

# **PUBLIC DISCLOSURE**

August 22, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Marquette Bank  
RSSD# 716833

6316 South Western Avenue  
Chicago, Illinois 60636

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.

**TABLE OF CONTENTS**

**PERFORMANCE EVALUATION ..... 2**

    MARQUETTE BANK OVERALL CRA RATING: OUTSTANDING..... 2

    PERFORMANCE TEST RATING TABLE ..... 2

    SUMMARY OF MAJOR FACTORS THAT SUPPORT THE RATING..... 2

**MARQUETTE BANK ..... 4**

    DESCRIPTION OF INSTITUTION..... 4

**SCOPE OF THE EXAMINATION..... 5**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ASSESSMENT AREA ..... 6**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA..... 12**

    LENDING TEST ..... 12

    INVESTMENT TEST ..... 23

    SERVICE TEST ..... 24

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW ..... 26**

**APPENDIX A – MAP OF ASSESSMENT AREA ..... 27**

**APPENDIX B – ASSESSMENT AREA COMBINED DEMOGRAPHICS TABLE ..... 28**

**APPENDIX C – LENDING TABLES..... 29**

**APPENDIX D – SCOPE OF EXAMINATION ..... 33**

**APPENDIX E – GLOSSARY ..... 34**

**INSTITUTION'S CRA RATING**

**Marquette Bank Overall CRA Rating:** Outstanding

**Performance Test Rating Table**

The following table indicates the performance level of Marquette Bank with respect to the lending, investment, and service test.

Marquette Bank			
Performance Levels	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding	✓	✓	✓
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

*\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating*

**Summary of Major Factors that Support the Rating**

**Lending Test:**

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- A substantial majority of loans are made in the bank's assessment area.
- The geographic distribution of loans is excellent in the bank's assessment area.
- The distribution of borrowers is excellent among customers of different income levels and businesses of different sizes, given the product lines offered.
- The record of serving the credit needs of economically disadvantaged areas, low-income individuals, and very small businesses is excellent.
- Innovative and/or flexible lending practices are used extensively to meet assessment area credit needs.

- The bank is a leader in making community development loans.

Investment Test:

- The bank made an excellent level of qualified community development investments and grants, often in a leadership position, particularly those not routinely provided by private investors.
- The bank makes extensive use of innovative and/or complex investments to support community development initiatives.
- The bank exhibits excellent responsiveness to credit and community development needs.

Service Test:

- Delivery systems are readily accessible to the bank's geographies and to individuals of different income levels in its assessment area.
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals.
- Services do not vary in a way that inconveniences the bank's assessment area, particularly low- and moderate-income geographies and/or individuals.
- The bank is a leader in providing community development services.

## Marquette Bank

### DESCRIPTION OF INSTITUTION

Marquette Bank had assets of \$2.0 billion as of March 31, 2022, and is a wholly owned subsidiary of Marquette National Corporation, a one-banking holding company headquartered in Chicago, Illinois. The bank operates a main office, 20 branch offices, 28 cash-only ATMs, and three loan production offices in Chicago and its southwest suburbs. Since the previous evaluation on July 20, 2020, the bank has opened two branches with ATMs and permanently closed one branch with an ATM and one branch without an ATM.

The bank offers a wide array of products and services to meet the needs of its assessment area. Marquette Bank's loan portfolio is primarily concentrated in commercial and residential real estate lending. The bank's deposit portfolio is heavily concentrated in Demand Deposits and Savings and MMDA accounts. While the bank does not typically offer SBA loans, they were approved and originated SBA Paycheck Protection Program loans (PPP) during the COVID-19 pandemic. Additionally, the bank has seen an increase in deposits due to PPP loans and other pandemic-related government stimulus. For residential real estate loans, the bank offers both in-house and secondary market residential mortgages, including home equity and home improvement loans; participates in federally guaranteed loan programs with the Federal Housing Administration (FHA); and originates loans as an Illinois Housing Development Authority (IDHA) lender for down payment and closing cost assistance. The bank also offers the Northwest Home Equity Assurance Program and the Southwest Home Equity Assurance Program that subsidize home improvement loans in designated zip codes within the assessment area. The bank advertises to their entire assessment area using a variety of media to promote products through broad-based communication channels.

Composition of Loan Portfolio as of March 31, 2022		
Loan Type	Dollar Volume (\$ in 000's)	% Of Portfolio
Commercial	1,058,094	80.2
Residential Real Estate	258,214	19.6
Other	1,423	0.1
Agriculture	817	0.1
Consumer	320	0.0
<b>Total</b>	<b>1,318,868</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

Deposit-related products and services include, but are not limited to, checking accounts, negotiable order of withdrawal accounts, money market accounts, savings accounts, and certificates of deposit. The bank offers alternative retail delivery services, including mobile and internet banking, and employs numerous bilingual staff. The bank's website, [www.emarquettebank.com](http://www.emarquettebank.com), provides customers with the ability to open personal checking and credit card accounts, pay bills, and make account transfers.

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

At its previous evaluation conducted on July 20, 2020, the bank was rated **Outstanding** under the CRA.

## SCOPE OF THE EXAMINATION

Marquette Bank's CRA performance was evaluated under the Federal Financial Institutions Examination Council's Interagency Large Institution CRA Examination Procedures. The performance evaluation assesses the bank's responsiveness and effectiveness in meeting the credit and community development needs of its assessment area and considers the CRA performance context, including the bank's asset size, financial condition, market competition, and assessment area demographics.

The evaluation included a full-scope review of the bank's single assessment area, which consists of the Cook, DuPage, and Will County portions of the Chicago-Naperville-Evanston, IL MD #16984 (Chicago IL MD #16984). Lending analysis was based on 2020 and 2021 Home Mortgage Disclosure Act (HMDA)-reportable loans and CRA-reportable small business loans. Lending test conclusions were not weighted by a specific product. The bank's performance was evaluated using the following performance standards:

- *Lending Activity* – HMDA- and CRA-reportable loans originated in 2020 and 2021 were reviewed to determine the bank's responsiveness to assessment area credit needs.
- *Lending in the Assessment Area* – HMDA- and CRA-reportable loans originated in 2020 and 2021 were reviewed to determine the percent of loans originated in the assessment area.
- *Geographic Distribution of Lending in the Assessment Area* – HMDA- and CRA-reportable loans originated in 2020 and 2021 were reviewed to determine the extent to which the bank makes loans in census tracts of different income levels, including low- or moderate-income tracts.
- *Lending to Borrowers of Different Incomes and Businesses of Different Sizes* – HMDA- and CRA-reportable loans originated in 2020 and 2021 were reviewed to determine the loan distribution among borrowers of different income levels and businesses of different sizes.
- *Community Development Lending* – The number, dollar volume, innovativeness, and complexity of community development loans originated from July 21, 2020, through August 22, 2022, were reviewed to determine the bank's responsiveness to community development needs.

- *Innovative or Flexible Lending Practices* – The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals, small businesses, and geographies was assessed.
- *Investments* – Qualified investments made from July 21, 2020, through August 22, 2022, were reviewed to determine the bank’s responsiveness to community development needs. Qualified investments were also evaluated to determine the bank’s use of innovative or complex investments.
- *Services* – The distribution of the bank’s branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services were reviewed. The review included community development service activities conducted from July 21, 2020, through August 22, 2022.

In addition, two organizations providing affordable housing and economic development services in the assessment area were contacted to provide input on assessment area socio-economic conditions and credit needs.

#### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ASSESSMENT AREA**

Marquette Bank’s assessment area includes Cook, DuPage, and Will Counties in their entirety, which are three of the five counties within the Chicago-Naperville-Evanston, IL MD #16984. The excluded counties are Grundy and McHenry County. Marquette Bank’s assessment area is comprised of 96.5 percent of the total tracts in the Chicago IL MD #16984; it also includes 675 census tracts designated low- or moderate-income, or 99.6 percent of the 678 LMI tracts in the Chicago IL MD #16984. The assessment area remains unchanged since the previous evaluation. Within the bank’s assessment area, 40.0 percent of the census tracts are low- or moderate-income.

The bank operates from 21 offices, including its main office, located in Cook and Will Counties. The bank operates in one low-income census tract (main office) and six moderate-income census tracts in Cook County. Eight offices are in middle-income census tracts, seven of which are in Cook County and one of which is in Will County; and six offices are in upper-income census tracts, four of which are in Cook County and two of which are in Will County. The main and branch offices are equipped with drive through facilities. The bank also operates 28 cash-only automated teller machines (ATMs); the main and 19 of 20 branch offices are equipped with cash-only ATMs. There are a total of 21 cash-only ATMs associated with the bank’s main and branch offices. The Hickory Hills branch office does not have an ATM; however, there is a standalone ATM nearby in Hickory Hills.

The bank operates in a highly competitive metropolitan area, with competitors including some of the largest banks in the nation. The Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, as of June 30, 2021, ranked Marquette Bank 26<sup>th</sup> of 123 FDIC-insured institutions with offices in the assessment area with a 0.3 percent of total deposits in the assessment area. In comparison, JP Morgan Chase Bank NA, BMO Harris Bank NA, and Bank of America NA had the largest proportion of deposits, with an aggregate of 49.3 percent of total deposits in the assessment area. Based on 2021 aggregate lending data, Marquette Bank ranks 56<sup>th</sup> in loan originations out of 874 HMDA reporters, with a total of 1,070 originations compared to 32,442 loans reported by first-ranked JPMorgan Chase Bank. The CRA Market Peer Report ranks Marquette Bank 48<sup>th</sup> out of 329 reporters with 433 CRA-reportable loans in 2020 compared to 40,299 loans reported by first-ranked JPMorgan Chase Bank.

Additional information about the assessment area is provided in the chart on the following page.



Assessment Area: 2021 Chicago-Naperville-Evanston, IL MD 16984								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	263	15.6	165,687	10.4	57,176	34.5	389,246	24.4
Moderate-income	412	24.4	365,484	22.9	64,247	17.6	259,151	16.2
Middle-income	461	27.3	489,982	30.7	38,122	7.8	289,855	18.2
Upper-income	537	31.8	570,793	35.8	19,497	3.4	656,846	41.2
Unknown-income	14	0.8	3,152	0.2	858	27.2	0	0.0
<b>Total Assessment Area</b>	<b>1,687</b>	<b>100.0</b>	<b>1,595,098</b>	<b>100.0</b>	<b>179,900</b>	<b>11.3</b>	<b>1,595,098</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	#	%	#	%	#
Low-income	326,937	80,263	5.2	24.5	181,055	55.4	65,619	20.1
Moderate-income	648,192	288,991	18.8	44.6	284,281	43.9	74,920	11.6
Middle-income	813,963	515,319	33.5	63.3	237,065	29.1	61,579	7.6
Upper-income	972,473	651,177	42.3	67.0	256,719	26.4	64,577	6.6
Unknown-income	11,232	2,519	0.2	22.4	7,293	64.9	1,420	12.6
<b>Total Assessment Area</b>	<b>2,772,797</b>	<b>1,538,269</b>	<b>100.0</b>	<b>55.5</b>	<b>966,413</b>	<b>34.9</b>	<b>268,115</b>	<b>9.7</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	17,757	6.1	16,372	6.2	1,314	4.6	71	3.8
Moderate-income	50,045	17.1	45,342	17.3	4,463	15.5	240	13.0
Middle-income	83,084	28.3	74,088	28.2	8,498	29.6	498	26.9
Upper-income	140,853	48.0	125,571	47.8	14,244	49.6	1,038	56.0
Unknown-income	1,618	0.6	1,429	0.5	183	0.6	6	0.3
<b>Total Assessment Area</b>	<b>293,357</b>	<b>100.0</b>	<b>262,802</b>	<b>100.0</b>	<b>28,702</b>	<b>100.0</b>	<b>1,853</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.6</b>		<b>9.8</b>		<b>0.6</b>	
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	39	3.9	38	3.9	1	3.4	0	0.0
Moderate-income	108	10.8	106	11.0	2	6.9	0	0.0
Middle-income	332	33.2	319	33.0	13	44.8	0	0.0
Upper-income	518	51.9	503	52.0	13	44.8	2	100.0
Unknown-income	2	0.2	2	0.2	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>999</b>	<b>100.0</b>	<b>968</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>96.9</b>		<b>2.9</b>		<b>0.2</b>	
2021 FFIEC Census Data & 2021 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

## Population Change

Cook County’s population, based on the 2011-2015 American Community Survey (ACS) data, comprised 76.5 percent of the assessment area’s total population. Population in all assessment area counties, similar to the full metropolitan division, had nominal growth through 2015. Community representatives confirmed that assessment area population trends were largely similar to the state of Illinois with minor growth. Jobs and opportunities, especially within the city of Chicago, serve as a draw for the assessment area. However, the lack of affordable housing and school issues were cited as preventing growth from significantly outpacing the rest of the state.

<b>Population Change 2010 and 2015</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change (%)</b>
Assessment Area	6,789,159	6,850,800	0.9
Cook County, IL	5,194,675	5,236,393	0.8
DuPage County, IL	916,924	930,412	1.5
Will County, IL	677,560	683,995	0.9
Chicago-Naperville-Evanston, IL MD	7,147,982	7,208,434	0.8
Illinois	12,830,632	12,873,761	0.3
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011 - 2015 U.S. Census Bureau American Community Survey</i>			

## Income Characteristics

Median family income varies significantly across the assessment area counties, ranging from \$96,751 in DuPage County and \$87,950 in Will County, to \$67,324 in Cook County. All counties experienced a decline in median family incomes from 2010 to 2015. However, community representatives indicated that median family incomes had risen in the subsequent years before stabilizing during the COVID pandemic. Reasons cited for this change were inflation, minimum wage increases in the City of Chicago, and continued economic growth.

Median Family Income Change			
Area	2010 Median Family Income	2015 Median Family Income	Percentage Change (%)
Assessment Area	\$77,174	\$74,055	-4.0
Cook County, IL	\$70,824	\$67,324	-4.9
DuPage County, IL	\$100,644	\$96,751	-3.9
Will County, IL	\$93,092	\$87,950	-5.5
Chicago-Naperville-Evanston, IL MD	\$78,230	\$75,024	-4.1
Illinois	\$74,306	\$71,546	-3.7
<i>Source: 2000—U.S. Census Bureau: Decennial Census 2006-2010—U.S. Census Bureau: American Community Survey</i>			

### Housing Characteristics

There are a total of 2,772,797 housing units in the assessment area. The majority of housing units are owner-occupied at 55.5 percent, while 34.9 percent are rental units. Within the assessment area, 9.7 percent of housing units are vacant, which is comparable to state of Illinois which has 9.8 percent of units vacant.

Renters and homeowners are considered overburdened when housing costs equal 30.0 percent or more of household income. The following table shows the percentage of renters and owners spending more than 30.0 percent of household income on housing costs. Among the geographies analyzed, DuPage County had the highest percentage of low-income renters facing a housing cost burden at 81.9 percent, which is marginally above Will County's rate of 81.5 percent, and slightly above Cook County's rate of 76.6 percent. Similarly, moderate-income renters had the highest percentage of housing cost burden in DuPage County at 57.5 percent, again followed by Will County at 47.4 percent, and finally Cook County at 42.2 percent. For homeowners, DuPage also had the highest percentage cost burden with 79.6 percent of low-income homeowners considered overburdened, followed by 75.3 percent of Will County low-income owners, and 75.1 percent of low-income owners in Cook County. For moderate-income owners in the assessment area, 53.6 percent of owners were overburdened in DuPage County, followed by Cook County with 48.9 percent, and Will County with 47.2 percent. Community representatives stated the continued need for affordable homeownership and rental opportunities, especially for low- and moderate-income families. Representatives also expressed concerns with the aging housing stock in the assessment area particularly in the south and west sides of Chicago. Finally, representatives noted many low-cost homes were being purchased by cash investors, further exacerbating the affordable housing shortage.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area Counties	77.2	44.0	45.0	75.6	49.3	27.4
Cook County, IL	76.6	42.2	45.2	75.1	48.9	28.9
DuPage County, IL	81.9	57.5	41.9	79.6	53.6	23.7
Will County, IL	81.5	47.4	47.4	75.3	47.2	23.7
Chicago-Naperville-Evanston, IL	77.2	44.0	44.9	75.6	49.4	27.1
MD						
Illinois	75.0	39.0	43.4	69.4	40.1	22.6

*Cost Burden is housing cost that equals 30 percent or more of household income*  
*Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy*

### Employment Characteristics

The following table presents the unemployment trends of the counties in the assessment area and the state of Illinois from 2018 to 2021. Unemployment rates fluctuated across all counties, but are generally aligned and experienced declines from 2018 until the COVID pandemic in 2020. Subsequently, all counties saw declining unemployment rates in 2021. Community representatives indicated the job market continued to improve with many businesses now experiencing challenges finding employees. Another representative noted, that as a result of the pandemic, the assessment area has experienced significant small business closures, particularly in the restaurant industry. There is a demand for both high skilled and entry level employees; however, employers are having a hard time with job retention and attracting new employees.

Unemployment Rates (%)				
Area	2018	2019	2020	2021
Assessment Area Counties	4.1	3.8	9.9	6.5
Cook County, IL	4.2	3.9	10.4	7.0
DuPage County, IL	3.2	3.0	7.5	4.5
Will County, IL	4.2	4.0	9.1	5.7
Chicago-Naperville-Evanston, IL	4.0	3.8	9.8	6.4
MD				
Illinois	4.4	4.0	9.2	6.1

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)*

## **Industry Characteristics**

The assessment area has a large and diverse set of public and private industry sectors. In the private sector, health care and social assistance has the most employees by industry, followed by professional and technical services, and retail trade. Community representatives confirmed the breadth and diversity of the assessment area industries.

## **Community Representatives**

Two community representatives were contacted to provide context regarding the local economic and housing conditions within the assessment area. They indicated that economic conditions are generally stable, particularly in light of the pandemic with unemployment declining. Representatives indicated a need for more affordable housing and additional capital to improve existing aging housing stock as top priorities for the assessment area. Finally, representatives indicated median family income in the assessment had recently turned around and was no longer declining.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### **LENDING TEST**

Marquette Bank's performance relative to the lending test is rated outstanding based on excellent responsiveness to assessment area credit needs, the origination of a substantial majority of loans in its assessment area, an excellent geographic distribution of its loans and an excellent distribution of loans to individuals of different income levels and businesses of different sizes in its assessment area. Marquette Bank makes extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies. Marquette Bank exhibits an excellent record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations. The bank is also a leader in making community development loans.

### **Level of Lending Activity**

Marquette Bank's lending levels reflect excellent responsiveness to credit needs in its assessment area, considering the number and amount of home mortgage and small business loans in its assessment area. During the evaluation period, Marquette originated a total of 3,534 loans, a 129.0 percent increase from the 1,543 loans at the previous evaluation. The 2,772 HMDA related loans were a 113.9 percent increase from the 1,296 loans at the previous evaluation. The bank originated 762 Small Business related loans, which was an increase of 208.5 percent from the 247 loans at the previous evaluation. The following table presents the bank's level of lending activity across the assessment area during the review period.

Summary of Lending Activity				
Loan Type	#	%	\$(000s)	%
Home Improvement	130	3.7	\$5,209	0.5
Home Purchase	610	17.3	\$153,657	15.1
Multi-Family Housing	181	5.1	\$352,201	34.6
Refinancing	1,851	52.4	\$432,297	42.5
<b>Total HMDA related</b>	<b>2,772</b>	<b>78.4</b>	<b>\$943,364</b>	<b>92.8</b>
<b>Total Small Business related</b>	<b>762</b>	<b>21.6</b>	<b>\$73,609</b>	<b>7.2</b>
<b>TOTAL LOANS</b>	<b>3,534</b>	<b>100</b>	<b>\$1,016,973</b>	<b>100</b>

### Assessment Area Concentration

Marquette Bank made a substantial majority of loans in its assessment area. The bank originated 90.7 percent of HMDA-reportable and CRA small business loans within the assessment area. At the previous evaluation, the bank originated 90.7 percent and 91.2 percent of HMDA-reportable and CRA small business loans during 2018 and 2017, respectively, within its assessment area.

Assessment Area Concentration								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	128	98.5	\$4,859	93.3	2	1.5	\$350	6.7
Home Purchase - Conventional	442	82.8	\$109,768	79.5	92	17.2	\$28,330	20.5
Home Purchase - FHA	71	93.4	\$14,515	93.3	5	6.6	\$1,044	6.7
Multi-Family Housing	169	93.4	\$305,149	86.6	12	6.6	\$47,052	13.4
Refinancing	1,662	89.8	\$388,601	89.9	189	10.2	\$43,696	10.1
<b>Total HMDA related</b>	<b>2,472</b>	<b>89.2</b>	<b>\$822,892</b>	<b>87.2</b>	<b>300</b>	<b>10.8</b>	<b>\$120,472</b>	<b>12.8</b>
<b>Total Small Bus. related</b>	<b>732</b>	<b>96.1</b>	<b>\$67,812</b>	<b>92.1</b>	<b>30</b>	<b>3.9</b>	<b>\$5,797</b>	<b>7.9</b>
<b>TOTAL LOANS</b>	<b>3,204</b>	<b>90.7</b>	<b>\$890,704</b>	<b>87.6</b>	<b>330</b>	<b>9.3</b>	<b>\$126,269</b>	<b>12.4</b>

Note: Percentages may not add to 100.0 percent due to rounding.  
Note: Affiliate loans not included

### Geographic Distribution of Loans

Marquette Bank's lending activities reflect an excellent distribution throughout the assessment area.

Total HMDA-reportable loan origination volumes in low-income census tracts were comparable to the aggregate lender performance and above aggregate lenders in moderate-income census tracts in 2021. In 2020, HMDA geographic performance was consistent with 2021. The strong performance was attributable to Marquette's refinance, home improvement, and multi-family lending in low- and moderate-income census tracts. This level of lending supports the significant need for housing credit in the assessment area, including the maintenance or repair of older

housing that is most predominant in the Cook County portion of the bank's assessment area.

Small business loan origination was above aggregate lender rate in both low- and moderate-income census tracts in 2020 and above the percentage of total businesses in these census tracts for both 2020 and 2021. Discussions with community representatives indicated that small business credit availability is needed in low- and moderate-income census tracts and also provides vital support for housing markets in the census tracts; therefore, the bank's small business lending performance is very supportive of the area's credit needs.

During the evaluation, there were no conspicuous census tract lending gaps within the assessment area. Due to the size of the bank's assessment area, no loans were originated in a large number of low- or moderate-income census tracts, particularly in those located farther from the bank's branches. The northern border of Cook County is 30 miles and a one-hour drive from the bank's nearest loan production office and 35 miles and one hour from the nearest retail branch location. In 2021, the bank originated HMDA-reportable loans in 33 of the 263 low-income census tracts (12.5 percent) and 105 of the 412 moderate-income census tracts (25.5 percent). The bank originated CRA-reportable loans in 25 of the 263 low-income census tracts (9.5 percent) and 55 of the 412 moderate-income census tracts (13.3) in 2021. The lack of economic stimulation, including small business development, the attraction and retention of regional and national chain stores, and elevated levels of crime have stunted development in both the home mortgage and small business lending sector. Gap analysis performance in 2020 was consistent with 2021. Again, given the size of the assessment area compared to the bank's footprint, there were no unexplained gaps identified during the evaluation.

## **HMDA-Reportable Loans**

### *Home Purchase Loans*

In 2021, the bank originated 3.5 percent of home purchase loans in low-income census tracts and 11.4 percent in moderate-income census tracts. Although these originations were below the aggregate lender origination rates of 4.9 percent and 16.8 percent in low- and moderate-income census tracts, respectively, they do demonstrate the bank's commitment to home purchase lending in these tracts. Neither the bank nor aggregate lenders originated loans in proportion to the number of owner-occupied units located in low- and moderate-income census tracts (5.2 and 18.8 percent, respectively); therefore, the opportunity for home purchase lending is minimal given the lack of owner-occupancy in low- and moderate-income census tracts throughout the assessment area. The bank originated 34.9 percent of home purchase loans in middle-income census tracts compared to 32.3 percent by the aggregate lenders and the percentage of owner-occupied units of 33.5 percent. Finally, 50.2 percent of home purchase loans were originated in upper-income census tracts compared to 45.9 percent by the aggregate lenders and the percentage of owner-occupied units of 42.3 percent.

### *Refinance Loans*

In 2021, the bank originated 2.9 percent of refinance loans in low-income census tracts, which was comparable to the aggregate lenders rate of 3.0 percent. In moderate-income census tracts, the bank originated 13.1 percent of its refinance loans. This was also comparable to the aggregate lenders rate of 12.9 percent. In both low- and moderate-income tracts, Marquette Bank and the aggregate lenders were below the percentage of owner-occupied units (5.2 and 18.8 percent, respectively). In middle-income tracts, the bank originated 34.0 percent of their refinance loans, which is above both aggregate lenders and the demographic, while in upper-income tracts, the bank's 50.0 percent of originations was below the aggregate lenders, but above the percentage of owner-occupied units. This level of lending demonstrates the bank's support of assessment area needs for credit as stated during community representative interviews.

### *Home Improvement Loans*

In 2021, the bank significantly outperformed the aggregate lenders for home improvement originations in low- and moderate-income geographies. The bank originated 10.0 percent of home improvement loans in low-income census tracts, which was well above both the aggregate performance (3.3 percent) and the demographic figure of 5.2 percent. The bank originated 35.0 percent of home improvement loans in moderate-income census tracts, which was well above the aggregate lenders rate (12.3 percent) and also significantly above the percentage of owner-occupied units at 18.8 percent. The bank originated 35.0 percent of home improvement loans in middle-income tracts, which was above the aggregate lenders rate of 27.8 percent and the percentage of owner-occupied units at 33.5 percent. In upper-income census tracts, the bank originated 20.0 percent of home improvement loans, which was below the aggregate lenders at 56.6 percent and the percentage of owner-occupied units of 42.3 percent. The bank's higher level of home improvement lending in low- and moderate-income census tracts is significant in meeting the needs of individuals living in those areas due to the age of the housing stock, which was referenced as a community need with community representatives.

### *Multi-Family Loans*

Multi-family loans in low-income census tracts comprised 7.4 percent of total multi-family originations, which was significantly lower than the aggregate lender rate of 21.2 percent and lower than the demographic rate of 12.0 percent of multi-family units located in low-income census tracts. This disparity was due to the significant level of multi-family lending in moderate-income tracts. The bank's lending in moderate-income census tracts of 32.1 percent exceeded aggregate lender origination rates of 30.4 percent and the demographic of 23.1 percent of multi-family units located in moderate-income census tracts. In middle-income tracts, the bank originated 23.5 percent of its multi-family loans, which was slightly above the aggregate lenders at 22.8 percent, but slightly below the percentage of owner-occupied units at 26.4 percent. Finally, in



upper-income tracts the bank originated 37.0 percent of its multi-family loans which was above the aggregate lenders at 25.1 percent and on par with the percentage of owner-occupied units (37.4 percent).

The bank geographic performance in 2020 (please refer to Appendix C) for HMDA-reportable loans was consistent with 2021.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2021 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2021						
		Count Bank		Dollar Bank		Agg		
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	9	3.5	4.9	1,659	2.5	3.9	5.2
	Moderate	29	11.4	16.8	5,085	7.6	12.7	18.8
	Middle	89	34.9	32.3	19,279	28.9	25.5	33.5
	Upper	128	50.2	45.9	40,712	61.0	57.7	42.3
	Unknown	0	0.0	0.1	0	0.0	0.2	0.2
	<b>Total</b>		<b>255</b>	<b>100.0</b>	<b>100.0</b>	<b>66,735</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	19	2.9	3.0	3,182	2.1	2.2	5.2
	Moderate	86	13.1	12.9	13,524	8.9	9.5	18.8
	Middle	224	34.0	30.1	44,873	29.6	22.9	33.5
	Upper	329	50.0	53.9	89,948	59.4	65.2	42.3
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	<b>Total</b>		<b>658</b>	<b>100.0</b>	<b>100.0</b>	<b>151,527</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	6	10.0	3.3	225	9.4	2.7	5.2
	Moderate	21	35.0	12.3	759	31.8	8.8	18.8
	Middle	21	35.0	27.8	1,008	42.2	22.7	33.5
	Upper	12	20.0	56.6	395	16.5	65.7	42.3
	Unknown	0	0.0	0.1	0	0.0	0.1	0.2
	<b>Total</b>		<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>2,387</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	6	7.4	21.2	6,628	4.3	13.9	Multi-Family 12.0
	Moderate	26	32.1	30.4	52,412	34.0	20.8	23.1
	Middle	19	23.5	22.8	38,744	25.2	24.2	26.4
	Upper	30	37.0	25.1	56,178	36.5	39.4	37.4
	Unknown	0	0.0	0.5	0	0.0	1.7	1.1
	<b>Total</b>		<b>81</b>	<b>100.0</b>	<b>100.0</b>	<b>153,962</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	1.7	0	0.0	1.1	5.2
	Moderate	0	0.0	8.2	0	0.0	5.4	18.8
	Middle	0	0.0	27.3	0	0.0	21.7	33.5
	Upper	0	0.0	62.5	0	0.0	71.6	42.3
	Unknown	0	0.0	0.2	0	0.0	0.1	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	4.4	0	0.0	2.2	5.2
	Moderate	0	0.0	12.7	0	0.0	5.7	18.8
	Middle	0	0.0	28.6	0	0.0	13.3	33.5
	Upper	0	0.0	54.0	0	0.0	78.6	42.3
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	8.8	0	0.0	6.6	5.2
	Moderate	0	0.0	29.3	0	0.0	28.9	18.8
	Middle	0	0.0	39.7	0	0.0	34.0	33.5
	Upper	0	0.0	21.9	0	0.0	30.2	42.3
	Unknown	0	0.0	0.2	0	0.0	0.2	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	40	3.8	3.9	11,694	3.1	3.5	5.2
	Moderate	162	15.4	14.6	71,780	19.2	11.5	18.8
	Middle	353	33.5	30.9	103,904	27.7	24.0	33.5
	Upper	499	47.3	50.5	187,233	50.0	60.8	42.3
	Unknown	0	0.0	0.2	0	0.0	0.3	0.2
	<b>Total</b>		<b>1,054</b>	<b>100.0</b>	<b>100.0</b>	<b>374,611</b>	<b>100.0</b>	<b>100.0</b>

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

### Small Business Loans

The bank’s geographic distribution of small business loans in the assessment area demonstrates significant support to small businesses in low- and moderate-income census tracts. Small business loan originations in low-income census tracts (10.2 percent) were well above both the aggregate lenders and the total businesses in low-income tracts (5.7 percent for both). Similarly, the bank was above both in moderate-income census tracts, lending 20.6 percent of its small business loans compared to 17.0 percent by the aggregate lenders and 16.6 of total businesses. The bank made 31.9 percent of small business loans in middle-income tracts, which was above the aggregate lenders at 28.7 percent and the percentage of total businesses at 28.5 percent. The bank made 37.0 percent of small business loans in upper-income census tracts compared to 48.1 percent of aggregate lenders and the percentage of total businesses at 48.6 percent. Finally, the bank made 0.5 percent of its small business loans in tracts with unknown income.

Performance in 2021 (please refer to Appendix C) was consistent with small business lending in 2020.

<b>Geographic Distribution of Small Business Loans</b>								
<b>Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984</b>								
	Tract Income Levels	Bank & Aggregate Lending Comparison						Total Businesses
		2020			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Small Business	Low	44	10.2	5.7	2,398	6.4	5.1	5.7
	Moderate	89	20.6	17.0	8,214	21.8	15.1	16.6
	Middle	138	31.9	28.7	10,765	28.6	28.9	28.5
	Upper	160	37.0	48.1	16,074	42.7	50.5	48.6
	Unknown	2	0.5	0.3	193	0.5	0.4	0.6
	Tr Unknown			0.2			0.1	
	Total		433	100.0	100.0	37,644	100.0	100.0
Originations & Purchases								
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 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

Marquette Bank’s lending activities reflect excellent distribution, particularly in its assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. The bank’s HMDA-reportable lending to borrowers of different income levels was excellent, exceeding the aggregate lenders for both low- and moderate-income borrowers. In addition, the bank’s lending to businesses with revenues of \$1.0 million or less far exceeded the aggregate lenders in 2020.

## HMDA-Reportable Loans

Based on total HMDA-reportable loan originations, loans to low- and moderate-income individuals exceed aggregate lender rates. Further, the bank exceeded both the aggregate lenders and the percentage of total moderate-income families. Note, no incomes were used for the bank's multi-family borrowers and as such it was not factored into income level conclusions.

### *Home Purchase Loans*

In 2021, Marquette originated 12.9 of home purchase loans to low-income borrowers, which was higher than the aggregate lenders (6.4 percent), but significantly below the demographic level of 24.4 percent. The bank originated 23.9 percent of home purchase loans to moderate-income borrowers, which was above the aggregate lenders (19.5 percent) and the demographic percentage of 16.2 percent. The bank originated 27.1 percent of home purchase loans to middle-income borrowers, which was above the aggregate lenders rate of 21.4 percent and the demographic rate of 18.2 percent. The bank originated 34.9 percent of home purchase loans to upper-income borrowers, which was below both the aggregate lenders and the demographic level (36.6 and 41.2 percent, respectively). Finally, the bank made 1.2 percent of home purchase loans to borrowers with unknown income, which was well below the aggregate lenders rate of 16.1 percent.

### *Refinance Loans*

In 2021, Marquette Bank originated 7.3 percent of refinance loans to low-income borrowers, which was higher than the aggregate lenders (4.3 percent), but significantly below the demographic level of 24.4 percent. The bank originated 19.5 percent of its refinance loans to moderate-income borrowers, which was above the aggregate lenders (13.3 percent) and the demographic level of 16.2 percent. The bank originated 27.8 percent of refinance loans to middle-income borrowers which was above both the aggregate lenders rate and the demographic level (20.9 and 18.2 percent, respectively). The bank originated 42.6 percent of its refinance loans to upper-income borrowers, which was below the aggregate lenders rate of 46.7 percent and above the demographic percentage (41.2 percent). Finally, the bank made 2.9 percent of refinance loans to borrowers with unknown income, which was well below the aggregate lenders rate of 14.7 percent.

### *Home Improvement Loans*

The bank originated 11.7 percent of its 2021 home improvement loans to low-income borrowers, which was above the aggregate lenders (5.7 percent), but significantly below the demographic level of 24.4 percent. The bank originated 20.0 of its home improvement loans to moderate-income borrowers, which was above the aggregate lenders (11.2 percent) and the demographic level of

16.2 percent. The bank originated 33.3 percent of its home improvement loans to middle-income borrowers, which was above both the aggregate lenders and the demographic percentage (19.7 and 18.2 percent, respectively). The bank originated 28.3 percent of home improvement loans to upper-income borrowers, which was well below both the aggregate lenders and the demographic (59.2 and 41.2 percent, respectively). Finally, the bank made 6.7 percent of its home improvement loans to borrowers with unknown income which was above the aggregate lenders rate of 4.2 percent.

The bank's HMDA-reportable loan performance in 2021 (please refer to Appendix C), with low and moderate-income borrowers is consistent with performance in 2020.

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2021 Chicago-Naperville-Evanston, IL MD 16984</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2021		Dollar				
		Count Bank	Agg %	Dollar Bank	Agg %			
		#	%	\$ (000s)	\$ %	\$ %	%	
Home Purchase	Low	33	12.9	6.4	4,631	6.9	3.0	24.4
	Moderate	61	23.9	19.5	11,876	17.8	12.8	16.2
	Middle	69	27.1	21.4	17,048	25.5	18.0	18.2
	Upper	89	34.9	36.6	32,528	48.7	51.2	41.2
	Unknown	3	1.2	16.1	652	1.0	15.1	0.0
	<b>Total</b>		<b>255</b>	<b>100.0</b>	<b>100.0</b>	<b>66,735</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	48	7.3	4.3	5,998	4.0	2.0	24.4
	Moderate	128	19.5	13.3	19,741	13.0	8.0	16.2
	Middle	183	27.8	20.9	38,753	25.6	15.8	18.2
	Upper	280	42.6	46.7	79,200	52.3	59.4	41.2
	Unknown	19	2.9	14.7	7,835	5.2	14.8	0.0
	<b>Total</b>		<b>658</b>	<b>100.0</b>	<b>100.0</b>	<b>151,527</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	7	11.7	5.7	167	7.0	3.6	24.4
	Moderate	12	20.0	11.2	370	15.5	7.9	16.2
	Middle	20	33.3	19.7	796	33.3	15.2	18.2
	Upper	17	28.3	59.2	614	25.7	67.2	41.2
	Unknown	4	6.7	4.2	440	18.4	6.1	0.0
	<b>Total</b>		<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>2,387</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.3	0	0.0	0.0	24.4
	Moderate	0	0.0	0.2	0	0.0	0.0	16.2
	Middle	0	0.0	0.1	0	0.0	0.0	18.2
	Upper	0	0.0	0.7	0	0.0	0.2	41.2
	Unknown	81	100.0	98.6	153,962	100.0	99.7	0.0
	<b>Total</b>		<b>81</b>	<b>100.0</b>	<b>100.0</b>	<b>153,962</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	5.5	0	0.0	3.5	24.4
	Moderate	0	0.0	11.7	0	0.0	8.1	16.2
	Middle	0	0.0	18.5	0	0.0	13.9	18.2
	Upper	0	0.0	60.6	0	0.0	70.7	41.2
	Unknown	0	0.0	3.7	0	0.0	3.8	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	7.9	0	0.0	2.9	24.4
	Moderate	0	0.0	14.3	0	0.0	6.0	16.2
	Middle	0	0.0	18.6	0	0.0	9.5	18.2
	Upper	0	0.0	50.5	0	0.0	63.3	41.2
	Unknown	0	0.0	8.8	0	0.0	18.4	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.2	0	0.0	0.1	24.4
	Moderate	0	0.0	0.2	0	0.0	0.1	16.2
	Middle	0	0.0	0.1	0	0.0	0.1	18.2
	Upper	0	0.0	0.1	0	0.0	0.1	41.2
	Unknown	0	0.0	99.4	0	0.0	99.6	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	88	8.3	5.1	10,796	2.9	2.3	24.4
	Moderate	201	19.1	15.4	31,987	8.5	9.4	16.2
	Middle	272	25.8	20.8	56,597	15.1	15.7	18.2
	Upper	386	36.6	42.5	112,342	30.0	52.7	41.2
	Unknown	107	10.2	16.1	162,889	43.5	19.9	0.0
	<b>Total</b>		<b>1,054</b>	<b>100.0</b>	<b>100.0</b>	<b>374,611</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases

2016 FFIEC Census Data

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

### Small Business Loans

Marquette Bank originated 96.3 percent of its small business loans to businesses with revenues of \$1.0 million or less. This origination rate far exceeded the 37.0 percent level for the aggregate lenders, and was above the percentage of total business with revenues of \$1.0 million or less (89.3 percent). For businesses with revenues of \$1.0 million or less, 82.0 percent of loans were extended in dollar amounts of \$100,000 or less. These small dollar loans are most beneficial to small businesses and demonstrate the bank’s willingness to meet the credit needs of small businesses in the assessment area. Further, the bank’s strong performance was buoyed by its participation in the Paycheck Protection Program, which included a total of 577 originations, indicating further responsiveness to the assessment area’s credit needs.

Small Business Lending By Revenue & Loan Size									
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984									
Product Type		Bank & Aggregate Lending Comparison							
		2020			2020		2020		Total Businesses %
		Count		Agg %	Dollar		Agg %		
Bank #	%	Bank \$ 000s	\$ %						
Small Business	Revenue	\$1 Million or Less	417	96.3	37.0	32,036	85.1	21.0	89.3
		Over \$1 Million	16	3.7	63.0	5,608	14.9	79.0	10.1
		Unknown	0	0.0		0	0.0		0.6
		<b>Total</b>	<b>433</b>	<b>100.0</b>	<b>100.0</b>	<b>37,644</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	348	80.4	86.1	9,157	24.3	28.3	
		\$100,001 - \$250,000	50	11.5	7.8	8,625	22.9	20.6	
		\$250,001 - \$1 Million	35	8.1	6.1	19,862	52.8	51.1	
		<b>Total</b>	<b>433</b>	<b>100.0</b>	<b>100.0</b>	<b>37,644</b>	<b>100.0</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	342	82.0		8,677	27.1		
		\$100,001 - \$250,000	48	11.5		8,238	25.7		
		\$250,001 - \$1 Million	27	6.5		15,121	47.2		
		<b>Total</b>	<b>417</b>	<b>100.0</b>		<b>32,036</b>	<b>100.0</b>		
Originations & Purchases									
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

The bank exhibits an excellent record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1.0 million or less, consistent with safe and sound operations.

Marquette Bank makes extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies. Some of the bank’s innovative lending products are the Illinois Housing Development Authority which finances creation and preservation of affordable housing, the Southwest Home Equity Assurance Program (SWHEAP), first time home buyer grants through the Marquette Affordable Housing

foundation, and the Northwest Home Equity Assurance Program (NWHEAP).

### Community Development Lending

Marquette Bank is a leader in making community development loans. The bank originated \$117.5 million in community development loans to 71 borrowers. When adjusted to a per month basis, the bank’s CD lending during this evaluation was higher than at the previous evaluation (averaging \$4.62 million per month versus \$4.16 million). Given the need for affordable housing in the assessment area, the bank’s focus on affordable housing community development loans is intentional and responsive to the area that they serve. For many years, the bank has specialized in multi-family lending, and these loans comprise a significant amount of the bank’s community development loans.

Community Development Loans (Dollars in 000s)									
Affordable Housing		Community Services		Economic Development		Revitalization and Stabilization		Total	
\$	#	\$	#	\$	#	\$	#	\$	#
113,479.4	69	0	0	0	0	2	4,058.5	117,537.9	71

### INVESTMENT TEST

Marquette Bank’s performance relative to the Investment Test is Outstanding. Marquette Bank’s made an excellent level of qualified community development investments and grants, particularly those not routinely provided by private investors, often in a leadership position. Marquette Bank makes extensive use of innovative and/or complex investments to support community initiatives. Marquette Bank’s demonstrates excellent responsiveness to credit and community development needs.

Qualified community development investments for the review period totaled \$10.8 million from 12 investments, comprised of \$8.0 million of prior period investments and new investments of \$2.8 million. This was an increase of more than \$1.2 million from the previous evaluation. Investments include equity equivalent notes in organizations supporting affordable housing, small business real estate development, and small business lending; investments in organizations that provide services to low- and moderate-income neighborhoods and technical services to community development-related organizations; and certificates of deposit in a local community development financial institution. The bank also continues to fund the Marquette Bank Affordable Housing Foundation to provide affordable housing grants to bank borrowers and the Marquette Bank Education Foundation to provide scholarships to high school students from low- and moderate-income families. This was particularly responsive given affordable housing was highlighted as a community need during conversation with community representatives. Additionally, the bank



invested in the Chicago Community Loan Fund, which provides flexible, affordable, and responsible financing and technical assistance for community stabilization and development initiatives that benefit LMI neighborhoods, families, and individuals. This was noteworthy given community representatives further highlighted a need for credit and financing opportunities. The large immigrant community in the assessment area receives support through the bank’s funding of organizations focused on English language learning, community health and wellness, job training and the establishment and retention of small businesses. Investments with the Local Initiatives Support Corporation support the transformation of distressed areas such as Englewood, Lawndale, and Gage Park, three of the Chicago south side’s most economically troubled areas.

The bank made an additional 109 of grants and in-kind donations for a total of \$1.6 million to organizations during the evaluation period. This level of grants and donations represented a substantial increase from the previous evaluation where \$1.4 million of grants and donations were made, or an increase of nearly 14.3 percent. In addition to substantial donations made through the bank’s foundations, donations were made to support high schools in low- or moderate-income census tracts or with significant low- and moderate- income student populations and local community organizations with qualified community development purposes.

Community Development Investments										
Type	Affordable Housing		Community Services		Economic Development		Revitalization/Stabilization		Total	
	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#
Investments	4,604	3	5,639	6	0	0	600	3	10,843	12
Grants and Donations	361	9	1,180	83	7.5	2	99	15	1,649	109

**SERVICE TEST**

Marquette Bank’s performance relative to the Service Test is Outstanding based on the bank’s delivery systems, which are readily accessible to geographies and individuals of different income levels in its assessment area. Services, including business hours, do not vary in a way that inconveniences the needs of its assessment area, particularly low- and moderate-income census tracts or low- and moderate-income individuals. The bank’s record of opening and closing branch offices has not adversely affected the accessibility of its delivery systems, particularly to low-and moderate-income geographies and/or low-and moderate-income individuals. The bank is also a leader in providing community development services.

## **Retail Services**

Marquette Bank's retail delivery services are readily accessible to geographies and individuals of different income levels in its assessment area. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank closed two branches, one in a moderate-income tract with no ATM and one in a middle-income tract with a cash-only ATM. The bank also opened two branches with cash-only ATMs in an upper- and middle-income tract. These branches were closed due to low volume and the proximity of nearby branches. The bank worked with a partner organization in the community to create a community resource center in place of the closed moderate-income census tract branch. As part of this process, the bank donated the building at its own expense, a value of \$300,000. Further, the bank completed extensive monitoring of the branch's customers to ensure no significant reduction in servicing of these customers. Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals.

Retail banking hours do not vary across locations, regardless of census tract income level. Lobby hours are 9:00 a.m. to 5:00 p.m. Monday through Thursday, while on Friday hours are extended to 6:00 p.m. or 7:00 p.m. and Saturday hours are until 1:00 p.m. or 2:00 p.m. Lenders are also available to meet with loan applicants and borrowers at their convenience and in their location if the individuals cannot easily make it to a branch.

Mobile and internet banking services are available without charge to consumer accounts. The bank's customer service lines and on-line banking product offer access in English and Spanish, while a subscription language line gives the bank access to support in 185 languages at no additional cost to customers. The multiple language support options meet assessment area needs by addressing the wide variety of languages found in the assessment area. The bank also opened deposit accounts for Mexican nationals in the evaluation period using Matricula Consular documentation, providing important deposit account services to undocumented assessment area residents.

## **Community Development Services**

Marquette Bank's is a leader in providing community development services. Bank employees provided 1,941.5 hours of community development services to 47 organizations in the assessment area. Service hours were primarily devoted to community services, representing 70.8 percent of total services hours. Many of these services hours were in leadership positions on boards and committees. The extent of the services provided reflects a high level of responsiveness to the variety of needs in the assessment area. At the previous evaluation the bank provided 2,901 hours. This disparity can be attributed to the COVID pandemic impacting the bank's ability to provide

service hours in the community. Further, the previous evaluation review period was several months longer than this evaluation.

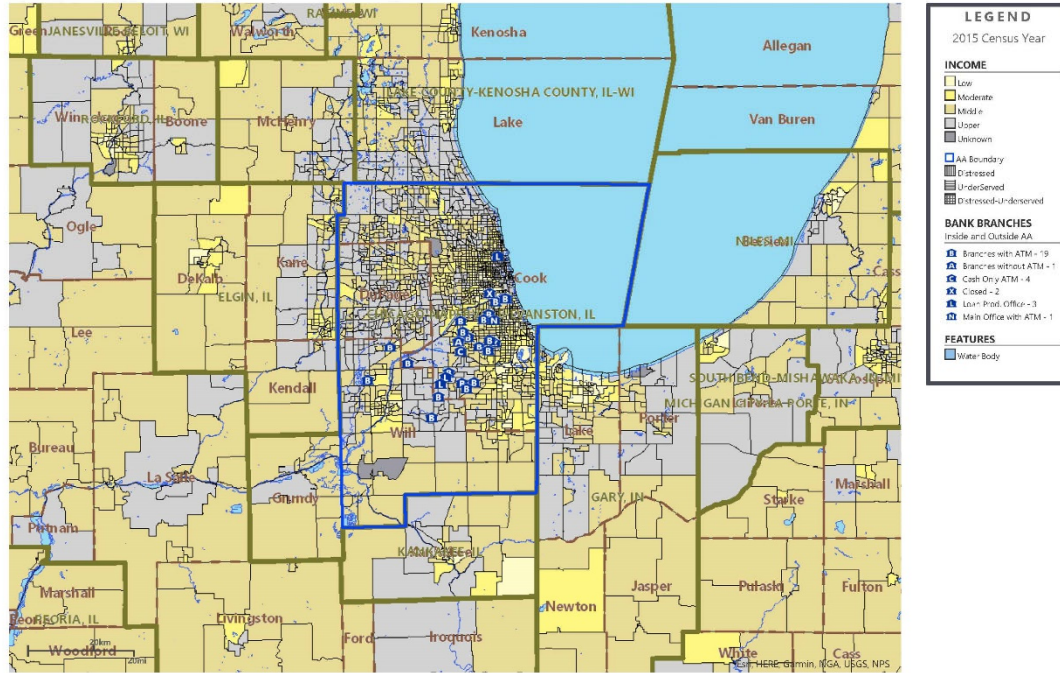
<b>Community Development Services</b>				
<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalization/ Stabilization</b>	<b>Total</b>
<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>
114.5	1,374.5	168	284.5	1,941.5

### **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.

### APPENDIX A – Map of Assessment Area

**Marquette Bank 716833**  
Chicago-Naperville-Evanston, IL MD 16984



**APPENDIX B – Assessment Area Combined Demographics Table**

Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	263	15.6	165,687	10.4	57,176	34.5	389,246	24.4
Moderate-income	412	24.4	365,484	22.9	64,247	17.6	259,151	16.2
Middle-income	461	27.3	489,982	30.7	38,122	7.8	289,855	18.2
Upper-income	537	31.8	570,793	35.8	19,497	3.4	656,846	41.2
Unknown-income	14	0.8	3,152	0.2	858	27.2	0	0.0
<b>Total Assessment Area</b>	<b>1,687</b>	<b>100.0</b>	<b>1,595,098</b>	<b>100.0</b>	<b>179,900</b>	<b>11.3</b>	<b>1,595,098</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	326,937	80,263	5.2	24.5	181,055	55.4	65,619	20.1
Moderate-income	648,192	288,991	18.8	44.6	284,281	43.9	74,920	11.6
Middle-income	813,963	515,319	33.5	63.3	237,065	29.1	61,579	7.6
Upper-income	972,473	651,177	42.3	67.0	256,719	26.4	64,577	6.6
Unknown-income	11,232	2,519	0.2	22.4	7,293	64.9	1,420	12.6
<b>Total Assessment Area</b>	<b>2,772,797</b>	<b>1,538,269</b>	<b>100.0</b>	<b>55.5</b>	<b>966,413</b>	<b>34.9</b>	<b>268,115</b>	<b>9.7</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	16,730	5.7	15,294	5.9	1,369	4.6	67	3.8
Moderate-income	48,491	16.6	43,704	16.8	4,563	15.5	224	12.8
Middle-income	83,286	28.5	74,033	28.4	8,791	29.8	462	26.4
Upper-income	141,743	48.6	126,217	48.4	14,537	49.3	989	56.6
Unknown-income	1,695	0.6	1,489	0.6	200	0.7	6	0.3
<b>Total Assessment Area</b>	<b>291,945</b>	<b>100.0</b>	<b>260,737</b>	<b>100.0</b>	<b>29,460</b>	<b>100.0</b>	<b>1,748</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.3</b>		<b>10.1</b>		<b>0.6</b>	
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	43	4.1	42	4.1	1	3.8	0	0.0
Moderate-income	110	10.5	110	10.8	0	0.0	0	0.0
Middle-income	343	32.9	329	32.4	14	53.8	0	0.0
Upper-income	546	52.3	533	52.5	11	42.3	2	100.0
Unknown-income	2	0.2	2	0.2	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,044</b>	<b>100.0</b>	<b>1,016</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>97.3</b>		<b>2.5</b>		<b>0.2</b>	
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

APPENDIX C – Lending Tables

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2020						
		Count Bank		Agg	Dollar Bank		Agg	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	13	5.0	4.7	2,091	3.6	3.7	5.2
	Moderate	37	14.3	16.5	6,336	11.0	12.7	18.8
	Middle	97	37.6	33.2	19,267	33.5	26.4	33.5
	Upper	111	43.0	45.4	29,854	51.9	57.1	42.3
	Unknown	0	0.0	0.1	0	0.0	0.2	0.2
	<b>Total</b>		<b>258</b>	<b>100.0</b>	<b>100.0</b>	<b>57,548</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	27	2.7	2.1	4,882	2.1	1.7	5.2
	Moderate	79	7.9	10.3	14,365	6.1	8.1	18.8
	Middle	283	28.2	27.8	53,302	22.5	21.8	33.5
	Upper	615	61.3	59.6	164,525	69.4	68.3	42.3
	Unknown	0	0.0	0.1	0	0.0	0.2	0.2
	<b>Total</b>		<b>1,004</b>	<b>100.0</b>	<b>100.0</b>	<b>237,074</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	10	14.7	3.2	267	10.8	2.6	5.2
	Moderate	14	20.6	12.3	857	34.7	9.7	18.8
	Middle	35	51.5	28.3	1,229	49.7	22.4	33.5
	Upper	9	13.2	56.0	119	4.8	65.0	42.3
	Unknown	0	0.0	0.2	0	0.0	0.3	0.2
	<b>Total</b>		<b>68</b>	<b>100.0</b>	<b>100.0</b>	<b>2,472</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	12	13.6	20.8	15,039	9.9	10.7	<b>Multi-Family</b> 12.0
	Moderate	39	44.3	31.9	73,194	48.4	22.7	23.1
	Middle	17	19.3	21.7	25,409	16.8	21.5	26.4
	Upper	20	22.7	25.1	37,545	24.8	44.8	37.4
	Unknown	0	0.0	0.4	0	0.0	0.3	1.1
	<b>Total</b>		<b>88</b>	<b>100.0</b>	<b>100.0</b>	<b>151,187</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	1.8	0	0.0	1.4	5.2
	Moderate	0	0.0	9.5	0	0.0	6.0	18.8
	Middle	0	0.0	26.9	0	0.0	19.4	33.5
	Upper	0	0.0	61.6	0	0.0	73.2	42.3
	Unknown	0	0.0	0.2	0	0.0	0.1	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	4.4	0	0.0	2.0	5.2
	Moderate	0	0.0	14.9	0	0.0	6.7	18.8
	Middle	0	0.0	30.4	0	0.0	14.7	33.5
	Upper	0	0.0	50.0	0	0.0	76.1	42.3
	Unknown	0	0.0	0.2	0	0.0	0.4	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	7.6	0	0.0	5.4	5.2
	Moderate	0	0.0	28.8	0	0.0	21.7	18.8
	Middle	0	0.0	40.6	0	0.0	35.9	33.5
	Upper	0	0.0	22.8	0	0.0	36.8	42.3
	Unknown	0	0.0	0.1	0	0.0	0.2	0.2
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	62	4.4	3.2	22,279	5.0	2.8	5.2
	Moderate	169	11.9	12.9	94,752	21.1	10.3	18.8
	Middle	432	30.5	29.8	99,207	22.1	23.4	33.5
	Upper	755	53.2	53.9	232,043	51.8	63.4	42.3
	Unknown	0	0.0	0.1	0	0.0	0.2	0.2
	<b>Total</b>		<b>1,418</b>	<b>100.0</b>	<b>100.0</b>	<b>448,281</b>	<b>100.0</b>	<b>100.0</b>

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

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: 2021 Chicago-Naperville-Evanston, IL MD 16984</b>						
	<b>Tract Income Levels</b>	<b>Bank &amp; Demographic Comparison</b>				
		<b>Count Bank</b>		<b>2021 Dollar Bank</b>		<b>Total Businesses</b>
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	<b>%</b>
<b>Small Business</b>	Low	37	12.4	2,778	9.2	6.1
	Moderate	67	22.4	7,681	25.5	17.1
	Middle	97	32.4	9,830	32.6	28.3
	Upper	97	32.4	9,859	32.7	48.0
	Unknown	1	0.3	20	0.1	0.6
	<b>Total</b>	<b>299</b>	<b>100.0</b>	<b>30,168</b>	<b>100.0</b>	<b>100.0</b>

2021 FFIEC Census Data & 2021 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2020			2020			
		Count Bank		Agg %	Dollar Bank		Agg \$ %	
		#	%	%	\$(000s)	\$ %	\$ %	%
Home Purchase	Low	37	14.3	6.8	4,599	8.0	3.3	24.4
	Moderate	66	25.6	21.1	11,776	20.5	14.0	16.2
	Middle	62	24.0	22.1	13,699	23.8	18.9	18.2
	Upper	85	32.9	36.9	25,954	45.1	51.8	41.2
	Unknown	8	3.1	13.1	1,520	2.6	12.1	0.0
	<b>Total</b>		<b>258</b>	<b>100.0</b>	<b>100.0</b>	<b>57,548</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	54	5.4	2.6	5,825	2.5	1.2	24.4
	Moderate	135	13.4	10.4	21,442	9.0	6.2	16.2
	Middle	276	27.5	20.1	55,836	23.6	15.3	18.2
	Upper	507	50.5	54.4	145,354	61.3	65.1	41.2
	Unknown	32	3.2	12.5	8,617	3.6	12.3	0.0
	<b>Total</b>		<b>1,004</b>	<b>100.0</b>	<b>100.0</b>	<b>237,074</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	10	14.7	5.3	349	14.1	2.9	24.4
	Moderate	8	11.8	11.6	120	4.9	7.9	16.2
	Middle	29	42.6	19.4	486	19.7	14.9	18.2
	Upper	16	23.5	59.0	369	14.9	67.1	41.2
	Unknown	5	7.4	4.6	1,148	46.4	7.2	0.0
	<b>Total</b>		<b>68</b>	<b>100.0</b>	<b>100.0</b>	<b>2,472</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.2	0	0.0	0.0	24.4
	Moderate	0	0.0	0.2	0	0.0	0.0	16.2
	Middle	0	0.0	0.4	0	0.0	0.1	18.2
	Upper	0	0.0	1.3	0	0.0	0.3	41.2
	Unknown	88	100.0	97.9	151,187	100.0	99.6	0.0
	<b>Total</b>		<b>88</b>	<b>100.0</b>	<b>100.0</b>	<b>151,187</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	6.5	0	0.0	3.8	24.4
	Moderate	0	0.0	10.8	0	0.0	6.8	16.2
	Middle	0	0.0	18.2	0	0.0	12.4	18.2
	Upper	0	0.0	60.3	0	0.0	71.3	41.2
	Unknown	0	0.0	4.3	0	0.0	5.7	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	8.8	0	0.0	2.8	24.4
	Moderate	0	0.0	15.3	0	0.0	6.7	16.2
	Middle	0	0.0	20.0	0	0.0	9.9	18.2
	Upper	0	0.0	44.6	0	0.0	59.6	41.2
	Unknown	0	0.0	11.4	0	0.0	21.1	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.1	0	0.0	0.1	24.4
	Moderate	0	0.0	0.2	0	0.0	0.1	16.2
	Middle	0	0.0	0.1	0	0.0	0.1	18.2
	Upper	0	0.0	0.1	0	0.0	0.2	41.2
	Unknown	0	0.0	99.5	0	0.0	99.6	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	101	7.1	4.0	10,773	2.4	1.8	24.4
	Moderate	209	14.7	13.5	33,338	7.4	8.3	16.2
	Middle	367	25.9	20.1	70,021	15.6	15.5	18.2
	Upper	608	42.9	47.3	171,677	38.3	57.2	41.2
	Unknown	133	9.4	15.1	162,472	36.2	17.2	0.0
	<b>Total</b>		<b>1,418</b>	<b>100.0</b>	<b>100.0</b>	<b>448,281</b>	<b>100.0</b>	<b>100.0</b>

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: 2021 Chicago-Naperville-Evanston, IL MD 16984							
Product Type		Bank & Demographic Comparison					
		2021		2021		Total Businesses %	
#	%	Count Bank		Dollar Bank			
		\$ 000s	\$ %				
Small Business	Revenue	\$1 Million or Less	269	90.0	22,456	74.4	89.6
		Over \$1 Million	30	10.0	7,712	25.6	9.8
		Unknown	0	0.0	0	0.0	0.6
		<b>Total</b>	<b>299</b>	<b>100.0</b>	<b>30,168</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	224	74.9	6,685	22.2	
		\$100,001 - \$250,000	43	14.4	7,528	25.0	
		\$250,001 - \$1 Million	32	10.7	15,955	52.9	
		<b>Total</b>	<b>299</b>	<b>100.0</b>	<b>30,168</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	210	78.1	5,568	24.8	
		\$100,001 - \$250,000	39	14.5	6,676	29.7	
		\$250,001 - \$1 Million	20	7.4	10,212	45.5	
		<b>Total</b>	<b>269</b>	<b>100.0</b>	<b>22,456</b>	<b>100.0</b>	

Originations & Purchases  
2021 FFIEC Census Data & 2021 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

**APPENDIX D – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	HMDA- and CRA-reportable small business loans: January 1, 2020, to December 31, 2021 Community Development Activities: July 21, 2020, to August 22, 2022		
<b>FINANCIAL INSTITUTION</b>  Marquette Bank			<b>PRODUCTS REVIEWED</b>  HMDA-Reportable Loans CRA-Reportable Loans – Small Business Community Development Activities
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Cook, DuPage, and Will County within the Chicago-Naperville-Arlington Heights, Illinois MD #16974	Full scope	None	N/A

## APPENDIX E – 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.<sup>1</sup>

**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

---

<sup>1</sup> 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, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes 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 household 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).