



## **PUBLIC DISCLOSURE**

April 21, 2014

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Greenville Federal  
Charter Number 700641

690 Wagner Ave  
Greenville, OH 45331

Office of the Comptroller of the Currency

West Lake Center  
4555 Lake Forest Drive, Suite 610  
Blue Ash, OH 45242-3760

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## **INSTITUTION'S CRA RATING: This institution is rated Outstanding**

The Lending Test is rated: Outstanding

- The thrift's loan-to-deposit (LTD) ratio is more than reasonable and compares favorably with similarly situated institutions in its assessment area (AA).
- A substantial majority of the thrift's lending activity occurs within its AA.
- Lending to borrowers of different income levels reflects excellent distribution within Darke County.
- Overall, the thrift's performance in lending to geographies of different income levels exhibits reasonable dispersion. This measurement received less weight due to the low number of low- or moderate-income census tracts in the AA.
- There are no financial or legal impediments that would affect the thrift's ability to serve the credit needs of its community. Greenville Federal's previous CRA rating was "Outstanding" as of March 27, 2007.

## **SCOPE OF EVALUATION**

The OCC conducted a Community Reinvestment Act (CRA) evaluation at Greenville Federal (Greenville Federal or the thrift) to assess its record of meeting the credit needs of its community. We used small bank CRA evaluation procedures to perform the assessment. The evaluation period was from March 28, 2007 through April 21, 2014. For analysis of the Lending Test, we considered loans originated and purchased from January 1, 2012 through December 31, 2013. We did not evaluate lending data for the first three months of 2014. We only evaluate data for partial years in the lending test when there is six months or more of information available.

Greenville Federal's primary loan product is 1-4 family residential real estate loans based on loan originations during the lending test period. This includes loans for home purchases, and refinances. The table below summarizes primary loan products by volume originated or purchased during the evaluation period.

<b>Primary Loan Types</b>		
<b>Loans originated or purchased from January 1, 2012 through December 31, 2013</b>		
<b>Loan Type</b>	<b>% by Number of Loans</b>	<b>% by Dollars of Loans</b>
Residential Real Estate Loans	49.0%	81.8%
HELOCs and Jr. Liens	25.4%	5.7%
Consumer Loans	19.6%	2.2%
Business Loans: Commercial and Commercial Real Estate Loans	5.2%	10.0%
Other Loans	Less than 1%	Less than 1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

*\*Source: Greenville Federal loan origination data*

The thrift is not required to report under the Home Mortgage Disclosure Act (HMDA). Therefore, we manually selected a random 60-loan sample of 1-4 family residential real estate loans to assess CRA performance in the AA. We expanded the sample for Borrower Income Distribution, and Geographic Distribution to ensure we used 60 loans made within the thrift's AA.

## **DESCRIPTION OF INSTITUTION**

Greenville Federal is a federally chartered mutual savings and loan association headquartered in Greenville, Ohio. The thrift has a main office and one branch located in Greenville. In addition to the main office and branch location, Greenville Federal has six ATM locations throughout Darke County.

Greenville Federal primarily offers traditional financial products and services. The lending focus is on retail customers. The majority of the loan portfolio consists of single-family residential real estate (purchase, refinance, and construction) and consumer loan products. Commercial and agricultural lending make up a small portion of the lending activity. The thrift's LTD ratio has historically exceeded 100 percent. The thrift continues to lend primarily in its core market of Greenville and the surrounding communities.

As of December 31, 2013, Greenville Federal had total assets of approximately \$152 million. This represents an increase from the previous CRA evaluation when total assets were approximately \$132 million. As of December 31, 2013, gross loans were \$135 million, or 89 percent of total assets. Local deposits are the thrift's primary funding source, which represent approximately 70 percent of total assets.

## **DESCRIPTION OF ASSESSMENT AREA**

The institution's AA did not change since the prior CRA evaluation. The AA consists of all of Darke County in Ohio. The county is located on the western central edge of Ohio, bordering Indiana. Darke County is not located within a metropolitan statistical area (MSA), and generally consists of rural communities. The AA consists of twelve census tracts (0 low-income, 1 moderate-income, 10 middle-income and 1 upper income census tracts). Based on 2010 census data, the population is approximately 52 thousand, which is down slightly since the 2000 census. The Weighted Average Median Family Income is approximately \$54 thousand. Approximately 10 percent of the county's household incomes are below the poverty line.

Employment figures for Darke County are comparable to the State of Ohio. As of March 31, 2014, the unemployment rate for Darke County was 6.7 percent while the unemployment rate for Ohio was 6.5 percent. The county has substantial agricultural activity; however, Greenville Federal is not traditionally a lender to this industry. Major employers include Whirlpool Corporation, Midmark Corporation, Greenville Technology Incorporated, and Wayne Healthcare. Other employers include various local school districts, local government, and various retail entities.

Residents of Darke County appear to have adequate access to financial services. According to the June 30, 2013 FDIC Deposit Market Share Report, there were eleven financial institutions with offices in the county. This includes a mix of community banks and thrifts headquartered in the county, and branches of national and regional institutions. As of June 30, 2013, there were approximately \$1.02 billion in deposits in Darke County. Greenville Federal had a 10 percent market share which placed it third of the eleven institutions in the county.

Our community contact indicated that local financial institutions are meeting the credit needs of the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

- Greenville Federal's performance under the lending test is outstanding.

### **Loan-to-Deposit Ratio**

- The loan-to-deposit (LTD) ratio is more than reasonable given the thrift's size, financial condition, and assessment area credit needs. Greenville Federal's performance under this criterion exceeds the standard for satisfactory performance.

Greenville Federal's average LTD ratio over twenty-eight quarters since the prior CRA

evaluation (March 31, 2007 through December 31, 2013) is 109.89 percent. Greenville Federal's LTD ratio ranged from a high of 128.79 percent (fourth quarter 2013) to a low of 97.95 percent (second quarter 2008) between evaluations. Over this same period, the quarterly average LTD ratio for three similarly situated financial institutions located in Darke County is 77.17 percent (asset sizes of institutions ranged from \$132.83 million to \$382.80 million). The average LTD ratio for these similarly situated institutions ranged from a high of 90.39 percent (fourth quarter 2007) to a low of 65.21 percent (fourth quarter 2012).

**Lending in the Assessment Area**

- Greenville Federal originates a substantial majority of its residential real estate loans inside its AA.

The thrift made 78 percent of residential real estate loans to borrowers located inside its AA based on total number of loans in our sample. The following table details Greenville Federal's AA lending activity by number and dollar volume.

<b>Lending in Darke County Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate Purchase & Refinance Loans	47	78%	13	22%	60	4,973	67%	2,403	33%	7,376

*Source: Loan sample*

**Lending to Borrowers of Different Incomes**

- Greenville Federal's distribution to borrowers of different incomes represents excellent penetration.

Greenville Federal's percentage of refinance loans to low- and moderate-income borrowers significantly exceeds the industry aggregate percentages for refinance lending to low- and moderate-income borrowers. The thrift's percentage of home purchase loans to low-income borrowers was slightly less than the industry aggregate percentage, but the thrift exceeds the industry aggregate percentage of home purchase loans to moderate-income borrowers. Additionally, the thrift's lending activity for home loans to moderate-income borrowers exceeds area demographics for moderate-income families. The thrift's lending activity for home loans to low-income borrowers was

slightly below area demographics for low-income families. However, based on the 2010 census data, 7.54 percent of families in the thrift’s AA live below the poverty level. These borrowers may not meet the underwriting criteria to qualify for a home loan. Refer to the following table for details.

<b>Borrower Distribution of Residential RE Loans in Darke County AA</b>					
Borrower Income Level	% of Greenville Federal Loans		% of Loans by AA Lenders		% of Families in AA
	Purchases	Refinances	Purchases	Refinances	
Low	11.8	11.6	13.5	4.9	16.9
Moderate	35.3	25.6	31.8	15.3	18.6
Middle	29.4	18.6	20.6	24.4	24.3
Upper	23.5	44.2	25.8	45.8	40.2
NA	-	-	8.3	9.6	-

*Source: Loan sample; 2010 U.S. Census data. 2012 HMDA Peer Data Comparison for Darke County*

### Geographic Distribution of Loans

- Greenville Federal’s geographic distribution of residential real estate loans made in census tracts (CTs) of different income levels in its AA reflects reasonable dispersion.

We placed less weight on the geographic distribution of loans criterion due to the AA having only one moderate-income CT and no low-income CTs. We did not identify any conspicuous gaps in Greenville Federal’s loan distribution. Based on our 60-loan sample, the institution made 6.7 percent of its home loans to borrowers located in the moderate-income CT. This compares favorably to the percentage of industry aggregate lending in the moderate-income CT and to the percentage of owner occupied units in the moderate-income CT. Refer to the table below for details.

<b>Geographic Distribution of Residential RE Loans in Darke County AA</b>							
Census Tract Income Levels	% of Greenville Federal Loans			% of AA Lender Loans			% of Owner Occupied Units
	Purchases	Refinances	Total Home Loans	Purchases	Refinances	Total Home Loans	
Low	-	-		-	-		-
Moderate	0.0	9.3	6.7	9.3	4.5	5.8	6.2
Middle	100	83.7	88.3	87.7	89.4	89.1	86.2
Upper	0.0	7.0	5.0	3.0	6.1	5.1	7.6

*Source: Loan sample; 2010 U.S. Census data. 2012 HMDA Peer Comparison Report*

## **Responses to Complaints**

The thrift did not receive any CRA related complaints during the review period.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 195.28(c) in determining a Federal Savings Association's (FSA's) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA, or in any assessment area by an affiliate whose loans as part of the FSA's lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.