



## **PUBLIC DISCLOSURE**

September 9, 2019

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

Home Federal Bank of Tennessee  
Charter Number: 703879

515 Market Street  
Knoxville, TN 37902-2145

Office of the Comptroller of the Currency

Nashville Field Office  
320 Seven Spring Way,  
Suite 310  
Brentwood, TN 37027

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

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated Outstanding.

The following table indicates the performance level of Home Federal Bank of Tennessee (Home Federal or Bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Home Federal Bank of Tennessee Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on the excellent level of community development (CD) lending, the good lending activity and geographic distribution of lending, and a substantial majority of the Bank’s loans in the assessments areas (AAs).
- The Investment Test rating is based on the adequate level of investments and adequate responsiveness to community economic development needs.
- The Service Test rating is based on the Bank’s branches being readily accessible to all customers and performance as a leader in providing CD services.

### Lending in Assessment Area

A substantial majority of the Bank’s loans are in its AAs.

The Bank originated and purchased approximately 89.5 percent of its total loans inside the Bank’s AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA level. The Bank’s primary products are home mortgages and small loans to businesses. Farm loans are not a primary product but were included in the table below for informational purposes.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,650	88.4	217	11.6	1,867	322,406	87.3	46,708	12.7	369,114
Small Business	257	97.7	6	2.3	263	70,479	96.9	2,256	3.1	72,735
Small Farm	8	80.0	2	20.0	10	749	100.0	0	0	749
Total	1,915	89.5	225	10.5	2,140	393,634	88.9	48,964	11.1	442,598

*Due to rounding, totals may not equal 100.0*

## Description of Institution

Home Federal Bank of Tennessee is an intrastate, mutual community-oriented saving and loan financial institution headquartered in Knoxville, Tennessee. Home Federal received its banking charter in 1924. In 1996, the Bank's name was changed to Home Federal Bank of Tennessee. The Bank does not have a bank holding company.

As of December 31, 2018, Home Federal reported total assets of \$2.2 billion, total deposits of \$1.7 billion, and tier 1 capital of \$409.6 million. Net loans and leases totaled \$977 million, which represents 45.4 percent of total assets. Outstanding loans by category include one- to four- family residential mortgages at 51.2 percent, commercial real estate at 36.2 percent, commercial and industrial at 11.6 percent, and consumer at 1 percent. Total investment securities totaled \$1.1 billion, which represents 49.6 percent of total assets.

The Bank has two AAs described later in this Performance Evaluation (PE) and one rating area, which is the State of Tennessee. Since the Bank's previous PE dated August 29, 2016, Home Federal's total assets have remained stable at \$2.2 billion. There have been no mergers or acquisitions during the evaluation period of July 1, 2016, through December 31, 2018.

Home Federal offers a full range of products and services through its branches in four contiguous counties in Eastern Tennessee. The Bank has 23 branches and each branch has an automated teller machine (ATM). In addition, there is a separate ATM at Johnson University's Student Center. During the evaluation period, the county-by-county branch network is as follows:

- 17 branches and 18 ATMs in Knox County,
- one branch and ATM in Anderson County,
- one branch and ATM in Blount County, and
- four branches and ATMs in Sevier County.

In addition to the branches, the Bank has three separate loan production offices in the cities of Powell (Knox County), Sevierville (Sevier County), and Knoxville (Knox County).

Given the branch locations above, the Bank has two AAs for this performance review which are:

- Metropolitan Statistical Area (MSA) 28940 TN (partial)– that includes Knox, Anderson, and Blount Counties
- Non-MSA TN – that includes Sevier County

The Bank's strategic focus in MSA 28940 TN has been to expand home mortgage lending and the commercial loan portfolio. The strategic focus for the Non-MSA TN has been to maintain existing commercial relationships and residential demand for second or vacation homes as well as rental properties considering the tourist nature of that market.

The Bank is primarily engaged in attracting deposits from the general public and using those funds to invest in loans and investment securities. Deposit products include demand deposit accounts (both consumer and commercial), savings accounts, certificates of deposit, and individual retirement accounts. In addition, the Bank has a mobile banking application and offers remote deposit capture for consumers. Consumer loan products include one- to four- family mortgage loans, home equity term loans, home equity line of credit loans, automobile loans, and land lot loans. The Bank's one- to four- family mortgage loans include loans insured by the Veterans Administration and the Federal Housing Administration. Commercial loan products include commercial real estate loans, seasonal and short-term credit, working capital lines and term loans, financing for plant and equipment, church and non-profit loans, residential construction and subdivision development loans, and loans to business owners. In addition, the Bank offers trust services for personal trusts, retirement services, employee benefits, and institutional and corporate clients. As of December 31, 2018, the trust department reported managed trust assets of \$665.1 million and non-managed trust assets of \$147.9 million.

There are two wholly-owned subsidiaries, Home Financial Services and Investor's Trust Company. Home Financial Services is a self-contained broker/dealer dealing exclusively with fixed income securities. Investor's Trust Company provides real estate appraisal and construction inspection services for the Bank and manages the Bank's other real estate owned portfolio. None of these services or products are included in the analysis.

The Bank faces significant competition in originating loans and attracting deposits in its AAs. This competition stems from other banks, credit unions, and mortgage-banking companies. Many of the financial services providers operating in the Bank's AAs are significantly larger, such as, First Tennessee, National Association (N.A.), SunTrust Bank, Regions Bank, Pinnacle Bank, Branch Banking and Trust Company, and Bank of America. Bank management noted that Pinnacle Bank entered the Knoxville market a few years ago and has been aggressively pursuing customers. There is also a strong credit union presence in the community, primarily ORNL Federal Credit Union (21 branches in the counties where Home Federal has offices) and TVA Federal Credit Union (13 branches in those same counties). Both credit unions offer a wide range of deposit and consumer-oriented loans. In the Knoxville MSA, Home Federal is the fourth largest financial institution out of 46 Federal Deposit Insurance Corporation (FDIC) insured financial institutions with branch offices in the same area. Management noted that one of their biggest challenges is the strong competition for good quality loans in the AAs. These factors were considered when determining Home's Community Reinvestment Act (CRA) performance.

There are no legal or financial factors impeding the Bank's ability to help meet the credit needs of its AAs. During the evaluation period, Home Federal faced competitive and economic challenges as discussed throughout this PE. These factors were considered when determining Home Federal's CRA performance. The Bank's rating at its previous CRA PE dated August 29, 2016, was "Outstanding."

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period is July 1, 2016, through December 31, 2018. This PE assesses the Bank's performance under the Lending, Investment, and Service Tests. In evaluating the Bank's lending performance, we reviewed one- to four- family mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and loans to small businesses as reported under the CRA and CD loans. The volume of farm loans was small and did not yield a meaningful analysis; however, we included them in the analysis of loans inside the AA and on the lending activity table. We also evaluated CD investments including donations, retail services, and CD services.

For geographic and borrower distribution analyses, loans originated in 2016 are compared to the 2010 United States Census data and loans originated in 2017 and 2018 are compared to the 2015 American Community Survey (ACS) Census data. This PE provides a separate evaluation of the years by applicable Census data.

### Selection of Areas for Full-Scope Review

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

Home Federal has two AAs in Tennessee comprised of one MSA and one Non-MSA. For our full-scope reviews, we selected both the MSA 28940 TN and Non-MSA AAs. MSA 28940 TN is comprised of Knox, Anderson, and Blount counties. The Non-MSA TN is comprised of only Sevier County. We selected the full-scope AAs after considering the number of loans originated or purchased loans in each AA, the volume of deposits in each AA, the number of branch offices in each AA, and the length of time branch offices have operated in the respective markets under the Bank's brand. The full-scope AAs represent 100 percent of the Bank's deposits as of June 30, 2018, and 100 percent of the total number of loans. For this review, we did not have any limited-scope AAs to review. Refer to Appendix A for additional information.

### Ratings

The Bank's overall rating is based on the State of Tennessee. The state rating is based on performance in all of the Bank's AAs with the most weight placed on the full-scope AAs. For the geographic and borrower distribution of loans under the Lending Test, one- to four- family mortgage lending received the most weight and then the loans to small businesses were considered. Refer to the "Scope" section under the 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), “Community Reinvestment Act and Interstate Deposit Production Regulations” or “Community Reinvestment” 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 (HUD), 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 PE.

## State Rating

### State of Tennessee

**CRA rating for the State of Tennessee<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Outstanding

**The Investment Test is rated:** Low Satisfactory

**The Service Test is rated:** High Satisfactory

The major factors that support this rating include:

- Lending levels reflect a good responsiveness to meeting the credit needs of the Bank's AAs, given performance context.
- A good geographic distribution of loans, given performance context and considering the substantial majority of lending inside the Bank's AAs.
- A good distribution of loans by the income level of the borrower, given performance context.
- An excellent level of CD loans that are responsive to community credit needs given the Bank's capacity and the opportunities in its AAs. The level of CD loans had a significant impact on the overall Lending Test conclusion.
- An adequate level of qualified investments, including grants and donations.
- Retail delivery systems, such as the Bank's branches, are readily accessible to low- and moderate-income (LMI) families' geographies.
- The Bank is a leader in providing CD services.

### Description of Institution's Operations in Tennessee

The Bank operates in two AAs in the State of Tennessee as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The Bank's primary business focus is one- to four- family residential lending and business loans. The Bank's competitors include other local community banks and credit unions in its markets, large banks that have a nationwide footprint, and nonbank financial entities that compete for residential and business loans, for example, mortgage companies.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the Bank's AAs, and discussions with two community contacts with organizations that provide services in both AAs. The community contact for MSA 28940 TN was an organization that develops and operates business parks, manages the county's technology incubator, and staffs industrial boards. The most critical need identified from this

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<sup>1</sup> This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.



contact was associated with the need for financial institutions to provide small business lending, especially for start-up businesses. The community contact for the Non-MSA TN AA was an organization that promotes affordable housing for less fortunate persons and families in Sevier County. This community contact noted that local banks do participate in the area housing needs; however, there is a waiting list for low-cost housing. The contact further noted that within the next year more new low-income housing should be available due to a recent successful tax credit program.

The following tables depict the demographic information for the two full-scope AAs in Tennessee.  
MSA 28940 TN AA:

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: MSA 28940 TN 2017-2018</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)	158	6.3	17.1	43.7	29.7	3.2
Population by Geography	644,966	5.0	14.9	48.3	31.0	0.9
Housing Units by Geography	288,630	5.4	16.9	48.5	29.1	0.1
Owner-Occupied Units by Geography	172,682	2.6	10.9	51.6	34.9	0.0
Occupied Rental Units by Geography	87,692	10.7	27.1	42.0	20.2	0.1
Vacant Units by Geography	28,256	6.2	21.8	50.0	21.7	0.3
Businesses by Geography	39,002	4.4	14.6	41.4	38.7	1.0
Farms by Geography	1,047	1.6	10.6	52.1	35.0	0.8
Family Distribution by Income Level	164,123	21.0	15.9	19.4	43.7	0.0
Household Distribution by Income Level	260,374	23.4	15.9	16.2	44.5	0.0
Median Family Income MSA - 28940 Knoxville, TN MSA		\$59,210	Median Housing Value			\$163,667
			Median Gross Rent			\$776
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS Census and 2018 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>						

Non-MSA TN:

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Non-MSA TN 2017-2018</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)	18	0.0	5.6	66.7	22.2	5.6
Population by Geography	93,617	0.0	3.3	68.7	28.0	0.0
Housing Units by Geography	56,241	0.0	3.0	74.3	22.6	0.0
Owner-Occupied Units by Geography	24,420	0.0	1.1	66.0	33.0	0.0
Occupied Rental Units by Geography	12,297	0.0	5.7	74.6	19.7	0.0
Vacant Units by Geography	19,524	0.0	3.9	84.6	11.5	0.0
Businesses by Geography	7,020	0.0	7.6	74.0	18.3	0.1
Farms by Geography	173	0.0	3.5	69.9	26.6	0.0
Family Distribution by Income Level	25,861	16.7	17.9	20.6	44.7	0.0
Household Distribution by Income Level	36,717	18.7	15.1	18.4	47.8	0.0
Median Family Income Non-MSAs - TN		\$46,254	Median Housing Value			\$158,024
			Median Gross Rent			\$730
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS Census and 2018 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>						

MSA 28940 TN:

Knox County contains the largest city in the region, the City of Knoxville. It is the home of numerous companies with a regional, national, and international presence. The corporate headquarters of fifty companies are in Knox County, representing industries as diverse as theatrical lighting, boat manufacturing, food processing, medical supply manufacturing, convenience stores, movie cinemas, multi-media production and broadcasting, and electric power distribution. The more well-known of these companies include Brunswick Boat Group, SeaRay Boats, Inc., Pilot Flying J, Regal Entertainment Group, Scripps Networks, and Tennessee Valley Authority (TVA). Major employers, defined as employment size of 250 or more, include the University of Tennessee, Covenant Health, Tennova Health Care, University Health System (UT Medical Center), East Tennessee Children’s Hospital, the State of Tennessee, and the Knox County Public School System. Tourism has become an increasingly important part of the Knox County economy as a result of the proximity to the Great Smoky Mountains National Park, the increasing number of annual festivals, and the growing reputation of the city’s Urban Wilderness (seven recreational areas connected by trails that offer a variety of outdoor activities).

In 2018, 72.3 percent of Knox County’s geographies were identified as middle- or upper-income and 25.9 percent were considered LMI geographies; the remaining 1.8 percent did not have an income identifier. Homelessness is a continuing problem in Knox County. According to the Knoxville Homeless Management System 2018 Annual Report, between 2016 and 2018, there were approximately 9,100 individuals identified as homeless in Knoxville. A primary factor identified in the report is the lack of available affordable housing, along with legal issues and substance abuse.

Blount County, second in population in the Knoxville MSA, lies to the south and east of Knox County. It is the home of Maryville College and is a major manufacturing center. DENSO Manufacturing, Clayton Homes, and Alcoa, Inc. are major employers. It is also the site of the McGhee Tyson Airport and an Air National Guard Base, which serves the entire region. Oftentimes referred to as “the quiet side of the Smokies,” tourism plays a significant role in the county. With two moderate-income geographies and one low-income geography, upper- and middle-income geographies comprise 82.1 percent of the county. According to the HUD Point-in-Time Count Report for 2017, Blount County identified 258 persons experiencing homelessness.

Anderson County is the third and smallest county in the Knoxville MSA and sits to the northwest of Knox County. As of July 1, 2018, the estimated population was 76,482. Anderson County, and specifically the City of Oak Ridge, is home to the Department of Energy’s Oak Ridge Reservation, which includes Oak Ridge National Laboratory, the Y-12 National Security Complex, the Spallation Neutron Source, and the Uranium Processing Facility. It is also the home of three state parks, two wildlife management areas, the Oak Ridge Rowing Association, the University of Tennessee’s Arboretum, and Norris Lake. There are no low-income geographies in this county, and the county also reports a very low rate of homelessness, approximately 115 individuals.

#### Non-MSA TN:

Sevier County is to the east and south of Knox County and is a non-MSA. The population as of December 31, 2018, was 93,617. Sevier County’s major employment is tourism. Sevier County is the gateway to the Great Smoky Mountains National Park, the most visited park in the country. Of the 15 major employers cited by the East Tennessee Economic Development Agency, eight are in the tourism/entertainment field and five in local government. The top five employers include Dollywood Theme and Water Park, Sevier County Schools, Tanger Five Oaks, Collier Restaurant Group, and Wilderness in the Smokies.

There are currently no low-income geographies in Sevier County, one moderate-income geography, 12 middle-income geographies, four upper-income geographies, and one non-income classified geography indicating reduced opportunities for mortgage origination LMI geographies. According to the ACS Census data, there were 56,241 total housing units in the AA of which 43.4 percent were owner-occupied, 21.9 percent were rental units, and 34.7 percent were vacant. In the moderate-income geography, 40.6 percent of the housing units were renter occupied and 44.3 percent were vacant units.

## Scope of Evaluation in Tennessee

As discussed earlier, MSA 28940 TN and Non-MSA TN were selected for full-scope reviews. Refer to the table in Appendix A for a list of all AAs under review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

### LENDING TEST

The Bank's performance under the Lending Test in the State of Tennessee is rated Outstanding.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope reviews, the Bank's performance in the MSA 28940 TN is excellent and good in the Non-MSA TN. Most of the performance weight was placed on MSA 28940 TN given that most of the Bank's offices and deposits are in that MSA.

### Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
MSA 28940 TN	1,513	237	8	24	1,782	91.8	93.1
Non MSA TN	137	20	0	0	157	8.1	6.9
Broader Statewide or Regional with Purpose, Mandate, or Function	0	0	0	2	2	0.1	0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
MSA 28940 TN	298,002	63,136	749	42,967	404,854	91.8	93.1
Non MSA TN	24,405	7,343	0	0	31,748	8.1	6.9
Broader Statewide or Regional with Purpose, Mandate, or Function	0	0	0	7,000	7,000	0.1	0

\*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

### MSA 28940 TN

Lending activity in MSA 28940 TN is good given the Bank's strategy, products offered, and competition in the area. Home mortgage lending activity is good and small business lending activity is excellent. More weight for the lending test was given to MSA 28940 TN as there were limited lending opportunities in the Non-MSA TN during the evaluation period. More information on this can be found

in the “Distribution of Loans by Income Level of the Geography” and “Distribution of Loans by Income Level of the Borrower” sections of this PE.

Based on the FDIC Deposit Market Share data as of June 30, 2018, Home Federal was ranked fourth among 46 institutions in the market with 9.4 percent market share. Based on 2018 peer mortgage data, the Bank was ranked tenth among 506 lenders in the market with 2.3 percent market share. The Bank’s rank and market share based on mortgage lending is lower than the deposit rank and market share. Performance is reasonable given the strong level of competition for mortgage loans in the market. Competitors include large financial institutions and mortgage lenders with national presence. By number of originated loans, the top five lenders in the market dominate with a combined total lender share of 28 percent. Mortgage lenders include Mortgage Investors Group with 10.8 percent market share, Wells Fargo Bank, N.A. with 4.7 percent market share, Vanderbilt Mortgage and Finance with 4.7 percent market share, ORNL Federal Credit Union with 4.1 percent market share, and Quicken Loans with 3.7 percent market share.

According to the most recent available 2017 Peer Business Data, Home Federal ranked fifth in small business lending among 99 lenders in the market. This rank is based on the total dollar amount of loans originated. The Bank had 5.1 percent market share based on dollar amount of loans originated. The dollar volume is more meaningful considering the top five lenders are mainly credit card banks that have smaller dollar amounts that average \$3,700. The Bank ranked eighteenth based on the number of loans originated and had 1 percent market share. Competitors for small business loans in the market are large financial institutions with national presence including American Express with 22.8 percent market share, Capital One Bank with 8.1 percent market share, Citibank with 7.6 percent market share, Pinnacle Bank with 6.7 percent market share, and Chase Bank with 6.5 percent market share. By number of originated loans, the top five lenders in the market dominate with a combined total lender share of 51.7 percent.

#### Non-MSA TN

Lending activity in the Non-MSA TN AA is good, given the Bank’s strategy and competition in the area. Home mortgage lending activity is good, but the analysis of business loans was not meaningful given the low volume of Bank-originated reportable business loans.

Based on the FDIC Market Share data as of June 30, 2018, Home Federal was ranked eighth among ten institutions in the market with 3.1 percent market share. Based on 2018 Peer Mortgage Data, the Bank was ranked twentieth among 403 mortgage lenders in the market with 1.2 percent market share. The Bank’s rank and market share based on mortgage lending is lower than the deposit rank and market share. Performance is reasonable given the strong level of competition for mortgage loans in the market. Competitors are large financial institutions and mortgage lenders with national presence. By number of originated loans, the top five lenders in the market dominate with a total lender share of 24.5 percent. The top five lenders in the market include Mortgage Investors Group, Inc. with 9.1 percent market share, Wells Fargo Bank, N.A. with 5.3 percent market share, Tennessee State Bank with 4.1 percent market share, Quicken Loans with 3.8 percent market share, and U.S. Bank with 3.2 percent market share.

In 2017, Home Federal ranked sixth in small business lending among 58 lenders in the market. This rank is based on the dollar amount of loans originated. The Bank had 6.6 percent market share based on the dollar amount of loans originated. The Bank ranked twentieth based on the number of loans originated and had 0.6 percent market share. Competitors for small business loans in the market are large regional and national lenders including American Express with 22.5 percent market share, Citibank with 12.7 percent market share, Capital One Bank with 10.9 percent market share, U.S. Bank

with 7.7 percent market share, and Synchrony Bank with 7.5 percent market share. By number of originated loans, the top five lenders in the market dominate with a combined total lender share of 61.5 percent.

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

Geographic distribution of loans in the AAs is good.

MSA 28940 TN

#### *Home Mortgage Loans*

The geographic distribution of mortgage loans in the AA is good. Refer to Table O in the State of Tennessee 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.

In 2016, the Bank's mortgage lending in low-income geographies equaled the percentage of owner-occupied housing and exceeded the aggregate lending in low-income geographies. For moderate-income geographies, the Bank's lending was somewhat lower than both the percentage of owner-occupied housing units and the aggregate lending in moderate-income geographies.

In 2017-2018, the Bank's mortgage lending in low-income geographies was somewhat lower than the owner-occupied housing units but exceeded the aggregate lending in low-income geographies. For moderate-income geographies, the Bank's lending was near to the owner-occupied housing units and exceeded the aggregate lending.

#### *Small Loans to Businesses*

The geographic distribution of business loans in the AA is excellent. Refer to Table Q in the State of Tennessee section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of loans to small businesses.

In 2016, the Bank's small business lending in low-income geographies exceeded both the percentage of businesses located in low-income geographies and the aggregate lending to small businesses in low-income geographies. In moderate-income geographies, the Bank's lending was lower than the percentage of small businesses located in moderate-income geographies and was somewhat lower than the aggregate lending in moderate-income geographies.

In 2017-2018, the Bank's small business lending in low-income geographies exceeded both the percentage of businesses located in low-income geographies and the percentage of aggregate lending to small businesses in low-income geographies. In moderate-income geographies, the Bank's lending was near to the percentage of small businesses located in moderate-income geographies and exceeded the aggregate lending to small businesses located in moderate-income geographies.

## Non-MSA TN

### *Home Mortgage Loans*

The analysis of home mortgage loans is not meaningful given the limited number of LMI geographies in the Non-MSA TN. The AA has no low-income geographies and one moderate-income geography. Refer to Table O in the State of Tennessee 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.

There is very limited opportunity for mortgage lending in this area. The majority of residential properties are rental properties or second homes because the area is largely a tourist destination with a high cost of housing. There is also a heavy concentration of commercial properties. The FDIC market share reports reflect 403 mortgage lenders serve the area, but only 32 mortgage loans were originated in the moderate-income geography in 2016 and only 64 were originated in 2017-2018. The area is prone to heavy flooding and was declared a disaster area due to a fire in December 2016. Based on the ACS Census, the geography had 1,712 total housing units of which 696 or 40.7 percent were occupied rental units, 759 or 44.3 percent were vacant, and 257 or 15 percent were owner-occupied units.

### *Small Loans to Businesses*

The analysis of small loans to businesses is not meaningful given the limited number of loans originated during the review period. In 2016, the Bank made three loans to small businesses. In 2017-2018, the Bank made 17 loans to small businesses. Refer to Table Q in the State of Tennessee section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of loans to small businesses.

### *Lending Gap Analysis*

No unexplained, conspicuous gaps in lending were identified. We evaluated lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed.

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

The distribution of loans to individuals of different income levels and businesses of different sizes is good given the product lines offered by the Bank.

## MSA 28940 TN

### *Home Mortgage Loans*

The distribution of loans to LMI individuals in the AA is good. Refer to Table P in the State of Tennessee section of Appendix D for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

In 2016, the Bank's mortgage lending to low-income borrowers was lower than the percent of families identified as low-income but was near to the aggregate lending to low-income borrowers. For moderate-income borrowers, the Bank's mortgage lending was near to the percent of families identified as moderate-income as well as the aggregate lending to moderate-income borrowers.

In 2017-2018, the Bank's mortgage lending to low-income borrowers was lower than the percent of families identified as low-income but exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the Bank's mortgage lending was near to the percent of families identified as moderate-income as well as the aggregate lending to moderate-income borrowers.

### *Small Loans to Businesses*

The distribution of loans to small businesses in the AA is adequate. Refer to Table R in the State of Tennessee section of Appendix D for the facts and data used to evaluate the borrower distribution of loans to small businesses.

In 2016, the Bank's loans to businesses with revenues less than or equal to \$1 million was lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and was somewhat lower than the aggregate lending to these businesses.

In 2017-2018, the Bank's loans to businesses with revenues less than or equal to \$1 million was lower than the percentage of businesses identified as having revenues less than or equal to \$1 million and was somewhat lower than the aggregate percentage of lending to these businesses.

### Non-MSA TN

### *Home Mortgage Loans*

The distribution of loans to LMI borrowers in the AA is good. Refer to Table P in the State of Tennessee section of Appendix D for the facts and data used to evaluate the borrower distribution of home mortgage loan originations and purchases.

In 2016, the Bank had no loans to low-income borrowers. While this would typically represent poor performance, consideration of performance context factors mitigate the lack of lending to low-income people. Low-income families have difficulty obtaining a home mortgage without the help of loans subsidies. In 2016, the median family income was \$44,000 with low-income families making less than \$22,000 per year, considering low-income is defined as less than 50 percent of the median family income. The poverty level was high at 10.3 percent for the AA, and the median housing value was also high at \$157,000. For moderate-income people, the Bank's lending was somewhat lower than the percent of families identified as moderate-income but exceeded aggregate lending to moderate-income borrowers. Overall, performance is adequate given the performance context.

In 2017-2018, the Bank's mortgage lending to low-income borrowers was significantly lower than the percent of families identified as low-income but exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the Bank's lending was somewhat lower than the percent of families identified as moderate-income but exceeded the aggregate lending to moderate-income borrowers.

Lending opportunities increased in 2017-2018 as residents began to rebuild after the Gatlinburg Wildfire which destroyed approximately 2,300 buildings and residences in the AA in late 2016. The area was declared a disaster area by the Federal Emergency Management Agency on December 15, 2016, and resulting public assistance grants totaled \$4 million, while individual and household programs totaled \$3.4 million. There were 442 individual assistance applications approved.



*Small Loans to Businesses*

Refer to Table R in the State of Tennessee section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's origination and purchase of loans to small businesses.

The analysis of business loans was not meaningful considering the low volume of business loan originations. In 2016, the Bank made three loans to small businesses, in 2017-2018, the Bank made 17 loans to small businesses. The Bank encountered challenges considering the strong competition from other banks with a wider product selection and disaster area considerations.

**Community Development Lending**

The institution is a leader in making CD loans in the State of Tennessee. The Bank granted 26 CD loans totaling \$50 million during the review period. More weight was given to MSA 28940 TN because the AA makes up approximately 93.1 percent of the deposit base as of December 31, 2018.

Refer to the Lending Activity Tables above for information and data used to evaluate the institution's level of CD lending. These tables include all CD loans.

**MSA 28940 TN**

The level of CD lending in MSA 28940 TN had a significantly positive impact on the overall conclusion. The level of lending reflects the Bank's responsiveness to the CD needs of the AA.

The Bank granted 24 community CD loans during the review period. These loans were made to various non-profit organizations that provide affordable housing and housing assistance, youth programs, behavioral health services or home-based care to LMI individuals. The Bank made a total of 16 loans to organizations that provide services to LMI individuals, six loans helped provide affordable housing, and two loans promoted revitalization/stabilization in the AA. The following loans are examples of the CD loans granted by the Bank.

- A \$12.3 million loan to provide funds for the third phase of the construction of a low-income housing revitalization project
- A \$12 million loan to provide funds for the second phase of the construction of a low-income housing revitalization project
- A \$5.7 million loan to make capital improvements to nursing home facilities where a majority of the residents qualify for Medicaid
- A \$4.9 million loan to provide funds for the development of 53 residential households benefiting low-income elderly residents
- A \$2.3 million loan to build out and equip a 22,000 square foot space in a low-income geography for use as an urban youth facility

## Non-MSA TN

Home Federal did not originate any CD loans specifically located within the Non-MSA TN. Performance in the AA has a neutral impact on the overall conclusion. Opportunities for CD lending participation are limited in this AA because it is largely rural but has grown in popularity as a tourist destination due to its proximity to the Great Smoky Mountains National Park. Because the primary industry in Sevier County is tourism, commercial developments dominate the real estate market limiting the opportunities for CD projects, particularly affordable housing projects.

### Broader Statewide or Regional Area

There were two loans totaling approximately \$7 million that benefit the broader regional area including MSA 28940 TN and Non-MSA TN. These loans have a purpose, mandate, or function to serve the Bank's AAs. The Bank originated one loan (\$5 million) that helps the homeless, and those with household incomes under the poverty level in the eastern portion of Tennessee. The second loan (\$2 million) was originated for the construction of transitory housing for low-income single mothers in Knox and surrounding counties. These loans are reflected in the overall CD lending activity tables.

### **Product Innovation and Flexibility**

The institution makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs.

Mortgage loans are originated through federal government sponsored and bank programs including the following:

#### The Affordable Housing Program (AHP)

The Bank's AHP provides financing for affordable housing to LMI individuals and can be used to fund both ownership and rental projects. The source of these AHP funds is the Federal Home Loan Banks (FHLB). AHP funds can be used to assist with the funding of new construction, acquisition, or rehabilitation for owner-occupied and rental housing for very low-, low-, and moderate-income households. Very low-income households are defined as those with annual incomes at or below 50 percent of area median income. LMI households are defined as those with annual incomes at or below 80 percent of area median income.

During the exam period, the Bank submitted five applications to the AHP on behalf of four different non-profit sponsors. Three of the five applications were approved:

- Knoxville/Knox County Community Action Committee Knoxville Home Uplift Program – \$500,000 for a collaborative program for 100 low-income homeowners to make improvements to their homes. The project will address health, energy efficiency, and safety needs for those at or below 50 percent of area median income, adjusted for family size. Organizations participating in the program include Community Action Committee, TVA, Knoxville Utilities Board and the City of Knoxville.
- Knoxville Community Development Corporation Clifton Road Development – \$940,000 for the construction of 53 low-income housing units for elderly (62 and older) households. Organizations participating in the program include FHLB funding using the Community

Investment Tax Credit, City of Knoxville, and Tennessee Housing Development Agency funding using the Agency’s National Housing Trust Fund Grant.

- Helen Ross McNabb Center Mineral Springs Manor – \$1 million for 50 affordable housing units comprised of 18 new construction and 32 rehabilitated units in a former non-residential building. Organizations participating in the project include the City of Knoxville and Tennessee Housing Development Agency.

During the exam period, the Bank completed the disbursement process of three existing FHLB grants:

- Knoxville Habitat for Humanity - \$530,000 for 25 units
- Knox Area Rescue Ministries Serenity for Women Housing - \$494,000 for 33 units
- Helen Ross McNabb’s Disabled Veteran’s Housing - \$794,000 for 23 units

The Carol M. Peterson Housing Fund

The FHLB of Cincinnati (FHLB Cincinnati) has established a fund to help LMI households with accessibility and emergency repairs through a program called the Carol M. Peterson Housing Fund (CMPHF). The fund is named in honor of the former FHLB Cincinnati executive who led FHLB’s affordable housing and community investment initiatives for more than two decades.

CMPHF proceeds are available to non-profit sponsor organizations partnering with members as grants specifically designated to assist elderly or special needs homeowners residing in Kentucky, Ohio, and Tennessee. CMPHF grants are limited to \$7,500 per household. Households are eligible only if the total household income is at or below 60 percent of the Mortgage Revenue Bond income limits, and funds are offered on a “first-come, first-served” basis.

The income limits for the three counties in the Knoxville MSA Assessment Area are:

County	60% limits	
	1-2 Persons	3 + Persons
Anderson	\$39,960	\$45,954
Blount	\$39,960	\$45,954
Knox	\$39,960	\$45,954

In 2016, 2017, and 2018, the Bank had a total of \$75,000 of housing funds available for each year. In 2016, \$44,488 was disbursed. In 2017 and 2018, \$48,061 and \$59,514 were disbursed, respectively.

The Affordable Home Improvement Loan Program

The Bank’s Affordable Home Improvement Loan program offers fixed-rate loans ranging from \$500 to \$5,000 with a maximum term of 48 months. The maximum loan amount available under this program increased to \$5,000 in October 2018 (up from \$3,500) to reflect higher labor and materials costs on projects. The proceeds of the loans must be used for home-related expenses (flooring, carpeting, guttering etc.). The loans are only available to LMI borrowers or borrowers who live in LMI geographies. The property must be owner-occupied and cannot be a secondary residence or rental unit. The Bank does not place a lien on the borrower’s property.

While this loan program is not advertised, it is offered to customers who may benefit most from the program, particularly if they do not have enough equity in their home to qualify for a traditional loan. During the evaluation period, six loans totaling \$16,000 were originated. The outstanding balances of these loans was \$9,716 as of December 31, 2018.

## INVESTMENT TEST

The Bank's performance under the Investment Test in the State of Tennessee is rated Low Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, Home Federal's performance in the MSA 28940 TN and Non-MSA TN is adequate. The Bank has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. In addition, the Bank exhibits adequate responsiveness to credit and community economic development needs. Home Federal occasionally uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Full-Scope</b>										
MSA 28940 TN	0	0	199	1,172	199	90.9	1,172	72.0	0	0
Non MSA TN	0	0	9	12	9	4.1	12	0.7	0	0
Regional with P/M/F	4	96	2	30	6	2.7	126	7.7	0	0
Broader Statewide without P/M/F	5	317	0	0	5	2.3	317	19.5	0	0
<b>Totals</b>	<b>9</b>	<b>413</b>	<b>210</b>	<b>1,214</b>	<b>219</b>	<b>100</b>	<b>1,627</b>	<b>100</b>	<b>0</b>	<b>0</b>

\* 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.

### MSA 28940 TN

Investment performance in MSA 28940 TN is adequate when considering the limited opportunities in the AA and the responsiveness of current and prior period investments. After reviewing similarly situated banks, interviews with Bank management, and performing a community contact, there were limited investment opportunities that would benefit LMI geographies, individuals, and families or small businesses in the AA. During the evaluation period, the Bank made a considerable volume of qualified charitable donations. Based on this performance context, performance in MSA 28940 TN reflects adequate responsiveness to meeting the needs of the community. Qualified donations that met the CD needs of the assessment area totaled \$1.2 million, representing 199 donations. The Bank donated funds to a variety of organizations in the AA, which provided community services and affordable housing to LMI individuals and families. The Bank made 182 community service donations totaling \$1 million and 17 affordable housing donations totaling \$136,900 during the evaluation period. The Bank's donations primarily supported non-profit organizations which provided food for those in need, financial literacy

services, employment training, youth programs, education, health care services, and affordable housing for LMI individuals. Some examples of organizations that received Bank donations are:

- United Way of Greater Knoxville is an organization serving primarily LMI individuals and families. The organization raises money from the community and allocates it to member agencies that provide health care services, financial literacy, job training, and educational programs to LMI individuals. Donations to this organization totaled \$360,200.
- Knoxville Habitat for Humanity is a nonprofit organization that sells homes to families at no profit with zero-percent interest loans. The organization selects homeowner families based on the applicant's level of need and provides them with a decent, affordable home. Donations to this organization totaled \$80,000.
- The Change Center provides at-risk youth with a safe place to go for entertainment, community services, and mentorship after school and on weekends. The Change Center is in a low-income area and in a buffer zone (a 3.3-mile radius around the Center where 76 percent of all homicides occurred during 2011-2015). Donations to this organization totaled \$60,000.
- The Restoration House of East Tennessee assists low-income, single mothers, and their children in Knoxville and surrounding counties. The families who benefit from the organization have a referral through a variety of local agencies and organizations including crisis pregnancy shelters, adoption agencies, and emergency and transitional shelters. Donations to this organization totaled \$30,000.

#### Non-MSA TN

Investment performance in Non-MSA TN is adequate when considering the limited opportunities in the AA and the responsiveness of current and prior period investments. After reviewing similarly situated banks, interviews with Bank management, and performing a community contact, there were limited investment opportunities which would benefit predominantly LMI geographies, individuals and families or small businesses in the AA. During the evaluation period, the Bank made a considerable volume of qualified charitable donations. Based on this performance context, performance in Non-MSA TN reflects adequate responsiveness to meeting the needs of the community. Performance in Non-MSA TN is adequate considering the limited opportunities.

Home Federal ranked eighth out of ten institutions with a deposit market share of 3.1 percent. Sevier County is a tourist area with many of the residence living in surrounding counties due to the high cost of housing. According to the ACS Census data, there were 56,241 total housing units in the Non-MSA AA of which 43.4 percent were owner-occupied, 21.9 percent were rental units, and 34.7 percent were vacant.

During the evaluation period, the Bank made ten donations totaling \$12,300, including one \$3,000 affordable housing donation to an organization that provides services such as short-term housing and utility assistance. There were seven community services donations totaling \$2,300 to three organizations that provided school supplies to a school where majority of the students were on free or reduced lunch programs, an organization that is an emergency resource for persons experiencing food shortage, and an organization that provide medical and basic dental care for LMI individuals. Also, there were two donations totaling \$7,000 to an economic development council that provides partnerships that enhance various community needs.

**Broader Statewide or Regional Areas**

Home Federal had eleven investments totaling \$442,700 that benefited Broader Statewide and Regional Areas.

In the Broader Statewide Areas, the Bank continues to hold five prior period bonds issued by the Tennessee Housing Development Agency totaling \$317,000. The Agency was created to promote the production of affordable housing for low- and very low-income individuals and families throughout the state of Tennessee, including Home Federal’s AAs.

In the Regional Areas, Home Federal also held investments in Tennessee State School Board Authority bonds which include four prior period investments totaling \$96,700 and two current period investments totaling \$30,000. The Tennessee State School Board Authority is a corporate governmental agency whose purpose is to finance capital projects for public institutions of higher education.

**SERVICE TEST**

The Bank’s performance under the Service Test in the State of Tennessee is rated Outstanding.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the Bank’s performance in the MSA 28940 TN AA and the Non-MSA TN AA is excellent.

**Retail Banking Services**

Service delivery systems are readily accessible to geographies and individuals of different income levels in the both the MSA 28940 TN AA and the Non-MSA TN AA.

<b>Distribution of Branch Delivery System</b>											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full-Scope</b>											
MSA 28940 TN	92.7	19	82.6	5.3	15.8	52.6	26.3	5.0	14.9	48.3	31.0
Non-MSA TN	7.3	4	17.4	0.0	25.0	50.0	25.0	0.0	3.3	68.7	28.0

*Due to rounding, totals may not equal 100.0*

**MSA 28940 TN**

The Bank’s delivery systems are readily accessible to all portions of MSA 28940 TN. Home Federal has 19 full-service branches in the MSA. The Bank has one branch in a low-income geography and three branches in moderate-income geographies. The percentage of the Bank’s branch offices located in low-income geographies exceeds the percentage of the population within the low-income geographies. The percentage of the Bank’s branch offices in moderate-income geographies also exceeds the percentage of the population within the moderate-income geographies. All branch locations have

deposit-taking ATMs onsite with one additional ATM-only location, located in a moderate-income geography that does not take deposits. In addition to making withdrawals at the Bank’s ATMs, customers are also able to check account balances and transfer money between accounts. The Bank also offers bank-wide online and mobile banking services to both its consumer and commercial customers. Home Federal also has two additional mortgage loan origination offices which serve as the home base for the Bank’s floating mortgage loan officers. Although these mortgage loan origination offices are in either a middle-income or upper-income geography, the loan officers take loans applications by appointment at any of the Bank’s branches, at business offices, or even at the applicant’s home. They are available during branch hours and by appointment for evenings and weekends.

Non-MSA TN

The Bank has four full-service branches in the AA. There are no low-income geographies in the AA. The Bank has one location located in a moderate-income geography. The percentage of the Bank’s branch offices located in moderate-income geographies exceeds the percentage of population within the moderate-income geographies. All four locations have deposit-taking ATMs onsite which also allow customers to check balances and transfer money between accounts. The Bank also offers bank-wide online and mobile banking services to both its consumer and commercial customers. The Non-MSA TN AA also has one additional mortgage loan origination office that serves as the home base for the Bank’s floating mortgage loan officers in the AA. The loan origination office in this AA is located in a middle-income geography. The mortgage loan officers are also able to go to the applicants to take loan applications. The loan officers are available during branch hours and by appointment for evenings and weekends.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
<b>Full-Scope</b>						
MSA 28940 TN	0	0	0	0	0	0
Non-MSA TN	0	0	0	0	0	0

MSA 28940 TN

The Bank did not open or close any branches during the evaluation period.

Services, including where appropriate, and business hours are tailored to the convenience and needs of the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the AA have the same hours and availability.

Non-MSA TN

The Bank did not open or close any branches during the evaluation period.

Services, including where appropriate, and business hours are tailored to the convenience and needs of the various portions of its AA, particularly LMI geographies and/or individuals. All branches in the AA have the same hours and availability.

## Community Development Services

The institution is a leader in providing CD services.

Home Federal provides an excellent level of CD services and is a leader in providing CD services in the MSA 28940 TN AA. The Bank provides a relatively high level of CD services in the Non-MSA TN AA. CD Services in both AAs are responsive to the needs of the AAs. The Bank's responsiveness is demonstrated by the number of employees actively involved and the number and diversity of the types of organizations served.

### MSA 28940 TN

Home Federal provides an excellent level of CD services that are responsive to the needs of the community in the AA. Sixteen Bank officers and employees devoted community service hours to 26 different qualifying organizations in the AA. Fourteen of these 16 Bank officers and employees volunteered in leadership positions with various organizations. They shared their financial expertise by serving as board members, officers, and on committees. These activities help provide affordable housing, revitalization and stabilization of designated areas, and community services to LMI individuals and families. Home Federal officers and employees also participated in financial literacy events as teachers or facilitators. Examples of organizations for which the Bank frequently provides CD services include:

#### United Way of Greater Knoxville

A Bank officer and employees provide leadership and technical expertise by serving on the Financial Stability Investment Committee and the Health and Basic Needs Committee for this organization which provides services for low-income families.

#### The Change Center

One Bank employee provides leadership and technical expertise as a board member and a member of the Finance Committee. Three other employees worked to build and teach a financial literacy program for youth and young adults. The center also provides job training and mentorship for young adults starting new businesses.

#### FHLB of Cincinnati Grant Programs

The Bank participates in several FHLB Grant programs that provide different types of housing assistance for low-income individuals. Requests for funding and disbursements flow through Home Federal. These programs include:

- Knoxville Home Uplift Program – provides low-income homeowners, primarily targeting special needs and elderly individuals, with funds for home improvements through the Knoxville-Knox County Community Action Committee, in conjunction with Knoxville Utilities Board and the TVA.
- Mineral Springs Manor – project to provide 50 affordable housing units for low-income, elderly individuals, administered through the Helen Ross McNabb Center.
- Clifton Road Development – project will provide 53 low-income, elderly households with homes, administered through the Knoxville's Community Development Housing Corporation.



- Carol M. Peterson Housing Fund – this fund provides individual grants up to \$7,500 per household to fund accessibility and emergency repairs for low-income, special needs, and elderly homeowners, working with the Knoxville Leadership Foundation.

#### Non-MSA TN

The Bank provides a significant level of CD services in the Non-MSA TN AA. Six Bank officers and employees devoted community service hours to five different qualifying organizations in the AA. All six Bank officers and employees volunteered in leadership positions with various organizations throughout the AA. They shared their financial expertise by serving as board members, officers, and on committees as well as assisting with fundraising efforts. These activities help provide affordable housing and community services to LMI individuals and families. Examples of organizations for which the Bank frequently provides community development services include:

##### Kiwanis Club of Sevierville

A Bank employee provides leadership and technical expertise as the Fundraising Chairwoman for this organization that provides support to other organizations serving LMI individuals, including the Boys and Girls Club of the Smoky Mountains, the Sevier County Food Ministry, and the Sevier County Youth Shelter.

##### Second Harvest Food Bank

A Bank officer provides leadership and technical expertise as a board member for this organization that seeks to provide hunger relief through a network of food banks serving 18 counties in East Tennessee including Sevier, Knox, Blount, and Anderson counties.

## 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>	07/01/2016 to 12/31/2018	
<b>Bank Products Reviewed:</b>	Home mortgage loans (home purchase, home improvement, and refinance), small loans to businesses, community development loans, investments, and services.	
<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>
<b>Tennessee</b>		
MSA 28940 TN (partial)	Full-scope	Knox, Anderson, & Blount Counties
Non-MSA TN	Full-scope	Sevier County

## Appendix B: Summary of MMSA and State Ratings

RATINGS Home Federal Bank of Tennessee				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Home Federal Bank of Tennessee	Outstanding	Low Satisfactory	Outstanding	Outstanding
MMSA or State:				
Tennessee	Outstanding	Low Satisfactory	Outstanding	Outstanding

(\* ) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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 low- and moderate- income (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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

**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 loans are treated the same 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 O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2016**

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	
<b>Full Review</b>																				
MSA 28940 TN	315	59,528	91.8	24,025	2.2	2.2	1.3	12.6	6.7	10.0	52.5	49.5	50.8	32.7	41.6	37.9	0.0	0.0	0.0	
Non-MSA TN	28	4,073	8.2	3,897	0.0	0.0	0.0	1.5	0.0	0.8	59.4	42.9	62.4	39.1	57.1	36.8	0.0	0.0	0.0	
<b>Total</b>	<b>343</b>	<b>63,601</b>	<b>100.0</b>	<b>27,922</b>	<b>1.9</b>	<b>2.0</b>	<b>1.1</b>	<b>11.2</b>	<b>6.1</b>	<b>8.7</b>	<b>53.4</b>	<b>49.0</b>	<b>52.4</b>	<b>33.5</b>	<b>42.9</b>	<b>37.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2010 U.S. Census; 07/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0  
 Filter: HFB 2016 HMDA: Action Date is between 7/1/2016 12:00:00 AM and 9/30/2016 12:00:00 AM or Action Date is between 10/1/2016 12:00:00 AM and 12/31/2016 12:00:00 AM.

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2017-18**

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	
<b>Full Review</b>																				
MSA 28940 TN	1,198	238,474	91.7	23,180	2.6	2.0	1.7	10.9	9.9	9.8	51.6	48.3	50.5	34.9	39.7	38.0	0.0	0.0	0.0	
Non-MSA TN	109	20,332	8.3	3,753	0.0	0.0	0.0	1.1	0.9	0.5	66.0	48.6	70.4	33.0	50.5	29.1	0.0	0.0	0.0	
<b>Total</b>	<b>1,307</b>	<b>258,805</b>	<b>100.0</b>	<b>26,933</b>	<b>2.3</b>	<b>1.8</b>	<b>1.5</b>	<b>9.7</b>	<b>9.2</b>	<b>8.5</b>	<b>53.4</b>	<b>48.4</b>	<b>53.3</b>	<b>34.6</b>	<b>40.6</b>	<b>36.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
<b>Full Review</b>																				
MSA 28940 TN	315	59,528	91.8	24,025	19.0	5.7	6.2	15.9	13.0	15.6	21.1	20.3	18.8	44.0	55.9	38.9	0.0	5.1	20.4	
Non-MSA TN	28	4,073	8.2	3,897	17.0	0.0	2.6	16.3	10.7	10.6	21.7	21.4	15.6	45.0	67.9	52.0	0.0	0.0	19.1	
<b>Total</b>	<b>343</b>	<b>63,601</b>	<b>100.0</b>	<b>27,922</b>	<b>18.7</b>	<b>5.2</b>	<b>5.7</b>	<b>16.0</b>	<b>12.8</b>	<b>14.9</b>	<b>21.2</b>	<b>20.4</b>	<b>18.4</b>	<b>44.1</b>	<b>56.9</b>	<b>40.7</b>	<b>0.0</b>	<b>4.7</b>	<b>20.2</b>	

Source: 2010 U.S. Census; 07/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0  
Filter: HFB 2016 HMDA: Action Date is between 7/1/2016 12:00:00 AM and 9/30/2016 12:00:00 AM or Action Date is between 10/1/2016 12:00:00 AM and 12/31/2016 12:00:00 AM.

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
<b>Full Review</b>																				
MSA 28940 TN	1,198	238,474	91.7	23,180	21.0	7.8	6.6	15.9	14.6	17.0	19.4	18.7	19.1	43.7	54.8	36.0	0.0	4.1	21.3	
Non-MSA TN	109	20,332	20.8	3,753	16.7	1.8	1.8	17.9	12.8	10.0	20.6	17.4	17.8	44.7	63.3	51.5	0.0	4.6	18.9	
<b>Total</b>	<b>1,307</b>	<b>258,805</b>	<b>100.0</b>	<b>26,933</b>	<b>20.4</b>	<b>7.3</b>	<b>5.9</b>	<b>16.2</b>	<b>14.5</b>	<b>16.1</b>	<b>19.6</b>	<b>18.6</b>	<b>18.9</b>	<b>43.8</b>	<b>55.5</b>	<b>38.1</b>	<b>0.0</b>	<b>4.1</b>	<b>20.9</b>	

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

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
<b>Full Review</b>																				
MSA 28940 TN	44	9,494	93.6	10,619	4.6	13.6	3.8	18.4	9.1	15.8	40.9	50.0	38.7	35.0	27.3	41.3	1.0	0.0	0.4	
Non-MSA TN	3	618	6.4	1,691	0.0	0.0	0.0	7.8	0.0	5.8	62.4	66.7	63.9	29.3	33.3	30.3	0.4	0.0	0.1	
<b>Total</b>	<b>47</b>	<b>10,112</b>	<b>100.0</b>	<b>12,310</b>	<b>3.9</b>	<b>12.8</b>	<b>3.2</b>	<b>16.9</b>	<b>8.5</b>	<b>14.4</b>	<b>44.1</b>	<b>51.1</b>	<b>42.2</b>	<b>34.2</b>	<b>27.7</b>	<b>39.8</b>	<b>0.9</b>	<b>0.0</b>	<b>0.4</b>	

Source: 2016 D&B Data; 07/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0  
Filter: HFB CRA 2016: Action Date is between 7/1/2016 12:00:00 AM and 9/30/2016 12:00:00 AM or Action Date is between 10/1/2016 12:00:00 AM and 12/31/2016 12:00:00 AM.

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
<b>Full Review</b>																				
MSA 28940 TN	193	53,642	91.9	9,905	4.4	6.7	3.5	14.6	14.0	12.1	41.5	39.4	41.2	38.5	39.9	42.8	1.0	0.0	0.4	
Non-MSA TN	17	6,725	8.1	1,571	0.0	0.0	0.0	7.7	0.0	6.4	74.0	76.5	73.6	18.3	23.5	20.0	0.1	0.0	0.0	
<b>Total</b>	<b>210</b>	<b>60,367</b>	<b>100.0</b>	<b>11,476</b>	<b>3.7</b>	<b>6.2</b>	<b>3.0</b>	<b>13.5</b>	<b>12.9</b>	<b>11.3</b>	<b>46.4</b>	<b>42.4</b>	<b>45.6</b>	<b>35.5</b>	<b>38.6</b>	<b>39.7</b>	<b>0.9</b>	<b>0.0</b>	<b>0.4</b>	

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2016</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
<b>Full Review</b>												
MSA 28940 TN	44	9,494	93.6	10,619	79.7	34.1	46.5	7.0	65.9	13.3	0.0	
Non-MSA TN	3	618	6.4	1,691	82.6	100.0	56.4	5.0	0.0	12.4	0.0	
<b>Total</b>	<b>47</b>	<b>10,112</b>	<b>100.0</b>	<b>12,310</b>	<b>80.1</b>	<b>38.3</b>	<b>47.9</b>	<b>6.7</b>	<b>61.7</b>	<b>13.2</b>	<b>0.0</b>	

Source: 2016 D&B Data; 07/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0  
 Filter: HFB CRA 2016: Action Date is between 7/1/2016 12:00:00 AM and 9/30/2016 12:00:00 AM or Action Date is between 10/1/2016 12:00:00 AM and 12/31/2016 12:00:00 AM.

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2017-18</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
<b>Full Review</b>												
MSA 28940 TN	193	53,642	91.9	9,905	79.7	38.3	50.7	7.0	59.1	13.3	2.6	
Non-MSA TN	17	6,725	8.1	1,571	82.5	41.2	52.0	5.1	58.8	12.4	0.0	
<b>Total</b>	<b>210</b>	<b>60,367</b>	<b>100.0</b>	<b>11,476</b>	<b>80.2</b>	<b>38.6</b>	<b>50.9</b>	<b>6.7</b>	<b>59.0</b>	<b>13.2</b>	<b>2.4</b>	

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