



PUBLIC DISCLOSURE

August 29, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Home Federal Bank of Tennessee

Charter Number: 703879

515 Market Street
Knoxville, TN 37902-2145

Office of the Comptroller of the Currency

Nashville Field Office
320 Seven Springs Way,
Suite 310
Brentwood, TN 37027

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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The following table indicates the performance level of **Home Federal Bank of Tennessee** (Home Federal or Bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Home Federal Bank of Tennessee Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on the excellent level of community development (CD) lending, the good lending activity and geographic distribution of lending, and a substantial majority of the Bank's loans in the assessments areas (AAs).
- The Investment Test rating is based on the adequate level of investments and adequate responsiveness to community economic development needs.
- The Service Test rating is based on the Bank's branches readily accessible to all customers and performance as a leader in providing CD services.

Lending in Assessment Area

A substantial majority of the bank's loans are in its assessment area(s) (AA).

The bank originated and purchased 79.6 percent of its total loans inside the bank's assessment area(s) (AAs) during the evaluation period. This analysis is 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 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	3167	88.8	401	11.2	3,568	766,622	89.0	94,794	11.0	861,416
Small Business	1,168	62.3	708	37.7	1,876	142,758	95.4	6,921	4.6	149,679
Total	4,335	79.6	1109	20.4	5,444	909,380	89.9	101,715	10.1	1,011,095

Description of Institution

Home Federal Bank of Tennessee (Home Federal or Bank) is an intrastate, mutual savings and loan financial institution headquartered in Knoxville, Tennessee. The Bank does not have a holding company. As of December 31, 2021, Home Federal had total assets of \$2.8 billion and deposits of \$2.3 billion. Home Federal has 23 banking offices, and 24 automated teller machines (ATMs), located in two AAs throughout Tennessee of which one branch, or 4.3 percent, and one ATM, or 4.2 percent, reside in a low-income census tract. Four of the branches and five of the ATMs are located in moderate-income census tracts. A total of five branches or 21.7 percent and six ATMs or 25 percent are located in low-and-moderate-income census tracts. All branches are open Monday through Friday. The hours offered by the Bank are reasonable for the communities where the branches are located. The Bank conducted no merger or acquisition activities during the examination review period.

Of the 176 depository financial institutions operating in the state, Home Federal, with a deposit market share of 1 percent, is the fifteenth largest. The top five financial institutions with the largest deposit holdings are: (1) First Horizon Bank (14.9 percent), (2) Regions Bank (11.5 percent), (3) Pinnacle Bank (9.6 percent), (4) Bank of America, NA (8.9%), and (5) Truist Bank (8.8 percent).

Home Federal's primary business focus is home mortgage and commercial lending. As of December 31, 2021, the Bank's total assets were \$2.8 billion, and gross loans totaled \$1.1 billion or 37.6 percent of total assets. Commercial loans totaled \$472.9 million and represented 44.4 percent of gross loans. Commercial Real Estate loans account for the majority of the commercial loan portfolio at \$282 million and represented 59.6 percent of the commercial loan portfolio. Construction and land development loans totaled \$132.8 million (12.5 percent of gross loans), and consumer loans totaled \$3.3 million (0.31 percent of gross loans).

Tier 1 capital was \$442 million.

Home Federal's CRA performance was last evaluated as of October 9, 2019. Its overall performance was "Outstanding." There are no legal, financial, or other factors that impede Home Federal from meeting the credit needs of the community.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for loans is January 1, 2019, through December 31, 2021. The review period for CD loans, the Investment Test, and the Service Test is from January 1, 2019, through December 31, 2021.

This Performance Evaluation assesses the Bank's performance under the Lending, Investment, and Service Tests. In evaluating the Bank's lending performance, we reviewed one- to four-family mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), and loans to small businesses as reported under the CRA and CD loans. We also evaluated CD investments including donations as well as retail services and CD services.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same 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 section 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.

Home Federal has two AAs in Tennessee comprised of the Knoxville MSA AA and the Sevier County, TN Non-MSA AA. For our full-scope reviews we selected both AA(s). The Knoxville MSA AA is comprised of Knox, Anderson, and Blount counties. The Sevier County, TN Non-MSA AA is comprised of only Sevier County. We selected the full-scope AAs after considering the number of loans originated or purchased loans in each AA, the volume of deposits in each AA, the number of branch offices in each AA, and the length of time branch offices have operated in the respective markets under the Bank's brand. The full-scope AAs represent 100 percent of the Bank's deposits as of June 30, 2021, and 100 percent of the total number of loans. For this review, we did not have any limited scope AAs to review. Refer to Appendix A for additional information.

Ratings

The Bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. Home Federal operates in one state and the state rating is based on performance in all the Bank's AAs with the most weight placed on the Knoxville full-scope AAs. For the geographic and borrower distribution of loans under the Lending Test, one- to four-family mortgage lending received the most weight and then the loans to small businesses were considered. Refer to the "Scope" section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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 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 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 Tennessee

CRA rating for the State of Tennessee¹: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Outstanding

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness to meeting the credit needs of the Bank's AAs, given performance context.
- A good geographic distribution of loans, given performance context and considering the excellent level of lending inside the Bank's AAs.
- A good distribution of loans by the income level of the borrower, given performance context.
- An excellent level of CD loans that are responsive to community credit needs given the Bank's capacity and the opportunities in its AAs. The level of CD loans had a very positive impact on the overall Lending Test conclusion.
- An adequate level of qualified investments, including grants and donations.
- Retail delivery systems, such as the Bank's branches, are readily accessible to LMI geographies.
- The Bank is a leader in providing CD services.

Description of Institution's Operations in Tennessee

Home Federal is operated solely in the state of Tennessee. Of the 176 depository financial institutions operating in the state, Home Federal, with a deposit market share of 1.0 percent, is the fifteenth largest. The top five financial institutions with the largest deposit holdings are: First Horizon Bank with 14.9 percent, Regions Bank with 11.5 percent, Pinnacle Bank with 9.6 percent, Bank of America, NA with 8.9 percent, and Truist Bank with 8.8 percent market share. As of December 31, 2021, the Bank operates 23 financial centers and 24 ATMs in the state.

The following tables depict the demographic information for the two full-scope AAs in Tennessee.

¹ This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Employment, Housing, and Economic Data

Table A – Demographic Information of the Assessment Area						
Assessment Area: Knoxville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	158	6.3	17.1	43.7	29.7	3.2
Population by Geography	644,966	5.0	14.9	48.3	31.0	0.9
Housing Units by Geography	288,630	5.4	16.9	48.5	29.1	0.1
Owner-Occupied Units by Geography	172,682	2.6	10.9	51.6	34.9	0.0
Occupied Rental Units by Geography	87,692	10.7	27.1	42.0	20.2	0.1
Vacant Units by Geography	28,256	6.2	21.8	50.0	21.7	0.3
Businesses by Geography	48,613	4.1	13.8	40.7	40.5	0.9
Farms by Geography	1,237	2.1	11.0	49.6	36.9	0.5
Family Distribution by Income Level	164,123	21.0	15.9	19.4	43.7	0.0
Household Distribution by Income Level	260,374	23.4	15.9	16.2	44.5	0.0
Median Family Income MSA - 28940 Knoxville, TN MSA		\$59,829	Median Housing Value			\$163,667
			Median Gross Rent			\$776
			Families Below Poverty Level			11.2%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Sevier County, TN Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	5.6	66.7	22.2	5.6
Population by Geography	93,617	0.0	3.3	68.7	28.0	0.0
Housing Units by Geography	56,241	0.0	3.0	74.3	22.6	0.0
Owner-Occupied Units by Geography	24,420	0.0	1.1	66.0	33.0	0.0

Occupied Rental Units by Geography	12,297	0.0	5.7	74.6	19.7	0.0
Vacant Units by Geography	19,524	0.0	3.9	84.6	11.5	0.0
Businesses by Geography	8,427	0.0	7.7	73.1	19.1	0.0
Farms by Geography	192	0.0	5.2	68.2	26.6	0.0
Family Distribution by Income Level	25,861	16.7	17.9	20.6	44.7	0.0
Household Distribution by Income Level	36,717	18.7	15.1	18.4	47.8	0.0
Median Family Income Sevier County, TN Non-MSA		\$46,066	Median Housing Value			\$158,024
			Median Gross Rent			\$730
			Families Below Poverty Level			11.2%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Table B – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Knoxville, TN MSA Median Family Income (28940)				
2019 (\$65,000)	<\$32,500	\$32,500 to <\$52,000	\$52,000 to <\$78,000	≥\$78,000
2020 (\$67,200)	<\$33,600	\$33,600 to <\$53,760	\$53,760 to <\$80,640	≥\$80,640
2021 (\$69,100)	<\$34,550	\$34,550 to <\$55,280	\$55,280 to <\$82,920	≥\$82,920
TN NA Median Family Income (99999)				
2019 (\$50,100)	<\$25,050	\$25,050 to <\$40,080	\$40,080 to <\$60,120	≥\$60,120
2020 (\$52,200)	<\$26,100	\$26,100 to <\$41,760	\$41,760 to <\$62,640	≥\$62,640
2021 (\$53,700)	<\$26,850	\$26,850 to <\$42,960	\$42,960 to <\$64,440	≥\$64,440
<i>Source: FFIEC</i>				

Based on information in the above table, Knoxville, TN MSA low-income families earned less than \$34,550 and moderate-income families earned at least \$34,550 and less than \$55,280. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$864 for low-income borrowers and \$1,382 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$879. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Based on information in the above table, the non-MSA low-income families earned less than \$26,850 and moderate-income families earned at least \$26,850 and less than \$42,960. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of \$672 for low-income borrowers and \$1,074 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be \$849. Low-income borrowers would be severely challenged to afford a mortgage loan in this AA.

Knoxville is centrally located within a day's drive of 70 percent of the U.S. markets, supported by a pro-business environment and talented workforce, driven by a diverse economy, mild seasons, and an abundance of natural beauty. The Knoxville area cost of living is 18 percent below the national average and housing costs are 29 percent below the national average. Major employment industries for the area include retail trade, health care and social assistance, and educational services. Major employers in the area include Covenant Health, Knox County Schools, The University of Tennessee – Knoxville, Y-12 National Security Complex, and Wal-Mart Stores, Inc. Knoxville is the hometown of global brands like Pilot Travel Companies and Bush's Beans. Knoxville is adjacent to Oak Ridge facilities and contains a rich talent pipeline. Knoxville has seen the job market increase by 0.9 percent over the last year. The Knoxville, TN MSA AA is comprised of three contiguous counties, Knox, Anderson, and Blount counties.

Sevierville, Tennessee is in the southeastern part of Tennessee and continues to be a major tourist destination. The Great Smoky Mountain National Park is one of the most visited national parks in the United States. The major employers in Sevier County include Dollywood Co./Dollywood Splash Country, Sevier County Schools, and Tanger Five Oaks. The workforce is primarily based on tourism which results in high volume of people traveling to the area for employment during the peak season and then leaving during the off season. The cabin rental industry has also grown over the past several years which has driven up housing prices. In April 2022, the Sevierville, TN median listing home price was \$655,000, trending up 52.3 percent year-over-year. The median listing home price per square foot was \$387. The median home sold price was \$525,000.

According to the Bureau of Labor Statistics, the December 2021 non-seasonally adjusted unemployment rate for the Knoxville MSA AA was 2.6 percent compared to the national unemployment rate of 3.9 percent. The unemployment rate had remained stable until it rose from 3 percent on December 31, 2018, to a high of 13.5 percent in May 2020 due to the COVID-19 pandemic.

According to the Bureau of Labor Statistics, the December 2021 non-seasonally adjusted unemployment rate for the non-MSA AA was 2.6 percent compared to the national unemployment rate of 3.9 percent. The unemployment rate had remained stable until it rose from 2.9 percent on December 31, 2018, to a high of 29.7 percent in April 2020 due to the COVID-19 pandemic.

The Bank is primarily engaged in attracting deposits from the community and using those funds to invest in loans and investment securities. Deposit products include demand deposit accounts (both consumer and commercial), savings accounts, certificates of deposit, and individual retirement accounts (IRAs). In addition, the Bank has a mobile banking application and offers remote deposit capture for consumers. Consumer loan products include one- to four-family mortgage loans, home equity term loans, home equity line of credit loans, automobile loans, and land lot loans. The Bank's one- to four-family mortgage loans include loans insured by the Veterans Administration (VA) and the Federal

Housing Administration (FHA). Commercial loan products include commercial real estate loans, seasonal and short-term credit, working capital lines and term loans, financing for plant and equipment, church and non-profit loans, residential construction and subdivision development loans, and loans to business owners. In addition, the Bank offers trust services for personal trusts, retirement services, employee benefits, and institutional and corporate clients.

The Bank faces significant competition in originating loans and attracting deposits in its AAs. This competition stems from other banks, credit unions, and mortgage-banking companies. Many of the financial services providers operating in the bank's AAs are significantly larger, such as, Truist Bank, First Horizon Bank, and Regions Bank. Other large regional banks operating in the area include Pinnacle Bank and First Bank. There is also a strong credit union presence in the community, ORNL Federal Credit Union (ORNL FCU) has 19 branches in the counties where Home Federal has offices. ORNL FCU offer a wide range of deposit and consumer-oriented loans. In the Knoxville metropolitan statistical area (MSA), Home Federal is the seventh largest financial institution out of 55 FDIC insured financial institutions with branch offices in the same area. Management noted that one of their biggest challenges is the demand for quality loans due to the number of financial institutions in the AAs. These factors were considered when determining Home Federal's CRA performance.

Community Contacts

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, and CRA performance evaluations from other banks operating in the Bank's AAs. We also conducted four community contacts with organizations that provide services in both AAs. This evaluation considers comments provided by two local organizations that serve the Knoxville MSA AA and two organizations that serve the Sevier County, TN Non-MSA AA. The contacts disclosed the relatively same information for each AA. The organizations included one affordable housing organization and three community development organizations.

A review of community contacts indicated the following are identified needs within the community:

- Affordable rental housing
- Affordable for-sale housing

Opportunities for participation by financial institutions include the following:

- Lending and investment in affordable housing
- Working with the area's community development corporation network

Scope of Evaluation in Tennessee

Home Federal has two AAs in Tennessee comprised of the Knoxville MSA AA and the Sevier County, TN Non-MSA AA. For our full-scope reviews we selected both AA(s). The Knoxville MSA AA is comprised of Knox, Anderson, and Blount counties. The Sevier County, TN Non-MSA AA is comprised of only Sevier County. Refer to the table in appendix A for a listing of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TENNESSEE

LENDING TEST

The Bank's performance under the Lending Test in Tennessee is rated Outstanding.

Conclusions for the Knoxville MSA AA and the Sevier County, TN Non-MSA AA Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Knoxville MSA AA and the Sevier County, TN Non-MSA AA is excellent.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
MSA 28940 TN	2,961	1,075	3	109	4,148	88.2	92.4
Non MSA TN	206	60	0	0	266	7.9	7.6

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
MSA 28940 TN	727,964	129,358	317	101,001	958,640	87.0	92.4
Non MSA TN	38,659	21,764	0	0	60,423	8.0	7.6

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

The Bank's level of small farm loans does not provide enough data for a meaningful analysis. The lending test analysis will focus on home mortgage, small business, and community development lending.

Distribution of Loans by Income Level of the Geography

The Bank exhibits a good geographic distribution of loans in its AA(s).

Home Mortgage Loans

Refer to Table O in the state of Tennessee 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.

In 2019-2021, the Bank's Knoxville MSA AA mortgage lending in low-income geographies was within a reasonable range of both the percentage of owner-occupied housing and the aggregate lending in low-income geographies. For moderate-income geographies, the Bank's lending was within a reasonable range of both the percentage of owner-occupied housing units and the aggregate lending in moderate-income geographies.

There is very limited opportunity for mortgage lending in the Sevier County, TN Non-MSA AA. Most residential properties are rental properties or second homes because the area is largely a tourist destination with a high cost of housing. There is also a heavy concentration of commercial properties. The market share reports reflect 324 mortgage lenders serve the area. The Bank ranked 176th. The area is prone to heavy flooding and was declared a disaster area due to flooding in April 2019. Based on the 2015 ACS Census, the geography had 56,241 total housing units of which 12,297, or 21.9 percent, were occupied rental units, 19,524, or 34.7 percent, were vacant, and 24,420, or 43.4 percent, were owner-occupied units. Families below poverty level totaled 11.2 percent. There are no low-income census tracts and only one moderate-income census tract, as a result, the analysis of home mortgage lending in the non-MSA AA is not meaningful.

Small Loans to Businesses

Refer to Table Q in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

In 2019-2021, the Bank's Knoxville MSA AA small business lending in low-income geographies exceeded both the percentage of businesses located in low-income geographies and the aggregate lending to small businesses in low-income geographies. In moderate-income geographies, the Bank's lending was lower than the percentage of small businesses located in moderate-income geographies but exceeded the aggregate lending in moderate-income geographies.

The analysis of small business loans in the Sevier County, TN Non-MSA AA is not meaningful given the limited number of LMI geographies in the AA. The AA has no low-income geographies and only one moderate-income geography.

Lending Gap Analysis

No unexplained conspicuous gaps in lending were identified. We evaluated lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed. We reviewed lending reports detailing the volume of HMDA and small business loans in LMI geographies and identified two geographies where no HMDA or small business loans were reported. Given the limited opportunity to lend in the area based on demographics and the distance from the one remote area to the Bank's nearest branch, the lack of lending is explainable and does not indicate an unwillingness to lend in the area.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Tennessee 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.

In 2019-2021, the Bank's Knoxville MSA AA mortgage lending to low-income borrowers was lower than the percent of families identified as low-income but exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the Bank's mortgage lending was slightly lower than the percent of families identified as moderate-income, but equal to the aggregate lending to moderate-income borrowers

In 2019-2021, the Bank's Sevier County, TN Non-MSA AA mortgage lending to low-income borrowers was lower than the percent of families identified as low-income but exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the Bank's lending was lower than the percent of families identified as moderate-income but exceeded the aggregate lending to moderate-income borrower

Small Loans to Businesses

Refer to Table R in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

In 2019-2021, the Bank's Knoxville MSA AA loans to businesses with revenues less than or equal to \$1 million was lower than the percentage of businesses identified as having revenues less than or equal to \$1 million; but exceeded the aggregate lending to these businesses.

In 2019-2021, the Bank's Sevier County, TN Non-MSA AA small business lending to low-income small business borrowers was lower than the percent of businesses with revenues less than or equal to \$1 million: but exceeded the aggregate lending to these borrowers.

Community Development Lending (CD)

The institution is a leader in making CD loans.

The Lending Activity Tables, shown on page 12, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The Bank granted 109 community development loans totaling \$101.03 million during the review period, excluding PPP lending. More weight was given to the Knoxville MSA AA because the AA makes up approximately 92.4 percent of the Bank's deposit base as of December 31, 2021.

Knoxville MSA AA

The level of CD lending in Knoxville MSA AA had a significantly positive impact on the overall conclusion. The level of lending reflects the Bank's responsiveness to the CD needs of the AA.

The Bank granted 109 community development loans totaling \$101.0 million in the Knoxville MSA AA during the evaluation period. This represented 22.6 percent of the Bank's Tier 1 capital. These loans were to organizations that provide affordable housing to LMI individuals, organizations that provide services to LMI individuals, and promoted revitalization/stabilization in the AA. The following are examples of CD loans granted by the Bank.

- A \$27.5 million loan to provide funds for a 124-unit low-income apartment complex,
- A \$14.5 million loan to provide funds for phase four construction of an 82-unit affordable housing development,
- A \$6.8 million loan to provide funds for a 48-unit residential complex for formerly unhoused individuals,
- A \$4.3 million loan to provide funds for the rehabilitation of a 236-unit low-income elderly residential development, and
- Two loans totaling \$2.0 million to provide funds to purchase and renovate 40 transitional units for unhoused and addicted men.

Sevier County, TN Non-MSA AA

Home Federal did not originate any CD loans specifically located within the Sevier County, TN Non-MSA AA. Performance in the AA has a neutral impact on the overall conclusion. Opportunities for CD lending participation are limited in this AA because it is largely rural, and it has grown in popularity as a tourist destination due to its proximity to the Great Smoky Mountains National Park. Because the primary industry in Sevier County is tourism, commercial developments dominate the real estate market, limiting the opportunities for CD projects, particularly affordable housing projects.

Product Innovation and Flexibility

The Bank makes extensive use of innovative and/or flexible lending practices to serve AA credit needs. The Bank also provides flexible banking services to its' AA clients.

Flexible Banking Services

Home Federal is an active participant in the "Bank on East Tennessee" initiative, a partnership of local banks, government, and community organizations with a mission to connect individuals with little or no bank experience with safe, affordable banking options. Through this partnership, Home Federal offers "second chance" accounts for customers who have completed a basic financial literacy class. These classes are offered by the Knoxville Area Urban League, HomeSource East Tennessee, the Knoxville Leadership Foundation, and Operation Hope.

Additionally, participants in the Knox Area Rescue Mission's (KARM) Berea Program are also eligible for Bank On accounts upon completion of a financial literacy workshop administered by KARM staff. Bank On accounts are offered to individuals with clear or negative ChexSystems records. Bank personnel have brochures available on the Bank On program to share with individuals who have negative ChexSystems records. After the individual has completed the necessary financial education, they are eligible to open a Bank On account at a Home Federal branch in Knox County.

The Bank offers several low-fee checking and savings accounts with no or low below-balance fees, low maintenance fees, low statement fees and no transaction limits. In a recent fee cost comparison completed by the Bank, the Bank's maintenance and account related fees were well below competitor banks in the market.

Flexible Lending Options

The Bank offers several flexible lending options via both bank programs and through working with various partners. Details regarding each of these options is noted below.

The Bank's Affordable Home Improvement Loan program offers fixed-rate loans ranging from \$500 to \$5,000, with a maximum term of 48 months. The proceeds of the loans must be used for home-related expenses (flooring, carpeting, guttering etc.). The loans are only available to LMI borrowers or borrowers who live in LMI census tracts. The property must be owner occupied; and cannot be a secondary residence or rental unit. The Bank does not place a lien on the borrower's property. This loan program is not advertised; but, is offered to customers who may benefit most from the program, particularly if they do not have enough equity in their home to qualify for a traditional loan. During the evaluation period, eight loans totaling \$33,803 were originated.

The Bank offers a secured credit card option that allows individuals to improve their credit score or establish credit. The Bank's secured credit cards are offered through a contact with Elan Financial Services, which partners with over 1,300 financial institutions through its outsourced credit card program. Through this program, the Bank accepts applications and submits them to Elan, who makes the credit decision and services the credit card relationship. The Bank opened 64 secured credit cards during the evaluation period with an average credit line amount of \$1,834.

The Bank offers a small dollar loan secured by an assignment of a Home Federal savings account or certificate of deposit (CD). Minimum loan amounts are \$1,500. During the evaluation period, the Bank originated 224 loans under this program totaling \$4,385,295.

The Bank offers a personal unsecured line of credit for specific loan purposes. Loan terms vary between 12 and 24 months and the minimum loan amount is \$5,000. During the evaluation period, the Bank originated 47 loans under this program totaling \$229,290.

The Bank offers a personal unsecured line of credit for overdraft purposes for existing personal checking account customers. During the evaluation period, the Bank originated 43 loans under this program totaling \$55,550. The Bank offers a residential ARM loan with more flexible terms compared to traditional loans including a 97 percent loan-to-value limit and retaining servicing. The loan has a maximum loan amount of \$388,000. During the evaluation period, the Bank originated 11 loans under

this program totaling \$1,537,983 with servicing retained, and another two loans totaling \$472,390 with servicing released.

The Bank offers a variety of home mortgage loan options with flexible terms and underwriting through government loan programs. During the review period, the Bank originated 12 loans under the FHA, VA, and the Tennessee Housing Development Agency (THDA) government programs combined, totaling \$2,320,449. The Bank also originated 2 USDA loans totaling \$366,161.

KARM is the lead agency in the Knoxville region providing services to the homeless, ranging from a meal to job training to both emergency and transitional housing. During the evaluation period, the Bank provided affordable housing loans totaling \$2.3 million.

Knoxville's Community Development Corporation (KCDC) is Knoxville's local housing authority. The Bank provided KCDC with affordable housing loans totaling \$21.65 million.

Knoxville Leadership Foundation (KLF) is a local organization that connects the area's greatest needs with the resources necessary to meet them. During the evaluation period, the Bank provided KLF with affordable housing loans totaling \$208 thousand.

Knoxville Habitat for Humanity (HFH) provides affordable housing for low-income families in the Knoxville area. During the evaluation period, the Bank provided HFH affordable housing loans totaling \$508 thousand.

VMC is a Knoxville area organization that connects homeless with housing services, both emergency overnight shelter and long-term housing. During the evaluation period, the Bank provided affordable housing loans totaling \$7.2 million.

The Federal Home Loan Bank of Cincinnati (FHLB Cincinnati) has established a fund to help low-to-moderate income households with accessibility and emergency repairs through a program called the Carol M. Peterson Housing Fund (CMPHF). The fund is named in honor of the former FHLB Cincinnati executive who led FHLB's affordable housing and community investment initiatives for more than two decades. CMPHF proceeds are available to non-profit sponsor organizations partnering with members as grants specifically designated to assist elderly or special needs homeowners residing in Kentucky, Ohio, and Tennessee. CMPHF grants are limited to \$7,500 per household. Households are eligible only if the total household income is at or below 60 percent of the Mortgage Revenue Bond (MRB) income limits, and funds are offered on a "first-come, first-served" basis. In 2019, 2020, and 2021, the Bank obtained and administered \$177 thousand for 29 LMI households.

INVESTMENT TEST

The bank's performance under the Investment Test in Tennessee is rated Low Satisfactory.

Conclusions for the Knoxville MSA AA and the Sevier County, TN Non-MSA AA Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Knoxville MSA AA and the Sevier County, TN Non-MSA AA is adequate.

The Bank has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The Bank exhibits adequate responsiveness to credit and community economic development needs. The Bank rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Knoxville MSA	0	0	177	1,542	177	91.7	1,542	74.8	0	0
Sevier County, TN Non-MSA	0	0	9	15	9	4.7	15	0.7	0	0
Regional with P/M/F	2	65	4	267	6	3.1	332	16.1	0	0
Broader Statewide without P/M/F	0	0	1	173	1	0.5	173	8.4	0	0
Totals	2	65	191	1,997	193	100	2,062	100	0	0

Knoxville MSA AA

Investment performance in the Knoxville MSA AA is adequate when considering the limited opportunities in the AA and the responsiveness of current and prior period investments. After reviewing similarly situated banks, interviews with Bank management, and performing two community contacts, we determined there were limited investment opportunities that would benefit LMI geographies, individuals and families or small businesses in the AA. During the evaluation period, the Bank made a considerable volume of qualified charitable donations. Based on this performance context, performance in the Knoxville MSA AA reflects adequate responsiveness to meeting the needs of the community. Qualified donations that met the CD needs of the assessment area totaled \$1.5 million, representing 177 donations.

The Bank donated funds to a variety of organizations in the AA. The donations were made to organizations which provided community services and affordable housing to LMI individuals and families. The Bank made 177 community service and affordable housing donations which totaled \$1.5 million. The Bank's donations primarily supported non-profit organizations which provided food for those in need, financial literacy services, employment training, youth programs, education, health care services and affordable housing for LMI individuals. Some examples of organizations that received Bank donations are:

- United Way of Greater Knoxville - An organization serving primarily LMI individuals and families. The organization raises money from the community and allocates it to member agencies that provide health care services, financial literacy, job training and educational programs to LMI individuals. Donations to this organization totaled \$499,200.
- Knoxville HFH - A nonprofit organization that sells homes to families at no profit, with zero-percent interest loans. The organization selects homeowner families based on the applicant's level of need and provides them with a decent, affordable home. Donations to this organization totaled \$135,000.
- The Change Center – Provides at risk youth with a safe place to go for entertainment, community services, and mentorship after school and on weekends. The Save Our Sons initiative grant money is used to target an area where violent crime is particularly high, Knoxville's Project Safe Neighborhood Zone (PSNZ). This is an area covering approximately 2.75 square miles located adjacent to and northeast of the Downtown area. Donations to this organization totaled \$60,000.
- The Restoration House of East Tennessee - Assists low-income, single mothers, and their children in Knoxville, TN and surrounding counties. The families who benefit from the organization have a referral through a variety of local agencies and organizations including crisis pregnancy shelters, adoption agencies, and emergency and transitional shelters. Donations to this organization totaled \$20,000.

Sevier County, TN Non-MSA AA

Investment performance in the Sevier County, TN Non-MSA AA is adequate when considering the limited opportunities in the AA and the responsiveness of current and prior period investments. After reviewing similarly situated banks, interviews with Bank management, and performing two community contacts, we determined there were limited investment opportunities which would benefit predominantly LMI geographies, individuals and families or small businesses in the AA. During the evaluation period, the Bank made a considerable volume of qualified charitable donations. Based on this performance context, performance in Sevier County, TN Non-MSA AA reflects adequate responsiveness to meeting the needs of the community. Performance in Sevier County, TN Non-MSA AA is adequate considering the limited opportunities.

Home Federal ranked seventh out of nine institutions with a deposit market share of 4.4 percent in Sevier County. Sevier County is a tourist area with many of the residence living in surrounding counties due to the high cost of housing. According to the ACS Census data, there were 56,241 total housing units in the Non-MSA AA of which 43.4 percent were owner-occupied, 21.9 percent were rental units, and 34.7 percent were vacant.

During the evaluation period, nine current period community service donations totaled \$15,150. The community services donations were made to four organizations that provided school supplies to a school where majority of the students were on free or reduced lunch programs, an organization that is an emergency resource for persons experiencing food shortage and an organization that provide medical and basic dental care for LMI individuals.

Broader Statewide or Regional Areas

Home Federal had seven investments totaling \$505 thousand that benefited Broader Statewide and Regional Areas.

In the Regional Area, the Bank continues to hold two prior period bonds. One was a Special School District Bond issued by the Oneida School District (Scott County, TN) totaling \$35,000. The second one was a Bledsoe County, TN (revitalization and stabilization – a distressed and negative growth area) bond totaling \$30,000. Current period investments include two City of Morristown, TN revitalization bonds each in the amount of \$50,000. A significant portion of the City of Morristown, TN lie within five census tracts all designated as LMI CTs.

In the Broader Statewide Areas, Home Federal also held investments in the City of Lexington, Tennessee, including The City of Lexington, Tennessee school bond (59.7 percent of students receive free or reduced lunches). The bank also invested in the Tennessee Housing Development Authority (THDA) with an investment of \$173,250. THDA’s program provides for the financing loans for single family, owner occupied residential housing for low- and moderate-income persons and families. In the statewide area, the bank purchased a \$49,875 Lakeview Utility District of Hawkins County, TN (Rogersville, TN) bond. This bond provided for funds for the revitalization of essential infrastructure. Three of the counties served by the Utility District were designated as distressed.

SERVICE TEST

The Bank’s performance under the Service Test in Tennessee is rated Outstanding.

The Bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, are tailored to the convenience and needs of its AA(s), particularly low- and moderate-income geographies and/or individuals. All branches in the AA have the same hours and availability

Community Development Services

The Bank is a leader in providing CD services.

The Bank’s performance under the Service Test in the State of Tennessee is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank’s performance in the Knoxville MSA AA and the Sevier County, TN AA is excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in both the Knoxville, TN AA and the Sevier County, TN AA.

Distribution of Branch Delivery System	
----------------------------------------	--

Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Knoxville, TN AA	92.4	19	82.6	5.3	15.8	52.6	26.3	5.0	14.9	48.3	31.0
Sevier County, TN AA	7.6	4	17.4	0	25.0	50.0	25.0	0	3.3	68.7	28.0

Knoxville, TN AA

The Bank's delivery systems are readily accessible to all portions of the Knoxville MSA AA. Home Federal has 19 full-service branches within the AA. There is one branch in a low-income geography and three branches in moderate-income geographies. The percentage of branches within low- and moderate-income census tracts exceed the population distribution in those income geographies. All branch locations have deposit-taking ATMs onsite. There is one additional ATM only location in a moderate-income geography that does not take deposits. Customers can also use the ATMs to check balances and transfer funds between accounts. All customers can access account management services through online banking and mobile banking. There are two additional mortgage loan origination offices within the AA that serve as a home base for floating mortgage loan officers. The mortgage loan origination offices are in middle- and upper-income census tracts; however, the loan officers take appointments at all of the thrift's branches, business offices, or applicants' homes. Loan officers are available during regular branch hours and by appointment for evenings and weekends.

Sevier County, TN Non-MSA AA

The Bank has four full-service branches in the AA. There are no low-income geographies within the AA. There is one moderate-income CT within the AA, in which the Bank has a branch. The percentage of the Bank's branch offices located in moderate-income geographies exceeds the percentage of the population within the moderate-income geographies. All branch locations have deposit-taking ATMs onsite. Customers can also use the ATMs to check balances and transfer funds between accounts. All customers can access account management services through online banking and mobile banking. There is one additional mortgage loan origination office in the AA that serves as a home base for floating mortgage loan officers. The mortgage loan office is in a moderate-income CT. Loan officers take appointments at the Bank's branches, business offices, or applicants' homes. Loan officers are available during regular branch hours and by appointment for evenings and weekends.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upper
Knoxville MSA AA	0	0	0	0	0	0
Sevier County, TN Non-MSA AA	0	0	0	0	0	0

Knoxville MSA AA

The Bank did not open or close any branches during the evaluation period.

Services and business hours are tailored to the convenience and needs of the various portions of its AA, particularly LMI geographies and/or individuals. All branches within the AA have similar hours and availability.

Sevier County, TN Non-MSA AA

The Bank did not open or close any branches during the evaluation period.

Services and business hours are tailored to the convenience and needs of the various portions of its AA, particularly LMI geographies and/or individuals. All branches within the AA have similar hours and availability.

Community Development Services (CD services)

The Bank is a leader in providing CD services.

Home Federal provides an excellent level of CD services and is a leader in providing CD services in the Knoxville MSA AA. The Bank provides a relatively high level of CD services in the Sevier County, TN Non-MSA AA. CD Services in both AAs are responsive to the needs of the AAs. The Bank's responsiveness is demonstrated by the number of employees actively involved and the number and diversity of types of organizations served.

Knoxville MSA AA

Home Federal provides an excellent level of CD services that are responsive to the needs of the community within the AA. In the MSA, 18 Bank officers and employees devoted community service hours to 21 different qualifying organizations in the AA. Of the 18 Bank officers, 10 volunteered in leadership positions with the various organizations throughout the AA. These individuals shared their expertise serving as board members, officers, and on committees. These activities help provide affordable housing, revitalization, and stabilization of designated areas, and provide community services to LMI individuals and families. Home Federal officers and employees also participated in financial

literacy events as teachers or facilitators. See examples below of the organizations the Bank routinely provides community development services to:

The Change Center

Two Bank employees provide leadership and technical expertise. One Bank employee serving in the roles of board member and finance committee member and the other Bank employee serving as advisory committee member. Three other Bank employees worked to teach financial education/literacy to Knoxville youth and young adults. The center focuses on recreation, job connection, and business creation.

Habitat for Humanity

Two Bank employees participated in service events with Habitat for Humanity during the review period. They served as volunteer coordinators and on volunteer committees. A Bank officer also volunteered in the dedication of a new 20-lot neighborhood and provided guidance on financing. Habitat for Humanity focuses on providing affordable housing to low-income individuals and in LMI neighborhoods.

KCDC

One Bank employee worked with several KCDC projects during the review period serving as advisory board member and on planning teams. A Bank officer also aided the organization by delivering meals to individuals who were displaced by an apartment fire. KCDC's mission is to improve neighborhoods and communities by providing affordable housing, advancing development initiatives, and fostering self-sufficiency.

FHLB Grant Programs

Home Federal participates in the FHLB Welcome Home Program (WHP) which offers grants to fund reasonable down payments and closing costs incurred in conjunction with the acquisition or construction of owner-occupied housing by LMI homebuyers. Grants are limited to \$7,500 for homebuyers who are honorably discharged veterans, active-duty military, or surviving spouses of service personnel and \$5,000 for all other homebuyers.

Sevier County, TN Non-MSA AA

The Bank provides a significant level of CD services in the Sevier County, TN Non-MSA AA. Two bank officers and employees devoted community service hours two different qualifying organizations in the AA. Both individuals volunteered in leadership positions within the organizations served. They share their financial expertise serving as board member and treasurer within the organizations. These activities provide community services to LMI individuals and families. These organizations include:

Kiwanis Club of Sevierville

One Bank employee dedicates a significant amount of time, 127 hours annually, to the Kiwanis Club of Sevierville where she serves as treasurer. The Kiwanis Club of Sevierville provides support to other organizations serving LMI individuals including the Boys and Girls Club of the Smoky Mountains, the Sevier County Food Ministry, and the Sevier County Youth Shelter.

Second Harvest Food Bank

A Bank officer provides leadership and technical expertise as a board member for this organization. The Second Harvest Food Bank seeks to provide hunger relief through a network of food banks serving 18 counties in East Tennessee including Sevier, Knox, Blount, and Anderson Counties.

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 MSAs and non-MSAs 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:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage and small business loans and Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
N/A	N/A	N/A
Tennessee		
Knoxville MSA AA	Full Scope	Consists of only three of the counties in the Knoxville, TN MSA – the three counties include Anderson, Blount, and Knox Counties.
Sevier County, TN Non-MSA AA	Full Scope	Consists of only Sevier County, TN

Appendix B: Summary of MMSA and State Ratings

RATINGS Home Federal Bank of Tennessee				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multistate Rating
Home Federal Bank of Tennessee	Outstanding	Low Satisfactory	Outstanding	Outstanding
MMSA or State:				
State of Tennessee	Outstanding	Low Satisfactory	Outstanding	Outstanding

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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 loans are treated the same 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 Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Knoxville MSA	2,961	727,964	93.5	39,617	2.6	1.6	1.7	10.9	7.3	8.6	51.6	47.8	46.1	34.9	43.4	43.5	0.0	0.0	0.0
Sevier County, TN Non-MSA	206	38,659	6.5	5,996	0.0	0.0	0.0	1.1	2.2	0.7	66.0	51.9	68.4	33.0	46.6	30.9	0.0	0.0	0.0
Total	3,167	766,622	100.0	45,613	2.3	1.5	1.5	9.7	6.9	7.6	53.4	48.0	49.1	34.6	43.6	41.9	0.0	0.0	0.0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2019-21

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Knoxville MSA	2,961	727,964	93.5	39,617	21.0	5.7	5.1	15.9	15.3	15.3	19.4	18.6	19.1	43.7	55.9	42.7	0.0	4.5	17.8
Sevier County, TN Non-MSA	206	38,659	6.6	5,996	16.7	2.4	1.8	17.9	9.7	7.0	20.6	20.9	14.4	44.7	64.6	56.8	0.0	3.3	20.0
Total	3,167	766,622	100.0	45,613	20.4	5.5	4.7	16.2	14.9	14.2	19.6	18.7	18.5	43.8	56.5	44.5	0.0	4.4	18.0

Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2019-21

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Knoxville MSA	1,063	128,962	94.7	14,831	4.2	5.0	3.1	13.6	12.2	11.4	40.5	46.3	40.1	40.8	36.5	44.9	0.8	0.0	0.5
Sevier County, TN Non-MSA	59	12,458	5.3	2,446	0.0	0.0	0.0	7.6	5.1	6.6	73.0	59.3	72.0	19.4	35.6	21.5	0.0	0.0	0.0
Total	1,122	141,420	100.0	17,277	3.6	4.7	2.6	12.7	11.9	10.7	45.2	47.0	44.6	37.7	36.5	41.6	0.7	0.0	0.4

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2019-21

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Knoxville MSA	1,063	128,962	94.7	14,831	84.9	60.6	39.6	4.6	33.3	10.4	6.1
Sevier County, TN Non-MSA	59	12,458	5.3	2,446	86.7	45.8	38.4	3.6	37.3	9.7	16.9
Total	1,122	141,420	100.0	17,277	85.2	59.8	39.4	4.5	33.5	10.3	6.7

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