



PUBLIC DISCLOSURE

December 4, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

1st National Bank
Charter Number 8709

730 East Main Street
Lebanon, Ohio 45036

Office of the Comptroller of the Currency

Central Ohio Field Office
Westlake Center
4555 Lake Forest Drive, Suite 520
Cincinnati, Ohio 45242-3760

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

Table of Contents

OVERALL CRA RATING	3
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	8
SCOPE OF THE EVALUATION.....	9
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	11
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	12
LENDING TEST	12
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	B-1

Overall CRA Rating

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

- 1st National Bank (1st NB or the bank) makes a majority of their loans inside their assessment area (AA). Nearly 66 percent of the number of home purchase and refinance loans originated during the lending evaluation period were inside the bank's AA.
- 1st NB's loan-to-deposit (LTD) ratio is reasonable when compared to similarly-situated financial institutions.
- Lending to borrowers of different income levels reflects reasonable penetration.

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 metropolitan area/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 (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; 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 the U.S. Department of Housing and Urban Development 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 metropolitan area/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 (MSA): 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 evaluation. 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 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.

Description of Institution

1st NB is an independent financial institution with its main office located in Lebanon, Ohio. As of September 30, 2017, 1st NB reported total assets of \$165 million. The bank's branch network consists of ten full-service branches across southwestern Ohio. The bank's three Lebanon branches (Warren County) consist of a full-service banking center (main office), an annex to the main branch that serves as the corporate headquarters and operations center, and an in-store branch at the Lebanon Walmart. 1st NB operates two additional in-store branches, one in the West Chester Walmart (Butler County) and one in the Eastgate Walmart (Clermont County). There is one full-service banking center located in northern Cincinnati on Fields-Ertel Road (Hamilton County). The remaining four branches are full-service banking centers in the communities of Morrow, Franklin, Maineville, and Mason (all in Warren County). The Mason branch includes office facilities for 1st NB's mortgage lending operation; however, mortgage lenders travel to all branches to meet with applicants. All branches have ATMs except the annex in Lebanon. There is one stand-alone ATM located at the Warren County Probate & Juvenile Court. All offices have drive-thru facilities except the annex and Walmart locations. As of 2016, two branches are located in moderate-income CTs, three in middle-income, and five in upper-income tracts. In 2017, two offices in Lebanon (annex and Walmart) moved from upper-income tracts to middle-income tracts. In July 2013, 1st NB closed one full-service branch located on Cincinnati-Columbus Road in West Chester, Ohio (Butler County). The bank has not opened any new offices since the previous CRA evaluation.

1st NB has designated one AA, which is located in Cincinnati, OH-KY-IN MSA 17140 (Cincinnati MSA AA). The AA consists of CTs in eastern Butler County, western Clermont County, northeastern Hamilton County, and all of Warren County. The entire AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude any low- or moderate-income areas. In the AA, 4.07 percent of the CTs are low-income, 15.45 percent are moderate-income, 37.40 percent are middle-income, 42.27 percent are upper-income, and 0.81 percent are not applicable (one CT). Refer to Appendix B: Community Profiles for Full-Scope Areas for specific details regarding the AA.

The bank offers a variety of standard lending and deposit products and services through their full service banking offices to accommodate the customers in their AA. 1st NB offers Federal Housing Administration (FHA), U.S. Department of Veteran's Affairs (VA), and Rural Housing Service (RHS) loans to eligible applicants. Since 2010, the bank significantly increased its strategic focus to mortgage banking. 1st NB's primary business focus is lending to individuals (home purchase and refinance residential real estate loans). During the lending evaluation period, 1st NB originated over \$383 million in mortgage loans. As September 30, 2017, the bank has a mortgage servicing portfolio of over \$418 million.

As of September 30, 2017, 1st NB reported Tier 1 Capital of \$14.2 million, or 8.63 percent of total assets. For the same time period, the bank's net loan portfolio totaled

\$114.8 million, representing 69.74 percent of total assets. During the lending evaluation period (2014 - 2016), the loan mix based on dollar volume of loans originated and/or purchased consisted of 89 percent in residential real estate loans, 11 percent in commercial/commercial real estate loans (business loans), and less than one percent in consumer loans. As of the 2015 Peer Mortgage Data (2010 U.S. Census Data), the bank has a 1.55 percent lending market share based on number of loans and is ranked fourteenth out of 372 financial institutions.

Competition in the AA is strong with state and national banks, credit unions, savings and loans, and branches of larger financial institutions. Larger financial institutions with significant activity in the area include Fifth Third Bank, US Bank, PNC Bank, Huntington National Bank, and LCNB National Bank. As of June 30, 2017, 1st NB had approximately a 0.13 percent deposit market share in their AA and ranked twentieth out of 47 financial institutions. The source of the deposit market share information is the June 30, 2017, Deposit Market Share Report from the Federal Deposit Insurance Corporation (FDIC).

There are no financial or legal impediments that affect the bank's ability to help meet the credit needs of its community. 1st NB received a "Satisfactory" rating during the last CRA Public Evaluation dated October 22, 2012.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We conducted a full-scope CRA evaluation to assess the bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas. We used small bank CRA evaluation procedures to assess the bank's performance under the Lending Test. The Lending Test includes loans originated or purchased from January 1, 2014 through December 31, 2016 (lending evaluation period). Residential real estate loans (home purchase and refinance) are the bank's primary lending products and were evaluated under the Lending Test. Home improvement loans are not a primary product; the bank only originated one home improvement loan during the lending evaluation period. We used the 2010 U.S. Census data to analyze performance for the Lending Test.

Data Integrity

We completed a data integrity examination of the bank's home mortgage loans, as reported in the 2014, 2015, and 2016 HMDA Loan Applications Registers to determine the accuracy of the data. We found the data was accurate and reliable.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's only AA, the Cincinnati MSA AA as described within the Description of the Institution and Appendix B: Community Profiles for Full-Scope Areas of this report.

Ratings

The bank's overall rating is based on the review of the Cincinnati MSA AA.

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

1st NB's lending performance is satisfactory.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the bank's size, financial condition, and AA credit needs. 1st NB has an average LTD ratio of 79.86 percent over the 20 quarters (December 31, 2012 to September 30, 2017) since the prior CRA evaluation. The bank's quarterly LTD ratio ranged from a low of 69.22 percent at December 31, 2015, to a high of 85.12 percent at September 30, 2014. The average LTD ratio for similarly situated banks in Butler, Clermont, Hamilton, and Warren counties (20 financial institutions) was 97.79 percent for the same time period, ranging from 56.53 percent to 124.13 percent. We removed one outlier which averaged 14.66 percent during the time period.

Lending in Assessment Area

1st NB's record of lending within its AA reflects a majority of their primary loan products inside their AA, which supports satisfactory performance. As outlined in the Description of the Institution above, the bank's primary lending product is residential real estate loans (home purchase and refinance). During the lending evaluation period, the bank originated 65.88 percent of the number of loans and 69.91 percent of the dollar amount of loans inside its AA. Table 1 details the bank's lending activity within the AA and demonstrates that a majority of the lending is inside the AA.

Table 1 - Lending in Cincinnati MSA AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchases	658	61.50	412	38.50	1,070	140,074	65.96	72,283	34.04	212,357
Home Refinances	574	71.75	226	28.25	800	145,728	74.17	50,747	25.83	196,475
Totals	1,232	65.88	638	34.12	1,870	285,802	69.91	123,030	30.09	408,832

Source: HMDA loans originated and/or purchased from January 1, 2014 through December 31, 2016.

Lending to Borrowers of Different Incomes

Lending to borrowers of different income levels reflects reasonable penetration. Competition in the AA remains strong with 1st NB having the 14th largest market share at

1.55 percent. Refer to Table 2 for the distribution of residential real estate loans among borrowers of different income levels.

Our analysis of the distribution of residential real estate loans shows an overall reasonable penetration among borrowers of different income levels, including moderate-income borrowers. Of the bank’s residential real estate loan originations and/or purchases during the lending evaluation period, 53 percent were home purchases and 47 percent were home refinance loans. In total, the bank originated/purchased 29 loans to low-income borrowers (2.36 percent) and 135 loans to moderate-income borrowers (10.97 percent) during the lending evaluation period. As noted in Table 2, the bank’s lending to moderate-income borrowers for home purchases was reasonable, with the ratio just slightly below the percentage of AA families. However, the bank’s lending to low-income borrowers for home purchase and refinance loans was significantly lower than the percentage of AA families. We note that the 5.58 percent poverty rate limits lending opportunities, as residents of limited income may encounter difficulty meeting credit underwriting standards. Additionally 21.67 percent of the total housing units in the AA are occupied rental units. We also considered the median price of housing in the AA (\$194,986) relative to the maximum income of borrowers in the low- and moderate-income category, which demonstrates a significant barrier to homeownership. Refer to Appendix B for more details.

The bank offers FHA, VA, and RHS loans to eligible borrowers, including low- and moderate-income borrowers. The bank uses FHA loans as their first-time homebuyer program. During the lending evaluation period, the bank originated 226 FHA, VA, and/or RHS loans, with 129 of them inside the AA and 97 outside the AA. This represents 21 percent of the total home purchase loan originations during the lending evaluation period. Many of these loans were to low- and moderate-income individuals; because 43 percent of these loans were to borrowers outside the AA, they are not reflected in the table below. The bank also offers Welcome Home grants through the Federal Home Loan Bank (FHLB) to assist eligible borrowers with their down payment and closing costs. During the lending evaluation period, the bank originated 35 loans with Welcome Home grants. These loan product and program offerings reflect a commitment to assisting low- and moderate-income borrowers with financing their homes.

Table 2 - Borrower Distribution of Residential Real Estate Loans in the Cincinnati MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	15.06	3.65	14.71	14.59	20.19	23.71	50.04	58.05
Home Refinances	15.06	0.88	14.71	6.83	20.19	15.06	50.04	77.23

Source: Data reported under HMDA for years 2014, 2015, and 2016; 2010 U.S. Census data. The above numbers are as a percentage of loans with borrower income information available.

Geographic Distribution of Loans

The geographic distribution of loans reflects poor dispersion throughout the AA. Competition for loans in the AA is strong. There are five low-income CTs and 19 moderate-income CTs in the AA. The bank has two branches in moderate-income tracts, with the majority of the low- and moderate-income CTs in Butler County.

The geographic distribution of both home purchase and refinance loans reflects a poor dispersion throughout the AA. The bank's percentages of home purchases and refinances is significantly below the percentage of owner occupied housing levels in both low- and moderate-income tracts. In total for both home purchases and refinances, the bank originated two loans in low-income CTs (0.16 percent) and 24 loans in moderate-income CTs (1.95 percent) during the lending evaluation period. Although there are minimal opportunities to lend in low-income CTs as only one percent of owner occupied housing is in these tracts, there are a total of 17,504 owner occupied housing units in the low-and moderate-income CTs in the AA. Refer to Table 3 for the geographic distribution of residential real estate loans in the AA.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	1.00	0.30	8.96	2.58	37.66	28.27	52.38	68.85
Home Refinances	1.00	0.00	8.96	1.22	37.66	21.47	52.38	77.31

Source: Data reported under HMDA for years 2014, 2015, and 2016; 2010 U.S. Census data.

Responses to Complaints

1st NB has not received any complaints about its performance in helping to meet the AA credit needs during this evaluation period.

Appendix A: Scope of Evaluation

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 evaluation 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): 01/01/2014 to 12/31/2016 Investment and Service Tests and CD Loans: Not Applicable (N/A)	
Financial Institution		Products Reviewed
1 st National Bank (1 st NB) Lebanon, Ohio		Residential real estate loans (home purchase and refinance)
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Cincinnati, OH-KY-IN MSA 17140 (Cincinnati MSA AA)	Full-scope	

Appendix B: Community Profiles for Full-Scope Areas

Cincinnati, OH-KY-IN MSA 17140

Demographic Information for Full-Scope Area: Cincinnati, OH-KY-IN MSA 17140						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts/BNAs)	123	4.07%	15.45%	37.40%	42.27%	0.81%
Population by Geography	628,890	1.86%	10.78%	36.66%	50.00%	0.70%
Owner-Occupied Housing by Geography	175,677	1.00%	8.96%	37.66%	52.38%	0.00%
Businesses by Geography	39,919	1.11%	9.17%	34.89%	54.82%	0.01%
Farms by Geography	1,115	0.72%	8.25%	43.68%	47.35%	0.00%
Family Distribution by Income Level	167,965	15.06%	14.71%	20.19%	50.04%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	50,006	4.03%	20.94%	45.54%	29.47%	0.02%
Median Family Income FFIEC Adjusted Median Family Income for 2016	= \$67,016 = \$68,800	Median Housing Value		= \$194,986		
Households Below the Poverty Level	= 7.27%	Unemployment Rate (2010 US Census)		= 3.26%		

(*) The N/A category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census and 2016 FFIEC updated MFI.

1st NB has designated one AA located in the Cincinnati, OH-KY-IN MSA 17140 (Cincinnati MSA AA). During the lending evaluation period, the AA consisted of a total of 123 CTs, with 41 CTs in eastern Butler County, 27 CTs in western Clermont County, 22 CTs in northeastern Hamilton County, and all of Warren County (33 CTs). In 2017, the bank revised their AA by expanding Hamilton County to include the eastern half of the county and adding several CTs in Butler County. Bank management selected this AA based on the bank's targeted lending territory and branch locations. The bank is headquartered in Lebanon, Ohio, in Warren County.

Since the previous evaluation, the local economic conditions of the AA have improved and are stable, with unemployment rates (not seasonally adjusted) in each county equal to or lower than the state (4.7 percent) and national (4.1 percent) levels, according to the Ohio Department of Job and Family Services – Bureau of Labor Market Information as of September 2017. The unemployment rates for each county as of September 2017 are as follows: 4.1 percent in Butler, 4.0 percent in Clermont, 4.1 percent in Hamilton, and 3.9 percent in Warren County. Southwest Ohio's job market is growing and is in line with the U.S. job market.

The AA has a diverse employer base across many industries, including manufacturing and service industries. Major employers in the Cincinnati MSA AA include Procter & Gamble, AK Steel, GE Aviation, Macy's Inc./Macy's Credit and Customer Service, Wellpoint, Luxottica, Atrium Medical Center, Cintas Corporation, Total Quality Logistics, and Cincinnati Premium Outlets.

The median housing value in the Cincinnati MSA AA was \$194,986. Based on the 2016 median family income of \$68,800, low-income families make less than \$34,400 and moderate-income families make less than \$55,040. Overall median housing values are approximately 3.5 to 5.7 times the annual income of low- and moderate-income families in the AA, thus a homeownership affordability issue exists for low- and moderate-income families. The housing costs relative to income have a limiting effect on mortgage demand among low- and moderate-income families.

We also note that the percent of families who reside in low- and moderate-income geographies is higher than the percent of owner-occupied housing units in those geographies. For instance, 4.03 percent of families resided in low-income geographies while only 1.00 percent of owner-occupied housing units are located in those geographies. 20.94 percent of families resided in moderate-income geographies while only 8.96 percent of owner-occupied housing units are located in those geographies.

Overall, opportunities for home mortgage lending in low- and moderate-income geographies and to low- and moderate-income families are limited due to: median values of existing homes relative to the income of low- and moderate-income families; a limited inventory of owner-occupied units; and poverty rates.

Community contacts indicated that credit needs include affordable loan products for home repair and rehabilitation. In addition, credit education is also a need in the AA. According to the contacts, local financial institutions are adequately meeting the credit and community development needs of the community.