

# **PUBLIC DISCLOSURE**

**March 7, 2022**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Coastal Community Bank**

**RSSD # 2562164**

**5415 Evergreen Way**

**Everett, Washington 98203**

**Federal Reserve Bank of San Francisco**

**101 Market Street**

**San Francisco, California 94105**

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

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## INSTITUTION RATING

### ***Institution's Community Reinvestment Act (CRA) Rating***

Coastal Community Bank is rated "SATISFACTORY"

The following table shows the performance ratings for the lending and community development tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS	
	LENDING TEST	COMMUNITY DEVELOPMENT TEST
OUTSTANDING		
SATISFACTORY	<b>X</b>	<b>X</b>
NEEDS TO IMPROVE		
SUBSTANTIAL NONCOMPLIANCE		

The major factors supporting the institution's rating include:

- A reasonable loan to deposit ratio;
- A majority of all loans originated within the bank's assessment areas;
- An excellent geographic distribution of small business loans;
- An excellent geographic distribution of home purchase loans;
- A majority of small business loans in amounts of \$250,000 or less; and
- An adequate level of responsiveness to the community development needs of its assessment areas.

## INSTITUTION

### ***Description of Institution***

Coastal Community Bank (Coastal), a wholly-owned subsidiary of shell bank holding company, Coastal Financial Corporation (CFC), commenced operations on April 1, 1997. Coastal is headquartered in Everett, Washington, and reported total assets of \$2.6 billion as of December 31, 2021. The bank operates 14 full-service branches in the State of Washington, including 12 branches in Snohomish County and one branch each in both King County and Island County. Since the previous examination, Coastal opened two new branches in Snohomish County and one new branch in King County, and closed one full-service branch located in Island County.

Coastal is a full-service community bank focused on providing commercial banking products and services to small- to medium-sized businesses and professionals. Commercial loans offered by the bank include business term loans and revolving lines of credit, working capital loans, commercial real estate loans, and Small Business Administration (SBA) 504 and 7(a) loans. The bank originates consumer loans primarily to accommodate the personal needs of its business clientele. Loans to consumers include home mortgage loans, home equity loans and lines of credit, and home construction loans; the bank also offers personal lines of credit. Consumer deposit products offered by the bank include personal checking, savings, money market, certificates of deposit, and individual retirement accounts.

Since the prior examination, Coastal launched a division that provides Banking-as-a-Service (BaaS) to the bank's Fintech partners. This service enables the Fintech firms to offer digital financial services including checking and savings accounts, unique lending products, as well as debit and credit cards. Consumer lending activity through these relationships was minimal as of the date of this examination, and therefore did not impact the bank's CRA evaluation for this review period.

Exhibit 1 on the next page represents the bank's loan portfolio composition as stated in the December 31, 2021 Consolidated Reports of Condition and Income, which illustrates the bank's commercial lending focus.

<b>Exhibit 1</b>		
<b>Loans and Leases as of December 31, 2021</b>		
<b>Loan Type</b>	<b>\$ ('000s)</b>	<b>%</b>
Commercial/Industrial & Non-Farm Non-Residential Real Estate	1,037,436	59.3
Secured by 1-4 Family Residential Real Estate	204,389	11.7
Construction & Land Development	183,585	10.5
Multi-Family Residential Real Estate	179,995	10.3
All Other	81,292	4.6
Consumer Loans & Credit Cards	47,035	2.7
Farm Land & Agriculture	16,726	1.0
<b>Total (Gross)</b>	<b>1,750,458</b>	<b>100.0</b>

The addition of the King County branch during the review period resulted in an expansion of the bank’s Snohomish assessment area to include King County in its entirety. The bank’s current assessment areas include the following geographies:

- The King-Snohomish assessment area consists of King County and Snohomish County in their entireties. This assessment area makes up the Seattle-Bellevue-Everett, WA Metropolitan Division (MD), which is part of the larger Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area (MSA).
- The Island assessment area consists of Island County in its entirety. Island County is a non-MSA county.

Coastal did not face any legal or financial impediments during the review period that would have prevented it from helping to meet the credit needs of its assessment area consistent with its business strategy, financial capacity, size, and local economic conditions. The bank received a satisfactory rating at its previous CRA examination, which was conducted as of September 25, 2017, by the Federal Reserve Bank of San Francisco using the Interagency Intermediate Small Institution CRA Examination Procedures.

## **Scope of Examination**

Coastal’s performance was evaluated using the Interagency Intermediate Small Institution CRA Examination Procedures. Performance for intermediate small banks is evaluated under two tests that consider the bank’s lending and community development activities. The King-Snohomish assessment area received a full-scope review based on the bank’s larger presence and higher level of lending and deposit activity within that market. The Island assessment area received a limited-scope review given the bank’s limited presence and lower levels of deposit and lending activity within that market. Performance in the limited-

scope area was evaluated as being either above, consistent with, or below the performance in the full-scope assessment areas. The Limited-Scope Assessment Area Market Profile in Appendix B includes the facts and data upon which this evaluation is based.

The original examination date for this CRA performance evaluation was March 4, 2021; however, due to the COVID-19 pandemic, the examination was postponed to March 7, 2022. Accordingly, the review period for the lending test is January 1, 2017, through December 31, 2021; and the review period for the community development test is September 26, 2017, through March 7, 2022. The following includes more details on the scope of the Lending Test and Community Development Test.

## **LENDING TEST**

The lending test evaluation was based on the following criteria:

- Loan volume compared to deposits (Loan-to-Deposit Ratio);
- Lending inside versus outside the assessment area (Lending in Assessment Area);
- Dispersion of lending throughout the assessment area (Lending Distribution by Geography); and
- Lending to businesses of different revenue sizes or borrowers of different income levels (Lending Distribution by Business Revenue or Borrower Profile).

The evaluation was based on small business loans originated or renewed from October 1, 2017, through December 31, 2021, and Home Mortgage Disclosure Act (HMDA) reportable home mortgages originated from January 1, 2017, through November 30, 2021. All loans originated or renewed were considered in the evaluation of Lending in Assessment Area. From that total, the evaluation of Lending Distribution by Geography was based on a sample of 315 small business loans extended within the bank's assessment areas, and a sample of 133 home purchase loans extended within the bank's assessment areas. HMDA loans other than home purchases were too low in volume to produce a meaningful analysis of the geographic distribution of those loans. Similarly, the limited volumes of small business loans to businesses of different revenue sizes in 2017, 2018 and 2019 were not sufficient for meaningful analysis. In addition, HMDA loans to borrowers of different income levels during the review period were not sufficient for meaningful analysis. Consequently, these loans were considered but did not significantly contribute to the overall lending test rating.

Coastal's responsiveness to consumer complaints was not evaluated since the bank did not receive any CRA-related complaints during the review period.

## **COMMUNITY DEVELOPMENT TEST**

The community development test included an evaluation of the responsiveness of Coastal's community development activities in relation to local needs and opportunities as well as the bank's capacity to participate in such activities. The evaluation was based on qualified community development loans, investments, donations, and services provided from September 26, 2017, through March 7, 2022.

In addition, three community representatives were contacted in connection with the examination regarding credit needs and market conditions within the assessment area. Contacts represented organizations working in small business development as well as affordable housing.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### *Lending Test*

Coastal's overall performance under the lending test is satisfactory. Lending levels relative to deposits are reasonable and a majority of all loans were extended within the bank's assessment areas. The geographic distribution of both small business and home purchase loans reflect excellent dispersion throughout the assessment areas including low- and moderate-income (LMI) geographies. In addition, a majority of small business loans extended by the bank were in amounts of \$250,000 or less, thus meeting the credit needs of small businesses.

### **LOAN-TO-DEPOSIT RATIO**

Coastal's loan-to-deposit ratio is reasonable. The bank's 17-quarter average loan-to-deposit ratio as of December 31, 2021, was 93.3 percent. This compared reasonably with the state average and national peer average loan-to-deposit ratios of 78.2 percent and 81.7 percent, respectively, within that same time period.

### **LENDING IN ASSESSMENT AREA**

A majority of the bank's lending was extended inside of the bank's assessment areas. For purposes of this evaluation, the bank's 2017 data was segregated from its 2018, 2019 and 2020 data based on significant changes in HMDA reporting requirements that became effective on January 1, 2018. As shown in Exhibits 2 and 3 on the next page, a majority of small business loans and HMDA loans were extended within the bank's assessment areas.



Exhibit 2								
Lending Inside and Outside the Assessment Areas								
January 1, 2017 to December 31, 2017								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	1	100.0	154	100.0	0	0.0	0	0.0
Total Business Related	1	100.0	154	100.0	0	0.0	0	0.0
HMDA Home Purchase	48	90.6	24,837	94.0	5	9.4	1,587	6.0
HMDA Home Improvement	5	100.0	881	100.0	0	0.0	0	0.0
HMDA Refinance	13	76.5	6,983	84.1	4	23.5	1,318	15.9
HMDA Multifamily	8	72.7	4,798	77.5	3	27.3	1,389	22.5
Total HMDA Related	74	86.0	37,499	89.7	12	14.0	4,294	10.3
<b>Total Loans</b>	<b>75</b>	<b>86.2</b>	<b>37,653</b>	<b>89.8</b>	<b>12</b>	<b>13.8</b>	<b>4,294</b>	<b>10.2</b>

Exhibit 3								
Lending Inside and Outside the Assessment Areas								
January 1, 2018 to December 31, 2021								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Small Business	314	82.4	36,962	80.9	67	17.6	8,709	19.1
Total Business Related	314	82.4	36,962	80.9	67	17.6	8,709	19.1
HMDA Home Purchase	85	78.7	49,093	77.9	23	21.3	13,910	22.1
HMDA Home Improvement	10	90.9	648	95.9	1	9.1	28	4.1
HMDA Refinancing	46	74.2	26,757	81.6	16	25.8	6,039	18.4
HMDA Multifamily	28	54.9	41,833	37.6	23	45.1	69,353	62.4
HMDA Other Purpose Closed-End	10	100.0	834	100.0	0	0.0	0	0.0
HMDA Not Applicable	4	100.0	3,636	100.0	0	0.0	0	0.0
Total HMDA Related	183	74.4	122,802	57.9	63	25.6	89,329	42.1
<b>Total Loans</b>	<b>497</b>	<b>79.3</b>	<b>159,764</b>	<b>62.0</b>	<b>130</b>	<b>20.7</b>	<b>98,038</b>	<b>38.0</b>

## GEOGRAPHIC AND BORROWER DISTRIBUTION

Coastal's distribution of credit among geographies of different income levels is excellent. The bank achieved excellent distribution of small business loans and home purchase loans throughout geographies of all income levels, with lending in LMI census tracts at levels more than double the aggregate performance of lenders operating within the King-Snohomish assessment area. While loan data volume was too low to evaluate distribution of credit among businesses of different revenue sizes and borrowers of different income levels, the

bank extended a majority of its loans in amounts less than or equal to \$250,000, thereby responding to the need for smaller dollar loans.

## RESPONSE TO COMPLAINTS

Coastal did not receive any CRA-related complaints during the review period. Accordingly, the bank’s performance in responding to complaints was not considered in evaluating its overall CRA performance.

## Community Development Test

Coastal’s overall performance under the community development test is satisfactory. The bank demonstrates adequate responsiveness to local community needs through its qualified community development loans, investments, and services. Coastal’s community development loans helped to address the needs for affordable housing, economic development, and the revitalization and stabilization of LMI geographies. In total, these community development loans provided 374 affordable housing units and helped create or retain at least 154 jobs for low- and moderate-income individuals within the bank’s assessment areas. An overview of the bank’s community development activities is listed below in Exhibit 4. Details of these activities are further discussed under each applicable assessment area.

EXHIBIT 4 COMMUNITY DEVELOPMENT ACTIVITIES								
Assessment Areas	Loans		Investments				Services	
			Prior Period		Current Period			
	#	\$ ('000s)	#	\$ ('000s)	#	\$ ('000s)	#	Hours
King-Snohomish	46	85,036	2	842	103	443	786	3,214
Island	1	1,340	-	-	4	7	299	651
Broader Statewide or Regional Area	11	40,016	7	1,595	4	748	66	161
<b>Total</b>	<b>58</b>	<b>126,392</b>	<b>9</b>	<b>2,437</b>	<b>111</b>	<b>1,198</b>	<b>1,151</b>	<b>4026</b>

The bank also engaged in qualified community development activities that benefited a broader statewide or regional area. The bank made a total of 13 qualified community development investments, 10 of which were certificates of deposit held at minority- or women-owned depository institutions nationwide.

## ***Fair Lending or Other Illegal Practices Review***

Concurrent with this CRA evaluation, a review of the bank's compliance with consumer protection laws and regulations was conducted. The review found no evidence of violations of the substantive provisions of anti-discrimination, fair lending, or other credit practice rules, laws or regulations.

## Full-Scope Assessment Area Conclusions

*For each assessment area where a full-scope review was performed using the examination procedures.*

### **King-Snohomish Assessment Area**

#### **DESCRIPTION OF OPERATIONS IN KING-SNOHOMISH**

The King-Snohomish assessment area consists of King and Snohomish counties and comprises a part of the Seattle-Tacoma-Bellevue, Washington Metropolitan Statistical Area. Located in Northwestern Washington, the area is bordered by Skagit County to the north, Chelan and Kittitas counties to the east, Pierce County to the south, and Kitsap and Island counties to the west. The area was home to 3.1 million people in 2020.<sup>1</sup>

As of June 30, 2021, the area had 46 Federal Deposit Insurance Corporation (FDIC)-insured institutions operating 654 offices with deposits totaling \$137 billion. Coastal Community Bank operated 13 offices in the area and held deposits totaling over \$1.7 billion, representing 1.27 percent of the deposit market share.<sup>2</sup>

Exhibit 5 on the following page presents key demographic and business information used to help develop a performance context for the assessment area.

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<sup>1</sup> U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2020; available from: [www.census.gov/quickfacts/](http://www.census.gov/quickfacts/).

<sup>2</sup> Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 5 ASSESSMENT AREA DEMOGRAPHICS KING SNOHOMISH AREA ASSESSMENT AREA 2021 FFIEC CENSUS AND 2021 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	31	5.6	34,305	5.1	8,470	24.7	145,540	21.5
Moderate-income	125	22.8	143,790	21.3	17,147	11.9	117,971	17.5
Middle-income	228	41.5	286,477	42.4	14,785	5.2	139,130	20.6
Upper-income	160	29.1	210,499	31.2	6,483	3.1	272,737	40.4
Unknown-income	5	0.9	307	0.0	50	16.3	0	0.0
Total AA	549	100.0	675,378	100.0	46,935	6.9	675,378	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	67,377	19,460	3.0	28.9	43,116	64.0	4,801	7.1
Moderate-income	261,687	118,166	18.1	45.2	125,857	48.1	17,664	6.8
Middle-income	480,868	291,863	44.8	60.7	160,007	33.3	28,998	6.0
Upper-income	354,052	222,319	34.1	62.8	111,769	31.6	19,964	5.6
Unknown-income	1,999	80	0.0	4.0	1,780	89.0	139	7.0
Total AA	1,165,983	651,888	100.0	55.9	442,529	38.0	71,566	6.1
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	9,908	5.8	8,792	5.5	1,043	9.8	73	5.2
Moderate-income	32,781	19.1	30,516	19.1	2,050	19.2	215	15.4
Middle-income	65,659	38.2	61,420	38.5	3,737	35.0	502	35.9
Upper-income	62,713	36.5	58,332	36.5	3,778	35.4	603	43.1
Unknown-income	712	0.4	638	0.4	68	0.6	6	0.4
Total AA	171,773	100.0	159,698	100.0	10,676	100.0	1,399	100.0
% of Total Businesses				93.0		6.2		0.8
2021 Adjusted Median Family Income <sup>3</sup>				\$115,700				

### Economic Conditions

The area economy expanded early in the review period prior to the economic downturn brought on by the pandemic. The area subsequently entered into a recovery stage of the

<sup>3</sup> FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/Medianincome.htm>.

business cycle late in the review period. The primary economic drivers in the area were the manufacturing, high tech, and logistics industries.<sup>4</sup> Technology was the source of the area's economic strength anchored by two of the area's top employers, Amazon and Microsoft.<sup>5</sup> The area's pool of skilled tech workers and abundant access to venture capital made the area a premier global technology hub.<sup>6</sup> The technology industry was a stabilizing force during the economic downturn in 2020, with payrolls that held steady and were on the rise late in the year.<sup>7</sup> The professional services and information industries led the area's economic recovery, contributing more than one third of net new job additions within a three month period in the fall of 2021.<sup>8</sup> In the manufacturing sector, Boeing remained the area's top employer.<sup>9</sup> However, trade and tariff uncertainty early in the review period reduced production at one of Boeing's plants and impacted local suppliers.<sup>10</sup> Boeing continued to struggle through 2020 and cut nearly 10,000 local jobs as it grappled with the extended slump in travel due to the pandemic.<sup>11</sup> By late 2021, the aerospace industry overall showed signs of recovery, adding workers faster than the broader economy.<sup>12</sup> The area's large port with connections to emerging Asian markets was another top strength of the area.<sup>13</sup> In the housing market, house and apartment prices rose at a double-digit rate while wage gains had yet to maintain an upward trend, impacting overall housing affordability.<sup>14</sup> Later in the review period, although overall house price appreciation moderated, wage gains still trailed the rate of house price gains.<sup>15</sup> Overall, the area economy expanded early in the review period prior to contracting at the onset of the COVID-19 pandemic, despite steady performance in the tech industry.

As depicted in Exhibit 6 on the following page, loans to small businesses from banks subject to the CRA increased during the review period. While the number of loans increased at a steady rate, there was a larger increase in the amount of loans made in 2020, compared to the amount of loans made in the prior years of the review period. As of 2020, 80,911 loans totaling \$4.9 billion were made. Lending to small businesses played a critical role in the economy given that small businesses accounted for 93 percent of all businesses in the assessment area, as

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<sup>4</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2021.

<sup>5</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

<sup>6</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2018.

<sup>7</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2020.

<sup>8</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2021.

<sup>9</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

<sup>10</sup> Ibid.

<sup>11</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2020.

<sup>12</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2021.

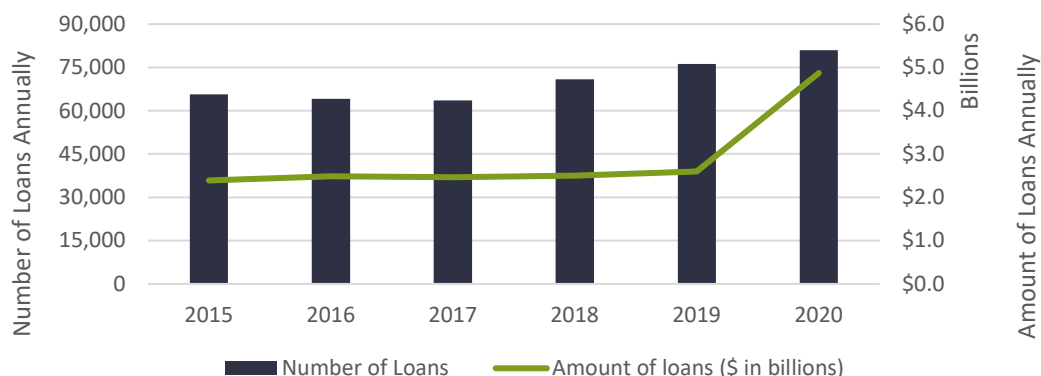
<sup>13</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2019.

<sup>14</sup> Ibid.

<sup>15</sup> Moody's Precis Report, Seattle-Bellevue-Everett WA, November 2021.

noted in Exhibit 6 below. Late in the review period, the federal Paycheck Protection Program (PPP) was launched to aid small businesses during the pandemic. Nationwide, over 11 million loans totaling \$799 trillion were approved for businesses in response to the pandemic’s negative effect on consumer and business activity.<sup>16</sup> In the assessment area, over 90,000 PPP loans in amounts of less than \$1 million were made and approximately 650,000 jobs were self-reported to benefit from the loans made between April 2020 and May 2021.<sup>17</sup> According to the borrower firms that elected to report their industry sector, most loans under \$1 million were made to businesses in the Professional, Scientific, and Technical Services sector, followed by the Transportation and Warehousing sector.<sup>18</sup>

**Exhibit 6**  
**Loans to Small Businesses in Assessment Area<sup>19</sup>**  
**2015-2020**



The unemployment rates in the area decreased early in the review period prior to increasing in 2020 at the onset of the pandemic, as depicted in Exhibit 7 on the next page. The rate in King County was lower throughout the review period compared to the statewide unemployment rate. Early in the review period through 2019, the unemployment rate in Snohomish County was lower than the statewide unemployment rate. However, the

<sup>16</sup> U.S. Small Business Administration, Paycheck Protection Program Report, Approvals through May 31, 2021; available from: [https://www.sba.gov/sites/default/files/2021-06/PPP\\_Report\\_Public\\_210531-508.pdf](https://www.sba.gov/sites/default/files/2021-06/PPP_Report_Public_210531-508.pdf).

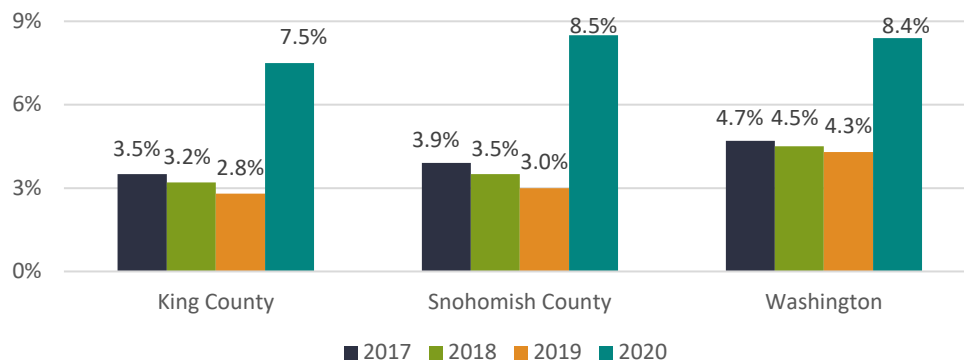
<sup>17</sup> U.S. Small Business Administration, Paycheck Protection Program Loan Data; *Borrower firms self-reported data and had the option to abstain from reporting certain details of the loan application, therefore data may not capture some details of each loan made*; available from: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

<sup>18</sup> Ibid.

<sup>19</sup> Aggregate CRA Small Business data reports available from: <https://www.ffiec.gov/craadweb/aggregate.aspx>.

unemployment rate in Snohomish County slightly exceeded the statewide unemployment rate, 8.5 percent compared to 8.4 percent, respectively. The data suggests Snohomish County may have experienced a higher share of job losses during the pandemic compared to neighboring King County and the state as a whole.

**Exhibit 7**  
**Unemployment Rate<sup>20</sup>**  
**2017-2020**



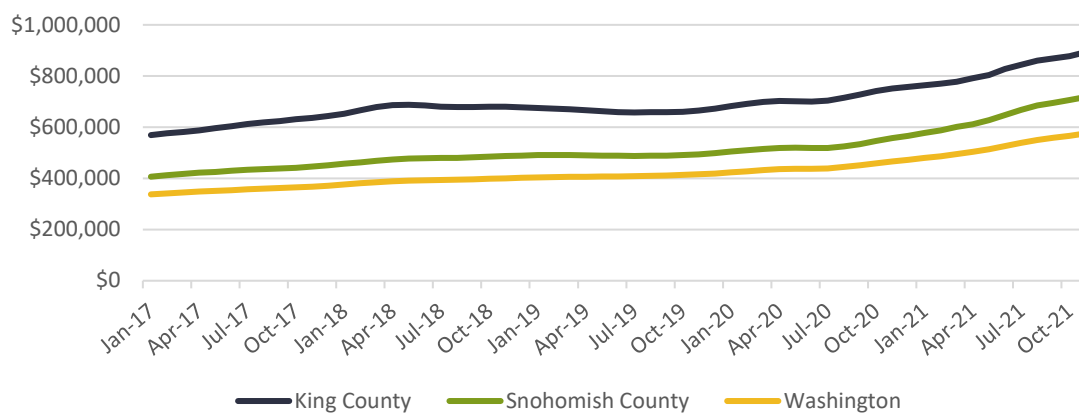
The trends in median home prices in the assessment area are shown in Exhibit 8 on the following page. Median home prices increased early in the review period before flattening between June 2018, and December 2019. Prices increased again starting in January 2020. By November 2021, the median home price in King County was \$893,208, representing a 19 percent year-over-year increase. In Snohomish County, the median home price in November 2021 was \$717,910, a 29 percent year-over-year increase. Overall, area median home prices in the area were higher than the statewide median home price throughout the review period. Both counties in the area had the same rate, 29 percent, as the statewide rate of cost burdened homeowners, defined as households who spend 30 percent or more of income on housing costs.<sup>21</sup>

<sup>20</sup> U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available from: <https://www.bls.gov/lau/>.

<sup>21</sup> Prosperity Now Scorecard, King County and Snohomish County, WA; available from: <https://scorecard.prosperitynow.org>.



**Exhibit 8**  
**Median Home Prices<sup>22</sup>**  
**January 2017–November 2021**



In addition to rising home prices, rental prices also increased during the review period. The median rent for a 1-bedroom unit in King County increased from \$1,178 in 2017 to \$1,420 in 2019.<sup>23</sup> Similarly, the median rent for a 1-bedroom unit increased in Snohomish County from \$975 in 2017, to \$1,152 in 2019.<sup>24</sup> There was a higher share of cost burdened renters in Snohomish County, 49 percent, than in King County, 45 percent.<sup>25</sup>

Rates of poverty and usage of public assistance or Supplemental Nutrition Assistance Program (SNAP)/food stamps in the area decreased early in the review period, as depicted in Exhibit 9 on the following page. Data for the later years of the review period were not yet available at the time this report was prepared. The assessment area had lower rates of poverty and public assistance or SNAP/food stamp benefit usage than the state overall. In another measure of poverty, many households were liquid asset poor, or without sufficient liquid assets to subsist at the federal poverty level for three months. In King County 22 percent of households were liquid asset poor.<sup>26</sup> Comparatively, 24 percent of households in

<sup>22</sup> Zillow Research, Zillow Home Value Index, Single-Family Homes Time Series; available from: <https://www.zillow.com/research/data/>.

<sup>23</sup> U.S. Census Bureau, Median Gross Rent, 1-Bedroom, American Community Survey, 5-year estimate; available from: <https://www.census.gov/data>.

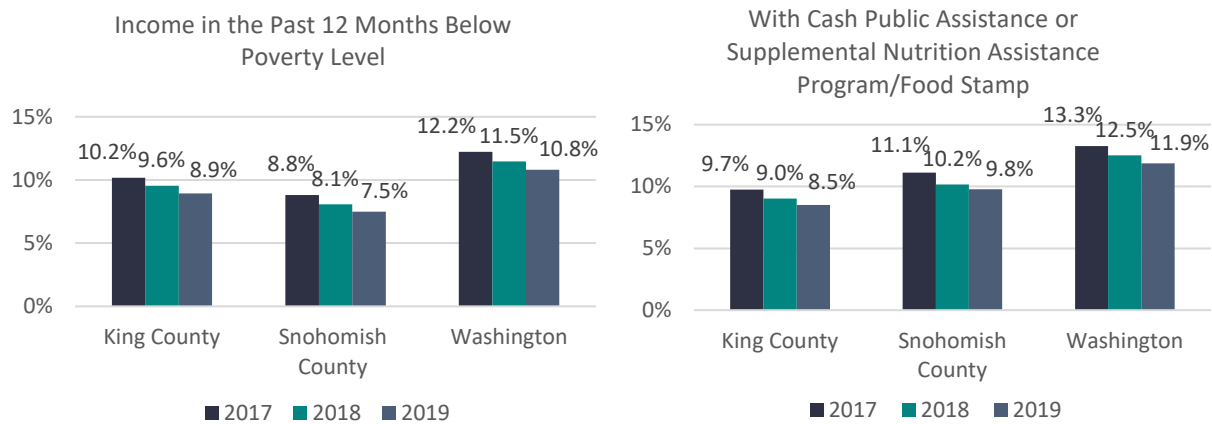
<sup>24</sup> Ibid.

<sup>25</sup> Prosperity Now Scorecard, King County and Snohomish County, WA; available from: <https://scorecard.prosperitynow.org>.

<sup>26</sup> Prosperity Now Scorecard, King County, WA; available from: <https://scorecard.prosperitynow.org>.

Snohomish County were liquid asset poor, slightly lower than the statewide rate of 27 percent.<sup>27</sup>

**Exhibit 9  
Poverty and SNAP Usage Rates<sup>28</sup>  
2017-2019**



**Credit and Community Development Needs**

The economic data described above and feedback from community contacts indicate that credit and community development needs remain in the area. As previously discussed, small business lending levels remained steady during the review period before increasing in 2020 as PPP loans were distributed to meet the credit needs of small businesses enduring the impacts of COVID-19. According to the U.S. Census Bureau’s Weekly Small Business Pulse Survey, as of January 2, 2022, 49 percent of small businesses in Washington received PPP loans.<sup>29</sup> At that time, 13 percent of small businesses reported that obtaining financial assistance would be needed in the next six months, compared to the national average of 15 percent of businesses.<sup>30</sup> In addition, the survey found that 36 percent of small businesses in Washington reported it would take more than six months before the business returned to normal levels of operation

<sup>27</sup> Prosperity Now Scorecard, Snohomish County, WA; available from: <https://scorecard.prosperitynow.org>.

<sup>28</sup> Poverty and Food Stamp Usage Rates, U.S. Census Bureau, American Community Survey, 5-Year Estimates; available from: <https://www.census.gov/programs-surveys/acs/data.html>.

<sup>29</sup> U.S. Census Bureau, Weekly Small Business Pulse Survey, Week 61, Collection Date December 27, 2021-January 2, 2022; available from: [https://experience.arcgis.com/experience/0a2101a6bc6d41159cb0f4ee9cf38a7f/page/page\\_4/](https://experience.arcgis.com/experience/0a2101a6bc6d41159cb0f4ee9cf38a7f/page/page_4/).

<sup>30</sup> Ibid.

relative to its usual level of operations.<sup>31</sup> Based on the survey results, small businesses in Washington appeared to have ongoing credit needs and expected additional time would be needed to recover business operations.

The Small Business Credit Survey, a collaboration of the 12 Federal Reserve Banks, conducted approximately six months after the onset of the pandemic, highlighted the pandemic's impact on small businesses and their credit needs. The survey results found that of the 37 percent of small business survey respondents that applied for credit in the prior 12 month period, 37 percent received all the financing they sought.<sup>32</sup> This share of applicants was a decrease from the prior year's survey that found 51 percent of applicant firms received all the financing they sought.<sup>33</sup> Small business applicants most often sought loans or lines of credit.<sup>34</sup> A majority, 58 percent, of applicant firms cited that their reason for applying for credit was to meet operating expenses.<sup>35</sup> Only 48 percent of firms applied for less than \$100,000, a decrease since the prior year.<sup>36</sup> Despite the increase in small business lending during the pandemic described previously, the survey results indicate there are unmet credit needs for small businesses.

According to community representatives contacted, credit needs remain in the area. One community contact, representing an organization that is a Community Development Financial Institution (CDFI) that provides lending and technical assistance services to low-income entrepreneurs and micro-business owners, stated that there are credit gaps for business lines of credit as well as loans under \$5,000 for the clients they serve.

Another community contact that works for a different CDFI that provides lending and technical assistance services to small and micro businesses shared additional credit needs in the community. One need the contact identified was for small business loans in amounts less than \$50,000. Additionally, the contact noted many people have started new businesses after losing their job during the pandemic and are now in need of small business grants. The contact stated grants of up to \$100,000 would be the most impactful to those businesses as a

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<sup>31</sup> U.S. Census Bureau, Weekly Small Business Pulse Survey, Week 61, Collection Date December 27, 2021-January 2, 2022; available from:

[https://experience.arcgis.com/experience/0a2101a6bc6d41159cb0f4ee9cf38a7f/page/page\\_4/](https://experience.arcgis.com/experience/0a2101a6bc6d41159cb0f4ee9cf38a7f/page/page_4/).

<sup>32</sup> Small Business Credit Survey, Report on Employer Firms 2021; available from:

<https://www.fedsmallbusiness.org/survey/2021/report-on-employer-firms>.

<sup>33</sup> Small Business Credit Survey, Report on Employer Firms 2021; available from:

<https://www.fedsmallbusiness.org/survey/2021/report-on-employer-firms>.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

source to build their business' initial equity. The same contact also stated small businesses that are looking to expand need uncollateralized or minimally collateralized loans of up to \$150,000. The contact further explained that these businesses have nearly maxed out their debt options, particularly following the impacts of the pandemic on their business.

One of the contacts noted that there are also service needs in the area. The contact stated there is an opportunity for financial institutions to offer more translation services or support for customers and bankers that do not speak the same language, which often presents a barrier to the customer in accessing needed funding. In addition, the same contact noted their concern with the lack of availability of in-person banking services. According to the contact, some clients that rely on in-person banking services, particularly small business owners with cash-based businesses, face challenges in making in-person deposits because of the closure of bank branches. Finally, the same contact indicated there are opportunities for financial institutions to develop referral partnerships with CDFIs. These partnerships could help serve clients that are seeking loan amounts that exceed what the CDFI is able to lend, or clients that require additional technical assistance with the CDFI prior to applying for credit at a financial institution.

In addition to small business lending needs, a community contact from a nonprofit community development corporation focused on housing, described the need for mortgage assistance. The contact's organization offers various forms of mortgage assistance to serve specific demographics, including down payment assistance for Black homebuyers, loans for borrowers without a social security number, and Sharia-compliant loans for homebuyers who cannot make interest payments due to their religion. According to the contact, these are examples of various forms of assistance that are in demand to support the housing needs of homebuyers in the area.

The same contact from the nonprofit housing organization, noted the need for investments to organizations like their own. According to the contact, funds with less restrictions are the most impactful for community organizations, as well as donations. The contact explained that donations such as general operating grants can help the organization maintain their operations in serving LMI households.

Overall, according to the information shared by the contacts described above, there are opportunities for banks to help address the credit needs of small businesses and homebuyers as well as the community development needs of nonprofit organizations in the community through investments, loans, and donations, and community service activities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KING-SNOHOMISH

### Lending Test

Coastal's overall lending test performance in the King-Snohomish County assessment area is satisfactory. A majority of small business and HMDA loans were made within the assessment area, and lending activities satisfactorily addressed the credit needs of the communities of King and Snohomish Counties.

### *Lending Distribution by Geography*

#### Small Business Loans

The overall geographic distribution of lending is excellent. Coastal's geographic distribution of small business loans reflects excellent penetration among geographies of all income levels. This analysis is limited to the bank's performance in 2020, as loan volumes in 2017, 2018 and 2019 were too low to provide meaningful analysis, and aggregate data for 2021 was not available. As shown in Exhibit 10 on the next page, Coastal's 2020 small business lending demonstrated strong performance in LMI geographies where the percentage of lending exceeded the performance of aggregate lenders and the percentage of businesses in these geographies.

Exhibit 10 Geographic Distribution of Small Business Loans								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
<b>King Snohomish Assessment Area 2017</b>								
Bank Lending	0	0.0	1	100.0	0	0.0	0	0.0
Aggregate Lending	3,945	6.0	12,074	18.4	25,240	38.5	24,376	37.1
Business Concentration	7,187	5.6	23,743	18.7	48,366	38.0	47,957	37.7
<b>King Snohomish Assessment Area 2018</b>								
Bank Lending	0	0.0	5	71.4	2	28.6	0	0.0
Aggregate Lending	4,222	5.8	13,215	18.1	28,243	38.6	27,459	37.5
Business Concentration	8,877	5.8	29,239	19.1	58,762	38.5	55,903	36.6
<b>King Snohomish Assessment Area 2019</b>								
Bank Lending	3	27.3	2	18.2	4	36.4	2	18.2
Aggregate Lending	4,856	6.2	14,917	19.1	29,882	38.3	28,449	36.4
Business Concentration	9,047	5.9	29,436	19.3	58,538	38.4	55,263	36.3
<b>King Snohomish Assessment Area 2020</b>								
Bank Lending	14	10.0	58	41.4	46	32.9	22	15.7
Aggregate Lending	5,385	6.5	15,911	19.2	31,935	38.5	29,757	35.9
Business Concentration	9,917	5.8	32,773	19.1	65,752	38.4	62,957	36.7
<b>King Snohomish Assessment Area 2021</b>								
Bank Lending	11	7.7	49	34.3	54	37.8	29	20.3
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Business Concentration	9,908	5.8	32,781	19.2	65,659	38.4	62,713	36.7

### HMDA Loans

The geographic distribution of home purchase loans reflects excellent penetration among geographies of all income levels compared to other lenders and in light of housing demographics. As depicted in Exhibit 11 on the next page, the bank outperformed the aggregate in the geographic distribution of loans and the percentages of home purchase loans in low- or moderate-income census tracts exceeded owner-occupied unit concentrations throughout the entirety of the review period.

Exhibit 11 Geographic Distribution of Home Purchase Loans								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
<b>King Snohomish Assessment Area</b>								
Bank Lending	7	14.9	9	19.1	16	34.0	15	31.9
Aggregate Lending	1,976	3.4	11,532	19.6	27,207	46.3	17,991	30.6
Owner Occupied Housing	19,460	3.0	118,166	18.1	291,863	44.8	222,319	34.1
<b>King Snohomish Assessment Area 2018</b>								
Bank Lending	2	7.1	8	28.6	6	21.4	12	42.9
Aggregate Lending	2,104	3.8	10,982	19.8	25,447	45.8	17,068	30.7
Owner Occupied Housing	19,460	3.0	118,166	18.1	291,863	44.8	222,319	34.1
<b>King Snohomish Assessment Area 2019</b>								
Bank Lending	5	19.2	9	34.6	10	38.5	2	7.7
Aggregate Lending	1,920	3.3	11,427	19.6	27,406	47.1	17,478	30.0
Owner Occupied Housing	19,460	3.0	118,166	18.1	291,863	44.8	222,319	34.1
<b>King Snohomish Assessment Area 2020</b>								
Bank Lending	6	30.0	6	30.0	6	30.0	2	10.0
Aggregate Lending	1,908	3.3	11,716	20.1	27,364	46.9	17,343	29.7
Owner Occupied Housing	19,460	3.0	118,166	18.1	291,863	44.8	222,319	34.1
<b>King Snohomish Assessment Area 2021</b>								
Bank Lending	3	37.5	1	12.5	4	50.0	0	0.0
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Owner Occupied Housing	19,460	3.0	118,166	18.1	291,863	44.8	222,319	34.1

**Lending Distribution by Borrower Income and Business Revenue**

Coastal’s lending performance to borrowers of different revenue and income levels is adequate overall. Small business loan volume in 2017, 2018 and 2019 were too low to produce meaningful analysis, and loans in 2020 primarily consisted of PPP loans for which the bank did not collect borrower revenue data. Similarly, the volume of HMDA loans by borrower income was too low to produce meaningful analysis. However, during the review period, Coastal provided a majority of small business loans in small dollar amounts. As depicted in Exhibit 12 on the next page, 89.3 percent of small business loans originated in 2020, and 86.7

percent of small business loans in 2021, were in amounts of \$250,000 or less, which was responsive to the need for smaller dollar loans.

Exhibit 12 Business Revenue Distribution of Small Business Loans							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	1	0.0	90.6	50.4	0.0	100.0	0.0
2018	7	14.3	91.8	44.9	42.9	0.0	57.1
2019	11	27.3	92.0	48.8	18.2	9.1	72.7
2020	140	2.1	92.8	41.2	68.6	20.7	10.7
2021	143	11.2	93.0	N/A	70.6	16.1	13.3

## Community Development Test

Coastal’s performance under the community development test is satisfactory. The bank demonstrated an adequate level of responsiveness to the needs of the assessment area, as community development loans, investments and services supported the financing of affordable housing, economic development, job creation, geographic revitalization, and community services targeted to LMI individuals.

Since the previous CRA examination, the bank extended 46 community development loans totaling \$85.0 million within the King-Snohomish assessment area. Community development loans secured 205 units of affordable housing, created or retained at least 154 jobs for LMI individuals, and provided \$47.1 million in loans applied to revitalizing or stabilizing LMI geographies. The bank also provided 3,214 hours of community development services to over 50 organizations focused on community development within the assessment area. Notable community development activities within the King-Snohomish County assessment area included:

- A community development loan totaling \$3.5 million which supported the development of 36 affordable housing units for LMI individuals in a low-income census tract in Snohomish County.



- A community development loan totaling \$4.4 million to refinance a 76-room hotel located in a low-income census tract. This loan helped retain 12 low- or moderate-income employees in the owner-occupied business within Snohomish County.
- A community development loan totaling \$2.2 million which supported the development of 40 affordable housing units for LMI individuals located in a moderate-income census tract in King County.
- A community development loan participation totaling \$6.1 million applied to the revitalization and stabilization of a moderate-income census tract in King County.
- Donations totaling \$32,200 made to an organization focused on providing critical services to homeless youth within Snohomish County.
- Donations totaling \$11,000 made to local food banks throughout the assessment area.
- A total of 385 community development service hours serving on the board of an organization focused on providing LMI individuals and families with access to critical needs, such as food, shelter, and healthcare.
- A total of 86 community development service hours serving on the economic development committees of various cities within the assessment area.
- A total of 204 community development service hours serving on the board and committees of an organization focused on providing housing to homeless youth.

## LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

*For each assessment area where a limited-scope review was performed using the examination procedures.*

Coastal Community Bank’s performance in the assessment area receiving a limited review is generally consistent with the performance in the King-Snohomish assessment area. Due to the bank’s smaller presence, lending volume and deposit share, performance in this assessment area received less weight than the area receiving a full-scope review. Consequently, the bank’s performance, which is detailed in Exhibit 13 below, did not materially affect the overall lending and community development test ratings. Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report.

EXHIBIT 13		
LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS		
ASSESSMENT AREA	LENDING TEST	COMMUNITY DEVELOPMENT TEST
Island	<b>Consistent</b>	<b>Consistent</b>

Coastal’s lending test performance in the Island assessment area was generally consistent with performance in the full-scope assessment area. While few loans were extended in Island County during the review period, this performance is viewed in light of the low number of businesses and branch locations within the assessment area. Coastal’s community development test performance in the Island assessment area was also consistent with its performance in the full-scope assessment area. One community development loan of \$1.3 million was extended within the Island assessment area, as well as 4 donations totaling \$6,500. In addition, the bank provided 651 community development service hours in the assessment area during the review period.

## APPENDIX A

### GLOSSARY OF TERMS

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and 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.

**Community development:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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, 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 definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

**Full-scope review:** Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

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

**Limited-scope review:** Performance under the lending and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

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

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

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

## **APPENDIX B**

### **LIMITED-SCOPE ASSESSMENT AREA**

### **MARKET PROFILES**

All demographic and economic information in this appendix originates from one of the following sources:

U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2020; available from <http://www.census.gov/quickfacts/>.

Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2021; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

FFIEC Adjusted Median Family Income; available from: <https://www.ffiec.gov/MedianIncome.htm>.

## ***Island County Assessment Area***

The Island County assessment area consists of Island County in its entirety and comprises a part of the Seattle-Tacoma, Washington Combined Statistical Area. The area is composed entirely of islands in the Salish Sea in Northwest Washington. The largest islands in the county are Whidbey and Camano islands. The area is bordered by Skagit County to the north, Snohomish County to the east, Kitsap County to the southwest, and Jefferson County to the west. The area was home to 86,014 people in 2020.

As of June 30, 2021, there were nine FDIC-insured institutions operating 19 offices in the area. CCB operated one branch in the area, which had total deposits of \$67.9 million, representing 4.43 percent of the market. In 2020, there were 49 lenders reporting small business loans pursuant to the reporting requirements of the CRA. These lenders, which represent only a portion of the overall commercial lending market, extended 1,491 small business loans totaling \$67,405.

The exhibits on the following pages present key demographic and business information concerning the assessment area.



EXHIBIT 14 ASSESSMENT AREA DEMOGRAPHICS ISLAND ASSESSMENT AREA 2021 FFIEC CENSUS AND 2021 DUN AND BRADSTREET DATA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	4.5	125	0.6	9	7.2	3,110	13.9
Moderate-income	2	9.1	1,886	8.4	179	9.5	3,191	14.3
Middle-income	4	18.2	3,741	16.7	379	10.1	4,593	20.5
Upper-income	14	63.6	16,619	74.3	920	5.5	11,477	51.3
Unknown-income	1	4.5	0	0.0	0	0.0	0	0.0
Total AA	22	100.0	22,371	100.0	1,487	6.6	22,371	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	243	25	0.1	10.3	183	75.3	35	14.4
Moderate-income	2,975	232	1.0	7.8	2,478	83.3	265	8.9
Middle-income	7,545	3,736	16.6	49.5	2,568	34.0	1,241	16.4
Upper-income	29,831	18,454	82.2	61.9	5,449	18.3	5,928	19.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	40,594	22,447	100.0	55.3	10,678	26.3	7,469	18.4
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	21	0.5	20	0.5	1	0.9	0	0.0
Moderate-income	347	8.6	329	8.5	15	13.4	3	6.1
Middle-income	522	13.0	505	13.1	13	11.6	4	8.2
Upper-income	3,124	77.8	2,999	77.8	83	74.1	42	85.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,014	100.0	3,853	100.0	112	100.0	49	100.0
% of Total Businesses				96.0		2.8		1.2
2021 Adjusted Median Family Income			\$58,900					

Exhibit 15								
Geographic Distribution of Small Business Loans								
Census Tract	Low		Moderate		Middle		Upper	
	#	%	#	%	#	%	#	%
<b>Island Assessment Area 2017</b>								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	1	0.1	82	7.7	128	12.0	854	80.2
Business Concentration	17	0.6	292	9.6	391	12.9	2,327	76.9
<b>Island Assessment Area 2018</b>								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	5	0.4	79	6.9	146	12.7	922	80.0
Business Concentration	21	0.6	339	9.4	467	12.9	2,785	77.1
<b>Island Assessment Area 2019</b>								
Bank Lending	0	0.0	0	0.0	0	0.0	0	0.0
Aggregate Lending	0	0.0	105	8.2	138	10.7	1,043	81.1
Business Concentration	21	0.6	333	9.3	474	13.2	2,763	76.9
<b>Island Assessment Area 2020</b>								
Bank Lending	0	0.0	0	0.0	2	33.3	4	66.7
Aggregate Lending	6	0.4	125	8.1	187	12.2	1,216	79.3
Business Concentration	20	0.5	356	8.8	526	13.0	3,144	77.7
<b>Island Assessment Area 2021</b>								
Bank Lending	0	0.0	0	0.0	1	14.3	6	85.7
Aggregate Lending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Business Concentration	21	0.5	347	8.6	522	13.0	3,124	77.8

Exhibit 16							
Business Revenue Distribution of Small Business Loans							
Year	Bank Lending #	Lending to Businesses with Revenue <=\$1 Million			Originations Regardless of Revenue Size by Loan Amount		
		Bank Lending (%)	Businesses <=\$1M in Revenue (%)	Aggregate Lending (%)	<=\$100K (%)	> \$100K & <=\$250K (%)	>250K & <=\$1M (%)
2017	0	0.0	95.5	58.7	0.0	0.0	0.0
2018	0	0.0	95.8	55.8	0.0	0.0	0.0
2019	0	0.0	95.9	54.0	0.0	0.0	0.0
2020	6	0.0	96.1	38.0	100.0	0.0	0.0
2021	7	0.0	96.0	N/A	85.7	14.3	0.0