



**PUBLIC DISCLOSURE**

Date of Evaluation: APRIL 9, 2018

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Name of Depository Institution: MONUMENT BANK

Institution's Identification Number: 3616309

Address: 465 NORTH MAIN STREET

DOYLESTOWN, PENNSYLVANIA

**FEDERAL RESERVE BANK OF PHILADELPHIA  
TEN INDEPENDENCE MALL  
PHILADELPHIA, PENNSYLVANIA 19106**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the 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'S COMMUNITY REINVESTMENT ACT (CRA) RATING**

INSTITUTION'S CRA RATING: This institution is rated satisfactory.

Summary of major factors supporting the bank's rating:

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition and assessment area credit needs;
- A majority of loans and other lending activities are in the bank's assessment area;
- The distribution of borrowers, given the demographics of the assessment area, reflects reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes; and
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

**SCOPE OF EXAMINATION**

Monument Bank ("Monument") was rated satisfactory at its previous CRA evaluation dated November 25, 2013, which was conducted using the Interagency Small Institution CRA Examination Procedures adopted by the Board of Governors. The current evaluation of Monument's CRA performance covers the period from November 26, 2013 through April 9, 2018, and also uses the Small Institution CRA Examination Procedures.

The CRA evaluation includes an analysis of:

- the loan-to-deposit ratio;
- the volume of loans extended inside and outside the bank's assessment area;
- the extent of lending to borrowers of different incomes, including low- and moderate-income borrowers and businesses of different sizes;
- the geographic distribution of loans within the assessment area, including lending in low- and moderate-income census tracts; and
- The bank's response to CRA complaints.

The loan products evaluated consisted of:

- Home-purchase, home improvement and multifamily loans, and the refinancing of such loans, collectively titled as Home Mortgage Disclosure Act (HMDA) loans, reported by the bank for calendar years, 2013<sup>1</sup>, 2014, 2015, 2016, and 2017; and
- A sample of 60 small business loans originated by the bank during calendar year 2017.

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<sup>1</sup> Throughout the evaluation when the year 2013 lending is referenced, it is inclusive of lending in the last two quarters of the year (third and fourth quarters). Lending performance for the first two quarters of 2013 was included in the evaluation dated November 25, 2013.

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Small business lending was weighted more heavily than HMDA lending in the CRA analysis, due to the high commercial concentration of the institution's loan portfolio.

Monument is not a small business loan reporter, and consequently, the bank's small business lending performance was not compared to aggregate small business lending in the assessment area.

Monument is a HMDA reporter, and therefore the bank's HMDA performance was compared to the aggregate of all lenders in the bank's assessment areas reporting loans pursuant to HMDA in 2013, 2014, 2015, and 2016. Aggregate lending data for 2017 was not available at the time of the evaluation, so it could not be used for comparison purposes.

For purposes of evaluating the geographic distribution of loans, census tracts were classified on the basis of 2010 Census data for loans originated in 2013, 2014, 2015, 2016, and on the basis of American Community Survey (ACS)-updated data in 2017.

The distribution of HMDA loans to borrowers of different income levels for all years was based on annually-adjusted median family income data for each year, made available by the U.S. Department of Housing and Urban Development (HUD).

Unless otherwise noted, all other demographic indices and statistics presented throughout this evaluation are based on 2010 Census data in 2013, 2014, 2015, 2016, and are based on ACS-updated data in 2017.

**DESCRIPTION OF INSTITUTION**

Monument is a state chartered, full-service commercial bank headquartered in Doylestown, Bucks County, Pennsylvania. Monument is the sole subsidiary of Monument Banking Company. Monument commenced operations on February 22, 2008 with one branch office in Doylestown. The bank opened its second branch in Newtown, Bucks County, on May 9, 2011. The branches operate Monday through Saturday, with extended hours on Friday evenings and Saturday mornings. Monument offers a variety of consumer and commercial banking services, including automated teller machines (ATMs), at its two office locations.

Monument is a member of the Allpoint automated teller machine (ATM) Network, which operates over 55,000 surcharge-free ATMs worldwide, with more than 50 located in Bucks County. The institution accommodates its customers with alternative delivery methods including online banking, which allows customers to transfer funds between accounts and obtain account balances. The bank also offers a free checking account with no minimum balance requirement and no monthly service charge. These features provide greater access to banking services for low- and moderate-income consumers.

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As of December 31, 2017, Monument reported \$326 million in total assets, of which just under \$242 million (74%) were loans. On a dollar volume basis, the most significant product the bank offers is commercial loans, including commercial mortgages and commercial and industrial loans, comprising 49% of its loan portfolio. The second most material product Monument offers is loans secured by residential real estate, comprising just under 42% of its portfolio. It is noted that the bank typically originates residential mortgages for sale on the secondary market.

The composition of the bank's loan portfolio as of December 31, 2017, is presented in the following table:

<b>LOANS as of 12/31/17</b>	<b>\$000</b>	<b>%</b>
Commercial Mortgages	116,222	48.1
Commercial and Industrial Loans	2,476	1.0
Secured by Farmland	286	0.1
Secured by Residential Properties (Closed-end)	99,714	41.3
Secured by Residential Properties (Open-end)	789	0.3
Construction & Land Development	2,662	1.1
Multifamily Residential Properties	17,854	7.4
Consumer Loans	1,000	0.4
Other Loans	720	0.3
<b>TOTAL</b>	<b>\$241,723</b>	<b>100.00%</b>

Monument's asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment areas. There are no legal or other impediments that would hamper the bank's ability to meet community credit needs.

### **DESCRIPTION OF ASSESSMENT AREA**

For purposes of CRA, Monument's single assessment area includes Bucks, Montgomery, and Philadelphia Counties in southeastern Pennsylvania. The assessment area is located within the Philadelphia, PA Metropolitan Division of the Philadelphia-Camden-Wilmington PA-NJ-DE Metropolitan Statistical Area (Philadelphia MSA). The bank's assessment area complies with the requirements of CRA, and does not arbitrarily exclude low- or moderate-income census tracts.

Though Monument does not operate any branches in Montgomery or Philadelphia Counties, both counties are included in the assessment area due to the bank's continued expanded lending profile across the Delaware Valley.

Interviews conducted with area small business and affordable housing organizations, as well as written documentation of similar interviews prepared by the Federal Reserve and other regulatory agencies, were used during the course of the evaluation to provide perspective on the credit needs of the assessment area. Information from the two interviews was also supplemented with demographic and economic data pertinent to the assessment area.

Community representatives reported that Bucks and Montgomery Counties weathered the most recent recession slightly better than the country as a whole. However, they identified a need for affordable low- and moderate-income housing options in the assessment area, and for an increase in financial literacy programming for immigrant neighborhoods in Pennsylvania. The majority of low- and moderate-income individuals in the assessment area are located in Philadelphia County which is an area that is recovering, but at a slower rate than the more affluent surrounding counties. Homeownership is still difficult to obtain for low- and moderate-income residents of Philadelphia. Representatives also mentioned a need for micro-lending programs and small-dollar financing to support the area's small business economy.

#### 2010 Census Data

Based on 2010 Census Data, there were 738 census tracts in the bank's assessment area, 71 (nearly 10%) of which were low-income, and 195 (26%) of which were moderate-income. The majority of census tracts were middle-income (272 or 37%), and upper-income tracts (186 or 25%). The bank's assessment area also contained 14 census tracts classified as "income-unknown". These tracts mainly consist of the Philadelphia International Airport, the Northeast Philadelphia Airport, the Philadelphia Navy Yard, and a former Philadelphia State Hospital site.

Of the 71 low-income tracts, one was located in Bucks County, 9 were located in Montgomery County, and 61 were in Philadelphia County. Of the 195 moderate-income tracts, 42 were located in Bucks County, 42 were located in Montgomery County, and 111 were located in Philadelphia County. As of the 2010 Census, the assessment area's population was just under 3 million.

#### 2017 ACS Data

Based on 2017 ACS Data, there were 738 census tracts in the bank's assessment area, 64 (9%) of which were low-income, and 205 tracts (28%) of which were moderate-income. The majority of census tracts were middle-income (261 or 35%), and upper-income tracts (193 or 26%). The bank's assessment area also contained 15 census tracts classified as "income-unknown".

Of the 64 low-income tracts, 4 were located in Bucks County, 10 were located in Montgomery County, and 50 were in Philadelphia County. Of the 205 moderate-income tracts, 36 were located in Bucks County, 39 were located in Montgomery County, and 130 in Philadelphia County.

Monument's CRA performance was evaluated in terms of the demographic and business context in which the bank operates. According to the Federal Deposit Insurance Corporation's (FDIC's) Summary of Deposits as of June 30, 2017<sup>2</sup>, there were 34 depository institutions operating in Bucks County. These 34 institutions maintain 237 branches, holding \$18 billion in deposits. Wells Fargo Bank, N.A., ranked first holding 20% of deposits in Bucks County, followed by TD Bank, N.A. (13%), and Citizens Bank of Pennsylvania (nearly 9%). Monument ranked nineteenth, holding nearly \$199 million in deposits in the county (1%).

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<sup>2</sup> June 30, 2017, is the most recent date for which FDIC deposit data are available.

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In Montgomery County, 36 depository institutions operated 304 branches, holding over \$29 billion in deposits according to the FDIC's Summary of Deposits. Wells Fargo, N.A., ranked first with 22% of deposits, followed by followed by TD Bank, N.A. (nearly 14%), and Citizens Bank of Pennsylvania (12%). Monument does not operate branches in Montgomery County.

In Philadelphia County, 38 depository institutions operated 295 branches, holding \$50 billion in deposits according to the FDIC's Summary of Deposits. Again, Wells Fargo, N.A., led the market with 25% of deposits, followed by PNC Bank, N.A. (18%), and Bank of America, N.A. (17%). Monument does not operate branches in Philadelphia County.

Home-mortgage loans were compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. In 2013, there were 101,098 home-mortgage loans originated by 643 institutions operating in the assessment area. National and super-regional banks originated the majority of HMDA loans in the assessment area. Wells Fargo Bank, N.A., ranked first among these institutions with 18% of all such loan originations and purchases, followed by J.P. Morgan Chase Bank, N.A. (6%), and Police and Fire Federal Credit Union (just under 4%). Monument was ranked 100<sup>th</sup> among institutions in the assessment area with less than 1% of total originations and purchases.

According to 2014 aggregate data, 65,351 home-mortgage loans were originated by 613 institutions operating in the assessment area. National and super-regional banks originated the majority of HMDA loans in the assessment area. Wells Fargo Bank, N.A., ranked first among these institutions with 13% of all such loan originations and purchases, followed by J.P. Morgan Chase Bank, N.A., and Police and Fire Federal Credit Union, both with nearly 5% of the HMDA market. Monument was ranked 87<sup>th</sup> among institutions in the assessment area with less than 1% of total originations and purchases.

In 2015, there were 650 institutions that originated a total of 76,781 home-mortgage loans in the assessment area. As in 2014, large and super regional financial institutions dominated the Bucks, Montgomery, and Philadelphia County markets. Wells Fargo, N.A., ranked first among these institutions with 12% of all such loan originations and purchases, followed by J.P. Morgan Chase Bank, N.A. (4%), and Police and Fire Federal Credit Union (nearly 4%). Monument is ranked 114<sup>th</sup> in the assessment area, with less than 1% of total originations and purchases.

In 2016, 83,937 home-mortgage loans were made by 652 institutions. Wells Fargo, N.A., led all institutions in the assessment area with 13% of total originations and purchases, followed by Police and Fire Federal Credit Union (nearly 4%), and Quicken Loans, Inc. (3%). Monument is ranked 136<sup>th</sup> in originations and purchases, with less than 1% of total originations and purchases.

2017 aggregate HMDA data was not available at the time of the evaluation.

Regarding small business lending, Monument does not report small business loans for the purposes of CRA, and is therefore not included in the ranking of small business lenders operating in Bucks, Montgomery, and Philadelphia Counties. 2016 aggregate performance is provided for contextual purposes only. According to aggregate CRA loan data reported for 2016, there were a total of 165 small business loan reporters in the assessment area. These reporters collectively originated 64,890 small business loans in the three counties in 2016. American Express Bank, FSB ranked first with 24% of the market, followed by Citibank, N.A. (13%), and Wells Fargo Bank, N.A. (8%).

Since CRA small business loan reporting includes small business loans issued by reporters under corporate credit card arrangements, the reporters with the highest market share included national originators such as American Express Bank, FSB (ranked first) and Capital One Bank USA, N.A. (ranked fifth). Together, these two institutions originated a large portion of the small business loans reported in the assessment area (30% in 2016).

## **ECONOMIC CHARACTERISTICS**

The Philadelphia MSA's economy continues to improve. The underlying trend in the labor market remains positive. Top areas of employment are in the education and healthcare sector, but growth is broad-based, according to Moody's Analytics<sup>3</sup>. This assessment area has a concentration of well-regarded higher-education institutions and also is a hub for healthcare and medical research. Other leading employment sectors include professional and business services and government, each with over 13% of jobs in the MSA. The housing market has remained largely in balance, and finally, the area has a well-developed port, and an international airport.

Weaknesses in the regional economy include weak population growth, an old and aging infrastructure, and city taxes that are out of line with other areas in the northeast. Prohibitive business taxes push businesses to the suburbs or nearby states, and significant fiscal problems crowd out other government spending.

From a county perspective, Bucks County, where the bank is headquartered, is located in the northern portion of the Philadelphia MSA. Doylestown, the county seat, is located 27 miles from Philadelphia. The largest employment groups in the county include health services, education, and retail trade. Bucks County's largest employers are Central Bucks School District, Giant Food Stores, LLC, St. Mary Medical Center, and Doylestown Hospital. Area colleges include Delaware Valley College, Holy Family University, and Bucks County Community College.

Montgomery County is situated to the southwest of Bucks County and shares a southeastern border with Philadelphia County. The largest industries in the county are health services, professional, scientific and technical services, and education. Montgomery County's top employers include Merck, Sharp and Dohme Corporation, Abington Memorial Hospital, Main Line Hospitals, state government, and Giant Food Stores, LLC. Montgomery County colleges include Arcadia University, Bryn Mawr College, Haverford College, Pennsylvania College of Optometry, and Ursinus College.

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<sup>3</sup> Moody's Analytics Précis® Report- Philadelphia MSA (January 2018)



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Philadelphia County is located south of both Bucks and Montgomery Counties. Leading industries in the county include health and social services, educational services, retail trade, and tourism and food services. Philadelphia County's top employers include University of Pennsylvania, the City of Philadelphia, the federal government, School District of Philadelphia, Children's Hospital of Philadelphia, and Temple University. Philadelphia County colleges include Drexel University, Saint Joseph's University, Temple University, and the University of Pennsylvania.

As seen in the table on the following page, unemployment is highest in Philadelphia County, significantly exceeding unemployment measures for the Commonwealth of Pennsylvania and for the United States overall. Both Bucks and Montgomery Counties' unemployment rates during the evaluation were lower than that of the MSA, the Commonwealth, and the nation.

<b>MONUMENT BANK ASSESSMENT AREA DEMOGRAPHICS UNEMPLOYMENT RATES</b>					
<b>Geographical Area</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Bucks County	6.6%	5.2%	4.7%	4.6%	4.2%
Mongomery County	5.9%	4.7%	4.2%	4.1%	3.9%
Philadelphia County	10.3%	8.1%	7.1%	6.8%	6.2%
Philadelphia MSA	7.7%	6.2%	5.4%	5.1%	4.7%
Pennsylvania	7.4%	5.9%	5.3%	5.4%	4.9%
United States	7.4%	6.2%	5.3%	4.9%	4.4%

Unemployment data is from the Bureau of Labor Statistics. Rates are not seasonally adjusted.

## **HOUSING**

### 2010 Census Data

The amount of owner-occupied housing located within designated census tracts is used as a proxy to estimate demand for home-mortgage credit within such census tracts. According to 2010 Census data, the bank's assessment area contained 1,235,647 housing units, 59% of which were owner-occupied, 31% of which were rental units, and 10% of which were vacant units.

The overall owner-occupancy rate in the assessment area (59%) was lower than the statewide rate of 63%. Owner-occupied units in low-income census tracts represented 33% of total housing units in these tracts. In moderate-income census tracts, owner-occupied units represented 50% of total housing units in these tracts. Owner occupancy in low- and moderate-income census tracts fell significantly below the percentage of owner-occupied units in middle-income (67%) and upper-income census tracts (65%).

Single-family units comprised 71% of all housing units in the assessment area, while two-to-four family units comprised just under 12%. Multifamily units comprised 16% of housing units, and mobile homes were less than 1% of all units. The median age of the housing stock in the assessment area was 55 years, which is slightly older than the statewide median of 50 years.

According to the 2010 Census data, the median housing value in the assessment area was \$231,317, which is more than the value for the Philadelphia MSA (\$163,037), and significantly more than the median housing value for the Commonwealth of Pennsylvania (\$159,300). The data also indicate that a significant disparity exists between the median housing value in the assessment area's upper-income (\$352,518) and middle-income (\$244,922) census tracts, and the median housing values in moderate-income (\$141,323) and low-income census tracts (\$63,448).

Median rent in the assessment area was \$886, with 49% of renters paying more than 30% of their income for housing. Median rent in the Philadelphia MSA was slightly lower at \$835, with nearly 51% of renters paying more than 30% of income for housing. Renters in the Commonwealth of Pennsylvania fared much better, paying a median rent of \$739, with 44% paying more than 30% of their income for housing.

### 2017 ACS Data

Using 2017 ACS data, the bank's assessment area contained 1,243,890 housing units, 57% of which were owner-occupied, 33% of which were rental units, and just under 10% of which were vacant units. The overall owner-occupancy rate fell slightly from 2010, and was once again lower than the statewide rate of 61%. Owner-occupied units represented 33% of total units in the low-income census tracts, and 46% in moderate-income tracts, compared to the percentage of owner-occupied units in middle-income (66%) and upper-income (65%) census tracts.

Single-family units comprised 71% of all housing units in the assessment area according to the 2017 ACS. Additionally, two-to-four family units comprised 11% of the units. Multifamily units comprised nearly 17% of the housing stock, and mobile homes comprised less than 1%. The median age of the housing stock was 61 years, making it older than the statewide median of 54 years.

At the 2017 ACS, the median housing value in the assessment area increased only slightly to \$231,995. As with 2010 Census data, 2017 ACS indicate differences between the median housing value in the assessment area's upper-income census tracts (\$348,687) and middle-income tracts (\$247,079), and the median housing values in the moderate-income (\$135,566) and low-income tracts (\$77,534).

Median rent in the assessment area grew to \$989, with 51% of renters paying more than 30% of their income for housing. Median rent in the Philadelphia MSA was \$933, with 52% of renters paying more than 30% of income for housing. The statewide median rent was much lower at \$840, with 46% of renters paying more than 30% of their income for housing.

### **BORROWER INCOME DATA**

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were categorized based upon annually adjusted median family income data made available by HUD.

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**2010 Census Data**

According to the 2010 Census, the median family income of the assessment area was \$68,770. This was higher than the state median family income of \$63,364, but below the MSA median income of \$74,808.

Further, of the 685,193 families in the assessment area, 24% were low-income, 18% were moderate-income, 21% were middle-income, and 37% were upper-income. Families living below the poverty level represented 11% of the total families in the assessment area, which was above the statewide and MSA poverty level, but below the MSA level, at 9% and 16%, respectively.

**2017 ACS Data**

According to 2017 ACS data, the median family income of the assessment area was \$72,785, above both the state median income of \$68,158, and Philadelphia MSA median income of \$56,411.

The percentage of low-, moderate-, middle-, and upper-income families is used as a proxy to estimate demand for home-mortgage lending in the assessment area. Based on the 2017 ACS data, of the 687,035 families in the assessment area, 25% were low-income, 18% were moderate-income, 20% were middle-income, and 37% were upper-income. Families living below the poverty level represented 12% of the total families in the assessment area, comparing favorably to the MSA poverty level of 16%, but unfavorably to the statewide level of 9%.

The assessment area's HUD-adjusted annual median family incomes for the years 2013, 2014, 2015, 2016, and 2017 are listed in the following table, along with the dollar amounts recognized as low, moderate, middle, and upper income, predicated upon adjusted median family income measures.

<b>Year</b>	<b>HUD Adjusted Median Family Income</b>	<b>Low Income (&lt;50%)</b>	<b>Moderate Income (50%-less than 80%)</b>	<b>Middle Income (80%-less than 120%)</b>	<b>Upper Income (120% or Greater)</b>
2013	\$79,200	Less than \$39,600	\$39,600 - \$63,359	\$63,360 - \$95,039	\$95,040 or more
2014	\$78,800	Less than \$39,400	\$39,400 - \$63,039	\$63,040 - \$94,559	\$94,560 or more
2015	\$81,100	Less than \$40,550	\$40,550 - \$64,879	\$64,880 - \$97,319	\$97,320 or more
2016	\$80,300	Less than \$40,150	\$40,150 - \$64,239	\$64,240 - \$96,359	\$96,360 or more
2017	\$83,200	Less than \$41,600	\$41,600 - \$66,559	\$66,560 - \$99,839	\$99,840 or more

**GEOGRAPHIC BUSINESS DATA**

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. Based on 2017 data, there were 139,271 total businesses in the assessment area. Five percent of businesses were located in low-income census tracts, and just under 20% were located in moderate-income tracts. Most businesses were located in middle-income tracts (39%) and upper-income tracts (35%). Data reveals that 90% of these businesses were classified as small businesses.

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The demographics used to assess the performance context in which Monument operated are detailed in the tables on the following pages.

Monument Bank Assessment Area Demographics 2013								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	142	19.2	118,667	17.3	41,139	34.7	180,031	26.3
Moderate-income	141	19.1	131,319	19.2	18,965	14.4	117,548	17.2
Middle-income	212	28.7	199,608	29.1	9,914	5.0	127,751	18.6
Upper-income	229	31.0	235,524	34.4	5,294	2.2	259,863	37.9
Unknown-income	14	1.9	75	0.0	44	58.7	0	0.0
<b>Total Assessment Area</b>	<b>738</b>	<b>100.0</b>	<b>685,193</b>	<b>100.0</b>	<b>75,356</b>	<b>11.0</b>	<b>685,193</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	254,229	98,870	13.6	38.9	107,598	42.3	47,761	18.8
Moderate-income	258,863	134,861	18.6	52.1	93,893	36.3	30,109	11.6
Middle-income	351,900	217,823	30.0	61.9	108,134	30.7	25,943	7.4
Upper-income	370,160	273,879	37.8	74.0	75,254	20.3	21,027	5.7
Unknown-income	495	41	0.0	8.3	348	70.3	106	21.4
<b>Total Assessment Area</b>	<b>1,235,647</b>	<b>725,474</b>	<b>100.0</b>	<b>58.7</b>	<b>385,227</b>	<b>31.2</b>	<b>124,946</b>	<b>10.1</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	16,042	11.2	14,131	11.1	927	8.8	984	16.8
Moderate-income	20,109	14.0	17,907	14.1	1,206	11.5	996	17.0
Middle-income	43,772	30.5	38,398	30.2	3,597	34.2	1,777	30.3
Upper-income	62,557	43.6	56,015	44.1	4,515	42.9	2,027	34.6
Unknown-income	1,054	0.7	698	0.5	278	2.6	78	1.3
<b>Total Assessment Area</b>	<b>143,534</b>	<b>100.0</b>	<b>127,149</b>	<b>100.0</b>	<b>10,523</b>	<b>100.0</b>	<b>5,862</b>	<b>100.0</b>
	Percentage of Total Businesses:			88.6	7.3		4.1	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	11	1.7	11	1.7	0	0.0	0	0.0
Moderate-income	31	4.7	29	4.5	2	11.8	0	0.0
Middle-income	228	34.6	221	34.4	7	41.2	0	0.0
Upper-income	389	59.0	381	59.3	8	47.1	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>659</b>	<b>100.0</b>	<b>642</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
	Percentage of Total Farms:			97.4	2.6		.0	

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Monument Bank Assessment Area Demographics 2014								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	71	9.6	52,089	7.6	21,798	41.8	165,990	24.2
Moderate-income	195	26.4	178,729	26.1	31,815	17.8	126,259	18.4
Middle-income	272	36.9	284,879	41.6	16,043	5.6	141,745	20.7
Upper-income	186	25.2	169,421	24.7	5,656	3.3	251,199	36.7
Unknown-income	14	1.9	75	0.0	44	58.7	0	0.0
<b>Total Assessment Area</b>	<b>738</b>	<b>100.0</b>	<b>685,193</b>	<b>100.0</b>	<b>75,356</b>	<b>11.0</b>	<b>685,193</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	114,633	37,895	5.2	33.1	54,491	47.5	22,247	19.4
Moderate-income	340,454	169,575	23.4	49.8	126,569	37.2	44,310	13.0
Middle-income	477,702	320,336	44.2	67.1	122,297	25.6	35,069	7.3
Upper-income	302,363	197,627	27.2	65.4	81,522	27.0	23,214	7.7
Unknown-income	495	41	0.0	8.3	348	70.3	106	21.4
<b>Total Assessment Area</b>	<b>1,235,647</b>	<b>725,474</b>	<b>100.0</b>	<b>58.7</b>	<b>385,227</b>	<b>31.2</b>	<b>124,946</b>	<b>10.1</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7,245	5.2	6,215	5.0	591	5.5	439	8.0
Moderate-income	28,902	20.7	25,149	20.4	2,440	22.6	1,313	23.9
Middle-income	56,274	40.2	50,362	40.8	3,944	36.5	1,968	35.8
Upper-income	46,390	33.2	41,157	33.3	3,531	32.7	1,702	31.0
Unknown-income	1,020	0.7	662	0.5	289	2.7	69	1.3
<b>Total Assessment Area</b>	<b>139,831</b>	<b>100.0</b>	<b>123,545</b>	<b>100.0</b>	<b>10,795</b>	<b>100.0</b>	<b>5,491</b>	<b>100.0</b>
	Percentage of Total Businesses:			<b>88.4</b>		<b>7.7</b>		<b>3.9</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7	1.1	7	1.1	0	0.0	0	0.0
Moderate-income	72	11.1	68	10.7	4	25.0	0	0.0
Middle-income	394	60.7	388	61.3	6	37.5	0	0.0
Upper-income	176	27.1	170	26.9	6	37.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>649</b>	<b>100.0</b>	<b>633</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
	Percentage of Total Farms:			<b>97.5</b>		<b>2.5</b>		<b>.0</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
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Monument Bank Assessment Area Demographics 2015								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	71	9.6	52,089	7.6	21,798	41.8	165,990	24.2
Moderate-income	195	26.4	178,729	26.1	31,815	17.8	126,259	18.4
Middle-income	272	36.9	284,879	41.6	16,043	5.6	141,745	20.7
Upper-income	186	25.2	169,421	24.7	5,656	3.3	251,199	36.7
Unknown-income	14	1.9	75	0.0	44	58.7	0	0.0
<b>Total Assessment Area</b>	<b>738</b>	<b>100.0</b>	<b>685,193</b>	<b>100.0</b>	<b>75,356</b>	<b>11.0</b>	<b>685,193</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	114,633	37,895	5.2	33.1	54,491	47.5	22,247	19.4
Moderate-income	340,454	169,575	23.4	49.8	126,569	37.2	44,310	13.0
Middle-income	477,702	320,336	44.2	67.1	122,297	25.6	35,069	7.3
Upper-income	302,363	197,627	27.2	65.4	81,522	27.0	23,214	7.7
Unknown-income	495	41	0.0	8.3	348	70.3	106	21.4
<b>Total Assessment Area</b>	<b>1,235,647</b>	<b>725,474</b>	<b>100.0</b>	<b>58.7</b>	<b>385,227</b>	<b>31.2</b>	<b>124,946</b>	<b>10.1</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	7,830	5.2	7,136	5.2	669	5.4	25	4.6
Moderate-income	30,882	20.4	27,988	20.3	2,754	22.2	140	26.0
Middle-income	60,709	40.2	56,022	40.6	4,450	35.9	237	44.0
Upper-income	50,540	33.4	46,223	33.5	4,183	33.7	134	24.9
Unknown-income	1,133	0.7	782	0.6	348	2.8	3	0.6
<b>Total Assessment Area</b>	<b>151,094</b>	<b>100.0</b>	<b>138,151</b>	<b>100.0</b>	<b>12,404</b>	<b>100.0</b>	<b>539</b>	<b>100.0</b>
	Percentage of Total Businesses:			91.4		8.2		.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	8	1.2	8	1.2	0	0.0	0	0.0
Moderate-income	78	11.8	74	11.5	4	25.0	0	0.0
Middle-income	390	59.0	383	59.4	7	43.8	0	0.0
Upper-income	184	27.8	179	27.8	5	31.3	0	0.0
Unknown-income	1	0.2	1	0.2	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>661</b>	<b>100.0</b>	<b>645</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
	Percentage of Total Farms:			97.6		2.4		.0

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Monument Bank Assessment Area Demographics 2016								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	71	9.6	52,089	7.6	21,798	41.8	165,990	24.2
Moderate-income	195	26.4	178,729	26.1	31,815	17.8	126,259	18.4
Middle-income	272	36.9	284,879	41.6	16,043	5.6	141,745	20.7
Upper-income	186	25.2	169,421	24.7	5,656	3.3	251,199	36.7
Unknown-income	14	1.9	75	0.0	44	58.7	0	0.0
<b>Total Assessment Area</b>	<b>738</b>	<b>100.0</b>	<b>685,193</b>	<b>100.0</b>	<b>75,356</b>	<b>11.0</b>	<b>685,193</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	114,633	37,895	5.2	33.1	54,491	47.5	22,247	19.4
Moderate-income	340,454	169,575	23.4	49.8	126,569	37.2	44,310	13.0
Middle-income	477,702	320,336	44.2	67.1	122,297	25.6	35,069	7.3
Upper-income	302,363	197,627	27.2	65.4	81,522	27.0	23,214	7.7
Unknown-income	495	41	0.0	8.3	348	70.3	106	21.4
<b>Total Assessment Area</b>	<b>1,235,647</b>	<b>725,474</b>	<b>100.0</b>	<b>58.7</b>	<b>385,227</b>	<b>31.2</b>	<b>124,946</b>	<b>10.1</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7,071	5.1	6,359	5.1	671	5.3	41	3.9
Moderate-income	28,137	20.2	25,102	20.0	2,814	22.2	221	21.2
Middle-income	55,901	40.1	50,914	40.5	4,577	36.2	410	39.3
Upper-income	47,113	33.8	42,514	33.9	4,239	33.5	360	34.5
Unknown-income	1,049	0.8	690	0.5	349	2.8	10	1.0
<b>Total Assessment Area</b>	<b>139,271</b>	<b>100.0</b>	<b>125,579</b>	<b>100.0</b>	<b>12,650</b>	<b>100.0</b>	<b>1,042</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.2</b>		<b>9.1</b>		<b>.7</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	9	1.5	9	1.5	0	0.0	0	0.0
Moderate-income	72	11.8	69	11.6	3	18.8	0	0.0
Middle-income	351	57.5	343	57.7	8	50.0	0	0.0
Upper-income	177	29.0	172	29.0	5	31.3	0	0.0
Unknown-income	1	0.2	1	0.2	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>610</b>	<b>100.0</b>	<b>594</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
<b>Percentage of Total Farms:</b>				<b>97.4</b>		<b>2.6</b>		<b>.0</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
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Monument Bank Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	64	8.7	52,959	7.7	22,068	41.7	171,813	25.0
Moderate-income	205	27.8	181,383	26.4	34,617	19.1	125,819	18.3
Middle-income	261	35.4	272,746	39.7	17,799	6.5	135,416	19.7
Upper-income	193	26.2	179,384	26.1	6,614	3.7	253,987	37.0
Unknown-income	15	2.0	563	0.1	120	21.3	0	0.0
<b>Total Assessment Area</b>	<b>738</b>	<b>100.0</b>	<b>687,035</b>	<b>100.0</b>	<b>81,218</b>	<b>11.8</b>	<b>687,035</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	108,834	36,329	5.1	33.4	54,459	50.0	18,046	16.6
Moderate-income	360,084	166,042	23.5	46.1	145,297	40.4	48,745	13.5
Middle-income	450,674	297,298	42.0	66.0	122,781	27.2	30,595	6.8
Upper-income	321,723	208,212	29.4	64.7	89,989	28.0	23,522	7.3
Unknown-income	2,575	68	0.0	2.6	2,267	88.0	240	9.3
<b>Total Assessment Area</b>	<b>1,243,890</b>	<b>707,949</b>	<b>100.0</b>	<b>56.9</b>	<b>414,793</b>	<b>33.3</b>	<b>121,148</b>	<b>9.7</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	6,842	4.9	6,147	4.9	652	5.2	43	4.1
Moderate-income	27,337	19.6	24,813	19.8	2,329	18.4	195	18.7
Middle-income	54,658	39.2	49,381	39.3	4,882	38.6	395	37.9
Upper-income	49,272	35.4	44,422	35.4	4,452	35.2	398	38.2
Unknown-income	1,162	0.8	816	0.6	335	2.6	11	1.1
<b>Total Assessment Area</b>	<b>139,271</b>	<b>100.0</b>	<b>125,579</b>	<b>100.0</b>	<b>12,650</b>	<b>100.0</b>	<b>1,042</b>	<b>100.0</b>
	Percentage of Total Businesses:			90.2		9.1		.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	12	2.0	12	2.0	0	0.0	0	0.0
Moderate-income	55	9.0	52	8.8	3	18.8	0	0.0
Middle-income	357	58.5	350	58.9	7	43.8	0	0.0
Upper-income	183	30.0	177	29.8	6	37.5	0	0.0
Unknown-income	3	0.5	3	0.5	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>610</b>	<b>100.0</b>	<b>594</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
	Percentage of Total Farms:			97.4		2.6		.0



**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

**LOAN-TO-DEPOSIT RATIO**

Monument’s loan-to-deposit ratio is more than reasonable, given the bank’s asset size, financial condition, and assessment area credit needs. A financial institution’s loan-to-deposit ratio compares the institution’s aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution’s lending volume relative to its capacity to lend and is derived by adding the quarterly loan-to-deposit ratios for a given period and dividing the total by the number of quarters within the period.

The following table shows Monument’s quarterly loan-to-deposit ratios for the eighteen quarters since the last CRA evaluation, as compared to the ratios of its national peer group. As seen below, since the previous CRA evaluation, the bank’s loan-to-deposit ratio has averaged 97%. This ratio exceeds the peer group ratio of 79%, and is well above the bank’s ratio at the previous CRA evaluation (63%).

<b>MONUMENT BANK LOAN-TO-DEPOSIT RATIO</b>				
<b>AS OF DATE</b>	<b>NET LOANS (THOUSANDS)</b>	<b>TOTAL DEPOSITS (THOUSANDS)</b>	<b>RATIO</b>	<b>PEER GROUP</b>
12/31/2017	\$239,133	\$209,427	114.2%	82.2%
09/30/2017	\$230,204	\$202,975	113.4%	82.1%
06/30/2017	\$221,122	\$198,493	111.4%	81.7%
03/31/2017	\$217,288	\$204,035	106.5%	80.4%
12/31/2016	\$209,868	\$192,056	109.3%	78.9%
09/30/2016	\$201,346	\$189,730	106.1%	79.5%
06/30/2016	\$199,999	\$183,289	109.1%	79.2%
03/31/2016	\$190,215	\$177,723	107.0%	78.1%
12/31/2015	\$186,504	\$178,266	104.6%	78.7%
09/30/2015	\$174,239	\$175,134	99.5%	78.6%
06/30/2015	\$162,606	\$171,727	94.7%	79.0%
03/31/2015	\$157,017	\$172,669	90.9%	77.7%
12/31/2014	\$153,771	\$170,637	90.1%	78.1%
09/30/2014	\$144,659	\$164,706	87.8%	77.4%
06/30/2014	\$139,972	\$178,391	78.5%	77.3%
03/31/2014	\$131,692	\$168,701	78.1%	76.1%
12/31/2013	\$126,998	\$165,682	76.7%	75.5%
09/30/2013	\$125,261	\$165,067	75.9%	75.4%
<b>Quarterly Loan-to-Deposit Average Since Previous Evaluation</b>			97.4%	78.7%

Source: The Uniform Bank Performance Report prepared by the FDIC for use by the Federal regulators.

Monument is operating in a highly competitive market that includes community, regional and superregional banking organizations operating numerous branches in Doylestown and Newtown, near Monument’s branches. Despite the competition, the bank’s loan-to-deposit ratio has trended upward in nearly every quarter since the last CRA evaluation, with the most recent quarter’s ratio (114%) far surpassing the peer ratio (82%). In absolute terms, the bank’s net loan volume has increased 91% over the evaluation period, from \$125 million as of September 30, 2013, to \$239 million as of December 30, 2017. During the same time frame, deposits have increased by 27%, from \$165 million to \$209 million.

**ASSESSMENT AREA CONCENTRATION**

A majority of Monument’s loans and other lending-related activities are inside the assessment area. Monument’s home-mortgage and small business lending was analyzed to determine the volume of loans extended inside and outside the bank’s assessment area as delineated for purposes of CRA. During the evaluation period, 71% of the total number of HMDA loans reported during the evaluation period, and 76% of the aggregate dollar amount of HMDA loans reported were extended in the bank’s assessment area.

With respect to small business loans, 70% of the total number of small business loans sampled was extended within the bank’s assessment area, while nearly 76% of the aggregate dollar amount of small business loans sampled was extended in its assessment area.

The table below shows the distribution of lending inside and outside the bank’s assessment area, indicating a majority of loans and other lending activities are inside its assessment area.

<b>Monument Bank</b>								
<b>Lending Inside and Outside the Assessment Area</b>								
<b>Loan Type-Description</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Home Purchase- Conventional	191	68.0	47,379	74.5	90	32.0	16,197	25.5
Home Improvement	4	100.0	1,214	100.0	0	0.0	0	0.0
Multifamily Housing	74	80.4	25,971	82.9	18	19.6	5,350	17.1
Refinancing	135	66.2	47,376	71.9	69	33.8	18,512	28.1
Home Purchase- FHA	37	84.1	6,737	85.9	7	15.9	1,109	14.1
Home Purchase- VA	2	100.0	646	100.0	0	0.0	0	0
<b>Total HMDA related</b>	<b>443</b>	<b>70.7</b>	<b>129,323</b>	<b>75.9</b>	<b>184</b>	<b>29.3</b>	<b>41,168</b>	<b>24.1</b>
Small Business	42	70.0	15,438	75.7	18	30.0	4,949	24.3
<b>Total Small Business related</b>	<b>42</b>	<b>70.0</b>	<b>15,438</b>	<b>75.7</b>	<b>18</b>	<b>30.0</b>	<b>4,949</b>	<b>24.3</b>
<b>TOTAL LOANS</b>	<b>485</b>	<b>70.6</b>	<b>144,761</b>	<b>75.8</b>	<b>202</b>	<b>29.4</b>	<b>46,117</b>	<b>24.2</b>

Note: Affiliate Loans not included

**DISTRIBUTION OF LOANS BY REVENUE SIZE OF BUSINESS AND BORROWER INCOME LEVEL<sup>4</sup>**

Given the assessment area’s demographic and economic characteristics, the distribution of borrowers reflects reasonable penetration among businesses of different sizes, including small businesses, and individuals of different income levels, including low- and moderate-income individuals.

**Lending to Businesses of Different Sizes**

The bank’s distribution of loans to businesses reflects reasonable penetration among business customers of different sizes, including small businesses. As previously mentioned, Monument’s loan portfolio consists of 49% business loans, which receive more weight in the borrower distribution analysis. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less.

<sup>4</sup>The information used to evaluate lending activity by Monument is detailed in the Loan Distribution Tables contained in the Appendix.

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Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the bank’s assessment area is used as a proxy to estimate demand for small business credit in the assessment area. According to 2014 business demographics, the assessment area contained 139,831 businesses, of which 88% were small businesses. In 2015 and 2016, the number of businesses operating in the assessment area increased slightly to 151,094, with 91% as small businesses. The total number of businesses in the three-county area fell to 139,271 in 2017, though the percentage of small businesses remained consistent, at 90%. While the percent of overall business declined by 8%, the percentage of small business only comparatively fell by 1%.

As mentioned previously, the performance evaluation measures Monument’s small business loan performance using a sample of the bank’s small business loans from calendar year 2017. As seen in the table on the following page, the bank’s small business lending in the assessment area has remained robust.

<b>Monument Bank</b>				
<b>Borrower Distribution of Small Business Loans (2017 Sample)</b>				
	<b>By Revenue</b>			
Total \$1 Million or Less	38	90.5%	13,595	88.1%
Over \$1 Million	4	9.5%	1,843	11.1%
Not Known	0	0.0%	0	0.0%
<b>Total</b>	<b>42</b>	<b>100.0%</b>	<b>15,438</b>	<b>100.0%</b>
	<b>By Loan Size</b>			
\$100,000 or less	9	21.4%	716	4.6%
\$100,001 - \$250,000	13	31.0%	1,938	12.8%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	19	45.2%	10,995	71.2%
Over \$1 Million (Bus)-\$500k (Farm)	1	2.4%	1,744	11.3%
<b>Total</b>	<b>42</b>	<b>100.0%</b>	<b>15,438</b>	<b>100.0%</b>
	<b>By Loan Size and Revenue \$1 Million or Less</b>			
\$100,000 or less	8	21.1%	618	4.5%
\$100,001 - \$250,000	12	31.6%	1,838	13.5%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	17	44.7%	9,395	69.1%
Over \$1 Million (Bus)-\$500k (Farm)	1	2.6%	1,744	12.8%
<b>Total</b>	<b>38</b>	<b>100.0%</b>	<b>13,595</b>	<b>100.0%</b>

Monument’s 2017 small business lending indicates that nearly 91% of the 70 small business loans sampled were originated to small businesses with gross annual revenues of \$1 million or less. Furthermore, 21% of its small business loans were extended in an amount of \$100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses; thus, added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller businesses.

In an effort to make small business credit more readily available in its assessment area and to enhance its commercial lending profile, Monument works with Small Business Administration (SBA) brokers in its assessment area. While the bank does not have a dedicated lender on staff, it has provided funding for SBA loans. Over the evaluation period, the bank originated one SBA loans, aggregating \$150 thousand. Additionally, a number of bank officers are involved with local business organizations including the Bucks County Business Association, Montgomery County Business Association, Newtown Business Association, Lower Bucks County Chamber of Commerce, Central Bucks Chamber of Commerce, Doylestown Community and Business Alliance, and SCORE.

### **Home Mortgage Lending**

Monument's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is reasonable. Over the evaluation period, Monument originated a total of 443 home-mortgage loans, aggregating \$129 million.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by HUD. Further, the respective percentages of low-, moderate-, middle-, and upper-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. According to the 2010 census data, 24% of the assessment area families were low-income, 18% were moderate-income, 21% were middle-income, and 37% were upper-income. Similarly, according to the updated 2017 ACS data, 25% of the assessment area families were low-income, 18% were moderate-income, 20% were middle-income, and 37% were upper-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit among such borrowers within the assessment area. Over 40% of the families in the assessment area were designated as low- or moderate-income, indicating a significant need for home-mortgage credit among this segment of the population. Though the need for credit is recognized, significant barriers to lending exist. As discussed previously, owner-occupancy rates in the assessment area are lower than in the Commonwealth as a whole, home values are significantly higher, and rents in the assessment area are quite high, which makes saving for a downpayment difficult.

Over the evaluation period, Monument originated 52% of its total HMDA loan volume as home-purchase loans, 31% as refinance loans, and 17% of loans for multifamily housing. During the evaluation period, Monument originated less than 1% of its HMDA loan volume, as the bank does not offer home-improvement loans.

The table below details the distribution of the bank's HMDA loans by borrower income during the evaluation period, together with the distribution of aggregate HMDA lenders, compared to demographic proxies.

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 9, 2018**

<b>Monument Bank Borrower Distribution of HMDA Loans</b>						
<b>Income Level</b>	<b>% Families by Income Level (2010 Census)</b>	<b>% Families by Income Level (2015 ACS)</b>	<b>Aggregate Comparison</b>			
			<b>2013</b>		<b>2014</b>	
			<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>
Low	24.2	25.0	3.0	8.4	4.7	7.7
Moderate	18.4	18.3	13.6	16.7	20.8	17.4
Middle	20.7	19.7	22.7	20.4	18.8	20.7
Upper	36.7	37.0	40.9	41.7	28.9	35.7
Unknown	0.0	0.0	19.7	12.8	26.8	18.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Aggregate data is not available yet for 2017 as of 03/26/2018

<b>Monument Bank Borrower Distribution of HMDA Loans</b>					
<b>Income Level</b>	<b>Aggregate Comparison</b>				
	<b>2015</b>		<b>2016</b>		<b>2017</b>
	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>
Low	12.8	7.6	4.1	7.0	2.7
Moderate	14.5	16.8	16.2	16.6	8.1
Middle	22.2	20.5	10.8	20.7	2.7
Upper	34.2	34.4	48.6	37.7	16.2
Unknown	16.2	20.7	20.3	18.0	70.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Aggregate data is not available yet for 2017 as of 03/26/2018

### **Lending to Low-Income Borrowers**

For the period under review, Monument’s lending to low-income borrowers was poor.

#### 2010 Census Data

During 2013, Monument’s lending to low-income borrowers was poor. During this time, 3% of the bank’s loans were made to low-income borrowers, which was notably lower than the proxy of 26% and aggregate lending of 8%. Monument made no home purchase, refinance or home improvement loans, and only two multifamily loans (3%) to low-income borrowers. Aggregate lenders, by contrast, made 10%, 7%, 16%, and no multifamily loans to low-income borrowers, respectively.

In 2014, lending to low-income borrowers was poor. In 2014, 5% of the bank’s loans (7 loans) were to low-income borrowers, comparing unfavorably to proxy (24%) and aggregate lending (8%). The 2014 aggregate lending data show that 8% of home-purchase loans, 7% of refinance loans, and 12% of home improvement loans were made to low-income borrowers. Monument’s originated 4% of home purchase loans, and 6% of refinance loans to low-income borrowers in 2014. The bank did not make any home improvement or multifamily loans to low-income borrowers.

Monument's lending in 2015 to low-income borrowers was reasonable. In 2015, 13% of Monument's HMDA lending (15 loans) was to low-income borrowers. Though this was significantly lower than the percentage of low-income families (24%), it was better than the performance of aggregate lending (8%). The 2015 aggregate lending data show that 8% of all home-purchase loans, 6% of refinance loans, and 11.0% of home improvement loans were made to low-income borrowers. Monument made 14% of home-purchase loans, and 12% of refinance loans to low-income borrowers. Monument made no home improvement or multifamily loans to low-income borrowers in 2015.

Monument's lending in 2016 to low-income borrowers was poor. In 2016, 4% of lending (3 loans) was to low-income borrowers, compared to the proxy of 24% and aggregate lending of 7%. The 2016 aggregate lending data show that 8% of all home-purchase loans, 6% of refinance loans, and 10% of home improvement loans were made to low-income borrowers. Monument made 7% of refinance loans, but no home purchase, home improvement or multifamily loans to low-income borrowers in 2016.

#### 2017 ACS Data

Monument's lending in 2017 to low-income borrowers was poor, though it is recognized that the bank originated a very small volume of HMDA loans during 2017 (37 loans). In 2017, 3%, or one home purchase loan, was made to a low-income borrower. Aggregate lending for 2017 was not available at the time of evaluation, though it is noted that the bank's performance significantly lagged the proxy of low-income families (25%).

#### **Lending to Moderate-Income Borrowers**

Although some challenges and obstacles to homeownership also exist for moderate-income families and individuals, Monument's overall lending to moderate-income borrowers for the period under review was reasonable.

#### 2010 Census Data

According to the 2010 Census data, 18% of the families within the three-county assessment area were categorized as moderate-income.

Monument's 2013 HMDA lending to moderate-income borrowers was reasonable. In 2013, 14% of the bank's loans (9 loans) were to moderate-income borrowers, compared to the proxy of moderate-income families (18%) and aggregate lending (17%). Aggregate lending data show that 20% of all home-purchase loans, 15% of refinance loans, and 20% of home improvement loans were made to moderate-income borrowers. Monument made nine multifamily loans (14%), but no home-purchase loans, refinance or home improvement loans to moderate-income borrowers during 2013.

Monument's lending in 2014 to moderate-income borrowers was excellent. In 2014, 21% of the bank's loans (31 loans) were to moderate-income borrowers, exceeding both aggregate lending of 17% and proxy of 18%. Aggregate lending data show that lenders made 19% of all home-purchase loans, 16% of refinance loans, and 19% of home improvement loans to moderate-income borrowers. Monument made 23% of home-purchase loans, and 15% of refinance loans to moderate-income borrowers. The bank did not make any home improvement or multifamily loans to moderate-income borrowers during 2014.

Monument's lending in 2015 to moderate-income borrowers was reasonable. In 2015, 16% of the bank's HMDA loans (17 loans) were made to moderate-income borrowers. Monument's lending slightly lagged proxy (18%) and aggregate lending (17%). Aggregate lending data show that 19% of all home-purchase loans, 14% of refinance loans, and 19% of home improvement loans to moderate-income borrowers. Monument made 16% of home-purchase loans and 12% of refinance loans to moderate-income borrowers. No home improvement or multifamily loans to moderate-income borrowers were made by the bank in 2015.

Monument's lending in 2016 to moderate-income borrowers was reasonable. In 2016, 16% of the bank's HMDA loans (12 loans) were made to moderate-income borrowers, matching the measure for aggregate lenders (17%), and just below the proxy of 18%. Aggregate lenders made 19% of home-purchase loans, 13% of refinance loans, and 19% of home improvement loans to moderate-income borrowers. Monument made 22% of home-purchase loans and 14% of refinance loans to moderate-income borrowers. No home improvement or multifamily loans were made to moderate-income borrowers in 2016.

#### 2017 ACS Data

Monument's lending in 2017 to moderate-income borrowers was poor. Of the bank's 37 HMDA loans originated during 2017, 8% (3 loans) were made to moderate-income borrowers. Though aggregate lending for 2017 was not available at the time of evaluation, the bank's performance significantly lagged the proxy of moderate-income families (18%). Monument made 22% of home-purchase, and 4% of refinance loans to moderate-income borrowers in 2017. No home improvement or multifamily loans were made by the bank to moderate income borrowers.

### **GEOGRAPHIC DISTRIBUTION OF LENDING**

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects reasonable dispersion throughout the assessment area, including low- and moderate-income tracts.

#### **Small Business Lending**

The geographic distribution of Monument's small business loans reflects reasonable dispersion throughout the assessment area, in the context of the assessment area's demographic and economic characteristics, during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on ACS updated small business data, 5% of assessment area businesses were located in low-income census tracts, 20% were in moderate-income tracts, 39% were in middle-income tracts, and 35% were located in upper-income census tracts.

The table below presents the distribution of Monument’s 2017 sample of small business loans in comparison to the applicable business proxy. Aggregate lending levels for 2017 were not available for comparison at the time of the examination, and were therefore not considered in the evaluation.

<b>Monument Bank</b>		
<b>Geographic Distribution of Small Business Loans</b>		
<b>Census Tract Income Level</b>	<b>% Businesses by Tract Income Level (2017)</b>	<b>% Monument Lending (2017)*</b>
Low	4.9	2.4
Moderate	19.6	11.9
Middle	39.2	33.3
Upper	35.4	52.4
Unknown	0.8	0.0
<b>Total</b>	<b>100%</b>	<b>100%</b>

\*2017 Loan sample (70 loans)

### **Lending in Low-Income Census Tracts**

Monument’s small business lending in low-income tracts is reasonable. In 2017, the bank originated 2.4% of its business loans (1 loan for \$260 thousand) in a low-income census tract. This is lower than the 5% proxy of businesses in low-income census tracts in 2017.

While Monument’s loan portfolio is primarily commercial, the institution faces intense competition from many larger national banks in the assessment area. As mentioned previously there were 165 small business loan reporters in the assessment area in 2016, the last year for which aggregate data were available, with the top four originators controlling 52% of the market. Additionally, there was a decline in the number of businesses located in low-income tracts, from 16,042 in 2013 to 6,847 in 2017.

Given the limited amount of low-income census tracts directly around Monument’s two branches, the decline in businesses located in low-income geographies, and the intense competition from the larger national and superregional banks who operate under corporate credit card agreements, it is difficult for Monument to originate loans in these low-income tracts. In this context, Monument’s small business lending to low-income tracts is reasonable.

### **Lending in Moderate-Income Census Tracts**

Monument’s small business lending in moderate-income tracts is reasonable. Monument originated 12% of its small business loans in the assessment area’s moderate-income census tracts in 2017. The bank’s lending level in moderate-income tracts was below the applicable business loan demand proxy of 20%.



**Home-Mortgage Lending**

Monument’s geographic distribution of home mortgages reflects excellent dispersion throughout the assessment area, taking into consideration the bank’s business strategy and the assessment area’s demographics and economic characteristics. As indicated previously, the bank originated 443 HMDA loans, aggregating \$129 million during the evaluation period.

The percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential-mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2010 Census data, which was used as a proxy for 2013, 2014, 2015, and 2016 lending, 5% of owner-occupied housing stock was located in low-income census tracts, while 23% of owner-occupied units were located in moderate-income tracts. The majority of owner-occupied units were located in middle- and upper-income tracts (44% and 27%, respectively). Similarly, the 2017 ACS data, which was used as a proxy for 2017 lending, indicates that 5% of owner-occupied housing units were located in low-income census tracts, and 24% of owner-occupied units were located in moderate-income tracts in the assessment area. The majority of owner-occupied units were again located in middle- and upper-income census tracts.

The table below presents Monument’s geographic distribution of HMDA lending, in comparison to the applicable owner-occupied housing proxies, and the aggregate lending levels for the years evaluated.

<b>Monument Bank Geographic Distribution of HMDA Loans</b>						
<b>Income Level</b>	<b>% Owner- Occupied Housing Units (2010 Census)</b>	<b>% Owner- Occupied Housing Units (2015 ACS)</b>	<b>Aggregate Comparison</b>			
			<b>2013</b>		<b>2014</b>	
			<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>
Low	5.2	5.1	4.5	7.0	4.0	3.1
Moderate	23.4	23.5	15.2	14.9	24.8	20.8
Middle	44.2	42.0	28.8	31.9	45.6	45.8
Upper	27.2	65.4	51.5	46.2	25.5	30.1
Unknown	0.0	29.4	0.0	0.1	0.0	0.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Aggregate data is not available yet for 2017 as of 03/26/2018

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 9, 2018**

<b>Monument Bank</b>					
<b>Geographic Distribution of HMDA Loans</b>					
<b>Income Level</b>	<b>Aggregate Comparison</b>				
	<b>2015</b>		<b>2016</b>		<b>2017</b>
	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>	<b>% Aggregate Lending by # of Loans</b>	<b>% Monument Lending by # of Loans</b>
Low	3.4	2.8	6.8	2.9	5.4
Moderate	29.1	20.2	17.6	20.4	29.7
Middle	39.3	46.6	37.8	45.6	32.4
Upper	28.2	30.4	37.8	30.9	32.4
Unknown	0.0	0.1	0.0	0.1	0.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Aggregate data is not available yet for 2017 as of 03/26/2018

**Lending in Low-Income Census Tracts**

Monument’s overall HMDA lending in low-income tracts was considered reasonable.

2010 Census Data

Monument’s HMDA lending in low-income geographies in 2013 was poor. In 2013, Monument made approximately 5% of its HMDA loans (3 loans) in low-income census tracts, which was below the aggregate measure of 7% and the 2013 proxy of 14% of owner-occupied units in low-income tracts.

Monument’s lending in low-income census tracts in 2014 was reasonable. In 2014, Monument made 4% of its loans (6 loans) in low-income census tracts, which exceeded the aggregate lending level in low-income tracts (3%), but lagged the proxy of owner-occupied units in low-income tracts (5%).

Monument’s lending in low-income census tracts in 2015 was reasonable. Monument made 3% of HMDA loans (4 loans) in low-income tracts, which matches aggregate performance, but lags proxy (5%).

Monument’s lending in low-income census tracts in 2016 was reasonable. Monument made 7% of its HMDA loans, (5 loans) in low-income tracts in 2016, which exceeded the proxy of 5% and aggregate of 3%.

2017 ACS Data

Monument’s lending in low-income census tracts in 2017 was reasonable. Monument made 5% of its HMDA loans (2 loans) in low-income tracts in 2017, which matched the proxy of 5%. Aggregate data was not available for comparison at the time of the evaluation.

**Lending in Moderate-Income Census Tracts**

Monument’s overall HMDA lending in moderate-income tracts was considered excellent.

2010 Census Data

Monument's lending in moderate-income census tracts in 2013 was considered reasonable. The 15% of loans to finance multifamily housing in moderate income tracts, matching the aggregate lending level. Monument and aggregate lenders fell below the proxy of owner-occupied housing units in moderate-income tracts (19%) for this year.

Monument's lending in moderate-income census tracts in 2014 was considered excellent. The bank made 25% of HMDA loans in moderate-income tracts, exceeding both aggregate performance (21%) and proxy (23%).

Monument's lending in moderate-income census tracts in 2015 was considered excellent. Just over 29% of the bank's HMDA lending was made in moderate-income tracts, significantly exceeding both aggregate lenders (20%) and proxy (23%).

Monument's lending in moderate-income census tracts in 2016 was considered reasonable. In 2016, 18% of the bank's loans were made in moderate-income geographies, which fell below both aggregate levels and proxy (20% and 23%, respectively).

2017 ACS Data

Monument's lending in moderate-income census tracts in 2017 was considered excellent. In 2017, nearly 30% of the bank's HMDA loans were made in moderate-income geographies, surpassing the proxy of 24%. Aggregate data was not available for comparison at the time of the evaluation.

**RESPONSE TO SUBSTANTIATED COMPLAINTS**

No CRA complaints were filed with the bank or the Federal Reserve Bank of Philadelphia during the evaluation period.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES**

Monument is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices, inconsistent with helping to meet community credit needs, was identified.

**CRA APPENDICES**

## **CRA APPENDIX A: 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 or assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and its physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development: Community development:** All Agencies have adopted the following language.

- (1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;
- (2) Community services targeted to low- or moderate-income individuals;
- (3) Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less;
- (4) Activities that revitalize or stabilize-
  - (i) Low-or moderate-income geographies;
  - (ii) Designated disaster areas; or
  - (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
    - A. Rates of poverty, unemployment, and population loss; or
    - B. Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or
- (5) Loans, investments, and services that-
  - (i) Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
  - (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
  - (iii) Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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.

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

**Full-scope review:** Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

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

**Limited-scope review:** Performance under the lending, investment, and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

**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.

**Small loan(s) to business(es):** A loan included in loans to small businesses as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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**CRA APPENDIX B: HMDA LOAN DISTRIBUTION TABLES**



**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 2018**

**2013 HMDA LOAN DISTRIBUTION TABLE**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Refinance</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Multi-Family</b>							
Low	3	4.5%	425	2.4%	2	3.0%	175	1.0%
Moderate	10	15.2%	2,280	12.9%	9	13.6%	1,455	8.3%
Middle	19	28.8%	4,075	23.1%	15	22.7%	2,873	16.3%
Upper	34	51.5%	10,847	61.5%	27	40.9%	8,023	45.5%
Unknown	0	0.0%	0	0.0%	13	19.7%	5,101	28.9%
<b>Total</b>	<b>66</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>	<b>66</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	3	4.5%	425	2.4%	2	3.0%	175	1.0%
Moderate	10	15.2%	2,280	12.9%	9	13.6%	1,455	8.3%
Middle	19	28.8%	4,075	23.1%	15	22.7%	2,873	16.3%
Upper	34	51.5%	10,847	61.5%	27	40.9%	8,023	45.5%
Unknown	0	0.0%	0	0.0%	13	19.7%	5,101	28.9%
<b>Total</b>	<b>66</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>	<b>66</b>	<b>100.0%</b>	<b>17,627</b>	<b>100.0%</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION  
APRIL 2018**

**2014 HMDA LOAN DISTRIBUTION TABLE**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	4	3.5%	1,009	3.7%	5	4.4%	614	2.3%
Moderate	32	28.3%	4,735	17.5%	26	23.0%	4,291	15.8%
Middle	52	46.0%	13,321	49.1%	20	17.7%	4,458	16.4%
Upper	25	22.1%	8,051	29.7%	33	29.2%	10,768	39.7%
Unknown	0	0.0%	0	0.0%	29	25.7%	6,985	25.8%
<b>Total</b>	<b>113</b>	<b>100.0%</b>	<b>27,116</b>	<b>100.0%</b>	<b>113</b>	<b>100.0%</b>	<b>27,116</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	2	5.9%	314	3.6%	2	5.9%	270	3.1%
Moderate	5	14.7%	882	10.0%	5	14.7%	1,172	13.3%
Middle	14	41.2%	3,937	44.6%	8	23.5%	2,104	23.8%
Upper	13	38.2%	3,703	41.9%	10	29.4%	3,033	34.3%
Unknown	0	0.0%	0	0.0%	9	26.5%	2,257	25.5%
<b>Total</b>	<b>37</b>	<b>100.0%</b>	<b>8,836</b>	<b>100.0%</b>	<b>34</b>	<b>100.0%</b>	<b>8,836</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	3,900	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	3,900	100.0%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>3,900</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>3,900</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	6	4.0%	1,323	3.3%	7	4.7%	884	2.2%
Moderate	37	24.8%	5,617	14.1%	31	20.8%	5,463	13.7%
Middle	68	45.6%	21,158	53.1%	28	18.8%	6,562	16.5%
Upper	38	25.5%	11,754	29.5%	43	28.9%	13,801	34.6%
Unknown	0	0.0%	0	0.0%	40	26.8%	13,142	33.0%
<b>Total</b>	<b>149</b>	<b>100.0%</b>	<b>39,852</b>	<b>100.0%</b>	<b>149</b>	<b>100.0%</b>	<b>39,852</b>	<b>100.0%</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 2018**

**2015 HMDA LOAN DISTRIBUTION TABLE**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	2	2.5%	400	2.2%	11	13.6%	1,549	8.7%
Moderate	23	28.4%	4,348	24.4%	13	16.0%	2,510	14.1%
Middle	33	40.7%	7,609	42.7%	17	21.0%	3,494	19.6%
Upper	23	28.4%	5,451	30.6%	26	32.1%	7,105	39.9%
Unknown	0	0.0%	0	0.0%	14	17.3%	3,105	17.7%
<b>Total</b>	<b>81</b>	<b>100.0%</b>	<b>17,808</b>	<b>100.0%</b>	<b>81</b>	<b>100.0%</b>	<b>17,808</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	2	5.9%	617	6.4%	4	11.8%	589	6.1%
Moderate	10	29.4%	2,881	29.8%	4	11.8%	630	6.5%
Middle	13	38.2%	3,583	37.1%	9	26.5%	1,810	18.7%
Upper	9	26.5%	2,585	26.7%	14	41.2%	5,400	55.9%
Unknown	0	0.0%	0	0.0%	3	8.8%	1,237	12.8%
<b>Total</b>	<b>34</b>	<b>100.0%</b>	<b>9,666</b>	<b>100.0%</b>	<b>34</b>	<b>100.0%</b>	<b>9,666</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	100.0%	49	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	49	100.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>49</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>49</b>	<b>100.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	1	100.0%	228	100.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	228	100.0%
<b>Total</b>	<b>1</b>	<b>100.0%</b>	<b>228</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>228</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	4	3.4%	1,017	3.7%	15	12.8%	2,138	7.7%
Moderate	34	29.1%	7,278	26.2%	17	14.5%	3,140	11.3%
Middle	46	39.3%	11,192	40.3%	26	22.2%	5,304	19.1%
Upper	33	28.2%	8,264	29.8%	40	34.2%	12,505	45.1%
Unknown	0	0.0%	0	0.0%	19	16.2%	4,664	16.8%
<b>Total</b>	<b>117</b>	<b>100.0%</b>	<b>27,751</b>	<b>100.0%</b>	<b>117</b>	<b>100.0%</b>	<b>27,751</b>	<b>100.0%</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 2018**

**2016 HMDA LOAN DISTRIBUTION TABLE**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	5	18.5%	1,450	21.8%	6	22.2%	978	14.7%
Middle	13	48.1%	2,764	41.6%	3	11.1%	492	7.4%
Upper	9	33.3%	2,434	36.6%	15	55.6%	4,463	67.1%
Unknown	0	0.0%	0	0.0%	3	11.1%	715	10.8%
<b>Total</b>	<b>27</b>	<b>100.0%</b>	<b>6,648</b>	<b>100.0%</b>	<b>27</b>	<b>100.0%</b>	<b>6,648</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	5	11.4%	1,384	7.2%	3	6.8%	542	2.8%
Moderate	7	15.9%	3,658	19.1%	6	13.6%	1,202	6.3%
Middle	13	29.5%	4,922	25.6%	5	11.4%	1,272	6.6%
Upper	19	43.2%	9,226	48.1%	21	47.7%	10,790	56.2%
Unknown	0	0.0%	0	0.0%	9	20.5%	5,384	28.1%
<b>Total</b>	<b>44</b>	<b>100.0%</b>	<b>19,190</b>	<b>100.0%</b>	<b>44</b>	<b>100.0%</b>	<b>19,190</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	33.3%	416	30.5%	0	0.0%	0	0.0%
Middle	2	66.7%	950	69.5%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	3	100.0%	1,366	100.0%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>1,366</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>1,366</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	5	6.8%	1,384	5.1%	3	4.1%	542	2.0%
Moderate	13	17.6%	5,524	20.3%	12	16.2%	2,180	8.0%
Middle	28	37.8%	8,636	31.7%	8	10.8%	1,764	6.5%
Upper	28	37.8%	11,660	42.9%	36	48.6%	15,253	56.1%
Unknown	0	0.0%	0	0.0%	15	20.3%	7,465	27.4
<b>Total</b>	<b>74</b>	<b>100.0%</b>	<b>27,204</b>	<b>100.0%</b>	<b>74</b>	<b>100.0%</b>	<b>27,204</b>	<b>100.0%</b>

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 2018**

**2017 HMDA LOAN DISTRIBUTION TABLE**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0%	0	0.0%	1	11.1%	111	3.5%
Moderate	0	0.0%	0	0.0%	2	22.2%	379	11.9%
Middle	5	55.6%	1,318	41.3%	0	0.0%	0	0.0%
Upper	4	44.4%	1,872	58.7%	1	11.1%	424	13.3%
Unknown	0	0.0%	0	0.0%	5	55.6%	2,276	71.3%
<b>Total</b>	<b>9</b>	<b>100.0%</b>	<b>3,190</b>	<b>100.0%</b>	<b>9</b>	<b>100.0%</b>	<b>3,190</b>	<b>100.0%</b>
	<b>Refinance</b>							
Low	2	8.7%	742	7.7%	0	0.0%	0	0.0%
Moderate	8	34.8%	2,805	29.0%	1	4.3%	400	4.1%
Middle	6	26.1%	2,323	24.0%	1	4.3%	242	2.5%
Upper	7	30.4%	3,814	39.4%	4	17.4%	2,670	27.6%
Unknown	0	0.0%	0	0.0%	17	73.9%	6,372	65.8%
<b>Total</b>	<b>23</b>	<b>100.0%</b>	<b>9,684</b>	<b>100.0%</b>	<b>23</b>	<b>100.0%</b>	<b>9,684</b>	<b>100.0%</b>
	<b>Home Improvement</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	3	100.0%	1,165	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	1	33.3%	900	77.3%
Unknown	0	0.0%	0	0.0%	2	66.7%	265	22.7%
<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>1,165</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>1,165</b>	<b>100.0%</b>
	<b>Multi-Family</b>							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	50.0%	675	23.7%	0	0.0%	0	0.0%
Upper	1	50.0%	2,175	76.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	2,850	100.0%
<b>Total</b>	<b>2</b>	<b>100.0%</b>	<b>2,850</b>	<b>100.0%</b>	<b>2</b>	<b>100.0%</b>	<b>2,850</b>	<b>100.0%</b>
	<b>HMDA Totals</b>							
Low	2	5.4%	742	4.4%	1	2.7%	111	0.7%
Moderate	11	29.7%	3,970	23.5%	3	8.1%	779	4.6%
Middle	12	32.4%	4,316	25.6%	1	2.7%	242	1.4%
Upper	12	32.4%	7,861	46.5%	6	16.2%	3,994	23.6%
Unknown	0	0.0%	0	0.0%	26	70.3%	11,763	69.6%
<b>Total</b>	<b>37</b>	<b>100.0%</b>	<b>16,889</b>	<b>100.0%</b>	<b>37</b>	<b>100.0%</b>	<b>16,889</b>	<b>100.0%</b>

**CRA APPENDIX C: SMALL BUSINESS LOAN DISTRIBUTION TABLE**

**SMALL INSTITUTION PERFORMANCE EVALUATION**  
**APRIL 2018**

**SMALL BUSINESS LOAN DISTRIBUTION TABLE (2017 LOAN SAMPLE)**

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	1	2.4%	260	1.7%	0	0.0%	0	0.0%
Moderate	5	11.9%	2,536	16.4%	0	0.0%	0	0.0%
Middle	14	33.3%	5,078	32.9%	0	0.0%	0	0.0%
Upper	22	52.4%	7,564	49.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>42</b>	<b>100.0%</b>	<b>15,438</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>By Revenue</b>							
Total \$1 Million or Less	38	90.5%	13,595	88.1%	0	0.0%	0	0.0%
Over \$1 Million	4	9.5%	1,843	11.9%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>42</b>	<b>100.0%</b>	<b>15,438</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>By Loan Size</b>							
\$100,000 or less	9	21.4%	716	4.6%	0	0.0%	0	0.0%
\$100,001 - \$250,000	13	31.0%	1,983	12.8%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	19	45.2%	10,995	71.2%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	2.4%	1,744	11.3%	0	0.0%	0	0.0%
<b>Total</b>	<b>42</b>	<b>100.0%</b>	<b>15,438</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
	<b>By Loan Size and Revenue \$1 Million or Less</b>							
\$100,000 or less	8	21.1%	618	4.5%	0	0.0%	0	0.0%
\$100,001 - \$250,000	12	31.6%	1,838	13.5%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	17	44.7%	9,395	69.1%	0	0.0%	0	0.0%
Over \$1 Million (Bus) -\$500k (Farm)	1	2.6%	1,744	12.8%	0	0.0%	0	0.0%
<b>Total</b>	<b>38</b>	<b>100.0%</b>	<b>13,595</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**CRA APPENDIX D: ASSESSMENT AREA MAP**



MONUMENT BANK ASSESSMENT AREA (2017)

