



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

February 10, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

cfsbank
Charter Number 703866

101 McKean Avenue
Charleroi, PA 15022

Office of the Comptroller of the Currency
Corporate One Office Park, Bldg 2
4075 Monroeville Boulevard, Suite 430
Monroeville, PA 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.....	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review.....	5
State Rating.....	6
State of Pennsylvania.....	6
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 Needs to Improve.

The Lending Test is rated: Needs to Improve.

The Community Development Test is rated: Needs to Improve.

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio was reasonable.
- A substantial majority of the bank's loans were inside the assessment area.
- The bank exhibited a poor geographic distribution of loans during the evaluation period.
- The bank exhibited a poor distribution of loans to individuals of different income levels during the evaluation period.
- The bank exhibited poor responsiveness to community development through community development loans, qualified investments, and community development services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the assessment area (AA), the bank's loan-to-deposit ratio was reasonable.

The bank's quarterly average LTD ratio over the 12 quarters since the previous CRA evaluation (March 31, 2017 through December 31, 2019) is 69.1 percent. The ratio ranged from a low of 63.3 percent at March 31, 2017 to a high of 73.3 percent at December 31, 2019. The bank's average LTD ratio of 69.1 percent is below the average LTD ratio of 70.4 percent of seven financial institutions of similar size that operate within the bank's AA.

Lending in Assessment Area

A substantial majority of the bank's loans were inside its AA.

The bank originated and purchased 94.7 percent of its total loans inside the bank's AAs during the evaluation period. This analysis was performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending in the AA had a neutral impact on our analysis of the geographic distribution of lending by income. The table below illustrates the number and dollar volume of loans the bank originated inside and outside of its AA.

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	577	94.7	32	5.3	609	115,304	93.5	7,999	6.5	123,303

Description of Institution

Cfsbank (“the bank”) is an intrastate federal stock savings institution with ten offices in Pennsylvania. The bank’s headquarters and main office is located in Charleroi, Pennsylvania. The bank is a wholly owned subsidiary of Charleroi Financial MHC (the holding company). The bank has two affiliates, Charleroi Mortgage Corporation and Challenge Incorporated. Both affiliates are wholly owned subsidiaries of the holding company. The bank did not request consideration of the affiliate’s activities when evaluating the bank’s performance. The holding company is also headquartered in Charleroi, PA and financial statements for the holding company are consolidated with the bank’s and the bank’s affiliates. As of the last available consolidated external audit available, September 30, 2018, the total consolidated assets of the holding company were \$494.5 million. There have not been any merger or acquisition activities since the previous evaluation.

The bank operated in one state, Pennsylvania, during the evaluation period and will be evaluated as a single state institution. The bank has identified one assessment area (AA) in Pennsylvania, located in the Pittsburgh Metropolitan Statistical Area (MSA) (38300). The bank’s AA includes the entire counties of Allegheny, Butler, Fayette, Washington, and Westmoreland. The Pittsburgh, PA MSA also includes Armstrong and Beaver County, however, the bank did not include these counties in their AA as the bank does not operate any branches in these counties.

As of December 31, 2019, the bank operated 10 full-service branches within the counties of Butler, Fayette, Washington, and Westmoreland. The main office is headquartered in Washington County, which also contains an additional five branches. Of the remaining four branches, two are located within Westmoreland County, one is located in Butler County, and one is located in Fayette County. Of the ten branches, three are located in moderate-income census tracts, three are located in middle-income census tracts, and four are located in upper-income census tracts. The bank does not operate any branches in low-income census tracts. Since the previous evaluation, the bank opened one new branch located in Washington County. The Southpointe Branch was opened on May 24, 2017 and is located in an upper-income census tract. There have been no branch closings since the previous evaluation. Each of the bank’s branches have drive-through banking facilities. All branches, except the Southpointe Office, are open 9:00 AM to 4:00 PM, Monday through Friday, with each branch having one night open till 6:00 PM. The Washington Office is the only office with Saturday hours, from 9:00 AM to 12:00 PM. The Southpointe Office is open from 10:00 AM to 2:00 PM, Monday through Friday. Each branch has an Automated Teller Machine (ATM) and the bank has no free-standing ATMs outside of the branches.

As of the December 31, 2019 Call Report, total assets were \$480.9 million. Net loans and leases totaled \$294.9 million, securities totaled \$101.3 million, and interest-bearing bank balances totaled \$38.6 million. Net loans and leases comprised 61.3 percent of total assets. The loan portfolio is primarily comprised of residential mortgages, 80.5 percent, and commercial real estate, 10.2 percent. The remaining portion of the portfolio is comprised of construction and development loans (3.1 percent), commercial and industrial loans (2.2 percent), consumer loans (2.4 percent), and home equity loans (1.6

percent). The bank has no multi-family loans. Deposits totaled \$402.1 million and comprise 99.1 percent of the bank's total liabilities. The bank's total Tier 1 Capital was \$74.6 million as of December 31, 2019.

The bank's strategy is to continue to focus loan and deposit growth in the growing markets of the AA. The Mid-Mon Valley market area continues to represent the bank's primary funding source. The bank's strategy does not include increasing the commercial and industrial portfolio or the commercial real estate portfolio. The bank offers a standard variety of consumer banking products including personal checking and savings accounts, money markets, certificates of deposit, and individual retirement accounts. The bank also offers business tiered interest checking accounts.

The bank has no financial or legal restrictions that would impede the bank's ability to help meet the credit needs of the AA. The bank received a "Satisfactory" rating using the Intermediate Small Bank (ISB) procedures as of the last CRA performance evaluation dated April 7, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation is an assessment of cfsbank's ability to meet the credit needs of its assessment areas. We evaluated cfsbank using the Intermediate Small Bank evaluation procedures, which include a Lending Test and Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The Community Development Test evaluates the bank's responsiveness to CD needs of its AAs through qualified lending, investments and donations, and services.

To evaluate performance under the Lending Test, we reviewed home mortgage loans originated between January 1, 2017 and December 31, 2019. The bank's primary loan product over the evaluation period was home mortgage loans. The primary review period was 2017, 2018, and 2019. The bank originated a minimal number of small business, small farm, and consumer loans during the evaluation period. As a result, an analysis of loans for these product types is not meaningful and has been omitted from our review.

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 April 25, 2017 and December 31, 2019. The primary review period was 2017, 2018, and 2019. The products that will be considered are CD loans, investments and donations, and services.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated 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

The bank's overall rating is based entirely on the state rating of Pennsylvania, more specifically, the Pittsburgh, PA MSA AA. The Pittsburgh, PA MSA AA represents the bank's entire AA in terms of HDMA-reportable loans. We placed equal weight on the bank's performances in each year of the evaluation to reach our conclusions.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution 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: Needs to Improve

The Lending Test is rated: Needs to Improve

The Community Development Test is rated: Needs to Improve

The major factors that support this rating include:

- The bank exhibited a poor geographic distribution of loans during the evaluation period.
- The bank exhibited a poor distribution of loans to individuals of different income levels during the evaluation period.
- The bank exhibited poor responsiveness to community development through community development loans, qualified investments, and community development services.
- The bank's level of CD donations and investments was poor.

Description of Institution's Operations in Pennsylvania

Cfsbank operates in one AA, the Pittsburgh, PA MSA, in the State of Pennsylvania as previously mentioned in the Description of the Institution. The Pittsburgh, PA MSA AA includes the entire counties of Allegheny, Butler, Fayette, Washington, and Westmoreland. As of December 31, 2019, the bank operated ten full-service branches within the counties of Butler, Fayette, Washington, and Westmoreland. The main office is headquartered in Washington County, which also contains an additional five branches. Of the remaining four branches, two are located within Westmoreland County, one is located in Butler County, and one is located in Fayette County. Each branch has an Automated Teller Machine (ATM) and the bank has no free-standing ATMs outside of the branches.

The bank primarily operates as a traditional residential mortgage lender. The bank's residential products include mortgage loans for the purchase, refinance, and construction of one to four family households. The bank also offers a range of business lending products. Additionally, the bank offers a standard variety of deposit banking products including personal checking and savings accounts, money markets, certificates of deposit, individual retirement accounts, and business tiered interest checking accounts.

The bank faces significant competition in its AA. According to the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits Report as of June 30, 2019, there were 43 institutions accepting retail deposits in the AA. Cfsbank ranked 20th with approximately 0.28 percent of the market share. As of the report, the bank total deposits were approximately \$408.3 million, which were all within the bank's market. Primary competitors include PNC Bank, N.A. (42.4 percent), BNY Mellon, N.A. (14.1 percent), The Bank of New York Mellon (11.4 percent), and Citizens Bank, N.A. (5.6 percent). Of the remaining competitors, no institutions held more than five percent of the deposit market share.

Cfsbank offers a mortgage program that benefits low- to moderate-income borrowers. The bank's "First Time Home Buyer Program" is available to applicants that meet certain requirements and will result in a 0.125 percent rate reduction on residential mortgages. The program requires the borrower(s) to have not owned a home in the past three years, total income to be less than or equal to 79.99 percent of the HUD median income level for the Pittsburgh, PA MSA, and meet certain debt to income ratios. The bank originated eight mortgages during the evaluation period totaling \$397 thousand. While this program demonstrates efforts on the bank's behalf to increase lending to low- and moderate-income borrowers, we did not give it significant weight due to the low volume of activity.

Pittsburgh, PA MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: CFSB 171819 AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	641	9.2	23.1	42.7	22.6	2.3
Population by Geography	2,121,162	5.4	19.5	46.1	28.4	0.6
Housing Units by Geography	993,981	6.3	21.3	46.4	25.8	0.1
Owner-Occupied Units by Geography	618,562	2.9	16.9	49.2	31.0	0.0
Occupied Rental Units by Geography	274,357	11.6	28.1	41.9	18.1	0.4
Vacant Units by Geography	101,062	13.0	30.2	41.7	14.8	0.3
Businesses by Geography	148,258	5.2	14.9	41.1	37.9	0.9
Farms by Geography	3,495	2.1	13.0	55.7	29.1	0.1
Family Distribution by Income Level	546,799	21.0	17.1	20.4	41.6	0.0
Household Distribution by Income Level	892,919	25.1	15.3	16.9	42.7	0.0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$69,624	Median Housing Value			\$139,751
			Median Gross Rent			\$762
			Families Below Poverty Level			8.5%
<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 bank's AA contained 641 CTs, including: 59 low-income tracts, 148 moderate-income tracts, 274 middle-income tracts, and 145 upper-income tracts. Within the AA, 15 CTs have not been assigned an income level classification as of the 2015 US Census. The 2015 US Census indicates that approximately 38.0 percent of families within the AA are considered low- or moderate-income and 8.5 percent of the households are below the poverty line. The median housing value for the AA was approximately \$140 thousand, with a median family income of approximately \$70 thousand.

The Moody's Analytics Report as of September 2019 notes that the Pittsburgh, PA MSA is in a late expansion period of the business cycle. Pittsburgh's strengths continue to consist of having the top education and research institutions in the area, a skilled labor force, and an overall low cost of living compared to other large areas located in the northeastern portion of the United States. The report noted that Pittsburgh's brief economic revival is running out of steam as net hiring has nearly halted after two years of growth. Led by high-tech and healthcare, the report expects the MSA to catch up to the

Pennsylvania average job growth by mid-2020, however, the city will feel the effects of a potential slowdown in the national economy in 2021. These strengths are offset by an unfavorable age structure, negative net migration, a contracting population, an aging infrastructure, and a below-average share of jobs in new companies. The unemployment rate is only one-tenth of a percentage point above its record low at 3.9 percent as of August 2019. Pittsburgh top employers include UPMC Health System, Highmark Inc., University of Pittsburgh, PNC Financial Services Group Inc., and Wal-Mart Stores Inc.

The analysis also takes into consideration comments provided by two community organizations serving the bank's Pittsburgh, PA MSA assessment area. The organizations are involved in affordable housing, home rehabilitation, and small business development. One organization described the local Pittsburgh economy as a fast-growing technical hub for advanced sciences and medical advances. This organization communicated the need for banking services for small banks and entrepreneurs such as business checking accounts and retirement account services. The other community organization focuses on affordable housing and rehabilitation of homes in LMI communities in the greater Pittsburgh area. This organization contact communicated the need for affordable housing, home rehabilitation loans, innovative products, and financing for customers with past credit issues.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

The bank's performance under the Lending Test in Pennsylvania is rated Needs to Improve.

Based on a full-scope review, the bank's lending performance in the state of Pennsylvania is poor.

Distribution of Loans by Income Level of the Geography

The bank exhibited poor geographic distribution of loans in the state considering the location of low-income census tracts and market competition within the AA. We found no conspicuous gaps or areas of low activity in the bank's lending patterns.

Home Mortgage Loans

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 exhibited a poor geographic distribution of home mortgage loans in the AA.

In the analysis for 2017-19, Table O (Appendix D-2) reflects the percentage of bank loans in the low-income tract(s) is significantly below both the percentage of owner-occupied housing units and the peer aggregate level of lending. The percentage of bank loans in the moderate-income tract(s) was well below the percentage of owner-occupied housing units and below the peer aggregate level of lending.

As part of our analysis, we considered the affordability of housing within the Pittsburgh, PA MSA AA. The median family income of \$69,624 compared favorably to the median housing value of \$139,751, indicating broad affordability within the AA. Low-income households, which have maximum incomes of 50.0 percent of the median household income, or \$34,812, and moderate-income households, which

have a maximum household income of 80.0 percent of the median household income, or \$55,699, would generally find housing affordable as the median home price is 4.0 times the maximum low-income household income and 2.5 times the maximum moderate-income household income. The general affordability of homes within the AA for low- and moderate-income borrowers further underscores the bank's poor performance lending within LMI geographies and to LMI borrowers.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a poor distribution of loans to individuals of different income levels given the demographics of the bank's AA, local economic conditions, the significant competition within the AA for home lending, and the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P (Appendix D-2) 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 bank exhibited a poor distribution of home mortgage loans to individuals of different income levels in the AA.

In the analysis for 2017-2019, Table P reflects that the percentage of bank loans made to low-income borrowers is significantly below both the percentage of low-income families and the percentage of peer aggregate level of lending. The percentage of bank loans made to moderate-income borrowers is well below both the percentage of moderate-income families and the percentage of peer aggregate level of lending.

Based on the most recent 2018 Peer Mortgage Data, there were 564 lending institutions within the Pittsburgh, PA MSA AA competing for mortgage originations.

Responses to Complaints

There were no CRA complaints received by the bank or the agency since the prior examination regarding performance in meeting the credit needs of the bank's established AA.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Pennsylvania is rated Needs to Improve.

Based on a full-scope review, the bank exhibited poor responsiveness to community development 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).

Number and Amount of Community Development Loans

Refer to the Lending Activity tables below for the facts and data used to evaluate the bank's level of community development (CD) lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Pittsburgh AA	2	100%	607	100%

The bank originated two CD loans totaling approximately \$607.3 thousand during the evaluation period. The bank has increased competition in the Pittsburgh, PA MSA. CD loans for the review period were 0.8 percent of the bank's Tier 1 Capital as of 12/31/2019.

The bank's CD loans are as follows:

- A \$440 thousand loan to a fire company to fund bay expansion and to purchase an additional water pumper truck. The fire company provides fire protection for low- and moderate-income communities. The bay expansion will enable the fire company to expand mutual aid services to further stabilize the area.
- An increase to an existing loan of \$167 thousand to a local manufacturing company, located in a moderate-income census tract, to increase in-house manufacturing.

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)
Pittsburgh AA	1	248	3	109	4	100.0	357	100.0	1	6
Total	1	248	3	109	4	100.0	357	100.0	1	6

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

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

The bank's level of CD donations and investments needs to improve, considering the bank's capacity, local market competition, and the availability of CD opportunities. Qualified investments totaled approximately \$357 thousand. Qualified investments for the review period were 0.5 percent of the bank's Tier 1 Capital as of 12/31/2019.

The highlights of the bank's qualified investments are as follows:

- Approximately \$248 thousand investment to a local water municipality for improvements to water processing for a water system that serves a predominately LMI communities.
- A \$75 thousand investment to a national government fund that provides funding to rural and farming communities. The \$75 thousand has been invested in the state.
- A donation of approximately \$23 thousand in premium interest paid on lawyer trust accounts. These funds are used for the provision of civil legal services to indigent people. Additionally, there was approximately \$1 thousand in waived service and other miscellaneous fees on these

accounts. By waiving these fees, the bank increases the amount that is donated for the provision of civil legal services to indigent people.

- A \$10 thousand donation to a community organization that assists low- to moderate- income individuals purchase their first home, establish an individual's first banking relationship, or start/expand a small business.

Extent to Which the Bank Provides Community Development Services

The bank has provided an adequate level of CD services throughout its AA. The bank's delivery systems in their AA are accessible to geographies and individuals of different income levels throughout the region. The bank has ten full-service branches within their AA, three of which are located in moderate-income CTs. Six members of the bank's management team lent their knowledge and experience as professional bankers to eight different organizations that promote community service, economic development, community stabilization, or revitalization of local communities within the bank's AA. In addition, the bank sponsors a "Financial Literacy Team" composed of bank employees who provide financial seminars and presentations about banking services to low- or moderate-income individuals. These seminars and presentations are conducted within the branch network and at community rooms within the AA.

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 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”.

Time Period Reviewed:	January 1, 2017 – December 31, 2019	
Bank Products Reviewed:	Home mortgage loans Community development loans, qualified investments, community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State(s)		
Pennsylvania		
Pittsburgh, PA MSA AA	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

	RATINGS		cfsbank
Overall Bank:	Lending Test Rating	CD Test Rating	Overall Bank/State/Multistate Rating
cfsbank	Needs to Improve	Needs to Improve	Needs to Improve
MMSA or State:			
Pennsylvania	Needs to Improve	Needs to Improve	Needs to Improve

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 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

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 30th 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																				2017-2019	
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		
CFSB 171819 AA	577	115,304	100.0	64,441	2.9	0.5	1.6	16.9	10.2	13.2	49.2	55.3	46.6	31.0	34.0	38.6	0.0	0.0	0.0		
Total	577	115,304	100.0	64,441	2.9	0.5	1.6	16.9	10.2	13.2	49.2	55.3	46.6	31.0	34.0	38.6	0.0	0.0	0.0		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 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																			2017-2019		
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		
CFSB 171819 AA	577	115,304	164.4	64,441	21.0	3.3	9.2	17.1	10.7	19.5	20.4	17.2	21.6	41.6	58.8	39.4	0.0	10.1	10.4		
Total	577	115,304	164.4	64,441	21.0	3.3	9.2	17.1	10.7	19.5	20.4	17.2	21.6	41.6	58.8	39.4	0.0	10.1	10.4		

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0