



PUBLIC DISCLOSURE

March 4, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Savings and Loan Association of Greene County
Charter Number 702190

25 East High Street
P.O. Box 190
Waynesburg, PA 15370

Office of the Comptroller of the Currency

Corporate One Office Park, Building 2
4075 Monroeville Boulevard, Suite 300
Monroeville, Pennsylvania 15146

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 2

THIS INSTITUTION IS RATED SATISFACTORY. 2

DEFINITIONS AND COMMON ABBREVIATIONS 3

DESCRIPTION OF INSTITUTION 7

SCOPE OF THE EVALUATION..... 8

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 10

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 11

 LENDING TEST 11

 COMMUNITY DEVELOPMENT TEST 14

APPENDIX A: SCOPE OF EXAMINATION..... A-1

APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS B-1

APPENDIX C: TABLES OF PERFORMANCE DATA C-1

Overall CRA Rating

This institution is rated: **Satisfactory**.

The Lending Test is rated: **Satisfactory**.

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

The following major factors support the institution's rating:

- The loan-to-deposit ratio is reasonable, given the bank's size, financial condition, and assessment area credit needs;
- A majority of the bank's home mortgage lending activity is originated within its delineated assessment areas;
- The distribution of home mortgage loans represents reasonable distribution among borrowers of different income levels;
- The geographic distribution of home mortgage loans reflects excellent distribution among census tracts of different income levels;
- The bank's community development activities demonstrate adequate responsiveness to community development needs in its assessment areas;
- The bank received no CRA-related complaints during the evaluation period.

Definitions and Common Abbreviations

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

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

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

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

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

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

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

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

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

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

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

First Federal Savings and Loan Association of Greene County (referred to as “FFSLA” or “the bank”) is an intrastate federal savings association with offices in Pennsylvania. FFSLA’s headquarters and main office is located in Waynesburg, Pennsylvania. FFSLA maintains one subsidiary, First Greene Service Corporation. First Greene Service Corporation originates loans within West Virginia.

The bank operated in one state, Pennsylvania, during the evaluation period and will be evaluated as a single state institution. FFSLA has identified two separate assessment areas (AAs) in Pennsylvania: The Pennsylvania Non-Metropolitan Statistical Area (Non-MSA) AA, and the Pittsburgh, PA Metropolitan Statistical Area (MSA) AA (38300). The Pennsylvania Non-MSA AA includes the entirety of Greene County. The Pittsburgh, PA MSA AA includes the full counties of Washington and Fayette.

As of December 31, 2018, FFSLA operated eight full service branches in Pennsylvania. The Pennsylvania branches are located in the following communities: Waynesburg, Washington, Taylorstown, Carmichaels, Uniontown, and Mt. Morris. Of the eight branches, none are located in a low income CT, one is located in a moderate income CT, five are located in middle-income CTs, and two are located in upper-income CTs. The Carmichaels, Mt.Morris, and both Waynesburg branches are located in the Pennsylvania Non-MSA AA and the Washington, Taylorstown, and both Uniontown branches are located in the Pittsburgh, PA MSA AA. There were no branch openings or closing since the previous evaluation.

Of the eight branches, five have drive-through banking facilities. All drive-thru branches have Saturday hours from 8:30 AM to 12:00 PM. Drive thru branches are open from 8:30AM until 5PM, Monday through Thursday while branches without drive-through are open until 4:00 PM. All branches except for the main offices in Waynesburg and Uniontown are open until 6:00 PM on Fridays. Automated Teller Machines (ATMs) with deposit taking capabilities are present at seven branches.

As of the December 31, 2018 call report, total assets were \$916 million. Net loans and leases totaled \$627 million, securities totaled \$158 million, and cash and interest bearing bank balances totaled \$88 million. Net loans and leases comprise 68 percent of total assets. Deposits were \$778 million and comprise 85 percent of total liabilities. Tier 1 capital totaled \$129 million. FFSLA’s strategic focus continues to be 1-4 family residential mortgages. The bank has a limited amount of investor owned 1-4 family mortgages within their portfolio. The bank also has a limited number of consumer loans and commercial loans to local non-profits, such as churches and volunteer fire companies, within the lending portfolio. FFSLA offers a standard variety of consumer banking products including personal checking and savings accounts, money markets, and certificates of deposit. The bank offers online banking, which includes remote check deposit services. The table below details the bank’s loan portfolio composition.

Loan Portfolio Composition as of December 31, 2018		
Loan Category	Dollar Amount \$(000s)	Percentage of Total Loans
1-4 Family Revolving	\$3,555	0.57%
1-4 Family Closed-End	\$606,680	96.57%
Total 1-4 Family Mortgage Loans	\$610,235	97.14%
Non-farm, Non-residential RE	\$2,767	0.44%
Construction & Land Development	\$9,559	1.52%
Commercial & Industrial & Agricultural	\$0	0.00%
Consumer Loans	\$5,660	0.90%
Other & Multi-family Loans	\$0	0.00%
Total Net Loans	\$628,221	100%

FFSLA is not subject to any known financial, legal, or regulatory restrictions that would impede its ability to help meet the credit needs of its AAs. The bank received a "Satisfactory" rating using Intermediate Small Bank (ISB) procedures as of the last CRA performance evaluation dated January 4, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation is an assessment of FFSLA's ability to meet the credit needs of its assessment areas. We evaluated FFSLA using the ISB evaluation procedures, which include a Lending Test and Community Development Test. To evaluate performance under the Lending Test, we reviewed home mortgage loans originated between January 1, 2016 and December 31, 2018. FFSLA's primary loan product over the evaluation period was home mortgage loans. In assessing performance with respect to the Community Development Test, we evaluated the bank's loans, services, and investments that satisfied the definition of community development made between January 5, 2016 and December 31, 2018.

Due to updates made to the demographic information and the publishing of the 2015 American Community Survey (ACS) U.S. Census Data during the evaluation period, we evaluated the bank's 2016 performance independently of the 2017 and 2018 performance metrics. The bank's lending performance between January 1, 2016 and December 31, 2016 was compared to the 2010 U.S. Census Data. The bank's lending performance between January 1, 2017 and December 31, 2018 was compared to the 2015 ACS U.S. Census Data.

Data Integrity

In order to evaluate FFSLA's record of originating home mortgage loans over the evaluation period, we analyzed loan data FFSLA collected and reported in accordance with HMDA requirements during this period. In order to ensure the reliability of HMDA

loan data, we performed a data integrity examination as of September 30, 2018. We concluded FFSLA's data integrity is satisfactory. The activities presented for community development consideration by the bank during the evaluation period were also reviewed for the purpose of determining whether the activities met the regulatory definition of community development.

Selection of Areas for Full-Scope Review

We performed a full-scope review of the Pittsburgh, PA MSA AA because this AA comprised a majority of the home mortgage lending activity during the evaluation period. We performed a limited-scope review for the Pennsylvania Non-MSA AA. This AA had a lower volume of home mortgage lending activity, in both mortgages originated and total dollar volume, during the evaluation period.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. In this performance evaluation, performance in the Pittsburgh, PA MSA AA carried the greatest weight in our conclusions because it represents the bank's most significant market in terms of HMDA-reportable loans. We also placed more weight on the bank's performance in 2017 and 2018 than its performance in 2016 to reach our conclusions.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution 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

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is Satisfactory. The average loan-to-deposit (LTD) ratio is reasonable. A majority of the bank's home mortgage lending activity were originated within the bank's delineated AAs. The record of lending to borrowers of different incomes reflects reasonable distribution in the Pittsburgh, PA MSA AA. The geographic distribution of home mortgage loans reflects excellent distribution in the Pittsburgh, PA MSA AA.

Loan-to-Deposit Ratio

The bank's LTD ratio is reasonable and meets the standard for satisfactory performance. FFSLA's net quarterly average LTD ratio over the twelve-quarter evaluation period was 80.96 percent. FFSLA's quarterly range for the LTD ratio during the evaluation period ranged from a low of 79.61 percent to a high of 82.67 percent. This ratio is a bank-wide calculation and is not calculated by individual AA.

The quarterly average LTD for peers was calculated from a peer group of three similarly situated institutions from within the bank's AAs. Total asset size in the peer group as of year-end 2018 ranged from \$488 million to \$1.2 billion. The peer group's average quarterly net LTD ratio was 81.65 percent, and ranged from a low of 60.91 percent to a high of 102.30 percent over the twelve-quarter evaluation period.

Pennsylvania state-wide data was also considered during the evaluation period due to the limited number of peers within FFSLA's AAs. The quarterly average LTD was collected for 16 institutions located in PA, with asset sizes ranging from \$700 million to \$1.1 billion. The peer group's average LTD over the evaluation period was 83.42 percent.

Lending in Assessment Area

FFSLA originated a majority of home mortgage lending activity, by number and dollar volume, within its delineated AAs. This lending activity meets the standard for satisfactory performance. The bank originated 77.3 percent of the total number of loans, and 70.4 percent of the dollar volume within its delineated AAs from January 1, 2017 through December 31, 2018. Home mortgage lending activity for 2016 is not inconsistent with the performance for 2017-2018. This ratio is a bank-wide calculation and is not calculated by individual AA. Analysis is limited to bank originations and purchases. Refer to the following table for more information:

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	513	78.3	142	21.7	655	61,945	71.9	24,174	28.1	86,119
2018	525	76.3	163	23.7	688	57,242	68.8	25,981	31.2	83,223
Subtotal	1,038	77.3	305	22.7	1,343	119,187	70.4	50,155	29.6	169,342
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

Lending to Borrowers of Different Incomes

FFSLA's record of originating home mortgages reflects reasonable distribution among Pittsburgh, PA MSA AA borrowers of different income levels. The level of competition for home mortgage loans is strong within the Pittsburgh, PA MSA AA. During 2017-2018, the bank originated a total of 646 home mortgage loans while the overall market (including all other financial institutions within the AA) originated 8,058 home mortgage loans. FFSLA represents 8.02 percent of total mortgages originated within the Pittsburgh, PA MSA AA.

For 2017-2018, the bank's percentage of home mortgage loans granted to low-income borrowers was below the percentage of lending to low-income borrowers by other HMDA-reporting lenders in the AA. The bank's percentage of lending to moderate-income borrowers exceeded the percentage of lending to moderate-income borrowers by other HMDA-reporting lenders in the AA. Overall, the bank's total lending to low- and moderate-income borrowers represented 28.2 percent of AA, which is near to the total aggregate peer lending comparator of 29.7 percent.

The bank's percentage of home mortgage loans granted to low- and moderate-income borrowers for 2016 was not inconsistent with the performance for 2017-2018. For 2016, the bank's percentage of home mortgage loans granted to low-income borrowers was below the percentage of lending to low-income borrowers by other HMDA-reporting lenders in the AA. The bank's percentage of home mortgage loans granted to moderate-income borrowers exceeded the percentage of lending to moderate-income borrowers by other HMDA-reporting lenders in the AA. Overall, the bank's total lending to low- and moderate-income borrowers represented 28.2 percent, which exceeds the total aggregate peer lending comparator of 28 percent.

Refer to appendix C for the distribution of home mortgage loans originated by the bank borrowers of different income levels within the Pittsburgh, PA MSA AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Overall, the bank's record of originating home mortgages to borrowers of different incomes in the Pennsylvania Non-MSA AA is not inconsistent with its performance in the Pittsburgh, PA MSA AA.

For 2017-2018 and 2016, the bank's record of originating home mortgages to low-income borrowers in the Pennsylvania Non-MSA AA was not inconsistent with its performance in the Pittsburgh, PA MSA AA. For 2017-2018 and 2016, the bank's record of originating home mortgages in the Pennsylvania Non-MSA AA to moderate-income borrowers was weaker than its performance in the Pittsburgh, PA MSA AA.

Geographic Distribution of Loans

The geographic distribution of home mortgage loans reflects excellent distribution in the Pittsburgh, PA MSA AA. There were no conspicuous gaps identified within the AA. For 2017-2018, the bank's distribution of home mortgages in low- and moderate income geographies exceeded the aggregate percentage of peer lending by other HMDA-reporting lenders. Overall, the bank's total lending in low- and moderate-income geographies was 45.2 percent, which exceeds the total aggregate peer lending comparator of 26.4 percent.

The bank's percentage of home mortgage loans granted in low- and moderate-income geographies for 2016 was not inconsistent with the performance for 2017-18. For 2016, the bank's distribution of home mortgages in low-income geographies was below the aggregate percentage of peer lending by other HMDA-reporting lenders. The bank's distribution of home mortgages in moderate-income geographies exceeded the aggregate percentage of peer lending by other HMDA-reporting lenders. Overall, the bank's total lending in low- and moderate-income geographies was 42.4 percent, which exceeds the total aggregate peer lending comparator of 27.9 percent.

Refer to Appendix C for the distribution of home mortgage loans originated by the bank within geographies of different incomes within the Pittsburgh, PA MSA AA.

Conclusions for Areas Receiving Limited-Scope Reviews

There are no low- or moderate-income tracts within the Pennsylvania Non-MSA AA so we could not conduct a meaningful analysis.

Responses to Complaints

FFSLA did not receive any complaints relating to its CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

FFSLA's performance with respect to the Community Development Test is rated Satisfactory. The bank's level of community development (CD) activity reflects adequate responsiveness to the needs of low- and moderate-income individuals and CTs within the Pittsburgh, PA MSA AA. Furthermore, board members, bank officers and lending staff regularly volunteer their time and expertise to organizations that provide financial counseling, affordable housing, and community services to low- and moderate-income families.

Number and Amount of Community Development Loans

The bank did not originate any CD loans in the Pittsburgh, PA MSA AA in the evaluation period. FFSLA's commercial lending is limited to a small portfolio of investor-owned real estate loans and loans to local non-profit entities. As a result, the bank has limited opportunity to originate CD loans.

Number and Amount of Qualified Investments

FFSLA provided an adequate level of qualified investments and donations throughout the Pittsburgh, PA MSA AA.

Originated Investments

The bank made four new qualified investments for approximately \$1.02 million in the Pittsburgh, PA MSA AA during the evaluation period. Investments included affordable housing bonds and bonds issued by school districts with the majority of enrolled student families meeting the low- to moderate-income designation. Prior period qualified investments in the Pittsburgh, PA MSA AA have a book value of \$3.10 million. The prior period outstanding investments include affordable housing securities and bonds issued by school districts with the majority of students from low- to moderate-income families.

Originated Donations

The bank made 6 donations totaling \$15,725 that benefitted the Pittsburgh, PA MSA AA for the period January 5, 2016 through December 31, 2018. These donations predominantly were to organizations that provide affordable housing and community services to low- and moderate-income individuals and families.

The most responsive donation includes a bank program that supports affordable housing. The program includes the bank paying all associated monthly private mortgage insurance (PMI) premiums for first time homebuyers that meet low- to moderate- income qualifications. The bank paid approximately \$288,612 in PMI premiums on behalf of LMI borrowers during the evaluation period. This donation amount is in addition to the \$15,725 in donations previously noted. The majority of these PMI premiums, considered CD donations, were for borrowers in the Pittsburgh, PA MSA AA.

Extent to Which the Bank Provides Community Development Services

The bank provided an adequate level of CD services in the Pittsburgh, PA MSA AA. Bank officers, employees, and board members served in leadership positions in organizations that provide community services to low- and moderate-income individual and families by providing technical and financial expertise. During the review period three bank personnel served in qualifying positions with three different organizations in the Pittsburgh, PA MSA AA. CD services bank personnel provided in the Pittsburgh, PA MSA AA included affordable housing and economic development focusing on LMI individuals, families, and geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope reviews, the bank's performance under the CD Test within the Pennsylvania non-MSA AA during the evaluation period was not inconsistent with the bank's overall CD performance for CD investments, donations, and services. Additionally, the bank did make one \$250,000 loan to a local volunteer fire department for improvements to the fire department facilities. This loan qualifies as a CD loan because it was made in a distressed or underserved middle-income census tract and helps to stabilize a public safety service.

Responsiveness to Community Development Needs

Overall, the bank's responsiveness to the CD needs of the assessment areas through community development loans, qualified investments and donations, and community development services is adequate.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2016 to 12/31/2018) Investment and Service Tests and CD Loans: (01/05/2016 to 12/31/2018)	
Financial Institution	Products Reviewed	
First Federal Savings and Loan Association of Greene County (FFLSA) Waynesburg, PA	Residential Mortgage Loans Community Development Loans, Investments, and Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Pittsburgh, PA MSA AA	Full Scope	Fayette and Washington Counties
Pennsylvania Non-MSA AA	Limited Scope	Greene County

Appendix B: Community Profiles for Full-Scope Areas

Pittsburgh, PA MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Pittsburgh, PA MSA AA 2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	5.3	36.8	45.3	12.6	0.0
Population by Geography	343,077	3.6	33.3	46.1	17.0	0.0
Housing Units by Geography	156,521	3.8	34.4	46.9	14.9	0.0
Owner-Occupied Units by Geography	102,192	1.8	30.3	49.1	18.8	0.0
Occupied Rental Units by Geography	35,544	8.5	43.6	40.2	7.7	0.0
Vacant Units by Geography	18,785	6.1	39.4	47.6	6.9	0.0
Businesses by Geography	20,580	5.6	26.0	40.8	27.6	0.0
Farms by Geography	710	1.1	20.1	59.0	19.7	0.0
Family Distribution by Income Level	89,821	24.5	18.4	21.4	35.7	0.0
Household Distribution by Income Level	137,736	27.3	16.1	17.1	39.5	0.0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$69,624	Median Housing Value			\$126,247
			Median Gross Rent			\$640
			Families Below Poverty Level			9.9%
<i>Source: 2015 ACS Census and 2018 D&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>						

The Pittsburgh, PA MSA AA includes the full counties of Washington and Fayette. FFLSA's physical presence in the Pittsburgh, PA MSA AA consists of four branch offices; two are located in the city of Uniontown and two are located in the city of Washington. The AA consists of 95 CTs, of which there are five low-income CTs, 35 moderate-income CTs, 43 middle-income CTs, and 12 upper-income CTs.

The 2015 ACS US reported the total population of the AA at 343,077. Within the Pennsylvania Non-MSA AA, there are 137,736 households and 89,821 families. There are 156,521 housing units, of which 65.3 percent are owner-occupied, 22.7 percent are rental occupied, and 12.0 percent are vacant. Approximately 1.8 percent of owner-occupied housing is located in low income geographies, 30.3 percent in moderate-income geographies, 49.1 percent in middle-income geographies, and 18.8 percent are in upper-income geographies. The median housing value in the Pittsburgh, PA MSA AA is \$126,247. The median owner-occupied housing value in Washington County is \$158,600, and in Fayette County is \$94,600. The median owner-occupied housing value for homes in Pennsylvania is \$170,500 compared to the national median home sale price of \$193,500.

Median family income in 2017 for the Pittsburgh, PA MSA (entire 38300) and Pennsylvania was \$73,708 and \$63,364, respectively. Fayette County's 2017 median family income was \$52,630, and is below both the Pittsburgh, PA MSA (entire 38300) and Pennsylvania median family income levels. Washington County's 2017 median family income was \$73,360, and is slightly below Pittsburgh, PA MSA (entire 38300) median family income, but above Pennsylvania family median income. The median family income for the Pittsburgh, PA MSA AA (Fayette and Washington Co. only) was \$66,629. Within the Pittsburgh, PA MSA AA, approximately 24.47 percent of families are low-income, 18.35 percent are moderate-income, 21.44 percent are middle-income, and 35.74 percent are upper-income. Households below the poverty level were 14.00 percent of total households in the Pittsburgh, PA MSA AA, compared to 12.87 percent in Pennsylvania and 12.30 percent nationally.

Competition for mortgage loans is strong and includes mortgage companies, local commercial and savings banks, and branches of larger regional and nationwide banks. Based on the most recent 2017 Peer Mortgage Data, there were 279 lending institutions within the Pittsburgh, PA MSA AA competing for mortgage originations. FFSLA ranks fifth with a market share of 3.94 percent by number of loans originated, and 3.52 percent by dollar amount. The top five lenders in the AA are PNC Bank, Wells Fargo Bank NA, Quicken Loans, Dollar Bank, and First Federal Savings and Loan Association of Greene County. The top five lenders hold 27.24 percent by number originated and 26.82 percent of total dollar for the Pittsburgh, PA MSA AA market share.

Based on the June 30, 2018 FDIC Summary of Deposit Market Share report, FFSLA's deposit market share within the Pittsburgh, PA MSA AA was 4.93 percent, ranking sixth out of 19 institutions. The bank's primary competitors in the Pittsburgh, PA MSA AA are PNC Bank (18 offices, 25.35 percent market share), Washington Financial Bank (10 offices, 13.88 percent market share), Citizens Bank (10 offices, 10.62 percent), First National Bank of PA (8 offices, 9.33 percent), and KeyBank (8 offices, 6.66 percent). The top five competitors hold 65.84 percent of the total market share.

According to the Bureau of Labor Statistics, the 2017 non-seasonally adjusted unemployment rate for Washington County is 4.0 percent. The non-seasonally adjusted unemployment rate in Fayette County is 5.9 percent. The individual unemployment rate in Fayette County remains elevated compared to the statewide rate of 4.2 percent and the national rate of 3.7 percent.

Per 2018 Moody's Analytics data, the Pittsburgh economy continues to experience improvement. Unemployment rates in Pittsburgh are near historic lows. The healthcare sector remains one of the largest employment sectors and is continuing to expand and fuel job growth. Housing and overall cost of living remain affordable compared to other large northeastern metros. The outlook for homeownership remains optimistic despite an aging population and migration out of the city. However, an unfavorable population age structure, aging infrastructure, and fiscal problems may negatively affect long-term economic growth in Pittsburgh.

During the evaluation period, OCC representatives met with affordable housing organizations operating in the Pittsburgh, PA MSA AA. For this AA, the community contact indicated that affordable housing needs are greater within Fayette County, compared to Washington County. Fayette County has traditionally been challenged for economic development and largely missed out on the Marcellus Shale natural gas boom during the past decade. Affordable housing options are limited, given the presence of large numbers of absentee landlords or dilapidated properties. While economic prospects have improved, they are improved much more slowly than in the neighboring counties, especially Allegheny, which contains the City of Pittsburgh. The county has also been significantly impacted by youth flight

and the opioid epidemic. The unemployment rate has largely declined due to participants leaving the labor force rather than finding employment.

The executive director stated that current economic conditions present opportunities for local financial institutions to provide support to the community. The executive director stated that access to credit is a key issue and financial institutions have opportunities to provide credit repair services. Additionally, credit for new and startup businesses is limited. These small businesses could provide permanent jobs for local workers with increased access to credit. The executive director indicated that many of the local financial institutions are involved in at least some of the community organization's program.

Appendix C: Tables of Performance Data

A separate set of tables is provided for each state. All multistate metropolitan areas 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 as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data is compiled by the FDIC and available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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 MA/assessment area. The table also presents aggregate peer data for the years the data is available.

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
PA NONMSA	392	39,987	37.8	630	0.0	0.0	0.0	0.0	0.0	0.0	94.8	90.1	91.3	5.2	9.9	8.7	0.0	0.0	0.0
PGH MSA	646	79,200	62.2	8,058	1.8	2.0	1.5	30.3	43.2	24.9	49.1	42.3	47.2	18.8	12.5	26.4	0.0	0.0	0.0
Total	1,038	119,187	100.0	8,688	1.6	1.3	1.4	27.5	26.9	23.1	53.3	60.3	50.4	17.6	11.6	25.1	0.0	0.0	0.0

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 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
PA NONMSA	212	23,759	38.6	686	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
PGH MSA	337	40,883	61.4	8,627	0.8	0.3	0.7	36.8	42.1	27.2	47.4	44.5	46.2	15.1	13.1	25.9	0.0	0.0	0.0
Total	549	64,642	100.0	9,313	0.7	0.2	0.7	33.4	25.9	25.2	52.2	65.9	50.1	13.7	8.0	24.0	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-18
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	
PA NONMSA	392	39,987	37.8	630	19.2	3.8	5.4	18.9	12.8	13.7	19.9	18.9	23.0	42.1	62.2	50.0	0.0	2.3	7.9	
PGH MSA	646	79,200	123.0	8,058	24.5	7.7	10.8	18.4	20.9	18.9	21.4	25.9	22.7	35.7	44.7	35.7	0.0	0.8	11.9	
Total	1,038	119,187	100.0	8,688	24.0	6.3	10.4	18.4	17.8	18.5	21.3	23.2	22.7	36.3	51.3	36.7	0.0	1.3	11.6	

*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*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2016
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	
PA NONMSA	212	23,759	38.6	686	22.7	4.7	5.5	18.4	10.4	12.4	18.4	17.5	21.3	40.6	64.2	50.7	0.0	3.3	10.1	
PGH MSA	337	40,883	61.4	8,627	25.5	8.0	9.2	19.1	20.2	18.8	22.6	28.8	22.0	32.8	42.7	36.9	0.0	0.3	13.2	
Total	549	64,642	100.0	9,313	25.2	6.7	8.9	19.0	16.4	18.3	22.2	24.4	21.9	33.5	51.0	37.9	0.0	1.5	12.9	

*Source: 2010 U.S Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*