



## **PUBLIC DISCLOSURE**

August 7, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Hatboro Federal Savings Bank  
Charter Number 704859

221 South York Road  
Hatboro PA, 19040

Office of the Comptroller of the Currency

1150 Northbrook Drive  
Suite 303  
Trevose, PA 19053

**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 **Satisfactory**.

<b>The lending test is rated:</b>	<b>Satisfactory</b>
<b>The community development test is rated:</b>	<b>Satisfactory</b>

The major factors that support the lending test rating include:

- The quarterly average loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs;
- A majority of the bank's lending is inside its AA by number of loans originated and purchased;
- The overall geographic distribution of loans reflects reasonable distribution in low- and moderate-income (LMI) census tracts;
- The overall borrower distributions of loan by income level of borrower reflects excellent distribution to borrowers of different income levels; and
- The bank did not receive any CRA-related complaints during the evaluation period.

The major factors that support the Community Development (CD) Test rating include:

- The bank's community development activities demonstrate reasonable responsiveness to the community development needs of its AA.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs in the AA, the bank's loan-to-deposit is reasonable. Hatboro Federal Savings Bank's quarterly average loan-to-deposit ratio during the evaluation period was 80.18 percent. The loan-to-deposit ratio ranged from a quarterly low of 71.77 percent on March 31, 2022, to a quarterly high of 93.40 percent on March 31, 2020. The exam compared the bank's loan-to-deposit ratio to five similarly situated banks in Montgomery and Bucks Counties. Total asset sizes of these banks range from \$242 million to \$843 million. The quarterly average loan-to-deposit ratios of these banks over the same period was 90.85 percent. The ratios ranged from a quarterly low of 80.52 percent to a quarterly high of 115.31 percent.

### Lending in Assessment Area

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

The bank originated and purchased 74.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This includes HMDA reported loans from January 1, 2020, to December 31, 2022.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
<b>Home Mortgage:</b>										
2020	150	75.4	49	24.6	199	31,924	73.9	11,259	26.1	43,182
2021	184	71.0	75	29.0	259	41,302	70.5	17,286	29.5	58,588
2022	206	77.4	60	22.6	266	47,718	74.6	16,206	25.4	63,925
<b>Total</b>	<b>540</b>	<b>74.6</b>	<b>184</b>	<b>25.4</b>	<b>724</b>	<b>73,226</b>	<b>72.0</b>	<b>44,751</b>	<b>28.0</b>	<b>165,695</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

## Description of Institution

The Hatboro Federal Savings Bank (“HFS” or “the bank”) is a \$555.57 million, single-state institution headquartered in Hatboro, Pennsylvania. The bank was chartered in 1941 by the Federal Home Loan Bank Board and is not part of a holding company structure. The bank operates four (4) full-service offices in Montgomery and Bucks counties. The main branch office is located in Hatboro, Montgomery County, PA. An administration building and loan center are also located in Hatboro. The three other branches are located in Warminster, Jamison, and Warrington, all within Bucks County. All branches have on-site ATMs. The bank offers extended hours on Fridays. The Hatboro, Jamison, and Warminster offices offer Saturday morning hours. There were no branches opened, closed, or relocated during the evaluation period. There were no mergers or acquisitions.

The bank offers traditional services to its customer base. Services include online banking, remote deposit capture, bill pay, mobile banking, telephone banking, debit cards, direct deposit, and money orders. The bank offers traditional deposit and loan products. Primary deposit products include free checking, passbook savings, statement savings, student savings, and tiered money market accounts. Related deposit products include certificates of deposit, individual retirement accounts, and holiday club accounts. The bank is primarily a traditional residential real estate lender. Residential loan products include home mortgages to purchase or refinance 1-4 family dwellings, home equity loans, and home equity lines of credit. The bank also offers a First Time Homebuyers Program to new homeowners.

As of December 31, 2022, the bank reported total assets of \$555.57 million and total deposits of \$420.93 million. Loans totaled \$361.43 million or 63.91 percent of total assets.

<b>Loan Portfolio Summary by Loan Product: December 31, 2022</b>		
<b>Loan Category</b>	<b>\$ Amount (Thousands)</b>	<b>% of Outstanding Loans</b>
Residential Real Estate	\$360,909	99.9%
Non-Farm / Non-Residential	\$517	0.1%
<b>Total</b>	<b>\$361,426</b>	<b>100.00%</b>

*Source: December 31, 2022 Call Report: Schedule RC-C*

There were no legal or financial circumstances impeding the bank’s ability to meet the credit needs of its AA. The bank was rated “Satisfactory” at the last CRA examination dated March 10, 2020.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The performance evaluation is an assessment of HFS's ability to meet the credit needs of its AA. The evaluation was performed using Intermediate Small Bank procedures, which includes a lending test and community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD test evaluates the bank's responsiveness to CD needs of its AA through qualified lending, investments, donations, and services.

To evaluate performance under the lending test, a review was completed of home mortgages originated between January 1, 2020, and December 31, 2022. In assessing performance with respect to the CD test, we evaluated the bank loans, services, and investments that satisfied the definition of community development made between January 1, 2020, and December 31, 2022. To meet the regulatory definition for CD, the activity has to directly benefit low or moderate income (LMI) persons, families, or geographies.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

HFS overall rating is based primarily on the review of the bank's one AA consisting of parts of both Montgomery and Bucks Counties.

## **Discriminatory or Other Illegal Credit Practices Review**

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Pennsylvania

**CRA Rating for the State of Pennsylvania is:** **Satisfactory**

**The lending test is rated:** **Satisfactory**

**The community development test is rated:** **Satisfactory**

The major factors that support this rating include:

- The lending test rating is based on a reasonable loan-to-deposit ratio, a majority of loans being in the AA, and a reasonable geographic distribution of loans. The bank exhibits excellent distribution of loans to individuals of different income levels and businesses of different sizes.
- The community development (CD) test rating is based on a reasonable amount of CD loans and CD investments and a reasonable amount of CD donations and services.

### Description of Institution's Operations in Pennsylvania

The Hatboro Federal Savings Bank ("HFS" or "the bank") is a \$555.57 million, single-state institution headquartered in Hatboro, Pennsylvania. The bank was chartered in 1941 by the Federal Home Loan Bank Board and is not part of a holding company structure. The bank operates four (4) full-service offices in Montgomery and Bucks counties. The main branch office is located in Hatboro, Montgomery County, PA. An administration building and loan center are also located in Hatboro. The three other branches are located in Warminster, Jamison, and Warrington, all within Bucks County. All branches have on-site ATMs. The bank offers surcharge-free ATMs through the MoneyPass ATM Network. The bank offers extended hours on Fridays. The Hatboro, Jamison, and Warminster offices offer Saturday morning hours. There were no branches opened, closed, or relocated during the evaluation period. There were no mergers or acquisitions occurred during this period.

The bank offers traditional services to its customer base. Services include online banking, remote deposit capture, bill pay, mobile banking, telephone banking, debit cards, direct deposit, and money orders. The HFS offers traditional deposit and loan products. Primary deposit products include free checking, passbook savings, statement savings, student savings, and tiered money market accounts. Related deposit products include certificates of deposit, individual retirement accounts, and holiday club accounts. Lending products are traditional real estate oriented. Residential loan products include home mortgages to purchase or refinance 1-4 family dwellings, home equity loans, and home equity lines of credit. The bank also offers a First Time Homebuyers Program to new homeowners. As of December 31, 2022, the bank reported total assets of \$555.57 million and total deposits of \$420.93 million. Loans total \$361.43 million or 63.91 percent of total assets.

The local economy is forecasted to maintain above average performance throughout 2023. High wage professional services including healthcare and finance will grow at an above average pace. A highly educated workforce and reputable public schools will draw new businesses and residents continuing the region's population growth well ahead of the national average. Remote work makes the family-friendly

and relatively affordable location an increasingly attractive alternative to big cities. Potential downsides include state fiscal problems being resolved with a policy mix that hurts long-term growth and rapid house price growth and limited supply pricing out workers. Major employers in the region include Tower Health, The Vanguard Group, Einstein Healthcare Network, and Universal Health Services, Inc. Leading industries include Management of companies and enterprises, computer systems design, scientific research and development, and offices of physicians.

According to the Bureau of Labor & Statistics, the unemployment rate for the region as of December 2022 is 3.5 percent, which compares favorably to the state of Pennsylvania at 4.3 percent and is consistent with the U.S. national rate of 3.5 percent.

Per FDIC deposit market share data as of December 2022, HFS ranks 20<sup>th</sup> in deposits within the AA representing 1.68 percent of market share. Major competitors in the AA include TD Bank, NA (17.53 percent market share), Wells Fargo Bank, NA (11.67 percent market share) and Bank of America (8.74 percent market share).

Per Peer Mortgage data as of December 2022, the bank ranks 20<sup>th</sup> in loan market share within the AA representing 0.94 percent by count. Major competitors include Community Bank, NA (8.48 percent market share), Police and Fire Federal Credit Union (6.30 percent market share), and Wells Fargo Bank, NA (4.82 percent market share). Additional competition includes mortgage company Rocket Mortgage (3.45 percent market share) and United Wholesale Mortgage (2.16 percent).

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: HFS AA 2020-2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	150	1.3	12.0	54.0	32.7	0.0
Population by Geography	610,313	1.3	11.1	53.5	34.1	0.0
Housing Units by Geography	238,978	1.5	12.2	53.9	32.5	0.0
Owner-Occupied Units by Geography	175,544	0.2	8.6	55.1	36.1	0.0
Occupied Rental Units by Geography	51,976	6.0	23.1	50.9	20.0	0.0
Vacant Units by Geography	11,458	0.8	17.2	48.6	33.5	0.0
Businesses by Geography	84,903	0.6	9.6	52.8	37.1	0.0
Farms by Geography	1,860	0.5	9.6	52.8	37.1	0.0
Family Distribution by Income Level	161,862	17.5	17.6	22.6	42.3	0.0
Household Distribution by Income Level	227,520	22.0	15.8	18.0	44.2	0.0
Median Family Income MSA - 33874 Montgomery County-Bucks County- Chester County, PA		\$99,939	Median Housing Value			\$340,625
			Median Gross Rent			\$1,223
			Families Below Poverty Level			3.4%

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.



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: HFS AA 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	153	1.3	14.4	52.9	30.7	0.7
Population by Geography	636,873	1.4	12.6	53.4	31.5	1.1
Housing Units by Geography	244,500	1.8	13.2	53.5	30.1	1.4
Owner-Occupied Units by Geography	183,132	0.4	9.9	54.5	33.5	1.7
Occupied Rental Units by Geography	51,142	6.6	24.7	49.7	18.4	0.5
Vacant Units by Geography	10,226	1.7	15.3	53.8	28.9	0.4
Business by Geography	--	--	--	--	--	--
Farms by Geography	--	--	--	--	--	--
Family Distribution by Income Level	166,819	17.9	17.5	22.2	42.4	0.0
Household Distribution by Income Level	234,274	22.8	15.6	18.2	43.4	0.0
Median Family Income MSA - 33874 Montgomery County-Bucks County- Chester County, PA		\$117,345	Median Housing Value			\$372,210
			Median Gross Rent			\$1,402
			Families Below Poverty Level			2.8%
<i>Source: 2020 U.S. Census</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Community Contact

We reviewed the OCC Community Contact Database during this examination to determine the credit needs of the local community. The reports involved a local economic development authority conducted in 2022. The organization's mission is to promote adequate and affordable housing and economic opportunity within the AA. The contact indicated they would like to see more financial institutions support housing counseling and be willing to fill funding gaps in housing projects.

## Scope of Evaluation in Pennsylvania

The rating for Pennsylvania is based on a full-scope review of HFS AA. HFS operates within a single AA consisting of parts of both Montgomery and Bucks Counties which are part of the Montgomery County-Bucks County-Chester County MSA and were therefore evaluated as a single AA. The bank's branches and ATMs are located within the AA as well as a significant portion of the bank's lending activities.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA**

### **LENDING TEST**

The bank's performance under the lending test in Pennsylvania is rated Satisfactory

#### **Conclusions for the Area receiving a Full-Scope Review**

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

#### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a reasonable geographic distribution of loans in the state of Pennsylvania.

##### ***Home Mortgage Loans***

Refer to Table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans by income level of the geography is excellent.

For 2020-2021, the geographic distribution of home mortgage loans in low-income census tracts exceeds the percentage of owner-occupied housing and the aggregate lending in the AA. The geographic distribution of home mortgage loans in moderate income census tracts significantly exceeds the percentage of owner-occupied housing aggregate lending in the AA.

For 2022, the geographic distribution of home mortgage loans in low-income census tracts exceeds the percentage of owner-occupied housing the aggregate lending in the AA. The geographic distribution of home mortgage loans in moderate income census tracts is below the percentage of owner-occupied housing and below the aggregate lending in the AA.

#### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits excellent geographic distribution of loans in the state of Pennsylvania

##### ***Home Mortgage Loans***

Refer to Table P in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

For 2020-2021, the geographic distribution of home mortgage loans in low-income census tracts is below the percentage of owner-occupied housing and exceeds the aggregate lending in the AA. The geographic distribution of home mortgage loans in moderate income census tracts exceeds the percentage of owner-occupied housing and exceeds the aggregate lending in the AA.

For 2022, the geographic distribution of home mortgage loans in low-income census tracts is below the percentage of owner-occupied housing and exceeds the aggregate lending in the AA. The geographic distribution of home mortgage loans in moderate income census tracts exceeds the percentage of owner-occupied housing and exceeds the aggregate lending in the AA.

**Responses to Complaints**

There are no CRA related consumer complaints filed during the evaluation period. This was determined through discussion with the supervisory office.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the community development test in the state of Pennsylvania is rated Satisfactory.

**Conclusions for the Area receiving a Full-Scope Review/Full-Scope Review**

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area.

**Number and Amount of Community Development Loans**

The community development loans table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<b>Community Development Loans</b>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
HFS AA	16	100	819	100

HFS originated sixteen (16) CD loans totaling \$819 thousand, which represented 0.6 percent of tier one capital. Eight of the loans were originated in LMI geographies. Four loans were originated in low-income geographies and four loans were originated in moderate income geographies. All loans were for affordable housing with the exception of one being for community service.

One of the loans was to a 66-unit property providing for affordable housing in a low-income area that targets U.S. military veterans. Another one of the loans was to a 50-unit property providing for affordable housing in a moderate-income area specifically for senior housing. An additional loan was to a 41-unit property providing for affordable housing in a moderate-income area that provides new apartments. Eight of the CD loans were in LMI census tracts, and all 16 CD loans were originated within the bank AA.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
HFS AA	31	116	19	360	19	100	360	100	0	0

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

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

The bank made a total of nineteen (19) investments & donations totaling \$360 thousand, which represents 0.3 percent of tier 1 capital. Nine investments were made to entities located in LMI geographies. All investments & donations were for the purpose of affordable housing with the exception of three being for community services.

Three investments totaling \$300 thousand helped support a neighborhood assistance program located in a low-income area. Four investments totaling \$20 thousand provided affordable housing to LMI individuals and families located in a moderate-income area. The remaining investments include affordable housing projects serving LMI persons & families, community development projects which provide for neighborhood assistance programs in LMI communities, and housing counseling services to LMI individuals & families. All CD investments & loans were originated within the bank AA.

### Extent to Which the Bank Provides Community Development Services

HFS demonstrates adequate responsiveness to the needs of its AA through community development services. A total of 2,232 hours of qualifying community service was performed by bank employees during the evaluation period. Two employees serve on a committee for a community service / charitable fund that provides financial support to a LMI community. One employee serves on a committee for an organization that provides affordable housing to LMI individuals and families.

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

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	January 1, 2020 – December 31, 2022	
<b>Bank Products Reviewed:</b>	Home mortgage loans, community development loans, qualified investments, & community development services	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Pennsylvania</b>		
Hatboro Federal Savings (HFS) AA	Full Scope	Portion of Montgomery and Bucks Counties, which are part of the Montgomery County-Bucks County-Chester County MSA.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		Hatboro Federal Savings Bank	
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State Rating</b>
Hatboro FSB	Satisfactory	Satisfactory	Satisfactory
<b>State:</b>			
Pennsylvania	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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

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

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.



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

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

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

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

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

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

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

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

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21
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
HFS AA	334	73,226	100.0	40,060	0.2	0.6	0.2	8.6	12.6	8.7	55.1	64.4	54.7	36.1	22.5	36.4	0.0	0.0	0.0
<b>Total</b>	<b>334</b>	<b>73,226</b>	<b>100.0</b>	<b>40,060</b>	<b>0.2</b>	<b>0.6</b>	<b>0.2</b>	<b>8.6</b>	<b>12.6</b>	<b>8.7</b>	<b>55.1</b>	<b>64.4</b>	<b>54.7</b>	<b>36.1</b>	<b>22.5</b>	<b>36.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
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
HFS AA	206	47,718	100.0	21,919	0.4	2.9	0.6	9.9	9.2	10.7	54.5	66.0	54.1	33.5	19.9	33.5	1.7	1.9	1.1
<b>Total</b>	<b>206</b>	<b>47,718</b>	<b>100.0</b>	<b>21,919</b>	<b>0.4</b>	<b>2.9</b>	<b>0.6</b>	<b>9.9</b>	<b>9.2</b>	<b>10.7</b>	<b>54.5</b>	<b>66.0</b>	<b>54.1</b>	<b>33.5</b>	<b>19.9</b>	<b>33.5</b>	<b>1.7</b>	<b>1.9</b>	<b>1.1</b>

*Source: 2020 U.S. Census; 01/01/2022 — 12/31/2022 Bank Data, 2022 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2020-21</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
HFS AA	334	73,226	100.0	40,060	17.5	13.2	7.7	17.6	26.9	19.5	22.6	24.3	23.5	42.3	29.3	36.7	0.0	6.3	12.6	
<b>Total</b>	<b>334</b>	<b>73,226</b>	<b>100.0</b>	<b>40,060</b>	<b>17.5</b>	<b>13.2</b>	<b>7.7</b>	<b>17.6</b>	<b>26.9</b>	<b>19.5</b>	<b>22.6</b>	<b>24.3</b>	<b>23.5</b>	<b>42.3</b>	<b>29.3</b>	<b>36.7</b>	<b>0.0</b>	<b>6.3</b>	<b>12.6</b>	

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2022</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
HFS AA	206	47,718	100.0	21,919	17.9	12.6	9.1	17.5	27.7	21.2	22.2	27.7	24.3	42.4	28.2	34.6	0.0	3.9	10.8	
<b>Total</b>	<b>206</b>	<b>47,718</b>	<b>100.0</b>	<b>21,919</b>	<b>17.9</b>	<b>12.6</b>	<b>9.1</b>	<b>17.5</b>	<b>27.7</b>	<b>21.2</b>	<b>22.2</b>	<b>27.7</b>	<b>24.3</b>	<b>42.4</b>	<b>28.2</b>	<b>34.6</b>	<b>0.0</b>	<b>3.9</b>	<b>10.8</b>	

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%*