

PUBLIC DISCLOSURE

July 23, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First American Bank
RSSD# 653648

1207 Central Avenue
Fort Dodge, Iowa 50501

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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BANK'S CRA RATING

First American Bank is rated: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

First American Bank is meeting the credit needs of its community, consistent with its locations, asset size, and local economic conditions within its assessment area. The loan-to-deposit (LTD) ratio is reasonable, given the characteristics of the bank, local competitors, and the credit needs of the assessment area. A substantial majority of loans are originated in the combined assessment area. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The bank's lending activity exhibits reasonable distribution of loans across borrowers of varying income levels and businesses of different sizes. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

First American Bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, as appropriate, considering the bank's capacity, need, and availability of such opportunities in the bank's assessment area.

SCOPE OF EXAMINATION

First American Bank's (First American's) CRA performance was evaluated using information concerning the institution and assessment area including asset size, financial condition, competition, economic, and demographic characteristics. The evaluation focused primarily on First American's most prevalent lending products consisting of HMDA-reportable loans originated in 2015 and 2016, and small business loans originated in 2016.

During the evaluation period, First American served seven assessment areas, including both metropolitan and rural areas throughout Iowa and Florida. Assessment areas in this evaluation include: Ames, IA MSA #11180; Cape Coral-Ft. Myers, FL MSA #15980 (Cape Coral MSA); Des Moines-West Des Moines, IA MSA #19780 (Des Moines MSA); Naples-Immokalee-Marco Island, FL MSA #34940 (Naples MSA); (partial) Sioux City, IA-NE-SD MSA (Sioux City MSA) #43580 (Woodbury County); (partial) Iowa City, IA MSA #26980 (Johnson County); and Non-MSA IA consisting of Hamilton and Webster counties. Selection of the assessment areas for full review was based on several factors including: deposit market share, branch concentration, loan volume as a percentage of the bank's overall lending, and credit and community development needs within each assessment area. Thus, the Des Moines MSA, Naples MSA, Non-MSA Iowa, and Sioux City MSA were selected for full review and weighted in the overall rating in that order.

The following table presents a summary of the full and limited review assessment areas:

Assessment Areas
Full Scope
Des Moines-West Des Moines, IA MSA #19780
Naples-Immokalee-Marco Island, FL MSA #34940
Non-MSA, IA
Sioux City, IA-NE-SD MSA #43580 (partial)
Limited Scope
Ames, IA MSA #11180
Cape Coral-Ft. Myers, FL MSA #15980
Iowa City, IA MSA #26980 (partial)

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 9-quarter average loan-to-deposit ratio ending June 30, 2018 was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s HMDA-reportable (or home mortgage), loans originated from January 1, 2015 through December 31, 2016, and a sample of small business loans originated from January 1, 2016 through December 31, 2016, were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable (or home mortgage), loans originated from January 1, 2015 through December 31, 2016, and a sample of small business loans originated from January 1, 2016 through December 31, 2016, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank’s HMDA-reportable (or home mortgage), loans originated from January 1, 2015 through December 31, 2016, and a sample of small business loans originated from January 1, 2016 through December 31, 2016, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

- *Community Development Activities* – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from April 26, 2016 through July 23, 2018 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, eight community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The types of organizations that were contacted included those involved with economic development and affordable housing.

DESCRIPTION OF ASSESSMENT AREA

First American’s seven assessment areas consist of 459 census tracts located in 12 counties; ten of those counties are located in six different MSAs: Ames, Cape Coral, Des Moines, Iowa City, Naples, and Sioux City. Of the 459 census tracts, 23 tracts (5.0 percent) are designated as low-income, 97 tracts (21.1 percent) are moderate-income, 218 tracts (47.5 percent) are middle-income, 115 tracts (25.1 percent) are upper-income, and six tracts (1.3 percent) are unknown income. On October 31, 2017, the bank closed its only branch and ATM in the Iowa City, IA MSA #26980 and eliminated the assessment area. Since the branch and ATM were operating in Iowa City during this CRA review period, the Iowa City MSA will be included as part of the current CRA performance evaluation. Similarly, on March 17, 2017, the bank sold its branch in Hamilton County, Iowa and removed this county from the Non-MSA IA assessment area. However, because the county was included in the assessment area during the review period, it is included in this evaluation. There are no distressed or underserved middle-income census tracts within the bank’s combined assessment area.

First American Bank's Assessment Areas March 31, 2018		
MSA Name and Number	Counties	Largest Cities / Towns
Des Moines-West Des Moines, IA MSA #19780	Polk, Dallas, Warren, Madison, and Guthrie Counties	Des Moines, West Des Moines, Ankeny, Urbandale
Naples-Immokalee-Marco Island, FL MSA #34940	Collier County	Naples, Marco Island, Everglades City
Non-MSA, IA	Webster and Hamilton Counties	Fort Dodge, Gowrie, Dayton, Stratford, Coalville
Sioux City, IA-NE-SD MSA #43580 (partial)	Woodbury County, IA (excludes census tract 101.00 located in the state of Nebraska)	Sioux City, Sergeant Bluff, Merville, Sloan, Lawton
Ames, IA MSA #11180	Story County	Ames, Nevada, Story City, Huxley
Cape Coral-Ft. Myers, FL MSA #15980	Lee County	Cape Coral, Ft. Myers, Sanibel, Bonita Springs
Iowa City, IA MSA #26980 (partial)	Johnson County (excludes Washington County)	Iowa City, Coralville, North Liberty

DESCRIPTION OF INSTITUTION

First American Bank is a \$926.8 million institution, as of March 31, 2018, wholly-owned by Stark Bank Group Ltd; both headquartered in Fort Dodge, Iowa. The bank maintains a total of 13 branches and 29 automated teller machines (ATMs) across its combined assessment area as of the date of our examination. Out of these 29 ATMs, seven are cash-only, six are full-service, and 16 are interactive teller machines (ATM/ITMs). Since the previous CRA evaluation, the bank closed a branch in both the Cape Coral and Iowa City MSAs, both in middle-income census tracts; sold one branch in a middle-income tract in the Ames MSA; and sold two branches in middle-income tracts of Non-MSA Iowa. The bank also relocated a branch within the Naples MSA from an upper-income tract to another upper-income tract. Additionally, during the years 2016 and 2017, the bank transitioned a number of Automated Teller Machines (ATMs) to Interactive Teller Machines (ITMs). All ATM/ITMs function as ITMs during ITM banking hours and are available as full-service ATMs 24/7. ITMs are staffed by a live banker during extended hours Monday through Saturday. All teller-based transactions, other than issuing Cashier's Checks and accepting coin deposits, may be conducted via the ITM; thereby making products and services more readily available to the communities.

As of March 31, 2018, the bank's loan portfolio is comprised of 43.9 percent residential real estate, 53.0 percent commercial, 2.0 percent agricultural, 0.3 percent consumer, and 0.8 percent other. First American offers standard deposit and credit products to meet the banking needs of consumers and businesses operating in the assessment area. Deposit products include checking, savings, money market, negotiable orders of withdrawal (NOW), as well as certificates of deposit (CDs). Credit products include commercial and agricultural real estate and operating lines of credit; residential real estate adjustable-rate, five-year balloons; home equity loans and home equity lines of credit; construction temporary and permanent financing; and consumer unsecured, auto secured, and personal lines of credit. In addition, the bank participates in various first-time home buyer programs that provide down payment and closing cost assistance to qualified borrowers, as well as working with government-funded programs such as the Small Business Administration (SBA); Farmers Home Administration (FmHA); Federal Housing Authority (FHA); Iowa Finance Authority (IFA); United States Department of Agriculture (USDA); and Veterans Administration (VA). Customers may also conduct online banking transactions and apply for mortgage loans online through the bank's website www.1934.bank.

The following table presents the bank's loan portfolio composition as of March 31, 2018:

Composition of Loan Portfolio		
March 31, 2018		
Category	\$ (000s)	%
Residential Real Estate	241,232	43.9
Commercial	291,161	53.0
Agricultural	10,809	2.0
Consumer	1,829	0.3
Other	4,249	0.8
Total Loans and Leases	549,280	100.0

Source: National Exam Database

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on April 25, 2016.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance in the state of Iowa, more specifically within the Des Moines MSA, was given the greatest weight in the overall ratings based on the percentage of HMDA (home mortgage), small business loan volume, the size and breadth of the branch network, and total deposits in relation to the bank's other assessment areas. For the purposes of the evaluation, the Ames MSA, Cape Coral MSA, and Iowa City MSA assessment areas did not impact the ratings, as they received only a limited review of activities for consistency with the overall rating.

LENDING TEST

First American's performance relative to the lending test is rated Satisfactory. The loan-to-deposit (LTD) ratio is reasonable, given the characteristics of the bank, its local competitors, and the credit needs of the assessment areas. A substantial majority of loans are originated in the assessment areas, and the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Lending activity exhibits reasonable penetration among borrowers of different income levels and businesses of different sizes.

Loan-to-Deposit Ratio

Compared to a sample of local competitors, the bank's average LTD ratio is reasonable, given the bank's size, financial condition, and the assessment areas' credit needs. The following table shows the comparison for the nine quarters since the previous evaluation and ending June 30, 2018. The bank's LTD of 76.0 percent is lower than the majority of its local competitors but is considered reasonable. The lower LTD ratio is partially attributed to the majority of fixed-rate residential real estate loans the bank sells into the secondary market. The bank has also shown responsiveness to its assessment area credit needs through its level of community development loans.

Comparative Loan-To-Deposit Ratios	
Institutions as of June 30, 2018	Loan-To-Deposit Ratio 9-Quarter Average (%)
First American Bank	76.0
Competitors	
Visionbank of Iowa, Ames, IA	107.6
Lincoln Savings Bank, Cedar Falls, IA	99.9
First State Bank, Webster City, IA	98.4
United Bank of Iowa, Ida Grove, IA	93.2
Luana Savings Bank, Luana, IA	96.7
Florida Community Bank, N.A., Weston, FL	91.2
First Florida Integrity Bank, Naples, FL	89.5
Finemark National Bank & Trust Co., Fort Myers, FL	88.9
Community State Bank, Ankeny, IA	84.5
Bank Iowa, West Des Moines, IA	80.5
Availa Bank, Carroll, IA	73.7
First National Bank of Ames Iowa, Ames, IA	65.6
Edison National Bank, Fort Myers, FL	54.4

Assessment Area Concentration

The following table displays the number and dollar volume of loans extended inside and outside the bank's assessment area. A substantial majority of HMDA-reportable loans and loans to small businesses are in the assessment area. Of the 1,496 loans originated in 2016, 89.6 percent were made in the combined assessment area.

Lending Inside and Outside the Assessment Area (2016)								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	53	75.7	2,370	93.0	17	24.3	178	7.0
Home Purchase - Conv	781	90.9	177,019	86.7	78	9.1	27,055	13.3
Home Purchase - FHA	190	86.4	29,807	89.8	30	13.6	3,368	10.2
Home Purchase - VA	90	90.9	18,919	94.1	9	9.1	1,196	5.9
Multi-Family Housing	17	100.0	6,583	100.0	0	0.0	0	0.0
Refinancing	306	90.8	78,814	92.3	31	9.2	6,601	7.7
Total HMDA related	1,437	89.7	313,512	89.1	165	10.3	38,398	10.9
Total Small Business related	59	88.1	6,037	84.7	8	11.9	1,090	15.3
TOTAL LOANS	1,496	89.6	319,549	89.0	173	10.4	39,488	11.0

Geographic and Borrower Distribution

For the four assessment areas evaluated under a full review, the distribution of the bank's HMDA-reportable and small business loans reflects reasonable dispersion among geographies of different income levels. In addition, HMDA-reportable and small business loans have reasonable penetration among borrowers of different income levels and businesses of different sizes. Please refer to the individual state and assessment area summaries for details.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Outstanding, considering First American's capacity and the need for, and availability of, community development opportunities in the assessment areas.

Community Development Lending

As the following chart illustrates, since the previous evaluation First American originated or renewed 31 community development loans totaling \$51.2 million in the combined assessment areas; which is consistent with the prior performance evaluation when the bank made 27 loans totaling \$52.0 million. While loans were originated across all assessment areas, the significant majority of loans were made in the Des Moines MSA which is consistent with the bank's presence in the assessment area. Additional detail is discussed in each full review assessment area summary.

Qualified Community Development Loans April 26, 2016 – July 23, 2018											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Full Review											
Des Moines	2	435	0	0	7	25,083	4	2,580	13	28,098	54.9
Non-MSA Iowa	1	300	0	0	0	0	0	0	1	300	0.6
Naples	7	16,658	0	0	0	0	0	0	7	16,658	32.5
Sioux City	0	0	1	140	0	0	1	800	2	940	1.8
Total Qualified Full Review AA	10	17,393	1	140	7	25,083	5	3,380	23	45,996	89.8
Limited Review											
Ames	2	696	0	0	0	0	4	4,051	6	4,747	9.3
Cape Coral	1	317	0	0	1	155	0	0	2	472	0.9
Iowa City	0	0	0	0	0	0	0	0	0	0	0.0
Total Qualified Limited Review AA	3	1,013	0	0	1	155	4	4,051	8	5,219	10.2
Total Qualified Combined AA	13	18,406	1	140	8	25,238	9	7,431	31	51,215	100.0

Community Development Investments

The following table presents the qualified investment activity that the bank engaged in during the review period; it also includes prior period investment activities. The bank's investments totaled \$7.7 million consisting of seven new investments in the amount of \$5.0 million and ten prior period investments totaling \$2.6 million. The new investment totals are higher than the prior CRA evaluation when the bank had made ten new investments in the amount of \$4.4 million. The

bank's investment portfolio primarily consisted of mortgage-backed loan pools benefitting affordable housing needs. These loan pools specifically target low-and moderate-income borrowers and provide an option for homeownership. Additional detail is discussed in each full review assessment area summary. Of the seven new investments, one was made to a loan pool in the Tampa-St. Petersburg-Clearwater Florida MSA. This investment in the amount of \$212,817 benefits a broader regional area that includes the assessment area.

Community Development Investments (Dollars in 000s)							
Assessment Area	Affordable Housing				Total Funded		
	Current Period		Prior Period		#	\$	% of Total \$
	#	\$	#	\$			
Full Scope Assessment Areas							
Des Moines	1	1,091	3	806	4	1,897	24.7
Non-MSA Iowa	0	0	0	0	0	0	0.0
Naples	2	1,448	2	738	4	2,186	28.5
Sioux City	0	0	2	126	2	126	1.6
Total Qualified Full Review AA	3	2,539	7	1,670	10	4,209	54.8
Limited Scope Assessment Areas							
Ames	1	941	1	275	2	1,216	15.8
Cape Coral	2	1,355	2	684	4	2,039	26.6
Iowa City	0	0	0	0	0	0	0.0
Total Qualified Limited Review AA	3	2,296	3	959	6	3,255	42.4
Total Qualified Combined AA	6	4,835	10	2,629	16	7,464	97.2
Qualified Outside of AA	1	213	0	0	1	213	2.8
Combined Total	7	5,048	10	2,629	17	7,677	100.0

In addition, the bank made a total of \$129,634 in community development grants and donations in the evaluation period which is notably higher than the \$72,373 recorded during the prior performance evaluation. As shown in the chart below, 52.5 percent of donations were made in the Des Moines MSA and 37.5 percent within the Non-MSA Iowa which is consistent with the bank's major markets. Grants and donations went primarily towards organizations with a community service focus such as helping disadvantaged children, food pantries, and homelessness. Please refer to the individual assessment area sections of the performance evaluation for additional detail on community development investments and grants/donations.

Community Development Grants / Donations (Dollars in 000s)						
Assessment Area	Affordable Housing	Revitalize and Stabilize	Community Services	Economic Development	Total	
	\$	\$	\$	\$	\$	%
Full Scope Assessment Areas						
Des Moines	9,700	0	58,404	0	68,104	52.5
Non-MSA Iowa	0	25	48,270	0.6	48,580	37.5
Naples	0	0	2,000	0	2,000	1.5
Sioux City	0	0	2,450	0	2,450	1.9
Total Qualified Full Review AA	9,700	25	111,124	310	121,134	93.4
Limited Scope Assessment Areas						
Ames	2,500	0	5,000	0	7,500	5.8
Cape Coral	0	0	1,000	0	1,000	0.8
Iowa City	0	0	0	0	0	0.0
Total Qualified Limited Review AA	2,500	0	6,000	0	8,500	6.6
Total Combined AA	12,200	25	117,124	310	129,634	100.0

Community Development Services

During the review period, the bank recorded 5,412 service hours with 61 organizations. This is comparable to the 5,791 hours provided to 65 organizations from the prior evaluation. The bank's employees, officers, and directors primarily represent the bank on boards and committees of organizations dedicated to improving the financial literacy, as well as educational, shelter, and medical care of low- and moderate-income areas and individuals in its assessment areas. The following table summarizes the hours dedicated to the provision of financial services at community development organizations in the assessment areas during the review period. Additional detail is discussed in each full review assessment area summary.

Qualified Community Development Services April 26, 2016 – July 23, 2018					
Assessment Area	Affordable Housing	Economic Development	Community Services	Total Hours	% of Total
Full Scope Assessment Areas					
Des Moines	216	57	2,536	2,809	51.9
Non-MSA Iowa	42	310	1,501	1,853	34.2
Naples	0	0	7	7	0.1
Sioux City	119	0	167	286	5.3
Total Qualified Full Review AA	377	367	4,211	4,955	91.5
Limited Scope Assessment Areas					
Ames	15	129	201	345	6.4
Cape Coral	0	0	112	112	2.1
Iowa City	0	0	0	0	0.0

Total Qualified Limited Review					
AA	15	129	313	457	8.5
Total Hours	392	496	4,524	5,412	100.0

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

IOWA

CRA RATING FOR IOWA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The CRA Rating for the state of Iowa is Satisfactory. The rating is based on the institution's performance across the three full-scope assessment areas in Iowa: Des Moines-West Des Moines, IA MSA #19780 (Des Moines MSA); Sioux City, IA-NE-SD MSA #43580 (Sioux City MSA); and Non-MSA Iowa. Performance in the Des Moines MSA was weighted more heavily in the evaluation.

The bank demonstrates a reasonable geographic distribution of loans throughout the assessment areas and a reasonable penetration among individuals of different income levels and businesses of different sizes. The bank also demonstrates excellent responsiveness to the community development needs of its assessment areas through community development loans and services and adequate responsiveness through qualified investments.

SCOPE OF EXAMINATION

First American's performance in the full-scope assessment areas were given the greatest weight in the overall ratings while the limited-scope assessment areas were analyzed for consistency with the overall rating and do not impact the ratings. Limited review procedures were used to evaluate the Ames, IA MSA #11180 (Ames MSA); and the Iowa City, IA MSA #26980 (Iowa City MSA). The performance criteria and review periods are consistent with the scope described in the overall section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF IOWA

First American Bank maintains operations in the state of Iowa through 10 offices, 14 interactive teller machines (ITMs), and six full-service and five cash-only automated teller machines (ATMs). A substantial majority of the bank's operations occurred in the five individual assessment areas within the state during the review period, as described in the Scope of Examination section above. Information regarding relevant demographic and economic conditions is discussed under each individual assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA

LENDING TEST

First American's performance relative to the lending test in Iowa is rated Satisfactory based on reasonable distribution throughout the assessment areas and reasonable penetration among individuals of different income levels and businesses of different sizes. Please refer to the respective assessment area summary sections for details.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Outstanding in Iowa based on its performance in the full review assessment areas.

Lending, Investment, and Services Activities

The bank originated 22 qualified loans totaling \$34,085,060 within the state of Iowa. The bank made \$2,244,001 in new community development investments and \$126,634 in total grants in Iowa. Additionally, the bank provided a total of 5,293 community development service hours in Iowa. Community development activities supported efforts in all four pillars of community development: affordable housing, economic development, community services, and revitalization and stabilization activities. Please refer to the individual assessment area for more information.

DES MOINES – WEST DES MOINES, IA MSA #19780 – FULL REVIEW

SCOPE OF EXAMINATION

The scope of examination is consistent with that presented in the Scope of Examination section of the performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DES MOINES – WEST DES MOINES, IA MSA

First American delineates the entire Des Moines-West Des Moines, IA MSA (Des Moines MSA), which includes Dallas, Guthrie, Madison, Polk, and Warren Counties. The assessment area consists of 131 census tracts, of which eight are designated as low-income, 33 are moderate-income, 59 are middle-income, 30 are upper-income, and one is unknown-income. All of the low-income tracts and the vast majority (84.8 percent) of moderate-income tracts are located in Polk County, which includes the city of Des Moines. The bank operates six branches, six ITMs, and five full service ATMs in the MSA. Both the delineation of the assessment area and the branching structure remain unchanged since the previous evaluation.

The bank holds a 2.0 percent deposit market share of FDIC-insured deposits, ranking tenth out of 49 FDIC-insured financial institutions operating in the assessment area as of June 30, 2017. By comparison, the top three institutions by market share are: Wells Fargo Bank N.A. (17.8 percent), Bankers Trust Company (14.2 percent), and Principal Bank (12.5 percent). In addition, the bank identified the following institutions as local and non-local competitors: Bank of America, Community State Bank, Great Western Bank, Lincoln Savings Bank, Luana Savings Bank, US Bank, Veridian Credit Union, and West Bank.

The bank ranked 16th in the assessment area among 393 HMDA-reporting institutions, based on 2016 aggregate lending data where a total of 478 HMDA-reportable loan originations were reported by First American. This ranking has decreased slightly since the previous exam where the bank was ranked 12th.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Des Moines-West Des Moines, IA MSA 19780									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	8	6.1	5,381	3.7	1,552	28.8	28,509	19.6	
Moderate-income	33	25.2	31,253	21.5	4,012	12.8	26,129	18.0	
Middle-income	59	45.0	65,257	44.9	3,265	5.0	33,246	22.9	
Upper-income	30	22.9	43,413	29.9	1,006	2.3	57,420	39.5	
Unknown-income	1	0.8	0	0.0	0	0.0	0	0.0	
Total Assessment Area	131	100.0	145,304	100.0	9,835	6.8	145,304	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	12,286	3,718	2.3	30.3	7,155	58.2	1,413	11.5	
Moderate-income	55,818	31,777	19.9	56.9	19,376	34.7	4,665	8.4	
Middle-income	104,148	74,334	46.6	71.4	22,945	22.0	6,869	6.6	
Upper-income	63,831	49,741	31.2	77.9	10,709	16.8	3,381	5.3	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	236,083	159,570	100.0	67.6	60,185	25.5	16,328	6.9	
	Total Businesses Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%	
Low-income	2,684	9.7	2,197	8.9	429	16.2	58	20.5	
Moderate-income	4,828	17.4	4,243	17.1	548	20.7	37	13.1	
Middle-income	11,923	43.0	10,748	43.4	1,061	40.1	114	40.3	
Upper-income	8,258	29.8	7,577	30.6	607	22.9	74	26.1	
Unknown-income	11	0.0	7	0.0	4	0.2	0	0.0	
Total Assessment Area	27,704	100.0	24,772	100.0	2,649	100.0	283	100.0	
	Percentage of Total Businesses:			89.4		9.6		1.0	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%	
Low-income	12	0.9	12	0.9	0	0.0	0	0.0	
Moderate-income	181	13.9	177	13.8	4	22.2	0	0.0	
Middle-income	883	67.8	875	68.1	8	44.4	0	0.0	
Upper-income	227	17.4	221	17.2	6	33.3	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	1,303	100.0	1,285	100.0	18	100.0	0	0.0	
	Percentage of Total Businesses:			98.6		1.4		0.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

Population Characteristics

The assessment area’s population increased by 5.5 percent between 2010 and 2015 which was notably higher than the state of Iowa overall, which grew by 1.6 percent during the same period. Polk County grew by 5.1 percent, comparable to the entire Des Moines MSA. Guthrie County and Madison County, both rural areas, saw population loss, -2.0 percent and -0.2 percent, respectively. Population increased the most in Dallas County, by 13.2 percent, which is attributed to the fast growing cities of West Des Moines and Waukee. A community representative has commented that rural subdivisions are developing to the west of the metro area as residents are commuting to the downtown area.

The table below presents population change between 2010 and 2015 in the assessment area and in Iowa.

Population Change			
Area	2010 Population	2011-2015 Population	Percentage Change
Assessment Area	569,633	601,187	5.5
Dallas County, IA	66,135	74,892	13.2
Guthrie County, IA	10,954	10,740	-2.0
Madison County, IA	15,679	15,644	-0.2
Polk County, IA	430,640	452,369	5.1
Warren County, IA	46,225	47,542	2.9
Des Moines-West Des Moines, IA MSA	569,633	601,187	5.5
State of Iowa	3,046,355	3,093,526	1.6
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Income Characteristics

Within the assessment area, median family income (MFI) grew by 6.5 percent from 2010 to 2015. This underperformed the state MFI, which increased by 9.2 percent. Guthrie County is the only county in the assessment area where incomes fell by 1.5 percent over the same time period. Dallas County’s MFI grew by 10.0 percent and is by far the highest MFI in the MSA at \$94,428. Community representatives stated income is evenly distributed across the Des Moines and West Des Moines areas with no particular areas of concentrated low incomes or where incomes are increasing at a slower rate. The table below presents MFI changes between 2006-2010 and 2011-2015 within the assessment area as well as the state of Iowa.

Median Family Income Change			
Area	2006-2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change
Assessment Area	71,705	76,385	6.5
Dallas County, IA	84,018	92,428	10.0
Guthrie County, IA	61,951	61,006	-1.5
Madison County, IA	67,099	71,899	7.2
Polk County, IA	70,445	74,335	5.5
Warren County, IA	74,042	76,605	3.5
Des Moines-West Des Moines, IA MSA	71,705	76,385	6.5
State of Iowa	61,804	67,466	9.2
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Personal bankruptcy rates in the Des Moines MSA from 2013 to 2016 were comparable to the state rates during the same time period. The former had a rate of 1.7 per 1,000 population while the latter had a rate of 1.3 per 1,000 population in 2016. Polk County, which comprises the majority of the Des Moines MSA by population, experienced 25 instances of layoffs and closures in 2016 adversely impacting 985 employees; thereby contributing to the higher bankruptcy rate in the Des Moines MSA. Personal bankruptcy rates overall have been steadily falling since the economic turndown in 2008.

Housing Characteristics

The rate of owner-occupied housing in low-income census tracts is 30.3 percent, while in moderate-income census tracts it is 56.9 percent. This data demonstrates the importance of the rental market, and consequently, affordable rentals to the assessment area's low- and moderate-income geographies. However, the ability to make HMDA-reportable loans in low-income census tracts may be limited due to only 2.3 percent of the owner-occupied housing units in the assessment area being in those tracts. Increased opportunity exists to lend in moderate income tracts, as 19.9 of the owner-occupied housing units in the assessment area are located in those tracts.

Trends in housing costs in the assessment area were below the state levels. Median Housing Value increased by 8.4 percent in the state of Iowa during the period of 2006-2010 to 2011-2015. During the same period, the Des Moines MSA had a 6.0 percent increase in housing costs. Median Gross Rents have drastically increased by 32.3 percent in Dallas County, 35.0 percent in Madison County, and 26.3 percent in Guthrie County. The remaining counties in the MSA were on par with the state of Iowa for rising rent costs, at an average of 13.0 percent. A community representative stated the population is growing by 37.0 percent while housing stock is increasing by only 17.0

percent thereby resulting in a sizeable increase in housing and rental pricing.

When considering housing costs in relation to median family income, the affordability ratio, defined further in Appendix B of this report, indicates that housing in the assessment area is slightly less affordable than elsewhere in the state, since the affordability ratio equaled 0.39 in the assessment area compared to 0.41 percent for the state. Home affordability is most affordable in Guthrie County at 0.49, and least affordable in Madison County at 0.37.

The table below presents trends in housing costs between 2006-2010 and 2011-2015 in the assessment area and Iowa.

Housing Costs Change				
Area	2006-2010 Median Housing Value	2011-2015 Median Housing Value	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent
Assessment Area	151,057	160,068	706	802
Dallas County, IA	176,600	190,700	688	910
Guthrie County, IA	94,600	103,700	476	601
Madison County, IA	145,400	160,200	606	818
Polk County, IA	149,700	157,200	714	799
Warren County, IA	150,900	159,900	673	748
Des Moines-West Des Moines, IA MSA	151,057	160,068	706	802
State of Iowa	119,200	129,200	617	697
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>				
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>				

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed the foreclosure cycle. Foreclosure inventory rates in the state and assessment area have declined since 2010 and remain consistent with the state-wide rates. By October 2016, Dallas County had the lowest foreclosure inventory rate at 0.5 percent as compared to the state of Iowa at 1.0 percent.

Employment Characteristics

Unemployment rates in individual counties, as well as the Des Moines MSA, are all lower than the state of Iowa. In 2016, the rate of unemployment in the entire MSA was 3.4 percent while slightly higher at 3.7 percent for the state of Iowa. Overall, unemployment rates have decreased steadily each year since 2013. Dallas County had the lowest unemployment rate at 2.7 percent. Community representatives stated that employers continue to have trouble finding a skilled labor force to fill open positions. Employers face strong competition when attracting new employees due to the continued low unemployment rates.

The table below presents unemployment rates between 2013 and 2016 in the assessment area including the state of Iowa.

Recent Unemployment Rates				
Area	2013	2014	2015	2016
Dallas County, IA	3.7	3.4	2.9	2.7
Guthrie County, IA	4.9	4.5	3.8	3.6
Madison County, IA	5.0	4.7	4.0	3.6
Polk County, IA	4.8	4.4	3.7	3.5
Warren County, IA	4.4	4.1	3.5	3.2
Des Moines-West Des Moines, IA MSA	4.6	4.2	3.6	3.4
State of Iowa	4.6	4.4	3.8	3.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Major Employers

Financial services and hospitals are the major industries in the assessment area. Community contacts stated that the metropolitan areas work to attract target industries such as financial services, IT, bio-life sciences, and advanced manufacturing. These types of employers are concentrated in the Des Moines-West Des Moines, IA metropolitan area as opposed to the rest of the state.

The table below presents the top ten largest employers in the assessment area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Principal Financial Group Inc	9,100	Financial Advisory Services
Mercy Medical Center	8,412	Medical Centers and Hospitals
Blank Children's Hospital	6,000	Hospitals
State Public Policy Group Inc.	5,000	State Government-General Offices
Unity Point Health-Iowa Methodist	3,734	Hospitals
Wells Fargo	3,000	Real Estate Loans and Banks
Weitz Agricultural Services	2,830	General Contractors
TMC Transportation	2,000	Trucking-Motor Freight
Wellmark Inc.	1,800	Insurance
Prairie Meadows	1,600	Casinos
<i>Source: InfoUSA</i>		

Community Representatives

Two community representatives were contacted to provide information about local housing, employment, and other economic conditions. Both represented economic development organizations. Population growth in the Des Moines metropolitan area has led to quality of life improvements made in the last 20 years, such as quality schools and community amenities. The contacts indicated that the largest barriers to growth in the area were lack of workforce and lack of available housing. Employers are having a hard time attracting new employees as there is significant competition for the labor.

Housing values continue to increase and construction costs are rising. Population growth is exceeding housing stock growth. A community representative stated there are always roles for banks in the major affordable housing initiatives and there was a need for housing at all price ranges.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DES MOINES – WEST DES MOINES, IA MSA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and small business loans in the Des Moines, Iowa MSA reflects reasonable distribution of loans throughout the assessment area, including in low- and moderate-income census tracts. The assessment area contains 131 total census tracts, of which eight are low-income and 33 are moderate-income. The dispersion of HMDA-reportable and small business loans in the assessment area is reasonable, with the bank originating loans in 81.7 percent of all of the census tracts in the assessment area including 53.7 percent of the low- and moderate-income census tracts. Higher percentages were constrained by the bank's limited branch presence and increased competition in the low- and moderate-income areas.

HMDA-Reportable Loans

Home purchase loans represented a large majority (73.0 percent in 2016) of originations in the assessment area and were therefore more heavily weighted in the HMDA-reportable loan analysis. Presented below are 2016 geographic distribution tables used for analysis. Please refer to Appendix B for 2015 geographic distribution tables.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2016			2016			
		Count		Agg	Dollar		Agg	
		Bank			Bank			
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	4	1.1	1.6	469	0.7	1.2	2.3
	Moderate	23	6.6	12.9	2,649	3.8	7.6	19.9
	Middle	158	45.3	45.7	31,474	44.8	44.9	46.6
	Upper	164	47.0	39.8	35,737	50.8	46.3	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		349	100.0	100.0	70,329	100.0	100.0
Refinance	Low	1	0.9	1.4	148	0.6	1.0	2.3
	Moderate	6	5.1	10.2	749	2.8	5.6	19.9
	Middle	50	42.7	45.4	10,614	39.8	43.6	46.6
	Upper	60	51.3	43.0	15,165	56.8	49.7	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		117	100.0	100.0	26,676	100.0	100.0
Home Improvement	Low	0	0.0	2.0	0	0.0	1.1	2.3
	Moderate	0	0.0	15.8	0	0.0	8.4	19.9
	Middle	7	70.0	47.7	587	55.1	47.3	46.6
	Upper	3	30.0	34.5	478	44.9	43.2	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		10	100.0	100.0	1,065	100.0	100.0
Multi-Family	Low	1	50.0	22.0	225	25.7	26.9	14.1
	Moderate	0	0.0	21.4	0	0.0	14.5	28.5
	Middle	1	50.0	39.6	650	74.3	31.7	34.8
	Upper	0	0.0	17.0	0	0.0	26.9	22.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		2	100.0	100.0	875	100.0	100.0
HMDA Totals	Low	6	1.3	1.6	842	0.9	3.1	2.3
	Moderate	29	6.1	12.1	3,398	3.4	7.4	19.9
	Middle	216	45.2	45.7	43,325	43.8	43.5	46.6
	Upper	227	47.5	40.6	51,380	51.9	46.0	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		478	100.0	100.0	98,945	100.0	100.0

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

The above table indicates reasonable geographic distribution of loans in the bank's assessment area when compared to aggregate lenders and owner-occupied units in 2016. In Appendix B, geographic distribution of 2015 HMDA-reportable loans shows comparable results. Home purchase and refinance loans for 2016 are discussed below. Due to loan volume in the assessment area, home improvement and multi-family loans will not be discussed.

Home Purchase

Home purchase loans represent 73.0 percent of the bank's total HMDA-reportable loans in 2016. Lending volume by number in low-income census tracts (1.1 percent) was comparable to both the aggregate (1.6 percent) and the percentage of owner-occupied housing (2.3 percent) in low-income census tracts. Lending in moderate-income census tracts (6.6 percent) was below aggregate (12.9 percent) and the percentage of owner-occupied housing (19.9 percent) in moderate-income census tracts. Neither the bank nor aggregate banks achieved parity with the percentage of owner-occupied housing in the low- and moderate-income census tracts. Within the low-income census tracts 15.7 percent of families are living below poverty levels and 38.1 percent of families living in moderate-income census tracts are living below poverty levels. Additionally, within the low-income census tracts that make up the assessment area, 58.2 percent of the residential real estate properties are currently rental properties and 34.7 percent of the residential real estate properties in moderate-income census tracts are rental properties. These factors can limit a financial institutions ability to lend within these areas.

Additional activity in 2016 included the bank making 45.3 percent of its home purchase loans in middle-income census tracts, which was almost identical to the performance of aggregate lenders (45.7 percent) and comparable to the percentage of owner-occupied housing in middle-income census tracts (46.6 percent). The bank made 47.0 percent of its home purchase loans in upper-income census tracts, exceeding the performance of aggregate lenders (39.8 percent) and the percentage of owner-occupied housing in upper-income census tracts (31.2 percent).

Refinance

Refinance loans represent 24.5 percent of the bank's total HMDA-reportable loans in 2016. One loan was originated in low-income census tracts (0.9 percent), but this was slightly below aggregate (1.4 percent) and the percentage of owner-occupied housing (2.3 percent) in low-income census tracts. Lending in moderate-income census tracts (5.1 percent) was below aggregate (10.2 percent) and the percentage of owner-occupied housing (19.9 percent) in moderate-income census tracts. The properties that comprise the low-and moderate-income census tracts contain a concentration of rental properties that can limit lending opportunities in these areas. Rental properties comprise 58.2 percent of home in low-income census tracts and 34.7 percent of moderate-income census tracts.

Refinance lending in middle-income census tracts (42.7 percent) was comparable to aggregate (45.4 percent) and the percent of owner-occupied housing (46.6 percent) in middle-income census tracts. The bank made 51.3 percent of its refinance loans in upper-income census tracts, exceeding the performance of aggregate lenders (43.0 percent) and the percentage of owner-occupied housing (31.2 percent) in upper-income census tracts.

Small Business Loans

The table below indicates adequate distribution of loans, based on a sample of small business loans in the bank's assessment area when compared to the distribution of small businesses in 2016. Small business loans were given more significant weight than HMDA-reportable loans as commercial loans comprise a significant portion of the bank's loan portfolio.

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 Des Moines-West Des Moines, IA MSA 19780						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2016 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	1	3.3	0	0.0	9.7
	Moderate	4	13.3	54	2.2	17.4
	Middle	10	33.3	474	19.5	43.0
	Upper	15	50.0	1,900	78.3	29.8
	Unknown	0	0.0	0	0.0	0.0
	Total	30	100.0	2,428	100.0	100.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

In 2016, small business lending in low-income census tracts (3.3 percent) was below the percentage of small businesses (9.7 percent) in low-income census tracts. Lending in moderate-income census tracts (13.3 percent) was also below the percentage of small businesses (17.4 percent) in moderate-income census tracts. Lending in moderate-income census tracts by dollar volume was only 2.2 percent.

The bank made 33.3 percent of its small business loans in middle-income census tracts, below the percentage of small businesses (43.0 percent) in middle-income census tracts. Lending in upper-income census tracts (50.0 percent) was above the percentage of small businesses (29.8 percent) in upper-income census tracts.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The distribution of HMDA-reportable and small business loans in the Des Moines MSA reflects reasonable penetration among individuals of different income levels and businesses of different sizes.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable distribution of loans among individuals of different income levels in its assessment area when compared to aggregate lenders and assessment area demographics. Home purchase and refinance loans are discussed below. Due to loan volume in the assessment area, home improvement and multi-family loans will not be discussed. In 2015, geographic distribution of HMDA-reportable and small business loans shows comparable results. Please refer to Appendix B for related data tables.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2016						
		Count		Dollar		Agg		
		Bank #	%	Agg %	Bank \$(000s)	\$ %	Agg \$ %	
Home Purchase	Low	23	6.6	9.0	2,551	3.6	4.9	19.6
	Moderate	73	20.9	20.3	10,164	14.5	15.1	18.0
	Middle	107	30.7	22.6	20,325	28.9	21.8	22.9
	Upper	141	40.4	32.3	36,562	52.0	42.5	39.5
	Unknown	5	1.4	15.8	727	1.0	15.7	0.0
	Total		349	100.0	100.0	70,329	100.0	100.0
Refinance	Low	4	3.4	5.8	300	1.1	2.8	19.6
	Moderate	13	11.1	13.7	1,854	7.0	8.6	18.0
	Middle	25	21.4	19.9	4,352	16.3	16.8	22.9
	Upper	72	61.5	42.1	19,650	73.7	52.7	39.5
	Unknown	3	2.6	18.6	520	1.9	19.1	0.0
	Total		117	100.0	100.0	26,676	100.0	100.0
Home Improvement	Low	1	10.0	10.1	19	1.8	4.4	19.6
	Moderate	2	20.0	17.4	248	23.3	12.3	18.0
	Middle	1	10.0	24.4	156	14.6	20.6	22.9
	Upper	6	60.0	42.2	642	60.3	53.3	39.5
	Unknown	0	0.0	5.9	0	0.0	9.5	0.0
	Total		10	100.0	100.0	1,065	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.6
	Moderate	0	0.0	0.0	0	0.0	0.0	18.0
	Middle	0	0.0	0.0	0	0.0	0.0	22.9
	Upper	0	0.0	0.0	0	0.0	0.0	39.5
	Unknown	2	100.0	100.0	875	100.0	100.0	0.0
	Total		2	100.0	100.0	875	100.0	100.0
HMDA Totals	Low	28	5.9	7.8	2,870	2.9	3.7	19.6
	Moderate	88	18.4	17.5	12,266	12.4	11.6	18.0
	Middle	133	27.8	21.6	24,833	25.1	18.3	22.9
	Upper	219	45.8	36.5	56,854	57.5	43.3	39.5
	Unknown	10	2.1	16.6	2,122	2.1	23.0	0.0
	Total		478	100.0	100.0	98,945	100.0	100.0
Originations & Purchases 2016 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Home Purchase

Home purchase loans represent 73.0 percent of the bank's total HMDA-reportable loans in 2016. Lending to low-income borrowers (6.6 percent) was below aggregate (9.0 percent) and below the percentage of low-income families in the assessment area (19.6 percent). Lending to moderate-income borrowers (20.9 percent) was comparable to the aggregate (20.3 percent) and the percentage of moderate-income families in the assessment area (18.0 percent). Lending to low-income borrowers remains below the percentage of low-income families within the assessment area due to the percentage of families that remain below the poverty level. This limits the opportunities to lend to borrowers within this income-category.

In 2016, lending to middle-income borrowers (30.7 percent) was above aggregate (22.6 percent) and the percentage of middle-income families in the assessment area (22.9 percent). The bank made 40.4 percent of its home purchase loans to upper-income borrowers, which is above aggregate (32.3 percent) and above the percentage of upper-income families in the assessment area (39.5 percent).

Refinance

Refinance loans represent 24.4 percent of the bank's total HMDA-reportable loans in 2016. Lending to low-income borrowers (3.4 percent) is slightly below aggregate (5.8 percent) and below the percentage of low-income families in the assessment area (19.6 percent). Lending to moderate-income borrowers (11.1 percent) was slightly below aggregate (13.7 percent) and below the percentage of moderate-income families in the assessment area (18.0 percent).

In 2016, the bank made 21.4 percent of its refinance loans to middle-income borrowers, which is comparable the performance of aggregate lenders (19.9 percent) and to the percentage of middle-income families in the assessment area (22.9 percent). The majority of refinance loans in the assessment area in 2016 were made to upper-income borrowers. Lending to upper-income borrowers (61.5 percent) was well above aggregate (42.1 percent) and the percentage of upper-income families in the assessment area (39.5. percent).

Small Business Loans

The table below indicates reasonable distribution of loans, based on a sample of small business loans when compared to the distribution of small businesses in 2016.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2016 Des Moines-West Des Moines, IA MSA 19780							
Product Type		Bank & Demographic Comparison					
		2016		2016		Total Businesses	
Revenue	Loan Size	Count Bank	%	Dollar Bank	%		%
		#	%	\$ 000s	\$ %	%	
Small Business	\$1 Million or Less	13	43.3	1,260	51.9	89.4	
		Over \$1 Million or Unknown	17	56.7	1,168	48.1	10.6
		Total	30	100.0	2,428	100.0	100.0
	\$100,000 or Less	23	76.7	226	9.3		
		\$100,001 - \$250,000	5	16.7	746		30.7
		\$250,001 - \$1 Million	2	6.7	1,455		60.0
		Total	30	100.0	2,427		100.0
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	9	69.2	85	6.7	
		\$100,001 - \$250,000	3	23.1	525	41.7	
		\$250,001 - \$1 Million	1	7.7	650	51.6	
		Total	13	100.0	1,260	100.0	

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

In 2016, the bank originated 43.3 percent of loans to businesses with revenues of \$1 million or less. By comparison, the percentage of businesses with annual revenues of \$1 million or less was 89.4 percent. While the majority of small business loans were originated to larger businesses, the majority of loans to small businesses, 69.2 percent, were in loan amounts of \$100,000 or less.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, investments, donations, and services, considering the bank's capacity and the need and availability of opportunities for community development in its assessment area.

Community Development Lending

First American originated 13 community development loans totaling \$28,097,602 within the Des Moines MSA. This is a slight decrease from the previous examination where the bank originated 15 loans totaling \$38,119,000. Prior to that evaluation the bank originated five loans for \$10,995,204, showing the bank has maintained its focus on community development lending over the past two exam cycles. Loans were utilized for multiple projects including affordable housing initiatives, economic development projects to make building renovations and improvements and

loans that help assist medical organizations provide care to low- and moderate-income individuals. Three loans were determined to be responsive within the Des Moines MSA. These loans were considered responsive as they address a need in the area for affordable housing; they were specifically for renovations and construction of affordable housing within low-income geographies.

Community Development Loans \$ in thousands						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Loans
Des Moines- West Des Moines MSA	\$435	\$2,580	\$0	\$25,083	\$28,098	13

Qualified Investments

The bank also made one new community development investment of \$1,090,524 and retained three prior period investments of \$806,178 all consisting of mortgage-backed loan pools benefitting low- and moderate-income individuals. The total amount invested within the assessment area was \$1,896,702. These investments focus on loan pool participations that are designated for affordable housing projects that focus solely on low-and moderate-income individuals. These investments are considered responsive to community needs as community contacts noted a particular need for affordable housing. At the previous evaluation the bank made three current period qualified investments totaling \$1,839,052 in addition to \$20,962 prior period investments.

Qualified Investments						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Investments
Des Moines-West Des Moines MSA	\$1,897	\$0	\$0	\$0	\$1,897	4

Additionally, the bank contributed \$68,104 in donations to 27 organizations. The bank contributed eight qualified donations totaling \$15,131 at the previous examination, showing continued improvement in this area. Donations include providing funding for housing projects and for targeted revitalization projects within the MSA.

Qualified Donations						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Donations
Des Moines-West Des Moines MSA	\$9,700	\$58,404	\$0	\$0	\$68,104	27

Community Development Services

Lastly, the bank provided a total of 2,809 community development service hours to the benefit of 21 different organizations. This is an improvement on the previous examination where the bank provided 1,578 hours to 24 organizations. Community development activities supported all of the needs of the assessment area including: affordable housing, economic development, revitalization/stabilization, as well as community services. Please refer to the following chart summarizing the community development activities provided by the bank during the evaluation period.

Community Development Services						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total Hours	# of Organizations
Des Moines-West Des Moines MSA	216	2,536	57	0	2,809	21

SIoux CITY, IA-NE-SD MSA #43580 – FULL REVIEW

SCOPE OF EXAMINATION

The Sioux City, IA-NE-SD MSA (Sioux City MSA) received a full-scope review consistent with that which was defined for the entire review. Please refer to the more detailed description of the scope contained in the introduction section of this Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SIOUX CITY, IA-NE-SD MSA

First American maintains operations in northwestern Iowa through its one branch in Sioux City, IA. The bank does not delineate the entirety of the Sioux City, IA-NE-SD MSA in its assessment area designating only Woodbury County in its entirety. Woodbury County consists of 26 census tracts, of which one is designated as low-income, six are moderate-income, 14 are middle-income, four are upper-income, and one is of unknown-income. The bank operates one branch with one full service ATM and one full service ITM, all of which are located in a moderate-income census tract. Both the delineation of the assessment area and the branching structure remain unchanged since the previous evaluation.

First American's position in the market is modest. The Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report dated June 30, 2017 does not rank First American among the 20 FDIC-insured institutions operating in Woodbury County. This indicates a very low, less than 0.05 percent, market share of total deposits in the assessment area. The top two deposit holders, The Security National Bank of Sioux City at 30.0 percent and Wells Fargo Bank at 15.9, hold 45.9 percent of the total deposits in the market.

The bank has higher lending presence in the market compared to its deposit presence. The bank ranked 20th in the assessment area among 150 HMDA-reporting institutions, based on 2016 aggregate lending data. A total of 38 HMDA-reportable loan originations were reported by First American compared to 367 by leader Wells Fargo Bank. This ranking has decreased compared to the 2015 aggregate lending data, where it was ranked 14th out of 144 HMDA reporters.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Sioux City, IA-NE-SD MSA 43580									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	1	3.8	299	1.2	76	25.4	5,527	21.5	
Moderate-income	6	23.1	4,960	19.3	911	18.4	4,960	19.3	
Middle-income	14	53.8	14,712	57.2	1,378	9.4	5,766	22.4	
Upper-income	4	15.4	5,750	22.4	267	4.6	9,468	36.8	
Unknown-income	1	3.8	0	0.0	0	0.0	0	0.0	
Total Assessment Area	26	100.0	25,721	100.0	2,632	10.2	25,721	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	%	#	%	#	%	
Low-income	882	64	0.2	7.3	749	84.9	69	7.8	
Moderate-income	8,541	4,153	15.6	48.6	3,519	41.2	869	10.2	
Middle-income	24,167	15,939	60.0	66.0	6,588	27.3	1,640	6.8	
Upper-income	8,026	6,420	24.2	80.0	1,307	16.3	299	3.7	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	41,616	26,576	100.0	63.9	12,163	29.2	2,877	6.9	
	Total Businesses Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	89	2.2	77	2.1	12	2.7	0	0.0	
Moderate-income	1,226	29.9	964	26.6	254	57.2	8	21.1	
Middle-income	1,870	45.6	1,740	48.1	107	24.1	23	60.5	
Upper-income	917	22.4	839	23.2	71	16.0	7	18.4	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	4,102	100.0	3,620	100.0	444	100.0	38	100.0	
	Percentage of Total Businesses:			88.2		10.8		0.9	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	9	2.5	9	2.6	0	0.0	0	0.0	
Middle-income	296	83.4	292	83.4	4	80.0	0	0.0	
Upper-income	50	14.1	49	14.0	1	20.0	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	355	100.0	350	100.0	5	100.0	0	0.0	
	Percentage of Total Businesses:			98.6		1.4		0.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

Population Characteristics

The assessment area’s population grew slightly by an average of 0.4 percent between 2010 and 2011-2015, less than Iowa’s population which grew by 1.5 percent during the same period. Community representatives stated that the population in Woodbury County has been remarkably consistent for the last 50 years and does not anticipate this to change.

The table below presents population change between 2010 and 2011-2015 in the assessment area and in Iowa.

Population Change			
Area	2010 Population	2011-2015 Population	Percentage Change (%)
Woodbury County, IA	102,172	102,530	0.4
Sioux City, IA-NE-SD MSA	168,563	168,889	0.2
State of Iowa	3,046,355	3,093,526	1.5
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Income Characteristics

As presented in the table below, the assessment area’s median family income (MFI) is and has historically been lower than both the State of Iowa’s MFI and the entire Sioux City MSA. Additionally, though the median family income grew by an average of 2.9 percent between 2006-2010 and 2011-2015, it has done so at a much slower rate than the state of Iowa during the same period.

Median Family Income Change			
Area	2006-2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change (%)
Woodbury County, IA	55,957	57,590	2.9
Sioux City, IA-NE-SD MSA	58,510	60,974	4.2
State of Iowa	61,804	67,466	9.2
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Personal bankruptcy rates in Woodbury County from 2013 to 2016 averaged 0.2 percent higher than the Sioux City MSA and 0.5 percent higher than the state of Iowa during the same period. In 2016, Woodbury County’s bankruptcy rate was 1.9 percent compared to 1.7 percent for Sioux City MSA and 1.3 percent for the state of Iowa. Personal bankruptcy rates overall continue to trend downward since the recession in 2008.

Housing Characteristics

The rate of owner-occupied housing in low-income census tracts is only 7.3 percent, while in moderate-income census tracts it is 48.6 percent. This data demonstrates the importance of the rental market, and, consequently, affordable rentals to the assessment area's low- and moderate-income geographies. However, the ability to make HMDA-reportable loans in low-income census tracts may be limited due to only 0.2 percent of the owner-occupied housing units in the assessment area being in those tracts. Much more opportunity exists to lend in moderate income tracts, as 15.6 percent of the owner-occupied housing units in the assessment area are located in those tracts.

During the period 2006-2010 to 2011-2015, the median housing value increased 8.4 percent in the state of Iowa while Woodbury County experienced a notably lower 5.2 percent increase in housing costs. Overall, median housing values in Woodbury County remain significantly lower than the state of Iowa. Median gross rents in Woodbury County have increased by 12.8 percent consistent with the rise in rent costs in the state of Iowa which is averaging 13.0 percent. According to community representatives, Woodbury County has been working on building multiple rental units, which are mixed affordable and market rate, to stabilize rental prices.

The table below presents trends in housing costs between 2006-2010 and 2011-2015 in the assessment area and Iowa.

Housing Costs Change				
Area	2006-2010 Median Housing Value	2011-2015 Median Housing Value	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent
Woodbury County, IA	94,700	99,600	601	678
Sioux City, IA-NE-SD MSA	99,136	110,917	596	673
State of Iowa	119,200	129,200	617	697
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>				
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>				

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed the foreclosure cycle. Foreclosure inventory rates in Woodbury County steadily declined since 2010 and dropped below 1.0 percent for the first time in June of 2016, and has remained below 1.0 percent ever since. As of October 2016, Woodbury County's foreclosure rate was at 0.7 with the state of Iowa at 1.0 percent.

Employment Characteristics

Unemployment rates in the assessment area are consistent with the state of Iowa. In 2016, the rate of unemployment in Woodbury County was 3.6 percent, just below the state of Iowa at 3.7 percent. Both have decreased steadily each year since 2013 with community representatives stating that the unemployment rate may stabilize as the number of open employment opportunities are outpacing the number of available employees.

The table below presents unemployment rates between 2013 and 2016 in the assessment area and Iowa.

Recent Unemployment Rates				
Area	2013	2014	2015	2016
Woodbury County, IA	4.5	4.5	3.8	3.6
Sioux City, IA-NE-SD MSA	4.7	4.4	3.6	3.5
State of Iowa	4.6	4.4	3.8	3.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Major Employers

Healthcare and food processors are the major industries in the assessment area with community representatives stating that food and fertilizer plants are expanding industries in the area.

The table below presents the largest employers in the assessment area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Mercy Medical Center-Sioux City	1,194	Healthcare / Hospitals
Unity Point Health-St Luke's	1,056	Healthcare / Hospitals
Stream	1,000	Business Support Service
Morningside College	880	Schools-Universities & Colleges Academic
Boys & Girls Home & Family Services	575	Residential Care Homes
Cloverleaf Cold Storage	550	Warehouses-Cold Storage
Sabre Tubular Structures	500	Towers (Mfrs)
Kustom Pak Foods	500	Poultry Processing Plants (Mfrs)
Wilson Trailer Co.	450	Trailers-Truck-Manufacturers
Winnebago Tribe of Nebraska	400	Government Offices-Native American
<i>Source: InfoUSA</i>		

Community Representatives

Two community representatives were contacted to provide information about local housing, employment and other economic conditions. Community representatives stated that Woodbury County is the economic hub of northwest Iowa. The greatest challenge facing the community at-large is the stagnant population and the greatest challenge facing the business community is a lack of workers at all education levels. There is high competition for employees amongst local businesses.

Woodbury County is undergoing quality of life improvements as they renovate schools and community areas, in hopes to attract more people to the county. The area has had an influx of African refugees in the last five years, of whom the community contacts identified as a critically underbanked community. Local financial institutions play a big role in financing community projects and are highly visible.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SIOUX CITY, IA-NE-SD MSA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and small business loans in the Sioux City MSA reflects reasonable distribution of loans throughout the assessment area, including in low- and moderate-income census tracts. The assessment area contains 26 total census tracts, of which one is low-income and six are moderate-income.

HMDA-Reportable Loans

Home purchase loans represented a substantial majority (84.2 percent of HMDA-reportable loans in 2016 and 72.2 percent in 2015) of originations in the assessment area and were therefore more heavily weighted in the analysis. In 2016, the bank made loans in 61.5 percent of the census tracts within the assessment area, including 42.8 percent of low- and moderate-income tracts which is reasonable when considering there are only seven total low- and moderate-income tracts in the assessment area. Presented below are 2016 geographic distribution tables used for analysis. For comparison purposes, please refer to Appendix B for 2015 geographic distribution tables.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Sioux City, IA-NE-SD MSA 43580								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		Count		2016				
		Bank #	%	Agg %	Dollar		Agg %	
					\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.3	0	0.0	0.1	0.2
	Moderate	3	9.4	10.2	556	12.3	6.2	15.6
	Middle	17	53.1	57.8	1,852	41.1	50.4	60.0
	Upper	12	37.5	31.7	2,099	46.6	43.2	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	32	100.0	100.0	4,507	100.0	100.0	100.0
Refinance	Low	0	0.0	0.3	0	0.0	0.2	0.2
	Moderate	0	0.0	7.4	0	0.0	3.8	15.6
	Middle	4	80.0	57.2	289	57.7	52.6	60.0
	Upper	1	20.0	35.0	212	42.3	43.4	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	5	100.0	100.0	501	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.3	0	0.0	0.0	0.2
	Moderate	1	100.0	13.0	9	100.0	7.8	15.6
	Middle	0	0.0	64.1	0	0.0	59.8	60.0
	Upper	0	0.0	22.6	0	0.0	32.4	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	9	100.0	100.0	100.0
Multi-Family	Low	0	0.0	9.1	0	0.0	12.5	8.2
	Moderate	0	0.0	18.2	0	0.0	27.8	22.4
	Middle	0	0.0	54.5	0	0.0	42.9	60.4
	Upper	0	0.0	18.2	0	0.0	16.7	9.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	0.3	0	0.0	0.2	0.2
	Moderate	4	10.5	9.6	565	11.3	5.5	15.6
	Middle	21	55.3	58.4	2,141	42.7	51.6	60.0
	Upper	13	34.2	31.7	2,311	46.1	42.6	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	38	100.0	100.0	5,017	100.0	100.0	100.0
Originations & Purchases 2016 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The above table indicates reasonable geographic distribution of loans in the bank's assessment area when compared to aggregate lenders and owner-occupied units in 2016. Home purchase is discussed below. Due to the low loan volume in the assessment area, refinance, home improvement, and multi-family loans will not be discussed. In Appendix B, geographic distribution of 2015 HMDA-reportable loans shows comparable results.

Home Purchase

Home purchase loans represent 84.2 percent of the bank's total HMDA-reportable loans in 2016. Lending volume in low-income census tracts (0.0 percent) was comparable to both the aggregate (0.3 percent) and the percentage of owner-occupied housing (0.2 percent). Lending in moderate-income census tracts (9.4 percent) was slightly below aggregate (10.2 percent) and the percentage of owner-occupied housing (15.6 percent). Neither the bank nor aggregate achieved parity with the percentage of owner-occupied housing in the low- and moderate-income census tracts. This can be attributed to the fact that 84.9 percent of homes located in low-income census tracts are rental properties and only 7.3 percent of homes in low-income census tracts are owner-occupied. This limits opportunities to originate home purchase loans in these areas.

Additional activity in 2016 included the bank making 53.1 percent of its home purchase loans in middle-income census tracts, which was slightly below performance of aggregate lenders (57.8 percent) and slightly below the percentage of owner-occupied housing in middle-income census tracts (60.0 percent). The bank made 37.5 percent of its home purchase loans in upper-income census tracts, exceeding the performance of aggregate lenders (31.7 percent) and the percentage of owner-occupied housing in upper-income census tracts (24.2 percent).

Small Business Loans

The table below indicates reasonable distribution of loans, based on a sample of small business loans compared to the distribution of small businesses in 2016.

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 Sioux City, IA-NE-SD MSA 43580						
Tract Income Levels		Bank & Demographic Comparison				
		Count Bank		2016		Total Businesses
				Dollar Bank		
#	%	\$ 000s	\$ %	%		
Small Business	Low	0	0.0	0	0.0	2.2
	Moderate	1	50.0	60	10.4	29.9
	Middle	1	50.0	519	89.6	45.6
	Upper	0	0.0	0	0.0	22.4
	Unknown	0	0.0	0	0.0	0.0
	Total	2	100.0	579	100.0	100.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

In 2016, the bank made a very small percentage of its overall commercial lending within this assessment area. Small business lending in this assessment area comprises 2.0 percent of the total small business originations within the sample. Due to the limited lending activity, a meaningful analysis could not be completed. The sample consisted of no small business loans in low-income census tracts, but only 2.2 percent of small businesses reside in low-income census tracts, indicating reasonable penetration based on the limited opportunities. Lending in moderate-income census tracts (50.0 percent) was above the percentage of small businesses (29.9 percent) in moderate-income census tracts. The bank made 50.0 percent of its small business loans in middle-income census tracts, above the percentage of small businesses (45.6 percent) in middle-income census tracts. Lending in upper-income census tracts (0.0 percent) was below the percentage of small businesses (22.4 percent) in upper-income census tracts.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The borrower distribution of HMDA-reportable and small business loans in the Sioux City, IA-NE-SD MSA reflects reasonable distribution of loans among individuals of different income levels and businesses of different sizes.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable distribution of loans among individuals of different income levels in its assessment area when compared to aggregate lenders and assessment area demographics. Home purchases in 2016 are discussed below. Due to low loan volume in the assessment area, refinance, home improvement and multi-family loans will not be discussed. In Appendix B, geographic distribution of 2015 HMDA-reportable loans shows comparable results.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Sioux City, IA-NE-SD MSA 43580								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2016						
		Count		Dollar				
		Bank #	Agg %	Bank \$ (000s)	Agg \$ %			
Home Purchase	Low	0	0.0	9.2	0	0.0	5.6	21.5
	Moderate	15	46.9	21.8	1,734	38.5	17.0	19.3
	Middle	9	28.1	24.7	1,134	25.2	24.7	22.4
	Upper	8	25.0	31.4	1,639	36.4	42.6	36.8
	Unknown	0	0.0	12.8	0	0.0	10.1	0.0
	Total		32	100.0	100.0	4,507	100.0	100.0
Refinance	Low	0	0.0	5.7	0	0.0	2.5	21.5
	Moderate	0	0.0	15.5	0	0.0	8.5	19.3
	Middle	0	0.0	19.4	0	0.0	15.8	22.4
	Upper	5	100.0	41.1	501	100.0	50.3	36.8
	Unknown	0	0.0	18.3	0	0.0	22.9	0.0
	Total		5	100.0	100.0	501	100.0	100.0
Home Improvement	Low	0	0.0	9.6	0	0.0	6.1	21.5
	Moderate	0	0.0	18.1	0	0.0	12.3	19.3
	Middle	1	100.0	28.2	9	100.0	23.4	22.4
	Upper	0	0.0	39.8	0	0.0	53.1	36.8
	Unknown	0	0.0	4.2	0	0.0	5.2	0.0
	Total		1	100.0	100.0	9	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.5
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	22.4
	Upper	0	0.0	0.0	0	0.0	0.0	36.8
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	8.0	0	0.0	4.4	21.5
	Moderate	15	39.5	19.1	1,734	34.6	13.4	19.3
	Middle	10	26.3	23.2	1,143	22.8	21.1	22.4
	Upper	13	34.2	35.7	2,140	42.7	45.8	36.8
	Unknown	0	0.0	14.0	0	0.0	15.3	0.0
	Total		38	100.0	100.0	5,017	100.0	100.0
Originations & Purchases 2016 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Home Purchase

Home purchase loans represent 84.2 percent of the bank’s total HMDA-reportable loans in 2016. Lending to low-income borrowers (0.0 percent) was below aggregate (9.2 percent) and below the percentage of low-income families in the assessment area (21.5 percent); however, lending to moderate-income borrowers (46.9 percent) exceeded aggregate (21.9 percent) as well as the percentage of moderate-income families in the assessment area (19.3 percent). Lending to low-income borrowers is limited due to a minimal branching network and presence in the assessment area as well as strong competition by multiple financial institutions.

In 2016, lending to middle-income borrowers (28.1 percent) was above aggregate (24.7 percent) and the percentage of middle-income families in the assessment area (22.4 percent). The bank made 25.4 percent of its home purchase loans to upper-income borrowers, which is below aggregate (32.3 percent) and below the percentage of upper-income families in the assessment area (36.8 percent).

Small Business Loans

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2016 Sioux City, IA-NE-SD MSA 43580							
Product Type		Bank & Demographic Comparison					
		2016		2016		Total Businesses %	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	1	50.0	60	10.4	88.2
		Over \$1 Million or Unknown	1	50.0	519	89.6	11.8
		Total	2	100.0	579	100.0	100.0
	Loan Size	\$100,000 or Less	1	50.0	60	10.4	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	1	50.0	519	89.6	
		Total	2	100.0	579	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	100.0	60	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	1	100.0	60	100.0	
	Originations & Purchases						
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Of the loans in the sample, one loan was to a business that had annual revenues over one million dollars, and the other loan was to a business that had annual revenues under one million dollars. Due to limited lending, no meaningful analysis can be gauged.

A community representative noted that financing for small businesses has gradually become more attainable as there are many initiatives and loans programs now available. The community representative goes on to state that loans under \$50,000 continue to be higher risk, less profitable, and thus harder to obtain while small businesses are challenged by the lack of skilled workers in the area.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, investments, donations, and services, considering the bank's capacity and the need and availability of opportunities for community development in its assessment area.

Community Development Lending

Specifically, the bank originated two loans totaling \$940,336, supporting community services and economic development. The dollar amount of community development loans decreased from the previous evaluation, where the bank originated three loans totaling \$1,950,000.

Community Development Loans \$ in thousands						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Loans
Sioux City MSA	\$0	\$800	\$140	\$0	\$940	2

Qualified Investments

First American had no new investments during the evaluation period but did have \$126,057 in prior period investments. The investments were primarily made through purchases of Fannie Mae loan pools, which supported efforts to provide affordable housing for low- and moderate-income individuals.

Qualified Investments						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Investments
Sioux City MSA	\$126	\$0	\$0	\$0	\$0	2

Additionally in this period, the bank made \$2,450 worth of donations to community services that support low- and moderate-income populations. In the prior evaluation, \$5,000 in similar donations were made.

Qualified Donations						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Donations
Sioux City MSA	\$0	\$2,450	\$0	\$0	\$245	3

Community Development Services

The bank also provides multiple community development services within the assessment area. A total of 286 community development service hours were provided by bank employees to multiple organizations. When compared to the previous evaluation of 211 community development service hours, the bank has increased the number of service hours. Services provided included board membership of organizations that provides services and/or affordable housing to low- to moderate-income individuals or geographies.

Community Development Services						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total Hours	# of Organizations
Sioux City MSA	119	167	0	0	286	21

NON-METROPOLITAN IOWA – FULL REVIEW

SCOPE OF EXAMINATION

The Non-Metropolitan Iowa (Non-MSA Iowa) assessment area received a full-scope review consistent with that which was defined for the entire review. Please refer to the more detailed description of the scope contained in the introduction section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA IOWA

The bank delineates the entirety of Webster and Hamilton Counties in its assessment area. The assessment area consists of 17 census tracts of which one is designated as low-income (5.9 percent), and three are moderate-income (17.6 percent). The bank has its main office in Fort Dodge, IA, with an additional branch and four ATMs also located in the assessment area. One branch and two ATMs are located in a low-income census tract. Since the previous examination, the bank sold two branches with ATMs in Jewell and Webster City, Iowa, which were both in middle-income census tracts. The assessment area for the current evaluation remains unchanged since the previous examination; however, with the sale of the branches in Hamilton County, the bank's assessment area will no longer include Hamilton County going forward.

First American holds an 11.9 percent market share of FDIC-insured deposits, ranking fourth out of 12 FDIC-insured financial institutions operating in the assessment area as of June 30, 2017. By comparison, the top three institutions by market share are: First State Bank (20.2 percent), Great Western Bank (14.5 percent), and Availa Bank (12.8 percent). In addition, the bank identified the following institutions as local and non-local competitors: Citizens Community Credit Union, Citizens State Bank, Northwest Bank, United Bank of Iowa, and Wells Fargo.

The bank ranks eighth out of 112 HMDA-reporters in loan originations, based on 2016 aggregate lending data. A total of 41 originations were reported by First American compared to 128 by the top-ranked Great Western Bank. The bank's ranking has fallen slightly when compared to the 2015 aggregate lending data, where it was ranked sixth out of 116 HMDA-reporters and originated 63 HMDA-reportable loans.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 IA Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	5.9	302	2.2	114	37.7	2,601	18.6
Moderate-income	3	17.6	2,084	14.9	241	11.6	2,754	19.6
Middle-income	12	70.6	9,766	69.7	731	7.5	3,164	22.6
Upper-income	1	5.9	1,865	13.3	108	5.8	5,498	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	17	100.0	14,017	100.0	1,194	8.5	14,017	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	905	229	1.4	25.3	552	61.0	124	13.7
Moderate-income	4,382	2,562	16.0	58.5	1,465	33.4	355	8.1
Middle-income	15,741	10,981	68.5	69.8	3,459	22.0	1,301	8.3
Upper-income	3,291	2,252	14.1	68.4	1,039	31.6	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	24,319	16,024	100.0	65.9	6,515	26.8	1,780	7.3
	Total Businesses Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	340	13.6	299	13.3	38	17.1	3	7.5
Moderate-income	324	12.9	273	12.2	49	22.1	2	5.0
Middle-income	1,567	62.6	1,427	63.7	106	47.7	34	85.0
Upper-income	272	10.9	242	10.8	29	13.1	1	2.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,503	100.0	2,241	100.0	222	100.0	40	100.0
	Percentage of Total Businesses:		89.5		8.9		1.6	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	8	1.5	8	1.5	0	0.0	0	0.0
Moderate-income	7	1.3	7	1.3	0	0.0	0	0.0
Middle-income	514	94.0	505	93.9	9	100.0	0	0.0
Upper-income	18	3.3	18	3.3	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	547	100.0	538	100.0	9	100.0	0	0.0
	Percentage of Total Businesses:		98.4		1.6		0.0	
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The assessment area's population decreased in Hamilton and Webster counties by 2.4 and 1.9 percent; respectively, between 2010 and 2011-2015 in contrast to the state of Iowa which grew by 1.5 percent during the same period. According to community representatives, the decline in population in the area had been due to individuals leaving in search of employment opportunities elsewhere, but both community representatives agree that as employers continue to move into the area, the population has been increasing.

The table below presents population change between 2010 and 2011-2015 in the assessment area and in Iowa.

Population Change 2010 and 2011-2015			
Area	2010 Population	2011-2015 Population	Percentage Change (%)
Assessment Area	53,686	52,592	-2.0
Hamilton County, IA	15,673	15,297	-2.4
Webster County, IA	38,013	37,295	-1.9
State of Iowa	3,046,355	3,093,526	1.5
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Income Characteristics

Within the assessment area, median family income in Webster County grew 4.1 percent while in Hamilton County it decreased by 1.7 percent. Both of these percentages are significantly below the state median family income which increased by 9.2 percent. A community representative in Webster County indicated that income in the county has continued to increase while the community representative in Hamilton County noted that the decrease in their county was caused by a large employer leaving the area in 2011. While the representative said jobs have returned to the Hamilton County area, they are not at the same wage levels that they were before, therefore, income levels in Hamilton County will continue to track below the state average. Overall, at least two large companies have moved to the area bringing employment opportunities narrowing the income gap between the assessment area and the state of Iowa.

Personal bankruptcy rates were lower in Webster County between 2013 and 2016 than the state rates during the same time period. The former had a rate of 0.8 per 1,000 population while the latter had a rate of 1.3 per 1,000 population in 2016. Hamilton County remained comparable to the state rate between 2013 and 2016 with 1.4 per 1,000.

The table below presents median family income change between 2006-2010 and 2011-2015 in the assessment area and Iowa.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income (\$)	2011-2015 Median Family Income (\$)	Percentage Change (%)
Assessment Area	56,542	N/A	N/A
Hamilton County, IA	61,472	60,427	-1.7
Webster County, IA	54,129	56,373	4.1
State of Iowa	61,804	67,466	9.2
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Housing Characteristics

The rate of owner-occupied housing in low-income census tracts is 25.3 percent, while in moderate-income census tracts it is 58.5 percent. This data demonstrates the importance of the rental market, and, consequently, affordable rentals to the assessment area's low- and moderate-income geographies. It also demonstrates demand for HMDA-reportable loans in low- to moderate-income census tracts. Moreover, community representatives both indicated a strong need for housing, both single family and multifamily throughout Hamilton and Webster Counties.

Foreclosure rates throughout the assessment area and the state of Iowa were low during the review period. Foreclosure rates in Webster County decreased from 1.6 percent to 1.4 percent in 2016 while foreclosure rates in Hamilton County increased from 1.2 percent to 1.6 percent during the same period. The state of Iowa's foreclosure rate decreased from 1.2 percent to 1.0 percent in 2016. One community representative noted that this was due to the high level of demand for housing.

Trends in housing costs in the assessment area were below the state levels. Median housing values increased by 8.4 percent in the state of Iowa during the period of 2006-2010 to 2011-2015. During the same period the values increased by a modest 3.4 percent in Hamilton County and 0.4 percent in Webster County. Community representatives in both counties indicated that housing costs have continued to increase due to the demand. Median gross rents have increased by 11.5 percent in Hamilton County and 9.6 percent in Webster County, both of which are less than the increase of 13.0 percent in the state. When considering housing costs in relation to median family income, the affordability ratio, defined further in Appendix B of this report, indicates that the ratios in Hamilton and Webster counties at 0.53 and 0.49; respectively, is notably more affordable than the state of Iowa with a ratio of 0.41.

The table below presents trends in housing costs between 2006-2010 and 2011-2015 in the assessment area and Iowa.

Trends in Housing Costs 2010 and 2015				
Location	2006-2010 Median Housing Value (\$)	2011-2015 Median Housing Value (\$)	2006-2010 Median Gross Rent (\$)	2011-2015 Median Gross Rent (\$)
Assessment Area	87,459	N/A	533	N/A
Hamilton County, IA	90,500	93,600	572	638
Webster County, IA	85,600	85,900	523	573
State of Iowa	119,200	129,200	617	697
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015</i>				

Employment Characteristics

Unemployment rates in Hamilton and Webster Counties are consistent with state rates. In 2016, the rate of unemployment in Hamilton County was 3.8 percent, 4.0 percent in Webster County, and 3.7 percent for Iowa. All three have decreased steadily each year since 2013 with both community representatives noting that employers encounter difficulties filling open positions. Overall, there are more jobs available than people available to fill them.

The table below presents unemployment rates between 2013 and 2016 in the assessment area and Iowa.

Unemployment Rates 2013 to 2016				
Region	2013	2014	2015	2016
Hamilton County, IA	5.8	4.7	4.3	3.8
Webster County, IA	5.6	5.0	4.4	4.0
State of Iowa	4.6	4.4	3.8	3.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Major Employers

Manufacturing and healthcare are the major industries in the assessment area. One community representative in Webster County said that the area has experienced growth in these fields with Cargill and CJ Bio America expanding into the area with continued growth projected in the near future. A community representative in Hamilton County stated that the reliance on manufacturing has kept the wages down in the area as those job wages have yet to rebound to levels prior to the economic downturn.

The table below presents the largest employers in the assessment area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Pfizer Inc.	900	Drug-Manufacturers
Unity Point Health – Trinity Reg	645	Hospitals
Van Diest Supply Co.	500	Chemicals (Wholesalers)
Friendship Haven	400	Retirement Communities & Homes
Hy-Vee	300	Grocers-Retail
Webster City Community Schools	275	Schools
Iowa Central Community College	270	Schools – Universities & Colleges Academic
Tasler Inc.	200	Pallets & Skid Manufacturers
Target	200	Department Stores
Walmart Supercenter	180	Department Stores

Source: InfoUSA

Community Representatives

Two community representatives were contacted to provide information about local housing, employment, and other economic conditions. Both representatives indicated the largest barriers to growth were lack of workforce and available housing. They stated housing stock is low at all price points, and that demand is increasing the price of the homes and rentals beyond what most families in the area can afford. Consequently, employers struggle in attracting new employees to the area due to the lack of affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA IOWA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable loans and small business loans in the Non-MSA Iowa assessment area reflects reasonable dispersion throughout the assessment area. The assessment area consists of 17 census tracts in total, of which one is low-income and three are moderate-income.

HMDA-Reportable Loans

Home purchase loans represented a majority (63.4 percent) of HMDA-reportable loans in 2016 and in 2015 (54.0 percent) and were therefore more heavily weighted in the HMDA-reportable loan analysis. Additionally in 2016, the bank made loans in 88.2 percent of the census tracts within the assessment area, including 75.0 percent of low- and moderate-income tracts which is reasonable with a total of four low- and moderate-income tracts in the assessment area. Distribution of HMDA-reportable loans in 2016 is illustrated in the table below. Please refer to Appendix B for 2015 geographic distribution table.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 IA Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2016			2016			
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	\$ %					
Home Purchase	Low	0	0.0	1.2	0	0.0	1.2	1.4
	Moderate	1	3.8	15.1	16	0.8	9.7	16.0
	Middle	16	61.5	54.7	1,546	72.5	59.2	68.5
	Upper	9	34.6	29.0	570	26.7	29.9	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	26	100.0	100.0	2,132	100.0	100.0	100.0
Refinance	Low	0	0.0	2.4	0	0.0	1.9	1.4
	Moderate	0	0.0	14.9	0	0.0	8.9	16.0
	Middle	10	100.0	65.9	669	100.0	72.2	68.5
	Upper	0	0.0	16.8	0	0.0	17.0	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	10	100.0	100.0	669	100.0	100.0	100.0
Home Improvement	Low	0	0.0	1.0	0	0.0	0.4	1.4
	Moderate	1	20.0	19.0	29	33.3	15.5	16.0
	Middle	3	60.0	59.0	48	55.2	62.0	68.5
	Upper	1	20.0	21.0	10	11.5	22.2	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	5	100.0	100.0	87	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 12.3
	Moderate	0	0.0	0.0	0	0.0	0.0	20.1
	Middle	0	0.0	100.0	0	0.0	100.0	49.2
	Upper	0	0.0	0.0	0	0.0	0.0	18.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	1.6	0	0.0	1.4	1.4
	Moderate	2	4.9	15.4	45	1.6	9.5	16.0
	Middle	29	70.7	59.1	2,263	78.4	64.7	68.5
	Upper	10	24.4	24.0	580	20.1	24.3	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	41	100.0	100.0	2,888	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The above table indicated reasonable geographic distribution of loans in this assessment area when compared to aggregate lenders and owner-occupied units in 2016. Due to low loan volume in the assessment area, home improvement and multi-family loans will not be discussed. In Appendix B of this report, geographic distribution of 2015 HMDA-reportable loans shows comparable results.

Home Purchase

Home purchase loans represent 63.4 percent of the bank's total HMDA-reportable loans in 2016. No loans were made in the low-income census tract which was comparable to the aggregate (1.2 percent) and the percentage of owner-occupied housing (1.4 percent). Lending in moderate-income census tracts (3.8 percent) was below aggregate (15.1 percent) and the percentage of owner-occupied housing (16.0 percent). Rental properties make up 61.0 percent and 33.4 percent of the housing market located in low- and moderate-income census tracts, respectively. Additionally, only 2.2 percent and 14.9 percent of families within the assessment area live within low- and moderate-income census tracts, respectively. While this does limit opportunities to lend, aggregate lenders' originations were on par with the demographic comparators. The bank faces heavy competition from aggregate lenders in this assessment area; the top four mortgage lenders in 2016 each reported over 100 originations in the market. The next four lenders by ranking reported between 41 and 64 originations, with First American reporting 41.

In 2015, as shown in the table in Appendix B, the bank's home purchase originations were more in line with demographics and aggregate; while the bank also had no home purchase originations in the low-income census tract, 23.5 percent were originated in moderate-income census tracts, which far exceeded both demographics (16.0 percent) and aggregate (14.4 percent). While the bank's performance in 2016 reflects a retraction of lending in low- and moderate-income census tracts, its performance in 2015 coupled with high competition for home mortgage lending supports the bank's reasonable performance during this evaluation period.

In 2016, the bank made 61.5 percent of its home purchase loans in middle-income census tracts, which is comparable to the performance of aggregate lenders (54.7 percent) and the percentage of owner-occupied housing in middle-income census tracts (68.5). Lending in upper-income census tracts (34.6 percent) was comparable to aggregate (29.0 percent) but above the percentage of owner-occupied housing (14.1 percent).

Home purchase loans represented 54.0 percent of the bank's total HMDA-reportable loans in 2015. No loans were originated in low-income census tracts, but this was comparable to aggregate (1.3 percent) and the percentage of owner-occupied housing (1.4 percent) in low-income census tracts. Lending in moderate-income census tracts (23.5 percent) was above aggregate (14.4 percent) and the percentage of owner-occupied housing (16.0 percent) in moderate income census tracts.

Refinance

Refinance loans represent 24.4 percent of the bank's total HMDA-reportable loans in 2016. No refinances were originated in low-income census tracts which is below aggregate (2.4 percent) but comparable to the percentage of owner-occupied housing (1.4 percent). There were also no refinances originated in moderate-income census tracts which is below the aggregate (14.9 percent) and the percentage of owner-occupied housing (16.0 percent). As previously stated, limited opportunities to lend in these areas exist due to the majority of housing within low-and moderate-income census tracts are primarily designated as rental properties. The percentage of families that live within low-and moderate-income census are 2.2 percent and 14.9 percent, respectively, further limiting lending opportunities. Similar to the previous discussion, however, aggregate lenders were able to originate refinance loans on par with demographics. The same competitive factors previously discussed are also considered in the evaluation of refinance loans.

Similar to home purchase loans, the bank's performance in 2015, as shown in the table in Appendix B, was consistent with demographics and aggregate lending. While the bank had no refinance originations in the low-income census tract, 13.6 percent were originated in moderate-income census tracts, compared to 15.2 percent of aggregate lenders and 16.0 percent of owner-occupied units residing in these tracts. While the bank's lending in 2015 reflects a decrease in lending in low-and moderate-income census tracts, the 2016 performance coupled with high competition for mortgage lending supports the bank's reasonable performance during this evaluation period.

In 2016, the bank made 100.0 percent of its refinance loans in middle-income census tracts, which is above the performance of aggregate lenders (65.9 percent) and the percentage of owner-occupied housing (68.5 percent). No refinances were originated in upper-income census tracts which is below the aggregate (16.8 percent) and the percentage of owner-occupied housing (14.1 percent). The majority of families reside in middle-income census tracts at 69.7 percent.

Small Business Loans

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 IA Non MSA						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	2	40.0	95	15.0	13.6
	Moderate	1	20.0	38	6.0	12.9
	Middle	2	40.0	500	79.0	62.6
	Upper	0	0.0	0	0.0	10.9
	Unknown	0	0.0	0	0.0	0.0
	Total	5	100.0	633	100.0	100.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

The distribution of small business loans, based on a sample of loans, reflects reasonable distribution among geographies of different income levels. In 2016, the sample consisted of five small business loans in this assessment area, which represents a small percentage of its overall commercial lending. However, this indicated an excellent geographic dispersion to low- and moderate-income tracts. The sample shows 40.0 percent of the bank’s total small business lending was in low-income census tracts, exceeding the 13.6 percent of small business located in low-income tracts. Lending in moderate-income census tracts (20.0 percent) was also above the percentage of small businesses (12.9 percent) in moderate-income census tracts. The bank made 40.0 percent of its small business loans in middle-income census tracts, below the percentage of small businesses (62.6 percent) and no small business lending was made in upper-income census tracts.

Lending to Borrowers of Different Income Levels and Businesses of Different Sizes

The borrower distribution of HMDA-reportable and small business loans in the Non-MSA Iowa assessment area reflects excellent distribution of loans among individuals of different income levels and businesses of different sizes.

HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans in Non-Metropolitan Iowa reflects excellent distribution of loans among individuals of different income levels in its assessment area. Home purchase loans represented a majority of HMDA-reportable loans in 2016 (63.4 percent) and 2015 (54.0 percent) and were therefore most heavily weighted in the HMDA-reportable loan analysis. Please refer to Appendix B for 2015 borrower distribution tables.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 IA Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2016						
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	\$ %					
Home Purchase	Low	5	19.2	11.8	241	11.3	6.5	18.6
	Moderate	8	30.8	26.8	669	31.4	21.1	19.6
	Middle	6	23.1	22.1	549	25.8	23.3	22.6
	Upper	3	11.5	28.6	451	21.2	40.2	39.2
	Unknown	4	15.4	10.6	222	10.4	8.9	0.0
	Total	26	100.0	100.0	2,132	100.0	100.0	100.0
Refinance	Low	2	20.0	10.8	90	13.5	5.0	18.6
	Moderate	1	10.0	17.6	21	3.1	12.8	19.6
	Middle	1	10.0	19.7	83	12.4	16.0	22.6
	Upper	5	50.0	30.3	470	70.3	36.2	39.2
	Unknown	1	10.0	21.6	5	0.7	30.1	0.0
	Total	10	100.0	100.0	669	100.0	100.0	100.0
Home Improvement	Low	0	0.0	11.4	0	0.0	8.3	18.6
	Moderate	1	20.0	17.1	10	11.5	9.6	19.6
	Middle	1	20.0	22.9	6	6.9	24.2	22.6
	Upper	1	20.0	45.7	29	33.3	55.9	39.2
	Unknown	2	40.0	2.9	42	48.3	2.0	0.0
	Total	5	100.0	100.0	87	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	0.0	0	0.0	0.0	19.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	0.0	0	0.0	0.0	39.2
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	7	17.1	11.4	331	11.5	5.9	18.6
	Moderate	10	24.4	22.7	700	24.2	17.3	19.6
	Middle	8	19.5	21.4	638	22.1	20.2	22.6
	Upper	9	22.0	30.8	950	32.9	38.8	39.2
	Unknown	7	17.1	13.7	269	9.3	17.7	0.0
	Total	41	100.0	100.0	2,888	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The above table indicates excellent borrower distribution when compared to aggregate lenders and families by family income in 2016. Due to low loan volume in the assessment area, home improvement and multi-family loans will not be analyzed. In Appendix B, borrower distribution of 2015 HMDA-reportable loans shows comparable results.

Home Purchase

Home purchase lending to low-income borrowers (19.2 percent) was above aggregate (11.8 percent) and comparable to the percentage of low-income families in the assessment area (18.6 percent). Lending to moderate-income borrowers (30.8 percent) was above aggregate (26.8 percent) and the percentage of moderate-income families in the assessment area (19.6 percent).

In 2016, lending to middle-income borrowers (23.1 percent) was comparable to aggregate (22.1 percent) as well as the percentage of middle-income families in the assessment area (22.6 percent). Lastly, the bank made 11.5 percent of its home purchase loans to upper-income borrowers, which is below aggregate (28.6 percent) and the percentage of upper-income families in the assessment area (39.2 percent).

Home purchase lending in 2015 was comparable to 2016 lending. Please refer to Appendix B of this report for the corresponding data tables.

Refinance

In 2016, refinance lending to low-income borrowers (20.0 percent) was above aggregate (10.8 percent) and comparable to the percentage of low-income families in the assessment area (18.6 percent). In contrast, refinance loans to moderate-income borrowers (10.0 percent) was below aggregate (17.6 percent) and the percentage of moderate-income families in the assessment area (19.6 percent).

In 2016, the bank made 10.0 percent of its refinance loans to middle-income borrowers, which is below the performance of aggregate lenders (19.7 percent) and the percentage of middle-income families in the assessment area (22.6 percent). Lending to upper-income borrowers (50.0 percent) was above aggregate (30.3 percent) and the percentage of upper-income families in the assessment area (39.2 percent)

Refinance lending in 2015 was comparable to 2016 lending performance. Please refer to Appendix B of this report for the corresponding data tables.

Small Business Loans

The table below indicates excellent distribution of loans, based on a sample of loans compared to the distribution of small businesses in 2016.

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2016 IA Non MSA						
Product Type		Bank & Demographic Comparison				
		2016		2016		Total Businesses %
Revenue	Loan Size	Count Bank	Dollar Bank			
		#	%	\$ 000s	\$ %	
Small Business	\$1 Million or Less	5	100.0	633	100.0	89.5
	Over \$1 Million or Unknown	0	0.0	0	0.0	10.5
	Total	5	100.0	633	100.0	100.0
Small Business	\$100,000 or Less	4	80.0	233	36.8	
	\$100,001 - \$250,000	0	0.0	0	0.0	
	\$250,001 - \$1 Million	1	20.0	400	63.2	
	Total	5	100.0	633	100.0	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	80.0	233	36.8	
	\$100,001 - \$250,000	0	0.0	0	0.0	
	\$250,001 - \$1 Million	1	20.0	400	63.2	
	Total	5	100.0	633	100.0	

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

In 2016, the bank made five small business loans in this assessment area all of which went to businesses whose revenues were under one millions dollars. Additionally, 80.0 percent of the small business loans were made in amounts less than \$100,000, in which loans under this amount are considered more beneficial in meeting the needs of small businesses. This demonstrates excellent penetration among small businesses and small dollar loans.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments, and community development services. While community development loans and services decreased since the previous examination, donations in this assessment area increased. A direct comparison to the previous examination is not a clear indicator of performance, as the bank was previously evaluated as a large institution, which requires examiners to conclude on community development performance separately for lending, investments, and services. Under intermediate-small institution examination procedures, community development lending is evaluated by the totality of community development lending, qualified investments, and community development services.

Community Development Lending

The bank originated one loan totaling \$300,000, supporting affordable housing. The dollar amount of community development loans significantly decreased from the previous evaluation, where the bank originated three loans totaling \$2,847,000. While the dollar amount decreased significantly, the number of loans decreased by only two originations. Further, the bank has independently noted the need to focus on increasing community development lending in this assessment area.

Community Development Loans \$ in thousands						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Loans
Non-MSA Iowa	\$300	\$0	\$0	\$0	\$300	1

Qualified Investments

The bank continues to provide qualified community development investments through donations in the assessment area. In addition, the bank exhibits adequate responsiveness to credit and community development needs.

During the review period, no qualified investments were made, which was similar to performance at the previous evaluation. However, the bank made eight donations totaling \$48,580 to various economic development and community service organizations that provide services to low- and moderate-income individuals and small businesses. The dollar amount of donations were higher when compared to the previous evaluation where the bank made nine donations totaling \$31,161.

Qualified Donations						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Donations
Non-MSA Iowa	\$0	\$48,270	\$60	\$250	\$48,580	8

Community Development Services

Qualified community development services totaled 1,853 hours serving 24 organizations. Organizations benefitting from the bank's efforts are primarily community services benefiting low- or moderate-income individuals. This represents a decrease in the number of qualified service hours since the previous evaluation, where the bank provided 2,858 hours of service over 25 organizations. Though the total service hours decreased, the number of organizations benefitting from community development services remained the same as the previous examination. Additionally, despite the reduction of hours, this assessment area exhibits the second highest community development service activity (behind the Des Moines MSA) despite having less than the majority of staff.

Community Development Services						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total Hours	# of Organizations
Non-MSA Iowa	42	1501	310	0	1853	24

AMES, IA MSA #11180 - Limited Review

The scope for this assessment area is consistent with the scope of examination presented in the overall Scope of Examination section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN AMES, IA MSA

The bank delineates the Ames, IA MSA (Ames MSA) assessment area in its entirety. The Ames MSA consists of 20 census tracts, of which two are low-income and two are moderate-income. The bank operates one branch and eight ATMs within the MSA of which one ATM is located in a low-income census tract. The bank sold one branch located in Roland, Iowa on March 17, 2017. The delineation of the assessment area has remain unchanged since the previous evaluation.

As of June 30, 2017, the bank holds a 2.8 percent market share of FDIC-insured deposits, ranking it 11th out of 20 financial institutions operating in the assessment area. By comparison, the top three institutions by market share were: First National Bank (22.4 percent), US Bank (13.1 percent), and Wells Fargo Bank (9.3 percent). The bank also identified Ames Community Bank, Bankers Trust Company, Central Bank, Great Western Bank, and Vision Bank as local and non-local competitors.

In addition, the bank ranks 10th out of 185 HMDA-reporters in loan originations, based on 2016 aggregate lending data. A total of 73 originations were reported by First American compared to 377 loans by top-ranked Iowa Bankers Mortgage Corporation. The bank's ranking has dropped slightly when compared to the 2015 aggregate lending data, where it was ranked 7th out of 174 HMDA reporters.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Ames, IA MSA 11180								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	10.0	951	5.1	186	19.6	3,520	19.0
Moderate-income	2	10.0	1,045	5.6	53	5.1	3,413	18.4
Middle-income	14	70.0	13,564	73.0	711	5.2	4,642	25.0
Upper-income	1	5.0	3,015	16.2	67	2.2	7,000	37.7
Unknown-income	1	5.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	18,575	100.0	1,017	5.5	18,575	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,157	619	3.3	19.6	2,323	73.6	215	6.8
Moderate-income	2,957	1,204	6.4	40.7	1,689	57.1	64	2.2
Middle-income	25,469	13,630	72.7	53.5	10,529	41.3	1,310	5.1
Upper-income	4,448	3,290	17.6	74.0	943	21.2	215	4.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	36,031	18,743	100.0	52.0	15,484	43.0	1,804	5.0
	Total Businesses Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	399	10.8	331	10.0	65	19.6	3	7.5
Moderate-income	214	5.8	201	6.1	11	3.3	2	5.0
Middle-income	2,486	67.3	2,264	68.2	192	57.8	30	75.0
Upper-income	574	15.5	506	15.2	63	19.0	5	12.5
Unknown-income	21	0.6	20	0.6	1	0.3	0	0.0
Total Assessment Area	3,694	100.0	3,322	100.0	332	100.0	40	100.0
	Percentage of Total Businesses:		89.9		9.0		1.1	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	6	1.6	5	1.3	1	12.5	0	0.0
Moderate-income	11	2.9	11	2.9	0	0.0	0	0.0
Middle-income	294	77.2	291	78.0	3	37.5	0	0.0
Upper-income	70	18.4	66	17.7	4	50.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	381	100.0	373	100.0	8	100.0	0	0.0
	Percentage of Total Businesses:		97.9		2.1		0.0	
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS AMES, IOWA MSA #11180

A limited review of the bank's performance under the lending and community development tests was conducted to determine if the performance in the assessment area is consistent with First American Bank's performance overall.

LENDING TEST

First American's lending performance in the area is consistent with the bank's lending performance overall in the state of Iowa. The distributions of HMDA-reportable and a sample of small business loans originated in 2016 are displayed below. Refer to Appendix B for the geographic and borrower distributions of HMDA-reportable loans in 2015.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Ames, IA MSA 11180								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2016			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	2.0	0	0.0	1.5	3.3
	Moderate	5	8.6	5.7	659	5.6	3.9	6.4
	Middle	44	75.9	73.1	7,114	60.7	67.6	72.7
	Upper	9	15.5	19.2	3,945	33.7	27.0	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		58	100.0	100.0	11,718	100.0	100.0
Refinance	Low	0	0.0	1.6	0	0.0	0.9	3.3
	Moderate	1	6.7	5.5	162	4.9	3.9	6.4
	Middle	6	40.0	69.7	851	25.9	63.3	72.7
	Upper	8	53.3	23.2	2,267	69.1	31.9	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		15	100.0	100.0	3,280	100.0	100.0
Home Improvement	Low	0	0.0	3.4	0	0.0	2.0	3.3
	Moderate	0	0.0	6.4	0	0.0	2.7	6.4
	Middle	0	0.0	71.6	0	0.0	69.7	72.7
	Upper	0	0.0	18.6	0	0.0	25.6	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	6.7	0	0.0	19.0	15.7
	Moderate	0	0.0	13.3	0	0.0	6.3	10.6
	Middle	0	0.0	64.4	0	0.0	70.3	66.0
	Upper	0	0.0	15.6	0	0.0	4.4	7.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	2.1	0	0.0	4.2	3.3
	Moderate	6	8.2	5.8	821	5.5	4.3	6.4
	Middle	50	68.5	71.5	7,965	53.1	66.6	72.7
	Upper	17	23.3	20.6	6,212	41.4	24.8	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		73	100.0	100.0	14,998	100.0	100.0
Originations & Purchases 2016 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 Ames, IA MSA 11180						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2016 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	10.8
	Moderate	1	9.1	0	0.0	5.8
	Middle	6	54.5	575	64.9	67.3
	Upper	4	36.4	311	35.1	15.5
	Unknown	0	0.0	0	0.0	0.6
	Total	11	100.0	886	100.0	100.0
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Ames, IA MSA 11180								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2016			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	5	8.6	9.6	533	4.5	5.9	19.0
	Moderate	8	13.8	20.6	1,035	8.8	15.8	18.4
	Middle	14	24.1	25.0	2,629	22.4	24.8	25.0
	Upper	22	37.9	31.6	6,512	55.6	41.1	37.7
	Unknown	9	15.5	13.2	1,009	8.6	12.4	0.0
	Total		58	100.0	100.0	11,718	100.0	100.0
Refinance	Low	2	13.3	6.0	179	5.5	3.1	19.0
	Moderate	3	20.0	18.6	329	10.0	13.6	18.4
	Middle	3	20.0	25.2	507	15.5	24.4	25.0
	Upper	7	46.7	35.9	2,265	69.1	45.8	37.7
	Unknown	0	0.0	14.2	0	0.0	13.2	0.0
	Total		15	100.0	100.0	3,280	100.0	100.0
Home Improvement	Low	0	0.0	14.8	0	0.0	5.1	19.0
	Moderate	0	0.0	18.9	0	0.0	12.8	18.4
	Middle	0	0.0	25.0	0	0.0	25.1	25.0
	Upper	0	0.0	37.1	0	0.0	49.8	37.7
	Unknown	0	0.0	4.2	0	0.0	7.2	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.0
	Moderate	0	0.0	0.0	0	0.0	0.0	18.4
	Middle	0	0.0	0.0	0	0.0	0.0	25.0
	Upper	0	0.0	0.0	0	0.0	0.0	37.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	7	9.6	8.5	712	4.7	4.0	19.0
	Moderate	11	15.1	19.4	1,364	9.1	12.4	18.4
	Middle	17	23.3	24.7	3,136	20.9	20.6	25.0
	Upper	29	39.7	33.3	8,777	58.5	36.1	37.7
	Unknown	9	12.3	14.1	1,009	6.7	27.0	0.0
	Total		73	100.0	100.0	14,998	100.0	100.0

Originations & Purchases
2016 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2016 Ames, IA MSA 11180							
Product Type		Bank & Demographic Comparison					
		2016		2016		Total Businesses %	
Revenue	Loan Size	Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %		
Small Business	\$1 Million or Less Over \$1 Million or Unknown Total	6	54.5	736	83.1	89.9	
		5	45.5	150	16.9	10.1	
		11	100.0	886	100.0	100.0	
	\$100,000 or Less \$100,001 - \$250,000 \$250,001 - \$1 Million Total	6	54.5	75	8.5		
		4	36.4	491	55.4		
		1	9.1	320	36.1		
		11	100.0	886	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	2	33.3	75		10.2
		\$100,001 - \$250,000	3	50.0	341		46.3
		\$250,001 - \$1 Million	1	16.7	320		43.5
		Total	6	100.0	736		100.0

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

COMMUNITY DEVELOPMENT TEST

First American's community development performance in the area is consistent with the bank's community development performance in the state of Iowa.

Summary of CD Activities, Review Period (4/26/2016 - 7/23/2018)												
Type of Activity	Affordable Housing		Economic Development		Revitalize / Stabilize		Community Services		Prior Period Investments		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lending	2	696	0	0	0	0	4	4,051	0	0	6	4,747
Investments	1	941	0	0	0	0	0	0	1	275	2	1,216
Donations	1	3	0	0	0	0	2	5	0	0	3	8
	#	Hours	#	Hours	#	Hours	#	Hours	0	0	#	Hours
Services	1	15	3	129	0	0	4	201	0	0	8	345

IOWA CITY, IA MSA #26980 - Limited Review

The scope for this assessment area is consistent with the scope of examination presented in the overall section of the Performance Evaluation

DESCRIPTION OF INSTITUTION'S OPERATIONS IN IOWA CITY, IOWA MSA

The bank does not delineate the entire Iowa City, IA MSA (Iowa City MSA) selecting only to include Johnson County. Johnson County consists of 24 census tracts, of which six are designated moderate-income. The bank previously operated one branch and ATM within a middle-income census tract which has since closed as of October 31, 2017. Since the branch was open during the course of the review period, the assessment area is being included in the evaluation.

The bank holds a 0.01 percent market share of FDIC-insured deposits, ranking last of the 17 FDIC-insured financial institutions operating in the assessment area as of June 30, 2017. By comparison, the top three institutions by market share were: Hills Bank and Trust Company (45.2 percent), MidWestOne Bank (19.7 percent), and US Bank (8.7 percent).

In addition, the bank ranks 39th out of 193 HMDA-reporters in loan originations, based on 2016 aggregate lending data. One origination was reported by First American as compared to 1,865 loans by top-ranked University of Iowa Community Credit Union. This is comparable to 2015 when the bank had no HMDA-reportable loan originations.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Iowa City, IA MSA 26980								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	5,016	18.4
Moderate-income	6	25.0	4,444	16.3	838	18.9	4,783	17.5
Middle-income	11	45.8	15,252	55.8	916	6.0	5,932	21.7
Upper-income	7	29.2	7,622	27.9	151	2.0	11,587	42.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	24	100.0	27,318	100.0	1,905	7.0	27,318	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	10,927	3,861	12.6	35.3	6,064	55.5	1,002	9.2
Middle-income	30,309	17,351	56.4	57.2	11,217	37.0	1,741	5.7
Upper-income	13,658	9,546	31.0	69.9	2,946	21.6	1,166	8.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	54,894	30,758	100.0	56.0	20,227	36.8	3,909	7.1
	Total Businesses Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,148	19.7	1,053	19.6	93	22.9	2	4.7
Middle-income	3,021	51.8	2,772	51.5	222	54.7	27	62.8
Upper-income	1,663	28.5	1,558	28.9	91	22.4	14	32.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,832	100.0	5,383	100.0	406	100.0	43	100.0
	Percentage of Total Businesses:		92.3		7.0		0.7	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	8	2.6	8	2.6	0	0.0	0	0.0
Middle-income	201	64.2	197	63.8	4	100.0	0	0.0
Upper-income	104	33.2	104	33.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	313	100.0	309	100.0	4	100.0	0	0.0
	Percentage of Total Businesses:		98.7		1.3		0.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IOWA CITY, IA MSA

LENDING TEST

Due to limited lending activity, any meaningful analysis could not be completed. Lending performance within this assessment area is below the performance in the state of Iowa overall; however, the rating for the State of Iowa is not affected. The small business loan sample only consisted of one loan within a middle-income census tract.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Iowa City, IA MSA 26980								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2016						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	%		
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	12.8	0	0.0	9.0	12.6
	Middle	1	100.0	59.3	140	100.0	59.5	56.4
	Upper	0	0.0	27.9	0	0.0	31.5	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	140	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	8.1	0	0.0	5.3	12.6
	Middle	0	0.0	57.2	0	0.0	56.9	56.4
	Upper	0	0.0	34.6	0	0.0	37.8	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	15.2	0	0.0	4.6	12.6
	Middle	0	0.0	50.6	0	0.0	53.4	56.4
	Upper	0	0.0	34.2	0	0.0	42.0	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	30.0	0	0.0	39.4	32.5
	Middle	0	0.0	54.0	0	0.0	46.6	55.3
	Upper	0	0.0	16.0	0	0.0	14.0	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	11.3	0	0.0	9.8	12.6
	Middle	1	100.0	58.2	140	100.0	57.4	56.4
	Upper	0	0.0	30.5	0	0.0	32.8	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	140	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Iowa City, IA MSA 26980								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income	
		2016			Dollar			
		Count		Agg %	Bank		Agg \$ %	%
#	%	\$(000s)	\$ %					
Home Purchase	Low	0	0.0	10.5	0	0.0	6.1	18.4
	Moderate	1	100.0	22.4	140	100.0	16.1	17.5
	Middle	0	0.0	22.2	0	0.0	21.3	21.7
	Upper	0	0.0	29.8	0	0.0	39.5	42.4
	Unknown	0	0.0	15.1	0	0.0	16.9	0.0
	Total	1	100.0	100.0	140	100.0	100.0	100.0
Refinance	Low	0	0.0	6.5	0	0.0	3.5	18.4
	Moderate	0	0.0	16.3	0	0.0	11.3	17.5
	Middle	0	0.0	21.7	0	0.0	19.0	21.7
	Upper	0	0.0	41.0	0	0.0	50.9	42.4
	Unknown	0	0.0	14.4	0	0.0	15.4	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Home Improvement	Low	0	0.0	18.6	0	0.0	5.1	18.4
	Moderate	0	0.0	16.5	0	0.0	7.4	17.5
	Middle	0	0.0	18.6	0	0.0	17.5	21.7
	Upper	0	0.0	35.0	0	0.0	59.3	42.4
	Unknown	0	0.0	11.4	0	0.0	10.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.4
	Moderate	0	0.0	0.0	0	0.0	0.0	17.5
	Middle	0	0.0	0.0	0	0.0	0.0	21.7
	Upper	0	0.0	0.0	0	0.0	0.0	42.4
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	9.2	0	0.0	4.7	18.4
	Moderate	1	100.0	19.8	140	100.0	12.9	17.5
	Middle	0	0.0	21.7	0	0.0	18.8	21.7
	Upper	0	0.0	33.9	0	0.0	41.2	42.4
	Unknown	0	0.0	15.4	0	0.0	22.4	0.0
	Total	1	100.0	100.0	140	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

COMMUNITY DEVELOPMENT TEST

Due to its limited operations and ultimate exit from the Iowa City MSA, no community development activities occurred in the assessment area during the review period. The community development performance within this assessment area is below that of the state of Iowa overall; however, the rating for the State of Iowa is not affected. First American's community development performance in the area does not impact the overall CRA performance rating.

FLORIDA

CRA RATING FOR FLORIDA: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The bank's performance in the state of Florida relative to the lending test is rated Satisfactory. The bank demonstrates a reasonable geographic distribution of loans throughout the assessment areas but a poor penetration among individuals of different income levels and businesses of different sizes.

The bank's performance relative to the community development test is rated Satisfactory. The bank demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services considering the institution's capacity and the need for an availability of such opportunities in the institution's assessment areas.

SCOPE OF EXAMINATION

Performance within the state of Florida was evaluated using full review examination procedures for the Naples-Immokalee-Marco Island, Florida MSA #34940 (Naples MSA) assessment area. Limited review procedures were used to evaluate Cape Coral-Fort Myers, Florida MSA #15980 (Cape Coral MSA). The performance criteria and review periods are consistent with the scope described in the overall section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF FLORIDA

First American Bank (First American) maintains operations in the state of Florida through three offices, two interactive teller machines (ATM/ITMs), and two cash-only automated teller machines (ATMs). The bank operates in two assessment areas within the southwestern part of the state which includes Lee County in the Cape Coral MSA and Collier County within the Naples MSA. Since the previous evaluation, the bank closed one branch in Fort Myers, FL (Cape Coral MSA). Information regarding relevant demographic and economic conditions is discussed under each individual assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

First American's performance relative to the lending test in Florida is rated Satisfactory. The conclusions were based primarily on the bank's record of lending to consumers in the Naples MSA assessment area.

Geographic and Borrower Distribution

The geographic distribution of loans reflects reasonable distribution in the full review assessment area. However, the bank's record of lending to borrowers with different income levels is poor. Please refer to the Naples MSA assessment area summary section for details.

COMMUNITY DEVELOPMENT TEST

Lending, Investment, and Services Activities

The bank's performance relative to the community development test is Satisfactory in Florida. High levels of community development lending, adequate investment activity, and low levels of community development services were identified in the assessment areas.

First American made a high level of community development loans in the state of Florida. Specifically, the bank originated nine qualified loans totaling \$17,129,867. Community development loans supported efforts to provide affordable housing. The bank made an adequate level of community development investments and grants in Florida and a poor level of community development services. Please refer to the individual assessment area for more information.

NAPLES-IMMOKALEE-MARCO ISLAND, FL MSA #34940 – FULL REVIEW

SCOPE OF EXAMINATION

The Naples-Immokalee-Marco Island, Florida MSA #34940 (Naples MSA) assessment area received a full-scope review consistent with that which was defined for the entire review. Please refer to the more detailed description of the scope contained in the introduction section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NAPLES-IMMOKALEE-MARCO ISLAND, FL MSA #34940

The bank delineates the Naples MSA assessment area in its entirety. This assessment area consists of 74 census tracts of which six are designated as low-income, 15 are moderate-income, 11 are middle-income, and seven are upper-income. The bank operates two offices, two full-service interactive teller machines (ATM/ITMs), and one cash-only ATM within this assessment area. Since the previous evaluation, the bank relocated the Tamiami branch to the Venetian Village area in 2017 while also replacing the cash-only ATM with two ATM/ITMs at the Venetian Village location as well. No branches or ATMs are located in low- or moderate-income census tracts. The assessment area otherwise remains unchanged since the previous evaluation.

First American holds a 0.3 percent market share of FDIC-insured deposits, ranking 31st out of 38 financial institutions operating in the assessment area. By comparison, the top three institutions by market share are: KeyBank NA (18.9 percent), Fifth Third Bank (14.0 percent), and Wells Fargo Bank NA (10.8 percent). The bank also identified the following institutions as local and non-local competitors: Bank of America, BB&T, Busey Bank, Capital Bank, Centennial Bank, FineMark National Bank, First Florida Integrity Bank, Florida Community Bank, IBERIA Bank, Northern Trust, Regions Bank, SunTrust Bank, Suncoast Credit Union, Synovus, and Valley National Bank.

The bank ranks 54th out of 667 HMDA-reporters in loan originations, based on 2016 aggregate lending data. A total of 42 originations were reported by First American compared to 1,377 made by top-ranked Wells Fargo Bank. The bank's ranking was comparable to the 2015 aggregate lending data, where it was ranked 57th out of 661 HMDA reporters.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Naples-Immokalee-Marco Island, FL MSA 34940								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	8.1	4,181	5.2	1,603	38.3	17,150	21.1
Moderate-income	15	20.3	15,305	18.9	1,780	11.6	14,862	18.3
Middle-income	28	37.8	35,999	44.4	1,934	5.4	15,449	19.0
Upper-income	24	32.4	25,650	31.6	1,070	4.2	33,674	41.5
Unknown-income	1	1.4	0	0.0	0	0.0	0	0.0
Total Assessment Area	74	100.0	81,135	100.0	6,387	7.9	81,135	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	8,154	2,191	2.4	26.9	3,532	43.3	2,431	29.8
Moderate-income	33,145	15,007	16.4	45.3	7,875	23.8	10,263	31.0
Middle-income	84,139	42,071	46.0	50.0	10,889	12.9	31,179	37.1
Upper-income	69,091	32,128	35.2	46.5	5,824	8.4	31,139	45.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	194,529	91,397	100.0	47.0	28,120	14.5	75,012	38.6
	Total Businesses Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	%
Low-income	800	2.9	754	2.9	38	2.5	8	2.9
Moderate-income	3,552	12.9	3,379	13.1	141	9.2	32	11.6
Middle-income	11,931	43.2	11,248	43.6	586	38.2	97	35.3
Upper-income	11,311	41.0	10,405	40.4	768	50.1	138	50.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27,594	100.0	25,786	100.0	1,533	100.0	275	100.0
	Percentage of Total Businesses:			93.4		5.6		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	%
Low-income	22	10.5	16	8.4	6	31.6	0	0.0
Moderate-income	35	16.7	30	15.7	5	26.3	0	0.0
Middle-income	96	45.7	91	47.6	5	26.3	0	0.0
Upper-income	57	27.1	54	28.3	3	15.8	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	210	100.0	191	100.0	19	100.0	0	0.0
	Percentage of Total Businesses:			91.0		9.0		0.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

Population Characteristics

The population increased by 6.1 percent in the assessment area between 2010 and 2015 which outpaced the state growth of 4.5 percent during the same time period. According to community representatives, Collier County has continued this upward trend due to the large amount of retirees that they continue to attract. One representative also noted that the job market continues to grow in proportion to the number of persons retiring in the area, as the job opportunities to serve retirees are in demand.

The table below presents population change between 2010 and 2015 in the assessment area and the state.

Population Change 2010 and 2011-2015			
Area	2010 Population	2011-2015 Population	Percentage Change (%)
Collier County, FL	321,520	341,091	6.1
State of Florida	18,801,310	19,645,772	4.5
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

Income Characteristics

Median family income decreased in the assessment area between 2010 and 2015. During this period, median family income remained relatively unchanged at the state level, increasing by only 0.5 percent. Both community representatives indicated that MFI in the assessment area has been increasing in recent years reaching \$75,000. However, both representatives also noted that most of this increase is passive income for many individuals, thus skewing the median. Both contacts concur that the average wage is below the indicated median and that average living expenses are actually greater than the average wage.

The table below presents median family income change between 2006 and 2015 in the assessment area and the state of Florida.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2006-2010 Median Family Income (\$)	2011-2015 Median Family Income (\$)	Percentage Change (%)
Collier County, FL	68,556	66,264	-3.3
State of Florida	57,204	57,504	0.5
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>			
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>			

By 2016, personal bankruptcy filing rates were at 1.4 per 1,000 population which is below the state of Florida at 2.2 per 1,000 population. With the exception of an increase in 2014 to 4.5 per 1,000

population, the assessment area has remained below the state of Florida and both have steadily decreased between 2013 and 2016.

Housing Characteristics

The rate of owner-occupied housing in low-income census tracts is 26.9 percent, while in moderate-income census tracts it is 45.3 percent. This data demonstrates the importance of the rental market, and, consequently, the availability of affordable rentals to low- and moderate-income persons and geographies. One community representative noted the lack of rental inventory is causing rents to increase 15.0 percent annually over the last two years. The contacts further noted that 4,000 rental units are scheduled for completion over the next five years, however, none will be categorized as low-income rentals.

Median housing values decreased substantially by 23.7 percent in the assessment area and by 22.7 percent in the state of Florida between 2010 and 2015, primarily as a result of the economic recession. According to community representatives, housing values have begun to rise in recent years due to renewed demand. The representatives noted that, although there has been a recent increase in the number of housing construction, there continues to be a need for more housing. When considering housing costs in relation to median family income, the affordability ratio, defined further in Appendix B of this report, indicates that housing in the assessment area is notably less affordable at 0.21 percent than elsewhere in the state of Florida at 0.30 percent. An area with a high ratio generally has more affordable housing than an area with a low ratio.

The table below presents housing cost changes between 2010 and 2015 in the assessment area and the state of Florida.

Trends in Housing Costs 2010 and 2015				
Location	2006-2010 Median Housing Value (\$)	2011-2015 Median Housing Value (\$)	2006-2010 Median Gross Rent (\$)	2011-2015 Median Gross Rent (\$)
Collier County, FL	357,400	272,800	1,054	1,063
State of Florida	205,600	159,000	957	1002
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010</i>				
<i>U.S. Census Bureau: American Community Survey Data: 2011-2015</i>				

Foreclosure inventory rates in the Naples MSA steadily declined since 2010 and dropped to 1.0 percent for the first time in August of 2016, and has remained at 1.0 percent ever since. As of December of 2016, the state of Florida's foreclosure rate was at 1.8 percent.

Employment Characteristics

From 2013 to 2016, unemployment rates decreased at a similar rate in the assessment area as well as the State of Florida. One community representative commented that employers struggle to identify qualified persons to fill open positions.

The table below presents unemployment rates between 2013 and 2016 in the assessment area and the state of Florida.

Unemployment Rates 2013 to 2016				
Region	2013	2014	2015	2016
Collier County, FL	6.9	5.9	5.2	4.8
State of Florida	7.2	6.3	5.4	4.9

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

Major Employers

Healthcare providers are the assessment area's largest employers. One community representative noted that, as the healthcare industry grew, the demand for more companies offering ancillary services also increased.

The table below presents the largest employers in the assessment area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
NCH Hospital, Healthcare, and Outpatient Services	7,555	Clinics, Health Care Management
Vitas Hospice Services	6,030	Medical Centers
Ferrell Gas Partners LP	3,908	Gas-Propane-Refilling Stations
Poplar Bluff Regl Med Ctr LLC	2,010	Medical Centers
Naples Medical Center	2,010	Medical Centers
Naples Cosmetic Surgery Ctr	2,010	Medical Centers
Marion E Fether Medical	2,010	Medical Centers
Landmark Hospital	2,010	Hospitals
Kid's Urgent Care	2,010	Emergency Medical and Surgical Services
Imagine Children's Health Center	2,010	Hospitals

Source: InfoUSA

Community Representatives

Two community representatives were contacted to provide information about local housing, employment, and other economic conditions. The need for affordable housing and higher cost of living in the area was a noted concern. One representative noted that there are few affordable housing developers in the area working with banks, but thought the banks could encourage more

developers to the community. Both representatives mentioned the need for more first-time buyer mortgage options for lower-income applicants, including alternative credit programs and lower closing cost options. Lastly, one representative noted that more programs were needed to fund small businesses seeking loans for \$25,000-50,000 but do not possess vast amounts of collateral.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NAPLES-IMMOKALEE-MARCO ISLAND, FL MSA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the assessment area. The assessment area consists of 74 census tracts, of which six are low-income and 15 are moderate-income.

The dispersion of HMDA-reportable and small business loans in the assessment area is reasonable given the circumstances. The bank originated loans within 43.2 percent of all of the census tracts in the assessment area, including 19.0 percent of the low- and moderate-income census tracts. The combination of the limited branch locations, transportation / traffic barriers, and high level of competing banks, has presented challenges in the bank's efforts to acquire customers within these census tracts. Please refer to Appendix B for 2015 geographic distribution tables.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans in the Naples MSA reflects reasonable distribution of loans throughout the assessment area, including low- and moderate-income census tracts. Home purchase loans represented a majority (61.9 percent in 2016 and 86.8 percent in 2015) of originations in the assessment area and were, therefore, more heavily weighted in the analysis.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Naples-Immokalee-Marco Island, FL MSA 34940								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2016			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	2.1	0	0.0	1.5	2.4
	Moderate	3	11.5	14.1	675	4.2	10.4	16.4
	Middle	9	34.6	56.3	3,408	21.4	47.6	46.0
	Upper	14	53.8	27.5	11,879	74.4	40.5	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		26	100.0	100.0	15,962	100.0	100.0
Refinance	Low	0	0.0	1.4	0	0.0	0.6	2.4
	Moderate	0	0.0	12.1	0	0.0	7.7	16.4
	Middle	4	28.6	52.3	1,833	9.5	40.6	46.0
	Upper	10	71.4	34.2	17,512	90.5	51.1	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		14	100.0	100.0	19,345	100.0	100.0
Home Improvement	Low	0	0.0	1.5	0	0.0	0.6	2.4
	Moderate	0	0.0	12.1	0	0.0	6.9	16.4
	Middle	1	100.0	58.7	492	100.0	48.9	46.0
	Upper	0	0.0	27.7	0	0.0	43.5	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		1	100.0	100.0	492	100.0	100.0
Multi-Family	Low	0	0.0	11.1	0	0.0	8.0	3.0
	Moderate	0	0.0	22.2	0	0.0	41.7	13.8
	Middle	1	100.0	33.3	1,150	100.0	37.5	39.5
	Upper	0	0.0	33.3	0	0.0	12.8	43.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		1	100.0	100.0	1,150	100.0	100.0
HMDA Totals	Low	0	0.0	1.8	0	0.0	1.4	2.4
	Moderate	3	7.1	13.4	675	1.8	10.4	16.4
	Middle	15	35.7	55.0	6,883	18.6	45.1	46.0
	Upper	24	57.1	29.8	29,391	79.5	43.2	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		42	100.0	100.0	36,949	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The above table indicates adequate geographic distribution of loans in its assessment area when compared to aggregate lenders and owner-occupied units in 2016. Due to low loan volume in the assessment area, home improvement and multi-family loans will not be discussed. In Appendix B, geographic distribution of 2015 HMDA-reportable loans shows comparable results.

Home Purchase

Home purchase loans represent 61.9 percent of the bank's total HMDA-reportable loans in 2016. No loans were originated in low-income census tracts which was less than the aggregate (2.1 percent) and the percentage of owner-occupied housing (2.4 percent). Lending in moderate-income census tracts (11.5 percent) was below aggregate (14.1 percent) and the percentage of owner-occupied housing (16.4 percent). Owner-occupied housing within the low-income census tracts of the assessment area account for 26.9 percent of housing units located within these tracts. Rental units account for 43.3 percent of the housing within low-income census tracts further limiting the opportunities for the bank to originate home purchase loans in low-income census tracts.

In 2016, lending in middle-income census tracts (34.6 percent) was significantly below the aggregate (56.3 percent) and below the percentage of owner-occupied housing (46.0 percent). The bank made 53.8 percent of its home purchase loans in upper-income census tracts, exceeding the performance of aggregate lenders (27.5 percent) and the percentage of owner-occupied housing in upper-income census tracts (35.2 percent).

Home purchase loans in 2015 were comparable to lending performance in 2016.

Refinance

Refinance loans represent 33.3 percent of the bank's total HMDA-reportable loans in 2016. No refinance loans were originated in low- or moderate-income census tracts. This performance is below aggregate (1.4 percent) and the percentage of owner-occupied housing (2.4 percent) for low-income census tracts, as well as below aggregate (12.1 percent) and the owner-occupied percentage (16.4 percent) in moderate-income tracts.

In 2016, lending in middle-income census tracts (28.6 percent) was significantly below aggregate (52.3 percent) and the percentage of owner-occupied housing (46.0 percent) in middle-income census tracts. The bank made 71.4 percent of its refinance loans in upper-income census tracts, significantly exceeding the performance of aggregate lenders (34.2 percent) and the percentage of owner-occupied housing (35.2 percent) in upper-income census tracts.

Refinance loans represent 13.2 percent of the bank's total HMDA-reportable loans in 2015. The distribution of refinance loans in 2015 was comparable to lending performance in 2016.

Small Business Loans

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 Naples-Immokalee-Marco Island, FL MSA 34940						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2016 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	2.9
	Moderate	4	44.4	518	27.5	12.9
	Middle	2	22.2	1,303	69.1	43.2
	Upper	3	33.3	65	3.4	41.0
	Unknown	0	0.0	0	0.0	0.0
	Total	9	100.0	1,886	100.0	100.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

The above table indicates adequate distribution of loans in the assessment area when compared to the distribution of small businesses in 2016.

In 2016, the sample reflects no loans in low-income census tracts which is below the percentage of small businesses (2.9 percent) in low-income census tracts. Lending in moderate-income census tracts (44.4 percent) was substantially above the percentage of small businesses (12.9 percent) in moderate-income census tracts.

The bank made 22.2 percent of its small business loans in middle-income census tracts which is below the percentage of small businesses (43.2 percent) in middle-income census tracts. Lending in upper-income census tracts (33.3 percent) was below the percentage of small businesses (41.0 percent) in upper-income census tracts.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The distribution of loans reflects poor penetration among individuals of different income levels but adequate penetration to businesses of different sizes. Based on loan volume, HMDA-reportable loans are weighted more heavily in this analysis; as such, the overall performance in this criterion is poor.

HMDA-Reportable Loans

Home purchase loans represented a majority (61.9 percent of HMDA-reportable loans in 2016 and 86.8 percent in 2015) of originations in the assessment area and were therefore more heavily

weighted in the analysis. Please refer to Appendix B for 2015 borrower distribution tables.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Naples-Immokalee-Marco Island, FL MSA 34940								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2016			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	1	3.8	1.4	502	3.1	0.5	21.1
	Moderate	0	0.0	10.3	0	0.0	5.7	18.3
	Middle	5	19.2	16.4	1,693	10.6	11.0	19.0
	Upper	19	73.1	58.2	13,642	85.5	69.3	41.5
	Unknown	1	3.8	13.7	125	0.8	13.5	0.0
	Total		26	100.0	100.0	15,962	100.0	100.0
Refinance	Low	1	7.1	2.8	200	1.0	1.1	21.1
	Moderate	0	0.0	10.4	0	0.0	5.1	18.3
	Middle	0	0.0	15.9	0	0.0	9.7	19.0
	Upper	9	64.3	54.8	8,466	43.8	68.5	41.5
	Unknown	4	28.6	16.0	10,679	55.2	15.5	0.0
	Total		14	100.0	100.0	19,345	100.0	100.0
Home Improvement	Low	0	0.0	2.2	0	0.0	0.8	21.1
	Moderate	0	0.0	14.1	0	0.0	6.2	18.3
	Middle	0	0.0	22.1	0	0.0	13.5	19.0
	Upper	1	100.0	57.3	492	100.0	73.1	41.5
	Unknown	0	0.0	4.4	0	0.0	6.4	0.0
	Total		1	100.0	100.0	492	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.3
	Middle	0	0.0	0.0	0	0.0	0.0	19.0
	Upper	0	0.0	0.0	0	0.0	0.0	41.5
	Unknown	1	100.0	100.0	1,150	100.0	100.0	0.0
	Total		1	100.0	100.0	1,150	100.0	100.0
HMDA Totals	Low	2	4.8	1.9	702	1.9	0.7	21.1
	Moderate	0	0.0	10.4	0	0.0	5.4	18.3
	Middle	5	11.9	16.4	1,693	4.6	10.3	19.0
	Upper	29	69.0	57.0	22,600	61.2	67.1	41.5
	Unknown	6	14.3	14.4	11,954	32.4	16.6	0.0
	Total		42	100.0	100.0	36,949	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The above table indicated poor borrower distribution when compared to aggregate lenders and

families by family income in 2016. Due to low loan volume in the assessment area, home improvement and multi-family loans will not be discussed. In Appendix B, borrower distribution of 2015 HMDA-reportable loans shows comparable results.

Home Purchase

Home purchase loans represent 61.9 percent of the bank's total HMDA-reportable loans in 2016. In 2016, 3.8 percent of loans were originated to low-income borrowers which was comparable to the aggregate (1.4 percent) but substantially below the percentage of low-income families in the assessment area (21.1 percent). No loans were originated to moderate-income borrowers which was below aggregate (10.3 percent) and the percentage of moderate-income families in the assessment area (18.3 percent).

Lending to middle-income borrowers (19.2 percent) was comparable to aggregate (16.4 percent) and the percentage of middle-income families in the assessment area (19.0 percent). The bank made 73.1 percent of its home purchase loans to upper-income borrowers, which was above the performance of aggregate lenders (58.2 percent) and exceeds the percentage of upper-income families in the assessment area (41.5 percent).

Home purchase loans represent 86.8 percent of the bank's total HMDA-reportable loans in 2015. The lending performance of home purchase loans in 2015 was comparable to 2016 results.

Refinance

Refinance loans represent 33.3 percent of the bank's total HMDA-reportable loans in 2016. Lending to low-income borrowers (7.1 percent) was above aggregate (2.8 percent) but below the percentage of low-income families in the assessment area (21.1 percent). No loans were originated to moderate-income borrowers which was below aggregate (10.4 percent) and the percentage of moderate income families in the assessment area (18.3 percent).

In 2016, no refinance loans were originated to middle-income borrowers which was below aggregate (15.9 percent) and the percentage of middle-income families in the assessment area (19.0 percent). The bank made 64.3 percent of its refinance loans to upper-income borrowers, which is above aggregate (54.8 percent) as well as the percentage of upper-income families in the assessment area (41.5 percent).

Refinance loans represent 13.2 percent of the bank's total HMDA-reportable loans in 2015. Overall, the lending performance of refinance loans in 2015 was comparable to 2016 results.

Small Business Loans

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2016 Naples-Immokalee-Marco Island, FL MSA 34940						
Product Type		Bank & Demographic Comparison				
		2016		2016		Total Businesses
Revenue	Loan Size	Count		Dollar		
		#	%	\$ 000s	\$ %	%
Small Business	\$1 Million or Less	5	55.6	583	30.9	93.4
	Over \$1 Million or Unknown	4	44.4	1,303	69.1	6.6
	Total	9	100.0	1,886	100.0	100.0
Small Business	\$100,000 or Less	5	55.6	65	3.4	
	\$100,001 - \$250,000	1	11.1	168	8.9	
	\$250,001 - \$1 Million	3	33.3	1,653	87.6	
	Total	9	100.0	1,886	100.0	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	3	60.0	65	11.1	
	\$100,001 - \$250,000	1	20.0	168	28.8	
	\$250,001 - \$1 Million	1	20.0	350	60.0	
	Total	5	100.0	583	100.0	

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

The above table indicates adequate distribution of loans in its assessment area when compared to the percentages of small businesses in the assessment area in 2016.

In 2016, the small business loan sample consists of 55.6 percent of loans to businesses with revenues of \$1 million or less, which is below the percentage of businesses with annual revenues of \$1 million or less (93.4 percent). However, the majority, 60.0 percent, of small business loans were in loan amounts of \$100,000 or less to small businesses with revenues of \$1 million or less. Loans of \$100,000 or less are considered more likely to benefit the needs of small businesses.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates excellent responsiveness to community development needs of its assessment area through community development loans, investments, and community development services.

Community Development Lending

First American Bank has made a high level of community development loans in the Naples MSA. Specifically, the bank originated four new loans and renewed three others totaling \$16,657,732.

Community development loans primarily supported affordable housing initiatives in the community. The dollar amount of community development loans increased significantly from the previous evaluation where the bank originated three loans totaling \$6,643,400.

Community Development Loans \$ in thousands						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Loans
Naples MSA	\$16,658	\$0	\$0	\$0	\$16,658	7

Qualified Investments

The bank's level of investment activity demonstrates responsiveness to community development needs of the assessment area. First American made two investments amounting to \$1,448,452 during the evaluation period. In addition, there are two investments outstanding, totaling \$737,886, which were made prior to this evaluation that continue to benefit the assessment area. Investments were made through the purchasing of Fannie Mae loan pools, which supported efforts to provide affordable housing for low- and moderate-income individuals. The dollar amount of qualified investments increased from the previous evaluation where the bank made two investments totaling \$1,048,582.

Qualified Investments						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Investments
Naples MSA	\$2,186	\$0	\$0	\$0	\$2,186	4

Additionally, the bank made two qualified donations totaling \$2,000 which is comparable to the previous examination of one donation totaling \$1,000. Donations focused on services provided such as tax preparations services for low-and moderate-income individuals.

Qualified Donations						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total \$	# of Donations
Naples MSA	\$0	\$2,000	\$0	\$0	\$0	2

Community Development Services

The bank provides a limited level of community development services in the Naples, Florida MSA assessment area. A total of seven community development service hours were provided by bank employees to one organization. In comparison to the previous evaluation, the bank provided 31 community development service hours. The service provided entailed serving as a board member to an organizations servicing to low- to moderate-income individuals and geographies.

Community Development Services						
	Affordable Housing	Community Services	Economic Development	Revitalization/ Stabilization	Total Hours	# of Organizations
Naples MSA	0	7	0	0	7	1

CAPE CORAL-FORT MYERS, FL MSA #15980 - Limited Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CAPE CORAL-FORT MYERS, FL MSA

The bank delineates the entirety of the Cape Coral-Mort Myers, Florida MSA (Cape Coral MSA) in its assessment area which includes five low-income, 32 moderate-income, 80 middle-income, 48 upper-income, and two unknown-income census tracts. The two unknown-income census tracts are primarily attributed to the widespread parks and wetlands in the area. The bank operates one branch and one ATM in the assessment area, both of which are located in a moderate-income census tract. Since the previous examination, one branch in a middle-income census tract was closed by the bank in October 2017. The assessment area remains unchanged since the previous examination.

The bank holds a 0.2 percent market share of FDIC-insure deposits, ranking 30th out of 35 FDIC-insured financial institutions operating in the assessment area as of June 30, 2017. By comparison, the top three institutions by market share were: Wells Fargo Bank (15.6 percent), Bank of American (15.1 percent), and SunTrust Bank (14.5 percent).

Additionally, the bank ranks 107th out of 814 HMDA reporters in loan originations, based on 2016 aggregate lending data. A total of 15 originations were reported by First American in comparison to top-ranked Wells Fargo Bank with 2,831 originations. The bank's ranking has remained comparable to 2015 aggregate lending data, where it was ranked 107th out of 783 HMDA reporters.

Demographic information about the assessment area is provided in the following table.

Assessment Area: 2016 Cape Coral-Fort Myers, FL MSA 15980									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	5	3.0	4,411	2.7	1,344	30.5	30,892	19.0	
Moderate-income	32	19.2	27,458	16.9	4,214	15.3	30,886	19.0	
Middle-income	80	47.9	86,515	53.1	5,796	6.7	34,898	21.4	
Upper-income	48	28.7	44,541	27.3	1,390	3.1	66,249	40.7	
Unknown-income	2	1.2	0	0.0	0	0.0	0	0.0	
Total Assessment Area	167	100.0	162,925	100.0	12,744	7.8	162,925	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	10,760	2,430	1.3	22.6	5,440	50.6	2,890	26.9	
Moderate-income	61,029	26,066	14.2	42.7	16,593	27.2	18,370	30.1	
Middle-income	185,990	102,292	55.6	55.0	29,224	15.7	54,474	29.3	
Upper-income	106,113	53,140	28.9	50.1	10,566	10.0	42,407	40.0	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	363,892	183,928	100.0	50.5	61,823	17.0	118,141	32.5	
	Total Businesses Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	1,473	3.3	1,293	3.1	166	7.0	14	4.3	
Moderate-income	6,540	14.5	6,127	14.5	381	16.0	32	9.9	
Middle-income	23,532	52.2	22,322	52.7	1,062	44.7	148	45.7	
Upper-income	13,470	29.9	12,580	29.7	761	32.0	129	39.8	
Unknown-income	47	0.1	40	0.1	6	0.3	1	0.3	
Total Assessment Area	45,062	100.0	42,362	100.0	2,376	100.0	324	100.0	
Percentage of Total Businesses:				94.0		5.3		0.7	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	5	1.7	4	1.4	1	8.3	0	0.0	
Moderate-income	45	15.4	44	15.8	1	8.3	0	0.0	
Middle-income	121	41.4	117	41.9	4	33.3	0	0.0	
Upper-income	121	41.4	114	40.9	6	50.0	1	100.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	292	100.0	279	100.0	12	100.0	1	100.0	
Percentage of Total Businesses:				95.5		4.1		0.3	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

Note: Percentages may not add to 100.0 percent due to rounding

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS CAPE CORAL-FORT MYERS,
FL MSA**

A limited review of the bank's performance under the lending and community development tests was conducted to determine if the performance in the assessment area is consistent with First American Bank's performance overall.

LENDING TEST

First American Bank's lending performance in the assessment area is consistent with the bank's lending performance overall in the state of Florida.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Cape Coral-Fort Myers, FL MSA 15980								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2016			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	1.7	0	0.0	1.4	1.3
	Moderate	2	22.2	13.1	622	32.9	9.8	14.2
	Middle	3	33.3	55.2	379	20.0	48.8	55.6
	Upper	4	44.4	30.0	891	47.1	40.0	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		9	100.0	100.0	1,892	100.0	100.0
Refinance	Low	0	0.0	0.6	0	0.0	0.4	1.3
	Moderate	1	16.7	10.4	147	10.4	7.5	14.2
	Middle	2	33.3	56.0	264	18.7	48.2	55.6
	Upper	3	50.0	33.1	999	70.9	43.9	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		6	100.0	100.0	1,410	100.0	100.0
Home Improvement	Low	0	0.0	0.4	0	0.0	0.1	1.3
	Moderate	0	0.0	11.9	0	0.0	8.0	14.2
	Middle	0	0.0	58.8	0	0.0	49.8	55.6
	Upper	0	0.0	28.9	0	0.0	41.2	28.9
	Unknown	0	0.0	0.1	0	0.0	1.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	5.2	0	0.0	2.7	7.8
	Moderate	0	0.0	31.0	0	0.0	37.6	15.0
	Middle	0	0.0	46.6	0	0.0	27.8	39.7
	Upper	0	0.0	17.2	0	0.0	31.9	37.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	1.3	0	0.0	1.1	1.3
	Moderate	3	20.0	12.3	769	23.3	9.8	14.2
	Middle	5	33.3	55.5	643	19.5	48.1	55.6
	Upper	7	46.7	30.9	1,890	57.2	40.9	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		15	100.0	100.0	3,302	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans						
Assessment Area: 2016 Cape Coral-Fort Myers, FL MSA 15980						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2016 Dollar Bank		Total Businesses %
		#	%	\$ 000s	\$ %	
Small Business	Low	0	0.0	0	0.0	3.3
	Moderate	1	100.0	100	100.0	14.5
	Middle	0	0.0	0	0.0	52.2
	Upper	0	0.0	0	0.0	29.9
	Unknown	0	0.0	0	0.0	0.1
	Total	1	100.0	100	100.0	100.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Cape Coral-Fort Myers, FL MSA 15980								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2016			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	2.8	0	0.0	1.4	19.0
	Moderate	2	22.2	14.7	320	16.9	9.5	19.0
	Middle	2	22.2	19.5	576	30.4	15.4	21.4
	Upper	5	55.6	49.7	996	52.6	61.7	40.7
	Unknown	0	0.0	13.3	0	0.0	12.1	0.0
	Total		9	100.0	100.0	1,892	100.0	100.0
Refinance	Low	0	0.0	4.0	0	0.0	2.0	19.0
	Moderate	0	0.0	11.8	0	0.0	7.1	19.0
	Middle	0	0.0	18.0	0	0.0	13.4	21.4
	Upper	5	83.3	46.8	931	66.0	57.9	40.7
	Unknown	1	16.7	19.4	479	34.0	19.7	0.0
	Total		6	100.0	100.0	1,410	100.0	100.0
Home Improvement	Low	0	0.0	5.6	0	0.0	2.3	19.0
	Moderate	0	0.0	13.5	0	0.0	8.3	19.0
	Middle	0	0.0	23.3	0	0.0	19.8	21.4
	Upper	0	0.0	54.1	0	0.0	64.7	40.7
	Unknown	0	0.0	3.4	0	0.0	5.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.0
	Moderate	0	0.0	0.0	0	0.0	0.0	19.0
	Middle	0	0.0	0.0	0	0.0	0.0	21.4
	Upper	0	0.0	0.0	0	0.0	0.0	40.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	3.3	0	0.0	1.5	19.0
	Moderate	2	13.3	13.8	320	9.7	8.5	19.0
	Middle	2	13.3	19.1	576	17.4	14.5	21.4
	Upper	10	66.7	48.9	1,927	58.4	59.2	40.7
	Unknown	1	6.7	15.0	479	14.5	16.2	0.0
	Total		15	100.0	100.0	3,302	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2016 Cape Coral-Fort Myers, FL MSA 15980							
Product Type		Bank & Demographic Comparison					
		2016		2016		Total Businesses %	
Revenue	Loan Size	Count Bank	Dollar Bank				
		#	%	\$ 000s	\$ %		
Small Business	\$1 Million or Less Over \$1 Million or Unknown Total	1	100.0	100	100.0	94.0	
		0	0.0	0	0.0	6.0	
		1	100.0	100	100.0	100.0	
	\$100,000 or Less \$100,001 - \$250,000 \$250,001 - \$1 Million Total	1	100.0	100	100.0		
		0	0.0	0	0.0		
		0	0.0	0	0.0		
		1	100.0	100	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	100.0	100		100.0
		\$100,001 - \$250,000	0	0.0	0		0.0
		\$250,001 - \$1 Million	0	0.0	0		0.0
		Total	1	100.0	100		100.0

Originations & Purchases
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

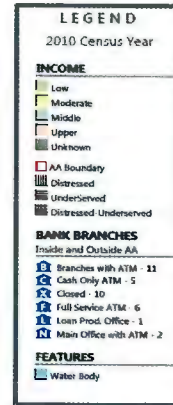
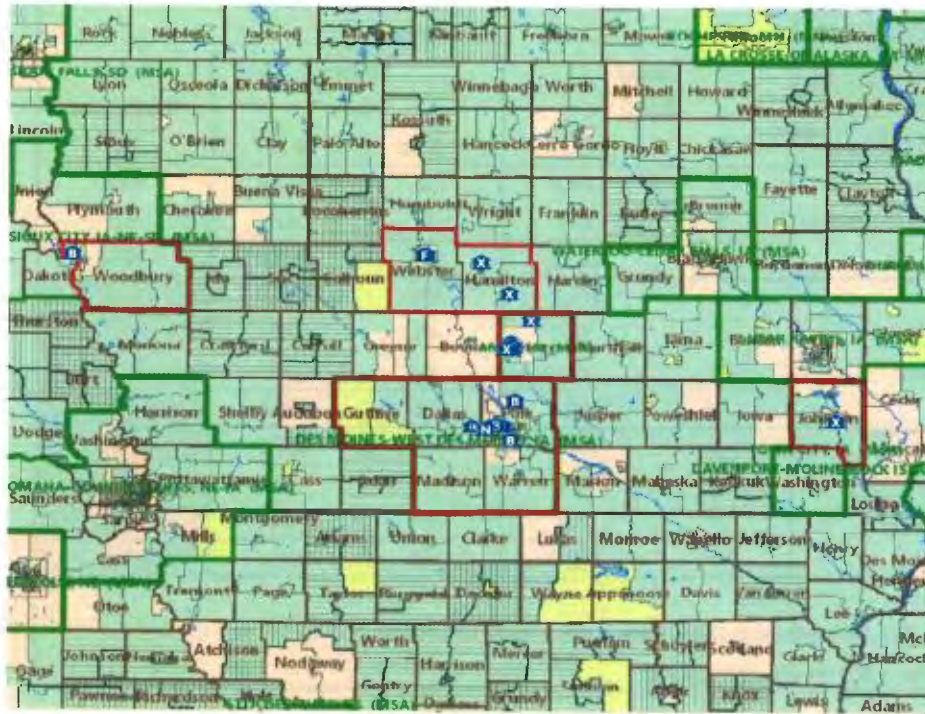
COMMUNITY DEVELOPMENT TEST

First American Bank’s community development performance in the area is consistent with the bank’s overall community development performance in the state of Florida.

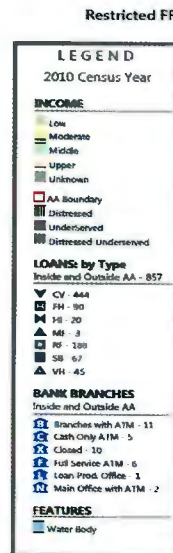
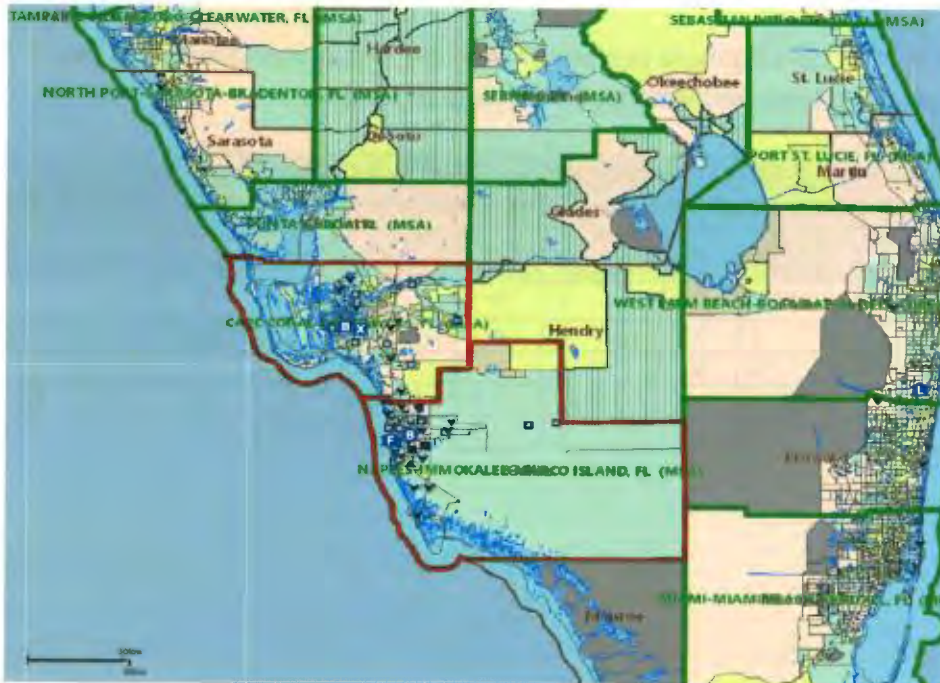
Summary of CD Activities, Review Period (4/26/2016 - 7/23/2018)												
Type of Activity	Affordable Housing		Economic Development		Revitalize / Stabilize		Community Services		Prior Period Investments		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lending	0	0	2	472	0	0	0	0	0	0	2	472
Investments	2	1,355	0	0	0	0	0	0	2	684	4	2,039
Donations	0	0	0	0	0	0	1	1	0	0	1	1
	#	Hours	#	Hours	#	Hours	#	Hours	0	0	#	Hours
Services	0	0	0	0	0	0	1	112	0	0	1	112

APPENDIX A – Maps of the Assessment Areas

First American Bank 653648
Combined Iowa AA



First American Bank 653648
2016 Combined Florida AA with Branches and Loans



APPENDIX B – 2015 Lending Tables

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2015			2015			
		Count		Agg	Dollar		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	5	1.3	1.5	628	0.8	1.2	2.3
	Moderate	21	5.4	12.4	2,356	3.0	7.2	19.9
	Middle	162	42.0	45.8	30,202	37.9	44.3	46.6
	Upper	198	51.3	40.3	46,400	58.3	47.3	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	386	100.0	100.0	79,586	100.0	100.0	100.0
Refinance	Low	0	0.0	1.4	0	0.0	1.0	2.3
	Moderate	7	8.1	12.3	649	3.9	6.8	19.9
	Middle	35	40.7	46.4	6,369	38.6	45.1	46.6
	Upper	44	51.2	39.9	9,496	57.5	47.1	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	86	100.0	100.0	16,514	100.0	100.0	100.0
Home Improvement	Low	0	0.0	1.2	0	0.0	1.4	2.3
	Moderate	3	13.0	17.9	11	2.5	12.0	19.9
	Middle	12	52.2	47.7	74	16.9	41.7	46.6
	Upper	8	34.8	33.2	352	80.5	44.9	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	23	100.0	100.0	437	100.0	100.0	100.0
Multi-Family	Low	4	80.0	22.5	1,690	85.6	29.3	Multi-Family 14.1
	Moderate	0	0.0	20.8	0	0.0	10.3	28.5
	Middle	1	20.0	37.5	285	14.4	41.2	34.8
	Upper	0	0.0	19.2	0	0.0	19.3	22.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	5	100.0	100.0	1,975	100.0	100.0	100.0
HMDA Totals	Low	9	1.8	1.6	2,318	2.4	2.6	2.3
	Moderate	31	6.2	12.7	3,016	3.1	7.3	19.9
	Middle	210	42.0	46.1	36,930	37.5	44.3	46.6
	Upper	250	50.0	39.6	56,248	57.1	45.7	31.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	500	100.0	100.0	98,512	100.0	100.0	100.0

Originations & Purchases
2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2015						
		Count		Dollar				
		Bank #	%	Agg %	Bank \$(000s)	\$ %	Agg \$ %	
Home Purchase	Low	20	5.2	8.8	1,912	2.4	4.7	19.6
	Moderate	79	20.5	20.4	10,457	13.1	14.9	18.0
	Middle	107	27.7	22.4	19,379	24.3	21.7	22.9
	Upper	175	45.3	31.9	47,106	59.2	42.4	39.5
	Unknown	5	1.3	16.5	732	0.9	16.3	0.0
	Total		386	100.0	100.0	79,586	100.0	100.0
Refinance	Low	2	2.3	6.6	210	1.3	3.3	19.6
	Moderate	14	16.3	14.4	1,618	9.8	9.5	18.0
	Middle	19	22.1	21.1	3,432	20.8	18.2	22.9
	Upper	44	51.2	38.4	10,410	63.0	48.8	39.5
	Unknown	7	8.1	19.5	844	5.1	20.1	0.0
	Total		86	100.0	100.0	16,514	100.0	100.0
Home Improvement	Low	1	4.3	9.4	1	0.2	5.3	19.6
	Moderate	3	13.0	17.5	16	3.7	9.6	18.0
	Middle	12	52.2	24.5	58	13.3	18.2	22.9
	Upper	7	30.4	41.9	362	82.8	56.5	39.5
	Unknown	0	0.0	6.7	0	0.0	10.3	0.0
	Total		23	100.0	100.0	437	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.6
	Moderate	0	0.0	0.0	0	0.0	0.0	18.0
	Middle	0	0.0	0.0	0	0.0	0.0	22.9
	Upper	0	0.0	0.0	0	0.0	0.0	39.5
	Unknown	5	100.0	100.0	1,975	100.0	100.0	0.0
	Total		5	100.0	100.0	1,975	100.0	100.0
HMDA Totals	Low	23	4.6	8.0	2,123	2.2	4.0	19.6
	Moderate	96	19.2	18.0	12,091	12.3	12.2	18.0
	Middle	138	27.6	22.0	22,869	23.2	19.3	22.9
	Upper	226	45.2	34.7	57,878	58.8	42.6	39.5
	Unknown	17	3.4	17.2	3,551	3.6	22.0	0.0
	Total		500	100.0	100.0	98,512	100.0	100.0

Originations & Purchases
2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Sioux City, IA-NE-SD MSA 43580								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2015			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	1	2.6	0.4	40	1.0	0.3	0.2
	Moderate	5	12.8	11.1	372	9.0	6.9	15.6
	Middle	25	64.1	60.4	2,735	66.4	54.0	60.0
	Upper	8	20.5	28.0	969	23.5	38.7	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		39	100.0	100.0	4,116	100.0	100.0
Refinance	Low	0	0.0	0.1	0	0.0	0.1	0.2
	Moderate	3	42.9	9.2	93	22.1	4.9	15.6
	Middle	2	28.6	58.4	123	29.3	50.9	60.0
	Upper	2	28.6	32.2	204	48.6	44.1	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		7	100.0	100.0	420	100.0	100.0
Home Improvement	Low	0	0.0	0.3	0	0.0	0.6	0.2
	Moderate	0	0.0	11.9	0	0.0	5.3	15.6
	Middle	4	66.7	59.2	21	65.6	59.6	60.0
	Upper	2	33.3	28.5	11	34.4	34.5	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		6	100.0	100.0	32	100.0	100.0
Multi-Family	Low	0	0.0	21.1	0	0.0	0.9	8.2
	Moderate	0	0.0	21.1	0	0.0	8.7	22.4
	Middle	2	100.0	47.4	345	100.0	16.4	60.4
	Upper	0	0.0	10.5	0	0.0	74.0	9.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		2	100.0	100.0	345	100.0	100.0
HMDA Totals	Low	1	1.9	0.4	40	0.8	0.4	0.2
	Moderate	8	14.8	10.6	465	9.5	6.4	15.6
	Middle	33	61.1	59.5	3,224	65.6	48.2	60.0
	Upper	12	22.2	29.4	1,184	24.1	45.0	24.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		54	100.0	100.0	4,913	100.0	100.0

Originations & Purchases
2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Sioux City, IA-NE-SD MSA 43580								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2015						
		Count		Dollar				
		Bank #	%	Agg %	Bank \$(000s)	\$ %	Agg \$ %	
Home Purchase	Low	5	12.8	10.4	319	7.8	6.1	21.5
	Moderate	20	51.3	27.7	1,877	45.6	21.8	19.3
	Middle	6	15.4	20.1	733	17.8	20.1	22.4
	Upper	8	20.5	29.8	1,187	28.8	41.7	36.8
	Unknown	0	0.0	12.1	0	0.0	10.3	0.0
	Total		39	100.0	100.0	4,116	100.0	100.0
Refinance	Low	1	14.3	9.3	48	11.4	3.8	21.5
	Moderate	2	28.6	18.1	55	13.1	10.6	19.3
	Middle	1	14.3	19.3	75	17.9	15.3	22.4
	Upper	1	14.3	37.0	110	26.2	47.4	36.8
	Unknown	2	28.6	16.2	132	31.4	22.9	0.0
	Total		7	100.0	100.0	420	100.0	100.0
Home Improvement	Low	0	0.0	13.2	0	0.0	5.9	21.5
	Moderate	2	33.3	19.1	11	34.4	12.7	19.3
	Middle	3	50.0	25.1	14	43.8	16.7	22.4
	Upper	1	16.7	36.4	7	21.9	53.7	36.8
	Unknown	0	0.0	6.3	0	0.0	11.1	0.0
	Total		6	100.0	100.0	32	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.5
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	22.4
	Upper	0	0.0	0.0	0	0.0	0.0	36.8
	Unknown	2	100.0	100.0	345	100.0	100.0	0.0
	Total		2	100.0	100.0	345	100.0	100.0
HMDA Totals	Low	6	11.1	10.3	367	7.5	4.5	21.5
	Moderate	24	44.4	23.3	1,943	39.5	15.0	19.3
	Middle	10	18.5	20.2	822	16.7	15.8	22.4
	Upper	10	18.5	32.8	1,304	26.5	38.5	36.8
	Unknown	4	7.4	13.4	477	9.7	26.2	0.0
	Total		54	100.0	100.0	4,913	100.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 IA Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2015			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	1.3	0	0.0	0.7	1.4
	Moderate	8	23.5	14.4	559	16.3	9.6	16.0
	Middle	21	61.8	61.9	2,381	69.5	65.0	68.5
	Upper	5	14.7	22.5	488	14.2	24.7	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		34	100.0	100.0	3,428	100.0	100.0
Refinance	Low	0	0.0	0.7	0	0.0	0.6	1.4
	Moderate	3	13.6	15.2	296	13.1	9.9	16.0
	Middle	18	81.8	67.9	1,915	84.8	74.6	68.5
	Upper	1	4.5	16.2	46	2.0	14.9	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		22	100.0	100.0	2,257	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	1.4
	Moderate	2	33.3	18.5	20	22.5	13.4	16.0
	Middle	3	50.0	66.3	59	66.3	65.9	68.5
	Upper	1	16.7	15.2	10	11.2	20.7	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		6	100.0	100.0	89	100.0	100.0
Multi-Family	Low	0	0.0	12.5	0	0.0	1.3	12.3
	Moderate	1	100.0	25.0	224	100.0	19.7	20.1
	Middle	0	0.0	62.5	0	0.0	79.0	49.2
	Upper	0	0.0	0.0	0	0.0	0.0	18.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		1	100.0	100.0	224	100.0	100.0
HMDA Totals	Low	0	0.0	1.0	0	0.0	0.7	1.4
	Moderate	14	22.2	15.1	1,099	18.3	10.1	16.0
	Middle	42	66.7	64.4	4,355	72.6	68.8	68.5
	Upper	7	11.1	19.5	544	9.1	20.4	14.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		63	100.0	100.0	5,998	100.0	100.0

Originations & Purchases
2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 IA Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2015		Dollar				
		Count		Agg				
		Bank #	%	Agg %	Bank \$ (000s)	\$ %	Agg \$ %	
Home Purchase	Low	7	20.6	7.2	389	11.3	3.8	18.6
	Moderate	7	20.6	23.6	582	17.0	17.7	19.6
	Middle	8	23.5	25.9	846	24.7	26.3	22.6
	Upper	8	23.5	32.2	1,128	32.9	42.3	39.2
	Unknown	4	11.8	11.1	483	14.1	9.9	0.0
	Total		34	100.0	100.0	3,428	100.0	100.0
Refinance	Low	1	4.5	6.9	24	1.1	4.0	18.6
	Moderate	6	27.3	20.1	472	20.9	12.8	19.6
	Middle	4	18.2	23.3	608	26.9	22.6	22.6
	Upper	7	31.8	36.0	682	30.2	45.1	39.2
	Unknown	4	18.2	13.7	471	20.9	15.5	0.0
	Total		22	100.0	100.0	2,257	100.0	100.0
Home Improvement	Low	0	0.0	6.5	0	0.0	1.9	18.6
	Moderate	2	33.3	23.9	20	22.5	10.6	19.6
	Middle	2	33.3	31.5	15	16.9	34.9	22.6
	Upper	2	33.3	32.6	54	60.7	47.8	39.2
	Unknown	0	0.0	5.4	0	0.0	4.7	0.0
	Total		6	100.0	100.0	89	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	0.0	0	0.0	0.0	19.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	0.0	0	0.0	0.0	39.2
	Unknown	1	100.0	100.0	224	100.0	100.0	0.0
	Total		1	100.0	100.0	224	100.0	100.0
HMDA Totals	Low	8	12.7	7.0	413	6.9	3.8	18.6
	Moderate	15	23.8	22.2	1,074	17.9	15.3	19.6
	Middle	14	22.2	25.3	1,469	24.5	24.6	22.6
	Upper	17	27.0	33.4	1,864	31.1	42.4	39.2
	Unknown	9	14.3	12.2	1,178	19.6	14.0	0.0
	Total		63	100.0	100.0	5,998	100.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Ames, IA MSA 11180								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2015						
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	\$ %					
Home Purchase	Low	0	0.0	1.0	0	0.0	0.5	3.3
	Moderate	3	5.3	5.6	384	3.4	4.4	6.4
	Middle	46	80.7	74.7	7,224	64.3	71.4	72.7
	Upper	8	14.0	18.7	3,627	32.3	23.8	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	57	100.0	100.0	11,235	100.0	100.0	100.0
Refinance	Low	0	0.0	0.7	0	0.0	0.4	3.3
	Moderate	0	0.0	5.3	0	0.0	5.2	6.4
	Middle	12	80.0	72.5	2,964	72.3	67.2	72.7
	Upper	3	20.0	21.4	1,133	27.7	27.2	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	15	100.0	100.0	4,097	100.0	100.0	100.0
Home Improvement	Low	0	0.0	3.4	0	0.0	2.2	3.3
	Moderate	0	0.0	6.0	0	0.0	4.0	6.4
	Middle	0	0.0	73.0	0	0.0	75.9	72.7
	Upper	0	0.0	17.6	0	0.0	18.0	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	3.4	0	0.0	6.1	15.7
	Moderate	0	0.0	20.3	0	0.0	6.7	10.6
	Middle	3	60.0	64.4	662	44.5	84.1	66.0
	Upper	2	40.0	11.9	825	55.5	3.2	7.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	5	100.0	100.0	1,487	100.0	100.0	100.0
HMDA Totals	Low	0	0.0	1.2	0	0.0	1.8	3.3
	Moderate	3	3.9	5.8	384	2.3	5.1	6.4
	Middle	61	79.2	73.6	10,850	64.5	73.3	72.7
	Upper	13	16.9	19.4	5,585	33.2	19.7	17.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	77	100.0	100.0	16,819	100.0	100.0	100.0
Originations & Purchases								
2015 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Ames, IA MSA 11180								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		Count		2015				
		Bank #	Agg %	Dollar		Agg %		
				Bank \$ (000s)	Bank %	Agg \$ %		
Home Purchase	Low	3	5.3	7.6	287	2.6	4.3	19.0
	Moderate	17	29.8	23.7	2,422	21.6	17.6	18.4
	Middle	17	29.8	24.6	2,689	23.9	23.1	25.0
	Upper	17	29.8	32.2	5,342	47.5	39.2	37.7
	Unknown	3	5.3	11.9	495	4.4	15.8	0.0
	Total	57	100.0	100.0	11,235	100.0	100.0	100.0
Refinance	Low	0	0.0	5.9	0	0.0	3.0	19.0
	Moderate	2	13.3	18.0	266	6.5	12.8	18.4
	Middle	2	13.3	21.2	299	7.3	18.9	25.0
	Upper	8	53.3	41.8	2,451	59.8	49.4	37.7
	Unknown	3	20.0	13.0	1,081	26.4	15.9	0.0
	Total	15	100.0	100.0	4,097	100.0	100.0	100.0
Home Improvement	Low	0	0.0	8.2	0	0.0	3.6	19.0
	Moderate	0	0.0	18.0	0	0.0	17.1	18.4
	Middle	0	0.0	30.5	0	0.0	25.8	25.0
	Upper	0	0.0	41.6	0	0.0	49.7	37.7
	Unknown	0	0.0	1.7	0	0.0	3.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.0
	Moderate	0	0.0	0.0	0	0.0	0.0	18.4
	Middle	0	0.0	0.0	0	0.0	0.0	25.0
	Upper	0	0.0	0.0	0	0.0	0.0	37.7
	Unknown	5	100.0	100.0	1,487	100.0	100.0	0.0
	Total	5	100.0	100.0	1,487	100.0	100.0	100.0
HMDA Totals	Low	3	3.9	6.9	287	1.7	2.9	19.0
	Moderate	19	24.7	20.7	2,688	16.0	12.2	18.4
	Middle	19	24.7	23.4	2,988	17.8	16.6	25.0
	Upper	25	32.5	35.7	7,793	46.3	33.0	37.7
	Unknown	11	14.3	13.3	3,063	18.2	35.3	0.0
	Total	77	100.0	100.0	16,819	100.0	100.0	100.0
Originations & Purchases								
2015 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Iowa City, IA MSA 26980								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2015			2015			
		Count		Agg	Dollar		Agg	
		Bank	%	%	Bank	\$ %	\$ %	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	12.3	0	0.0	8.5	12.6
	Middle	0	0.0	61.5	0	0.0	61.2	56.4
	Upper	0	0.0	26.2	0	0.0	30.3	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	9.0	0	0.0	5.8	12.6
	Middle	0	0.0	58.0	0	0.0	56.7	56.4
	Upper	0	0.0	33.0	0	0.0	37.5	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	17.7	0	0.0	10.3	12.6
	Middle	0	0.0	53.0	0	0.0	54.9	56.4
	Upper	0	0.0	29.3	0	0.0	34.8	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	28.6	0	0.0	37.1	32.5
	Middle	0	0.0	57.1	0	0.0	51.6	55.3
	Upper	0	0.0	14.3	0	0.0	11.4	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	11.5	0	0.0	10.1	12.6
	Middle	0	0.0	60.0	0	0.0	58.7	56.4
	Upper	0	0.0	28.5	0	0.0	31.2	31.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Originations & Purchases								
2015 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Iowa City, IA MSA 26980								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2015			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	8.4	0	0.0	4.9	18.4
	Moderate	0	0.0	22.4	0	0.0	15.7	17.5
	Middle	0	0.0	21.8	0	0.0	20.1	21.7
	Upper	0	0.0	32.7	0	0.0	42.7	42.4
	Unknown	0	0.0	14.8	0	0.0	16.6	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Refinance	Low	0	0.0	5.7	0	0.0	2.9	18.4
	Moderate	0	0.0	15.0	0	0.0	10.1	17.5
	Middle	0	0.0	20.2	0	0.0	17.7	21.7
	Upper	0	0.0	38.9	0	0.0	47.7	42.4
	Unknown	0	0.0	20.0	0	0.0	21.6	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Home Improvement	Low	0	0.0	14.2	0	0.0	7.4	18.4
	Moderate	0	0.0	20.7	0	0.0	10.0	17.5
	Middle	0	0.0	20.3	0	0.0	18.5	21.7
	Upper	0	0.0	34.5	0	0.0	47.3	42.4
	Unknown	0	0.0	10.3	0	0.0	16.7	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.4
	Moderate	0	0.0	0.0	0	0.0	0.0	17.5
	Middle	0	0.0	0.0	0	0.0	0.0	21.7
	Upper	0	0.0	0.0	0	0.0	0.0	42.4
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	7.6	0	0.0	3.8	18.4
	Moderate	0	0.0	19.6	0	0.0	12.3	17.5
	Middle	0	0.0	21.0	0	0.0	17.4	21.7
	Upper	0	0.0	34.6	0	0.0	40.8	42.4
	Unknown	0	0.0	17.1	0	0.0	25.7	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Naples-Immokalee-Marco Island, FL MSA 34940								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2015			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	2.2	0	0.0	1.1	2.4
	Moderate	4	12.1	15.0	1,031	6.0	10.8	16.4
	Middle	13	39.4	51.8	4,461	26.0	41.2	46.0
	Upper	16	48.5	31.1	11,648	68.0	46.9	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		33	100.0	100.0	17,140	100.0	100.0
Refinance	Low	0	0.0	1.3	0	0.0	0.6	2.4
	Moderate	0	0.0	13.0	0	0.0	8.2	16.4
	Middle	1	20.0	51.7	210	7.4	40.3	46.0
	Upper	4	80.0	34.0	2,630	92.6	50.9	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		5	100.0	100.0	2,840	100.0	100.0
Home Improvement	Low	0	0.0	0.9	0	0.0	0.3	2.4
	Moderate	0	0.0	15.4	0	0.0	8.2	16.4
	Middle	0	0.0	59.3	0	0.0	35.5	46.0
	Upper	0	0.0	24.5	0	0.0	56.1	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	3.0
	Moderate	0	0.0	45.8	0	0.0	47.1	13.8
	Middle	0	0.0	20.8	0	0.0	42.3	39.5
	Upper	0	0.0	33.3	0	0.0	10.6	43.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	1.9	0	0.0	0.9	2.4
	Moderate	4	10.5	14.4	1,031	5.2	11.2	16.4
	Middle	14	36.8	51.9	4,671	23.4	40.9	46.0
	Upper	20	52.6	31.8	14,278	71.5	47.1	35.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		38	100.0	100.0	19,980	100.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Naples-Immokalee-Marco Island, FL MSA 34940								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2015						
		Count		Dollar				
		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Bank \$ %	Agg \$ %	
Home Purchase	Low	1	3.0	2.4	180	1.1	0.9	21.1
	Moderate	2	6.1	11.4	566	3.3	5.6	18.3
	Middle	1	3.0	13.5	333	1.9	8.5	19.0
	Upper	27	81.8	57.8	15,431	90.0	72.9	41.5
	Unknown	2	6.1	15.0	630	3.7	12.2	0.0
	Total		33	100.0	100.0	17,140	100.0	100.0
Refinance	Low	0	0.0	4.3	0	0.0	1.7	21.1
	Moderate	0	0.0	11.3	0	0.0	5.5	18.3
	Middle	2	40.0	16.2	381	13.4	10.1	19.0
	Upper	3	60.0	51.5	2,459	86.6	66.9	41.5
	Unknown	0	0.0	16.7	0	0.0	15.8	0.0
	Total		5	100.0	100.0	2,840	100.0	100.0
Home Improvement	Low	0	0.0	5.1	0	0.0	0.9	21.1
	Moderate	0	0.0	16.2	0	0.0	6.8	18.3
	Middle	0	0.0	23.4	0	0.0	10.8	19.0
	Upper	0	0.0	48.7	0	0.0	47.8	41.5
	Unknown	0	0.0	6.6	0	0.0	33.7	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.3
	Middle	0	0.0	0.0	0	0.0	0.0	19.0
	Upper	0	0.0	0.0	0	0.0	0.0	41.5
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	1	2.6	3.0	180	0.9	1.1	21.1
	Moderate	2	5.3	11.4	566	2.8	5.4	18.3
	Middle	3	7.9	14.6	714	3.6	8.7	19.0
	Upper	30	78.9	55.5	17,890	89.5	68.5	41.5
	Unknown	2	5.3	15.4	630	3.2	16.3	0.0
	Total		38	100.0	100.0	19,980	100.0	100.0
Originations & Purchases								
2015 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Cape Coral-Fort Myers, FL MSA 15980								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2015			Dollar			
		Count		Agg	Bank	Agg		
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	1.2	0	0.0	1.0	1.3
	Moderate	1	9.1	12.2	446	12.5	8.8	14.2
	Middle	6	54.5	54.6	1,534	43.1	47.1	55.6
	Upper	4	36.4	32.0	1,580	44.4	43.1	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		11	100.0	100.0	3,560	100.0	100.0
Refinance	Low	0	0.0	0.4	0	0.0	0.2	1.3
	Moderate	1	25.0	9.2	457	56.8	6.5	14.2
	Middle	3	75.0	56.0	348	43.2	47.3	55.6
	Upper	0	0.0	34.4	0	0.0	46.0	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		4	100.0	100.0	805	100.0	100.0
Home Improvement	Low	0	0.0	1.2	0	0.0	0.3	1.3
	Moderate	0	0.0	10.2	0	0.0	4.2	14.2
	Middle	1	100.0	60.3	159	100.0	53.3	55.6
	Upper	0	0.0	28.1	0	0.0	42.1	28.9
	Unknown	0	0.0	0.2	0	0.0	0.1	0.0
	Total		1	100.0	100.0	159	100.0	100.0
Multi-Family	Low	0	0.0	6.8	0	0.0	11.8	7.8
	Moderate	0	0.0	29.5	0	0.0	54.9	15.0
	Middle	0	0.0	36.4	0	0.0	29.4	39.7
	Upper	1	100.0	27.3	527	100.0	3.8	37.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		1	100.0	100.0	527	100.0	100.0
HMDA Totals	Low	0	0.0	1.0	0	0.0	1.2	1.3
	Moderate	2	11.8	11.3	903	17.9	10.0	14.2
	Middle	10	58.8	55.1	2,041	40.4	46.5	55.6
	Upper	5	29.4	32.5	2,107	41.7	42.3	28.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		17	100.0	100.0	5,051	100.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Cape Coral-Fort Myers, FL MSA 15980								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2015			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	3.4	0	0.0	1.5	19.0
	Moderate	0	0.0	15.1	0	0.0	9.0	19.0
	Middle	0	0.0	18.0	0	0.0	14.0	21.4
	Upper	10	90.9	48.9	3,114	87.5	62.3	40.7
	Unknown	1	9.1	14.7	446	12.5	13.1	0.0
	Total		11	100.0	100.0	3,560	100.0	100.0
Refinance	Low	0	0.0	4.7	0	0.0	2.5	19.0
	Moderate	0	0.0	13.0	0	0.0	7.8	19.0
	Middle	2	50.0	17.0	194	24.1	12.7	21.4
	Upper	1	25.0	44.6	154	19.1	56.9	40.7
	Unknown	1	25.0	20.6	457	56.8	20.1	0.0
	Total		4	100.0	100.0	805	100.0	100.0
Home Improvement	Low	0	0.0	6.1	0	0.0	1.5	19.0
	Moderate	0	0.0	17.5	0	0.0	8.6	19.0
	Middle	1	100.0	20.4	159	100.0	16.8	21.4
	Upper	0	0.0	51.1	0	0.0	63.1	40.7
	Unknown	0	0.0	4.9	0	0.0	10.0	0.0
	Total		1	100.0	100.0	159	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.0
	Moderate	0	0.0	0.0	0	0.0	0.0	19.0
	Middle	0	0.0	0.0	0	0.0	0.0	21.4
	Upper	0	0.0	0.0	0	0.0	0.0	40.7
	Unknown	1	100.0	100.0	527	100.0	100.0	0.0
	Total		1	100.0	100.0	527	100.0	100.0
HMDA Totals	Low	0	0.0	3.8	0	0.0	1.7	19.0
	Moderate	0	0.0	14.6	0	0.0	8.4	19.0
	Middle	3	17.6	17.8	353	7.0	13.1	21.4
	Upper	11	64.7	47.7	3,268	64.7	58.5	40.7
	Unknown	3	17.6	16.1	1,430	28.3	18.3	0.0
	Total		17	100.0	100.0	5,051	100.0	100.0
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	2016 and 2015 HMDA-Reportable Loans. Sample of 2016 Small Business loans. Community Development Activities from April 26, 2016 through July 23, 2018		
FINANCIAL INSTITUTION First American Bank			PRODUCTS REVIEWED HMDA-Reportable and Small Business Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa <ul style="list-style-type: none"> • Des Moines – West Des Moines, IA MSA #19780 • Sioux City, IA-NE-SD MSA #43580 • Non-Metropolitan Iowa • Ames, IA MSA #11180 • Iowa City, IA MSA #26980 	Full scope review Full scope review Full scope review Limited scope review Limited scope review	None	
Florida <ul style="list-style-type: none"> • Naples-Immokalee-Marco Island, FL MSA #34940 • Cape Coral-Fort Myers, FL MSA #15980 	Full scope review Limited scope review	None	

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.¹

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

¹ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions 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. They usually have between 2,500 and 8,000 persons, and their 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and 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; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) 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 or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement not secured.

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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).