PUBLIC DISCLOSURE

July 12, 2021

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First Bank of Manhattan
RSSD# 238139

230 South State Street
Manhattan, Illinois 60442

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 Bank of Manhattan is rated Satisfactory.

First Bank of Manhattan is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans are originated in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and lending activity reflects reasonable penetration among borrowers of different income levels, including low- and moderate-income, and businesses of different sizes. There were no CRA-related complaints received by the institution or the Reserve Bank since the previous evaluation.

SCOPE OF EXAMINATION

First Bank of Manhattan's performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Interagency CRA Examination Procedures for Small Institutions. Performance was evaluated in the context of information about the institution and its assessment area, including the bank's asset size, financial condition, competition, and economic and demographic characteristics. A full-scope review was performed on the bank's sole assessment area, which consists of a portion of Will County, Illinois, in the Chicago-Naperville-Evanston IL, MD #16984 (Chicago-Naperville-Evanston, IL MD). Given the bank's loan portfolio composition, products reviewed include home mortgage and small business loans.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 16-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.

- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2019 to December 31, 2020, and a sample of small business loans originated from January 1, 2020 to December 31, 2020, were reviewed to determine the percentage of loans originated in the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2019 to December 31, 2020, and a sample of small business loans originated from January 1, 2020 to December 31, 2020 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 loan originated from January 1, 2019 to December 31, 2020, and a sample of small business loans originated from January 1, 2020 to December 31, 2020 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*** – Neither First Bank of Manhattan nor the Reserve Bank received any CRA-related complaints since the previous evaluation.

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

DESCRIPTION OF INSTITUTION

First Bank of Manhattan, with total assets of $223.9 million as of March 31, 2021, is a wholly owned subsidiary of Manhattan Bancshares, a one bank holding company in Manhattan, Illinois. The bank operates in Will County, with its main office located in a middle-income census tract in the village of Manhattan, approximately 30 miles southwest of Chicago, Illinois. The bank also has two full-service branches, one in Manhattan and one in New Lenox, located in upper-income census tracts within the county. There are cash-only automated teller machines (ATMs) at each office location, with one ATM at both the main office and New Lenox branch and two ATMs at the Manhattan branch. Since the previous evaluation, the bank has not opened or closed any branch offices or ATMs.

First Bank of Manhattan offers traditional deposit and loan products to meet the banking needs of businesses, consumers, and other entities operating in its assessment area. Deposit products include checking, savings, certificates of deposit, money market accounts, and negotiable order of withdrawal (NOW) accounts. The bank offers a website where customers can view account statements, transfer funds, pay bills, make loan payments, submit stop payment requests, and apply for consumer and residential mortgage loans; however, accounts cannot be opened online.

The bank serves the local community primarily as a commercial and residential real estate lender. Commercial lending represents the largest percentage of the loan portfolio at 46.1 percent, followed by residential real estate lending at 40.8 percent. Details of the portfolio composition are below.

Loan Portfolio Composition as of March 31, 2021		
Loan Type	**Dollar Volume ($ in 000s)**	**% of Portfolio**
Commercial	54,054	46.1
Residential Real Estate	47,807	40.8
Agricultural	9,933	8.5
Consumer	3,222	2.8
Other	2,188	1.9
Total	**117,204**	**100.0**
Note: Percentages may not add to 100.0 percent due to rounding.		

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 June 12, 2017.

DESCRIPTION OF ASSESSMENT AREA[1]

First Bank of Manhattan's assessment area is located southwest of Chicago, Illinois and includes a portion of Will County in the Chicago-Naperville-Evanston IL MD #16984. The bank's assessment area includes the cities of Manhattan, New Lenox, and Joliet.

The bank's delineated assessment area is comprised of 64 census tracts, of which eight are low-income, 12 are moderate-income, 24 are middle-income, 19 are upper-income, and one is unknown-income due to a nature reserve. The assessment area has been expanded from the previous examination where the assessment area totaled 58 census tracts. The additional six census tracts are located in the Wilmington and Braidwood communities, which are primarily middle- and upper-income. The addition of these census tracts was triggered by increased lending activity in the area. Further, there have been changes in the income tract designation of census tracts as a result of updated median family income levels since the previous evaluation. The assessment area tract designations are summarized in the table below.

[1] *Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.*

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	**Prior Evaluation 2016 Designations (#)**	**Current Evaluation 2020 Designations (#)**	**Net Change (#)**
Low	7	8	1
Moderate	14	12	-2
Middle	14	24	10
Upper	22	19	-3
Unknown	1	1	0
Total	58	64	6
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 *U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015*			

According to the Federal Deposit Insurance Corporations (FDIC) Deposit Market Share data report from June 30, 2020, First Bank of Manhattan holds 1.2 percent of the deposits within Will County. The bank is ranked 14th out of 40 insured depository institutions in its market. BMO Harris Bank, National Association leads the market with 20.2 percent of deposits, followed by JP Morgan Chase, National Association at 17.9 percent and First Midwest Bank at 14.6 percent of the market. The remaining institutions each hold less than eight percent of the deposit market share in the assessment area.

The majority of the population in the assessment area consists of upper- and middle-income families, accounting for 63.9 percent of all families in the assessment area. Low- and moderate-income families comprise 20.3 percent and 15.9 percent of the families in the assessment area, respectively. All 20 low- and moderate-income census tracts within the assessment area, except for one, are located in Joliet Township. Small businesses with revenues of $1 million or less comprise a significant portion of the total businesses in the bank's assessment area at 89.4 percent. The number of total businesses in the assessment area remained very stable from 2019 to 2020, declining by only one business during that time. Additional 2020 assessment area demographic information is presented in the following table. Please refer to Appendix C for 2019 demographic information.

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	8	12.5	5,636	9.4	1,685	29.9	12,160	20.3
Moderate-income	12	18.8	8,994	15.0	1,404	15.6	9,522	15.9
Middle-income	24	37.5	20,489	34.1	1,359	6.6	12,543	20.9
Upper-income	19	29.7	24,930	41.5	669	2.7	25,824	43.0
Unknown-income	1	1.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	**64**	**100.0**	**60,049**	**100.0**	**5,117**	**8.5**	**60,049**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	9,715	2,967	4.8	30.5	5,536	57.0	1,212	12.5
Moderate-income	14,747	6,661	10.8	45.2	6,566	44.5	1,520	10.3
Middle-income	32,642	23,663	38.4	72.5	6,071	18.6	2,908	8.9
Upper-income	31,664	28,331	46.0	89.5	2,116	6.7	1,217	3.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**88,768**	**61,622**	**100.0**	**69.4**	**20,289**	**22.9**	**6,857**	**7.7**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	885	9.0	798	9.1	80	8.3	7	9.0
Moderate-income	1,014	10.3	865	9.9	141	14.6	8	10.3
Middle-income	2,666	27.2	2,420	27.6	213	22.1	33	42.3
Upper-income	5,252	53.5	4,693	53.5	529	54.9	30	38.5
Unknown-income	2	0.0	2	0.0	0	0.0	0	0.0
Total Assessment Area	**9,819**	**100.0**	**8,778**	**100.0**	**963**	**100.0**	**78**	**100.0**
	Percentage of Total Businesses:			**89.4**		**9.8**		**0.8**
	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	6	4.3	6	4.4	0	0.0	0	0.0
Middle-income	89	64.5	87	64.0	2	100.0	0	0.0
Upper-income	42	30.4	42	30.9	0	0.0	0	0.0
Unknown-income	1	0.7	1	0.7	0	0.0	0	0.0
Total Assessment Area	**138**	**100.0**	**136**	**100.0**	**2**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.6**		**1.4**		**0.0**

2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS

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

Population Change

As presented in the table below, Will County experienced population growth of 0.9 percent since 2010, according to the 2011-2015 American Community Survey, which slightly outpaces the population growth of the state of Illinois of 0.3 percent from 2010 to 2015. Population growth in the assessment area is difficult to discern, as the assessment area expanded to include additional census tracts; the table does not include population change in the assessment area due to the aforementioned assessment area delineation change. A community representative indicated that the population growth in Will County is attributable to increased job opportunities in the healthcare, transportation, logistics, and warehousing industries. The community representative also indicated low taxes and strong school districts are attracting people looking to move out of the city of Chicago. Further, recent population growth can be partially attributable to continued increases in housing development within the area. While housing permits for single family homes in Will County have leveled off from 2017 through 2019, multi-family housing permits continue to grow, with a year over year growth rate of 89.6 percent from 2018 to 2019. One community representative noted senior housing facilities may be contributing to the multi-family permit growth.

Population Change 2010 and 2015			
Area	**2010 Population**	**2011-2015 Population**	**Percentage Change**
Assessment Area	N/A	241,454	N/A
Will County, IL	677,560	683,995	0.9
Chicago-Naperville-Evanston, IL MD	7,262,718	7,208,434	-0.7
State of Illinois	12,830,632	12,873,761	0.3
Source: 2010—U.S. Census Bureau: Decennial Census *2011-2015—U.S. Census Bureau: American Community Survey*			

Income Characteristics

The following table presents the median family income (MFI) for families living in the assessment area compared to Will County, the Chicago-Naperville-Evanston, IL MD, and the state of Illinois; however, the table does not include MFI percentage change in the assessment area due to the aforementioned assessment area delineation change. According to the 2011-2015 American Community Survey, the assessment area averaged a median family income of $77,778, which is significantly lower than the Will County average of $87,950, but above the Chicago-Naperville-Evanston, IL MD of $75,024 and the state of Illinois average of $71,546. Will County, the Chicago-Naperville-Evanston, IL MD, and the state of Illinois have demonstrated MFI growth rates of 2.9 percent, 3.9 percent, and 4.9 percent, respectively. A community representative indicated that, aside from a brief period during the pandemic, median income levels have been on the rise. They also expect the trend to continue given recent staffing shortages increasing competition and driving up wages.

Median Family Income Change 2010 and 2015			
Area	2006-2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change
Assessment Area	N/A	77,778	N/A
Will County, IL	85,488	87,950	2.9
Chicago-Naperville-Evanston, IL MD	72,196	75,024	3.9
State of Illinois	68,236	71,546	4.9
Source: 2006-2010—U.S. Census Bureau: American Community Survey 2011-2015—U.S. Census Bureau: American Community Survey			

Housing Characteristics

The table below presents recent housing cost trends. Since 2010, the median housing value in Will County, the MD, and the state has decreased significantly following the 2007-2009 recession. During that same time period rental housing costs increased significantly. Both median home value and median gross rent in the assessment area are lower than Will County and the Chicago-Naperville-Evanston, IL MD, but are higher than the state of Illinois. The change in median housing value and gross rent within the assessment area is unavailable due to the aforementioned assessment area delineation change.

A community representative indicated that housing supply is low in Will County, particularly for affordable housing. Overall there is not a large rental presence in the area. In addition, the growing population has driven up housing demand. As a result, housing prices have increased considerably, and many houses are being sold without officially being on the market. Since the pandemic began, increased cost of materials is also contributing to the spike in housing prices. Based on the 2020 FFIEC Census data, the assessment area consists of 88,768 housing units, of which 69.4 percent are owner occupied, 22.9 percent are rental units, and 7.7 percent are vacant.

Housing Costs Change						
Area	2006-2010 Median Housing Value	2011-2015 Median Housing Value	Percent Change	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent	Percent Change
Assessment Area	N/A	203,593	N/A	N/A	927	N/A
Will County, IL	240,500	209,800	-12.8	890	1,039	16.7
Chicago-Naperville-Evanston, IL MD	267,990	225,572	-15.8	914	995	8.9
State of Illinois	202,500	173,800	-14.2	834	907	8.8
Source: 2006-2010—U.S. Census Bureau: American Community Survey 2011-2015—U.S. Census Bureau: American Community Survey						

A common method of comparing relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio represents more affordable housing. Based on 2011-2015 American Community Survey data, the affordability ratio for the assessment area is 0.33, which aligns with the state's ratio of 0.33, but is less affordable than Will County at 0.36. Further, affordability differs significantly from the Chicago-Naperville-Evanston, IL MD, which has markedly less affordability than the assessment area at 0.27. The foreclosure inventory rates have consistently declined in the bank's assessment area and the state. The foreclosure inventory rate, determined by a study conducted by the Federal Reserve Bank of Chicago, measures the number of residential properties in some phase of foreclosure and excludes properties that have completed the foreclosure cycle. As of September 2019, the state of Illinois had a foreclosure rate of 1.0 percent, and Will County had a foreclosure inventory rate of 0.9 percent.

Employment Conditions

The table below represents unemployment statistics for Will County, the Chicago-Naperville-Evanston, IL MD, and state of Illinois from 2016 to 2019. Unemployment rates in Will County, the MD, and the state of Illinois decreased steadily each year during that timeframe as the economy was in a period of consistent growth. However, unemployment rates in Will County experienced a greater decrease than the state of Illinois between 2018 and 2019. A community representative indicated that this decline could be partially attributed to the growth of the transportation and logistics and warehousing industries in the area. Prior to the pandemic, the economy in Joliet was booming on the strength of a growing job industry. While the economy temporarily stalled during the pandemic, the community representative stated that was short lived and improved as soon as businesses were allowed to reopen.

Unemployment Rates				
Region	**2016**	**2017**	**2018**	**2019**
Will County, IL	6.1	5.0	4.0	3.8
Chicago-Naperville-Evanston, IL MD	5.9	4.9	3.9	3.7
State of Illinois	5.9	4.9	4.3	4.0
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

Industry Conditions

The largest employers within the assessment area are detailed below. The assessment area contains a diverse employment base and is heavily impacted by hospitals, casinos, and manufacturing.

Largest Employers in the Assessment Area		
Company	**Number of Employees**	**Industry**
AMITA Health Saint Joseph Medical Center	2,005	Hospitals
Harrah's Joliet	1,500	Casinos
Caterpillar Fire Department	1,500	Contractors-Equip/Supls-Dlrs/Svc (Whls)
Amazon Fulfillment Center	1,500	Mail Order Fulfillment Service
Silver Cross Hospital	1,465	Hospitals
Emmy's Cafe LTD	1,100	Casinos
Trinity Services Inc	1,000	Disability Services
Joliet City Hall	1,000	Government Offices – City/Village & Twp
Stateville Correctional Center	950	State Government – Correctional Institutes
Universal Protection Service	900	Security Control Equip & Systems - Mfrs
Source: Business information provided by Infogroup®, Omaha, NE		

Community Representatives

Information from two community representatives was obtained to provide context to the assessment area's banking needs and local economic conditions. The representatives provided information on housing and economic development in Will County. Both representatives indicated the county was experiencing considerable economic growth prior to the COVID-19 pandemic due to its location within the Chicago-Naperville-Evanston, IL MD, as well as the growth of the transportation and logistics, healthcare, and warehousing industries. Even though they indicated the county experienced an economic downturn as a result of the pandemic, that was short lived as the area recovered well after business were allowed to reopen.

One representative discussed the need for more affordable housing options within the county, as demand for affordable housing has greatly outpaced supply. It was noted there are not many developers willing to take on affordable housing projects when housing demand is so high. This is due to more profitability in higher-end, single family housing developments. In addition, a community representative mentioned there is a need for small business lending in the area and additional financial literacy courses due to many small businesses being unaware of the lending products available to them.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

First Bank of Manhattan's performance relative to the lending test is rated Satisfactory based on the following factors: the loan-to-deposit ratio is reasonable given the bank's size, financial condition and assessment area credit needs; a majority of loans were originated in the assessment area; the geographic distribution of loans reflects reasonable dispersion throughout the assessment area; and lending activity reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous examination.

Loan-to-Deposit Ratio

First Bank of Manhattan's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The table below shows the bank's 16-quarter average LTD ratio from June 30, 2017 to March 31, 2021 in comparison to local competitors. Although lower than some competitors, the bank sells loans on the secondary market, and the bank's average LTD equaled 60.8 percent compared to 51.4 at the previous evaluation, bringing the bank more in line with local competitors.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%) 16 – Quarter Average
First Bank of Manhattan	60.8
Competitors	
Merchants and Manufacturers Bank	112.3
PeopleFirst Bank	91.3
Town Center Bank	91.0
Lincolnway Community Bank	86.6
First Federal Savings Bank	71.4
Grundy Bank	69.2
Hometown National Bank	67.5
First Community Bank & Trust	59.6
Midland Federal Savings and Loan Association	40.4
Lemont National Bank	14.5

Assessment Area Concentration

A majority of the bank's loans were originated in the assessment area, indicating the bank is actively serving the credit needs of the community. Of the 132 HMDA-reportable loans originated during the evaluation period in 2019 and 2020, 73.7 percent of loans by number and 69.7 percent of loans by dollar volume were originated inside the assessment area. Similarly, 62.5 percent by number and 74.2 percent by dollar volume of small business loans in 2020 were made in the assessment area. The lending activity indicates the bank is actively responding to the credit needs of individuals and businesses in the assessment area. The following table provides a breakdown of lending originated inside and outside of the assessment area.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Improvement	9	69.2	$269	70.4	4	30.8	$113	29.6
Home Purchase - Conventional	44	61.1	$4,391	43.2	28	38.9	$5,783	56.8
Multi-Family Housing	8	88.9	$2,747	77.4	1	11.1	$800	22.6
Refinancing	71	83.5	$12,508	86.4	14	16.5	$1,969	13.6
Total HMDA related	**132**	**73.7**	**$19,915**	**69.7**	**47**	**26.3**	**$8,665**	**30.3**
Total Small Business related	**60**	**62.5**	**$3,335**	**74.2**	**36**	**37.5**	**$1,161**	**25.8**
TOTAL LOANS	**192**	**69.8**	**$23,250**	**70.3**	**83**	**30.2**	**$9,826**	**29.7**

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The analysis considered both HMDA-reportable lending and small business loans and took into consideration the demographics and economic conditions of the assessment area. Examiners determined that there were no conspicuous or unexplained gaps in the assessment area.

HMDA-Reportable Lending

Geographic distribution of HMDA-reportable loans is reasonable throughout the assessment area. In 2020, home purchase represented 27.4 percent and refinance represented 63.0 percent of the bank's total HMDA-reportable loans. The remaining HMDA-reportable products were not evaluated due to low volumes of originations. Please refer to Appendix C for the 2019 geographic distribution of HMDA-reportable loans.

Home Purchase

The bank did not originate any home purchase loans in low-income census tracts in 2020, which is below the 4.8 percent of owner-occupied housing units located in low-income census tracts and aggregate lender performance of 2.9 percent. The bank originated one home purchase loan in a moderate-income census tract. This represents 5.0 percent of all home purchase loans originated in 2020, which lags the percentage of owner-occupied housing units in moderate-income census tracts (10.8 percent) and the percentage of loans made by aggregate lenders in these tracts (9.6 percent). The bank's home purchase lending in 2019 was comparable to 2020.

Refinance

The bank originated one refinance loan in a low-income census tract. This represents 2.2 percent of all refinance loans originated in 2020. While this is below the percentage of owner-occupied housing units located in low-income census tracts (4.8 percent), it exceeds the percentage of loans made by aggregate lenders (0.9 percent) in those tracts. The bank originated two refinance loans (4.3 percent) in moderate-income census tracts, which is less than the percentage of owner-occupied housing units in moderate-income census tracts (10.8 percent), but is slightly above the percentage of loans made by aggregate lenders (4.0 percent) in those tracts. This is an improvement from 2019, when the bank did not originate any refinance loans in low- or moderate-income tracts.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison 2020						Owner Occupied % of Units
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$ (000s)	$ %	$ %	
Home Purchase	Low	0	0.0	2.9	0	0.0	1.6	4.8
	Moderate	1	5.0	9.6	110	4.7	6.0	10.8
	Middle	13	65.0	36.8	1,193	51.2	30.3	38.4
	Upper	6	30.0	50.8	1,025	44.0	62.1	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**20**	**100.0**	**100.0**	**2,328**	**100.0**	**100.0**	**100.0**
Refinance	Low	1	2.2	0.9	61	0.8	0.4	4.8
	Moderate	2	4.3	4.0	366	4.6	2.2	10.8
	Middle	19	41.3	28.7	2,538	32.1	23.4	38.4
	Upper	24	52.2	66.4	4,949	62.5	73.9	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**46**	**100.0**	**100.0**	**7,914**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	1.3	0	0.0	1.0	4.8
	Moderate	0	0.0	6.6	0	0.0	4.6	10.8
	Middle	2	66.7	29.6	70	87.5	26.2	38.4
	Upper	1	33.3	62.4	10	12.5	68.2	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**3**	**100.0**	**100.0**	**80**	**100.0**	**100.0**	**100.0**
Multi-Family								**Multi-Family**
	Low	0	0.0	8.3	0	0.0	6.2	30.0
	Moderate	0	0.0	30.6	0	0.0	17.2	29.5
	Middle	4	100.0	55.6	1,847	100.0	52.4	25.4
	Upper	0	0.0	5.6	0	0.0	24.2	15.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**4**	**100.0**	**100.0**	**1,847**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	2.2	0	0.0	1.4	4.8
	Moderate	0	0.0	7.2	0	0.0	4.8	10.8
	Middle	0	0.0	36.1	0	0.0	29.1	38.4
	Upper	0	0.0	54.4	0	0.0	64.8	46.0
	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**
Other Purpose Closed/Exempt	Low	0	0.0	1.2	0	0.0	1.1	4.8
	Moderate	0	0.0	10.5	0	0.0	6.2	10.8
	Middle	0	0.0	40.7	0	0.0	34.7	38.4
	Upper	0	0.0	47.7	0	0.0	58.0	46.0
	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**
Loan Purpose Not Applicable	Low	0	0.0	4.6	0	0.0	2.6	4.8
	Moderate	0	0.0	18.6	0	0.0	11.4	10.8
	Middle	0	0.0	44.6	0	0.0	38.4	38.4
	Upper	0	0.0	32.2	0	0.0	47.6	46.0
	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	1	1.4	1.7	61	0.5	0.9	4.8
	Moderate	3	4.1	6.4	476	3.9	3.8	10.8
	Middle	38	52.1	32.1	5,648	46.4	26.4	38.4
	Upper	31	42.5	59.8	5,984	49.2	68.9	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**73**	**100.0**	**100.0**	**12,169**	**100.0**	**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

The geographic distribution of small business loans throughout the assessment area is reasonable. In 2020, the bank made 3.3 percent of small business loans in low-income tracts, which is below the 9.0 percent of total small businesses in the assessment area located in low-income census tracts. The bank made 1.7 percent of total small business loans in moderate-income census tracts, which is significantly below the 10.3 percent of total small businesses in the assessment area located in moderate-income tracts. Dispersion is considered reasonable given that a majority (80.7 percent) of total small businesses in the assessment area are located in middle- and upper-income census tracts. The majority of low- and moderate-income census tracts are located within Joliet Township, where there is increased competition with other financial institutions. Further, the branch locations in Manhattan and New Lenox are not easily accessible from Joliet, as transportation options and travel routes are limited.

Geographic Distribution of Small Business Loans
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984

	Tract Income Levels	Bank & Demographic Comparison 2020				
		Count Bank		Dollar Bank		Total Businesses
		#	%	$ 000s	$ %	%
Small Business	Low	2	3.3	318	9.5	9.0
	Moderate	1	1.7	118	3.5	10.3
	Middle	21	35.0	618	18.5	27.2
	Upper	36	60.0	2,282	68.4	53.5
	Unknown	0	0.0	0	0.0	0.0
	Total	**60**	**100.0**	**3,335**	**100.0**	**100.0**

2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 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

The overall distribution of loans, based on borrower income and revenue characteristics, reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans represents reasonable dispersion to borrowers of different income levels. The bank's primary HMDA-reportable products during the review period were home purchase and refinance loans. The remaining HMDA-reportable products were not evaluated due to low volumes of originations. Please refer to Appendix C for the 2019 borrower distribution of HMDA-reportable loans.

Home Purchase

In 2020, the bank originated four home purchase loans to low-income borrowers, representing 20.0 percent of all home purchase loans. The bank's performance approximated the percentage of families (20.3 percent) designated as low-income, but significantly exceeded the percentage of loans made by aggregate lenders (9.8 percent) to low-income borrowers. The bank originated two home purchase loans to moderate-income borrowers, representing 10.0 percent of all home purchase loans, which was less than the percentage of families (15.9 percent) designated as moderate-income, and the percentage of loans made by aggregate lenders (22.7 percent) to moderate-income borrowers. The bank’s home purchase lending in 2019 was comparable to 2020.

Refinance

The bank originated one refinance loan to low-income borrowers, which represents 2.2 percent of all refinance loans. This is significantly less than the percentage of families by family income designated as low-income (20.3 percent); however, the percentage of the bank's loans is comparable to the percentage of loans made by aggregate lenders (2.9 percent) to low-income borrowers. The bank originated five refinance loans to moderate-income borrowers, representing 10.9 percent of total refinance loans. Though this is less than the percentage of families by family income designated as moderate-income (15.9 percent), it approximates the percentage of loans made by aggregate lenders (11.0 percent) to moderate-income borrowers. The bank’s refinance lending to low and moderate-income borrowers in 2019 was above that of 2020, as the bank significantly exceeded the percentage of loans made by aggregate lenders to those borrowers.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison 2020						Families by Family Income
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$(000s)	$ %	$ %	%
Home Purchase	Low	4	20.0	9.8	329	14.1	5.5	20.3
	Moderate	2	10.0	22.7	381	16.4	17.0	15.9
	Middle	3	15.0	22.4	295	12.7	22.2	20.9
	Upper	7	35.0	31.0	815	35.0	42.0	43.0
	Unknown	4	20.0	14.1	508	21.8	13.4	0.0
	Total	**20**	**100.0**	**100.0**	**2,328**	**100.0**	**100.0**	**100.0**
Refinance	Low	1	2.2	2.9	52	0.7	1.4	20.3
	Moderate	5	10.9	11.0	766	9.7	7.2	15.9
	Middle	9	19.6	21.7	1,251	15.8	18.7	20.9
	Upper	23	50.0	48.3	4,316	54.5	55.7	43.0
	Unknown	8	17.4	16.2	1,529	19.3	17.0	0.0
	Total	**46**	**100.0**	**100.0**	**7,914**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	1	33.3	5.8	10	12.5	3.2	20.3
	Moderate	0	0.0	11.1	0	0.0	7.9	15.9
	Middle	0	0.0	22.6	0	0.0	20.3	20.9
	Upper	1	33.3	52.7	20	25.0	55.3	43.0
	Unknown	1	33.3	8.0	50	62.5	13.3	0.0
	Total	**3**	**100.0**	**100.0**	**80**	**100.0**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.3
	Moderate	0	0.0	0.0	0	0.0	0.0	15.9
	Middle	0	0.0	0.0	0	0.0	0.0	20.9
	Upper	1	25.0	5.6	413	22.4	1.7	43.0
	Unknown	3	75.0	94.4	1,434	77.6	98.3	0.0
	Total	**4**	**100.0**	**100.0**	**1,847**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	8.9	0	0.0	8.9	20.3
	Moderate	0	0.0	17.2	0	0.0	15.4	15.9
	Middle	0	0.0	17.8	0	0.0	12.9	20.9
	Upper	0	0.0	52.2	0	0.0	57.6	43.0
	Unknown	0	0.0	3.9	0	0.0	5.2	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	9.3	0	0.0	5.1	20.3
	Moderate	0	0.0	15.1	0	0.0	11.5	15.9
	Middle	0	0.0	20.9	0	0.0	16.2	20.9
	Upper	0	0.0	46.5	0	0.0	54.9	43.0
	Unknown	0	0.0	8.1	0	0.0	12.2	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	20.3
	Moderate	0	0.0	0.0	0	0.0	0.0	15.9
	Middle	0	0.0	0.0	0	0.0	0.0	20.9
	Upper	0	0.0	0.0	0	0.0	0.0	43.0
	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	6	8.2	5.3	391	3.2	2.8	20.3
	Moderate	7	9.6	14.8	1,147	9.4	10.4	15.9
	Middle	12	16.4	21.3	1,546	12.7	19.4	20.9
	Upper	32	43.8	41.2	5,564	45.7	49.5	43.0
	Unknown	16	21.9	17.4	3,521	28.9	17.9	0.0
	Total	**73**	**100.0**	**100.0**	**12,169**	**100.0**	**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

First Bank of Manhattan's small business lending is reasonable among businesses of different sizes. During the review period, the bank originated 31.7 percent of its loans to businesses with revenues equal to or less than $1 million. However, the level of loans made to businesses with unknown incomes was elevated, totaling 63.3 percent of total small business loans. This can be attributed to the bank’s participation in the Small Business Administration’s Paycheck Protection Program (PPP), which did not require revenue reporting. Because of the nature of PPP and the business environment in the assessment area, many of these loans with unknown revenue were made to companies with $1 million or less in total revenue. Furthermore, 84.2 percent of loans to small businesses were made in amounts of $100,000 or less, which are the types of loans that are most beneficial to small businesses and demonstrates the bank's responsiveness and willingness to meet the credit needs of small businesses in the assessment area.

The following table shows the bank's distribution of small business loans by revenue and loan size.

Small Business Lending By Revenue & Loan Size
Assessment Area: 2020 Chicago-Naperville-Evanston, IL MD 16984

Product Type			Bank & Demographic Comparison 2020				
			Count Bank		Dollar Bank		Total Businesses
			#	%	$ 000s	$ %	%
Small Business	Revenue	$1 Million or Less	19	31.7	1,204	36.1	89.4
		Over $1 Million	3	5.0	481	14.4	9.8
		Unknown	38	63.3	1,650	49.5	0.8
		Total	**60**	**100.0**	**3,335**	**100.0**	**100.0**
	Loan Size	$100,000 or Less	52	86.7	1,225	36.7	
		$100,001 - $250,000	4	6.7	475	14.2	
		$250,001 - $1 Million	4	6.7	1,636	49.0	
		Total	**60**	**100.0**	**3,336**	**100.0**	
	Loan Size & Rev $1 Mill or Less	$100,000 or Less	16	84.2	559	46.4	
		$100,001 - $250,000	2	10.5	238	19.8	
		$250,001 - $1 Million	1	5.3	407	33.8	
		Total	**19**	**100.0**	**1,204**	**100.0**	

Originations & Purchases
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Response to Complaints

Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous examination.

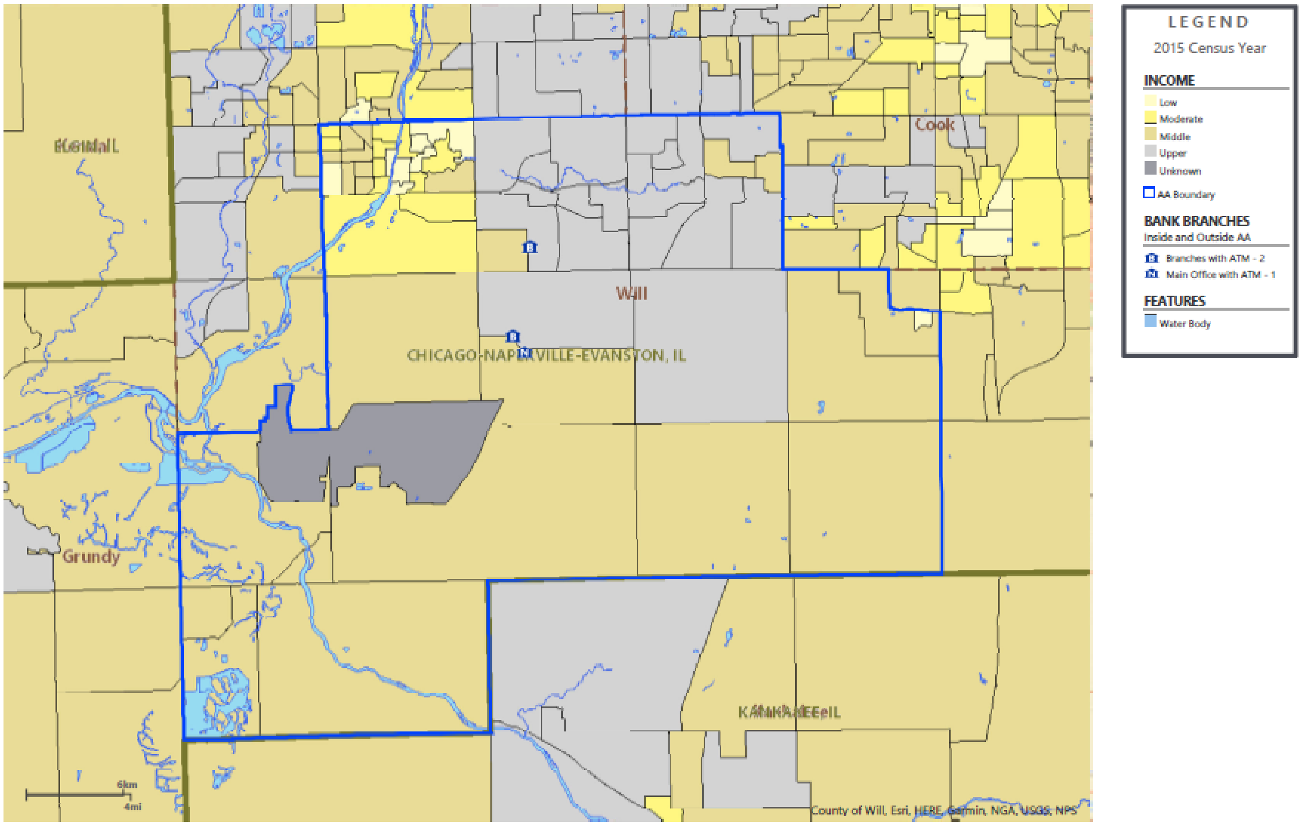
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

First Bank of Manhattan 238139

Chicago-Naperville-Evanston, IL MD 16984



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	HMDA: January 1, 2019 – December 31, 2020 Small Business: January 1, 2020 – December 31, 2020		
FINANCIAL INSTITUTION First Bank of Manhattan			**PRODUCTS REVIEWED** HMDA Loans Small Business Loans
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
None	**N/A**		**N/A**

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Chicago-Naperville-Evanston, IL MD (#16984) - Partial Will County	**Full scope**	N/A	**N/A**

APPENDIX C – Additional Tables and Exhibits

Assessment Area: 2019 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	8	12.5	5,636	9.4	1,685	29.9	12,160	20.3		
Moderate-income	12	18.8	8,994	15.0	1,404	15.6	9,522	15.9		
Middle-income	24	37.5	20,489	34.1	1,359	6.6	12,543	20.9		
Upper-income	19	29.7	24,930	41.5	669	2.7	25,824	43.0		
Unknown-income	1	1.6	0	0.0	0	0.0	0	0.0		
Total Assessment Area	**64**	**100.0**	**60,049**	**100.0**	**5,117**	**8.5**	**60,049**	**100.0**		
	Housing Units by Tract	**Housing Types by Tract**								
		Owner-Occupied			Rental		Vacant			
		#	%	%	#	%	#	%		
Low-income	9,715	2,967	4.8	30.5	5,536	57.0	1,212	12.5		
Moderate-income	14,747	6,661	10.8	45.2	6,566	44.5	1,520	10.3		
Middle-income	32,642	23,663	38.4	72.5	6,071	18.6	2,908	8.9		
Upper-income	31,664	28,331	46.0	89.5	2,116	6.7	1,217	3.8		
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0		
Total Assessment Area	**88,768**	**61,622**	**100.0**	**69.4**	**20,289**	**22.9**	**6,857**	**7.7**		
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**							
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%		
Low-income	896	9.1	806	9.2	84	8.5	6	8.6		
Moderate-income	1,024	10.4	869	9.9	146	14.8	9	12.9		
Middle-income	2,673	27.2	2,423	27.6	221	22.5	29	41.4		
Upper-income	5,225	53.2	4,666	53.2	533	54.2	26	37.1		
Unknown-income	2	0.0	2	0.0	0	0.0	0	0.0		
Total Assessment Area	**9,820**	**100.0**	**8,766**	**100.0**	**984**	**100.0**	**70**	**100.0**		
	Percentage of Total Businesses:			**89.3**		**10.0**		**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	5	3.4	5	3.5	0	0.0	0	0.0		
Middle-income	94	64.4	92	63.9	2	100.0	0	0.0		
Upper-income	46	31.5	46	31.9	0	0.0	0	0.0		
Unknown-income	1	0.7	1	0.7	0	0.0	0	0.0		
Total Assessment Area	**146**	**100.0**	**144**	**100.0**	**2**	**100.0**	**0**	**0.0**		
	Percentage of Total Farms:			**98.6**		**1.4**		**0.0**		

2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS

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

Geographic Distribution of HMDA Reportable Loans

Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984

Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison 2019 Count Bank #	Count Bank %	Count Agg %	Dollar Bank $ (000s)	Dollar Bank $ %	Dollar Agg $ %	Owner Occupied % of Units
Home Purchase	Low	0	0.0	3.5	0	0.0	1.9	4.8
	Moderate	2	8.3	9.9	154	7.5	6.3	10.8
	Middle	19	79.2	38.5	1,093	53.0	31.3	38.4
	Upper	3	12.5	48.0	816	39.6	60.4	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**24**	**100.0**	**100.0**	**2,063**	**100.0**	**100.0**	**100.0**
Refinance	Low	0	0.0	1.7	0	0.0	0.7	4.8
	Moderate	0	0.0	5.2	0	0.0	2.7	10.8
	Middle	13	52.0	31.5	1,364	29.7	25.8	38.4
	Upper	12	48.0	61.7	3,230	70.3	70.7	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**25**	**100.0**	**100.0**	**4,594**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	0	0.0	3.3	0	0.0	2.5	4.8
	Moderate	0	0.0	8.5	0	0.0	5.4	10.8
	Middle	1	16.7	31.6	75	39.7	29.2	38.4
	Upper	5	83.3	56.5	114	60.3	62.9	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**6**	**100.0**	**100.0**	**189**	**100.0**	**100.0**	**100.0**
Multi-Family								**Multi-Family**
	Low	1	25.0	19.4	250	27.8	4.6	30.0
	Moderate	1	25.0	25.8	298	33.1	8.2	29.5
	Middle	2	50.0	41.9	352	39.1	8.3	25.4
	Upper	0	0.0	12.9	0	0.0	78.9	15.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**4**	**100.0**	**100.0**	**900**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	3.6	0	0.0	2.2	4.8
	Moderate	0	0.0	4.0	0	0.0	2.2	10.8
	Middle	0	0.0	33.2	0	0.0	27.8	38.4
	Upper	0	0.0	59.1	0	0.0	67.8	46.0
	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**
Other Purpose Closed/Exempt	Low	0	0.0	5.3	0	0.0	3.3	4.8
	Moderate	0	0.0	8.8	0	0.0	5.0	10.8
	Middle	0	0.0	40.4	0	0.0	23.8	38.4
	Upper	0	0.0	45.6	0	0.0	67.9	46.0
	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**
Loan Purpose Not Applicable	Low	0	0.0	9.2	0	0.0	4.1	4.8
	Moderate	0	0.0	14.1	0	0.0	10.2	10.8
	Middle	0	0.0	47.8	0	0.0	41.3	38.4
	Upper	0	0.0	28.8	0	0.0	44.3	46.0
	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	1	1.7	3.0	250	3.2	1.5	4.8
	Moderate	3	5.1	8.0	452	5.8	4.9	10.8
	Middle	35	59.3	35.6	2,884	37.2	28.5	38.4
	Upper	20	33.9	53.5	4,160	53.7	65.1	46.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	**59**	**100.0**	**100.0**	**7,746**	**100.0**	**100.0**	**100.0**

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

Borrower Distribution of HMDA Reportable Loans

Assessment Area: 2019 Chicago-Naperville-Evanston, IL MD 16984

Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison 2019						Families by Family Income
		Count			Dollar			
		Bank		Agg	Bank		Agg	
		#	%	%	$(000s)	$ %	$ %	%
Home Purchase	Low	2	8.3	7.4	88	4.3	4.1	20.3
	Moderate	3	12.5	23.0	206	10.0	16.3	15.9
	Middle	4	16.7	22.4	290	14.1	21.6	20.9
	Upper	9	37.5	31.0	607	29.4	42.2	43.0
	Unknown	6	25.0	16.2	872	42.3	15.8	0.0
	Total	**24**	**100.0**	**100.0**	**2,063**	**100.0**	**100.0**	**100.0**
Refinance	Low	2	8.0	4.3	55	1.2	2.0	20.3
	Moderate	5	20.0	12.8	435	9.5	8.3	15.9
	Middle	5	20.0	20.6	856	18.6	17.9	20.9
	Upper	11	44.0	46.0	2,320	50.5	54.1	43.0
	Unknown	2	8.0	16.2	928	20.2	17.7	0.0
	Total	**25**	**100.0**	**100.0**	**4,594**	**100.0**	**100.0**	**100.0**
Home Improvement	Low	1	16.7	5.8	15	7.9	3.4	20.3
	Moderate	1	16.7	11.9	6	3.2	8.9	15.9
	Middle	0	0.0	25.2	0	0.0	25.6	20.9
	Upper	3	50.0	53.2	138	73.0	58.4	43.0
	Unknown	1	16.7	4.0	30	15.9	3.7	0.0
	Total	**6**	**100.0**	**100.0**	**189**	**100.0**	**100.0**	**100.0**
Multi-Family	Low	0	0.0	9.7	0	0.0	0.5	20.3
	Moderate	0	0.0	3.2	0	0.0	0.8	15.9
	Middle	0	0.0	0.0	0	0.0	0.0	20.9
	Upper	2	50.0	12.9	366	40.7	1.4	43.0
	Unknown	2	50.0	74.2	534	59.3	97.2	0.0
	Total	**4**	**100.0**	**100.0**	**900**	**100.0**	**100.0**	**100.0**
Other Purpose LOC	Low	0	0.0	8.1	0	0.0	5.0	20.3
	Moderate	0	0.0	15.8	0	0.0	11.2	15.9
	Middle	0	0.0	27.9	0	0.0	27.0	20.9
	Upper	0	0.0	45.7	0	0.0	52.6	43.0
	Unknown	0	0.0	2.4	0	0.0	4.2	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Other Purpose Closed/Exempt	Low	0	0.0	9.6	0	0.0	7.1	20.3
	Moderate	0	0.0	14.9	0	0.0	11.9	15.9
	Middle	0	0.0	21.1	0	0.0	13.0	20.9
	Upper	0	0.0	50.9	0	0.0	59.8	43.0
	Unknown	0	0.0	3.5	0	0.0	8.2	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	20.3
	Moderate	0	0.0	0.5	0	0.0	0.0	15.9
	Middle	0	0.0	1.1	0	0.0	0.8	20.9
	Upper	0	0.0	0.0	0	0.0	0.0	43.0
	Unknown	0	0.0	98.4	0	0.0	99.2	0.0
	Total	**0**	**0.0**	**100.0**	**0**	**0.0**	**100.0**	**100.0**
HMDA Totals	Low	5	8.5	6.0	158	2.0	3.1	20.3
	Moderate	9	15.3	17.9	647	8.4	12.2	15.9
	Middle	9	15.3	21.4	1,146	14.8	19.3	20.9
	Upper	25	42.4	37.6	3,431	44.3	46.0	43.0
	Unknown	11	18.6	17.0	2,364	30.5	19.4	0.0
	Total	**59**	**100.0**	**100.0**	**7,746**	**100.0**	**100.0**	**100.0**

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

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.[2]

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

[2] *Source: FFIEC press release dated October 19, 2011.*

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 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: 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: 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).