

# **PUBLIC DISCLOSURE**

November 27, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Bank of Ohio  
Certificate Number: 9450

175 S Washington St  
Tiffin, Ohio 44883

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

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.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Needs to Improve**.

An institution in this group needs to improve its overall record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

First Bank of Ohio (First Bank) originated a significant percentage of loans outside of its assessment areas. Examiners did not identify evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a substantial majority of loans outside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans to borrowers reflects reasonable penetration of loans among individuals of different income levels.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

First Bank, headquartered in Tiffin, Ohio, is a wholly-owned subsidiary of Tonti Financial Corporation, a one-bank holding company headquartered in Columbus, Ohio. The FDIC assigned a "Needs to Improve" rating at the previous evaluation as of October 12, 2021. The adverse rating was attributable to the assessment area concentration. Examiners utilized Interagency Small Institution Examination Procedures at each of these evaluations.

Including its main office, First Bank operates five full-service offices in three counties in Ohio. Additionally, the bank operates one loan production office (LPO) in one additional county in Ohio through which it originates and purchases a substantial volume of automobile dealer paper from dealerships in a six-state region. First Bank only originates and purchases automobile loans. Since the previous evaluation, First Bank did not open, close, or relocate any branches, and did not merge or acquire any institutions.

First Bank continues to only offer consumer loans, primarily automobile loans. First Bank continues to offer a variety of deposit products including checking and savings accounts, certificates of deposit, and individual retirement accounts. Electronic banking services include proprietary automated teller machines, debit cards, and online banking.

According to the Consolidated Reports of Condition and Income (Call Report) dated September 30, 2023, First Bank’s assets totaled approximately \$307.2 million, including total loans of \$255.3 million, and total deposits of \$217.9 million.

As shown in the following table, First Bank exclusively originates consumer loans. Examiners did not identify any financial, legal, or other impediments that affect the ability to meet assessment area credit needs. The following table illustrates the loan portfolio distribution.

<b>Loan Portfolio Distribution as of 9/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	-	0.0
Secured by Farmland	-	0.0
Secured by 1-4 Family Residential Properties	-	0.0
Secured by Multifamily (5 or more) Residential Properties	-	0.0
Secured by Nonfarm Nonresidential Properties	-	0.0
<b>Total Real Estate Loans</b>	-	<b>0.0</b>
Commercial and Industrial Loans	-	0.0
Agricultural Production and Other Loans to Farmers	-	0.0
Consumer Loans	255,346	100.0
Obligations of State and Political Subdivisions in the U.S.	-	0.0
Other Loans	-	0.0
Lease Financing Receivable (net of unearned income)	-	0.0
Less: Unearned Income	-	0.0
<b>Total Loans</b>	<b>255,346</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance is evaluated. In accordance with the CRA, First Bank delineated three separate assessment areas within one rated area: (1) Columbus-Marion-Zanesville Combined Statistical Area (Columbus CSA), (2) Toledo-Findlay-Tiffin CSA (Toledo CSA), and (3) Non-MSA Ohio (Non-MSA).

As of the date of the current evaluation, the Toledo-Findlay-Tiffin CSA is no longer a delineation; however, examiners considered it at the current evaluation as it was an appropriate delineation during the 2021 and 2022 evaluation years. In addition, examiners conducted separate analyses for the MSA and non-MSA portions of the Columbus CSA. However, due to similar performance, examiners presented the area as one assessment area, known in this evaluation as the Columbus CSA.

The assessment areas do not arbitrarily exclude any low- and moderate-income (LMI) census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

The following table provides a brief description of each assessment area, including the counties, and number of census tracts and branches within each assessment area. A more detailed discussion of each assessment area, including economic and demographic data, competition, and community contacts, can be found in the specific assessment areas of this evaluation.

<b>Description of Assessment Area</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Columbus CSA	Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Pickaway, Perry, Union, Logan, Guernsey, Ross, Marion, Knox, Fayette, Muskingum	614	1
Toledo CSA	Fulton, Lucas, Ottawa, Wood, Hancock, Sandusky, Seneca	269	2
Non-MSA	Athens, Noble, Monroe, Morgan, Washington	45	2

*Source: 2020 U.S. Census Data, Bank Data*

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation, dated October 12, 2021, to the current evaluation dated November 27, 2023. Examiners used the Interagency Small Institution Examination procedures to evaluate CRA performance. The Appendix discusses the Small Institution performance criteria.

Examiners relied upon records provided by the bank, 2015 American Community Survey (ACS) five-year estimates, 2020 U.S. Census Data, March 2020 Office of Management and Budget Delineations Bulletin, D&B demographic data, and community contacts.

As shown below, First Bank conducts a majority of business in the Columbus CSA assessment area, including a substantial portion of the bank's loans; therefore, examiners weighted performance in this assessment area the most when assigning overall ratings. The Toledo CSA yielded the next highest weighting, and the Non-MSA assessment area yielded the least weighting when assigning overall ratings. Examiners evaluated all assessment areas using full-scope procedures. The following table details the concentration of loans, deposits, and branches within each assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Columbus CSA	53,728	85.8	2,481	1.1	1	20.0
Toledo CSA	6,983	11.2	181,434	83.0	2	40.0
Non-MSA	1,914	3.1	34,663	15.9	2	40.0
<b>Total</b>	<b>62,625</b>	<b>100.0</b>	<b>218,578</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>

*Source: 2021-2022 Automobile Loan Bank Data, FDIC Summary of Deposits (6/30/2023)*

### **Activities Reviewed**

As previously stated, First Bank exclusively originates consumer loans, and did not originate any home mortgage, small farm, or small business loans during the evaluation period. Bank records indicated that the lending focus remained consistent throughout the evaluation period.

Examiners used the bank's records to identify and analyze the universe of consumer loans originated in 2021 and 2022. In 2021, the bank originated 7,787 automobile loans totaling approximately \$138.6 million. In 2022, the bank originated 7,873 automobile loans totaling approximately \$144.5 million. Examiners used 2015 ACS data as a standard of comparison for 2021 loans and the 2020 U.S. Census data as a standard of comparison for 2022 consumer loans.

Examiners analyzed and presented both the number and dollar volume of consumer automobile loans. However, examiners emphasized performance relative to the number of loans, as this is a better indicator of the number of individuals served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners only evaluated loans extended within the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

First Bank demonstrated poor performance under the Lending Test. The assessment area concentration supports this conclusion. The Loan-to-Deposit Ratio, Geographic Distribution, and Borrower Profile were reasonable.

### **Loan-to-Deposit (LTD) Ratio**

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The ratio, calculated from Call Report data, averaged 113.2 percent over the past eight calendar quarters from December 31, 2021 to September 30, 2023. During the evaluation period, the ratio remained relatively stable, ranging from a low of 111.7 percent as of December 31, 2022 to a high of 115.1 percent as of June 30, 2023. During the review period, net loans increased 18.2 percent from \$210.9 million to \$249.2 million, and net deposits increased 15.5 percent from \$188.8 million to \$217.9 million.

### **Assessment Area Concentration**

First Bank originated a substantial majority of its consumer loans, by number and dollar volume, outside the assessment area. As stated above, the institution originates consumer automobile loans through a network of approximately 1,000 indirect dealer relationships throughout Ohio, Kentucky, Indiana, West Virginia, Michigan, and Pennsylvania.

This criterion is the primary reason for the bank's overall rating, as nearly 80 percent of the loans made during the evaluation period were outside of the assessment area. These loans are not included in the geographic distribution and borrower profile analyses, because they do not impact the credit needs of the assessment area. As a result, performance under those particular criteria did not contribute as much in the overall conclusions and rating.

The following table illustrates the number and dollar volume of lending activity inside and outside the assessment area. As illustrated below, in 2021 and 2022, First Bank only originated approximately 21 percent of consumer loans inside the assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Consumer										
2021	1,660	21.3	6,127	78.7	7,787	30,250	21.8	108,362	78.2	138,612
2022	1,678	21.3	6,195	78.7	7,873	32,375	22.4	112,145	77.6	144,520
<b>Total</b>	<b>3,338</b>	<b>21.3</b>	<b>12,322</b>	<b>78.7</b>	<b>15,660</b>	<b>62,625</b>	<b>22.1</b>	<b>220,507</b>	<b>77.9</b>	<b>283,132</b>

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

**Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The consistent performance throughout the assessment areas supports this conclusion. A complete discussion of the performance under this criterion is in the separate assessment sections of this evaluation.

**Borrower Profile**

Overall, the distribution of borrowers reflects reasonable penetration among households of different income levels. The consistent performance throughout the assessment areas supports this conclusion. Examiners focused on the percentage of consumer loans to low- and moderate-income households.

**Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank’s compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

# COLUMBUS-MARION-ZANESVILLE, OHIO CSA – Full-Scope Review

## DESCRIPTION OF INSTITUTION’S OPERATIONS

The Columbus CSA consists of all portions of the Columbus, Ohio MSA, including the following counties: Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Pickaway, Perry and Union; and the following non-MSA counties: Fayette, Guernsey, Knox, Logan, Marion, Muskingum, and Ross. First Bank operates one branch, which is located in a moderate-income census tract. The assessment area accounts for 85.8 percent of evaluated loans, 1.1 percent of deposits and 20.0 percent of branches.

### **Economic and Demographic Data**

As previously stated, examiners used 2015 ACS data as standard of comparison for 2021 loans and the 2020 U.S. Census data as a standard of comparison for 2022 consumer loans. The following tables illustrate relevant demographic information for the assessment area during the evaluation period.

<b>2021 Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Columbus CSA</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)	527	13.3	24.3	36.6	24.9	0.9
Population by Geography	2,376,551	8.9	21.8	39.3	29.1	0.9
Housing Units by Geography	1,012,080	10.2	23.1	39.2	27.4	0.2
Households by Geography	912,074	8.9	22.6	39.6	28.8	0.1
Owner-Occupied Units by Geography	573,437	4.6	18.3	42.5	34.6	0.0
Occupied Rental Units by Geography	338,637	16.1	29.9	34.7	19.0	0.4
Vacant Units by Geography	100,006	22.3	27.0	35.3	15.0	0.4
Businesses by Geography	172,595	8.4	18.7	34.0	38.6	0.4
Farms by Geography	6,195	3.9	13.9	50.9	31.2	0.1
Family Distribution by Income Level	586,070	22.4	17.2	19.9	40.5	0.0
Household Distribution by Income Level	912,074	24.3	16.5	17.4	41.8	0.0
Median Family Income MSA - 18140 Columbus, OH MSA	\$70,454	Median Housing Value				\$151,491
Median Family Income Non-MSAs - OH	\$55,785	Median Gross Rent				\$815
		Households Below Poverty Level				13.9%

*Source: 2015 ACS and 2021 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.*



2022 Demographic Information of the Assessment Area						
Assessment Area: Columbus CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	614	10.6	23.8	37.3	26.5	1.8
Population by Geography	2,544,048	8.0	21.3	38.7	30.5	1.5
Housing Units by Geography	1,048,793	8.6	22.8	39.8	28.0	0.8
Households by Geography	962,734	8.0	22.4	39.9	29.0	0.7
Owner-Occupied Units by Geography	608,601	3.9	18.0	42.8	35.0	0.3
Occupied Rental Units by Geography	354,133	15.0	29.8	35.0	18.7	1.5
Vacant Units by Geography	86,059	15.8	27.5	38.2	16.8	1.8
Businesses by Geography	314,898	7.7	17.8	34.0	39.3	1.2
Farms by Geography	9,020	3.6	15.9	46.0	34.0	0.5
Family Distribution by Income Level	612,972	21.6	17.8	20.7	39.9	0.0
Household Distribution by Income Level	962,734	23.5	16.5	18.2	41.7	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Median Housing Value			\$186,295
Median Family Income Non-MSAs - OH		\$66,684	Median Gross Rent			\$958
			Households Below Poverty Level			12.0%

Source: 2020 U.S. Census and 2022 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.

The Geographic Distribution criterion compares the bank’s consumer lending to the distribution of households in the assessment area. As illustrated above, according to the 2020 U.S. Census Data, in 2022, the assessment area includes 962,734 households, of which, 8.0 percent are located in low-income census tracts, 22.4 in moderate-income, 39.9 in imiddle-income, and 29.0 in upper-income. The Columbus CSA experienced slight growth between 2021 and 2022 as demonstrated by a 5.6 percent increase in the number of households within the assessment area.

Examiners use the 2021 and 2022 Federal Financial Institutions Examination Council (FFIEC) Median Household Income levels to analyze the bank’s consumer lending under the Borrower Profile criterion. As illustrated below, the Median Household Income increased significantly between 2021 and 2022, approximately 20.6 percent. Additionally, in 2022, 12.0 percent of households lived below the poverty level, indicating potential difficulties in lending opportunities. The table below illustrates the income categories for the assessment area.

Median Household Income Ranges				
Columbus CSA				
Median Household Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$58,483)	<\$29,242	\$29,242 to <\$46,786	\$46,786 to <\$70,180	≥\$70,180
2022 (\$70,512)	<\$35,256	\$35,256 to <\$56,410	\$56,410 to <\$84,614	≥\$84,614

Source: FFIEC

The services industry represents the largest portion of businesses in the area at 31.9 percent, followed by finance, insurance, and real estate at 10.1 percent, and retail trade at 8.8 percent. These industries remain consistent from the previous evaluation. Examiners also considered unemployment data when evaluating the institution's ability to lend within the assessment area. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the assessment area experienced decreasing unemployment levels from 4.7 percent in 2021 to 3.4 percent in 2022. The assessment area levels were comparable to the Ohio state average of 5.1 percent in 2021 and 4.0 percent in 2022. This indicates a relatively stable labor market and potential demand for loan products.

### **Competition**

First Bank operates in a highly competitive market for financial services. According to the June 30, 2023 FDIC Deposit Market Share data, 67 financial institutions operate 599 full-service branches within the assessment area. Of these institutions, First Bank ranks 64<sup>th</sup> with less than 0.1 percent of the deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying community credit needs. This information assists in determining available credit opportunities and local institutions' responsiveness. For this evaluation, examiners reviewed a recent contact with a representative of a local community development organization, who was familiar with the local economy. The contact stated that overall, economic conditions in the area are stable, but the availability of affordable housing is worsening, and consumers are moving into surrounding, more affordable counties.

In addition to the shortage of affordable housing units, the contact stated there is a significant need for small dollar lending, and limited availability of such products from local financial institutions, and many consumers turn to payday lenders as an alternative, an often costly solution. The contact was not aware of any discriminatory practices by area financial institutions.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and consumer loans represent the primary credit needs within the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **Geographic Distribution**

The geographic distribution of consumer loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

In 2021, the bank's lending performance in low-income census tracts slightly trails demographic data. In 2022, overall lending levels in the assessment area increased; however, performance in low-income census tracts decreased and trails demographic data.

The bank’s 2021 and 2022 lending performance in moderate-income census tracts slightly exceeds demographic data in both years.

Overall, performance is reasonable. The following table illustrates the geographic distribution of consumer automobile loans throughout the assessment area.

<b>Geographic Distribution of Consumer Loans</b>					
<b>Assessment Area: Columbus CSA</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2021	8.9	99	7.0	1,603	6.3
2022	8.0	81	5.7	1,518	5.4
<b>Moderate</b>					
2021	22.6	362	25.7	6,592	25.7
2022	22.4	347	24.3	6,226	22.1
<b>Middle</b>					
2021	39.6	646	45.8	11,679	45.6
2022	39.9	643	45.0	13,008	46.3
<b>Upper</b>					
2021	28.8	303	21.5	5,722	22.3
2022	29.0	350	24.5	7,185	25.6
<b>Not Available</b>					
2021	0.1	1	0.1	17	0.1
2022	0.7	9	0.6	178	0.6
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>1,411</b>	<b>100.0</b>	<b>25,613</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>1,430</b>	<b>100.0</b>	<b>28,115</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

The distribution of consumer automobile loans reflects reasonable penetration to borrowers of different income levels, including low- and moderate-income borrowers. Examiners compared the bank’s 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

In 2021, the bank’s lending to low-income borrowers trails demographic data. However, the disparity can be largely attributed to the significant percentage of households below the poverty level. According to demographic data, 13.9 percent of low-income households live below the poverty level, which can create a lack of lending opportunities. Similarly, in 2022, although lending to low-income borrowers improved, performance continues to trail demographics. According to demographic data, in 2022, 12.0 percent of households live below the poverty level, which again, can create a lack of lending opportunities. Comparing the bank’s performance to demographic data,

less the percentage of households living below the poverty level, performance is reasonable in both years.

In 2021 and 2022, the bank’s performance of lending to moderate-income borrowers significantly exceeds demographic data.

Overall, performance is reasonable. The following table illustrates the distribution of consumer automobile loans by borrower income level throughout the assessment area.

<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Assessment Area: Columbus CSA</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2021	24.3	234	16.6	3,076	12.0
2022	23.5	247	17.3	3,663	13.0
<b>Moderate</b>					
2021	16.5	481	34.1	8,023	31.3
2022	16.5	530	37.1	9,450	33.6
<b>Middle</b>					
2021	17.4	391	27.7	7,651	29.9
2022	18.2	377	26.4	8,211	29.2
<b>Upper</b>					
2021	41.8	304	21.5	6,851	26.7
2022	41.7	276	19.3	6,791	24.2
<b>Not Available</b>					
2021	0.0	1	0.1	12	0.0
2022	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>1,411</b>	<b>100.0</b>	<b>25,613</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>1,430</b>	<b>100.0</b>	<b>28,115</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0%*

## **TOLEDO-FINDLAY-TIFFIN CSA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS**

The Toledo CSA consists of all portions of the Toledo, Ohio MSA, including the following counties: Fulton, Lucas, Ottawa, and Wood; and the following non-MSA counties: Hancock, Sandusky, and Seneca. First Bank operates two branches, one in a middle-income census tract, and one in an upper-income census tract. The assessment area accounts for 11.2 percent of evaluated loans, 83.0 percent of deposits and 40.0 percent of branches.

## **Economic and Demographic Data**

As previously stated, examiners used 2015 ACS data as standard of comparison for 2021 loans and the 2020 U.S. Census data as a standard of comparison for 2022 consumer loans. The following tables illustrate relevant demographic information for the assessment area during the evaluation period.

<b>2021 Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Toledo CSA</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)	220	16.4	15.9	42.7	24.1	0.9
Population by Geography	840,337	9.6	14.6	45.3	29.9	0.7
Housing Units by Geography	384,816	10.6	15.1	46.1	28.2	0.0
Households by Geography	337,520	9.3	14.9	46.5	29.3	0.0
Owner-Occupied Units by Geography	223,051	4.7	11.6	49.1	34.5	0.0
Occupied Rental Units by Geography	114,469	18.3	21.2	41.3	19.1	0.1
Vacant Units by Geography	47,296	19.8	16.6	43.2	20.2	0.1
Businesses by Geography	51,336	9.3	11.7	43.8	35.1	0.1
Farms by Geography	2,348	2.2	6.0	53.3	38.5	0.0
Family Distribution by Income Level	211,903	21.3	16.5	20.3	41.8	0.0
Household Distribution by Income Level	337,520	24.4	15.6	16.7	43.4	0.0
Median Family Income MSA - 45780 Toledo, OH MSA		\$60,742	Median Housing Value			\$117,534
Median Family Income Non-MSAs - OH		\$55,785	Median Gross Rent			\$679
			Households Below Poverty Level			16.8%

*Source: 2015 ACS and 2021 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.*

2022 Demographic Information of the Assessment Area						
Assessment Area: Toledo CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	269	10.0	19.7	39.0	26.0	5.2
Population by Geography	835,489	6.5	15.7	42.7	31.6	3.5
Housing Units by Geography	388,709	8.0	17.0	43.4	28.7	2.9
Households by Geography	344,545	7.2	16.9	44.1	29.2	2.6
Owner-Occupied Units by Geography	224,342	3.4	13.2	46.7	35.2	1.5
Occupied Rental Units by Geography	120,203	14.3	23.8	39.3	17.9	4.7
Vacant Units by Geography	44,164	14.0	18.1	37.7	25.2	5.0
Businesses by Geography	85,290	6.3	16.1	37.9	32.3	7.5
Farms by Geography	3,358	2.4	9.1	49.6	36.2	2.7
Family Distribution by Income Level	208,863	21.1	17.1	20.6	41.2	0.0
Household Distribution by Income Level	344,545	23.9	16.1	17.7	42.3	0.0
Median Family Income MSA - 45780 Toledo, OH MSA		\$70,917	Median Housing Value			\$131,104
Median Family Income Non-MSAs - OH		\$66,684	Median Gross Rent			\$762
			Households Below Poverty Level			15.0%

Source: 2020 U.S. Census and 2022 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.

As illustrated above, according to the 2020 U.S. Census Data, in 2022, the assessment area includes 344,545 households, of which, 7.2 percent are located in low-income census tracts, 16.9 in moderate-income, 44.1 in middle-income, and in 29.2 upper-income. The number of households in the Toledo CSA remained relatively consistent between 2021 and 2022, and only increased 2.1 percent. The Geographic Distribution criterion compares the bank’s consumer lending to the distribution of households in the assessment area.

Examiners use the 2021 and 2022 FFIEC Median Household Income levels to analyze the bank’s consumer lending under the Borrower Profile criterion. As illustrated below, the Median Household Income increased significantly between 2021 and 2022, approximately 18.2 percent. In 2022, 15.0 percent of households lived below the poverty level, indicating potential difficulties in lending opportunities due to constrained borrowing capacity. The table below illustrates the income categories for the assessment area.

Median Household Income Ranges				
Toledo CSA				
Median Household Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$49,397)	<\$24,699	\$24,699 to <\$39,518	\$39,518 to <\$59,276	≥\$59,276
2022 (\$58,381)	<\$29,191	\$29,191 to <\$46,705	\$46,705 to <\$70,057	≥\$70,057

Source: FFIEC

The services industry represents the largest portion of businesses in the area at 31.9 percent, followed by finance, insurance, and real estate at 10.9 percent, and retail trade at 10.3 percent. These industries remain consistent from the previous evaluation. Examiners also considered unemployment data when evaluating the institution's ability to lend within the assessment area. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the assessment area experienced decreasing unemployment levels from 5.7 percent in 2021 to 4.2 percent in 2022. The assessment area levels were comparable to the Ohio state average of 5.1 percent in 2021 and 4.0 percent in 2022. This indicates a relatively stable labor market and potential loan demand.

### **Competition**

First Bank operates in a moderately competitive market for financial services. According to the June 30, 2023 FDIC Deposit Market Share data, 31 financial institutions operate 242 full-service branches within the assessment area. Of these institutions, First Bank ranks 19<sup>th</sup> with 0.8 percent of the deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying community credit needs. This information assists in determining available credit opportunities and local institutions' responsiveness. For this evaluation, examiners reviewed a recent contact with a representative of a local economic development organization who was familiar with the local economy. The contact stated the local economy is in a "boom" with many new businesses starting up in the area, and low unemployment levels.

The contact indicated that area financial institutions are generally meeting the credit needs of the assessment area; however, the contact stated there is additional need for small business lending in the area. The contact was not aware of any discriminatory practices by area financial institutions.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business and consumer loans represent the primary credit need within the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **Geographic Distribution**

The geographic distribution of consumer loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

Overall, the institution originated a low volume of loans in low- and moderate-income census tracts within the assessment area. In 2021, the bank's lending performance in low-income census tracts trails demographic data by 7.4 percentage points. In 2022, lending levels in the assessment area decreased, and performance in low-income census tracts decreased and again trails demographic data.

The bank’s 2021 and 2022 lending performance in moderate-income census tracts compares reasonably to demographic data.

Overall, performance is reasonable. The following table illustrates the geographic distribution of consumer automobile loans throughout the assessment area.

<b>Geographic Distribution of Consumer Loans Assessment Area: Toledo CSA</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2021	9.3	4	1.9	77	2.1
2022	7.2	3	1.5	82	2.5
<b>Moderate</b>					
2021	14.9	28	13.5	492	13.3
2022	16.9	30	15.1	513	15.6
<b>Middle</b>					
2021	46.5	124	59.9	2,248	60.9
2022	44.1	104	52.3	1,729	52.5
<b>Upper</b>					
2021	29.3	51	24.6	874	23.7
2022	29.2	60	30.2	947	28.8
<b>Not Available</b>					
2021	0.0	0	0.0	0	0.0
2022	2.6	2	1.0	21	0.6
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>207</b>	<b>100.0</b>	<b>3,691</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>3,292</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

**Borrower Profile**

The distribution of consumer automobile loans reflects reasonable penetration to borrowers of different income levels, including low- and moderate-income borrowers. Examiners compared the bank’s 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

In 2021, the bank’s lending to low-income borrowers is significantly below demographic data by 20.5 percentage points. However, the disparity can be largely attributed to the significant percentage of households below the poverty level. According to demographic data, 16.8 percent live below the poverty level, which can create a lack of lending opportunities. Similarly, in 2022, although lending to low-income borrowers improved, performance is below the demographic. According to demographic data, 15.0 percent of households live below the poverty level, which



again, can create a lack of lending opportunities. When comparing the demographic less the poverty percentage, performance is reasonable.

In 2021 and 2022, the bank’s performance of lending to moderate-income borrowers exceeds demographic data.

Overall, performance is reasonable. The following table illustrates the distribution of consumer automobile loans by household income level throughout the assessment area.

<b>Distribution of Consumer Loans by Borrower Income Level Assessment Area: Toledo CSA</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2021	24.4	8	3.9	83	2.2
2022	23.9	20	10.1	244	7.4
Moderate					
2021	15.6	52	25.1	822	22.3
2022	16.1	59	29.6	846	25.7
Middle					
2021	16.7	76	36.7	1,278	34.6
2022	17.7	68	34.2	1,306	39.7
Upper					
2021	43.4	71	34.3	1,508	40.9
2022	42.3	52	26.1	896	27.2
Not Available					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>207</b>	<b>100.0</b>	<b>3,691</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>3,292</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.*

## NON-MSA OHIO – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS

The Non-MSA assessment area consists of all portions of the following contiguous, non-MSA counties: Athens, Monroe, Morgan, Noble, and Washington. First Bank operates two branches, one in a moderate-income census tract, and one in a middle-income census tract. The assessment area accounts for only 3.1 percent of evaluated loans, 15.9 percent of deposits and 40.0 percent of branches.

#### **Economic and Demographic Data**

As previously stated, examiners used 2015 ACS data as standard of comparison for 2021 loans and the 2020 U.S. Census data as a standard of comparison for 2022 consumer loans. The following tables illustrate relevant demographic information for the assessment area during the evaluation period.

<b>2021 Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Non-MSA</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)	42	2.4	21.4	61.9	9.5	4.8
Population by Geography	170,293	3.9	20.2	63.6	7.6	4.6
Housing Units by Geography	75,770	1.0	21.9	66.3	7.8	3.0
Households by Geography	64,612	1.0	21.2	66.5	8.2	3.1
Owner-Occupied Units by Geography	44,975	0.0	19.6	71.9	8.1	0.3
Occupied Rental Units by Geography	19,637	3.1	24.8	54.2	8.4	9.4
Vacant Units by Geography	11,158	1.0	25.9	64.8	5.6	2.6
Businesses by Geography	9,044	0.8	26.0	58.6	9.5	5.1
Farms by Geography	541	0.0	17.0	76.0	6.7	0.4
Family Distribution by Income Level	40,788	23.3	18.9	20.8	36.9	0.0
Household Distribution by Income Level	64,612	30.3	16.5	16.9	36.3	0.0
Median Family Income Non-MSAs - OH	\$55,785	Median Housing Value				\$107,684
		Median Gross Rent				\$648
		Households Below Poverty Level				21.9%

*Source: 2015 ACS and 2021 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.*

2022 Demographic Information of the Assessment Area						
Assessment Area: Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	2.2	22.2	57.8	11.1	6.7
Population by Geography	163,504	2.6	23.8	54.1	11.9	7.6
Housing Units by Geography	76,620	1.3	25.4	59.2	11.6	2.5
Households by Geography	64,241	1.3	24.4	59.6	12.1	2.4
Owner-Occupied Units by Geography	44,818	0.0	25.1	62.2	12.3	0.4
Occupied Rental Units by Geography	19,423	4.4	22.9	53.8	11.8	7.1
Vacant Units by Geography	12,379	1.1	30.6	56.8	8.6	2.9
Businesses by Geography	12,930	1.9	22.2	58.0	13.6	4.3
Farms by Geography	706	0.1	27.8	62.3	9.1	0.7
Family Distribution by Income Level	38,806	22.4	19.2	21.6	36.8	0.0
Household Distribution by Income Level	64,241	29.2	16.6	17.2	36.9	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$127,336
			Median Gross Rent			\$727
			Households Below Poverty Level			18.9%

Source: 2020 U.S. Census and 2022 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.

As illustrated above, according to the 2020 U.S. Census data, the assessment area includes 64,241 households, of which, 1.3 percent are located in low-income census tracts, 24.4 in moderate-income, 59.6 in middle-income, and 12.1 in upper-income. The number of households in the Non-MSA assessment area remained relatively consistent between 2021 and 2022, and only decreased 0.5 percent. The Geographic Distribution criterion compares the bank’s consumer lending to the distribution of households in the assessment area.

Examiners use the 2021 and 2022 FFIEC Median Household Income levels to analyze the bank’s consumer lending under the Borrower Profile criterion. As illustrated below, the Median Household Income increased significantly between 2021 and 2022, approximately 22.1 percent. In 2022, 18.9 percent of households lived below the poverty level, indicating potential difficulties in lending opportunities. The table below illustrates the income categories for the assessment area.

Median Household Income Ranges				
Non-MSA				
Median Household Income	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$40,145)	<\$20,073	\$20,073 to <\$32,116	\$32,116 to <\$48,174	≥\$48,174
2022 (\$49,025)	<\$24,513	\$24,513 to <\$39,220	\$39,220 to <\$58,830	≥\$58,830

Source: FFIEC

The services industry represents the largest portion of businesses in the area at 34.5 percent, followed by retail trade at 11.1 percent, construction at 5.9 percent, and agriculture, forestry, and fishing at 5.2 percent. These industries remain consistent from the previous evaluation. Examiners also considered unemployment data when evaluating the institution's ability to lend within the assessment area. According to 2021 and 2022 U.S. Bureau of Labor Statistics data, the assessment area experienced decreasing unemployment levels from 6.3 percent in 2021 to 5.4 percent in 2022. Noble and Monroe counties trended higher than other county and state averages, ranging from a high of 6.8 percent to a low of 6.0 percent. The assessment area levels were higher than Ohio state average of 5.1 percent in 2021 and 4.0 percent in 2022. This indicates potential difficulties and weaknesses in the labor force and lending opportunities.

### **Competition**

First Bank operates in a moderately competitive market for financial services. According to the June 30, 2023 FDIC Deposit Market Share data, 22 financial institutions operate 58 full-service branches within the five-county assessment area. Of these institutions, First Bank ranks 18<sup>th</sup> with 0.9 percent of the deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying community credit needs. This information assists in determining available credit opportunities and local institutions' responsiveness. For this evaluation, examiners reviewed recent contacts with representatives from economic development organizations. The contacts stated that the lack of widespread broadband internet access does not allow local residents to take advantage of telework job opportunities that arose during the pandemic, and leads to an increased unemployment rate.

The contacts stated that area financial institutions are meeting the credit needs of the assessment area and they were not aware of any discriminatory practices by area financial institutions.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage, small business and consumer loans represent the primary credit needs within the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **Geographic Distribution**

The geographic distribution of consumer loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

Overall, the institution originated a low volume of loans within the assessment area. The institution did not originate any loans in low-income census tracts within the assessment area, during the evaluation period.

In 2021, performance in moderate-income census tracts compares reasonably to demographic data. In 2022, performance increased and exceeds demographic data.

Overall, performance is reasonable. The following table illustrates the geographic distribution of consumer automobile loans throughout the assessment area.

<b>Geographic Distribution of Consumer Loans</b>					
<b>Assessment Area: Non-MSA</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2021	1.0	0	0.0	0	0.0
2022	1.3	0	0.0	0	0.0
<b>Moderate</b>					
2021	21.2	8	19.0	159	16.8
2022	24.4	15	30.6	355	36.7
<b>Middle</b>					
2021	66.5	32	76.2	773	81.7
2022	59.6	30	61.2	495	51.1
<b>Upper</b>					
2021	8.2	0	0.0	0	0.0
2022	12.1	4	8.2	118	12.2
<b>Not Available</b>					
2021	3.1	2	4.8	14	1.5
2022	2.4	0	0.0	0	0.0
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>946</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>968</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0%.*

### **Borrower Profile**

The distribution of consumer automobile loans reflects reasonable penetration to borrowers of different income levels, including low- and moderate-income borrowers. Examiners compared the bank’s 2021 performance to 2015 ACS demographic data, and 2022 performance to 2020 U.S. Census demographic data.

Overall, the institution originated a low volume of loans within the assessment area. In 2021, the bank’s lending to low-income borrowers significantly trails demographic data by 20.8 percentage points. However, the disparity can be largely attributed to the significant percentage of households below the poverty level. According to demographic data, of the 30.3 percent of low-income households, 21.9 percent of the low-income households live below the poverty level, which can create a lack of lending opportunities. Similarly, in 2022, although lending to low-income borrowers improved, performance continues to trail demographics. According to demographic data,

18.9 percent of the low-income households live below the poverty level, which again, can create a lack of lending opportunities. Comparing the bank’s performance to the demographic, less the poverty level percentages, performance is reasonable in both years.

In 2021 the bank’s performance of lending to moderate-income borrowers is in line with the demographic and in 2022, the bank’s performance exceeds demographic data.

Overall, performance is reasonable. The following table illustrates the distribution of consumer automobile loans by household income level throughout the assessment area.

<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Assessment Area: Non-MSA</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2021	30.3	4	9.5	41	4.3
2022	29.2	7	14.3	98	10.1
Moderate					
2021	16.5	7	16.7	90	9.5
2022	16.6	12	24.5	151	15.6
Middle					
2021	16.9	12	28.6	288	30.4
2022	17.2	17	34.7	338	34.9
Upper					
2021	36.3	19	45.2	527	55.7
2022	36.9	13	26.5	381	39.4
Not Available					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2021</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>946</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>968</b>	<b>100.0</b>

*Source: 2015 ACS; 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0%*

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**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. Other family 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).



**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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.

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

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

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

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.