

PUBLIC DISCLOSURE

September 22, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Liberty Bank, Inc.
Certificate Number: 26816

79 South Main Street, Suite 400
Salt Lake City, Utah 84111

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

25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

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.

TABLE OF CONTENTS

INSTITUTION RATING 1
DESCRIPTION OF INSTITUTION 2
DESCRIPTION OF ASSESSMENT AREA 2
SCOPE OF EVALUATION 5
CONCLUSIONS ON PERFORMANCE CRITERIA 5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 6
APPENDICES 7
 SMALL BANK PERFORMANCE CRITERIA 7
 GLOSSARY 8

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Substantial Noncompliance**.

An institution in this group has a substantially deficient 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 ratio is unreasonable given the institution's size, financial condition, and assessment area credit needs.
- All loans were originated outside the institution's assessment area.
- The bank did not originate any loans within the assessment area; thus, the geographic distribution of loans reflects very poor dispersion throughout the assessment area.
- The bank did not lend in its assessment area; thus, the distribution of borrowers reflects, given the demographics of the assessment area, very poor penetration among individuals of different income levels.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Liberty Bank, Inc. (Liberty Bank) operates from its sole office located in Salt Lake City, Utah. Cache Valley Banking Company (CVBC), Logan, Utah acquired Liberty Bank in April 2024. CVBC is also the holding company for Cache Valley Bank, Logan, Utah. Liberty Bank received a Substantial Noncompliance rating at the previous FDIC CRA Performance Evaluation, dated October 23, 2023, based on Interagency Small Institution Examination Procedures. Liberty Bank did not have any affiliate lending activity that impacted the evaluation during the review period.

The bank relocated its office during the review period. The former office was located in a moderate-income census tract, while the new location is in a middle-income census tract. The new office is in the same building that Cache Valley Bank has branch operations. The distance between the former office and the new location is approximately 1.4 miles, and there is no geographic barrier that would prevent a customer from accessing the new office. Therefore, this office relocation did not appear to have a material impact on the moderate-income census tract in which the bank previously operated.

Liberty Bank has changed its business strategy since the previous evaluation, when it specialized in originating tiny homes on wheels. The bank sold its entire loan portfolio in August 2024. Although the bank is not currently originating any loans, it still maintains various deposit products including money market accounts, certificates of deposit, and savings accounts. However, Liberty Bank does not operate any mobile or online banking alternatives, nor any ATMs.

According to the June 30, 2025, Reports of Condition and Income, the bank reported \$13.3 million in total assets, \$0 in total loans, and \$7.9 million in total deposits. That represents a change from the previous evaluation, when the bank reported \$10.8 million in total assets, \$8.0 million in total loans, and \$9.9 million in total deposits.

During the evaluation period, Liberty Bank operated under formal enforcement actions that present legal and/or financial impediments. The enforcement actions have restricted certain lending activities. While Liberty Bank faces lending constraints, it has originated three loans during the evaluation period. Further, the bank has not made any loans since November 2023.

DESCRIPTION OF ASSESSMENT AREA

Liberty Bank's assessment area is comprised of Salt Lake County, which is one of two counties that make up the Salt Lake City-Murray, Utah Metropolitan Statistical Area (MSA). Salt Lake County is geographically located in northcentral Utah. There have not been any changes to the geographic composition of the assessment area since the previous evaluation. Based on 2020 U.S. Census data, Salt Lake County includes 251 census tracts comprised of the following income designations: 5 low-income census tracts, 56 moderate-income census tracts, 115 middle-income census tracts, 71 upper-income census tracts, and 4 census tracts for which income data is not available.

Economic and Demographic Data

The following table provides select demographics characteristics of the assessment area based on the 2020 U.S. Census and 2024 D&B data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	251	2.0	22.3	45.8	28.3	1.6
Population by Geography	1,185,238	2.0	22.4	46.4	28.6	0.6
Housing Units by Geography	404,550	1.8	24.2	46.3	27.7	0.1
Owner-Occupied Units by Geography	258,905	0.7	17.9	47.6	33.9	0.0
Occupied Rental Units by Geography	124,419	4.0	36.4	44.6	14.7	0.2
Vacant Units by Geography	21,226	3.4	29.1	39.8	27.7	0.0
Businesses by Geography	192,013	2.0	16.5	44.6	35.7	1.2
Farms by Geography	1,103	1.0	13.5	38.7	46.0	0.8
Family Distribution by Income Level	265,385	17.9	19.1	23.4	39.7	0.0
Household Distribution by Income Level	383,324	21.1	17.3	20.4	41.2	0.0
Median Family Income MSA - 41620 Salt Lake City-Murray, UT MSA	\$90,360	Median Housing Value				\$ 347,355
		Median Gross Rent				\$1,180
		Families Below Poverty Level				5.6%
<i>Source: 2020 Census And 2024 D&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>						

As noted above, the median family income in the area is \$90,360, while the median housing value is \$347,355, and the poverty level is 5.6 percent. According to 2020 Census data, Salt Lake City-Murray, Utah MSA has the highest median family income among all MSAs located in Utah and the Utah Non-MSA portion of the state. Further, the median housing value in the state is \$320,492 and the poverty level is 6.3 percent.

According to the 2024 D&B data, the assessment area’s largest industries were professional, scientific, and technical services; general services (excluding public administration); administrative and support and waste management and remediation services; and real estate rental and leasing. Although the order of the sectors varies slightly, Utah’s largest industries coincide with those of Salt Lake County.

The assessment area’s annual unemployment rates were the same as the rates for the State of Utah for both years and below the national averages in 2023 and 2024. The following table depicts the unemployment rates for Salt Lake County, along with the State of Utah and national average figures.

Unemployment Rates		
Area	2023	2024
	%	%
Salt Lake County	2.7	3.2
State of Utah	2.7	3.2
National Average	3.6	4.0

Competition

According to the June 30, 2025, FDIC Deposit Market Share data, 52 financial institutions operate 204 branches within the assessment area. These institutions range from small community banks to large national financial institutions. These 52 institutions had a combined total deposits of approximately \$1.0 trillion within the bank’s assessment area. Out of the 52 total institutions, Liberty Bank ranked 50th with less than 0.1 percent deposit market share. The market share data does not include information regarding credit unions, national mortgage lenders, or financial institutions that do not have a physical presence in the area but operate within the assessment area. Thus, the market share data does not include all of Liberty Bank’s competitors present within the assessment area.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs of the area. This information helps determine whether local financial institutions are responsive to the needs of the assessment area and assist in identifying opportunities for local financial institutions to promote community growth. For this examination, examiners contacted a community development corporation that provides affordable housing counseling, financial assistance, and housing rehabilitation to low- and moderate-income individuals within the assessment area. Examiners also referenced a community contact previously conducted with a representative from an organization that focuses on community services in Salt Lake County.

One contact stated that although the local economy is robust, the cost of living has sharply increased in the past four years. Consequently, the contact indicated there is a need for affordable housing in the area. Additionally, the contact indicated that small businesses need financial assistance and access to credit. The other contact explained that the job market has been strong, but there are significant wage gaps among workers. Further, the contact stated that wages earned are often not enough to afford housing. Therefore, this contact asserted that there is a need for high-paying jobs and affordable housing in the area.

Credit Needs

Based on economic and demographic data, discussions with Liberty Bank management, and information from the community contacts, examiners determined that small business and home mortgage lending represent the assessment area’s primary credit needs.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation dated October 23, 2023, to the date of the current evaluation dated September 22, 2025. Examiners used the Interagency Small Institution Examination Procedures to evaluate Liberty Bank's CRA performance. These procedures evaluate performance based on the Lending Test criteria as outlined in the Small Bank Performance Criteria Appendix.

Activities Reviewed

Examiners used the bank's available loan information to identify any applicable loans that could be evaluated. Liberty Bank has not originated any home mortgage, small business, or small farm loans since the previous CRA performance evaluation. Therefore, examiners did not include home mortgage, small business, and small farm loans in the scope of the evaluation.

Liberty Bank's primary product line, considering the bank's past business strategy and lending activities, had previously been consumer loans for tiny homes on wheels. During the evaluation period, Liberty Bank originated three tiny home loans totaling \$242,995, which examiners analyzed as part of this evaluation. Examiners determined that none of these loans were originated within the bank's assessment area; therefore, examiners were unable to conduct the geographic distribution and borrower profile analyses. The conclusions presented in the Lending Test section are appropriate for the entire review period.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Liberty Bank demonstrated very poor performance under the Lending Test. As all three loans originated outside the assessment area, the bank's assessment area concentration was adversely affected. Additionally, the analyses of geographic distribution and borrower profile performance criteria could not be performed. Furthermore, the bank's unreasonable loan-to-deposit ratio also supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is unreasonable given the institution's size, financial condition, and assessment area credit needs. The loan-to-deposit ratio averaged 33.2 percent during the review period, which encompassed eight quarters from September 30, 2023, to June 30, 2025. The last four quarters accounted for the lowest ratio during the review period, as the bank held no loans during this period, and the quarter with the highest ratio was September 30, 2023, at 68.0 percent. The bank's loan-to-deposit ratio has significantly declined since the previous CRA evaluation, when the ratio averaged 78.5 percent. Examiners did not identify any similarly situated financial institutions to draw sound comparisons due to Liberty Bank's unique business strategy, loan portfolio composition, branching, and financial capacity. Further, as noted previously, Liberty Bank has ceased all lending operations as of the current performance evaluation.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2025 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
Liberty Bank	13,331	33.2
<i>Source: Reports of Condition and Income 09/30/2023 – 06/30/2025</i>		

Assessment Area Concentration

All loans were originated outside the institution’s assessment area in Washington, Arizona, and Oregon. This conclusion coincides with the previous CRA evaluation, in which all 24 consumer tiny homes loans were originated to borrowers outside the bank’s assessment area.

Geographic Distribution

The bank did not originate any loans within the assessment area; therefore, the geographic distribution of loans reflects very poor dispersion throughout the assessment area.

Borrower Profile

The bank did not originate any loans within the assessment area; therefore, the distribution of borrowers reflects very poor penetration among individuals of different income levels.

Response to Complaints

The bank 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

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.