



PUBLIC DISCLOSURE

Date of Evaluation: JUNE 4, 2018

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Depository Institution: FLEETWOOD BANK

Institution's Identification Number: 551016

Address: MAIN AND FRANKLIN STREETS

FLEETWOOD, 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 bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the credit needs of the assessment area.
- A substantial majority of the bank's loans are inside 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 borrowers, and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

SCOPE OF EXAMINATION

Fleetwood Bank ("Fleetwood") was rated satisfactory at its previous CRA evaluation dated January 13, 2014, which was conducted using the Interagency Small Institution CRA Examination Procedures adopted by the Board of Governors. The current evaluation of Fleetwood's CRA performance covers the period from January 14, 2014 through June 4, 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 Home Mortgage Disclosure Act (HMDA) loans, reported by the bank for calendar years 2014, 2015, 2016, and 2017.
- A sample of 49 small business loans originated by the bank in the calendar year 2017.

Fleetwood is a HMDA reporter, and therefore the bank's HMDA performance was compared to the aggregate of all lenders in the bank's assessment area reporting loans pursuant to the HMDA. As this evaluation spans four years, for the purposes of evaluating the geographic distribution of loans, census tracts were classified on the basis of 2010 U.S. Census data for loans made in 2014, 2015 and 2016, and on the basis of the updated 2015 American Community Survey (ACS) data for loans originated in 2017¹.

The distribution of HMDA loans to borrowers of different income levels was analyzed based on annually-adjusted median family income data for each of those years, made available by the Federal Financial Institutions Examination Council (FFIEC). All other demographic data indices and statistics presented throughout this evaluation are based on 2010 Census data for years 2014, 2015 and 2016, and updated 2015 ACS data for 2017, unless otherwise noted.

Fleetwood does not report small business loans for purposes of the CRA, and therefore analysis of the bank's small business lending was based on a statistical sample of 49 commercial loans originated in 2017. For small business loans, examiners compared the bank's lending data to Dun & Bradstreet data. Dun & Bradstreet collects and publishes data detailing the revenues and locations of local businesses. Because Fleetwood is not a small business reporter, it is not included in the ranking of aggregate lenders who report such loans in Berks County. Consequently, the bank's performance was not directly compared to the lending of aggregate small business lenders. Conversely, aggregate lending data was considered for contextual purposes only.

In determining the bank's overall CRA performance, greater weight was placed on HMDA loans as these represent the largest portion of the bank's loan portfolio (68%). By comparison, commercial lending comprises only 19% of the bank's portfolio.

Examiners analyzed the demographic characteristics of the bank's assessment area as one way to measure loan demand. Demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Rather, demographic data provides context for the bank's performance in the assessment area where it operates.

Finally, to supplement economic, demographic and performance data, and to gain a better perspective on community credit needs, interviews were conducted with two community representatives during the course of the evaluation. One community contact focused on affordable housing, while the second focused its efforts on economic development within the assessment area. More information about the community needs identified by the community contacts is provided in the Description of Assessment Area section of the Performance Evaluation.

¹In accordance with a FFIEC policy decision, 2015 ACS data is not used to analyze loans originated in 2015 or 2016.

DESCRIPTION OF INSTITUTION

Fleetwood is headquartered in the borough of Fleetwood, Berks County, Pennsylvania. Fleetwood is a state-chartered, full-service community bank located approximately 15 miles northeast of Reading, Pennsylvania, and 70 miles northwest of Philadelphia, Pennsylvania. Fleetwood is a traditional community bank offering a variety of consumer and commercial banking services through its seven branches. These branches include its main office in Fleetwood, and additional branches in Blandon, Boyertown, Kutztown, Lyons, Shoemakersville, and Wyomissing, all located in the entirety of the Reading, PA Metropolitan Statistical Area (MSA).

Automated teller machines (ATMs) are located at all seven of the bank’s branches, while drive-up services are offered at five of the bank’s seven locations. Additionally, Fleetwood is a member of the MoneyPass ATM Network that operates over 25,000 surcharge-free ATMs throughout the United States and Puerto Rico (including more than 30 in Berks County). Finally, the institution accommodates its customers with alternative delivery methods including free online banking, which allows customers to transfer funds between accounts, obtain account balances, and use bill pay.

Fleetwood is a wholly-owned subsidiary of Fleetwood Bank Corporation, a bank holding company also located in Fleetwood, with consolidated assets of just under \$261 million as of March 31, 2018. Fleetwood owns two nonbank subsidiaries, Fleetwood Real Estate, LLC, and Fleetwood Financial, LLC. As of March 31, 2018, Fleetwood reported just under \$261 million in total assets, of which nearly \$166 million (64%) are loans. On a dollar volume basis, residential real estate loans (which include closed-end and open-end residential loans) are the most significant product offered by the bank (68%). On a dollar volume basis, the second most material product offered is commercial loans (20%), which is comprised of commercial mortgages and commercial and industrial loans.

The composition of the bank’s loan portfolio is presented in the following table.

LOANS as of 03/31/18	\$000	%
Commercial Mortgages	26,983	16.3%
Commercial and Industrial Loans	5,423	3.3%
Secured by Farmland	6,323	3.8%
Secured by Residential Properties (Closed-end)	101,215	61.1%
Secured by Residential Properties (Open-end)	11,248	6.8%
Construction & Land Development	4,216	2.5%
Multifamily Residential Properties	2,844	1.7%
Consumer Loans	620	0.4%
Loans to Finance Agricultural Production & Other Loans to Farmers	29	<.1%
States and Political Subdivisions	6,063	3.7%
Loans to Nondepository Institutions and Other Loans	818	0.5%
Less: Unearned Income on Loans	(114)	<.1%
TOTAL	\$165,668	100.00%

Source: March 31, 2018 Consolidated Reports of Condition and Income, Schedule RC-C.

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Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the Call Report indicates that 75% of Fleetwood’s commercial loans were designated as small business loans, as detailed in the following table. Data in the table is as of December 31, 2017, which was the most recent quarter that such data was available. Fleetwood reports such data twice a year, and therefore data for March 31, 2018 was not reported at the time of the evaluation.

Fleetwood Bank Commercial Loan Portfolio		
	Amount Outstanding as of 12/31/17 (\$000s)	Percent
Loans with original amounts of \$100,000 or less	\$4,970	14.6%
Loans with original amounts of more than \$100,000 through \$250,000	\$6,945	20.3%
Loans with original amounts of more than \$250,000 through \$1,000,000	\$13,798	40.4%
TOTAL SMALL BUSINESS LOANS	\$25,713	75.3%
Loans with original amounts of more than \$1,000,000	\$8,444	24.7%
TOTAL COMMERCIAL LOANS	\$34,157	100.0%

The bank’s asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment area. No legal or other impediments exist that would hamper the bank’s ability to meet community needs.

DESCRIPTION OF ASSESSMENT AREA

For the purposes of CRA, Fleetwood has designated one assessment area which consists of the entire Reading MSA. The Reading MSA is located in southeastern Pennsylvania and consists solely of Berks County, Pennsylvania. The bank’s assessment area complies with the requirements of CRA and does not arbitrarily exclude low- or moderate-income census tracts.

As mentioned previously, discussions were held with two community organizations, an affordable housing agency and an economic development organization. Information about assessment area credit needs and economic conditions was gleaned from the interviews with these two local community organizations. Contacts identified a need in Berks County for county officials to understand better the lack of growth in the county, and to develop a comprehensive plan to address it. Additionally, a need for more affordable housing was expressed, given that there are many empty and blighted properties in the city of Reading. According to contacts, finding affordable housing in the assessment area is a challenge because area housing stock tends to be older, which leads to expensive ongoing maintenance, repairs and rehabilitation, which effectively prices low- and moderate-income individuals out of the existing housing stock.

Other needs identified by community contacts were the need for banks to make documentation related to homeownership available in Spanish, and for fluent Spanish-speaking mortgage loan professionals to accommodate the growing Hispanic population. Finally, contacts expressed a need for non-predatory subprime credit to serve those with credit histories that are not perfect, but who are still credit worthy borrowers.

2010 Census Data

As of the 2010 Census, the Reading MSA assessment area was comprised of 90 census tracts, of which 18 were low-income, 9 were moderate-income, 46 were middle-income, and 17 were upper-income. Over 21% of the population in the assessment area resided within the low- and moderate-income census tracts. All 18 low-income, and 7 of the 9 moderate-income census tracts were located within the city of Reading. One of the remaining moderate-income census tracts was in the borough of Wyomissing, and the other was located in Richmond Township, which borders the borough of Fleetwood.

2015 ACS Data

As of the 2015 ACS update, the Reading MSA assessment area contained 90 census tracts, though the census tract income levels changed slightly. At the time of the ACS update, 19 tracts were designated low-income census tracts, 7 were designated as moderate-income census tracts, 48 were middle-income tracts, and 16 were upper-income census tracts.

In total, 11 tracts within the assessment area experienced changes in income level designations as a result of the 2015 ACS. Two tracts changed from middle- to upper-income; two tracts changed from moderate- to middle-income; one tract changed from low- to moderate-income; three tracts changed from upper- to middle-income; one tract changed from middle- to moderate-income; and two tracts changed from moderate- to low-income. Three of the tracts with changes were in the city of Reading and four were adjacent to the city of Reading. Despite the changes, the same percentage of the population resided within the low- and moderate-income tracts (21%).

Maps of the Berks County assessment area at both the 2010 Census and the 2015 ACS update are available in Appendix D.

Fleetwood'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) Deposit Market Share report as of June 30, 2017², there were 18 depository institutions operating in Berks County. These 18 institutions maintained 126 branches, and collectively held nearly \$16.4 billion in deposits. At the time of the report, Fleetwood operated six³ of the branches and held \$222 million in deposits. Fleetwood ranked tenth overall, controlling just over 1% of the retail deposit market. Santander Bank, N.A. ranked first, holding 37% of deposits in Berks County, followed by Customers Bank (24%), Wells Fargo Bank, N.A. (10%), and Branch Banking and Trust Company with 8%.

²June 30, 2017 is the most recent date for which the FDIC Deposit Market Share report was available for this evaluation.

³Fleetwood's 7th branch, Boyertown, was opened in September 2017. This was after the FDIC Deposit Market Share report was published; therefore, Fleetwood's 7th branch was not reflected in the report.

Fleetwood's home-mortgage loans were compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. These data are reported annually, and 2016 was the most recent year for which aggregate data is available. According to the 2014 aggregate data, 322 institutions operating in the assessment area originated or purchased 9,281 home-mortgage loans. National and super-regional banks originated the majority of HMDA loans in the assessment area. In 2014, Wells Fargo Bank, N.A. ranked first with nearly 16% of HMDA loan originations and purchases, followed by Mortgage America, Inc. (7%), and JP Morgan Chase, N.A. (5%). Fleetwood tied with Citizens Bank, N.A., ranking 22nd among institutions in the assessment area with just under 1% of total originations and purchases.

In 2015, aggregate HMDA data showed a 13% year-to-year increase in HMDA lending. There were 346 institutions which originated or purchased a total of 10,475 home-mortgage loans. As in 2014, large and super-regional financial institutions dominated this market. In 2015, Wells Fargo Bank, N.A. ranked first with 14% of HMDA originations and purchases, followed by Mortgage America, Inc. (8%), and Quicken Loans, Inc. (4%). Fleetwood ranked 19th among institutions in the assessment area with just over 1% of total originations and purchases.

In 2016, aggregate HMDA data showed a 6% increase in HMDA lending as compared to 2015 lending in the assessment area. A total of 11,102 home-mortgage loans were made by 353 institutions. In 2016, Wells Fargo Bank, N.A. ranked first with 13% of HMDA originations and purchases, followed by Mortgage America, Inc. (7%), and Quicken Loans, Inc. (4%). Fleetwood ranked 17th among institutions in the assessment area with just over 1% of total originations and purchases.

Fleetwood does not report small business loans for the purposes of CRA due to its asset size. Therefore, the bank is not included in the ranking of small business lenders operating in the Reading MSA. Though the bank's performance is not directly compared to that of peer lenders, information on small business market share is presented for context only. The 2017 aggregate CRA data were not available at the time of this evaluation.

In 2014, a total of 75 small business reporters originated or purchased a total of 6,201 small business loans in the Reading MSA. US Bank, N.A. led the market with 13% of such loans, followed by American Express Bank, FSB (11%) and Wells Fargo Bank, N.A. (10%).

In 2015, a total of 77 CRA reporters originated or purchased 6,515 small business loans in the MSA. US Bank, N.A. again led the market with nearly 13% of small business loans, followed by American Express Bank, FSB (12%) and Wells Fargo Bank, N.A. with 9% market share.

According to 2016 aggregate CRA loan data, there were 92 small business loan reporters in the assessment area. These reporters collectively originated or purchased 6,948 small business loans in the Reading MSA. In 2016, American Express Bank, FSB ranked first with 13% of the small business loans reported, followed by Citibank, N.A. and US Bank, N.A. (both with just under 9% market share).

Aggregate data for 2017 was not available for comparison at the time of the evaluation.

ECONOMIC CHARACTERISTICS

Fleetwood’s performance under the CRA was evaluated in terms of the demographic and business context in which the bank operates. As detailed previously, Fleetwood’s assessment area is located in southeastern Pennsylvania, and consists of the Reading MSA which is comprised solely of Berks County.

According to Moody’s Analytics’ Precis Report, the economy of the Reading MSA is in a recovery mode, and is expected to underperform both the state and the nation over the short term due to a slowdown in manufacturing growth. Top industries represented in the MSA are manufacturing (17% of jobs), education and health services (just under 17%), professional and business services (14%), government (12%), and retail trade (11%). The report anticipates the assessment area’s manufacturing industry will continue to struggle to make progress, while the business and professional services sector is anticipated to at least partially offset manufacturing losses due to high-wage management jobs. Top employers in the MSA include East Penn Manufacturing Company, Inc., Tower Health, and Carpenter Technology Company.

Strengths of the assessment area are high-wage management jobs, a strong healthcare presence, and living costs that are low relative to those in nearby Philadelphia. Weaknesses in the regional economy include a struggling manufacturing industry, poor migration patterns, a shrinking working-age population, and persistently high foreclosure rates.

Seasonably unadjusted unemployment rates for Berks County, according to the U.S. Department of Labor’s Bureau of Labor Statistics are presented in the following table. Notably, while unemployment in Berks County is lower than Pennsylvania as a whole, it is higher than unemployment in the United States overall.

Fleetwood Bank Unemployment Rates (Seasonally Unadjusted)				
Geographical Area	2014 Annual	2015 Annual	2016 Annual	2017 Annual
Berks County	5.5%	4.9%	5.0%	4.6%
Reading, PA MSA	5.5%	4.9%	5.0%	4.6%
Pennsylvania	5.9%	5.3%	5.4%	4.9%
United States	6.2%	5.3%	4.9%	4.4%

HOUSING

2010 Census Data

According to 2010 Census data, the bank’s assessment area contained 163,574 housing units; 69% of which were owner-occupied, 25% of which were rental units, and 6% of which were vacant units. Single-family units comprised 78% of all housing units in the assessment area, while two-to-four family units comprised 8%, multifamily units comprised 10%, and mobile homes just over 3%.

The amount of owner-occupied housing within designated census tracts is used as a proxy to estimate demand for home-mortgage credit within such census tracts. According to the 2010 Census, 31% of housing units in low-income tracts were owner-occupied, while 53% of units in moderate-income census tracts were owner-occupied. Owner-occupied housing units in low- and moderate-income census tracts fell significantly below rates in middle-income census tracts (76%), and upper-income census tracts (82%).

According to the 2010 Census, the median age of the housing stock in the assessment area was 48 years, which is comparable to that of Commonwealth of Pennsylvania (Commonwealth) median of 50 years. Of note, the median age of housing stock in low- and moderate-income tracts (61 years) is significantly older than in middle-income (47 years) and upper-income tracts (30 years).

The median housing value in the assessment area was \$170,403, which is significantly higher than the median housing value for the Commonwealth (\$159,300). The data also indicated that a significant disparity exists between the median housing values in the assessment area's low-income census tracts (\$53,371), and moderate-income census tracts (\$90,177), when compared to values in middle-income (\$165,662), and upper-income census tracts (\$228,672).

Median rent in the assessment area was \$743 with 46% of renters considered to be cost-burdened.⁴ Overall, renters in the Commonwealth fared only slightly better, paying a median rent of \$739 with 44% of renters deemed to be cost-burdened.

2015 ACS Data

Using 2015 ACS data, the bank's assessment area contained 164,853 housing units; 67% of which were owner-occupied, 26% of which were rental units, and 7% of which were vacant units. The overall assessment area owner-occupancy rate fell slightly from the 2010 Census, but still was slightly higher than the Commonwealth rate (61%). Single-family units comprised 79% of all housing units in the assessment area, while two-to-four family units comprised 8%, multifamily units comprised 10%, and mobile homes comprised 3%.

The amount of owner-occupied housing within designated tracts is used as a proxy to estimate demand for home-mortgage credit within such tracts. According to 2015 ACS data, 30% of housing units in low-income census tracts were owner-occupied. In moderate-income census tracts 51% of units were owner-occupied. Owner-occupancy in low- and moderate-income census tracts again fell significantly below the owner-occupancy rates in middle- (73%), and upper-income census tracts (81%).

According to 2015 ACS data, the median age of the housing stock was 56 years, which is comparable to that of the Commonwealth median of 54 years. At the 2015 ACS, the median housing value in the assessment area fell slightly to \$168,188. As with the 2010 Census data, the 2015 ACS data indicated a significant disparity between the median housing values in the assessment area's low-income census tracts (\$57,520), and moderate-income census tracts (\$82,324) compared to values in middle- (\$166,260), and upper-income census tracts (\$217,532).

⁴The Department of Housing and Urban Development defines cost-burdened families as those "who pay more than 30 percent of their income for housing." (https://www.hud.gov/program_offices/comm_planning/affordablehousing/)

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From the 2010 Census to the 2015 ACS update, median rent in the assessment area increased 15% to \$851 with 50% of renters considered to be cost-burdened. Overall renters in the Commonwealth fared only slightly better, paying a median rent of \$840 with 46% of renters deemed to be cost-burdened.

BORROWER INCOME DATA

2010 Census Data

The percentages of low- and moderate-income families are used as a proxy to estimate demand for home-mortgage lending in the assessment area. According to the 2010 Census, of the 106,995 families in the assessment area, 20% were low-income, and 17% were moderate-income, 23% were middle-income, and 39% were upper-income. Families living below the poverty level represented 9% of the total families in the assessment area, which was comparable to the Commonwealth poverty level.

2015 ACS Data

According to the updated 2015 ACS, of the 105,998 families living in the assessment area, 21% were low-income, 17% were moderate-income, 21% were middle-income, and 40% were upper-income families. Families living below the poverty level represented 10% of the total families in the assessment area, which was slightly greater than the Commonwealth poverty level (9%).

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 the FFIEC for the Reading MSA.

The assessment area’s adjusted annual median family incomes for the years 2014, 2015, 2016, and 2017 are listed in the following table, and are categorized by dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Fleetwood Bank Adjusted Median Family Income					
Year	HUD-Adjusted Median Family Income	Low-Income (<50%)	Moderate-Income (50% to less than 80%)	Middle-Income (80% to less than 120%)	Upper-Income (120% or Greater)
2014	\$66,900	Less than \$33,450	\$33,450 - \$53,519	\$5,520 - \$80,279	\$80,280 or more
2015	\$67,600	Less than \$33,800	\$33,800 - \$54,079	\$54,080 - \$81,119	\$81,120 or more
2016	\$71,000	Less than \$35,500	\$35,500 - \$56,799	\$56,800 - \$85,199	\$85,200 or more
2017	\$68,900	Less than \$34,450	\$34,450 - \$55,119	\$55,120 - \$82,679	\$82,680 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. In 2017, which is the same year that Fleetwood's small business data was analyzed for purposes of this evaluation, the total number of businesses in the assessment area was 16,087. Of those, 9% of businesses were located in low-income census tracts, and 5% were located in moderate-income census tracts. The majority of businesses were located in middle-income (59%) and upper-income census tracts (27%). Dun & Bradstreet data further reveal that in 2017, 89% of these businesses were classified as small businesses with gross annual revenue of \$1 million or less. Similar distributions were noted in the data from 2013 through 2016, as indicated in the assessment area demographics in the tables on the following pages.

The demographics used to assess the performance context in which Fleetwood operated are detailed in the tables on the following pages. As explained earlier, 2010 Census data is used for 2014, 2015 and 2016, and the updated 2015 ACS data is used for demographic comparison in 2017.

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Fleetwood 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	18	20.0	13,625	12.7	5,394	39.6	21,927	20.5
Moderate-income	9	10.0	6,473	6.0	734	11.3	18,593	17.4
Middle-income	46	51.1	59,752	55.8	2,716	4.5	24,801	23.2
Upper-income	17	18.9	27,145	25.4	737	2.7	41,674	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	106,995	100.0	9,581	9.0	106,995	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	25,768	7,965	7.1	30.9	13,651	53.0	4,152	16.1
Moderate-income	10,786	5,743	5.1	53.2	4,041	37.5	1,002	9.3
Middle-income	89,332	67,527	60.3	75.6	17,814	19.9	3,991	4.5
Upper-income	37,688	30,833	27.5	81.8	5,733	15.2	1,122	3.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	163,574	112,068	100.0	68.5	41,239	25.2	10,267	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,501	9.1	1,286	8.8	128	10.3	87	13.0
Moderate-income	1,152	6.9	957	6.5	128	10.3	67	10.0
Middle-income	9,422	56.8	8,382	57.2	684	54.9	356	53.4
Upper-income	4,503	27.2	4,041	27.6	305	24.5	157	23.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	16,578	100.0	14,666	100.0	1,245	100.0	667	100.0
	Percentage of Total Businesses:			88.5		7.5		4.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	2	0.3	2	0.3	0	0.0	0	0.0
Moderate-income	44	6.4	44	6.6	0	0.0	0	0.0
Middle-income	530	77.6	517	77.4	13	86.7	0	0.0
Upper-income	107	15.7	105	15.7	2	13.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	683	100.0	668	100.0	15	100.0	0	0.0
	Percentage of Total Farms:			97.8		2.2		0.0

2014 FFIEC Census Data and 2014 D&B Information

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Fleetwood 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	18	20.0	13,625	12.7	5,394	39.6	21,927	20.5
Moderate-income	9	10.0	6,473	6.0	734	11.3	18,593	17.4
Middle-income	46	51.1	59,752	55.8	2,716	4.5	24,801	23.2
Upper-income	17	18.9	27,145	25.4	737	2.7	41,674	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	106,995	100.0	9,581	9.0	106,995	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	25,768	7,965	7.1	30.9	13,651	53.0	4,152	16.1
Moderate-income	10,786	5,743	5.1	53.2	4,041	37.5	1,002	9.3
Middle-income	89,332	67,527	60.3	75.6	17,814	19.9	3,991	4.5
Upper-income	37,688	30,833	27.5	81.8	5,733	15.2	1,122	3.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	163,574	112,068	100.0	68.5	41,239	25.2	10,267	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,553	8.8	1,402	8.7	140	9.9	11	6.1
Moderate-income	1,234	7.0	1,075	6.7	152	10.7	7	3.9
Middle-income	9,954	56.3	9,064	56.3	766	54.1	124	68.5
Upper-income	4,954	28.0	4,557	28.3	358	25.3	39	21.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	17,695	100.0	16,098	100.0	1,416	100.0	181	100.0
	Percentage of Total Businesses:			91.0	8.0		1.0	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	2	0.3	2	0.3	0	0.0	0	0.0
Moderate-income	44	6.9	44	7.1	0	0.0	0	0.0
Middle-income	483	75.5	469	75.2	14	87.5	0	0.0
Upper-income	111	17.3	109	17.5	2	12.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	640	100.0	624	100.0	16	100.0	0	0.0
	Percentage of Total Farms:			97.5	2.5		0.0	

2015 FFIEC Census Data and 2015 D&B Information

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Fleetwood 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	18	20.0	13,625	12.7	5,394	39.6	21,927	20.5
Moderate-income	9	10.0	6,473	6.0	734	11.3	18,593	17.4
Middle-income	46	51.1	59,752	55.8	2,716	4.5	24,801	23.2
Upper-income	17	18.9	27,145	25.4	737	2.7	41,674	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	106,995	100.0	9,581	9.0	106,995	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	25,768	7,965	7.1	30.9	13,651	53.0	4,152	16.1
Moderate-income	10,786	5,743	5.1	53.2	4,041	37.5	1,002	9.3
Middle-income	89,332	67,527	60.3	75.6	17,814	19.9	3,991	4.5
Upper-income	37,688	30,833	27.5	81.8	5,733	15.2	1,122	3.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	163,574	112,068	100.0	68.5	41,239	25.2	10,267	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,394	8.7	1,237	8.6	148	10.0	9	3.9
Moderate-income	1,125	7.0	966	6.7	148	10.0	11	4.8
Middle-income	9,029	56.1	8,086	56.3	796	53.7	147	63.6
Upper-income	4,539	28.2	4,086	28.4	389	26.3	64	27.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	16,087	100.0	14,375	100.0	1,481	100.0	231	100.0
	Percentage of Total Businesses:			89.4		9.2		1.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	41	7.2	41	7.4	0	0.0	0	0.0
Middle-income	434	76.1	423	76.1	11	78.6	0	0.0
Upper-income	94	16.5	91	16.4	3	21.4	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	570	100.0	556	100.0	14	100.0	0	0.0
	Percentage of Total Farms:			97.5		2.5		0.0

2016 FFIEC Census Data and 2016 D&B Information

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Fleetwood 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	19	21.1	14,145	13.3	5,931	41.9	22,665	21.4
Moderate-income	7	7.8	4,853	4.6	1,100	22.7	18,178	17.1
Middle-income	48	53.3	60,604	57.2	3,092	5.1	22,651	21.4
Upper-income	16	17.8	26,396	24.9	743	2.8	42,504	40.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	105,998	100.0	10,866	10.3	105,998	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	26,174	7,843	7.1	30.0	14,304	54.6	4,027	15.4
Moderate-income	8,763	4,500	4.1	51.4	3,335	38.1	928	10.6
Middle-income	92,461	67,388	61.1	72.9	19,995	21.6	5,078	5.5
Upper-income	37,455	30,492	27.7	81.4	5,455	14.6	1,508	4.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	164,853	110,223	100.0	66.9	43,089	26.1	11,541	7.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,452	9.0	1,290	9.0	151	10.2	11	4.8
Moderate-income	782	4.9	679	4.7	98	6.6	5	2.2
Middle-income	9,486	59.0	8,462	58.9	873	58.9	151	65.4
Upper-income	4,367	27.1	3,944	27.4	359	24.2	64	27.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	16,087	100.0	14,375	100.0	1,481	100.0	231	100.0
	Percentage of Total Businesses:			89.4		9.2		1.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	466	81.8	454	81.7	12	85.7	0	0.0
Upper-income	103	18.1	101	18.2	2	14.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	570	100.0	556	100.0	14	100.0	0	0.0
	Percentage of Total Farms:			97.5		2.5		0.0

2017 FFIEC Census Data and 2016 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

Fleetwood's loan-to-deposit ratio is 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. The average loan-to-deposit ratio is derived by adding the quarterly loan-to-deposit ratios for a given period and dividing the total by the number of quarters within that period.

Since the previous CRA evaluation, the bank's loan-to-deposit ratio has averaged 70%. This ratio is below the peer group ratio of nearly 77%⁵ but is well above the bank's loan-to-deposit ratio at the previous CRA evaluation (65%). Bank lending levels reflect reasonable responsiveness to assessment area credit needs.

Fleetwood's loan-to-deposit ratio has remained relatively steady quarter-to-quarter with an overall modest increase since the previous CRA evaluation. In absolute terms, the bank's net loan volume has increased 23% over the evaluation period, from nearly \$134 million as of December 31, 2013, to almost \$164 million as of March 31, 2018. During the same timeframe, deposits increased, but at a slightly lower rate. More specifically, deposits increased by 18%, from \$195 million to just under \$231 million.

Though the bank's average ratio is below that of peer banks, it is recognized that Fleetwood is operating in a highly competitive market that includes community, regional, and super-regional banking institutions operating numerous branches in Berks County, near Fleetwood's branches.

The table on the following page shows Fleetwood's quarterly loan-to-deposit ratios for the eighteen quarters since the last CRA evaluation, as compared to its national peer group's ratios.

⁵Fleetwood's peer group consists of all insured commercial banks having assets between \$100 million and \$300 million with three or more full-service banking offices, and located in a MSA.

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Fleetwood Bank Historical Loan-to-Deposit Ratios				
AS OF DATE	NET LOANS (THOUSANDS)	TOTAL DEPOSITS (THOUSANDS)	RATIO	PEER GROUP
03/31/2018	\$163,939	\$230,856	71.0%	79.7%
12/31/2017	\$166,618	\$227,752	73.2%	80.0%
09/30/2017	\$162,719	\$223,444	72.8%	80.0%
06/30/2017	\$157,584	\$221,880	71.0%	79.5%
03/31/2017	\$154,078	\$218,746	70.4%	77.8%
12/31/2016	\$147,143	\$214,997	68.4%	78.5%
09/30/2016	\$141,774	\$209,270	67.8%	78.2%
06/30/2016	\$143,409	\$204,848	70.0%	78.0%
03/31/2016	\$144,226	\$203,219	71.0%	76.5%
12/31/2015	\$144,523	\$198,655	72.8%	76.8%
09/30/2015	\$142,807	\$194,134	73.6%	76.4%
06/30/2015	\$139,425	\$196,051	71.1%	75.9%
03/31/2015	\$137,724	\$197,470	69.7%	74.5%
12/31/2014	\$136,381	\$197,695	69.0%	75.0%
09/30/2014	\$137,183	\$199,902	68.6%	74.6%
06/30/2014	\$134,740	\$199,600	67.5%	73.9%
03/31/2014	\$132,819	\$199,931	66.4%	72.3%
12/31/2013	\$133,583	\$195,078	68.5%	72.9%
Quarterly Loan-to-Deposit Average Since Previous Evaluation			70.2%	76.7%

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

ASSESSMENT AREA CONCENTRATION

A substantial majority of Fleetwood’s loans and other lending-related activities are in the assessment area.

Fleetwood’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 the CRA. During the evaluation period, 90% of the bank’s total number of HMDA loans, and 86% of the bank’s total dollar amount of HMDA loans reported during the evaluation period were extended in the bank’s assessment area.

With respect to small business loans, 90% of the total number of small business loans sampled, and 93% of the total dollar amount of small business loans were extended inside the bank’s assessment area.

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

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Fleetwood Bank Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home-Improvement	74	93.7	\$5,816	91.4	5	6.3	\$547	8.6
Home-Purchase (Conventional)	197	86.8	\$30,808	80.7	30	13.2	\$7,351	19.3
Multifamily Housing	10	100.0	\$2,337	100.0	0	0.0	\$0	0.0
Refinancing	200	92.6	\$28,494	90.9	16	7.4	\$2,855	9.1
Total HMDA Loans	481	90.4	\$67,455	86.3	51	9.6	\$10,753	13.7
Small Business	44	89.8	\$5,078	92.9	5	10.2	\$387	7.1
Total Small Business Loans	44	89.8	\$5,078	92.9	5	10.2	\$387	7.1
TOTAL LOANS	527	90.1	\$72,603	86.4	58	9.9	\$11,440	13.6

DISTRIBUTION OF LOANS BY BORROWER INCOME LEVEL AND REVENUE SIZE OF BUSINESS

Given the assessment area’s demographic and economic characteristics, the distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.⁶

Home-Mortgage Lending

Fleetwood’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is reasonable. Over the four-year evaluation period, Fleetwood originated 481 home-mortgage loans, which totaled over \$67 million in its assessment area.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon HUD’s annually-adjusted median family income data. 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 among these segments.

As previously noted, according to the 2010 Census, just under 21% of families in the assessment area were low-income, and 17% of families were moderate income. Similarly, according to updated 2015 ACS data, just over 21% of families in the assessment area were low-income, and 17% were moderate-income.

Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among such borrowers within the assessment area. Approximately 38% of the families in the assessment area were designated as low- or moderate-income, indicating a need for credit among this segment of the population.

⁶The information used to evaluate lending activity by Fleetwood is detailed in the Loan Distribution Tables contained in the Appendix.

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The table below compares Fleetwood’s home-mortgage lending to aggregate home-mortgage lending levels, using the percentage of low- and moderate-income families as proxies for loan demand. As indicated previously, 2010 Census data is used for comparison of 2014, 2015 and 2016 performance, while updated 2015 ACS data is used for comparison of 2017 performance. Finally, it is noted that aggregate lending data for 2017 was not available at the time of the evaluation.

Fleetwood Bank Distribution of HMDA Loans By Borrower Income (2014 – 2017)									
Income Level	% Families by Family Income Level (2010 Census Data)	% Families by Family Income Level (2015 ACS Data)	Aggregate Comparison						
			2014		2015		2016		2017
			% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending
Low	20.5	21.4	8.7	8.5	5.5	7.3	0.8	7.9	5.1
Moderate	17.4	17.1	18.5	19.9	11.8	19.8	14.5	20.5	15.9
Middle	23.2	21.4	16.3	22.7	24.4	21.6	20.2	22.4	19.6
Upper	38.9	40.1	50.0	30.9	50.4	31.4	54.8	31.9	40.6
Unknown	0.0	0.0	6.5	18.0	7.9	19.9	9.7	17.3	18.8
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Lending to Low-Income Borrowers

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

In assessing the level of the bank’s lending among low-income borrowers, the evaluation takes into consideration that the home-mortgage credit needs of low-income individuals and families can be a challenge to address through conventional loan products, presenting a significant obstacle to homeownership. Additionally, as previously mentioned, 46% of renters at the time of the 2010 Census, and 50% of renters at the time of the 2015 ACS update, spend more than 30% of their income on rent, which makes it difficult to save the customary down payment and closing costs necessary to purchase a home.

2010 Census Data

Fleetwood’s lending in 2014 to low-income borrowers was reasonable. In 2014, nearly 9% of the bank’s HMDA loans (eight loans) were to low-income borrowers, which matched the level made by aggregate lenders. Both Fleetwood and aggregate lenders fell short of the proxy of families by family income (21%). By product type, 13% of home-purchase loans (four loans), 6% of refinance loans (two loans), 8% of home-improvement loans (two loans), and no multifamily loans were made to low-income borrowers. The 2014 aggregate lending data show that 9% of home-purchase loans, 7% of refinance loans, 12% of home-improvement loans, and no multifamily loans were made to low-income borrowers.

Fleetwood's lending in 2015 to low-income borrowers was reasonable. In 2015, 6% of the bank's HMDA loans (seven loans) were originated to low-income borrowers, just below the performance of aggregate lenders (7%). Both Fleetwood and aggregate lenders remained well below proxy (21%). By product type, 9% of the bank's home-purchase loans (four loans), 3% of refinance loans (two loans), 6% of home-improvement loans (one loan), and no multifamily loans were extended to low-income borrowers. The 2015 aggregate lending data show that 8% of home-purchase loans, 5% of refinance loans, 11% of home-improvement loans, and no multifamily loans were to low-income borrowers.

Fleetwood's lending in 2016 to low-income borrowers was very poor. In 2016, only one HMDA loan was made to a low-income borrower. Aggregate lenders extended 8% of HMDA loans to low-income borrowers, and the proxy remained at 21%. Fleetwood's single loan to a low-income borrower was a home-improvement loan. The 2016 aggregate lending data show that 9% of home-purchase loans, 6% of refinance loans, 8% of home-improvement loans, and no multifamily loans were made to low-income borrowers.

2015 ACS Data

Fleetwood's lending in 2017 to low-income borrowers was reasonable. In 2017, 5% of the bank's HMDA loans (seven loans) were to low-income borrowers. Aggregate lending data for 2017 was not available at the time of this evaluation. However, it is noted that the bank's performance significantly lagged the proxy of low-income families (21%). By product type, 3% of Fleetwood's home-purchase loans (two loans), 8% of refinance loans (three loans), 11% of home-improvement loans (two loans), and no multifamily loans were made to low-income borrowers.

Lending to Moderate-Income Borrowers

For the period under review, the bank's lending to moderate-income borrowers was reasonable.

Though some challenges and obstacles to homeownership exist for moderate-income families and individuals, there is greater access to homeownership for these families and individuals. Accordingly, Fleetwood's level of lending to moderate-income borrowers was notably higher than its lending to low-income borrowers.

2010 Census Data

Fleetwood's lending in 2014 to moderate-income borrowers was reasonable. In 2014, 19% of the bank's HMDA loans (seventeen loans) were to moderate-income borrowers. This level was just below the aggregate lenders (20%), and slightly above the proxy (17%). By product type, 13% of home-purchase loans (four loans), 20% of refinance loans (seven loans), 23% of home-improvement loans (six loans) and no multifamily loans were made to moderate-income borrowers. The 2014 aggregate lending data show that 22% of home-purchase loans, 16% of refinance loans, 21% of home-improvement loans, and no multifamily loans were to moderate-income borrowers.

Fleetwood's lending in 2015 to moderate-income borrowers was poor. In 2015, just under 12% of HMDA loans (fifteen loans) were to moderate-income borrowers, which is significantly below aggregate lending to moderate-income borrowers (20%), and proxy (17%). By product, 17% of home-purchase loans (eight loans), 11% of refinance loans (seven loans), and no home-improvement or multifamily loans were made to moderate-income borrowers. By comparison, aggregate lending data show that in total, lenders originated 24% of home-purchase loans, 14% of refinance loans, 17% of home-improvement loans, and no multifamily loans to moderate-income borrowers.

Fleetwood's lending in 2016 to moderate-income borrowers was reasonable. In 2016, 15% of the bank's HMDA loans (eighteen loans) were to moderate-income borrowers. This performance was slightly below proxy (17%), and lagged peer performance (21%). By product type 21% of Fleetwood's home-purchase loans (nine loans), 13% of refinance loans (eight loans), 7% of home-improvement loans, and no multifamily loans were made to moderate-income borrowers. The 2016 aggregate lending data show 25% of home-purchase loans, 14% of refinance loans, 19% of home-improvement loans and no multifamily loans were to moderate-income borrowers.

2015 ACS Data

Fleetwood's lending in 2017 to moderate-income borrowers was excellent. In 2017, 16% of the bank's HMDA loans (twenty-two loans) were to moderate-income borrowers. The bank's performance was on par with proxy (17%). Aggregate lending data for 2017 was not available at the time of this evaluation. By product, 12% of Fleetwood's home-purchase loans (nine loans), 15% of refinance loans (six loans), 39% of home-improvement loans (seven loans), and no multifamily loans were extended to moderate-income borrowers. As explained previously, community contacts noted the need for home rehabilitation loans, given the older housing stock in the Reading MSA, and as seen through product-level analysis, Fleetwood was effective in meeting this need through home-improvement lending to moderate-income borrowers. In this context, lending to moderate-income borrowers in 2017 is considered excellent.

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.

For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further analyzed 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 the 2017 Dun & Bradstreet data, the number of businesses in the assessment area was 16,087, of which 89% were designated as small businesses.

As mentioned previously, the performance evaluation measures Fleetwood's small business loan performance using a sample of the bank's small business loans from the calendar year 2017. In 2017, 86% of the small business loans sampled (thirty-eight loans) were originated to small businesses with gross annual revenues of \$1 million or less. The bank's lending to small businesses was just under the proxy of small businesses in the assessment area (89%). Aggregate lending data for 2017 was not available at the time of the evaluation.

Small business loans were further analyzed to determine the extent of loans originated in amounts 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 2017, Fleetwood originated 71% of its small business loans in an amount of \$100 thousand or less.

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.

Home-Mortgage Lending

Fleetwood's geographic distribution of home mortgages reflects reasonable dispersion throughout the assessment area, taking into consideration the bank's business strategy and the assessment area's demographics and economic characteristics.

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 within that tract.

According to 2010 Census data which was used as a proxy for 2014, 2015, and 2016 lending, 7% of owner-occupied housing was located in low-income census tracts, and 5% was located in moderate-income census tracts. The vast majority of owner-occupied housing stock was located in middle- (60%) and upper-income census tracts (28%).

The table on the following page presents Fleetwood's HMDA geographic lending distribution from 2014 through 2017, in comparison to the applicable owner-occupied housing proxies, and the aggregate lending levels for the years evaluated. Aggregate data for 2017 was not available at the time of the evaluation.

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Fleetwood Bank Geographic Distribution of HMDA Loans									
Income Level	% Owner-Occupied Units (2010 Census Data)	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison						
			2014		2015		2016		2017
			% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending	% Aggregate Lending	% Fleetwood Bank Lending
Low	7.1	7.1	0.0	4.5	3.1	3.4	2.4	3.6	2.9
Moderate	5.1	4.1	15.2	4.7	8.7	4.4	11.3	3.8	2.2
Middle	60.3	61.1	70.7	61.0	59.8	60.4	62.1	61.6	68.8
Upper	27.5	27.7	14.1	29.8	28.3	31.8	24.2	31.0	26.1
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Lending in Low-Income Census Tracts

Fleetwood’s overall HMDA lending in low-income census tracts was considered poor. It is notable, however, that the majority of the assessment area’s low-income census tracts are located in and around the city of Reading, where Fleetwood does not have a branch presence.

2010 Census Data

Fleetwood’s lending in low-income census tracts in 2014 was considered very poor. In 2014, Fleetwood made no HMDA loans in low-income census tracts. This lagged aggregate lending in low-income census tracts (5%), and the proxy of owner-occupied housing units in low-income census tracts (7%). In 2014 aggregate lending data show the following lending in low-income census tracts by loan type: 4% of home-purchase loans, 3% of refinance loans, 11% of home-improvement loans, and 31% of multi-family housing loans.

Fleetwood’s lending in low-income census tracts in 2015 was considered reasonable. In 2015, Fleetwood made 3% of its HMDA loans (four loans) in low-income census tracts. This was comparable to aggregate lending in low-income census tracts (3%), but lagged the proxy of owner-occupied housing units in low-income census tracts (7%). In 2015, the institution originated 6% of home-purchase loans (three loans), 2% refinance loans (one loan), and no home-improvement or multifamily loans in low-income census tracts. Aggregate lenders extended 4% of home-purchase, 2% of refinance loans, almost 8% of home-improvement loans, and 16% of multifamily loans in low-income census tracts.

Fleetwood’s lending in low-income census tracts in 2016 was considered poor. In 2016, Fleetwood made 2% of HMDA loans (three loans) in low-income census tracts. This lagged aggregate lending in low-income census tracts (4%), and the proxy of owner-occupied housing units in low-income census tracts (7%). By product type, Fleetwood made 2% of home-purchase loans (one loan), 2% of refinance loans (one loan), no home-improvement loans, and 50% of multifamily loans (one loan) in low-income census tracts. By comparison, aggregate lenders made 4% of home-purchase, 2% of refinance loans, 8% of home-improvement loans, and 39% of multifamily loans in low-income census tracts.

2015 ACS Data

Fleetwood's lending in low-income census tracts in 2017 was considered reasonable. In 2017, Fleetwood made 3% of HMDA loans (four loans) in low-income census tracts. The 2017 aggregate lending data was not available as of the evaluation date, but the bank's lending to low-income census tracts lagged the proxy of owner-occupied housing units in low-income census tracts (7%). In 2017, Fleetwood made 3% of home-purchase loans (two loans), 3% of refinance loans (one loan), no home-improvement loans, and 20% of multifamily loans (one loan) in low-income census tracts.

Lending in Moderate-Income Census Tracts

Fleetwood's overall HMDA lending in moderate-income census tracts was considered excellent. This rating takes into consideration the challenges discussed previously, including the location of the bank's branches with respect to the moderate-income census tracts in the assessment area, the majority of which were located in the city of Reading.

2010 Census Data

Fleetwood's lending in moderate-income census tracts in 2014 was excellent. In 2014, Fleetwood made 15% of its HMDA loans (fourteen loans) in moderate-income census tracts. This significantly exceeded aggregate lending in moderate-income census tracts (5%), as well as the proxy of owner-occupied housing units in moderate-income census tracts (5%). In 2014, Fleetwood originated 10% of home-purchase loans (three loans), 11% of refinance loans (four loans), 27% of home-improvement loans (seven loans), and no multifamily loans in moderate-income census tracts. In comparison, aggregate lenders made 5% of home-purchase, 3% of refinance loans, 6% of home-improvement loans, and 10% of multifamily loans in moderate-income census tracts.

Fleetwood's performance in moderate-income census tracts in 2015 was excellent. In 2015, Fleetwood made just under 9% of its HMDA loans (eleven loans) in moderate-income census tracts. This significantly exceeded aggregate lending in moderate-income census tracts (4%), and the proxy of owner-occupied housing units in moderate-income census tracts (5%). By product type, Fleetwood originated 13% of home-purchase loans (six loans), 7% of refinance loans (four loans), no home-improvement loans, and 50% of multifamily loans (one loan) in moderate-income census tracts. Aggregate lenders made 5% of home-purchase, 4% of refinance loans, 5% of home-improvement loans, and 7% multifamily loans in moderate-income tracts.

Fleetwood's lending in moderate-income census tracts in 2016 was excellent. In 2016, Fleetwood made 11% of its HMDA loans in moderate-income census tracts. Again, this significantly exceeded aggregate lending in moderate-income census tracts (4%), and the proxy of owner-occupied housing units in moderate-income census tracts (5%). In 2016, Fleetwood originated 9% of home-purchase loans (four loans), 11% of refinance loans (seven loans), 14% of home-improvement loans (two loans), and 50% of multifamily loans (one loan) in moderate-income census tracts. By comparison, aggregate lenders originated 4% of home-purchase, 3% of refinance loans, 6% of home-improvement loans, and 13% of multifamily loans in moderate-income census tracts.

2015 ACS Data

Fleetwood's lending in moderate-income census tracts in 2017 was poor. In 2017, Fleetwood made 2% of its HMDA loans (three loans) in moderate-income census tracts. Though 2017 aggregate lending data was not available as of the evaluation date, the bank's performance lagged the proxy of owner-occupied housing units in moderate-income census tracts (4%). By product type, Fleetwood originated 4% of home-purchase loans, and no refinance, home-improvement, or multifamily loans in moderate-income census tracts.

Small Business Lending

The geographic distribution of Fleetwood's small business loans reflects poor dispersion throughout the assessment area, in the context of the assessment area's demographic and economic characteristics, during the evaluation period. However, it is recognized that there is intense competition from the larger national banks and credit card lenders operating in the assessment area, which makes it difficult for Fleetwood to originate loans in low- and moderate-income census tracts.

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 available Dun & Bradstreet business data in 2017, 9% of assessment area businesses were located in low-income census tracts, and 5% were in moderate-income census tracts. The majority of businesses were located in middle- and upper-income census tracts (59% and 27%, respectively).

Lending in Low-Income Census Tracts

Fleetwood's small business lending in low-income census tracts is poor. In 2017, none of the loans in the small business sample were originated in the assessment area's low-income census tracts. This is significantly lower than the 9% proxy of businesses in low-income census tracts in 2017. Aggregate lending data for 2017 were not available for comparison at the time of the examination.

Lending in Moderate-Income Census Tracts

Fleetwood's small business lending in moderate-income census tracts is poor. In 2017, 2% of the loans in the small business sample (one loan) were originated in moderate-income census tracts. This is less than the proxy of businesses in moderate-income census tracts in 2017 (5%). Aggregate lending data for 2017 were not available for comparison at the time of the examination.

REPSONSE TO SUBSTANTIATED COMPLAINTS

No CRA complaints were filed with the bank or the Federal Reserve Bank of Philadelphia during the evaluation period, and therefore this component of the small bank lending test was not considered in the CRA evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES

Fleetwood 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: 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.

CRA APPENDIX B: HMDA LOAN DISTRIBUTION TABLES

**SMALL INSTITUTION PERFORMANCE EVALUATION
JUNE 2018**

2014 HMDA LOAN DISTRIBUTION TABLE (READING, PA MSA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	4	13.3%	306	7.6%
Moderate	3	10.0%	295	7.3%	4	13.3%	462	11.4%
Middle	21	70.0%	3,220	79.8%	5	16.7%	605	15.0%
Upper	6	20.0%	522	12.9%	15	50.0%	2,372	58.8%
Unknown	0	0.0%	0	0.0%	2	6.7%	292	7.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	30	100.0%	4,037	100.0%	30	100.0%	4,037	100.0%
	Refinance							
Low	0	0.0%	0	0.0%	2	5.7%	90	2.9%
Moderate	4	11.4%	484	15.6%	7	20.0%	498	16.0%
Middle	28	80.0%	2,323	74.7%	3	8.6%	330	10.6%
Upper	3	8.6%	302	9.7%	21	60.0%	2,065	66.4%
Unknown	0	0.0%	0	0.0%	2	5.7%	126	4.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	35	100.0%	3,109	100.0%	35	100.0%	3,109	100.0%
	Home-Improvement							
Low	0	0.0%	0	0.0%	2	7.7%	32	1.6%
Moderate	7	26.9%	418	20.8%	6	23.1%	550	27.3%
Middle	15	57.7%	1,151	57.2%	7	26.9%	614	30.5%
Upper	4	15.4%	443	22.0%	10	38.5%	810	40.3%
Unknown	0	0.0%	0	0.0%	1	3.8%	6	0.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	26	100.0%	2,012	100.0%	26	100.0%	2,012	100.0%
	Multi-Family							
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	100.0%	140	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%	1	100.0%	140	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	140	100.0%	1	100.0%	140	100.0%
	HMDA Totals							
Low	0	0.0%	0	0.0%	8	8.7%	428	4.6%
Moderate	14	15.2%	1,197	12.9%	17	18.5%	1,510	16.2%
Middle	65	70.7%	6,834	73.5%	15	16.3%	1,549	16.7%
Upper	13	14.1%	1,267	13.6%	46	50.0%	5,247	56.4%
Unknown	0	0.0%	0	0.0%	6	6.5%	564	6.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	92	100.0%	9,298	100.0%	92	100.0%	9,298	100.0%

SMALL INSTITUTION PERFORMANCE EVALUATION
JUNE 2018

2015 HMDA LOAN DISTRIBUTION TABLE (READING, PA MSA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	3	6.4%	169	2.4%	4	8.5%	291	4.2%
Moderate	6	12.8%	802	11.5%	8	17.0%	741	10.7%
Middle	29	61.7%	4,020	57.8%	8	17.0%	1,114	16.0%
Upper	9	19.1%	1,959	28.2%	24	51.1%	4,380	63.0%
Unknown	0	0.0%	0	0.0%	3	6.4%	424	6.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	47	100.0%	6,950	100.0%	47	100.0%	6,950	100.0%
	Refinance							
Low	1	1.6%	25	0.3%	2	3.2%	198	2.3%
Moderate	4	6.5%	469	5.5%	7	11.3%	527	6.2%
Middle	38	61.3%	4,947	58.4%	18	29.0%	1,977	23.3%
Upper	19	30.6%	3,035	35.8%	31	50.0%	4,754	56.1%
Unknown	0	0.0%	0	0.0%	4	6.5%	1,020	12.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	62	100.0%	8,476	100.0%	62	100.0%	8,476	100.0%
	Home-Improvement							
Low	0	0.0%	0	0.0%	1	6.3%	10	0.8%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	8	50.0%	445	37.1%	5	31.3%	326	27.2%
Upper	8	50.0%	755	62.9%	9	56.3%	770	64.2%
Unknown	0	0.0%	0	0.0%	1	6.3%	94	7.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	16	100.0%	1,200	100.0%	16	100.0%	1,200	100.0%
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	50.0%	110	25.3%	0	0.0%	0	0.0%
Middle	1	50.0%	325	74.7%	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%	435	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	435	100.0%	2	100.0%	435	100.0%
	HMDA Totals							
Low	4	3.1%	194	1.1%	7	5.5%	499	2.9%
Moderate	11	8.7%	1,381	8.1%	15	11.8%	1,268	7.4%
Middle	76	59.8%	9,737	57.1%	31	24.4%	3,417	20.0%
Upper	36	28.3%	5,749	33.7%	64	50.4%	9,904	58.1%
Unknown	0	0.0%	0	0.0%	10	7.9%	1,973	11.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	127	100.0%	17,061	100.0%	127	100.0%	17,061	100.0%

**SMALL INSTITUTION PERFORMANCE EVALUATION
JUNE 2018**

2016 HMDA LOAN DISTRIBUTION TABLE (READING, PA MSA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	1	2.3%	62	0.9%	0	0.0%	0	0.0%
Moderate	4	9.1%	884	12.2%	9	20.5%	1,004	13.9%
Middle	29	65.9%	4,535	62.6%	4	9.1%	514	7.1%
Upper	10	22.7%	1,768	24.4%	24	54.5%	5,019	69.2%
Unknown	0	0.0%	0	0.0%	7	15.9%	712	9.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	44	100.0%	7,249	100.0%	44	100.0%	7,249	100.0%
	Refinance							
Low	1	1.6%	243	2.4%	0	0.0%	0	0.0%
Moderate	7	10.9%	985	9.9%	8	12.5%	782	7.8%
Middle	37	57.8%	4,851	48.6%	17	26.6%	2,041	20.4%
Upper	19	29.7%	3,904	39.1%	38	59.4%	7,108	71.2%
Unknown	0	0.0%	0	0.0%	1	1.6%	52	0.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	64	100.0%	9,983	100.0%	64	100.0%	9,983	100.0%
	Home-Improvement							
Low	0	0.0%	0	0.0%	1	7.1%	12	0.7%
Moderate	2	14.3%	299	18.2%	1	7.1%	82	5.0%
Middle	11	78.6%	1,203	73.3%	4	28.6%	341	20.8%
Upper	1	7.1%	140	8.5%	6	42.9%	780	47.5%
Unknown	0	0.0%	0	0.0%	2	14.3%	427	26.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	1,642	100.0%	14	100.0%	1,642	100.0%
	Multi-Family							
Low	1	50.0%	71	33.8%	0	0.0%	0	0.0%
Moderate	1	50.0%	139	66.2%	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%	2	100.0%	210	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	210	100.0%	2	100.0%	210	100.0%
	HMDA Totals							
Low	3	2.4%	376	2.0%	1	0.8%	12	0.1%
Moderate	14	11.3%	2,307	12.1%	18	14.5%	1,868	9.8%
Middle	77	62.1%	10,589	55.5%	25	20.2%	2,896	15.2%
Upper	30	24.2%	5,812	30.5%	68	54.8%	12,907	67.6%
Unknown	0	0.0%	0	0.0%	12	9.7%	1,401	7.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	124	100.0%	19,084	100.0%	124	100.0%	19,084	100.0%

**SMALL INSTITUTION PERFORMANCE EVALUATION
JUNE 2018**

2017 HMDA LOAN DISTRIBUTION TABLE (READING, PA MSA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	2	2.6%	40	0.3%	2	2.6%	232	1.8%
Moderate	3	3.9%	401	3.2%	9	11.8%	1,215	9.7%
Middle	52	68.4%	9,149	72.8%	18	23.7%	2,579	20.5%
Upper	19	25.0%	2,982	23.7%	29	38.2%	6,690	53.2%
Unknown	0	0.0%	0	0.0%	18	23.7%	1,856	14.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	76	100.0%	12,572	100.0%	76	100.0%	12,572	100.0%
	Refinance							
Low	1	2.6%	285	4.1%	3	7.7%	248	3.6%
Moderate	0	0.0%	0	0.0%	6	15.4%	716	10.3%
Middle	24	61.5%	3,906	56.4%	5	12.8%	521	7.5%
Upper	14	35.9%	2,735	39.5%	22	56.4%	4,230	61.1%
Unknown	0	0.0%	0	0.0%	3	7.7%	1,211	17.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	39	100.0%	6,926	100.0%	39	100.0%	6,926	100.0%
	Home-Improvement							
Low	0	0.0%	0	0.0%	2	11.1%	14	1.5%
Moderate	0	0.0%	0	0.0%	7	38.9%	337	35.0%
Middle	15	83.3%	767	79.7%	4	22.2%	215	22.3%
Upper	3	16.7%	195	20.3%	5	27.8%	396	41.2%
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%
Total	18	100.0%	962	100.0%	18	100.0%	962	100.0%
	Multi-Family							
Low	1	20.0%	160	10.3%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	4	80.0%	1,392	89.7%	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%	5	100.0%	1,552	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	5	100.0%	1,552	100.0%	5	100.0%	1,552	100.0%
	HMDA Totals							
Low	4	2.9%	485	2.2%	7	5.1%	494	2.2%
Moderate	3	2.2%	401	1.8%	22	15.9%	2,268	10.3%
Middle	95	68.8%	15,241	69.1%	27	19.6%	3,315	15.1%
Upper	36	26.1%	5,912	26.9%	56	40.6%	11,316	51.4%
Unknown	0	0.0%	0	0.0%	26	18.8%	4,619	21.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	138	100.0%	22,012	100.0%	138	100.0%	22,012	100.0%

CRA APPENDIX C: SMALL BUSINESS LOAN DISTRIBUTION TABLE

SMALL INSTITUTION PERFORMANCE EVALUATION
JUNE 2018

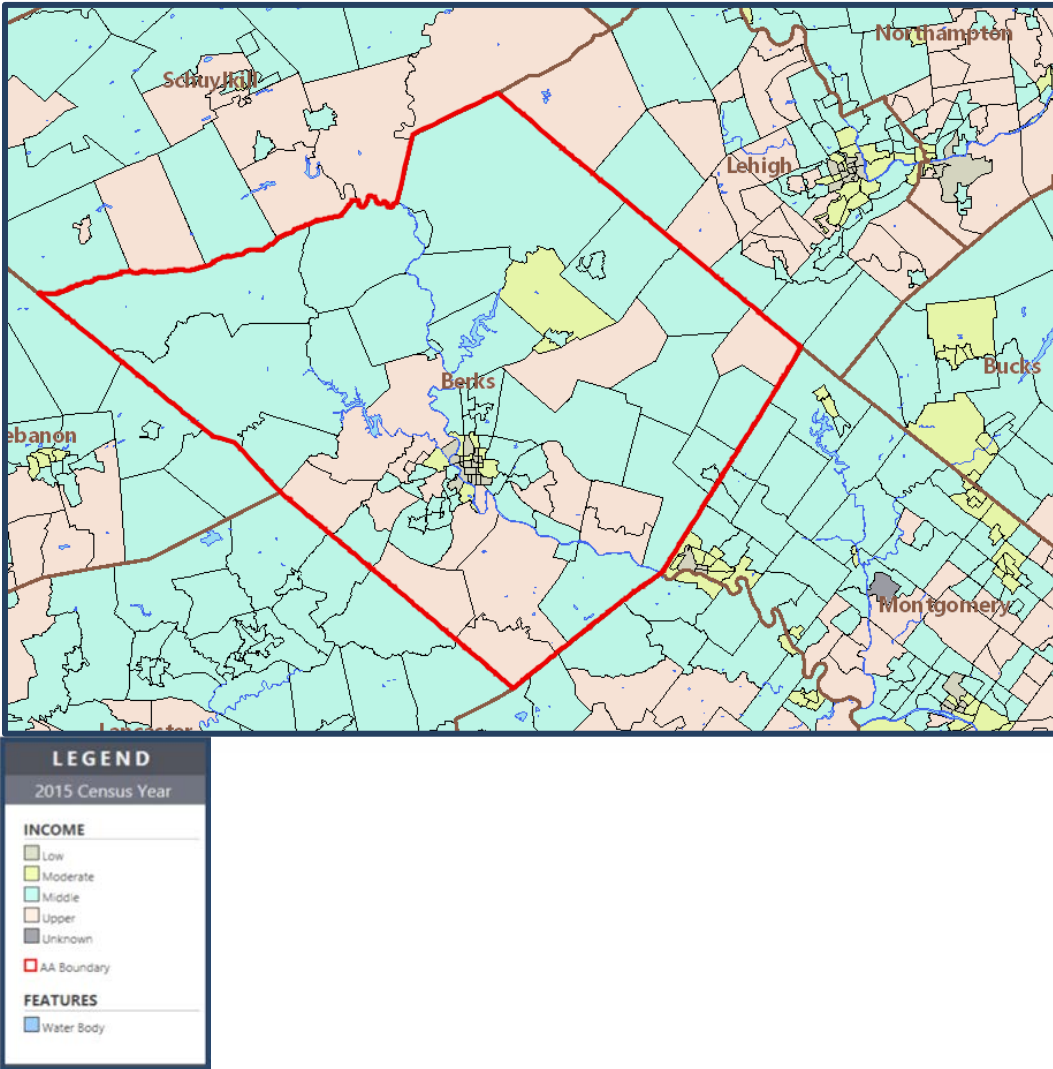
2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (READING, PA MSA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	2.3%	0	0.0%	0	0.0%	0	0.0%
Middle	36	81.8%	4,401	86.7%	2	100.0%	70	100.0%
Upper	7	15.9%	677	13.3%	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%
Total	44	100.0%	5,078	100.0%	2	100.0%	70	100.0%
	By Revenue							
Total \$1 Million or Less	38	86.4%	4,019	79.1%	2	100.0%	70	100.0%
Over \$1 Million	2	4.5%	94	1.9%	0	0.0%	0	0.0%
Not Known	4	9.1%	965	19.0%	0	0.0%	0	0.0%
Total	44	100.0%	5,078	100.0%	2	100.0%	70	100.0%
	By Loan Size							
\$100,000 or less	31	70.5%	1,319	26.0%	2	100.0%	70	100.0%
\$100,001 - \$250,000	6	13.6%	1,022	20.1%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	7	15.9%	2,737	53.9%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	44	100.0%	5,078	100.0%	2	100.0%	70	100.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	27	71.1%	1,159	28.8%	2	100.0%	70	100.0%
\$100,001 - \$250,000	6	15.8%	1,022	25.4%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	5	13.2%	1,837	45.7%	0	0.0%	0	0.0%
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	38	100.0%	4,019	100.0%	2	100.0%	70	100.0%

CRA APPENDIX D: ASSESSMENT AREA MAPS

ASSESSMENT AREA

2010 ACS Data



2015 ACS DATA

