mortgage Loans	0	0.0
Consumer Loans	0	0.0

Source: Consolidated Report of Condition

Competition in the AA is strong and includes many financial options. As of June 30, 2016, the Federal Deposit Insurance Corporation (FDIC) reported 62 FDIC-insured financial institutions, with 652 deposit-taking offices, operating in the AA. First Federal ranks 41st in deposit market share with a market share of 0.06 percent. The five largest banks hold a total of 84.8 percent of total deposit market share in the AA. The top five institutions are Bank of America, Wells Fargo Bank, First Republic Bank, JPMorgan Chase Bank, and Citibank, NA.

The association's last CRA examination was dated May 7, 2012, with a satisfactory rating. There are no legal or financial factors that impede the association's ability to help meet the credit needs of its community.

Please refer to the association's CRA public file for more information about the institution.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation of the association's performance is based on loans originated between January 1, 2015 and June 30, 2017. The focus of this evaluation is on the association's primary product line, multifamily mortgage loans. This evaluation also considered commercial loans (grouped under the title "business loans") originated or purchased during the past two and a half years. The association voluntarily provided information about its community development activities.

Data Integrity

As part of this evaluation, we tested a sample of multifamily mortgage loans reported on the association's 2015 and 2016 HMDA Loan Application Registers (LAR) and on the association's year-to-date June 30, 2017 HMDA LAR to verify the accuracy of the association's public reporting of its residential mortgage lending. Our review found the data to be accurate and reliable.

We did not perform a data integrity of the association's commercial loans. Instead, we collected relevant data from all commercial loan files originated since January 1 2015 to conduct the analysis of this lending. We analyzed the commercial loans to provide supplemental information regarding the reasonableness of the distribution of loans within census tracts, and to borrowers/businesses, of different income levels and to determine the percentage of these loans granted within the assessment area versus outside of the assessment area.

Selection of Areas for Full-Scope Review

First Federal operates in Marin, San Francisco, and Alameda counties, which are part of the San Francisco-Oakland-Hayward MSA. The association operates in one assessment area and the assessment area includes the whole counties of Marin and

San Francisco, and due to the size of Alameda county and location of single branch in the county, the Cities of Oakland, Berkeley, Emeryville, and Piedmont.

Ratings

The association's overall rating is based primarily on those areas that received full-scope reviews. The association serves one assessment area, the San Francisco Bay Area AA comprised on Marin County, San Francisco County, and a portion of Alameda County.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [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.

The OCC will consider any evidence of discriminatory or other illegal credit practices relative to this institution that other regulators may provide to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information provided concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

The association’s performance under the Lending Test is rated “Satisfactory.” Based on full-scope review, the bank’s performance in its San Francisco Bay Area AA is reasonable.

Loan-to-Deposit Ratio

The association’s loan-to-deposit (LTD) ratio is more than reasonable given the association’s size, financial condition, and credit needs in the assessment area. We analyzed the association’s quarterly LTD ratio from March 2012 to June 2017. During that period, the association’s LTD ratio ranged from 104.12 to 118.73 percent. The average LTD ratio is 110.40 percent. The association’s LTD ratio exceeds peer group’s average LTD ratio of 77.72 percent. We note that the association has no true “similarly situated” banks primarily due to mutual structure and high concentration in multifamily lending.

We compared the association with Summit Bank and Bank of San Francisco. These institutions are similar in asset size and assessment area. However, these banks are not thrifts and do not have similar levels of concentrations in multifamily residential mortgage loans. Despite these differences, the association exhibits a higher average LTD ratio. The association’s average LTD ratio is relatively stable since the last performance evaluation.

Lending in Assessment Area

A majority of the association’s originated loans are within the assessment area. The association’s lending within its assessment area meet the standard for satisfactory performance. As shown below, 71 percent of the number of loans and 65 percent of the dollar volume of loans are granted within the assessment area.

Table 2

Lending in San Francisco Bay Area AA										
Review Period: January 1, 2015 to June 30, 2017										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA	37	64%	21	36%	58	38,078	57%	28,646	43%	66,724
Small Business	18	90%	2	10%	20	14,949	97%	440	3%	15,389

Totals	55	71%	23	29%	78	53,027	65%	29,086	35%	82,113
--------	----	-----	----	-----	----	--------	-----	--------	-----	--------

Source: Loan sample.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

First Federal's distribution of loans to businesses of different sizes and in different loan sizes are reasonable and meets the standard for satisfactory CRA performance.

Business Loans

The distribution of business loans to businesses of different sizes and in different loan sizes are reasonable. The association originated 18 business loans between January 1, 2015 and June 30, 2017 within its San Francisco Bay Area AA. The following tables show the distribution of business loans by the size of the business (Table 3) and by the loan size (Table 4). Note that businesses with annual gross revenues of \$1 million dollars or less were deemed to be small businesses.

Table 3

Borrower Distribution of Loans to Businesses in San Francisco Bay Area AA				
Review Period: January 1, 2015 to June 30, 2017				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	85.96%	6.33%	7.70%	100%
% of Bank Loans in AA by #	100%	0.00%	0%	100%
% of Bank Loans in AA by \$	100%	0.00%	0%	100%

Sources: Commercial Loan Sample and Census Data.

All 18 business loans totaling \$14.9 million were made to small businesses. Further, based on 2015 aggregate data of large banks required to report small business lending, the bank's lending to small businesses exceeds the large bank peer aggregate of 50.22 percent.

Table 4

Borrower Distribution of Loans to Businesses by Loan Size in San Francisco Bay Area AA				
Review Period: January 1, 2015 to June 30, 2017				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	0	0	\$0	0
\$100,001 - \$250,000	1	6	\$200	1
\$250,001 - \$500,000	4	22	\$1,501	10
\$500,001 - \$1,000,000	8	44	\$6,165	41
Over \$1,000,000	5	28	\$7,083	47

Source: Commercial Loan sample.

When analyzing the distribution loans to businesses based on loan size, the size of the association’s loans ranged from \$200,000 to \$2 million. The majority (72 percent) of the loan amounts exceeded \$500,000 due to the association’s focus on commercial and multifamily real estate-secured loans and the high cost of real estate in the San Francisco Bay Area.

Multifamily Loans

The association continues to be a niche multifamily lender. During the evaluation period, the association only made residential mortgage loans secured by multifamily (5 or more units) properties, for which borrower income is not reported. As such, we did not analyze the association’s multifamily loans under this component.

Geographic Distribution of Loans

First Federal’s geographic distribution of loans reflects reasonable dispersion, given the association’s size, business strategy, and level and nature of competition, throughout the AA and meets the standard for satisfactory performance. The analysis is based on 18 business loans and 37 multifamily loans originated between January 1, 2015 and June 30, 2017 within San Francisco Bay Area AA. The following tables show the distribution of business and multifamily loans by the percentage of small businesses located in census tracts of differing income categories.

Multifamily Loans

The geographic distribution of multifamily loans reflects reasonable dispersion, given the association’s size, business strategy, and level and nature of competition in the AA.

Table 5

Geographic Distribution of Loans to Multifamily in San Francisco Bay Area AA										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA MF Units	% of # of Bank Loans	% of # of 2015 Peer	% of AA MF Units	% of # of Bank Loans	% of # of 2015 Peer	% of AA MF Units	% of Number of Loans	% of AA MF Units	% of Number of Loans
Multifamily	27.06	10.81	24.68	20.67	18.92	23.90	23.13	54.05	29.14	16.22

Source: Loan sample; 2010 Census Information, 2015 Peer Small Business Data—US and PR.

The association made four multifamily loans totaling \$2.1 million in low-income census tracts and seven multifamily loans totaling \$9.0 million within moderate-income census

tracts. The association’s lending within the low-income census tracts is well below both the demographics of multifamily dwellings in low-income tracts and the 2015 HMDA aggregate’s lending on multifamily properties in low-income tracts. The association’s moderate-income census tract lending is slightly below the percentage of multifamily dwellings located in moderate-income census tracts and the 2015 HMDA aggregates’ lending within moderate-income census tract.

While loan originations in low-income tracts is well below the demographic and peer comparators, we considered the unfunded applications for loans in low-income census tracts in the AA to reflect the association’s efforts to serve low-income areas. The association approved one application in a low-income tract that the applicant didn’t accept and accepted one application in a low-income tract but denied the application due to credit history. Due to competition from larger banks offering liberal pricing and underwriting standards, the association is at a competitive disadvantage. The association, however, reasonably penetrates moderate-income census tracts.

Business Loans

The geographic distribution of business loans reflects reasonable dispersion, given the association’s size, business strategy, and level and nature of competition in the AA.

Table 6

Geographic Distribution of Loans to Small Businesses in San Francisco Bay Area AA										
Census Tract Income Level	Low			Moderate			Middle		Upper	
Loan Type	% of AA Small Businesses	% of # of Bank Loans	% of # of 2015 Peer	% of AA Small Businesses	% of # of Bank Loans	% of # of 2015 Peer	% of AA Small Businesses	% of Number of Loans	% of AA Small Businesses	% of Number of Loans
Business Loan	20.35	0.00	14.24	16.40	16.67	16.54	24.64	61.11	36.96	22.22

Source: Loan sample; Dun and Bradstreet data (2016). 2015 Peer Small Business Data—US and PR.

Three business loans totaling \$1.6 million were made within moderate-income census tracts and no business loans were granted in low-income census tracts. The association’s lending within the low-income census tracts is well below both the demographics of small businesses in low-income tracts and the 2015 Small Business aggregate. The association’s moderate-income census tract lending is comparable to the percentage of small businesses operating in moderate-income census tracts and the results of the 2015 small business aggregates’ lending within moderate-income census tract.

While there were no business loans made within low-income census tracts, we considered the unfunded applications and other loans in low-income census tracts in the AA to reflect the association's efforts to serve low-income areas. The association granted two business-purpose loans secured multifamily dwellings in low-income census tracts. These loans are not HMDA reportable and thus were not included the HMDA analysis but this evidences that the association makes more loans in low-income tracts. In addition, the association approved three applications in low-income tracts that the applicant didn't accept and accepted one application in a low-income tract but denied the application due to credit history. Due to competition from larger banks offering liberal pricing and underwriting standards, the association is at a competitive disadvantage. The association, however, reasonably penetrates moderate-income census tracts.

Responses to Complaints

The association did not receive any complaints regarding its CRA performance during the review period.

Extent to Which the Bank Provides Community Development Loans

The association's CD lending demonstrates adequate responsiveness to community development needs across the San Francisco Bay Area. The association purchased two CD loans totaling \$1.4 million for the preservation of affordable housing for LMI individuals. The activities were responsive to the identified community development needs of affordable housing.

Extent to Which the Bank Provides Community Development Investments

The association's qualified investments demonstrate adequate responsiveness to community development needs across the San Francisco Bay Area. The association made \$356,000 in qualified investments and donations to organizations providing affordable housing or various services targeted to low- and moderate-income individuals or to organizations promoting economic development. The activities were responsive to the identified community development needs of affordable housing and small business and economic development.

Extent to Which the Bank Provides Community Development Services

The association's CD services demonstrate adequate responsiveness to community development needs across the San Francisco Bay Area. The association's CD services

include technical assistance on financial matters to organizations that serve low- and moderate-income housing and small businesses. CD services also include financial literacy targeting LMI individuals. The association's officers served over 92 hours on various boards of directors, advisory councils, and economic forums of CD organizations during the evaluation period. In addition, association employees and officers provided 19 hours of technical assistance, financial literacy education to three CD organizations during the evaluation period. The activities were responsive to the identified community development needs of affordable housing and small business and economic development.

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 metropolitan and nonmetropolitan areas 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”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/15 to 06/30/17 Investment and Service Tests and CD Loans: 01/01/12 to 06/30/17	
Financial Institution	Products Reviewed	
First Federal Savings and Loans Association of San Rafael (First Federal or association) San Rafael, CA	HMDA loans Commercial/Business loans CD Activities	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>None</i>		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
San Francisco Bay Area AA (Marin County, San Francisco County, and portion of Alameda County)	Full Scope	

Appendix B: Community Profiles for Full-Scope Areas

San Francisco Bay Area Assessment Area

Demographic Information for Full Scope Area: FFSLA of San Rafael SF Bay Area AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	405	19.26	20.74	26.42	30.37	3.21
Population by Geography	1,646,498	18.41	21.80	29.18	29.26	1.35
Owner-Occupied Housing by Geography	281,763	8.13	18.35	32.49	40.57	0.47
Business by Geography	162,970	20.35	16.40	24.64	36.95	1.65
Farms by Geography	1,772	11.00	19.53	32.84	36.23	0.40
Family Distribution by Income Level	338,960	29.83	15.70	16.39	38.08	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	154,327	30.54	27.41	26.10	15.06	0.89
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		98,976 99,341 14%	Median Housing Value Unemployment Rate (2010 US Census)	728,193 4.37%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2017 FFIEC updated MFI

The table above reflects the demographics of the association's San Francisco Bay Area assessment area, which is made up of three different metropolitan divisions. While the MDs are interconnected to each other with respect to work and trade, each MD has distinct socio-economic characteristics. The following discussion illustrates the specific economic and housing conditions are each MD.

San Francisco County AA

According to the 2010 Census, low- and moderate-income families make up 43.6 percent of the families residing within the San Francisco Bay Area AA. Economic conditions have improved in each of the counties within the AA during the review period. According to the Bureau of Labor Statistics (BLS), in San Francisco County, the unemployment rate was 4.9 percent in 2014, 3.8 percent in 2015, and 3.3 percent in 2016.

Housing in San Francisco County is expensive. Based on Zillow, the median home value in San Francisco is \$1.2 million in 2017. San Francisco home values have gone up 10.7 percent over the past year and Zillow predicts they will rise 2.9 percent within the next year. The median price of homes currently listed in San Francisco is \$1.16

million and the median rent price in San Francisco is \$4,488, which is higher than the San Francisco Metro median of \$3,500.

San Rafael MD AA - Marin County

According to the 2010 Census, low- and moderate-income families make up 39.6 percent of the families residing within Marin County. Economic conditions have improved in Marin County during the review period. According to the Bureau of Labor Statistics (BLS), the unemployment rate was 4.8 percent in 2014, 3.6 percent in 2015, and 3.2 percent in 2016.

Housing in Marin County is expensive. Based on Zillow, the median home value in Marin County is \$1.1 million in 2017. Marin County home values have gone up 8.6 percent over the past year and Zillow predicts they will rise 2.2 percent within the next year. The median list price per square foot in Marin County is \$616, which is higher than the San Francisco Metro average of \$482. The median price of homes currently listed in Marin County is \$1.2 million. The median rent price in Marin County is \$4,500, which is higher than the San Francisco Metro median of \$3,500.

Oakland-Berkeley-Emeryville-Piedmont AA -Alameda County

According to the 2010 Census, low- and moderate-income families make up 51 percent of the families residing within Alameda County. Economic conditions have improved in within this county during the review period. According to the Bureau of Labor Statistics (BLS), the unemployment rate was 6.5 percent in 2014, 5 percent in 2015, and 4.3 percent in 2016.

Housing in Alameda County is expensive. Based on Zillow, the median home value in Alameda is \$921,900 in 2017. Alameda home values have gone up 6.1 percent over the past year and Zillow predicts they will rise 2 percent within the next year. The median list price per square foot in Alameda is \$535, which is higher than the San Francisco Metro average of \$482. The median price of homes currently listed in Alameda is \$845,000.

Competition

Competition in the AA is strong and includes many financial institutions. As of June 30, 2017, the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits reported 71 FDIC-insured financial institutions, with 1,039 offices, operate in the AA. First Federal has five branches in the AA, two in San Francisco County, two in Marin

County and one in Alameda County. First Federal ranks 51 in deposit market share with a market share of 0.4 percent. The five largest banks hold a total of 74.15 percent of total deposit market share in the San Francisco Bay Area AA. The top five institutions are Bank of America, Wells Fargo, First Republic Bank, JPMorgan Chase Bank, and Bank of the West.

Community Contact

One recent community contact interview with representatives of the community identified credit needs and possible opportunities for banks. The needs include providing technical assistance and helping with funding economic literacy education programs that targets youth in low and moderate income areas. In addition, affordable housing is a critical need throughout the San Francisco Bay Area.