



**PUBLIC DISCLOSURE**

May 9, 2022

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The Neffs National Bank  
Charter Number 12471

5629 Pennsylvania Route 873  
Neffs, PA 18065

Office of the Comptroller of the Currency

1150 Northbrook Drive Suite 303  
Trevose, PA 19053

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

**Table of Contents**

Overall CRA Rating.....1  
Description of Institution.....2  
Scope of the Evaluation.....3  
Discriminatory or Other Illegal Credit Practices Review.....4  
State Rating.....5  
    State of Pennsylvania.....5  
Community Development Test .....9  
Appendix A: Scope of Examination.....A-1  
Appendix B: Summary of MMSA and State Ratings.....B-1  
Appendix C: Definitions and Common Abbreviations.....C-1  
Appendix D: Tables of Performance Data.....D-1

## Overall CRA Rating

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

**The lending test is rated:** Satisfactory.

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

The major factors that support this rating include:

- The Lending Test rating is based on:

The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.

A majority of the bank's lending is inside its AA by number of loans originated and purchased.

The overall geographic distribution of loans reflects reasonable distribution in low- and moderate-income (LMI) census tracts.

The overall borrower distribution of loans by income level of the borrower reflects excellent distribution to borrowers of different income levels.

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

- The Community Development (CD) Test rating is based on:

The bank's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs.

### Loan-to-Deposit Ratio

The Neffs National Bank's (TNNB) quarterly average net loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the competition within the assessment area (AA). The bank's quarterly average net loan-to-deposit ratio over the 12 quarters captured in our evaluation period is 59.93 percent. During this period, the ratio ranged from a quarterly low of 54.57 percent to a quarterly high of 63.83 percent. We compared the bank's LTD to five similarly situated banks in Carbon, Lehigh, and Northampton counties, ranging in asset sizes from \$589 million to \$1.63 billion. The quarterly average net loan-to-deposit ratio for these institutions over the same 12 quarters was 85.19 percent. The ratios range from a quarterly low of 57.26 percent to a quarterly high of 104.37 percent. While the bank's quarterly average net loan-to-deposit ratio is lower than the peer group, it is reasonable when taking into consideration the bank's lending market share, its size, and the competition for loans.

## Lending in Assessment Area

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

The bank originated and purchased 69.5 percent of its total loans, by number, inside the bank's AAs during the evaluation period. The bank originated and purchased 67.4 percent of its loans, by dollar amount, inside the bank's AA during the evaluation period. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	60	64.5	33	35.5	93	9,777	64.5	5,376	35.5	15,153
2020	117	67.6	56	32.4	173	21,352	64.2	11,884	35.8	33,236
2021	108	75.0	36	25.0	144	20,359	72.7	7,653	27.3	28,012
<b>Subtotal</b>	<b>285</b>	<b>69.5</b>	<b>125</b>	<b>30.5</b>	<b>410</b>	<b>51,487</b>	<b>67.4</b>	<b>24,913</b>	<b>32.6</b>	<b>76,400</b>
<b>Total</b>	<b>285</b>	<b>69.5</b>	<b>125</b>	<b>30.5</b>	<b>410</b>	<b>51,487</b>	<b>67.4</b>	<b>24,913</b>	<b>32.6</b>	<b>76,400</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

The Neffs National Bank (TNNB) is a community bank founded in 1923, with its main office and headquarters located in Neffs, Pennsylvania. Neffs is located in Lehigh County in eastern Pennsylvania, northwest of the Allentown metropolitan area. TNNB is a wholly owned subsidiary of Neffs Bancorp, Inc. This holding company has no other subsidiaries or affiliates. In April 2020, TNNB opened a second branch in Walnutport PA, approximately six miles north of the main office in Northampton County.

As of December 31, 2021, TNNB had total assets of \$462.4 million and tier one capital of \$74.7 million. TNNB is a full-service institution offering a standard range of traditional loan and deposit products. Deposit products include checking accounts, savings accounts, money market deposit accounts, certificates of deposit, and remote deposit capture services. The bank's primary lending product is residential mortgages. Lending products also include home equity lines of credit, fixed-rate home equity loans, personal loans, automobile loans and a referral program for student loans. In addition, the bank offers commercial mortgages, term loans and commercial lines of credit.

The bank maintains three deposit taking ATMs, two at the Neffs Branch (one drive-up and one in the lobby) and one at the Walnutport Branch (drive-up). The bank also participates with Allpoint, which gives customers access to 55,000+ ATMs nationwide. The Allpoint ATMs are not deposit taking. The table below details the composition of the loan portfolio.

<b>Loan Category</b>	<b>\$ Amount (millions)</b>	<b>% Of Outstanding Loans</b>
Residential Real Estate	117,062	58.84%
Non-Farm/Non-Residential	60,808	30.56%
Commercial & Industrial	7,463	3.75%
Consumer Loans	13,626	6.85%
<b>TOTAL</b>	<b>198,959</b>	<b>100.00%</b>

There are no financial or legal impediments affecting TNNB's ability to help meet the community credit needs of its AAs. The bank received a "Satisfactory" rating at the previous CRA evaluation performed March 25, 2019.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period under the Lending Test is representative of the bank's lending strategy since the last CRA evaluation. The evaluation covers the bank's performance from January 1, 2019, through December 31, 2021. The evaluation under the lending test considered home mortgage loans, as these are the bank's primary product.

### **Selection of Areas for Full-Scope Review**

For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

TNNB's overall rating is based on its assessment area that is located within the Allentown-Bethlehem-Easton, PA-NJ MSA (10900) and consists of 34 census tracts within portions of Lehigh County, Northampton County and Carbon County. The vast majority of the bank's loans, deposits, and branches are located in this AA during the evaluation period.

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

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Pennsylvania

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

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's lending is inside its AA by number of loans originated and purchased.

The overall geographic distribution of loans reflects reasonable distribution in low- and moderate-income (LMI) census tracts.

The overall borrower distribution of loans by income level of the borrower reflects excellent distribution to borrowers of different income levels.

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

The bank's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs.

### Description of Institution's Operations in Pennsylvania

The Neffs National Bank (TNNB) is a community bank founded in 1923, with its main office and headquarters located in Neffs, Pennsylvania. Neffs is located in Lehigh County in eastern Pennsylvania, northwest of the Allentown metropolitan area. TNNB is a wholly owned subsidiary of Neffs Bancorp, Inc. This holding company has no other subsidiaries or affiliates. In April 2020, TNNB opened a second branch in Walnutport PA, approximately six miles north of the main office in Northampton County.

As of December 31, 2021, TNNB had total assets of \$462.4 million and tier one capital of \$74.7 million. TNNB is a full-service institution offering a standard range of traditional loan and deposit products. Deposit products include checking accounts, savings accounts, money market deposit accounts, certificates of deposit and remote deposit capture services. The bank's primary lending product is residential mortgages. Lending products also include home equity lines of credit, fixed-rate home equity loans, personal loans, automobile loans and a referral program for student loans. In addition, the bank offers commercial mortgages, term loans and commercial lines of credit.

The bank maintains three deposit taking ATMs, two at the Neffs Branch (one drive-up and one in the lobby) and one at the Walnutport Branch (drive-up). The bank also participates with Allpoint, which gives customers access to 55,000+ ATMs nationwide. The Allpoint ATMs are not deposit taking.

Allentown-Bethlehem-Easton's economy is strong, and the labor market is healthier than most other areas of Pennsylvania. Nonfarm employment grew at a much faster rate than both the state and nation in the second half of 2021.

Logistics contributed the most to job growth, but solid gains in manufacturing and more moderate gains in healthcare suggest growth is sustainable, even if supply-chain upheavals cause volatility for logistics. The labor force is not as strong, having stagnated for a year and a half. That still compares favorably with the state, though, and the unemployment rate is quickly approaching the pre-COVID-19 figure. Faster job growth in mid- and high-wage industries is boosting income, which has joined with strengthening demographics to help house price grow at a greater rate than at the state level. The main employers in the AA are Lehigh Valley Health Network, St. Luke's University Health Network, Sands Bethworks Gaming LLC, Giant Food Stores, and Allied Personnel Services Inc. Major industries are general medical and surgical hospitals, warehousing and storage, restaurants and other eating places, elementary and secondary schools, and offices of physicians.

According to the Bureau of Labor Statistics, the unemployment rate for the Allentown-Bethlehem-Easton Metropolitan Statistical Area as of December 2021 was 4.1 percent. This figure compares favorably with the Pennsylvania state unemployment rate of 5.1 percent but slightly lags the U.S. unemployment rate of 3.9 percent.

Per FDIC deposit market share data as of June 30, 2021, TNNB ranked 5th in deposits within the Allentown-Bethlehem-Easton MSA. TNNB holds \$362 million in deposits, representing a market share of 8.62 percent. The top bank includes Wells Fargo Bank with 29.67 percent, Keybank National Association with 10.45 percent, Truist Bank with 9.85 percent and New Tripoli Bank with 9.81 percent.

Competition in the market is high. Per peer mortgage data for 2020, TNNB ranked 20th out of 329 lending institutions across all of TNNB's AA. During this period, TNNB originated or purchased 117 loans, representing a market share of 1.48 percent. Top competitors in the AA are Wells Fargo, NA, which ranked 1st with a market share of 8.68 percent, Quicken Loans LLC, which ranked 2nd with a market share of 6.40 percent, and American Neighborhood Mortgage, which ranked 3rd with a market share of 3.66 percent.

## **Community Contact**

We reviewed the OCC Community Contact Database during this examination to determine the credit needs of the local community. The report involved a local economic development group conducted in 2021. The group's purpose is to serve low-income families moving towards self-sufficiency through housing assistance. The contact stated that Carbon County has a high percentage of elderly and low-income people. It is not a county with a lot of funding because of the small population. The contact believes that more financial institutions could offer programs to improve credit accessibility and allow the lower income population opportunities for reasonable housing.



**Allentown-Bethlehem-Easton, PA-NJ MSA AA**

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Neffs NB-Eastern PA AA 2021</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)	34	0.0	5.9	67.6	26.5	0.0
Population by Geography	166,635	0.0	5.5	66.1	28.5	0.0
Housing Units by Geography	69,287	0.0	5.8	67.8	26.5	0.0
Owner-Occupied Units by Geography	50,758	0.0	3.6	67.2	29.2	0.0
Occupied Rental Units by Geography	14,559	0.0	12.8	69.1	18.1	0.0
Vacant Units by Geography	3,970	0.0	7.4	70.2	22.4	0.0
Businesses by Geography	16,574	0.0	4.3	57.5	38.2	0.0
Farms by Geography	620	0.0	4.0	59.7	36.3	0.0
Family Distribution by Income Level	45,715	14.9	18.8	23.4	42.9	0.0
Household Distribution by Income Level	65,317	18.7	16.1	20.3	44.9	0.0
Median Family Income MSA - 10900 Allentown-Bethlehem-Easton, PA-NJ MSA		\$71,539	Median Housing Value			\$203,019
			Median Gross Rent			\$949
			Families Below Poverty Level			4.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

**Scope of Evaluation in Pennsylvania**

TNNB has one assessment area (AA), which includes Allentown-Bethlehem-Easton, PA-NJ MSA AA. The assessment area is located within the Allentown-Bethlehem-Easton, PA-NJ MSA (10900) and consists of 34 census tracts. Of these tracts, there are no low-income geographies, 5.9 percent are moderate income geographies, 67.6 percent are middle-income geographies, 26.5 percent are upper-income geographies.

The 2020 census reported the total population of the AA at 166,635. The median housing cost is \$203,019. There are 69,287 housing units, of which 50,758 are owner-occupied, 14,559 are rental-occupied, and 3,970 are vacant housing units. The 2020 median family income was \$71,539. Approximately 4.2 percent of families are below the poverty level. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. Please refer to appendix A for the assessment area under review.

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

### **LENDING TEST**

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

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

The state rating is based on performance in the AAs receiving a full scope review. Based on a full-scope review, the bank's lending performance in the state of Pennsylvania is reasonable. The state rating is not reflective of the conclusions for the full-scope area.

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

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

##### ***Home Mortgage Loans – Allentown-Bethlehem-Easton, PA-NJ AA***

Refer to Table O in the state of Pennsylvania 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.

The bank exhibits reasonable geographic distribution of loans in the state. Opportunities are very limited as there are no low-income geographies and only two moderate-income geographies located in the AA. There is strong competition from other lending institutions that further constrained the bank's ability to lend in these areas. However, the percentage of home loans made in moderate-income geographies, though lower, was near the total aggregate loans originated in the AA. This meets the standard for satisfactory performance.

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

The bank's lending reflects an excellent distribution of loans to individuals of different income levels of different sizes, given the product lines offered by the bank.

##### ***Home Mortgage Loans – Allentown-Bethlehem-Easton, PA-NJ AA***

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

Refer to Table P in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The percentage of home mortgage loans made to low-income borrowers exceeds the aggregate in the AA. This performance is considered excellent. The percentage of home mortgage loans made to moderate-income borrowers exceeds the aggregate originated in the AA. This performance is considered excellent.

**Responses to Complaints**

The Neffs National Bank did not receive any CRA-related complaints during the evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the Community Development Test in the State of Pennsylvania is rated Satisfactory.

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

TNNB’s community development activities demonstrate adequate responsiveness to the community development needs of its AA, when considering the bank's capacity, its performance context, and the availability of community development opportunities in the bank’s AA. Factors supporting this conclusion include the institution’s adequate record regarding a qualified CD loan, donations and services, and appropriate responsiveness to CD needs.

**Number and Amount of Community Development Loans**

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% Of Total #	\$(000's)	% of Total \$
Neffs AA	6	100	2,450	100

TNNB originated six CD loans in this AA during the evaluation period. Lending activity includes community agriculture and small farm business lending.

- The bank made two loans totaling \$1,900,000 to a non-profit organization promoting agricultural, horticultural, and domestic art within their community.
- The bank made one loan totaling \$100,000 to a family farm to purchase solar panels for energy.
- The bank made one loan totaling \$100,000 to a small business to provide working capital for a soybean and corn farm.
- The bank made one loan totaling \$130,000 to a family farm to expand their acreage on an existing blueberry farm.
- The bank made one loan totaling \$175,000 to a local business, which provides discount groceries within their AA that is accessed by the LMI community.

The bank participated in the Paycheck Protection Program as a loan processor for local small businesses. The Paycheck Protection Program is a program passed by Congress during the COVID-19 pandemic to help small businesses that have been affected by reduced in-person commerce. During the calendar year 2020 when the loan program began, TNNB processed 380 loans in the amount of \$12,060,836.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% Of Total #	\$(000's)	% of Total \$	#	\$(000's)
Neffs AA	1	511.0	1	440.3	1	100	440.3	100		0

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

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

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank’s level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of the examination date.

TNNB has one continuing investment as of the review period. During the previous evaluation period, the bank invested \$511,042 in a bond for a 70-unit assisted living facility located in Bethlehem, PA, which is covered by the Housing and Finance Development Authority (HFDA). The facility is located adjacent to the banks AA. To qualify for the program, combined family income cannot exceed 50 percent of the Area Median Income (AMI). The development is deed restricted to these requirements. The current balance on the investment is \$440,290.

The bank also made 28 qualifying donations totaling \$67,834 to organizations in the AA. These organizations provided affordable housing and community services to LMI individuals and families as well as to an organization providing funding used to support a school district where students receive free or reduced meals.

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

- During 2019, nine bank employees volunteered for the Habitat for Humanity Organization, which provides affordable housing for LMI individuals in Families within the bank's AA.
- During 2020, ten bank employees volunteered for the Habitat for Humanity Organization, which provides affordable housing for LMI individuals in Families within the bank's AA.
- A bank employee serves on the Board of a community foundation that provides funding for the free or reduced lunch program at a school district within the bank's AA.
- The bank participates with a third-party that provides financial literacy to high school students in which low- to moderate-income students participates.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	01/01/2019 – 12/31/2021	
<b>Bank Products Reviewed:</b>	Home mortgage loans, community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Pennsylvania</b>		
Allentown-Bethlehem-Easton, PA-NJ AA	Full scope	The Allentown-Bethlehem-Easton, PA-NJ MSA consists of 34 census tracts within portions of Lehigh County, Northampton County, and Carbon County

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		Citizens Savings Bank	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
The Neffs National Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Pennsylvania	Satisfactory	Satisfactory	Satisfactory

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

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2019-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Neffs NB-Eastern PA AA	285	51,487	100.0	7,924	0.0	0.0	0.0	3.6	1.4	2.9	67.2	71.9	57.1	29.2	26.7	40.1	0.0	0.0	0.0
<b>Total</b>	<b>285</b>	<b>51,487</b>	<b>100.0</b>	<b>7,924</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>	<b>1.4</b>	<b>2.9</b>	<b>67.2</b>	<b>71.9</b>	<b>57.1</b>	<b>29.2</b>	<b>26.7</b>	<b>40.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

NEFFS NATIONAL BANK THE (9TKMSWP&JCE) excluded from Aggregate

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2019-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Neffs NB-Eastern PA AA	285	51,487	100.0	7,924	14.9	10.5	5.4	18.8	22.5	16.8	23.4	23.5	21.6	42.9	39.3	39.5	0.0	4.2	16.7	
<b>Total</b>	<b>285</b>	<b>51,487</b>	<b>100.0</b>	<b>7,924</b>	<b>14.9</b>	<b>10.5</b>	<b>5.4</b>	<b>18.8</b>	<b>22.5</b>	<b>16.8</b>	<b>23.4</b>	<b>23.5</b>	<b>21.6</b>	<b>42.9</b>	<b>39.3</b>	<b>39.5</b>	<b>0.0</b>	<b>4.2</b>	<b>16.7</b>	

*Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

*NEFFS NATIONAL BANK THE (9TKMSWP&JCE) excluded from Aggregate*