



PUBLIC DISCLOSURE

August 25, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Savings & Loan Association of Lorain
Charter Number 704171

3721 Oberlin Avenue
Lorain, OH 44053-2761

Office of the Comptroller of the Currency
Northern Ohio Field Office
200 Public Square, Suite 1610
Cleveland, OH 44114-2301

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, nor should it 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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the institution's rating:

- The bank's loan-to-deposit ratio is reasonable given its size and financial condition, and the credit needs of its community.
- The bank originates a substantial majority of its loans inside its assessment areas.
- The bank's distribution of residential mortgage loans to borrowers of different income levels is reasonable.
- The bank's geographic distribution of loans to areas of different income levels is reasonable.
- The bank is responsiveness in meeting the community development loan, investment, and services needs of its assessment areas is adequate.

Scope of Examination

We evaluated First Federal Savings and Loan Association of Lorain (First Federal) using full-scope Intermediate Small Bank Community Reinvestment Act (CRA) procedures. The procedures are used to evaluate the bank under two tests: the Lending Test (evaluating whether the credit needs of its community are being met) and the Community Development Test (evaluating the bank's responsiveness to community development needs within its assessment area). The evaluation period was from May 31, 2011 (the date of the bank's last performance evaluation), to August 25, 2014.

The evaluation period for lending performance was January 1, 2012, through December 31, 2013. First Federal is subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA). Since residential mortgage loans are the bank's primary loan product, our analysis included all HMDA-reportable residential mortgage loans originated within the bank's assessment areas (AAs) during the evaluation period. The evaluation period for community development activities was May 31, 2011, through August 25, 2014. First Federal had three AAs for review during this performance evaluation. Refer to ***Description of Assessment Areas*** for additional information regarding the AAs.

We utilized other supporting information while evaluating the bank's CRA performance. This information included 2010 United States (U.S.) Census data, bank records, deposit market share data, and information from governmental websites regarding the characteristics and economies of the bank's AAs. First Federal is part of a national peer group of thrift institutions with total assets between \$250 million and \$500 million. This peer group is used in assessing the adequacy of the bank's loan-to-deposit ratio in relation to similarly situated financial institutions. We also considered information obtained from members of the community, other institution's performance evaluations, and bank management.

Description of Institution

First Federal is a federally chartered mutual institution headquartered in Lorain, Ohio that operates seven retail offices in Lorain, Erie, and Ottawa Counties. All seven offices are full-service facilities with drive-up teller service and automated teller machines (ATMs). The bank did not open or close any office during the evaluation period. First Federal also operates Lake Erie Financial Services, an affiliate that owns property that is leased to a unrelated third-party business.

First Federal operates as a traditional savings association, with a loan portfolio consisting of residential mortgage loans secured by one- to four-family dwellings, nonresidential mortgages, and consumer loans. Table 1 shows a summary of the bank's loan portfolio as of December 31, 2013.

Loan Category	Amount (\$000's)	Percentage of Total Loans	Percentage of Total Assets
Residential Mortgage	277,687	98.9	60.4
Nonresidential Mortgage	1,653	0.6	0.4
Commercial Nonmortgage	0	0.0	0.0
Consumer	1,383	0.5	0.3
Total	280,799	100.0	61.1

Source: December 31, 2013 Uniform Bank Performance Report

First Federal offers a full range of deposit products and services including checking, savings, and certificates of deposits for individuals and businesses. Additional services include night deposit, on-line and telephone banking, on-line mortgage applications, wire transfers, and retail non-deposit investment products. The bank's strategic focus during the evaluation period was to grow its residential mortgage loan portfolio. The bank received a Satisfactory rating in its last CRA Performance Evaluation, which was dated May 31, 2011.

Description of Assessment Areas

Lorain AA

The bank’s primary AA consists of Lorain County, which is part of the Cleveland-Elyria-Mentor, Ohio, Metropolitan Statistical Area (MSA). This AA has eight low-income census tracts (CTs) and 18 moderate-income CTs. The AA is located in Northeast Ohio, and Lorain is the principal city in the area. The AA meets the requirements of the regulation. No changes have occurred to the AA since First Federal’s previous performance evaluation.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	10.8	24.3	43.2	20.3	1.4
Population by Geography	301,356	7.3	19.9	41.4	31.4	0.0
Owner-Occupied Housing by Geography	84,955	4.2	16.9	43.8	35.1	0.0
Businesses by Geography	22,477	6.9	17.6	43.1	32.4	0.0
Farms by Geography	813	2.1	7.5	53.9	36.5	0.0
Family Distribution by Income Level	80,230	20.8	18.1	21.8	39.3	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	31,180	13.5	29.9	38.9	17.7	0.0
Median Family Income HUD Adjusted Median Family Income 2013 Households Below the Poverty Level	= \$62,627 = \$63,400 = 12.3%					Median Housing Value = \$147,684 2013 Annual Average Unemployment Rates - Lorain County = 8.1% State of Ohio = 7.4%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, 2013 FFIEC updated MFI, and 2013 U.S. Bureau of Labor Statistics.

Banking competition within the AA is strong. There are 18 insured deposit institutions with a total of 92 offices in the AA. First Federal has approximately a seven percent share of the deposit market, according to June 30, 2013, Federal Deposit Insurance Corporation (FDIC) deposit data.

Based on a 2013 Ohio County Profile for Lorain County, the composition of businesses in this AA is primarily retail trade, transportation and utility industries, manufacturing, education and health services, and local government. Major employers include Ford Motor Company, Emerson Electric/Ridge Tool, Invacare Corporation, Community Health Partners, and Elyria Regional Healthcare System.

The AA has experienced weakened economic conditions and high unemployment due to a significant downturn in manufacturing. The average unemployment rate peaked in 2011 at 9.4 percent, and in 2013 it was still higher than the State of Ohio annual

average unemployment rate of 7.4 percent. According to Moody's Analytics, the recovery and job growth in the AA lagged behind the State of Ohio and the nation due to the lack of growth in the manufacturing sector and lack of hiring in the health care industry.

In assessing the bank's performance, we used OCC and bank information along with reviews of CRA performance evaluations of other area institutions to identify the credit-related needs of the community. We also contacted an official from a social service organization. The contact indicated there is a continuous need for services related to foreclosure avoidance, financial education, and loan modification assistance to low- and moderate-income individuals and households. Other needs identified in the CRA performance evaluations for other institutions included providing financial support for community organizations through subsidies, and donations to meet general operating funds or low-cost construction financing to expand or renovate their facilities.

Erie AA

The bank's Erie AA consists of Erie County, which is part of the Sandusky, Ohio MSA. This AA has no low-income CTs and six moderate-income CTs. The AA is located in Northcentral Ohio, and Sandusky is the principal city in the area. The AA meets the requirements of the regulation. No changes have occurred to the AA since First Federal's previous performance evaluation.

Table 3 - Demographic Information for the Erie AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	31.6	42.1	21.0	5.3
Population by Geography	77,079	0.0	27.8	49.2	23.0	0.0
Owner-Occupied Housing by Geography	23,206	0.0	22.8	51.8	25.4	0.0
Businesses by Geography	6,848	0.0	24.5	50.2	25.3	0.0
Farms by Geography	330	0.0	8.2	58.5	33.3	0.0
Family Distribution by Income Level	21,379	18.9	20.5	20.7	39.9	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,415	0.0	37.3	45.8	16.9	0.0
Median Family Income = \$61,247 HUD Adjusted Median Family Income 2013 = \$56,700 Households Below the Poverty Level = 12.3%						Median Housing Value = \$138,119 2013 Annual Average Unemployment Rates - Erie County = 7.5% State of Ohio = 7.4%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, 2013 FFIEC updated MFI, and 2013 U.S. Bureau of Labor Statistics.

Banking competition within the AA is strong. There are 11 insured deposit institutions with a total of 26 offices in the AA. First Federal has approximately a seven percent share of the deposit market according to June 30, 2013, FDIC deposit data.

Based on a 2013 Erie Ohio County Profile, the composition of businesses in this AA is primarily the leisure and hospitality industry, retail trade, transportation and utilities, manufacturing, education and health services, and local government. Major employers include Cedar Fair/Cedar Point, Erie County Government, Firelands Regional Medical Center, Ford Motor Company, and Freudenberg NOK.

According to Moody's Analytics, hiring in the manufacturing industry has been slow but steady. Job growth has been concentrated in low-paying industries. A high proportion of low-skilled workers deters faster-growing industries from locating in the AA. The area has a history of out-migration, and the population is shrinking as skilled workers leave for better job opportunities.

Unemployment levels were high during the evaluation period, and generally exceeded State of Ohio levels. The average unemployment rate peaked in 2011 at 11.2 percent. In 2013, it was comparable to the State of Ohio annual average unemployment rate of 7.4 percent.

In assessing the bank's performance, we used OCC and bank information along with reviews of CRA performance evaluations of other area institutions to identify the credit-related needs of the community. We also contacted an official from an affordable housing organization. The contact indicated that there is a continued need for services related to foreclosure avoidance and financial education, donations to affordable housing organizations for equipment upgrades, home construction materials, working capital to manage the cash flow requirements between projects, and ongoing operating expenses. Other needs included the need for low- and moderate-income housing in Erie County.

Ottawa AA

The bank's Ottawa AA consists of Ottawa County, which is part of the Toledo, Ohio MSA. This AA does not have any low- or moderate-income CTs. The AA is located in Northcentral Ohio, and Port Clinton is the principal city in the area. The AA meets the requirements of the regulation. No changes have occurred to the AA since First Federal's previous performance evaluation.

Table 4 - Demographic Information for the Ottawa AA					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	13	0.0	0.0	53.8	46.2
Population by Geography	41,428	0.0	0.0	54.8	45.2
Owner-Occupied Housing by Geography	14,726	0.0	0.0	56.3	43.7
Businesses by Geography	3,954	0.0	0.0	62.1	37.9
Farms by Geography	284	0.0	0.0	48.9	51.1
Family Distribution by Income Level	12,423	16.1	16.8	22.3	44.8
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,086	0.0	0.0	67.6	32.4
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below the Poverty Level	= \$66,407 = \$57,100 = 8.9%	Median Housing Value = \$165,825 2013 Annual Average Unemployment Rates - Ottawa County = 7.4% State of Ohio = 7.4%			

Source: 2010 U.S. Census, 2013 FFIEC updated MFI, and 2013 U.S. Bureau of Labor Statistics.

Banking competition within the AA is strong. There are 12 insured deposit institutions with a total of 23 offices in the AA. First Federal has approximately a four percent share of the deposit market according to June 30, 2013, FDIC deposit data.

Based on a 2013 Ottawa Ohio County Profile, the composition of businesses in this AA is primarily retail trade, transportation and utilities, leisure and hospitality, manufacturing, and local government. Major employers include Davis Besse Nuclear Power Station, Materion Brush Inc., H.B. Magruder Hospital, United States Gypsum Company, and Fenner Dunlop.

Local economic conditions for the assessment area weakened during the evaluation period, but are showing signs of economic recovery. A previously high level of foreclosures due to unemployment and a decline in home values is beginning to improve. Unemployment levels were also high during the evaluation period, and exceeded State of Ohio levels. The average unemployment rate peaked at 18.3 percent in 2011, but was comparable to the State of Ohio annual average unemployment rate of 7.4 percent in 2013.

In assessing the bank’s performance, we used OCC and bank information to identify the credit-relate needs of the community. We also contacted an official from an affordable housing organization. The contact indicated that non-profit organizations have struggled to maintain funding for operations due to a reduction of grant money received from state and federal programs. In-kind assistance opportunities include helping non-profit organizations with financial statement analysis and budgeting.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's record of lending in its AAs meets the standard for satisfactory performance. While our conclusions are based on all residential loans originated by the bank within its AAs, our analysis focused on the bank's performance in the Lorain AA because this AA had the largest volume of loans and deposits during the evaluation period.

Loan-to-Deposit Ratio

First Federal's loan-to-deposit ratio is reasonable given the bank's size and financial condition, and the credit needs of its AAs. The bank's average quarterly loan-to-deposit ratio from the date of its last performance evaluation through December 31, 2013, was 83.9 percent. This figure is comparable to the 83.3 percent average ratio during the same period for the 13 banks in the State of Ohio that are in First Federal's peer group.

Lending in Assessment Area

First Federal's record of lending inside vs. outside its AAs is outstanding, and exceeds the standard for satisfactory performance. A substantial majority of First Federal's lending activity has occurred inside the bank's AAs. Table 5 shows that approximately 93 percent of the number of loans, and 92 percent of the dollar amount of loans, that the bank originated during the evaluation period were located within the it's AAs.

Table 5 – HMDA reportable loans originated inside vs. outside First Federal AAs.		
	% of # of Loans	% of \$ Volume
Inside the AAs	92.6%	92.3%
Outside the AAs	7.4%	7.7%
Total # and \$ (000s)	475	\$59,623

Source: 2012-2013 HMDA Data.

Lending to Borrowers of Different Incomes

First Federal's record of lending within its AAs reflects a reasonable distribution of loans to borrowers of different incomes. We based this conclusion on an analysis of the bank's residential mortgage loans originated within its AAs during the evaluation period. For comparative purposes, we considered aggregate lending data and the percentage of families in each income category in each AA. Aggregate data reflects the distribution of HMDA-reportable loans for all institutions during 2012, the most recent data available.

Lorain AA

The bank’s distribution of residential mortgage loans to borrowers of different incomes in the Lorain AA is excellent. Table 6 shows the distribution of the 309 loans (totaling \$40 million) that First Federal originated in the AA during the evaluation period.

Table 6 - Distribution of Loans in the Lorain AA By Borrower Income Level				
Borrower Income Category	First Federal Loans		Demographic/Aggregate Data	
	# of Loans	\$ Volume of Loans	AA Family Distribution	Aggregate # of Loans
Low	8.4%	3.4%	20.8%	7.1%
Moderate	17.5%	11.3%	18.1%	17.0%
Middle	26.2%	22.1%	21.8%	22.4%
Upper	42.4%	58.0%	39.3%	39.6%
NA	5.5%	5.2%	0.0%	13.9%
Total # and \$	309	\$35,980	80,230	100%

Source: 2012-2013 HMDA Data; CRA Wiz Reports.

The bank’s percentage of loans to low-income borrowers exceeds the aggregate lender percentage levels to this income category. However, it is lower than the percentage of low-income families residing in the AA. In evaluating the borrower distribution of loans, we considered that 12.3 percent of families in the AA live below the poverty level, and the barriers this may have on home ownership. It is especially difficult for this segment of the low-income population to afford and maintain a home. The bank’s percentage of loans to moderate-income borrowers is comparable to both the aggregate lender percentage, and to the percentage of moderate-income families residing in the AA.

Erie AA

The bank’s distribution of residential mortgage loans to borrowers of different incomes in the Erie AA is poor. Table 7 shows the distribution of the 85 loans (totaling \$11.5 million) that First Federal originated in the AA during the evaluation period.

Table 7 - Distribution of Loans in the Erie AA by Borrower Income Level				
Borrower Income Category	First Federal Loans		Demographic/Aggregate Data	
	# of Loans	\$ Volume of Loans	AA Family Distribution	Aggregate # of Loans
Low	7.1%	2.5%	18.9%	9.2%
Moderate	11.8%	7.7%	20.5%	21.3%
Middle	25.9%	22.2%	20.7%	23.2%
Upper	52.9%	66.3%	39.9%	36.9%
NA	2.3%	1.3%	0.0%	9.4%
Total # and \$	85	\$11,465	21,379	100%

Source: 2012-2013 HMDA Data; CRA Wiz Reports.

The bank’s percentage of loans to low-income borrowers is below the aggregate lender percentage levels to this income category. However, it is lower than the percentage of low-income families residing in the AA. In evaluating the borrower distribution of loans, we considered that 12.3 percent of families in the AA live below the poverty level, and the barriers this may have on home ownership. It is especially difficult for this segment of the low-income population to afford and maintain a home.

The bank’s percentage of loans to moderate-income borrowers is well below both aggregate lender percentage levels to this income category, and the percentage of moderate-income families in the AA. In evaluating the borrower distribution of loans, we considered First Federal’s limited presence and deposit market share within the AA. Significant competition and the bank’s low market share in this AA impact its opportunities to lend.

Ottawa AA

The bank’s distribution of residential mortgage loans to borrowers of different incomes in the Ottawa AA is poor. Table 8 shows the distribution of the 46 loans (totaling \$7.6 million) that First Federal originated in the AA during the evaluation period.

Table 8 - Distribution of Loans in the Ottawa AA by Borrower Income Level				
Borrower Income Category	First Federal Loans		Demographic/Aggregate Data	
	# of Loans	\$ Volume of Loans	AA Family Distribution	Aggregate # of Loans
Low	4.3%	1.8%	16.1%	5.5%
Moderate	10.9%	5.5%	16.8%	15.9%
Middle	19.6%	11.9%	22.3%	18.7%
Upper	63.0%	78.2%	44.8%	51.6%
NA	2.2%	2.6%	0.0%	8.3%
Total # and \$	46	\$7,604	12,423	100%

Source: 2012-2013 HMDA Data; CRA Wiz Reports.

The bank’s percentage of loans to low-income borrowers is below the percentage of low-income families residing in the AA, but comparable to aggregate lender percentage levels to this income category. The percentage of loans to moderate-income borrowers is below both the percentage of moderate-income families residing in the AA, and the aggregate lender percentage levels to this income category. In evaluating the borrower distribution of loans, we considered First Federal’s limited presence and deposit market share within the AA. Significant competition and the bank’s low market share in this AA (due to its single branch in the northeast corner of the AA) impact its opportunities to lend.

Geographic Distribution of Loans

First Federal's record of lending within its AAs reflects a reasonable distribution of loans to geographies of different income levels. We based this conclusion on an analysis of the bank's residential mortgage loans originated within its AAs during the evaluation period, categorized by the location of the properties securing the bank's loans. For comparative purposes, we considered aggregate data and the percentage of owner-occupied housing units in each income category in each AA. Aggregate data reflects the 2012 lending distribution for HMDA-reportable loans, the most recent data available.

Lorain AA

The bank's geographic distribution of loans within the Lorain AA is excellent. Table 9 shows the distribution of HMDA-reportable residential mortgage borrowers in census tracts of different income levels in the AA during the evaluation period. Further analysis also shows that the bank originated loans in a substantial majority of the census tracts in this AA.

Census Tract Income Category	First Federal Loans		Demographic/Aggregate Data	
	# of Loans	\$ Volume of Loans	AA Family Distribution	Aggregate # of Loans
Low	2.6%	0.8%	4.2%	1.4%
Moderate	15.9%	10.2%	16.8%	9.1%
Middle	39.8%	39.5%	43.8%	38.2%
Upper	41.7%	19.1%	35.2%	51.3%
Total # and \$	309	\$35,980	84,955	100%

Source: 2012-2013 HMDA Data; CRA Wiz Reports.

First Federal's percentage of loans in low- and moderate-income census tracts is comparable to the percentage of the AA's owner-occupied housing units in these census tracts, and exceeds the aggregate lender percentage levels in these census tracts.

Erie AA

The bank's geographic distribution of loans within the Erie AA is poor. Table 10 shows the distribution of HMDA-reportable residential mortgage loans to borrowers in census tracts of different income levels in the AA during the evaluation period. As previously noted, there are no low-income census tracts within this AA. The analysis also shows that the bank originated loans in a substantial majority of the census tracts in this AA.

Census Tract Income Category	First Federal Loans		Demographic/Aggregate Data	
	# of Loans	\$ Volume of Loans	AA Family Distribution	Aggregate # of Loans
Low	0.0%	0.0%	0.0%	0.0%
Moderate	3.6%	4.6%	20.4%	13.9%
Middle	48.2%	47.9%	36.1%	54.6%
Upper	48.2%	47.5%	37.6%	31.5%
Total # and \$	85	\$11,465	23,206	100%

Source: 2012-2013 HMDA Data; CRA Wiz Reports.

First Federal’s percentage of loans in moderate-income census tracts is below the percentage of the AA’s owner-occupied housing units in these census tracts, as well as the aggregate lender percentage levels in these census tracts. However, we gave consideration to the fact that all of the AA’s moderate-income census tracts are located in the City of Sandusky, so loans originated by the bank’s office in the City of Huron would not include this segment of the AA. Discussions with management revealed that the bank’s loans originated from its Sandusky office are primarily for second or vacation homes that are not located within the city. Numerous other financial institution have offices that are located within Sandusky and that compete for loans in the moderate-income census tracts.

Ottawa AA

Since the Ottawa AA does not contain any low- or moderate-income census tracts, a geographic distribution analysis of loans within the AA would not be meaningful.

Responses to Complaints

During the evaluation period, First Federal received no known written complaints pertaining to its performance in helping meet the credit needs within its assessment areas.

COMMUNITY DEVELOPMENT TEST

Responsiveness to Community Development Needs

First Federal’s community development performance reflects adequate responsiveness in meeting the community development lending, qualified investment, and service needs of its AAs.

Number and Amount of Community Development Loans

First Federal's community development loan activity reflects excellent responsiveness to community development loan needs.

Lorain AA

The bank originated 44 community development loans during the evaluation period, totaling approximately \$3.8 million. All of the loans provided renovation funds to finance improvements at the time of a home purchase, designed to revitalize and stabilize low- and moderate-income geographies.

Erie AA

The bank originated six community development loans during the evaluation period, totaling \$535,000. All of the loans provided renovation funds to finance improvements at the time of a home purchase, designed to revitalize and stabilize low- and moderate-income geographies.

Ottawa AA

The bank originated one community development loan during the evaluation period, for \$65,000. This loan provided a moderate-income borrower with renovation funds to finance improvements at the time of a home purchase.

Number and Amount of Qualified Investments

First Federal's qualified investment activity reflects adequate responsiveness to community development investment needs.

Lorain AA

The bank made 23 cash donations to 15 community development organizations during the evaluation period, totaling approximately \$16,000. Organizations benefitting from these donations included those involved in economic development, revitalization and stabilization of business districts, and providing community services to low- and moderate-income individuals and households. The bank did not purchase any qualified investments purchases during the evaluation period.

Erie AA

The bank did not make any qualified donations or purchase any qualified investments during the evaluation period.

Ottawa AA

The bank made two qualified donations to one community development organization during the evaluation period, totaling \$100. The organization benefitting from this donation provides community services to low- and moderate-income individuals and households. The bank did not purchase any qualified investments during the evaluation period.

Extent to Which the Bank Provides Community Development Services

First Federal's community development services activity reflects adequate responsiveness to community development service needs.

Lorain AA

The bank's community development services during the evaluation period consist of volunteer and bank-subsidized service efforts on the part of employees and bank management. Fifteen bank employees, including management, provided community development services to fifteen organizations specializing in affordable housing, revitalization and stabilization of downtown businesses, financial education, and community services targeted to low- and moderate-income individuals. Six of the employees serve on boards or committees of these organizations. Two conducted financial education seminars benefitting low- and moderate-income individuals and households, or local realtors.

First Federal sold four bank-owned properties to either a local municipality or a county economic development entity. Buildings on all four properties were subsequently demolished for redevelopment, to assist local revitalization and stabilization efforts in Elyria, Lorain, and Sheffield Lake. The combined sales prices of the four properties were \$69,000 less than their appraised values.

Two of the bank's four offices in this AA (50 percent) are located moderate-income census tracts.

Erie AA

The bank's community development services during the evaluation period consist of volunteer and bank-subsidized service efforts on the part of employees and bank management. Eight bank employees provided community development services to six organizations specializing in affordable housing, financial education, and community services targeted to low- and moderate-income individuals. One employee spoke at a First Time Homebuyer Seminar to discuss mortgage products, credit bureau reports, and the mortgage application process. Two other employees serviced mortgages for the local Habitat for Humanity organization.

One of the bank's two offices in this AA (50 percent) is in a moderate-income census tract.

Ottawa AA

The bank's community development services during the evaluation period consist of volunteer and bank-subsidized service efforts on the part of employees and bank management. Four bank employees, including management, provided community development services to four organizations specializing in economic development, revitalization and stabilization of downtown businesses, and community services targeted to low- and moderate-income individuals. Two of these employees serve on committees that promote revitalization and stabilization of downtown businesses.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.