

# **PUBLIC DISCLOSURE**

September 2, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Elderton State Bank  
Certificate Number: 12985

143 N Main St  
Elderton, Pennsylvania 15736

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

350 Fifth Avenue, Suite 1200  
New York, NY 10118

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 **Satisfactory**

An institution in this group has a satisfactory 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.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of loans in the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

## DESCRIPTION OF INSTITUTION

### **Background**

Elderton State Bank (Elderton) is a commercial bank headquartered in Elderton, Pennsylvania (PA). Keystrong Financial Inc., a one-bank holding company also located in Elderton, PA, wholly owns the institution. Elderton received a Satisfactory rating at its previous FDIC Performance Evaluation dated June 21, 2022, based on Interagency Small Institution CRA Examination Procedures.

Elderton operates three full-service branches in Armstrong County, PA. Of the bank's three full-service branches, two are located in middle-income census tracts and one is located in a moderate-income census tract. Elderton is primarily a commercial and home mortgage lender and offers a variety of other loan products including agricultural and consumer loans. The institution also provides a variety of deposit services including checking, savings, individual retirement accounts, and certificate of deposits.

Assets totaled \$417.8 million as of June 30, 2025, and included total loans of \$350.9 million and total securities of \$20.0 million. Deposits totaled \$333.9 million as of the same date. The following table illustrates the bank's loan portfolio as of June 30, 2025.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	1,145	0.3
Secured by Farmland	49,881	14.2
Secured by 1-4 Family Residential Properties	69,401	19.8
Secured by Multifamily (5 or more) Residential Properties	7,645	2.2
Secured by Nonfarm Nonresidential Properties	129,986	37.0
<b>Total Real Estate Loans</b>	<b>258,058</b>	<b>73.5</b>
Commercial and Industrial Loans	79,116	22.6
Agricultural Production and Other Loans to Farmers	6,952	2.0
Consumer Loans	4,196	1.2
Obligations of State and Political Subdivisions in the U.S.	2,612	0.7
Other Loans	5	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(36)	0.0
<b>Total Loans</b>	<b>350,903</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment area.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Elderton designated a single assessment area that

includes the entirety of Armstrong and Butler counties, along with portions of Indiana, Jefferson, and Westmoreland Counties. In March 2022, Elderton expanded its assessment area to include all census tracts in Butler County and additional census tracts in Westmoreland and Indiana Counties. The previous CRA evaluation did not include the new assessment area changes due to the recency of the change as well as the analysis primarily relying upon lending activity in 2020 and 2021. Armstrong, Butler, and Westmoreland Counties are all part of the Pittsburgh, PA Metropolitan Statistical Area (MSA) 38300. Indiana and Jefferson Counties are within the Non-Metropolitan Statistical Area (Non-MSA). Although the bank does not operate branches in the Non-MSA counties, the branches located in the Pittsburgh, PA MSA are on the border of the Non-MSA; therefore, the bank included the surrounding geographies within its assessment area. Armstrong, Butler, Westmoreland, and Indiana Counties are part of the Pittsburgh-New Castle-Weirton Combined Statistical Area (CSA). Jefferson County is not in the CSA, but for the evaluation will be included in the assessment area.

### **Economic and Demographic Data**

The bank's assessment area at the previous evaluation included 36 census tracts in Armstrong (19), Butler (3), Indiana (9), Jefferson (1), and Westmoreland (4) Counties. The tracts reflected the following income designations according to 2015 American Community Survey (ACS) data:

- 0 low-income census tracts;
- 14 moderate-income census tracts;
- 21 middle-income census tracts; and
- 1 upper-income census tract.

The bank's current assessment area includes 88 census tracts in Armstrong (19), Butler (47), Indiana (11), Jefferson (1) and Westmoreland (10) Counties. The census tracts reflect the following income designations according to 2020 U.S. Census data:

- 3 low-income census tracts;
- 17 moderate-income census tracts;
- 50 middle-income census tracts;
- 17 upper-income census tracts; and
- 1 census tract with no income designation.

The following table illustrates the demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	88	3.4	19.3	56.8	19.3	1.1
Population by Geography	331,148	2.1	15.9	59.1	22.2	0.7
Housing Units by Geography	151,126	2.5	17.6	60.3	19.6	0.0
Owner-Occupied Units by Geography	104,170	1.0	15.7	61.5	21.8	0.0
Occupied Rental Units by Geography	31,560	6.3	20.7	55.9	17.1	0.0
Vacant Units by Geography	15,396	4.7	24.5	61.4	9.3	0.0
Businesses by Geography	29,366	4.0	11.6	55.5	28.9	0.0
Farms by Geography	771	0.5	10.8	78.3	10.4	0.0
Family Distribution by Income Level	90,187	19.0	19.0	22.0	40.0	0.0
Household Distribution by Income Level	135,730	22.5	15.2	18.6	43.7	0.0
Median Family Income - 38300 Pittsburgh, PA MSA Pennsylvania Non-MSA		\$81,197 \$66,318	Median Housing Value Median Gross Rent Families Below Poverty Level		\$ 176,194 \$833 6.3%	
<i>Source: 2020 Census And 2024 D&amp;B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

There are 151,126 housing units. Of these, 68.9 percent are owner-occupied units, 20.9 percent are occupied rental units, and 10.2 percent are vacant units. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. In addition, 16.7 percent of the assessment area's owner-occupied housing units are located in low- or moderate-income census tracts. This data reflects the opportunities lenders have to originate home mortgage loans within low- and moderate-income geographies.

Examiners used the Federal Financial Institutions Examination Council's (FFIEC) updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the low-, moderate-, middle-, and upper - income categories in the assessment area for the Pittsburgh MSA counties and the Non-MSA counties.

<b>Estimated Median Family Income Ranges</b>					
<b>Year</b>	<b>MFI</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Pittsburgh, PA MSA Median Family Income (38300)</b>					
2023	\$ 101,900	< \$50,950	\$50,950 to < \$81,250	\$81,250 to < \$122,280	≥ \$122,280
2024	\$ 99,100	< \$49,550	\$49,550 to < \$79,280	\$79,280 to < \$118,920	≥ \$118,920
<b>Non-Metro Median Family Income for PA (99999)</b>					
2023	\$ 77,800	< \$38,900	\$38,900 to < \$62,240	\$62,240 to < \$93,360	≥ \$93,360
2024	\$ 81,400	< \$40,700	\$40,700 to < \$65,120	\$65,120 to < \$97,680	≥ \$97,680
<i>Source: FFIEC</i>					

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of businesses and farms by gross annual revenue (GAR) level. According to 2024 D&B data, there were 29,366 non-farm businesses in the assessment area. The following details GARs for these businesses:

- 87.9 percent have GARs of \$1.0 million or less;
- 2.8 percent have GARs of more than \$1.0 million; and
- 9.3 percent have unknown revenues.

According to 2024 D&B data, there were 771 farms operating in the assessment area. GARs for these farms are below:

- 98.1 percent have GARs of \$1.0 million or less;
- 0.9 percent have GARs of more than \$1.0 million; and
- 1.0 percent have unknown revenues.

Non-classifiable Establishments represent the largest percent of businesses at 15.9 percent; followed by Other Services at 11.1 percent, Professional, Scientific, and Technical Services at 9.8 percent; and Construction at 9.0 percent. Within the assessment area, 73.6 percent of businesses have four or fewer employees, and 91.8 percent of businesses operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics shows that unemployment rates at the county, state, and national levels decreased during the evaluation period. All counties in the assessment area experienced unemployment rates decrease from 2022 to 2024. The following table presents annual unemployment rates for the assessment area counties, as well as the state and national levels.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	%	%	%
Armstrong County	5.1	4.3	4.2
Indiana County	5.2	4.5	4.4
Butler County	4.0	3.4	3.3
Westmoreland County	4.4	3.8	3.7
Jefferson County	4.5	4.1	4.0
Pennsylvania	4.1	3.7	3.6
National Average	3.6	3.6	4.0

*Source: Bureau of Labor Statistics*

### **Competition**

The assessment area is moderately competitive in the market for financial services. According to the 2024 FDIC Deposit Market Share data, 33 financial institutions operated 245 full-service branches within the assessment area. Of these institutions, Elderton ranked 13th with a 1.4 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2024, 348 lenders reported 11,105 residential mortgage loans originated and purchased in the assessment area. Of these lenders, Elderton ranked 21st in the assessment area by number of originated and purchased loans. The five most prominent lenders accounted for 23.7 percent of the total market share.

Elderton is not required to report small business and small farm loan data and did not elect to do so. Therefore, analysis under the Lending Test does not include comparisons to aggregate data. However, the aggregate data reflects the competition level for small business and small farm loans. In 2023, 115 financial institutions reported 12,001 small business loans originated and purchased in the assessment area. The five most prominent lenders accounted for 60.5 percent of the total market share. These numbers reflect a high level of competition for small business loans in the assessment area. Also in 2023, 18 lenders reported 163 small farm loans originated and purchased in the assessment area, which reflects a moderate level of competition for small farm loans. The five most prominent lenders accounted for 71.7 percent of the total market share.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties within the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

Examiners conducted a community contact with an economic growth organization that serves Westmoreland County. The contact represents a private, non-profit economic development corporation that provides leadership to the private sector to develop business opportunities and financing that creates and retains quality jobs in Westmoreland County. The contact stated that lenders generally meet the credit needs of the area; however, small business loans and start-up capital for businesses are ongoing needs. According to the contact, addressing these needs would help increase the number of businesses in the county, create and retain jobs and help the economy flourish.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined small business lending programs represent primary credit needs in the assessment area. Specifically, there is a need for lower cost working capital loans for small businesses. The large number of businesses with GARs of \$1.0 million or less supports the conclusion that there is an opportunity to lend to small businesses in the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated June 21, 2022, to the current evaluation dated September 2, 2025. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate Elderton's CRA performance. These procedures include the Lending Test. Please see the appendices for more details on the performance criteria.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are small business, home mortgage, and small farm loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The volume of small business loans exceeded that of home mortgage or small farm loans during the review period; therefore, the bank's record of originating small business loans contributed more weight to overall conclusions. Consumer loans do not represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not present this product in the evaluation. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Small business loans include loans with original amounts of \$1.0 million or less secured by non-farm or non-residential real estate or commercial and industrial loans. Because Elderton is not required to collect or report small business data, examiners analyzed and presented small business lending data for 2024, the most recent full calendar year of data. Examiners sampled small business loans from the universe of loans originated from January 1, 2024, through December 31, 2024. During 2024, the bank originated 358 small business loans totaling \$47.5 million. Examiners sampled 60 small business loans totaling \$8.6 million. Examiners reviewed D&B data for comparison purposes.

This evaluation also considered all home mortgage loans reported on the bank's 2023 and 2024 Home Mortgage Disclosure (HMDA) Loan Application Registers. In 2023, the bank reported 123 home mortgage loans totaling \$20.1 million, and in 2024, the bank reported 145 home mortgage loans totaling \$21.9 million. Examiners used 2023 and 2024 aggregate data and 2020 U.S. Census data for comparison purposes.

Small farm loans include loans with original amounts of \$500,000 or less secured by farmland or classified as loans to finance agricultural production and other loans to farmers. Because Elderton is not required to collect or report small farm data, examiners analyzed and presented lending data for 2021, the most recent full calendar year of data. Examiners reviewed the entire universe of small farms loans originated from January 1, 2024, through December 31, 2024. During 2024, the

bank originated 17 small farm loans totaling \$3.2 million. For comparison purposes, examiners reviewed D&B demographic data.

Although the evaluation presents both the number and dollar volume of loans, examiners emphasized performance based on number of loans because the number of loans is a better indicator of the number of individuals and businesses served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Lending Test is rated Satisfactory. The bank's performance under the Assessment Area Concentration and Borrower Profile criteria primarily supports this conclusion.

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

The LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 100.2 percent over the past 13 calendar quarters from June 30, 2022, to June 30, 2025. The LTD ratio remained generally stable during the evaluation period, ranging from a low of 96.8 percent as of September 30, 2022, to a high of 103.62 percent as of June 30, 2025.

Elderton maintains an LTD ratio that exceeds those of similarly situated institutions, as shown in the following table. Examiners selected similarly situated institutions based on asset size, geographic location, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2025 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Elderton State Bank</b>	<b>417,830</b>	<b>100.2</b>
Marion Center Bank	424,227	81.3
Mercer County State Bank	606,809	73.3
<i>Source: Reports of Condition and Income 6/30/2022 through 6/30/2025</i>		

### **Assessment Area Concentration**

Elderton made a majority of home mortgage loans, small business loans, and small farm loans, by number and dollar volume, inside its assessment area. See the following table.

<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 \$(000)</b>				<b>Total \$(000)</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>										
2023	87	70.7	36	29.3	123	13,687	68.1	6,398	31.9	20,085
2024	105	72.4	40	27.6	145	14,352	65.6	7,518	34.4	21,870
<b>Subtotal</b>	<b>192</b>	<b>71.6</b>	<b>76</b>	<b>28.4</b>	<b>268</b>	<b>28,039</b>	<b>66.8</b>	<b>13,916</b>	<b>33.2</b>	<b>41,955</b>
<b>Small Business</b>										
2024	38	63.3	22	36.7	60	5,751	67.2	2,808	32.8	8,559
<b>Small Farm</b>										
2024	14	82.4	3	17.6	17	2,514	77.8	718	22.2	3,232
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%.</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank’s excellent performance in small business and home mortgage lending primarily supports this conclusion. Examiners focused on the percentage by number of loans originated in the low- and moderate-income census tracts within the assessment area.

### ***Small Business Loans***

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. In 2024, the bank's lending performance in the low-income census tracts was slightly below demographic data. In the moderate-income census tracts, the bank’s performance was significantly above the demographic data. The level of competition for small business loans in the assessment area is high, with the top five lenders in the area maintaining 60.5 percent market share. The high level of competition and the bank’s performance in moderate-income census tracts support excellent performance.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2024	4.0	1	2.6	64	1.1
Moderate					
2024	11.6	8	21.1	967	16.8
Middle					
2024	55.5	29	76.3	4,720	82.1
Upper					
2024	28.9	0	0.0	0	0.0
NA					
2024	0.0	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>5,751</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

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

The geographic distribution of mortgage loans reflects excellent dispersion throughout the assessment area. In 2023, the bank’s performance in low- and moderate-income census tracts was significantly above aggregate and demographic data. In 2024, the bank’s performance was consistent and significantly above aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	1.0	1.5	6	6.9	653	4.8
2024	1.0	1.5	7	6.7	447	3.1
Moderate						
2023	17.1	12.9	20	23.0	3,033	22.2
2024	15.7	12.6	28	26.7	4,802	33.5
Middle						
2023	60.8	53.9	61	70.1	10,001	73.1
2024	61.5	53.6	70	66.7	9,103	63.4
Upper						
2023	21.1	31.8	0	0.0	0	0.0
2024	21.8	32.4	0	0.0	0	0.0
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>87</b>	<b>100.0</b>	<b>13,687</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>105</b>	<b>100.0</b>	<b>14,352</b>	<b>100.0</b>
<i>Source: 2020 Census; Bank Data; 2023, 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank did not originate any loans within low-income census tracts; however, with only 0.5 percent of farms being located within these census tracts, opportunity is limited. In moderate-income census tracts, the bank's performance was above demographic data.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low					
2024	0.5	0	0.0	0	0.0
Moderate					
2024	10.8	2	14.3	445	17.7
Middle					
2024	78.3	11	78.6	1,998	79.5
Upper					
2024	10.4	1	7.1	71	2.8
NA					
2024	0.0	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>2,514</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes in the assessment area. The bank's reasonable performance of small business lending, home mortgage lending, and small farm lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate- income borrowers. Examiners also focused on the percentage by number of small business and small farm loans to businesses and farms with GARs of \$1.0 million or less.

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. The following table shows that the bank's performance of lending to businesses with GARs of \$1.0 million or less in 2024 was below demographic data. While the lending performance was below the demographic data, there is a high level of competition for small business loans in the area. The top five lenders are large regional and national banks that maintain a market share of 60.5 percent.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<= \$1,000,000					
2024	87.9	27	71.1	2,847	49.5
> \$1,000,000					
2024	2.8	11	29.0	2,904	50.5
Revenue Not Available					
2024	9.3	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>38</b>	<b>100.0</b>	<b>5,751</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

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

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. In 2023 and 2024, the bank’s performance of lending to low-income borrowers was below demographic data. However, with a median family income of less than \$49,550, many low-income families would likely not qualify for a mortgage under conventional underwriting standards given the area’s median housing value of \$176,194. Therefore, the demand and opportunity for lending to low-income families are relatively limited. In 2023, the bank’s performance of lending to low-income borrowers was below aggregate performance; however, in 2024, the bank’s performance increased and was closer to aggregate performance.

In 2023, the bank’s performance of lending to moderate-income borrowers was significantly below demographic data and aggregate performance. However, in 2024, the bank’s performance significantly increased and was above demographic data and aggregate performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>HMDA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	19.4	11.4	5	5.8	263	1.9
2024	19.0	9.7	9	8.6	714	5.0
Moderate						
2023	19.3	21.7	12	13.8	815	6.0
2024	19.0	19.0	26	24.8	2,374	16.5
Middle						
2023	22.2	20.4	16	18.4	1,916	14.0
2024	22.0	20.7	16	15.2	2,125	14.8
Upper						
2023	39.2	33.9	32	36.8	6,338	46.3
2024	40.0	34.8	29	27.6	5,458	38.0
NA						
2023	0.0	12.7	22	25.3	4,355	31.8
2024	0.0	15.7	25	23.8	3,681	25.7
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>87</b>	<b>100.0</b>	<b>13,687</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>105</b>	<b>100.0</b>	<b>14,352</b>	<b>100.0</b>
<i>Source: 2020 Census; Bank Data; 2023, 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.</i>						

### ***Small Farm Loans***

The distribution of small farm loans reflects reasonable penetration to farms with GARs of \$1.0 million or less. As shown in the following table, the bank's performance of lending to farms with GARs of \$1.0 million or less was below demographics in 2024. While the lending performance was below the demographic data, there is a moderate level of competition for small farm loans in the area, with the top five lenders, made up of large national banks, having a market share of 71.7 percent.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<= \$1,000,000					
2024	98.1	9	64.3	1,577	62.7
> \$1,000,000					
2024	0.9	4	28.6	920	36.6
Revenue Not Available					
2024	1.0	1	7.1	17	0.7
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>2,514</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

### **Response to Complaints**

Elderton did not receive any CRA-related complaints since the previous CRA evaluation; therefore, this criterion did not affect the Lending Test rating.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

## 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.