



PUBLIC DISCLOSURE

Date of Evaluation: JANUARY 25, 2021

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Depository Institution: ORRSTOWN BANK

Institution's Identification Number: 342410

Address: 77 EAST KING STREET

SHIPPENSBURG, PENNSYLVANIA

**FEDERAL RESERVE BANK OF PHILADELPHIA
TEN INDEPENDENCE MALL
PHILADELPHIA, PENNSYLVANIA 19106**

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

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INSTITUTION'S CRA RATING

OVERALL RATING: SATISFACTORY

The following table indicates the Community Reinvestment Act (CRA) performance level of Orrstown Bank (Orrstown) with respect to the lending, investment, and service tests.

PERFORMANCE TEST RATING TABLE

PERFORMANCE LEVELS	Orrstown Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

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

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to this rating include:

- A high percentage of the bank's loans are made inside its assessment areas;
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes;
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas;
- The bank has made an adequate level of community development loans;
- The bank has made an adequate level of qualified investments and grants; and
- The bank provides an adequate level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Orrstown, headquartered in Shippensburg, Cumberland County, Pennsylvania, is a state-chartered full-service commercial bank. The bank is a multistate financial institution providing consumer and commercial banking services through 26 full-service branches, serving Cumberland, Dauphin, Franklin, and Perry Counties in Pennsylvania, and Anne Arundel, Baltimore, Baltimore City, Carroll, Harford, Howard, Queen Anne’s, and Washington Counties in Maryland. Of the 26 full-service branch locations, one branch is situated in a low-income census tract, and one branch is located in a moderate-income census tract, both in the Harrisburg, PA assessment area. Twenty-two branches are located in middle-income census tracts, and two branches are located in upper-income census tracts. In addition to the branches noted above, Orrstown operates two loan production offices (LPOs) in the Lancaster, PA assessment area. Neither of the bank’s LPOs are located in low- or moderate-income census tracts.

The bank is the sole banking and primary operating subsidiary of Orrstown Financial Services, a financial holding company that as of September 30, 2020, reported nearly \$2.8 billion in assets, and was also located in Shippensburg, Pennsylvania.

The following table details the locations of Orrstown’s full-service branches and LPOs as of the CRA evaluation date.

Orrstown Bank			
Assessment Area	County	State	Number of Branches
Full-Service Branches			
Harrisburg Assessment Area	Cumberland, Dauphin, and Perry	Pennsylvania	8
Chambersburg Assessment Area	Franklin	Pennsylvania	8
Lancaster Assessment Area	Lancaster	Pennsylvania	5
Hagerstown Assessment Area	Washington	Maryland	1
Baltimore Assessment Area	Anne Arundel, Baltimore, Baltimore City, Carroll, Harford, Howard, and Queen Anne’s	Maryland	4
Total Full-Service Branches			26
Loan Production Offices			
Lancaster Assessment Area	Lancaster	Pennsylvania	2
Total LPOs			2

According to the Consolidated Reports of Condition and Income (Call Report) as of September 30, 2020, Orrstown reported \$2.8 billion in assets, of which just over \$2 billion, or 73%, were loans.

On a dollar volume basis, commercial loans (comprised of commercial mortgages and commercial and industrial loans) represent the largest segment of the bank’s loan portfolio at nearly \$1.2 billion, or 58%. Residential loans (which include closed-end and open-end loans secured by residential properties, and multifamily loans) represent the second largest segment of the bank’s loan portfolio at \$677 million, or 33%.

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The composition of the bank’s loan portfolio as of September 30, 2020 is presented in the table below.

Orrstown Bank		
LOANS as of 09/30/2020	\$000	%
Loans Secured by Nonfarm Nonresidential Properties (Commercial Mortgages)	569,761	27.9
Commercial and Industrial Loans	619,449	30.3
Secured by Farmland	24,804	1.2
Secured by Residential Properties (Closed-end)	409,019	20.0
Secured by Residential Properties (Open-end)	158,106	7.7
Secured by Multifamily Residential Properties	110,153	5.4
Construction & Land Development	47,477	2.3
Consumer Loans	28,819	1.4
Loans to Finance Agricultural Production & Other Loans to Farmers	1,236	0.1
States and Political Subdivisions	28,867	1.4
Other Loans	40,568	2.0
Other Leases	4,415	0.2
TOTAL	2,042,674	100.0

Source: September 30, 2020 Consolidated Reports of Condition and Income, Schedule RC-C Part I. Loans classified as closed-end loans secured by residential real estate include business purpose loans collateralized by residential properties.

Small Business Loans

Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the Call Report, as of September 30, 2020, indicates that \$337 million (28%) of the bank’s outstanding commercial loans¹ were designated as small business loans. At the previous CRA evaluation, Orrstown’s outstanding commercial loan volume was \$411 million, of which \$99 million (24%) was designated as small business loans. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less, as detailed in the following table.

Orrstown Bank Small Business Loans		
	Amount Outstanding as of 09/30/2020 (\$000)	%
Loans with original amounts of \$100,000 or less	66,232	5.5
Loans with original amounts of \$100,001 through \$250,000	69,809	5.9
Loans with original amounts of \$250,001 to \$1 million	201,056	16.9
Total Small Business Loans	337,097	28.3
Loans with original amounts of more than \$1 million	852,113	71.7
Total Commercial Loans	\$1,189,210	100.0

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

¹ Commercial loans are comprised of loans secured by nonfarm nonresidential properties, along with commercial and industrial loans.

Orrstown was rated satisfactory at its previous CRA evaluation performed by the Federal Reserve Bank of Philadelphia dated December 4, 2017. The previous examination was performed using the Interagency Large Institution CRA Evaluation Procedures adopted by the Board of Governors of the Federal Reserve System (Board of Governors).

DESCRIPTION OF ASSESSMENT AREAS

For purposes of CRA, Orrstown has designated five assessment areas, as follows:

- (1) The Harrisburg, PA Assessment Area, which consists of the entirety of Cumberland, Perry, and Dauphin Counties, PA, which is coterminous with the Harrisburg-Carlisle, PA Metropolitan Statistical Area (MSA).
- (2) The Chambersburg, PA Assessment Area, which consists of the entirety of Franklin County, PA, which is coterminous with the Chambersburg-Waynesboro, PA MSA.
- (3) The Lancaster, PA Assessment Area, which consists of the entirety of Lancaster County, PA, which is coterminous with the Lancaster, PA MSA.
- (4) The Hagerstown, MD Assessment Area, which consists of the entirety of Washington County, MD, which is part of the larger Hagerstown-Martinsburg, MD-WV MSA.
- (5) The Baltimore, MD assessment area, which consists of the entirety of Anne Arundel, Baltimore, Baltimore City, Carroll, Harford, Howard, and Queen Anne's Counties, MD, which is coterminous with the Baltimore-Columbia-Towson, MD MSA.

The bank's assessment areas were determined to comply with the requirements of the CRA, and do not arbitrarily exclude low- or moderate-income census tracts.

It is noted that Orrstown's Baltimore, MD assessment area is new at this CRA evaluation, and was added as an assessment area as the result of Orrstown's acquisition of Baltimore-based Hamilton Bank in May 2019. Additionally, Orrstown's Harrisburg, PA assessment area has expanded since the previous CRA evaluation when it was comprised only of Cumberland, Perry, and southern Dauphin Counties. As detailed above, the bank now serves the entire Harrisburg-Carlisle, PA MSA, which includes all of Dauphin County.

SCOPE OF EXAMINATION

The current evaluation of the bank's CRA performance covers the period from December 5, 2017, through January 25, 2021, in accordance with the Interagency Large Institution CRA Evaluation Procedures adopted by the Board of Governors.

Loan products evaluated include:

- Home purchase, home improvement, and multifamily loans and the refinancing of such loans, collectively titled Home Mortgage Disclosure Act (HMDA) loans, reported by the bank for calendar year 2017;
- Home purchase, home improvement and multifamily loans and the refinancing of such loans, open-end lines of credit, closed-end mortgage loans and loans with purpose “not applicable,” collectively titled HMDA loans reported by the bank for calendar year 2018 and 2019;²
- Small business loans reported by the bank, pursuant to the CRA for calendar years 2017, 2018, and 2019; and
- Other loans that qualified as community development loans during the entire evaluation period from December 5, 2017 through January 25, 2021.

Because the bank originated more HMDA loans, by both by number and dollar volume, than small business loans across all of its assessment areas, HMDA loans were given the most weight in determining Orrstown’s overall rating. In total, within the assessment areas, the bank originated 2,774 HMDA loans totaling nearly \$471 million over the evaluation period. Small business loans were weighted the second highest, as a result of volume. Over the evaluation period, Orrstown originated 644 small business loans totaling \$112 million within its assessment areas.

It is noted that small business loans were not evaluated in the Hagerstown, MD assessment area because analysis of the very low volume of loans would not have yielded meaningful conclusions.

Orrstown’s HMDA and small business loans were compared to the aggregate of all lenders in the bank’s assessment areas that report home-mortgage loans pursuant to HMDA, and small business loans pursuant to CRA. These data are reported annually.

Examiners also analyzed the demographic characteristics of each assessment area as one way to measure loan demand. The demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Rather, the demographic data provides a business context for the bank’s performance in the assessment areas in which it operates. Further, bank management provided information regarding the bank’s lending activities, credit demand, and competition.

²In October 2015 and August 2017, through final rules that amended Regulation C, the Consumer Financial Protection Bureau (CFPB) modified: (1) the types of institutions that are subject to Regulation C (covered institutions); (2) the types of transactions that are subject to Regulation C (covered transactions); (3) the types of data that institutions are required to collect, record and report pursuant to Regulation C; and (4) the corresponding processes for reporting and disclosing HMDA data. See 80 Fed. Reg. 66127 (October 28, 2015) (final rule); and 82 Fed. Reg. 43088 (September 13, 2017) (correction). The Board of Governors, along with other agencies, amended their regulations implementing the CRA to conform with the CFPB regulation changes. Of note, changes include the “home-mortgage loan” definition in the CRA regulations to mean a “closed-end mortgage loan” or an “open-end line of credit,” as those terms are defined in, and that are not excluded transactions under, amended Regulation C. As a result, home improvement loans that are not secured by a dwelling, which were previously required to be reported under Regulation C, are no longer reportable transactions under HMDA; Home equity lines of credit (HELOCs) secured by a dwelling, which were previously reported at the option of the financial institution under Regulation C, are now covered transactions under HMDA; Also, “home equity loan” was deleted from the CRA definition of “consumer loan” because home equity loans are now included within the CRA definition of “home-mortgage loan.”

For the purposes of evaluating the geographic distribution of loans by census tract type, census tracts were classified on the basis of American Community Survey (ACS) data for loans originated in 2017, 2018, and 2019.³ The distribution of HMDA loans to borrowers of different income levels was based upon annually-adjusted median family income data for each of those years, made available by Federal Financial Institutions Examination Council (FFIEC). All other demographic indices and statistics presented throughout this evaluation are based on 2015 ACS data in 2017, 2018, and 2019, unless otherwise noted.

For small business loans, examiners used Dun & Bradstreet data for comparison purposes for the applicable years. Dun & Bradstreet collects and publishes data detailing the revenues and locations of local businesses.

To supplement economic, demographic, and performance data, and to gain a better perspective on community credit needs, interviews were conducted with nine community representatives during the course of the evaluation. Discussions were held with three organizations that focused on housing, three organizations that focused on small business development, two community action agencies, and one community development financial institution (CDFI). More information about the contacts and the community development and credit needs identified by the contacts, is available in the discussions of each assessment area.

For purposes of assessing the bank's overall CRA performance, greater weight was given to performance in the bank's Pennsylvania assessment areas. In reaching the statewide conclusions in the Commonwealth of Pennsylvania, greatest weight was given to the bank's performance in the Harrisburg, PA assessment area, followed by performance in the Chambersburg, PA assessment area, and then the Lancaster, PA assessment area, as detailed below.

A full-scope review was conducted in the Harrisburg, PA assessment area. The majority of the bank's operations and lending were in the bank's Harrisburg, PA assessment area. Eight of the bank's 26 branches (31%) were located in this assessment area. Likewise, 46% of the bank's deposits were held in the assessment area. From a loan perspective, 43% of loans by number, and 38% of loans by dollar volume were made within the Harrisburg, PA assessment area.

The Chambersburg, PA assessment was also evaluated using full-scope review procedures. During the evaluation period, Orrstown operated eight branches in the assessment area (31%), and these branches generated 26% of the bank's total deposits. From a loan standpoint, 37% of the bank's loans by number, and 31% by dollar volume were made in the Chambersburg, PA assessment area.

The Lancaster, PA assessment area received a limited-scope review, where performance was compared with that in the full-scope areas in the state to determine if it exceeded, was consistent with, or was below the performance in the full-scope areas. Orrstown operated five branches (19%) in the Lancaster, PA assessment area, which generated nearly 9% of the bank's deposits, and 16% of the bank's loan volume by number, and 25% of loans by dollar volume.

³ In accordance with FFIEC policy, 2015 ACS data is used to analyze data starting in 2017 and thereafter.

Performance in the State of Maryland was given less weight than the Commonwealth of Pennsylvania. In reaching the statewide conclusions for the State of Maryland, greater weight was given to the bank's performance in the Hagerstown, MD assessment area, followed by the Baltimore, MD assessment area, as detailed below.

A full-scope review of the Hagerstown, MD assessment area was conducted. Orrstown operated one branch in the Hagerstown, MD assessment area, which generated 2% of the bank's overall deposits, 2% of loans by number, and 2% of loans by dollar volume.

While the majority of the bank's operations and lending were in the Baltimore, MD assessment area, Orrstown only expanded into this assessment area in May 2019 with the acquisition of Hamilton Bank. As a result of the short time in which it had a presence in the assessment area, a limited-scope review was conducted of this assessment area. The bank's performance in the Baltimore, MD assessment area was compared with that in the full-scope Hagerstown, MD assessment area, to determine if it exceeded, was consistent with, or was below the performance in the full-scope assessment area. Orrstown operated four branches in the Baltimore, MD assessment area, which accounted for 18% of the bank's deposits, 2% of the bank's loan volume by number, and almost 4% of loans by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Performance under the lending test is rated high satisfactory.

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Concentration of lending within assessment areas, including HMDA, and small business lending;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of different sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Lending Activity

Overall, Orrstown's lending levels reflect good responsiveness to the credit needs of its assessment areas in Pennsylvania and Maryland.

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As indicated previously, as of September 30, 2020 Orrstown reported total loans of just over \$2 billion, or 73% of bank assets. This percentage was similar to the bank’s peer group⁴, for which total loans represented 71% of bank assets. At the previous evaluation conducted as of December 4, 2017, loans represented 63% of bank assets, using June 30, 2017 data.

As of September 30, 2020, Orrstown’s loan-to-deposit ratio measured 88%, again, just above the peer measure of 85%.

The table below depicts the bank’s HMDA and small business lending activity during the evaluation period.

Orrstown Bank Summary of Lending Activity				
Loan Type	#	%	\$(000s)	%
Home Improvement	370	9.2	28,654	3.9
Home Purchase	1,581	39.2	305,104	41.9
Multifamily Housing	60	1.5	76,499	10.5
Refinancing	929	23.0	149,937	20.6
Other Purpose Closed-End	23	0.6	1,636	0.3
Other Purpose Line of Credit	293	7.2	25,571	3.5
Total HMDA related	3,256	80.7	587,401	80.7
Small Business	730	18.1	135,048	18.6
Total Small Business related	730	18.1	135,048	18.6
Small Farm	49	1.2	5,377	0.7
Total Small Farm related	49	1.2	5,377	0.7
TOTAL LOANS	4,035	100.0	\$727,826	100.0

Assessment Area Concentration

An analysis was performed to determine the volume of loans extended inside and outside of the bank’s assessment areas. The analysis consisted of an evaluation of Orrstown’s HMDA loans and small business loans. The assessment area concentration analysis indicated that a high percentage of loans were made in the bank’s assessment areas.

More specifically, during the evaluation period, Orrstown made 85% of HMDA loans by number, and 80% by dollar amount in the bank’s assessment areas. This percentage of lending, both by number and dollar amount, was an increase from levels at the previous evaluation, when 81% by number and 74% by dollar volume were made within the bank’s assessment areas.

With respect to small business loans, 88% of the number of small business loans, and 83% of the aggregate dollar amount of loans were extended in the bank’s assessment areas. These levels represent decreases from the previous evaluation, when 91% by number and 88% by dollar volume were made within the bank’s assessment areas.

⁴ Orrstown’s Uniform Bank Performance Report peer group includes insured commercial banks having assets between \$1 billion and \$3 billion.

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Overall, 86% of all loans by number, and 81% of loans by dollar volume were made within the five assessment areas included in this evaluation.

The table below shows the distribution of lending inside and outside the bank’s assessment areas.

Orrstown Bank Lending Inside and Outside the Assessment Areas								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	343	92.7	26,419	92.2	27	7.3	2,235	7.8
Home Purchase- Conventional	990	81.4	192,863	79.3	226	18.6	50,223	20.7
Home Purchase- FHA	233	75.2	37,401	75.3	77	24.8	12,263	24.7
Home Purchase- VA	46	83.6	10,494	84.9	9	16.4	1,860	15.1
Multifamily Housing	45	75.0	54,823	71.7	15	25.0	21,676	28.3
Other Purpose Closed-End	22	95.7	1,530	93.5	1	4.3	106	6.5
Other Purpose LOC	255	87.0	20,350	79.6	38	13.0	5,221	20.4
Refinancing	840	90.4	127,483	85.0	89	9.6	22,454	15.0
Total HMDA related	2,774	85.2	471,363	80.2	482	14.8	116,038	19.8
Total Small Business related	644	88.2	112,385	83.2	86	11.8	22,663	16.8
Total Small Farm related	44	89.8	4,643	86.3	5	10.2	734	13.7
TOTAL LOANS	3,462	85.8	588,391	80.8	573	14.2	139,435	19.2

Borrower and Geographic Distribution of Lending

Home-Mortgage Lending

Overall, the bank’s distribution of loans among borrowers of different income levels, including low- and moderate-income borrowers, is good, due to good performance in Pennsylvania’s Harrisburg, PA assessment area, excellent performance in the Chambersburg, PA assessment area, and adequate performance in the Hagerstown, MD assessment area.

The geographic distribution of loans reflects adequate penetration throughout the bank’s assessment areas, due to good performance in in Pennsylvania’s Harrisburg, PA assessment area, adequate performance in the Chambersburg, PA assessment area, and adequate performance in the Hagerstown, MD assessment area.

Borrower distribution in the limited-scope Lancaster, PA assessment area was below the levels of the two full-scope assessment areas in Pennsylvania, while geographic distribution performance was consistent with that in the full-scope assessment areas. Meanwhile, borrower and geographic distributions in the limited-scope Baltimore, MD assessment area were consistent with the levels of the single full-scope assessment area in Maryland.

Small Business Lending

Overall, the borrower distribution of small business loans reflects good penetration throughout the bank’s assessment areas, due to good performance in Pennsylvania’s Harrisburg, PA assessment area, and good performance in the Chambersburg, PA assessment area. Small business lending was not analyzed in the Hagerstown, MD assessment area, due to low loan volumes, which would not have been sufficient from which to draw conclusions.

Orrstown's geographic distribution of small business loans reflects adequate penetration throughout the bank's assessment areas, due to good performance in Pennsylvania's Harrisburg, PA assessment area and poor performance in the Chambersburg, PA assessment area. Again, as mentioned previously, small business lending was not included in the analysis of the Hagerstown, MD assessment area.

The borrower and geographic distributions of lending in the limited-scope Lancaster, PA assessment area were consistent with the levels of the two full-scope assessment areas in Pennsylvania. Meanwhile, borrower and geographic distributions in the limited-scope Baltimore, MD assessment area were below the levels of the two full-scope assessment areas in Pennsylvania. A comparison to performance in the full-scope assessment area in Maryland could not be made, as small business lending was not analyzed in the Hagerstown, MD assessment area due to low lending volume.

Responsiveness to Credit Needs

Orrstown exhibits a good record of serving the credit needs of low- and moderate-income individuals and very small businesses. Affordable housing was a credit need identified by nearly half of community contacts in all of the bank's assessment areas, and the bank's HMDA lending records shows that home-mortgage loans are being originated throughout the assessment areas, and include loans made to low- and moderate-income borrowers. Another enumerated credit need was lending to small businesses, particularly low dollar loans, and loans to start-ups which may not have the credit experience of larger and more well-established businesses. Additionally, as described below, the bank made loans through a number of flexible loan programs meant to assist low- and moderate-income borrowers, and small businesses. More detail of the bank's responsiveness to credit needs can be found within individual assessment area discussions.

Innovative and Flexible Lending Practices

In an effort to address the credit needs of low- and moderate-income borrowers, Orrstown makes use of several innovative and flexible lending programs in servicing credit needs in its assessment areas. The bank participated in a variety of programs to meet the credit needs of low- and moderate-income individuals, and small businesses, as summarized below, and detailed in the discussions for each assessment area.

Often the home-mortgage credit needs of low- and moderate-income borrowers can be more effectively addressed by alternative mortgage products, which have more flexible credit terms than traditional home financing. Throughout its assessment areas, Orrstown offers its own proprietary first-time homebuyer product. The product requires pre-purchase homebuyer counseling, and applicant income limits reserve the product for low- and moderate-income borrowers. Additionally, Orrstown offers mortgage products through the Fannie Mae's Home Ready Program, Federal Housing Administration's (FHA) loan program, the U.S. Department of Agriculture's Rural Development (USDA) loan program, the U.S. Department of Veterans Affairs (VA) home loan program, the Pennsylvania Housing Finance Agency (PHFA) loan program, the Fannie Mae Home Style renovation program, and the Healthy Neighborhood Initiative, offered in Baltimore City.

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In total, during the evaluation period in the bank's assessment areas, Orrstown made 39 in-house mortgages totaling over \$5 million, five Fannie Mae Home Ready loans totaling \$861 thousand, 137 FHA loans totaling almost \$22.8 million, 66 USDA loans totaling over \$10 million, 54 VA loans totaling over \$13 million, 25 PHFA conventional loans totaling nearly \$3.6 million, eight Fannie Mae Home Style loans totaling \$2.3 million, and 45 Healthy Neighborhood loans totaling \$883 thousand.

Additionally, the bank provided closing cost assistance through a variety of state and county programs that award first-time homebuyers with grants or no-interest loans, some of which are forgivable. Through these programs, Orrstown provided closing cost assistance to 35 borrowers in a total amount of nearly \$167 thousand.

Similarly, to address the needs of small businesses, the bank is a preferred Small Business Administration (SBA) lender, offering loans under the SBA's 504 and 7A loan programs. In total, during the evaluation period, Orrstown made 12 SBA loans totaling \$7.8 million throughout its assessment areas.

All special program loans are discussed in more detail by assessment area throughout this Performance Evaluation.

Community Development Lending Activities

Orrstown makes an adequate level of community development loans. The bank originated 47 community development loans totaling over \$36 million during the evaluation period that benefitted its assessment areas. The bank's dollar volume of community development lending has increased notably since the previous evaluation period, when Orrstown extended 17 community development loans totaling \$19.7 million.

Thirteen of the 47 loans supported revitalization/stabilization efforts (\$26.3 million or 72% by dollar amount), 25 supported affordable housing (\$4.4 million or 12%), seven loans provided community services to low- and moderate-income individuals (\$2.4 million or 7%), and two supported economic development (\$3.1 million or 9%).

By dollar amount of community development loans, the bank's lending was highest in the Harrisburg, PA assessment area (\$14.6 million or 40%), followed by the Baltimore, MD assessment area (\$13.3 million or 37%), the Lancaster, PA assessment area (\$5.8 million or 16%), and the Chambersburg, PA assessment area (\$2.6 million or 7%). No community development loans were made in the Hagerstown, MD assessment area.

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The following table reflects the bank's overall community development lending during the evaluation period.

Orrstown Bank				
Total Community Development Loans (All Assessment Areas)				
Assessment Area	#	%	\$(000s)	%
Harrisburg, PA Assessment Area	9	19.2	14,552	40.0
Chambersburg, PA Assessment Area	1	2.1	2,640	7.3
Lancaster, PA Assessment Area	8	17.0	5,807	16.0
Hagerstown, MD Assessment Area	0	0.0	0	0.0
Baltimore, MD Assessment Area	29	61.7	13,329	36.7
Total	47	100.0	36,328	100.0

The bank's lending test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

INVESTMENT TEST

Performance under the investment test is rated low satisfactory.

The investment test was rated high satisfactory in the Harrisburg, PA assessment area, needs to improve in the Chambersburg, PA assessment area, and needs to improve in the Hagerstown, MD assessment area. Performance in the limited-scope Lancaster, PA assessment area was consistent with performance in the full-scope assessment areas in Pennsylvania. Finally, performance in the limited-scope Baltimore, MD assessment area exceeded performance in the full-scope assessment area in Maryland.

Overall, Orrstown has an adequate level of qualified investments, grants, and donations, which exhibit adequate responsiveness to community development needs. Qualified investments, grants and donations in the bank's assessment areas total more than \$16 million and have increased since the prior CRA evaluation in 2017, when qualified investments totaled nearly \$9 million. The majority of investment dollars were made in the Harrisburg, PA assessment area (\$9.1 million or 57%), followed by the Baltimore, MD assessment area (\$3.8 million or 24%), the Lancaster, PA assessment area (\$2.1 million or 13%), the Hagerstown, MD assessment area (\$496 thousand or 3%), and the Chambersburg, PA assessment area (\$402 thousand or just under 3%).

Additionally, Orrstown made 23 qualified investments and donations totaling \$85 thousand in Berks and York Counties in Pennsylvania. Because the bank adequately met the qualified investment needs within its assessment areas, these donations, which were made in the greater statewide/regional area, also receives qualified investment consideration.

Of the assessment area investments, 78% supported affordable housing, 18% supported economic development, 4% went to organizations that provided community services to low- and moderate-income individuals and geographies, and less than 1% supported revitalization and stabilization efforts in the assessment areas.

Orrstown exhibits good responsiveness to credit and community development needs of the assessment areas. The vast majority of the bank's qualified investments and donations support affordable housing. Community contacts interviewed during the course of the evaluation emphasized primary needs of affordable housing and economic development through the financing of small businesses, including workforce development needs, and investments did support these needs. Overall, Orrstown makes occasional use of innovative and/or complex investments to support community development initiatives when opportunities exist, most notably in the Harrisburg, PA assessment area.

The bank's investment test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

SERVICE TEST

Performance under the service test is rated low satisfactory.

The service test was rated high satisfactory in the Harrisburg, PA assessment area, low satisfactory in the Chambersburg, PA assessment area, and low satisfactory in the Hagerstown, MD assessment area. Performance in the limited-scope Lancaster, PA assessment area was consistent with performance in the full-scope assessment areas in Pennsylvania. Finally, performance in the limited-scope Baltimore, MD assessment area was consistent with the performance in the full-scope assessment area in Maryland.

Branch delivery systems, as well as alternative delivery systems such as automated teller machines (ATMs), telephone banking, and online banking, are reasonably accessible to geographies and individuals of different income levels in the bank's assessment areas. As noted previously, Orrstown provides retail services through 21 branches in Pennsylvania, and five in Maryland. Orrstown operates a network of 25 ATMs which provide electronic access to banking services. ATMs are located at 24 of the bank's 26 branches⁵, and two stand-alone ATMs are also operated⁶.

Eight of the bank's 26 branches are located in the Harrisburg, PA assessment area, eight in the Chambersburg, PA assessment area, five in the Lancaster, PA assessment area, one in the Hagerstown, MD assessment area, and four branches are located in the Baltimore, MD assessment area. One of the bank's 26 branches is located in a low-income census tract and one is located in a moderate-income census tract. The remaining branches are located in middle- and upper-income tracts (22 and two, respectively).

⁵ ATMs are not offered at the following branches: 9050 Baltimore National Pike, Ellicott City, MD; and 121 Lurgan Avenue, Shippensburg, PA.

⁶ Stand-alone ATMs are located at: 9974 Molly Pitcher Highway, Shippensburg, PA; and 39 Walnut Bottom Road, Shippensburg, PA.

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Orrstown's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals or areas. Since the previous evaluation, the bank has opened or acquired 17 branches, and closed 14 branches.⁷

Banking services do not vary in a way that inconveniences the institution's constituents, irrespective of census tracts or income level. More specifically, hours of operation are reasonable, with most branches offering extended business hours at least one day a week, and most locations offering Saturday hours. All but three of the bank's branches offer drive-up facilities.⁸

Additionally, the bank provides alternative delivery systems that include mobile deposit capture, night deposit, telephone banking, online and mobile banking, which allow customers to obtain deposit and loan account information, transfer funds, and make loan and other bill payments. The bank's website is fully transactional, allowing the capability to open accounts and apply for loans online.

Finally, the bank provides an adequate level of community development services in its assessment areas. Bank officers and employees provided assistance to nonprofit organizations that: provide community services for low- and moderate-income individuals; promote affordable housing for low- and moderate-income individuals; help to revitalize or stabilize local areas; and support economic development through the financing of small businesses.

The bank's service test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES

Orrstown is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices, inconsistent with helping to meet community credit needs, was identified.

⁷During the evaluation period, 17 branches were opened or acquired, seven in the Baltimore, MD assessment area, six in the Chambersburg, PA assessment area, and four in the Lancaster, PA assessment area. Of the 14 branch closures, five were closed in the Chambersburg, PA assessment area, four in the Harrisburg, PA assessment area, three in the Baltimore, MD assessment area and two in the Lancaster, PA assessment area. They are discussed further in the evaluation of each assessment area.

⁸Branches that do not have drive-up facilities include the following branches: 1324 Main Street, East Earl, PA; 4750 Lindle Road, Harrisburg, PA; and 9050 Baltimore National Pike, Ellicott City, MD.

COMMONWEALTH OF PENNSYLVANIA

STATE RATING

Performance Test	Performance Level
Lending	High Satisfactory
Investment	Low Satisfactory
Service	Low Satisfactory
Overall	Satisfactory

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects good penetration among retail customers of different income levels and businesses of different sizes;
- The geographic distribution of loans reflects good penetration throughout the Pennsylvania assessment areas;
- The bank made extensive use of innovative and/or flexible lending practices;
- The bank made a relatively high level of community development loans in Pennsylvania;
- The bank has an adequate level of qualified community development investments and grants in the state;
- The bank exhibits good responsiveness to credit and community development needs; and
- The bank provides an adequate level of community development services.

SCOPE OF EXAMINATION

Orrstown's CRA performance in Pennsylvania was evaluated for the period from December 5, 2017 through January 25, 2021. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, small business loans, and other loans that qualified as community development.

As mentioned previously, examiners completed full-scope reviews in the Harrisburg, PA and Chambersburg, PA assessment areas. The vast majority of the bank's operations are in these assessment areas, including branches, deposits, and lending production. Examiners conducted a limited-scope review in the Lancaster, PA assessment area, as its share of branches, deposits, and lending production was smaller than that of both of the full-scope review assessment areas, and a full-scope review of the Lancaster, PA assessment area was performed at the previous CRA evaluation. Finally, it is noted that for the purposes of assessing Orrstown's overall CRA performance, more weight was given to performance in the Pennsylvania assessment areas, than in the bank's Maryland assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS

In the Commonwealth of Pennsylvania, a slight majority of the bank's business was conducted in the Harrisburg, PA assessment area, and thus, it was given the most weight in determining the overall CRA rating in the Commonwealth and was evaluated using full-scope review procedures. In total, eight of the bank's 26 branches (31%) were located in this assessment area. Likewise, 46% of the bank's deposits were held in the assessment area. From a loan perspective, 43% of loans by number, and 38% of loans by dollar volume were made within the Harrisburg, PA assessment area.

The Chambersburg, PA assessment area was given the second highest weight in determining the overall state rating in Pennsylvania and was evaluated using full-scope review procedures. During the evaluation period, Orrstown operated eight branches in the assessment area (31%), and these branches generated 26% of the bank's total deposits. From a loan standpoint, 37% of the bank's loans by number, and 31% by dollar volume, were made in the Chambersburg, PA assessment area.

Finally, the Lancaster, PA assessment area was provided the least amount of weight in determining the state rating and was evaluated using limited-scope review procedures. Orrstown operated five branches in the Lancaster, PA assessment area (19%), and these branches generated just under 9% of the bank's total deposits. Lending volumes in this assessment area were considerably lower in this assessment area than in the full-scope review Pennsylvania assessment areas. More specifically, approximately 16% of the bank's loans by number, and 25% by dollar volume, were made in the Lancaster, PA assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overall, the lending test was determined to be high satisfactory in Pennsylvania. The lending test was rated high satisfactory in the Harrisburg, PA assessment area, and high satisfactory in the Chambersburg, PA assessment area. Using the limited-scope review procedures, the Lancaster, PA assessment area lending test performance was below the performance of the full-scope review assessment areas. Primary drivers of the overall lending test rating include borrower and geographic distribution of loans, the bank's use of flexible lending practices, and community development lending. It is noted that borrower distribution was weighted more heavily than geographic distribution, given the demographics of the Pennsylvania assessment areas. More detail on the lending test components is provided in the discussions of each Pennsylvania assessment area.

INVESTMENT TEST

Overall, the investment test was determined to be low satisfactory in Pennsylvania. The bank's performance on the investment test in the Harrisburg, PA assessment area was rated high satisfactory, and needs to improve in the Chambersburg, PA assessment area. Performance in the Lancaster, PA assessment area was consistent with performance in the full-scope review assessment areas, with investment levels above the volume in the Chambersburg, PA assessment area, but below the levels in the Harrisburg, PA assessment area. The investment test rating is driven by the amount of qualified investment and donations, with additional consideration given to the responsiveness and complexity of such investments. More detail on the investment test components is provided in the discussions of each Pennsylvania assessment area.

SERVICE TEST

Overall, the service test was determined to be low satisfactory in Pennsylvania. The service test was rated high satisfactory in the Harrisburg, PA assessment area and low satisfactory in the Chambersburg, PA assessment area. As with the lending test, performance in the limited-scope Lancaster, PA assessment area was consistent with performance in the full-scope review assessment areas. The service test was influenced by retail service aspects, particularly the accessibility of delivery systems and reasonableness of hours and services in serving assessment area needs, as well as the level of community development services provided by the bank in the Commonwealth. More detail on the service test components is provided in the discussions of each Pennsylvania assessment area.

HARRISBURG, PA ASSESSMENT AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Orrstown's Harrisburg, PA assessment area consists of the entirety of Cumberland, Perry, and Dauphin Counties, PA, which is coterminous with the Harrisburg-Carlisle, PA MSA.

For the purposes of assessing Orrstown's CRA performance in the Commonwealth of Pennsylvania and overall, the greatest weight was given to the performance in the Harrisburg, PA assessment area. Of the bank's total loans, 43% by number, and 38% by dollar amount can be attributed to this assessment area. Further, the bank operates eight branches in the assessment area (31% of the institution's total branches) which holds over \$1 billion in deposits, or 46% of the bank's total deposits as of June 30, 2020.

Orrstown's CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to the 2015 ACS data, the Harrisburg, PA assessment area consisted of 112 census tracts. Of these, 11 were designated as low-income census tracts (10%), 24 were moderate-income tracts (21%), 55 were middle-income tracts (49%), 20 were upper-income tracts (18%), and two had an unknown income level (2%). Three of the low-income tracts were located in Cumberland County, in the towns of Carlisle and Shippensburg, while the remaining eight were located in Dauphin County, in the City of Harrisburg. Of the 24 moderate-income tracts, one was located in Perry County, eight in Cumberland County, and 15 in Dauphin County, predominantly in and around Harrisburg.

A map of the Harrisburg, PA assessment area at the 2015 ACS update is available in Appendix F.

According to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, as of June 30, 2020, 26 depository institutions operated in the Harrisburg-Carlisle, PA MSA. These institutions maintained a total of 173 branches and held over \$18 billion in deposits inside the MSA. Orrstown ranked seventh, with just under 6% of the retail deposit market. PNC Bank, N.A. held the largest share of deposits, with 24% of the market, followed by Manufacturers and Traders Trust Company (12%), and First National Bank of Pennsylvania (9%).

Orrstown reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually. According to 2017 data, there were 377 HMDA reporters in the assessment area, who originated or purchased a total of 14,382 HMDA loans in the Harrisburg, PA assessment area. Orrstown ranked twelfth, with 2% of the HMDA market. Members 1st Federal Credit Union ranked first with 9% of the market, followed by Wells Fargo Bank, N.A. (8%), and Quicken Loans, Inc. (4%).

According to 2018 data, HMDA lending increased by 16%. In 2018, there were 372 HMDA reporters in the assessment area, who originated or purchased a total of 16,720 HMDA loans in the Harrisburg, PA assessment area. Orrstown ranked sixth, with less than 3% of the HMDA market. Members 1st Federal Credit Union ranked first with 15% of the market, followed by Wells Fargo Bank, N.A. (7%), and Pennsylvania State Employees Credit Union (6%).

According to 2019 data, HMDA lending increased by nearly 7% from 2018 measures. In 2019, there were 382 HMDA reporters in the assessment area, who originated or purchased a total of 17,816 HMDA loans in the Harrisburg, PA assessment area. Orrstown ranked sixth, with 3% of the HMDA market. Once again, Members 1st Federal Credit Union ranked first with 15% of the market, followed by Wells Fargo Bank, N.A. (7%), and Pennsylvania State Employees Credit Union (6%).

Similarly, the institution reports its small business loans pursuant to the CRA and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2017 data, there were 85 small business and small farm reporters in the assessment area, originating or purchasing 7,128 small business loans. Orrstown ranked twentieth, with just over 1% of the market. American Express Bank FSB ranked first with 17% of the market, followed by PNC Bank, N.A. with 10%, and US Bank, N.A. with approximately 8%.

According to 2018 data, small business lending in the assessment area increased by 6%. In 2018, there were 88 small business reporters in the assessment area, originating or purchasing 7,555 small business loans. Orrstown ranked seventeenth, with just over 1% of the market. American Express Bank, NB ranked first with 17% of the market, followed by Chase Bank USA, N.A. with 10%, and US Bank, N.A. with approximately 7%.

Finally, according to 2019 data, small business lending increased by 9% over 2018 levels. In 2019, there were 90 small business reporters in the assessment area, originating or purchasing 8,222 small business loans. Orrstown ranked thirteenth, with 2% of the market. American Express Bank, NB ranked first with 17% of the market, followed by JPMorgan Chase Bank, USA, N.A. with 13%, and PNC Bank, N.A. with approximately 7%.

Since CRA data reporting includes small business loans issued under credit card arrangements, some of the top reporters in the assessment area are national credit card originators. More specifically, in 2019, American Express Bank, NB, JPMorgan Chase Bank, N.A., PNC Bank, N.A., Capital One Bank, N.A., Citibank, N.A., US Bank, N.A., Synchrony Bank, Wells Fargo Bank, N.A., Branch Banking and Trust Company, and Bank of America, N.A. were the top ten small businesses and small farm reporters, collectively holding over 70% of the market share in the assessment area.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on credit needs of the Harrisburg, PA assessment area. One interview was held with an agency focused on creating affordable housing in the region, and the other was with a community action agency that serves local small businesses.

These contacts identified affordable housing as a need in the assessment area communities, particularly amongst first-time homebuyers in search of “starter homes.” Contacts also noted that small businesses, particularly minority-owned small businesses, have reported difficulty in accessing small business credit and Paycheck Protection Program (PPP) resources. Both contacts also identified a pronounced need for community development services, in the form of financial literacy training, credit counseling, first-time homebuyer and small business planning training.

Economic Characteristics

The bank’s Harrisburg, PA assessment area is located in the Susquehanna Valley region of South-Central Pennsylvania, anchored by the state capitol of Harrisburg. Per 2015 ACS data, the Harrisburg, PA assessment area had a population of 504,737.

According to Moody’s Analytics, the Harrisburg-Carlisle MSA’s economy is in recovery mode and has generally fared better through the COVID-19 pandemic than the rest of Pennsylvania. The MSA’s milder performance was attributed to delays in layoffs until Summer 2020, at which time consumer services were on the upswing, which helped to temper the blow.

Strengths noted in the September 2020 Moody’s Analytics Precis Report include the area’s central location in the state with strong transportation and distribution assets, the low living costs compared to other locations in the larger Northeast area, and a growing population trend. On the other hand, weaknesses in the region include a small industrial base coupled with the presence of cash-strapped state government, aging infrastructure, and the long-term stigma associated with Harrisburg’s distressed-city status under PA Act 47.

In the MSA, the largest employment sector is education and health services, which accounts for just over 17% of the workforce. Other industry leaders include government (just under 17%), professional and business services (15%), and leisure and hospitality services and retail trade, both representing 9% of the economy. The largest private employers in the MSA include UPMC Pinnacle, Highmark, Inc., JFC Staffing Associates, Select Medical Corporation, and Keystone Human Services.

During the evaluation period, seasonally unadjusted unemployment rates throughout the Harrisburg, PA assessment area decreased, as economic conditions improved. Area unemployment rates for years 2017, 2018 and 2019, as reported by the Bureau of Labor and Statistics, for the assessment area are reflected in the table on the following page. As depicted in the table, Dauphin County had the highest unemployment rate of the three counties in the assessment area, while Cumberland County had the lowest unemployment rate of the counties in the assessment area. As a whole, the Harrisburg-Carlisle MSA had lower unemployment rates than the Commonwealth of Pennsylvania and the United States.

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Orrstown Bank Harrisburg, PA Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)			
Geographical Area	2017 Annual	2018 Annual	2019 Annual
Cumberland County, PA	3.8	3.3	3.4
Dauphin County, PA	4.5	3.9	4.0
Perry County, PA	4.3	3.7	3.7
Harrisburg-Carlisle, PA MSA	4.2	3.6	3.7
Pennsylvania	5.0	4.4	4.5
United States	4.4	3.9	3.7

Unemployment data is from the Bureau of Labor Statistics.

Housing

According to 2015 ACS data, the Harrisburg, PA assessment area contained 220,849 housing units, over 61% of which were owner-occupied, just over 30% of which were rental units, and just over 8% of which were vacant. The overall occupancy rate in the assessment area (61%) was comparable to that in the Commonwealth of Pennsylvania (61%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for home-mortgage credit within such tracts. According to the 2015 ACS data, 3% of owner-occupied housing was located in low-income tracts, and 12% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle- and upper-income tracts (59% and 26%, respectively).

Of the total existing housing units, 74% were single-family units, 8% were two-to-four family units, 14% were multifamily units, and just under 5% were mobile homes. The median age of the housing stock was 52 years, making it comparable in age to the housing stock in the Commonwealth of Pennsylvania, where the median housing age was 54 years.

Data show that the price of housing in the assessment area was slightly more expensive than in the Commonwealth overall. The 2015 ACS data indicates that the median housing value in the Harrisburg, PA assessment area was \$171,176, which is higher than the median housing value in Pennsylvania (\$166,000). Data shows a significant disparity in housing values in low- and moderate-income tracts compared to those located in middle- and upper-income census tracts. The median housing value in low-income tracts was \$85,618 and increased to \$122,878 in moderate-income tracts. These values were significantly lower than median housing values in middle- and upper-income tracts (\$167,246 and \$230,822, respectively).

Median gross rent (rent plus utilities) in the assessment area was slightly more expensive in the assessment area than in Pennsylvania. Median gross rent in the Harrisburg, PA assessment area was \$859, which was generally comparable to a statewide median gross rent of \$840. Within the Harrisburg, PA assessment area, 44% of renters spending more than 30% of their income on rent, similar to 46% in the Commonwealth of Pennsylvania.

Borrower Income Data

The percentage of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. The 2015 ACS data revealed that there were 129,651 families in the assessment area. Of the total families in the assessment area, 20% were low-income, 18% were moderate-income, 22% were middle-income, and 40% were upper-income. In the Harrisburg, PA assessment area, 8% of families were living below the poverty level, compared to a level of 9% in the Commonwealth overall.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon U.S. Department of Housing and Urban Development (HUD) annually-adjusted median family income data made available by the FFIEC. Median family incomes for the assessment area are listed in the table below for each of the years covered by the evaluation and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
2017	\$74,700	\$37,350	\$37,350 - \$59,759	\$59,760 - \$89,639	\$89,640 or more
2018	\$75,200	\$37,600	\$37,600 - \$60,159	\$60,160 - \$90,239	\$90,240 or more
2019	\$81,100	\$40,550	\$40,550 - \$64,879	\$64,880 - \$97,319	\$97,320 or more

Geographic Business Data

The percentage of businesses located within designated tracts is used as a proxy to estimate demand for business credit within such tracts. Dun & Bradstreet reports business demographics annually. According to Dun & Bradstreet data in 2017, there were 20,693 businesses in the assessment area. Of these businesses, 6% were located in low-income census tracts, and 18% were in moderate-income census tracts. The majority of businesses were located in middle-income census tracts (55%) and upper-income census tracts (21%). Business demographic data also revealed that of the 20,693 businesses located in the assessment area in 2017, 88% were small businesses with gross annual revenues of \$1 million or less.

In 2018, a total of 23,619 businesses operated in the assessment area. Using the 2018 Dun & Bradstreet data, 6% of businesses in the Harrisburg, PA assessment area were located in low-income census tracts, and 18% were in moderate-income census tracts. Again, the majority of businesses were located in middle-income census tracts (55%) and upper-income census tracts (21%). Business demographic data also revealed that of the 23,619 businesses located in the assessment area in 2018, 90% were small businesses with gross annual revenues of \$1 million or less.

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Finally, using 2019 Dun & Bradstreet data, a total of 23,723 businesses operated in the assessment area. Of these businesses, 6% were located in low-income census tracts, and 18% were in moderate-income census tracts. The majority of businesses were located in middle-income census tracts (55%) and upper-income census tracts (21%). Of the 23,723 businesses located in the assessment area in 2019, 90% were small businesses with gross annual revenues of \$1 million or less.

The 2017, 2018, and 2019 assessment area demographics used to evaluate Orrstown's CRA performance in the Harrisburg, PA assessment area are detailed in the tables on the following pages.

LARGE INSTITUTION PERFORMANCE EVALUATION
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Orrstown Bank Harrisburg, PA Assessment Area Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	9.8	7,137	5.5	2,432	34.1	25,953	20.0
Moderate-income	24	21.4	18,572	14.3	2,530	13.6	23,726	18.3
Middle-income	55	49.1	72,363	55.8	4,204	5.8	28,483	22.0
Upper-income	20	17.9	31,567	24.3	853	2.7	51,489	39.7
Unknown-income	2	1.8	12	0.0	0	0.0	0	0.0
Total Assessment Area	112	100.0	129,651	100.0	10,019	7.7	129,651	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	16,411	4,056	3.0	24.7	9,154	55.8	3,201	19.5
Moderate-income	39,524	16,307	12.1	41.3	18,105	45.8	5,112	12.9
Middle-income	119,200	79,151	58.5	66.4	31,739	26.6	8,310	7.0
Upper-income	45,702	35,693	26.4	78.1	8,100	17.7	1,909	4.2
Unknown-income	12	3	0.0	25.0	9	75.0	0	0.0
Total Assessment Area	220,849	135,210	100.0	61.2	67,107	30.4	18,532	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,184	5.7	1,037	5.7	132	6.4	15	4.7
Moderate-income	3,631	17.5	3,057	16.7	439	21.2	135	41.9
Middle-income	11,455	55.4	10,121	55.3	1,192	57.5	142	44.1
Upper-income	4,413	21.3	4,074	22.3	309	14.9	30	9.3
Unknown-income	10	0.0	8	0.0	2	0.1	0	0.0
Total Assessment Area	20,693	100.0	18,297	100.0	2,074	100.0	322	100.0
	Percentage of Total Businesses:			88.4		10.0		1.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	4	0.9	3	0.7	1	9.1	0	0.0
Moderate-income	42	9.2	40	8.9	2	18.2	0	0.0
Middle-income	338	73.8	330	73.8	8	72.7	0	0.0
Upper-income	74	16.2	74	16.6	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	458	100.0	447	100.0	11	100.0	0	0.0
	Percentage of Total Farms:			97.6		2.4		0.0

Information based on 2015 ACS Data and 2017 Dun & Bradstreet Information

LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021

Orrstown Bank Harrisburg, PA Assessment Area Assessment Area Demographics 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	9.8	7,137	5.5	2,432	34.1	25,953	20.0
Moderate-income	24	21.4	18,572	14.3	2,530	13.6	23,726	18.3
Middle-income	55	49.1	72,363	55.8	4,204	5.8	28,483	22.0
Upper-income	20	17.9	31,567	24.3	853	2.7	51,489	39.7
Unknown-income	2	1.8	12	0.0	0	0.0	0	0.0
Total Assessment Area	112	100.0	129,651	100.0	10,019	7.7	129,651	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	16,411	4,056	3.0	24.7	9,154	55.8	3,201	19.5
Moderate-income	39,524	16,307	12.1	41.3	18,105	45.8	5,112	12.9
Middle-income	119,200	79,151	58.5	66.4	31,739	26.6	8,310	7.0
Upper-income	45,702	35,693	26.4	78.1	8,100	17.7	1,909	4.2
Unknown-income	12	3	0.0	25.0	9	75.0	0	0.0
Total Assessment Area	220,849	135,210	100.0	61.2	67,107	30.4	18,532	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,327	5.6	1,182	5.6	129	6.3	16	4.2
Moderate-income	4,246	18.0	3,646	17.2	439	21.3	161	42.3
Middle-income	13,024	55.1	11,692	55.2	1,164	56.4	168	44.1
Upper-income	5,016	21.2	4,650	22.0	330	16.0	36	9.4
Unknown-income	6	0.0	5	0.0	1	0.0	0	0.0
Total Assessment Area	23,619	100.0	21,175	100.0	2,063	100.0	381	100.0
	Percentage of Total Businesses:			89.7		8.7		1.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	6	1.3	5	1.1	1	8.3	0	0.0
Moderate-income	41	8.8	39	8.6	2	16.7	0	0.0
Middle-income	338	72.4	329	72.3	9	75.0	0	0.0
Upper-income	82	17.6	82	18.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	467	100.0	455	100.0	12	100.0	0	0.0
	Percentage of Total Farms:			97.4		2.6		0.0

Information based on 2015 ACS Data and 2018 Dun & Bradstreet Information

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Orrstown Bank Harrisburg, PA Assessment Area Assessment Area Demographics 2019								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	9.8	7,137	5.5	2,432	34.1	25,953	20.0
Moderate-income	24	21.4	18,572	14.3	2,530	13.6	23,726	18.3
Middle-income	55	49.1	72,363	55.8	4,204	5.8	28,483	22.0
Upper-income	20	17.9	31,567	24.3	853	2.7	51,489	39.7
Unknown-income	2	1.8	12	0.0	0	0.0	0	0.0
Total Assessment Area	112	100.0	129,651	100.0	10,019	7.7	129,651	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	16,411	4,056	3.0	24.7	9,154	55.8	3,201	19.5
Moderate-income	39,524	16,307	12.1	41.3	18,105	45.8	5,112	12.9
Middle-income	119,200	79,151	58.5	66.4	31,739	26.6	8,310	7.0
Upper-income	45,702	35,693	26.4	78.1	8,100	17.7	1,909	4.2
Unknown-income	12	3	0.0	25.0	9	75.0	0	0.0
Total Assessment Area	220,849	135,210	100.0	61.2	67,107	30.4	18,532	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1,330	5.6	1,188	5.6	125	6.2	17	4.5
Moderate-income	4,241	17.9	3,666	17.2	416	20.5	159	42.3
Middle-income	13,124	55.3	11,808	55.4	1,152	56.9	164	43.6
Upper-income	5,022	21.2	4,655	21.8	331	16.3	36	9.6
Unknown-income	6	0.0	5	0.0	1	0.0	0	0.0
Total Assessment Area	23,723	100.0	21,322	100.0	2,025	100.0	376	100.0
	Percentage of Total Businesses:			89.9		8.5		1.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	7	1.5	6	1.4	1	7.7	0	0.0
Moderate-income	41	9.0	39	8.8	2	15.4	0	0.0
Middle-income	320	70.5	311	70.5	9	69.2	0	0.0
Upper-income	86	18.9	85	19.3	1	7.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	454	100.0	441	100.0	13	100.0	0	0.0
	Percentage of Total Farms:			97.1		2.9		0.0

Information based on 2015 ACS Data and 2019 Dun & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- lending activity in the assessment area;
- borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- innovativeness and flexibility of lending practices; and
- community development lending activities.

Performance under the lending test is rated high satisfactory in the Harrisburg, PA assessment area.

Lending Activity

Orrstown's lending levels in the Harrisburg, PA assessment area reflect excellent responsiveness to the assessment area's credit needs. During the evaluation period, lending activity in the Harrisburg, PA assessment area represented 43% of the bank's overall lending by number of loans, and 38% by dollar volume. During the evaluation period, Orrstown made 1,179 HMDA loans totaling \$182 million, and 296 small business loans totaling \$42 million in the bank's Harrisburg, PA assessment area.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending, given the product lines offered, reflects good penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area, in driving lending performance. Further, due to loan volumes, HMDA loans are given the most weight in determining the bank's overall borrower distribution of loans, followed by small business loans.

Home-Mortgage Lending

Orrstown's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is good.

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For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate-income families within the assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2015 ACS data, 20% of families in the assessment area were low-income, 18% were moderate-income, 22% were middle-income, and 40% were upper-income. According to 2015 ACS data, over 38% of families were designated as low- or moderate-income families, which indicates a notable need for home-mortgage credit among this segment of the population.

The following tables compare Orrstown’s home-mortgage lending to aggregate home-mortgage lending levels, using the percentage of low- and moderate-income families in the assessment area as proxies for loan demand. The first table, used to evaluate 2017 lending data, relies on 2015 ACS data to estimate demand for home-mortgage credit among both low- and moderate-income families. The second and third tables, used to evaluate 2018 and 2019 lending, rely on 2015 ACS data along with updated HMDA data, following the requirements under Regulation C.

Orrstown Bank Harrisburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level				
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison		
		2017		
		% Orrstown Lending	% Aggregate Lending	
Low	20.0	14.1	9.0	
Moderate	18.3	25.8	21.4	
Middle	22.0	17.8	22.5	
Upper	39.7	38.7	32.8	
Unknown	0.0	3.6	14.3	
Total	100.0	100.0	100.0	

Orrstown Bank Harrisburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level				
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison		
		2018		
		% Orrstown Lending	% Aggregate Lending	
Low	20.0	12.5	9.0	
Moderate	18.3	22.2	22.5	
Middle	22.0	21.2	22.4	
Upper	39.7	40.6	35.1	
Unknown	0.0	3.5	11.0	
Total	100.0	100.0	100.0	

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Orrstown Bank Harrisburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	20.0	10.7	9.3
Moderate	18.3	24.4	22.2
Middle	22.0	22.4	23.3
Upper	39.7	37.1	32.9
Unknown	0.0	5.4	12.3
Total	100.0	100.0	100.0

Lending to Low-Income Borrowers

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

Orrstown’s lending in 2017 to low-income borrowers was good. Of Orrstown’s 163 HMDA loans, 23 (14%) were made to low-income borrowers, compared to a proxy of 20%, and aggregate lending to low-income borrowers of 9%. By product type, Orrstown made 13% of home purchase loans, 21% of refinance loans, 11% of home improvement loans, and no multifamily loans to low-income borrowers. Comparatively, aggregate lenders made 10% of home purchase loans, 8% of refinance loans, 8% of home improvement loans, and no multifamily loans to low-income borrowers in 2017.

Orrstown’s lending in 2018 to low-income borrowers was good. Of Orrstown’s 463 HMDA loans, 58 (13%) were made to low-income borrowers, compared to a proxy of 20%, and aggregate lending to low-income borrowers of 9%. By product, Orrstown made 15% of home purchase loans, 13% of refinance loans, 6% of home improvement loans and no multifamily or loans with purpose “not applicable” to low-income borrowers. Aggregate lenders made 9% of home purchase loans, 11% of refinance loans, 7% of home improvement loans, 1% of "loans with purpose “not applicable,” and no multifamily loans to low-income borrowers in 2018.

Orrstown’s lending in 2019 to low-income borrowers was good. Of Orrstown’s 553 HMDA loans, 59 (11%) were made to low-income borrowers, compared to a proxy of 20%, and aggregate lending to low-income borrowers of 9%. By product type, Orrstown made 11% of home purchase loans, 9% of refinance loans, 13% of home improvement loans, and no multifamily or loans with purpose “not applicable” to low-income borrowers. In comparison, aggregate lenders made 10% of home purchase loans, 9% of refinance loans, 8% of home improvement loans, less than 1% of loans with purpose “not applicable” and no multifamily loans to low-income borrowers in 2019.

Lending to Moderate-Income Borrowers

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

Orrstown’s lending in 2017 to moderate-income borrowers was excellent. Of Orrstown’s 163 HMDA loans, 42 (26%) were made to moderate-income borrowers, exceeding both proxy of 18%, and aggregate lending to moderate-income borrowers of 21%.

By product, Orrstown made 24% of home purchase loans, 35% of refinance loans, 26% of home improvement loans, and no multifamily loans to moderate-income borrowers. By contrast, aggregate lenders made 24% of home purchase loans, 18% of refinance loans, 19% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Orrstown's lending in 2018 to moderate-income borrowers was excellent. Of Orrstown's 463 HMDA loans, 103 (22%) were made to moderate-income borrowers, exceeding proxy of 18%, and matching aggregate lending of just under 23%. By product type, Orrstown made 22% of home purchase loans, 28% of refinance loans, 14% of home improvement loans, and no multifamily or loans with purpose "not applicable" to moderate-income borrowers. Aggregate lenders made 25% of home purchase loans, 21% of refinance loans, 20% of home improvement loans, 4% of multifamily loans, less than 1% of loans with purpose "not applicable," and no multifamily loans to moderate-income borrowers in 2018.

Finally, the bank's lending in 2019 to moderate-income borrowers was excellent. Of Orrstown's 553 HMDA loans, 135 (24%) were made to moderate-income borrowers, exceeding both proxy of 18%, and aggregate lending of 22%. By product type, the bank made 28% of home purchase loans, 23% of refinance loans, 17% of home improvement loans and no multifamily or loans with purpose "not applicable" to moderate-income borrowers. In comparison, aggregate lenders made 26% of home purchase loans, 19% of refinance loans, 19% of home improvement loans, less than 1% of loans with purpose "not applicable," and no multifamily loans to moderate-income borrowers in 2019.

Small Business Lending

An analysis of Orrstown's borrower distribution of small business loans reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the Harrisburg, PA assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to 2017 Dun & Bradstreet business data, there were 20,693 businesses operating in the assessment area in 2017, with 88% (18,297) designated as small businesses. According to 2018 Dun & Bradstreet business data, there were 23,619 businesses operating in the assessment area in 2018, with 90% (21,175) designated as small businesses. Finally, according to 2019 Dun & Bradstreet business data, there were 23,723 businesses operating in the assessment area in 2019, with 90% (21,322) designated as small businesses.

In 2017, the bank's borrower distribution of small business loans was good. In 2017, Orrstown originated 47 small business loans in the assessment area, aggregating just over \$6 million. Of these loans, 68% were originated to small businesses. The bank's lending to small businesses exceeded the aggregate lending level of 50% to small businesses by all lenders in the assessment area but was below the proxy of 88% of small businesses in the assessment area.

Small business loans were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, and thus, added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller businesses. In 2017, 72% of Orrstown's small business loans in the assessment area were extended in an amount of less than \$100 thousand. Aggregate lending data for 2017 shows that 90% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

In 2018, the bank's borrower distribution of small business loans was good. In 2018, Orrstown originated 94 small business loans in the assessment area, aggregating nearly \$18 million. Of these loans, 47% were originated to small businesses. The bank's lending to small businesses was slightly above the aggregate lending level of 45% to small businesses by all lenders in the assessment area and was about half of the proxy of 90%. In 2018, 53% of Orrstown's small business loans in the assessment area were extended in an amount of less than \$100 thousand. Aggregate lending data for 2018 shows that 91% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

In 2019, the bank's borrower distribution of small business loans was poor. In 2019, Orrstown originated 155 small business loans in the assessment area, aggregating just over \$18 million. Of these loans, 36% were originated to small businesses. The bank's lending to small businesses was below the aggregate lending level of 45% to small businesses by all lenders in the assessment area and was far below the proxy of 90%.

In 2019, 70% of Orrstown's small business loans in the assessment area were extended in an amount of less than \$100 thousand. Aggregate lending data for 2019 shows that 90% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

In considering aggregate data, it should be noted that small business data includes credit card loans made by large credit card issuers. Because credit card loans are generally made in smaller amounts, this can skew aggregate small business data. As noted previously, amongst the top small business lenders in the assessment area are national lenders with large credit card portfolios. In fact, the top ten CRA reporters in the assessment area for 2017, 2018, and 2019 were all credit card lenders. In 2018, together these lenders controlled over 70% of the CRA market. This is taken into account when drawing conclusions about the bank's small business lending.

Geographic Distribution of Lending

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. Overall, the geographic distribution of loans reflects good penetration throughout the Harrisburg, PA assessment area, including in low- and moderate-income census tracts. As mentioned earlier, HMDA loans were given the greatest amount of consideration in determining this conclusion, because of loan volume, followed by small business loans.

Home-Mortgage Lending

Orrstown’s distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income census tracts is good. As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2015 ACS data, 3% of the assessment area’s owner-occupied housing was located in low-income tracts, and 12% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts (59%), and upper-income tracts (26%).

The tables below present the geographic distribution of Orrstown’s HMDA lending from 2017 through 2019, in comparison to the applicable owner-occupied housing proxy, and the aggregate lending levels in the assessment area. The first table, used for 2017 lending, relies on 2015 ACS data. The second and third tables, for 2018 and 2019 data, rely on 2015 ACS data, along with updated HMDA data, which follows Regulation C updated requirements.

Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of HMDA Loans				
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison		
		2017		
		% Orrstown Lending	% Aggregate Lending	
Low	3.0	5.5	2.3	
Moderate	12.1	9.2	12.1	
Middle	58.5	60.1	55.8	
Upper	26.4	25.2	29.8	
Unknown	0.0	0.0	0.0	
Total	100.0	100.0	100.0	

Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of HMDA Loans				
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison		
		2018		
		% Orrstown Lending	% Aggregate Lending	
Low	3.0	6.3	2.5	
Moderate	12.1	11.0	11.5	
Middle	58.5	57.7	56.0	
Upper	26.4	25.0	30.0	
Unknown	0.0	0.0	0.0	
Total	100.0	100.0	100.0	

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Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of HMDA Loans				
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison		
		2019		
		% Orrstown Lending	% Aggregate Lending	
Low	3.0	5.1	2.4	
Moderate	12.1	7.6	11.4	
Middle	58.5	62.4	55.8	
Upper	26.4	25.0	30.4	
Unknown	0.0	0.0	0.0	
Total	100.0	100.0	100.0	

Lending in Low-Income Census Tracts

For the period under review, Orrstown’s overall HMDA lending in low-income tracts was excellent.

Orrstown’s lending in low-income census tracts in 2017 was excellent. Of Orrstown’s 163 HMDA loans, almost 6% (nine loans) were made in low-income census tracts. The bank’s lending exceeded both proxy of 3%, and aggregate lending in low-income census tracts of 2%. By product type, Orrstown made 4% of home purchase loans, 7% of refinance loans, 16% of home improvement loans, and no multifamily loans in low-income census tracts. Aggregate lenders made 3% of home purchase loans, 2% of refinance loans, 2% of home improvement loans, and 21% multifamily loans in low-income census tracts in 2017.

Orrstown’s lending in low-income census tracts in 2018 was excellent. Of Orrstown’s 463 HMDA loans, 6% (29 loans) were made in low-income census tracts. Again, this compares favorably to the proxy of 3%, and aggregate lending of 3%. By product, Orrstown made 7% of home purchase loans, 8% of refinance loans, 2% of home improvement loans, 17% of multifamily loans, and no loans with purpose “not applicable” in low-income geographies. In comparison, aggregate lenders made 3% of home purchase loans, 2% of refinance loans, 1% of home improvement loans, 22% of multifamily loans, and 4% of loans with purpose “not applicable” in low-income census tracts in 2018.

Orrstown’s lending in low-income census tracts in 2019 was excellent. Of Orrstown’s 553 HMDA loans, 5% (28 loans) were made in low-income census tracts. Again, this performance exceeded both proxy of 3%, and aggregate lending of 2%. Orrstown made 6% of home purchase loans, 3% of refinance loans, 3% of home improvement loans, 56% of multifamily loans, and no loans with purpose “not applicable” in low-income tracts. Aggregate lenders made 3% of home purchase loans, 1% of refinance loans, nearly 2% of home improvement loans, 23% of multifamily loans, and 5% of loans with purpose “not applicable” in low-income census tracts in 2019.

Lending in Moderate-Income Census Tracts

For the period under review, the bank’s HMDA lending in moderate-income tracts was adequate.

Orrstown's lending in moderate-income census tracts in 2017 was adequate. Of Orrstown's 163 HMDA loans, 9% (15 loans) were made in moderate-income census tracts. The bank's lending was below both proxy of 12%, and aggregate lending in moderate-income census tracts of 12%. By product type, Orrstown made 7% of home purchase loans, 17% of refinance loans, 5% of home improvement, and 33% of multifamily loans in moderate-income census tracts. Aggregate lenders made 13% of home purchase loans, 10% of refinance loans, 10% of home improvement loans, and 26% of multifamily loans in moderate-income census tracts in 2017.

Orrstown's lending in moderate-income census tracts in 2018 was good. Of Orrstown's 463 HMDA loans, 11% (51 loans) were made in moderate-income census tracts, nearly meeting both proxy of 12%, and aggregate lending in moderate-income census tracts of just below 12%. By product type, Orrstown made 15% of home purchase loans, 9% of refinance loans, 2% of home improvement loans, 67% of multifamily loans, and no loans with purpose "not applicable" in moderate-income tracts. In comparison, aggregate lenders made 13% of home purchase loans, 9% of refinance loans, 7% of home improvement loans, 27% multifamily loans, and 26% of loans with purpose "not applicable" in moderate-income census tracts in 2018.

Finally, Orrstown's lending in moderate-income census tracts in 2019 was adequate. Of Orrstown's 553 HMDA loans, 8% (42 loans) were made in moderate-income census tracts, below proxy of 12%, and aggregate lending in moderate-income census tracts of 11%. Orrstown made 10% of home purchase loans, 6% of refinance loans, 3% of home improvement loans, 33% of multifamily loans, and no loans with purpose "not applicable" in moderate-income tracts. Aggregate lenders made 14% of home purchase loans, 8% of refinance loans, 9% of home improvement loans, 33% of multifamily loans, and 24% of loans with purpose "not applicable" in moderate-income census tracts in 2019.

Small Business Lending

The geographic distribution of Orrstown's small business loans reflects good penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans is in the tract. Based on the 2017 Dun & Bradstreet data, 6% of the businesses in the assessment area were located in low-income census tracts, and 18% were located in moderate-income census tracts. The majority of businesses were located in middle-income census tracts (55%), and upper-income census tracts (21%).

In 2018, 6% of the businesses in the assessment area were located in low-income census tracts, and 18% were located in moderate-income census tracts. Again, the majority of businesses were located in middle-income census tracts (55%), and upper-income census tracts (21%).

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No change was noted using 2019 Dun & Bradstreet data. Again, 6% of the businesses in the assessment area were located in low-income census tracts, and 18% were located in moderate-income census tracts. The remaining businesses were located in middle-income census tracts (55%), and upper-income census tracts (21%).

The tables below present Orrstown's small business geographic distribution in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the three years evaluated.

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Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2017	
		% Orrstown Lending	% Aggregate Lending
Low	5.7	10.6	4.6
Moderate	17.5	21.3	15.9
Middle	55.4	44.7	55.4
Upper	21.4	23.4	23.7
Unknown	0.0	0.0	0.4
Total	100.0	100.0	100.0

Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2018	
		% Orrstown Lending	% Aggregate Lending
Low	5.6	8.5	4.5
Moderate	18.0	8.5	16.3
Middle	55.1	70.2	55.0
Upper	21.3	12.8	23.7
Unknown	0.0	0.0	0.5
Total	100.0	100.0	100.0

Orrstown Bank Harrisburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	5.6	3.9	3.9
Moderate	17.9	5.8	16.3
Middle	55.3	82.6	56.0
Upper	21.2	7.7	23.6
Unknown	0.0	0.0	0.2
Total	100.0	100.0	100.0

Lending in Low-Income Census Tracts

Overall, Orrstown’s small business lending in low-income tracts was excellent.

In 2017, Orrstown’s lending in low-income census tracts was excellent. Orrstown originated five of its 47 small business loans in low-income census tracts in 2017 (11%). In 2017, the bank’s performance exceeded both aggregate lending (5%) and the proxy of businesses located in low-income tracts (6%).

In 2018, Orrstown’s lending in low-income census tracts was excellent. Orrstown originated eight of its 94 small business loans in low-income census tracts in 2018 (9%), once again exceeding both aggregate lending of 5% and the proxy of businesses located in low-income tracts (6%).

In 2019, Orrstown's lending in low-income census tracts was good. Orrstown originated six of its 155 small business loans in low-income census tracts in 2019 (4%). The bank's lending matched aggregate lending of 4% but was below the proxy of businesses located in low-income tracts (6%).

Lending in Moderate-Income Census Tracts

Overall, Orrstown's small business lending in moderate-income tracts was adequate.

In 2017, Orrstown's lending in moderate-income census tracts was excellent. Orrstown originated 10 of its 47 small business loans in moderate-income census tracts in 2017 (21%). This exceeded both the aggregate level of 16% and the proxy of businesses located in moderate-income tracts (18%).

In 2018, Orrstown's lending in moderate-income census tracts was adequate. Orrstown originated eight of its 94 small business loans in moderate-income census tracts (9%). The bank's performance lagged both aggregate lending of 16% and the proxy of businesses located in moderate-income tracts (18%).

In 2019, Orrstown's lending in moderate-income census tracts was poor. Orrstown originated nine of its 155 small business loans in moderate-income census tracts in 2019 (6%), again falling far below aggregate lending of 16% and proxy of businesses located in moderate-income tracts (18%).

Responsiveness to Credit Needs

Orrstown exhibits a good record of servicing the credit needs of low- and moderate-income individuals and areas and very small businesses, consistent with safe and sound banking practices. As indicated previously, community contacts emphasized the needs for affordable housing and lending to small businesses. In addition, to responsiveness through its retail lending, as described below, Orrstown has addressed affordable housing needs through use of flexible lending programs that address the home-mortgage credit needs of low- and moderate-income individuals and families. Further, the bank has addressed small business needs through both retail lending and the PPP, which is discussed in the community development lending section.

Innovative and/or Flexible Lending Practices

Orrstown makes extensive use of innovative and/or flexible practices in serving the Harrisburg, PA assessment area credit needs. Through several different programs, the bank made home-mortgage loans to low- and moderate-income borrowers, and small businesses during the evaluation period.

The home-mortgage credit needs of low- and moderate-income individuals and families often can be addressed more effectively by alternative mortgage products. In an effort to address the credit needs of such borrowers in the Harrisburg, PA assessment area, Orrstown offers a proprietary first-time homebuyer mortgage product.

According to the product's parameters, pre-purchase homebuyer counseling must be completed, and applicant income limits effectively reserve the product for low- and moderate-income borrowers. Additionally, Orrstown participates in programs for first-time homebuyers through a variety of programs including Fannie Mae, FHA, USDA, VA, and PHFA, and also offers closing cost assistance in the form of forgivable and no-interest loans, and grants through state, city, and county programs, and through the Federal Home Loan Bank (FHLB) of Pittsburgh's First Front Door program. Each of these programs have income parameters that effectively restrict them to low- and moderate-income borrowers.

Orrstown made 25 loans under the institution's proprietary first-time homebuyer program, totaling just over \$3 million. Additionally, the bank made the following mortgage loans through federal and state programs: two Fannie Mae Home Ready loans totaling \$393 thousand; seven Fannie Mae Home Style loans totaling \$2 million; 67 FHA loans totaling over \$10 million; 14 conventional PHFA loans totaling just under \$2 million; 18 USDA loans totaling almost \$3 million; and 26 VA loans totaling over \$6 million.

Additionally, closing cost assistance was provided through a variety of different programs as follows: five forgivable loans totaling \$19 thousand through the Cumberland County First-Time Homebuyers Down Payment and Closing Cost Assistance program; one no-interest loan totaling \$3 thousand through the Dauphin County First-Time Homebuyers Second or Subordinated Mortgage Program; 10 grants totaling nearly \$50 thousand through FHLB Pittsburgh's First Front Door Program; and 11 no-interest loans totaling over \$56 thousand through the PHFA Keystone Advantage Assistance Loan Program.

Similarly, the credit needs of small businesses can often be addressed more effectively by alternative products. In an effort to address the credit needs of small businesses in its assessment area, Orrstown participates in SBA loan programs, including the SBA 504 and 7A programs. Orrstown made two loans totaling \$900 thousand in the Harrisburg, PA assessment area.

Community Development Lending

Orrstown makes a relatively high level of community development loans in the Harrisburg, PA assessment area. During the evaluation period, which included the timeframe between December 5, 2017 through January 25, 2021, the bank reported nine loans totaling just under \$15 million in the assessment area. This is an increase from the previous evaluation when the bank's four community development loans totaled just under \$6 million. Of the bank's overall community development lending by dollar volume, 40% was within the Harrisburg, PA assessment area.

Of the bank's nine community development loans in the assessment area, one loan totaling \$10 thousand supported affordable housing, two loans totaling \$136 thousand supported community services, and the remaining six loans totaling over \$14 million supported revitalization or stabilization efforts in the assessment area through the PPP.⁹

⁹ PPP loans, which qualify as community development loans, are defined as loans with amounts over \$1 million that are located in low- or moderate-income census tracts.

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The following table includes the bank’s community development loans in the Harrisburg, PA assessment area, by community development purpose.

Orrstown Bank Harrisburg, PA Assessment Area Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	1	100	0	0	0	0	1	100
2019	0	0	1	36	0	0	0	0	1	36
2020	1	10	0	0	0	0	6	14,406	7	14,416
TOTAL	1	10	2	136	0	0	6	14,406	9	14,552

INVESTMENT TEST

The investment test evaluates a financial institution’s level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as high satisfactory.

Volume of Investment and Grant Activity

Orrstown has a significant level of qualified community development investments and grants, occasionally in a leadership position. In total, the bank’s qualified investments, grants, and donations in the Harrisburg, PA assessment area totaled just over \$9 million. This represents no change from the investment and grant level of \$9 million at the previous evaluation, while the institution’s total assets have grown approximately 88% since that time. The bank’s investments, grants, and donations in the Harrisburg, PA assessment area represented 57% of the bank’s total investments, grants, and donations.

The vast majority of investments support affordable housing for low- and moderate-income individuals and families via six low-income housing tax credits (LIHTC) in the assessment area totaling nearly \$8.7 million. The LIHTC program is the largest and most successful catalyst for the development and rehabilitation of affordable housing in the United States.

The bank made 54 investments in educational improvement tax credits (EITC) in the assessment area totaling nearly \$379 thousand. The EITC provides a tax credit to businesses that pay Pennsylvania's corporate income tax for contributions to scholarship organizations that give private-school scholarships to children of income-eligible families.

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The bank also made 49 donations and grants totaling \$89 thousand to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, just over \$80 thousand were to organizations that provide community services to low- and moderate-income individuals, \$7 thousand supported economic development in the assessment area, and over \$1 thousand supported affordable housing in the assessment area.

The following table presents the investment and grant activity for the Harrisburg, PA assessment area.

Orrstown Bank Harrisburg, PA Assessment Area Qualified Investments										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
Qualified Investments	6	8,678	54	379	0	0	0	0	60	9,057
Donations	2	1	42	81	5	7	0	0	49	89
TOTAL	8	8,679	96	460	5	7	0	0	109	9,146

Responsiveness to Credit and Community Development Needs

Orrstown exhibits excellent responsiveness to credit and community development needs of the assessment area. As noted in the table above, nearly all of the bank’s investment dollars in this assessment area addressed affordable housing, a pronounced community need in the Harrisburg, PA assessment area, as indicated through community contact interviews.

Community Development Initiatives

Orrstown makes significant use of innovative and/or complex investments to support community development initiatives. In the Harrisburg, PA assessment area during the evaluation period, the bank invested in six low-income housing tax credit, and in 54 EITC projects.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution’s branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as high satisfactory in the Harrisburg, PA assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment areas. During the review period, Orrstown operated eight full-service branches in the Harrisburg, PA assessment area, with one of the bank’s branches located in a low-income census tract (12.5%), and one branch in a moderate-income census tract (12.5%). The remaining six branches (75%) were located in middle-income census tracts. In total, 25% of the bank’s branches were located in low- and moderate-income tracts, which just exceeds the percentage of the population that resides in low- and moderate-income tracts (23%).

The following table details the location of the bank’s branches in the Harrisburg, PA assessment area with comparison to the 2015 ACS population demographics.

Orrstown Bank Harrisburg, PA Assessment Area Retail Branch Distribution 2015 ACS Data				
Census Tract Type	Number of Branches	(%) Percent of Branches	Population	(%) Percent of Population
Low	1	12.5	33,615	6.7
Moderate	1	12.5	84,115	16.7
Middle	6	75.0	269,145	53.3
Upper	0	0.0	111,853	22.2
Unknown	0	0.0	6,009	1.1
Totals	8	100.0	504,737	100.0

All of the bank’s branches in the Harrisburg, PA assessment area have ATMs available, which provides electronic access to banking services. The bank operates one additional stand-alone ATM, which is located in a moderate-income census tract. To supplement traditional banking services, Orrstown provides online banking services, telephone banking services, and a smart phone mobile banking application that includes mobile deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts, and apply for loan products via the bank’s website at <https://www.orrstown.com/>.

Changes in Branch Locations

Orrstown’s record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- or moderate-income geographies and/or low- and moderate-income individuals. Within the Harrisburg, PA assessment area, four branches have been closed since the previous evaluation. Of the four branch closures, one was located in a low-income geography¹⁰, and three were located in middle-income geographies. No branches were opened in this assessment area since the previous evaluation.

¹⁰The closed branch in a low-income census tract was located at 22 South Hanover Street, Carlisle, PA 17013 and was closed on January 8, 2021.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, all of Orrstown's branches in the assessment area includes ATMs, and all but one of the branches have drive-up facilities¹¹. The branches operate Monday through Friday, with most branches offering extended hours on Thursdays and/or Fridays¹². All but one of the branches offer Saturday hours¹³.

Bank Products

Orrstown provides the following products with reduced or no fees, and/or no minimum balance requirements, which provide greater access to banking services for low- and moderate-income customers, and small businesses.

- Free checking account, with no minimum balance requirement, no per-check charges, and no \$2 paper statement fee if customers opt-in to electronic statements. The account also includes free online, mobile deposit, mobile access and bill pay.
- Free Business Checking, with no minimum balance requirement, no monthly service fee, and 1,000 free items per statement cycle (\$0.25 per item, thereafter). This account also includes free online banking and bill pay (first 10 bill pays per statement cycle are free).
- Non-Profit Interest Checking, with no per-item fees, no minimum daily balance requirement, and no monthly service fee. This product earns interest and is only available to non-profit organizations.

Community Development Services

Orrstown provides a relatively high level of community development services in the Harrisburg, PA assessment area.

Over the evaluation period, bank employees provided community development services, providing technical assistance to community development organizations, and serving in various capacities on boards and board-level committees. Some examples include:

- An executive officer serves as a board member for Cumberland County Industrial Development Authority. The organization, located in a low-income census tract, promotes economic development in Cumberland County.

¹¹The Lindle Road branch, located at 4750 Lindle Road, Harrisburg, PA 17111, located in a middle-income census tract, does not have drive-up facilities.

¹²The branches that do not offer extended hours on Thursday and/or Friday include the branches located at 4750 Lindle Road, Harrisburg, PA 17111 (middle-income tract), and 1110 East Simpson Street, Mechanicsburg, PA 17055 (middle-income tract).

¹³The Lindle Road branch, located at 4750 Lindle Road, Harrisburg, PA 17111, located in a middle-income census tract, does not offer Saturday hours.

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- A vice president serves as an advisor for Downtown Daily Bread. The organization, located in a moderate-income census tract, operates a soup kitchen, shelter and provides services for the homeless and low- and moderate-income population in Harrisburg.
- A bank officer serves as a board member for Employment Skills Center. The organization, located in a low-income census tract, provides workforce development and employment skills training to low- and moderate-income individuals.
- A bank officer serves as board member for Habitat for Humanity Harrisburg. The organization makes homeownership possible for low- and moderate-income individuals and completes home repairs for low- and moderate-income homeowners.
- A bank officer serves as board member for Bethany Village Towers. This organization provides affordable supportive housing for low-income senior citizens.

CHAMBERSBURG, PA ASSESSMENT AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Orrstown's Chambersburg, PA assessment area consists of the entirety of Franklin County, PA which is coterminous with the Chambersburg-Waynesboro, PA MSA. The Chambersburg, PA assessment area is located in South-Central Pennsylvania, and is located to the southwest of the bank's Harrisburg, PA assessment area.

For the purposes of assessing Orrstown's CRA performance in the Commonwealth of Pennsylvania and overall, the second greatest weight was given to the performance in the Chambersburg, PA assessment area, behind the Harrisburg, PA assessment area. Of the bank's total loans, 37% by number, and 31% by dollar amount can be attributed to this assessment area. Further, the bank operates eight branches in the assessment area, which hold \$579 million in deposits, representing 26% of the bank's total deposits as of June 30, 2020. It is noted that Orrstown acquired First Community Bank of Mercersburg based in Mercersburg, Franklin County, Pennsylvania in October 2018.

Orrstown's CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to 2015 ACS data, the Chambersburg, PA assessment area consisted of 27 census tracts. Of these, one was designated as a low-income census tract (4%), four were moderate-income tracts (15%), 20 were middle-income tracts (74%), two were upper-income tracts (7%). The single low-income tracts and one of the two moderate-income tracts were located in the borough of Chambersburg. The remaining three moderate-income tracts were located in the borough of Waynesboro.

A map of the Chambersburg, PA assessment area at the 2015 ACS update is available in Appendix F.

According to the FDIC Deposit Market Share Report, as of June 30, 2020, seven depository institutions operated in the Chambersburg-Waynesboro, PA MSA. These institutions maintained a total of 43 branches and held over \$2.4 billion in deposits inside the MSA. Orrstown operated eight branches in the assessment area and ranked second, with 24% of the retail deposit market. Farmers and Merchants Trust Company of Chambersburg held the largest share of deposits with 35% of the market. Manufacturers and Traders Trust Company ranked third with 20% of the market.

Orrstown reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually.

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According to 2017 data, there were 237 HMDA reporters in the assessment area, who originated or purchased a total of 4,454 HMDA loans in the Chambersburg, PA assessment area. Patriot Federal Credit Union ranked first with 11% of the market, followed by Wells Fargo Bank, N.A. (8%). Orrstown ranked third, with 6% of the HMDA market.

According to 2018 data, there were 233 HMDA reporters in the assessment area, who originated or purchased a total of 4,938 HMDA loans in the Chambersburg, PA assessment area. Orrstown ranked first, with just over 9% of the HMDA market. Patriot Federal Credit Union ranked second with 9% of the market, followed by Manufacturers and Traders Trust Company.

Finally, according to 2019 data, there were 243 HMDA reporters in the assessment area, who originated or purchased a total of 5,321 HMDA loans in the Chambersburg, PA assessment area. Patriot Federal Credit Union ranked first with just over 9% of the market, followed by Orrstown (just under 9%), and Farmers and Merchants Trust Company of Chambersburg (7%).

Similarly, the institution reports its small business loans pursuant to the CRA and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2017 data, there were 69 small business reporters in the assessment area, originating or purchasing 2,042 small business loans. Orrstown ranked twelfth, with under 3% of the market. American Express Bank, FSB ranked first with 13% of the market, followed by US Bank, N.A. with 11%, and Capital One Bank USA, N.A. with approximately 10%.

According to 2018 data, there were 73 small business reporters in the assessment area, originating or purchasing 2,270 small business loans. Orrstown tied for seventh, with 4% of the market. Chase Bank USA, N.A. ranked first with just over 12% of the market, followed by American Bank, NB with 12%, and US Bank, N.A. with almost 10%.

Finally, according to 2019 data, there were 68 small business reporters in the assessment area, originating or purchasing 2,516 small business loans. Orrstown ranked ninth, with 3% of the market. American Express, NB ranked first with 16% of the market, followed by JPMorgan Chase Bank, N.A. with 15%, and Branch Banking and Trust Company, with approximately 8%.

To supplement economic, demographic, and performance data, interviews were conducted with three local community organizations, which provided perspective on credit needs of the Chambersburg, PA assessment area. One interview was held with a community action agency focused on preventing poverty in the region, one was with an agency that supports economic growth in the region, and the third was with an agency with a focus on small business development. All three contacts agreed that the region's economy was growing, but emphasized needs for affordable housing, workforce development, and expanded infrastructure, including public transit. Finally, contacts indicated that small businesses, particularly start-ups need access to credit and financial and business counseling.

Economic Characteristics

The bank’s Chambersburg, PA assessment area is situated in South Central Pennsylvania, and per the 2015 ACS data, the Chambersburg, PA assessment area had a population of 152,285. This is the second least populated assessment area of the Orrstown footprint, behind the Hagerstown, MD assessment area.

According the January 2020 Moody’s Analytics Precis Report, the Chambersburg-Waynesboro MSA is in late expansion mode. Economic drivers in the Chambersburg-Waynesboro MSA include logistics, manufacturing, and agriculture.

Strengths include the Chambersburg assessment area’s proximity to major East Coast shipping destinations which make it a prime location for warehousing and distribution centers, and below-average business costs. However, area weaknesses include exposure to fluctuating agriculture prices, low educational attainment and below-average incomes, and above-average employment volatility.

In the MSA, the largest employment sector is education and health services, which accounts for just over 17% of the workforce. Other industry leaders include government (just under 13%) and retail trade representing nearly 12% of the economy. The largest private employers in the MSA include Summit Health, Letterkenny Army Depot, Manitowoc Crane Group, Procter & Gamble, and Volvo Construction Equipment.

During the evaluation period, seasonally unadjusted unemployment rates in the Chambersburg, PA assessment area decreased overall, as economic conditions improved. The Chambersburg assessment area’s unemployment rate has consistently been below the Commonwealth of Pennsylvania, and on-par with nationwide levels. Area unemployment rates for years 2017, 2018 and 2019, as reported by the Bureau of Labor and Statistics, for the Chambersburg, PA assessment area, and compared to statewide and national levels are reflected in the following table.

Orrstown Bank Chambersburg, PA Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)			
Geographical Area	2017 Annual	2018 Annual	2019 Annual
Franklin County, PA	4.4	3.7	3.8
Chambersburg-Waynesboro, PA MSA	4.4	3.7	3.8
Pennsylvania	5.0	4.4	4.5
United States	4.4	3.9	3.7

Unemployment data is from the Bureau of Labor Statistics.

Housing

According to the 2015 ACS update, the Chambersburg, PA assessment area contained 63,947 housing units, 66% of which were owner-occupied, 26% of which were rental units, and 8% of which were vacant. The overall owner-occupancy rate in the assessment area (66%) was slightly above that in the Commonwealth of Pennsylvania (61%).

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The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such tracts. According to 2015 ACS data, just over 1% of owner-occupied housing was located in low-income tracts, and nearly 7% was located in moderate-income tracts. The vast majority of owner-occupied housing was located in middle-income tracts (83%), distantly followed by upper-income tracts (9%).

Of the total existing housing units, 77% were single-family units, almost 9% were two-to-four family units, 7% were multifamily units, and 7% were mobile homes. The median age of the housing stock was 46 years, making it relatively newer than that in the Commonwealth of Pennsylvania, where the median housing age was 54 years.

Data show that the price of housing in the assessment area is more expensive than in the Commonwealth overall. The 2015 ACS data indicates that the median housing value in the Chambersburg, PA assessment area is \$173,400, which is higher than the median housing value in Pennsylvania (\$166,000). The median housing value in low-income tracts was \$164,884 and decreased to \$138,465 in moderate-income tracts. In the assessment area, housing values were considerably higher in middle- and upper-income tracts (\$174,976 and \$199,626, respectively).

Finally, median gross rent (rent plus utilities) in the assessment area were slightly less expensive in the assessment area than in Pennsylvania. Median gross rent in the Chambersburg, PA assessment area was \$809, which compares favorably to a statewide median gross rent of \$840. Within the Chambersburg, PA assessment area, 41% of renters spending more than 30% of their income on rent, comparing favorably to 46% in the Commonwealth of Pennsylvania.

Borrower Income Data

The percentage of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. The 2015 ACS shows that there were 40,598 families in the assessment area. Of the total families in the assessment area, 19% were low-income, 20% were moderate-income, 22% were middle-income, and 39% were upper-income. In the Chambersburg, PA assessment area, just under 9% of families were living below the poverty level, comparing closely to just over 9% in the Commonwealth overall.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon HUD annually-adjusted median family income data made available by the FFIEC. Median family incomes for the assessment area are listed in the table below and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
2017	\$63,700	\$31,850	\$31,850 - \$50,959	\$50,960 - \$76,439	\$76,440 or more
2018	\$71,300	\$35,650	\$35,650 - \$57,039	\$57,040 - \$85,559	\$85,560 or more
2019	\$76,400	\$38,200	\$38,200 - \$61,119	\$61,120 - \$91,679	\$91,680 or more

Geographic Business Data

The percentage of businesses located within designated tracts is used as a proxy to estimate demand for business credit within such tracts. According to business data provided by Dun & Bradstreet in 2017, there were 5,724 businesses in the assessment area. Of these, just over 4% of businesses in the Chambersburg, PA assessment area were located in low-income census tracts, and 8% were in moderate-income census tracts. The vast majority of businesses were located in middle-income census tracts (80%), while upper-income census tracts had 8% of businesses. Business demographic data also revealed that of the 5,724 businesses located in the assessment area in 2017, 92% were small businesses with gross annual revenues of \$1 million or less.

Using 2018 Dun & Bradstreet data, very few changes were noted. In 2018, there were 6,323 businesses operating in the assessment area, and just over 4% of businesses in the Chambersburg, PA assessment area were located in low-income census tracts, and 8% were in moderate-income census tracts. Again, the vast majority of businesses were located in middle-income census tracts (80%), while upper-income census tracts had 8% of businesses. Business demographic data also revealed that of the 6,323 businesses located in the assessment area in 2018, 92% were small businesses with gross annual revenues of \$1 million or less.

Finally, in 2019, 6,287 businesses operated in the assessment area. Of these, 5% of businesses in the Chambersburg, PA assessment area were located in low-income census tracts, and 8% were in moderate-income census tracts. The vast majority of businesses were located in middle-income census tracts (just under 80%), and upper-income census tracts had 8% of businesses. Business demographic data also revealed that of the 6,287 businesses located in the assessment area in 2019, just over 92% were small businesses with gross annual revenues of \$1 million or less.

The 2017, 2018, and 2019 assessment area demographics used to evaluate Orrstown's CRA performance in the Chambersburg, PA assessment area are detailed in the tables on the following pages.

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Orrstown Bank Chambersburg, PA Assessment Area Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.7	1,263	3.1	445	35.2	7,548	18.6
Moderate-income	4	14.8	3,433	8.5	634	18.5	8,085	19.9
Middle-income	20	74.1	32,238	79.4	2,216	6.9	9,060	22.3
Upper-income	2	7.4	3,664	9.0	214	5.8	15,905	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27	100.0	40,598	100.0	3,509	8.6	40,598	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,210	608	1.4	27.5	1,334	60.4	268	12.1
Moderate-income	6,334	2,729	6.5	43.1	2,982	47.1	623	9.8
Middle-income	50,167	34,726	82.7	69.2	11,208	22.3	4,233	8.4
Upper-income	5,236	3,951	9.4	75.5	1,032	19.7	253	4.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	63,947	42,014	100.0	65.7	16,556	25.9	5,377	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	253	4.4	224	4.3	27	6.3	2	3.8
Moderate-income	458	8.0	417	8.0	36	8.3	5	9.4
Middle-income	4,586	80.1	4,194	80.1	347	80.3	45	84.9
Upper-income	427	7.5	404	7.7	22	5.1	1	1.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,724	100.0	5,239	100.0	432	100.0	53	100.0
	Percentage of Total Businesses:			91.5		7.5		0.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	4	1.0	4	1.0	0	0.0	0	0.0
Middle-income	380	93.1	365	92.9	15	100.0	0	0.0
Upper-income	24	5.9	24	6.1	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	408	100.0	393	100.0	15	100.0	0	0.0
	Percentage of Total Farms:			96.3		3.7		0.0

Information based on 2015 ACS Data and 2017 Dun & Bradstreet Information

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Orrstown Bank Chambersburg, PA Assessment Area Assessment Area Demographics 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.7	1,263	3.1	445	35.2	7,548	18.6
Moderate-income	4	14.8	3,433	8.5	634	18.5	8,085	19.9
Middle-income	20	74.1	32,238	79.4	2,216	6.9	9,060	22.3
Upper-income	2	7.4	3,664	9.0	214	5.8	15,905	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27	100.0	40,598	100.0	3,509	8.6	40,598	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,210	608	1.4	27.5	1,334	60.4	268	12.1
Moderate-income	6,334	2,729	6.5	43.1	2,982	47.1	623	9.8
Middle-income	50,167	34,726	82.7	69.2	11,208	22.3	4,233	8.4
Upper-income	5,236	3,951	9.4	75.5	1,032	19.7	253	4.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	63,947	42,014	100.0	65.7	16,556	25.9	5,377	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	279	4.4	247	4.2	30	6.9	2	3.0
Moderate-income	522	8.3	478	8.2	36	8.3	8	12.1
Middle-income	5,029	79.5	4,630	79.5	344	79.4	55	83.3
Upper-income	493	7.8	469	8.1	23	5.3	1	1.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,323	100.0	5,824	100.0	433	100.0	66	100.0
	Percentage of Total Businesses:			92.1	6.8		1.0	
	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	3	0.7	3	0.8	0	0.0	0	0.0
Middle-income	378	93.8	364	93.8	14	93.3	0	0.0
Upper-income	22	5.5	21	5.4	1	6.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	403	100.0	388	100.0	15	100.0	0	0.0
	Percentage of Total Farms:			96.3	3.7		0.0	

Information based on 2015 ACS Data and 2018 Dun & Bradstreet Information

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Orrstown Bank Chambersburg, PA Assessment Area Assessment Area Demographics 2019								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.7	1,263	3.1	445	35.2	7,548	18.6
Moderate-income	4	14.8	3,433	8.5	634	18.5	8,085	19.9
Middle-income	20	74.1	32,238	79.4	2,216	6.9	9,060	22.3
Upper-income	2	7.4	3,664	9.0	214	5.8	15,905	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27	100.0	40,598	100.0	3,509	8.6	40,598	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,210	608	1.4	27.5	1,334	60.4	268	12.1
Moderate-income	6,334	2,729	6.5	43.1	2,982	47.1	623	9.8
Middle-income	50,167	34,726	82.7	69.2	11,208	22.3	4,233	8.4
Upper-income	5,236	3,951	9.4	75.5	1,032	19.7	253	4.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	63,947	42,014	100.0	65.7	16,556	25.9	5,377	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	280	4.5	246	4.2	32	7.6	2	3.0
Moderate-income	526	8.4	482	8.3	35	8.3	9	13.4
Middle-income	5,010	79.7	4,627	79.8	328	78.1	55	82.1
Upper-income	471	7.5	445	7.7	25	6.0	1	1.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,287	100.0	5,800	100.0	420	100.0	67	100.0
	Percentage of Total Businesses:			92.3		6.7		1.1
	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	4	1.0	4	1.1	0	0.0	0	0.0
Middle-income	370	93.7	356	93.7	14	93.3	0	0.0
Upper-income	21	5.3	20	5.3	1	6.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	395	100.0	380	100.0	15	100.0	0	0.0
	Percentage of Total Farms:			96.2		3.8		0.0

Information based on 2015 ACS Data and 2019 Dun & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- borrower distribution of loans including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- responsiveness to credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- innovativeness and flexibility of lending practices; and
- community development lending activities.

Performance under the lending test is rated high satisfactory in the Chambersburg, PA assessment area.

Lending Activity

Orrstown's lending levels in the Chambersburg, PA assessment area reflect good responsiveness to credit needs. During the evaluation period, lending activity in the Chambersburg, PA assessment area represented 37% of the bank's overall lending by number of loans, and 31% by dollar volume. During the evaluation period, Orrstown made 1,064 HMDA loans totaling \$154 million, and 182 small business loans totaling \$28 million in the bank's Chambersburg, PA assessment area.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, excellent penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area, in driving lending performance, due to the demographics of the Chambersburg, PA assessment area. Further, due to loan volumes, HMDA loans are given the most weight in determining the bank's overall borrower distribution of loans, followed by small business loans.

Home-Mortgage Lending

Orrstown's distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is excellent.

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For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home mortgage credit. Generally, the higher the percentages of low- and moderate-income individuals and families within the assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2015 ACS data, 19% of families in the assessment area were low-income, 20% were moderate-income, 22% were middle-income, and 39% were upper-income.

The following tables compare Orrstown’s home-mortgage lending to aggregate lending levels, using the percentages of low- and moderate-income families as proxies for loan demand. The first table, used to evaluate 2017 lending data, relies on 2015 ACS data to estimate demand for home-mortgage credit among both low- and moderate-income families. The second and third tables, used to evaluate 2018 and 2019 lending rely on 2015 ACS data, along with updated HMDA data, following the requirements under Regulation C.

Orrstown Bank Chambersburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison	
		2017	
		% Orrstown Lending	% Aggregate Lending
Low	18.6	4.1	5.5
Moderate	19.9	23.4	19.7
Middle	22.3	22.8	23.5
Upper	39.2	37.9	31.4
Unknown	0.0	11.6	19.9
Total	100.0	100.0	100.0

Orrstown Bank Chambersburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison	
		2018	
		% Orrstown Lending	% Aggregate Lending
Low	18.6	8.4	8.1
Moderate	19.9	22.9	22.8
Middle	22.3	25.3	23.8
Upper	39.2	39.2	30.1
Unknown	0.0	4.2	15.2
Total	100.0	100.0	100.0

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Orrstown Bank Chambersburg, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	18.6	11.6	9.5
Moderate	19.9	22.1	22.0
Middle	22.3	26.0	21.9
Upper	39.2	38.1	27.5
Unknown	0.0	2.2	19.1
Total	100.0	100.0	100.0

Lending to Low-Income Borrowers

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

Orrstown’s lending in 2017 to low-income borrowers was poor. Of Orrstown’s 145 HMDA loans, only six (4%) were made to low-income borrowers, below both proxy of 19%, and aggregate lending of 6%. By product type, the bank made 4% of home purchase loans, 33% of home improvement loans, and no refinance or multifamily loans to low-income borrowers. In comparison, aggregate lenders made 5% of home purchase loans, 5% of refinance loans, 13% of home improvement loans, and no multifamily loans to low-income borrowers in 2017.

Orrstown’s lending in 2018 to low-income borrowers was good. Of Orrstown’s 462 HMDA loans, 39 loans (8%) were made to low-income borrowers, which matched aggregate lending (8%). Both the bank’s level of lending and the aggregate level were below proxy of 19%. By product, Orrstown made 6% of home purchase loans, 12% of refinance loans, 6% of home improvement loans, and no multifamily or loans with purpose “not applicable” to low-income borrowers . Aggregate lenders made 7% of home purchase loans, 10% of refinance loans, 9% of home improvement loans, and 4% of loans with purpose “not applicable,” and no multifamily loans to low-income borrowers in 2018.

Finally, Orrstown’s lending in 2019 to low-income borrowers was good. Of Orrstown’s 457 HMDA loans, 53 loans (12%) were made to low-income borrowers, compared to a proxy of 19%, and aggregate lending of 10%. By product, the bank made 11% of home purchase loans, 11% of refinance loans, 13% of home improvement loans, and no multifamily or loans with purpose “not applicable” to low-income borrowers. In comparison, aggregate lenders made 10% of home purchase loans, 9% of refinance loans, 11% of home improvement loans, and no multifamily or loans with purpose “not applicable” to low-income borrowers in 2019.

Lending to Moderate-Income Borrowers

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

Orrstown's lending in 2017 to moderate-income borrowers was excellent. Of Orrstown's 145 HMDA loans, 34 loans (23%) were made to moderate-income borrowers, exceeding both proxy of 20%, and aggregate lending of 20%. Orrstown made 25% of home purchase loans, 17% of refinance loans, 33% of home improvement loans, and no multifamily loans to moderate-income borrowers. In contrast, aggregate lenders made 21% home purchase loans, 15% of refinance loans, 23% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Orrstown's lending in 2018 to moderate-income borrowers was excellent. Of Orrstown's 462 HMDA loans, 106 loans (23%) were made to moderate-income borrowers, matching aggregate lending of 23% and exceeding proxy of 20%. By product type, Orrstown made 23% of home purchase loans, 24% of refinance loans, 19% of home improvement loans, and no multifamily or loans with purpose "not applicable" to moderate-income borrowers. Aggregate lenders made 24% of home purchase loans, 23% of refinance loans, 21% of home improvement loans, 1% of loans with purpose "not applicable," and no multifamily loans to moderate-income borrowers in 2018.

Finally, Orrstown's lending in 2019 to moderate-income borrowers was excellent. Of Orrstown's 457 HMDA loans, 101 loans (22%) were made to moderate-income borrowers, matching aggregate lending of 22% and exceeding proxy of 20%. By product, Orrstown made 27% of home purchase loans, 19% of refinance loans, 20% of home improvement loans and no multifamily or loans with purpose "not applicable" to moderate-income borrowers. Comparatively, aggregate lenders made 24% of home purchase loans, 21% of refinance loans, 23% of home improvement loans, and no multifamily or loans with purpose "not applicable" to moderate-income borrowers in 2019.

Small Businesses Lending

An analysis of Orrstown's borrower distribution of small business loans reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of \$1 million or less. Small business loans are further analyzed to identify those loans to businesses with gross annual revenues of \$1 million or less, namely small businesses.

The number of businesses operating in the Chambersburg, PA assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to 2017 Dun & Bradstreet business data, there were 5,724 businesses operating in the assessment area in 2017, with 5,239 (92%) designated as small businesses. According to 2018 Dun & Bradstreet business data, there were 6,323 businesses operating in the assessment area in 2018, with 5,824 (92%) designated as small businesses. Finally, according to 2019 Dun & Bradstreet business data, there were 6,287 businesses operating in the assessment area in 2019, with 5,800 (92%) designated as small businesses.

In 2017, the bank's borrower distribution of small business loans was good. In 2017, Orrstown originated 22 small business loans in the assessment area, aggregating nearly \$4.4 million. Of these loans, 73% were originated to small businesses. The bank's lending to small businesses was above the aggregate lending level of 48% to small businesses by all lenders in the assessment area and was below than the proxy of 92%.

Small business loans were further analyzed to determine the extent of loans originated in an amount of \$100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, thus added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller businesses. In 2017, 59% of Orrstown's small business loans in the assessment area were extended in an amount of \$100 thousand or less. Aggregate lending data for 2017 shows that 91% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

In 2018, the bank's borrower distribution of small business loans was good. In 2018, Orrstown originated 85 small business loans in the assessment area, aggregating \$11.7 million. Of these loans, 72% were originated to small businesses. The bank's lending to small businesses was above the aggregate lending level of 46% to small businesses by all lenders in the assessment area and was slightly below the proxy of 92%.

In 2018, 71% of Orrstown's small business loans in the assessment area were extended in an amount of \$100 thousand or less. Aggregate lending data for 2018 shows that 92% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

Finally, in 2019, the bank's borrower distribution of small business loans was good. In 2019, Orrstown originated 75 small business loans in the assessment area, aggregating \$11.9 million. Of these loans, 64% were originated to small businesses. The bank's lending to small businesses was above the aggregate lending level of 48% to small businesses by all lenders in the assessment area and was below the proxy of 92%.

In 2019, 63% of Orrstown's small business loans in the assessment area were extended in an amount of \$100 thousand or less. Aggregate lending data for 2019 shows that 91% of small business loans made in the assessment area were originated in an amount of \$100 thousand or less.

In considering aggregate data, it should be noted that small business data includes credit card loans made by large credit card issuers. Because credit card loans are generally made in smaller amounts, this can skew aggregate small business data. As noted previously, amongst the top small business lenders in the assessment area are national lenders with large credit card portfolios. In fact, the top three CRA reporters in the assessment area for 2017, 2018, and 2019 were all credit card lenders, who together controlled over a third of the CRA market. This is taken into account when drawing conclusions about the bank's small business lending.

Geographic Distribution of Lending

The geographic distribution of loans was analyzed to determine the dispersion of loans among census tracts within the assessment area. Overall, the geographic distribution of loans reflects adequate penetration throughout the Chambersburg, PA assessment area, including in low- and moderate-income census tracts. As mentioned earlier, HMDA loans were given the greatest amount of consideration in determining this conclusion, because of loan volume, followed by small business loans.

Home-Mortgage Lending

Orrstown’s distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income census tracts is adequate. As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand is for home-mortgage credit in the tract.

According to 2015 ACS data, just over 1% of owner-occupied housing was located in low-income tracts, and 7% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts (83%), and upper-income tracts (9%).

The tables below present the geographic distribution of Orrstown’s HMDA lending in comparison to the applicable owner-occupied housing proxies, and the aggregate lending levels in the assessment area. The first table, used for lending in 2017, relies on 2015 ACS data. The second and third tables, used for lending in 2018 and 2019, rely on 2015 ACS data, along with updated HMDA data, following Regulation C requirements.

Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison	
		2017	
		% Orrstown Lending	% Aggregate Lending
Low	1.4	2.1	2.6
Moderate	6.5	4.8	7.9
Middle	82.7	86.2	77.9
Upper	9.4	6.9	11.6
Unknown	0.0	0.0	0.0
Total	100.0	100.0	100.0

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Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison 2018	
		% Orrstown Lending	% Aggregate Lending
Low	1.4	1.7	2.5
Moderate	6.5	1.9	7.5
Middle	82.7	87.2	79.9
Upper	9.4	9.2	10.1
Unknown	0.0	0.0	0.0
Total	100.0	100.0	100.0

Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison 2019	
		% Orrstown Lending	% Aggregate Lending
Low	1.4	1.5	2.5
Moderate	6.5	2.0	8.2
Middle	82.7	86.9	79.5
Upper	9.4	9.6	9.8
Unknown	0.0	0.0	0.0
Total	100.0	100.0	100.0

Lending in Low-Income Census Tracts

For the period under review, Orrstown’s overall HMDA lending in low-income tracts was good.

Orrstown’s lending in low-income census tracts in 2017 was good. Of Orrstown’s 145 HMDA loans, 2% (three loans) were made to low-income census tracts, exceeding proxy of just over 1%, but just below aggregate lending of just under 3%. By product type, Orrstown made 2% of its home purchase loans, 4% of refinance loans, and no home improvement or multifamily loans in low-income census tracts. In comparison, aggregate lenders made 3% of home purchase loans, 3% of refinance loans, 3% of home improvement loans, and 10% of multifamily loans in low-income census tracts in 2017.

Orrstown’s lending in low-income census tracts in 2018 was good. Of Orrstown’s 462 HMDA loans, 2% were made in low-income census tracts (eight loans), exceeding proxy of just over 1%, but just below aggregate lending in low-income census tracts of 3%. By product type, Orrstown made 2% of its home purchase loans, 1% of refinance loans, 1% of home improvement loans, 25% of multifamily loans and no loans with purpose “not applicable” in low-income census tracts. Aggregate lenders made 3% of home purchase loans, 2% of refinance loans, 2% of home improvement loans, 29% of multifamily loans, and 2% of loans with purpose “not applicable” in low-income census tracts in 2018.

Orrstown's lending in low-income census tracts in 2019 was considered good. Of Orrstown's 457 HMDA loans, just under 2% were made to low-income census tracts (seven loans), exceeding proxy of just over 1%, but below aggregate lending of 3%. By product, Orrstown made 2% of home purchase loans, 1% of refinance loans, 1% of home improvement loans, and no multifamily or loans with purpose "not applicable" in low-income tracts. In contrast, aggregate lenders made 3% of home purchase loans, 2% of refinance loans, 2% of home improvement loans, 3% of multifamily loans, and 8% of loans with purpose "not applicable" in low-income census tracts in 2019.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was poor.

Orrstown's lending in moderate-income census tracts in 2017 was adequate. Of Orrstown's 145 HMDA loans, 5% were made in moderate-income census tracts (seven loans), trailing both proxy of 7%, and aggregate lending of 8%. By product type, Orrstown made 5% of home purchase loans, 33% of multifamily loans, and no refinance or home improvement loans in moderate-income tracts. By comparison, aggregate lenders made 8% of home purchase loans, 7% of refinance loans, 8% of home improvement loans, and 20% of multifamily loans in moderate-income census tracts in 2017.

Orrstown's lending in moderate-income census tracts in 2018 was poor. Of Orrstown's 462 HMDA loans, 2% were made to moderate-income census tracts (nine loans), considerably below proxy of 7%, and aggregate lending of 8%. By product, Orrstown made 3% of home purchase loans, 2% of refinance loans, 25% of multifamily loans, and no home improvement or loans with purpose "not applicable" in moderate-income census tracts. Aggregate lenders made 8% of home purchase loans, 7% of refinance loans, 6% of home improvement loans, 7% of multifamily loans, and 15% of loans with purpose "not applicable" in moderate-income census tracts in 2018.

Orrstown's lending in moderate-income census tracts in 2019 was poor. Of Orrstown's 457 HMDA loans, 2% were made in moderate-income census tracts (nine loans), again below proxy of 7%, and aggregate lending of 8%. By product, Orrstown made 3% of home purchase loans, less than 1% of refinance loans, 3% of home improvement loans, 25% of multifamily loans, and no loans with purpose "not applicable" in moderate-income tracts. Aggregate lenders made 10% of home purchase loans, 6% of refinance loans, 4% of home improvement loans, 37% of multifamily loans, and 18% of loans with purpose "not applicable" in moderate-income census tracts in 2019.

Small Business Lending

The geographic distribution of Orrstown's small business loans reflects poor penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

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The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on 2017 Dun & Bradstreet data, just over 4% of the businesses in the assessment area were located in low-income census tracts, and 8% were located in moderate-income census tracts. The remaining 88% of businesses were located in middle-income census tracts (80%), and upper-income census tracts (8%). Geographic demographics remained the same in 2018 and 2019, according to Dun & Bradstreet data.

The tables below present Orrstown’s small business geographic distribution in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the three years evaluated.

Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2017	
		% Orrstown Lending	% Aggregate Lending
Low	4.4	0.0	3.8
Moderate	8.0	4.5	6.5
Middle	80.1	90.9	80.7
Upper	7.5	4.6	7.8
Unknown	0.0	0.0	1.2
Total	100.0	100.0	100.0

Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2018	
		% Orrstown Lending	% Aggregate Lending
Low	4.4	1.2	4.0
Moderate	8.3	1.2	6.1
Middle	79.5	89.4	82.0
Upper	7.8	8.2	7.1
Unknown	0.0	0.0	0.8
Total	100.0	100.0	100.0

Orrstown Bank Chambersburg, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	4.5	2.7	3.2
Moderate	8.4	2.7	5.9
Middle	79.7	86.7	83.5
Upper	7.4	7.9	6.8
Unknown	0.0	0.0	0.6
Total	100.0	100.0	100.0

Lending in Low-Income Census Tracts

Overall, Orrstown's small business lending in low-income tracts was poor.

In 2017, Orrstown's lending in low-income census tracts was very poor. Orrstown originated none of its 22 small business loans in low-income census tracts in 2017. In 2017, aggregate lenders originated just under 4% of its small business loans in low-income census tracts, which matched the proxy of businesses located in low-income tracts (4%).

In 2018, Orrstown's lending in low-income census tracts was poor. Orrstown originated just one of its 85 small business loans (1%) in low-income census tracts in 2018. Again, in 2018, aggregate lenders originated 4% of small business loans in low-income census tracts, matching the proxy of businesses located in low-income tracts (4%).

In 2019, Orrstown's lending in low-income census tracts was poor. Orrstown originated two of its 75 small business loans (3%) in low-income census tracts in 2019. In 2019, aggregate lenders originated 3% of its small business loans in low-income census tracts, which was below the proxy of businesses located in low-income tracts (almost 5%).

Lending in Moderate-Income Census Tracts

Overall, Orrstown's small business lending in moderate-income tracts was considered poor.

In 2017, Orrstown's lending in moderate-income census tracts was poor. Orrstown originated one of its 22 small business loans in moderate-income census tracts in 2017 (5%). This performance lagged both aggregate lending of 7% and the proxy of businesses located in moderate-income tracts (8%).

In 2018, Orrstown's lending in moderate-income census tracts was very poor. Orrstown originated one of its 85 small business loans in moderate-income census tracts in 2018 (1%). In 2018, aggregate lenders originated 6% of small business loans in moderate-income census tracts, which was below the proxy of businesses located in moderate-income tracts (8%).

In 2019, Orrstown's lending in moderate-income census tracts was poor. Orrstown originated two of its 75 small business loans in moderate-income census tracts in 2019 (3%), lagging both aggregate lenders, who originated 6% of small business loans in moderate-income census tracts, and the proxy of businesses located in moderate-income tracts (8%).

Responsiveness to Credit Needs

Orrstown exhibits a good record of servicing the credit needs of low- and moderate-income individuals and areas and very small businesses, consistent with safe and sound banking practices.

As indicated previously, community contacts emphasized the need for affordable housing, and small business lending. The bank addressed the affordable housing credit need by making retail HMDA loans to low- and moderate-income borrowers, and through the many flexible lending programs offered to such borrowers. Additionally, as discussed in more detail below, the bank's community development loan promoted economic development through the financing of area small businesses.

Innovative and/or Flexible Lending Practices

Orrstown makes extensive use of innovative and/or flexible practices in serving the Chambersburg, PA assessment area credit needs. Through several different programs, the bank made home-mortgage loans to low- and moderate-income borrowers, and small businesses during the evaluation period.

The home-mortgage credit needs of low- and moderate-income individuals and families often can be addressed more effectively by alternative mortgage products. In an effort to address the credit needs of such borrowers in the Chambersburg, PA assessment area, Orrstown offers a proprietary first-time homebuyer mortgage product. According to the product's parameters, pre-purchase homebuyer counseling must be completed, and applicant income limits effectively reserve the product for low- and moderate-income borrowers. Additionally, Orrstown participates in programs for first-time homebuyers through a variety of agencies, including Fannie Mae, FHA, USDA, VA, and PHFA, and also offers closing cost assistance in the form of forgivable and no-interest loans and grants through state, city, and county programs and through FHLB Pittsburgh's First Front Door Program. These programs have income parameters that effectively restrict them to low- and moderate-income borrowers.

The bank made six home purchase loans under its proprietary in-house program, aggregating \$902 thousand. Additionally, the bank made the following mortgage loans using federal programs: two Fannie Mae Home Ready loans totaling \$390 thousand; 37 FHA loans totaling \$6.5 million; 36 USDA loans totaling just over \$5 million; 23 VA loans totaling over \$5 million; and nine conventional PHFA loans totaling over \$1 million.

Finally, closing cost assistance was provided through a variety of different programs as follows: one grant totaling just over \$4 thousand through FHLB Pittsburgh's First Front Door Program; two no-interest loans totaling \$11 thousand through the PHFA Keystone Advantage Assistance Loan Program; and one grant totaling just over \$5 thousand through the Pathstone First-Time Homebuyer Program.

Similarly, the credit needs of small businesses can often be addressed more effectively by alternative products. In an effort to address the credit needs of small businesses in its assessment area, Orrstown participates in SBA loan programs, including the SBA 504 and 7A programs. However, no SBA loans were made in the Chambersburg, PA assessment area during the evaluation period.

Community Development Lending

Orrstown makes a low level of community development loans in the assessment area in the Chambersburg, PA assessment area. During the period evaluated, the bank reported one loan totaling \$2.6 million in the assessment area. This is a decrease from the previous evaluation when the bank’s four community development loans totaled \$3.4 million. Of the bank’s overall community development lending by dollar volume, just over 7% was within the Chambersburg, PA assessment area.

As seen in the table below, the bank’s single community development loan totaling \$2.6 million supports economic development; the loan went to an economic development agency, which is located in a middle-income census tract, but serves all of Franklin County.

Orrstown Bank Community Development Lending Chambersburg, PA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	1	2,640	0	0	1	2,640
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	1	2,640	0	0	1	2,640

INVESTMENT TEST

The investment test evaluates a financial institution’s level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as needs to improve.

Volume of Investment and Grant Activity

Orrstown has a poor level of qualified community development investments and grants, rarely in a leadership position. In total, the bank’s qualified investments, grants, and donations in the Chambersburg, PA assessment area totaled \$402 thousand. This represents an increase from the investment and grant level of \$69 thousand at the previous evaluation. However, of the bank’s overall investments for the institution, less than 3% were within the Chambersburg, PA assessment area.

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The majority of the bank’s investments (72%) supported affordable housing for low- and moderate-income borrowers via mortgage-backed securities (MBS) totaling nearly \$289 thousand. The bank’s MBS investments supported two affordable housing units in the Chambersburg, PA assessment area. Both MBS investments were purchased during the current evaluation period.

Another 25% of the bank’s investment total consisted of 12 EITCs in the assessment area totaling nearly \$102 thousand. The EITC provides a tax credit to businesses that pay Pennsylvania’s corporate income tax for contributions to scholarship organizations that give private-school scholarships to children of income-eligible families.

The remaining 3% of the investment total consisted of 17 donations and grants totaling \$11 thousand to local organizations that routinely provide community development services in the assessment area. Of the total amount of donations, over \$9 thousand were to organizations that provide community services to low- and moderate-income individuals, and almost \$2 thousand supported economic development by financing small businesses and revitalization/stabilization efforts in the assessment area.

The following table presents the investment and grant activity for the Chambersburg, PA assessment area.

Orrstown Bank Qualified Investments Chambersburg, PA Assessment Area										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
Qualified Investments	2	289	12	102	0	0	0	0	14	391
Donations	0	0	13	9	2	1	2	1	17	11
TOTAL	2	289	25	111	2	1	2	1	31	402

Responsiveness to Credit and Community Development Needs

Orrstown exhibits adequate responsiveness to credit and community development needs of the assessment area. Qualified investments increased since the previous evaluation, and as noted in the table above, most of the bank’s investment dollars in this assessment area addressed affordable housing, a community need in the Chambersburg, PA assessment area as indicated through community contact interviews.

Community Development Initiatives

Orrstown makes occasional use of innovative and/or complex investments to support community development initiatives. In the Chambersburg, PA assessment area during the evaluation period, the bank invested in two MBS, and in 12 educational improvement tax credits. Remaining investments were through donations, as discussed previously.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution’s branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as low satisfactory in the Chambersburg, PA assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank’s geographies and individuals of different income levels in its assessment areas.

During the review period, Orrstown operated eight full-service branches in the Chambersburg, PA assessment area. Using the 2015 ACS data, none of the bank’s branches in the assessment area were located in low-, moderate- or upper-income census tracts. All eight branches (100%) were located in middle-income census tracts. By comparison, 78% of the assessment area population resided in middle-income tracts. The following table details the location of the bank’s branches with comparison to 2015 ACS population demographics.

Orrstown Bank Retail Branch Distribution Chambersburg, PA Assessment Area 2015 ACS Data				
Census Tract Type	Number of Branches	Percent of Branches	Population	Percent of Population
Low	0	0.0	5,622	3.7
Moderate	0	0.0	13,670	9.0
Middle	8	100.0	119,426	78.4
Upper	0	0.0	13,567	8.9
Unknown	0	0.0	0	0.0
Totals	8	100.0	152,285	100.0

All but one of the bank’s branches have ATMs available¹⁴, which provides electronic access to banking services. The bank operates one additional stand-alone ATM, which is also located in a middle-income census tract. To supplement traditional banking services, Orrstown provides online banking services, telephone banking services, and a smart phone mobile banking application that includes mobile deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts, and apply for loan products via the bank’s website at <https://www.orrstown.com/>.

¹⁴The Lurgan branch, located in a middle-income census tract at 121 Lurgan Ave, Shippensburg, PA 17257, does not have an on-site ATM.

Changes in Branch Locations

Orrstown's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- or moderate-income census tracts or individuals. Within the Chambersburg, PA assessment area, six branches were opened, after having been acquired through the First Community Bank of Mercersburg acquisition in October 2018¹⁵. Five of the acquired branches were subsequently closed. Of the five branch closures, one was located in a low-income geography in Chambersburg, three were located in middle-income geographies in Chambersburg, Mercersburg, and Fort Loudon, and one was located in an upper-income geography in Greencastle, PA. The single branch acquired through merger that remains open is located in a middle-income tract in Mercersburg, PA.¹⁶

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, the majority of the bank's branches in the assessment area include ATMs, and all have drive-up facilities. The branches operate Monday through Friday, with extended hours on Thursdays and/or Fridays. Additionally, all branches offer Saturday hours.

Bank Products

Orrstown provides the following products with reduced or no fees, and/or no minimum balance requirements, which provide greater access to banking services for low- and moderate-income customers, and small businesses.

- Free checking account, with no minimum balance requirement, no per-check charges, and no \$2 paper statement fee if customers opt-in to electronic statements. The account also includes free online, mobile deposit, mobile access and bill pay.
- Free Business Checking, with no minimum balance requirement, no monthly service fee, and 1,000 free items per statement cycle (\$0.25 per item, thereafter). This account also includes free online banking and bill pay (first 10 bill pays per statement cycle are free).
- Non-Profit Interest Checking, with no per-item fees, no minimum daily balance requirement, and no monthly service fee. This product earns interest and is only available to non-profit organizations.

Community Development Services

Orrstown provides an adequate level of community development services in the Chambersburg, PA assessment area.

¹⁵ A total of four branches in this assessment area were acquired in the merger with First Community Bank of Mercersburg.

¹⁶ The remaining branch is located at 12 South Main Street, Mercersburg, PA 17236.

Over the evaluation period, bank employees provided community development services, providing technical assistance to community development organizations, and serving in various capacities on boards and board-level committees. Notable examples include:

- A vice president serves as a board member for Chambersburg Area Development Corporation. The organization, located in a low-income census tract, promotes economic development and revitalizes/stabilizes low- and moderate-income areas.
- A vice president serves as a board member for Children’s Aid Society. The organization, located in a moderate-income census tract, promotes foster care, adoption services through the Statewide Adoption Network, emergency shelter care, residential care, and diagnostic services.
- A vice president serves as a board member for Franklin County Area Development Corporation. The organization promotes economic development and revitalizes/stabilizes low- and moderate-income areas.
- A bank officer serves as a board member for Downtown Organizations Investing Together (DOIT), an economic development organization supporting small business development. The organization, located in a low-income census tract, promotes economic development in downtown Shippensburg.

LANCASTER, PA ASSESSMENT AREA LIMITED-SCOPE REVIEW

A limited-scope review of the bank’s performance in the Lancaster, PA assessment areas was conducted. During the evaluation period, lending activity in this assessment area represented 16% of the bank’s overall lending by number of loans, and 25% by dollar amount. The assessment area accounted for \$194 million in deposits, or 9% of the bank’s total deposits as of June 30, 2020. Orrstown operated five branches in the assessment area. For purposes of assessing the institution’s performance in the Commonwealth of Pennsylvania, greater weight was given to the bank’s performance in the full-scope assessment areas, where the majority of the bank’s operations are located.

The bank’s performance in the Lancaster, PA assessment area is consistent with its performance in the full-scope review assessment areas, as seen in the table below. The facts and data reviewed, including performance and demographic information, are presented in the Appendices. Conclusions regarding performance are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
Lancaster, PA Assessment Area	Below	Consistent	Consistent

DESCRIPTION OF INSTITUTION’S OPERATIONS

Orrstown’s Lancaster, PA assessment area consists of the entirety of Lancaster County, PA, which is coterminous with the Lancaster, PA MSA.

According to 2015 ACS data, the assessment area consisted of 98 census tracts, six of which were designated as low-income (6%), 14 of which were moderate-income (14%), 67 of which were middle-income (68%), and 11 were upper-income (11%) All of the low-income tracts, and eight of the 14 moderate-income tracts were located in the city of Lancaster, the largest urban center within the assessment area. According to the 2015 ACS data, the assessment area had a population of 530,216, making it the second most populated assessment area of Orrstown’s footprint. Fifteen percent of the assessment area’s population resided within the low- and moderate-income census tracts in the assessment area.

A map of the Lancaster, PA assessment area using 2015 ACS data is available in Appendix F.

Orrstown’s performance was evaluated in terms of the demographic and business context in which the bank operates. According to the FDIC’s Deposit Market Share Report, as of June 30, 2020, there were 22 depository institutions operating in the Lancaster, PA MSA. These institutions maintained a total of 174 branches holding nearly \$14 billion in deposits. Orrstown ranked fourteenth, with \$194 million in deposits, and just over 1% of the retail deposit market. Fulton Bank, N.A. has a strong presence in the market, ranking first, with 29% of the market, followed by Truist Bank, with 16% of the market, and PNC Bank, N.A., with 13%.

Similarly, Orrstown was a minor player in the HMDA market, holding about 1% of the market in 2017, 2018, and 2019. In 2017, a total of 384 HMDA reporters originated or purchased a total of 13,459 HMDA loans. Orrstown ranked twenty-sixth in the HMDA market with just under 1% of loans. Wells Fargo Bank, N.A. led the market with 10% of loans, followed by Residential Mortgage Services (6%), and Fulton Bank, N.A. (5%).

In 2018, a total of 375 HMDA reporters originated or purchased a total of 15,671 HMDA loans. Orrstown ranked twenty-seventh in the HMDA market with just over 1%. Fulton Bank, N.A. led the market with 9% of loans, followed by Wells Fargo Bank, N.A. (7%), and Members 1st Federal Credit Union (7%).

In 2019, a total of 400 HMDA reporters originated or purchased a total of 17,193 HMDA loans. Orrstown ranked twenty-fifth in the HMDA market with just under 1% of the HMDA market share. Fulton Bank, N.A. led the market with just over 8% of loans, followed by Wells Fargo Bank, N.A. (7%), and Members 1st Federal Credit Union (7%).

Similarly, with regard to small business lending, Orrstown was a minor player in the CRA market, holding less than 1% of the market in 2017, 2018, and 2019. In 2017, a total of 92 reporters originated or purchased a total of 11,501 small business loans. Orrstown tied for twenty-seventh, with less than 1% of the market. US Bank, N.A. ranked first with 11% of the market, followed by PNC Bank, N.A. (10%), and American Express Bank, FSB (10%).

In 2018, a total of 94 small business reporters originated or purchased a total of 12,423 loans. Orrstown ranked twenty-seventh, with less than 1% of the market. Branch Banking & Trust Company ranked first with 12% of the market, followed by American Express, NB (11%), and US Bank, N.A. (10%).

Finally, in 2019, 103 small business reporters originated or purchased 12,824 loans. Orrstown ranked twenty-sixth, with less than 1% of the market. JPMorgan Chase Bank, N.A. ranked first with 13% of the market, followed by American Express, NB (11%), and US Bank, N.A. (9%).

According to Moody's Analytics, leading industries in the assessment area include education and health services (18%), manufacturing (14%), retail trade (11%), and professional and business services, and leisure and hospitality services (both 10%). The largest employers are Lancaster General Hospital, Fulton Financial Corporation, High Companies, Lancaster Lebanon Intermediate Unit, and Masonic Village at Elizabethtown.

An interview was conducted with a community development representative to provide perspective on the credit needs in the Lancaster, PA assessment area. This information was supplemented with demographic and economic data pertinent to the assessment area. According to the community contact, who represented an organization focused on small business financing, the city's economy is growing, though development has not been equitable, and social unrest has highlighted inequities in Lancaster. According to the contact, poverty rates continue to grow, having doubled over the past two decades.

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A prominent credit need identified by the contact was small dollar lending for small businesses in the area. The contact also noted an increased need for financial training and credit repair programs for new business owners.

Tables showing the assessment area demographics of the Lancaster, PA assessment area in 2017, 2018, and 2019 are contained on the following pages.

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Orrstown Bank Lancaster, PA Assessment Area Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	6.1	4,407	3.2	1,708	38.8	25,060	18.3
Moderate-income	14	14.3	12,532	9.1	1,781	14.2	26,380	19.2
Middle-income	67	68.4	102,889	75.0	6,108	5.9	31,628	23.1
Upper-income	11	11.2	17,305	12.6	397	2.3	54,065	39.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	98	100.0	137,133	100.0	9,994	7.3	137,133	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied		Rental		Vacant		
	#	#	%	%	#	%	#	%
Low-income	8,182	2,131	1.6	26.0	5,218	63.8	833	10.2
Moderate-income	23,282	11,893	8.8	51.1	9,716	41.7	1,673	7.2
Middle-income	148,916	102,334	76.1	68.7	40,099	26.9	6,483	4.4
Upper-income	25,207	18,190	13.5	72.2	5,749	22.8	1,268	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	205,587	134,548	100.0	65.4	60,782	29.6	10,257	5.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	824	3.9	715	3.8	104	4.7	5	2.5
Moderate-income	2,178	10.3	1,872	10.0	288	13.1	18	9.1
Middle-income	15,648	74.1	13,921	74.3	1,573	71.4	154	77.8
Upper-income	2,476	11.7	2,217	11.8	238	10.8	21	10.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	21,126	100.0	18,725	100.0	2,203	100.0	198	100.0
	Percentage of Total Businesses:			88.6	10.4		0.9	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	8	0.8	8	0.8	0	0.0	0	0.0
Middle-income	913	89.3	876	89.4	37	88.1	0	0.0
Upper-income	100	9.8	95	9.7	5	11.9	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,022	100.0	980	100.0	42	100.0	0	0.0
	Percentage of Total Farms:			95.9	4.1		0.0	

Information based on 2015 ACS Data and 2017 Dun & Bradstreet Information

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Orrstown Bank Lancaster, PA Assessment Area Assessment Area Demographics 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	6.1	4,407	3.2	1,708	38.8	25,060	18.3
Moderate-income	14	14.3	12,532	9.1	1,781	14.2	26,380	19.2
Middle-income	67	68.4	102,889	75.0	6,108	5.9	31,628	23.1
Upper-income	11	11.2	17,305	12.6	397	2.3	54,065	39.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	98	100.0	137,133	100.0	9,994	7.3	137,133	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	8,182	2,131	1.6	26.0	5,218	63.8	833	10.2
Moderate-income	23,282	11,893	8.8	51.1	9,716	41.7	1,673	7.2
Middle-income	148,916	102,334	76.1	68.7	40,099	26.9	6,483	4.4
Upper-income	25,207	18,190	13.5	72.2	5,749	22.8	1,268	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	205,587	134,548	100.0	65.4	60,782	29.6	10,257	5.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	975	4.0	874	4.0	95	4.2	6	2.5
Moderate-income	2,653	10.9	2,329	10.6	301	13.4	23	9.5
Middle-income	17,963	73.5	16,171	73.7	1,603	71.3	189	77.8
Upper-income	2,835	11.6	2,562	11.7	248	11.0	25	10.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	24,426	100.0	21,936	100.0	2,247	100.0	243	100.0
	Percentage of Total Businesses:			89.8		9.2		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	3	0.3	3	0.3	0	0.0	0	0.0
Moderate-income	6	0.6	6	0.6	0	0.0	0	0.0
Middle-income	958	89.6	919	89.5	39	92.9	0	0.0
Upper-income	102	9.5	99	9.6	3	7.1	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,069	100.0	1,027	100.0	42	100.0	0	0.0
	Percentage of Total Farms:			96.1		3.9		0.0

Information based on 2015 ACS Data and 2018 Dun & Bradstreet Information

LARGE INSTITUTION PERFORMANCE EVALUATION
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Orrstown Bank Lancaster, PA Assessment Area Assessment Area Demographics 2019								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	6.1	4,407	3.2	1,708	38.8	25,060	18.3
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Middle-income	67	68.4	102,889	75.0	6,108	5.9	31,628	23.1
Upper-income	11	11.2	17,305	12.6	397	2.3	54,065	39.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	98	100.0	137,133	100.0	9,994	7.3	137,133	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	8,182	2,131	1.6	26.0	5,218	63.8	833	10.2
Moderate-income	23,282	11,893	8.8	51.1	9,716	41.7	1,673	7.2
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Upper-income	25,207	18,190	13.5	72.2	5,749	22.8	1,268	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	205,587	134,548	100.0	65.4	60,782	29.6	10,257	5.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	984	4.0	883	4.0	92	4.2	9	3.5
Moderate-income	2,678	11.0	2,359	10.7	295	13.5	24	9.4
Middle-income	17,961	73.5	16,200	73.6	1,567	71.5	194	76.4
Upper-income	2,821	11.5	2,556	11.6	238	10.9	27	10.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	24,444	100.0	21,998	100.0	2,192	100.0	254	100.0
	Percentage of Total Businesses:			90.0		9.0		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	2	0.2	2	0.2	0	0.0	0	0.0
Moderate-income	5	0.5	5	0.5	0	0.0	0	0.0
Middle-income	940	89.7	904	89.5	36	94.7	0	0.0
Upper-income	101	9.6	99	9.8	2	5.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,048	100.0	1,010	100.0	38	100.0	0	0.0
	Percentage of Total Farms:			96.4		3.6		0.0

Information based on 2015 ACS Data and 2019 Dun & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's performance in this assessment area is below the lending level in the full-scope assessment areas in the Commonwealth, but is consistent with investment and service test performance in full-scope areas in Pennsylvania.

LENDING TEST

The bank's lending in this assessment area is below the bank's lending levels in the full-scope review assessment areas in the Commonwealth of Pennsylvania. Due to the number and dollar volume of loans, home-mortgage loans were provided more weight in determining this overall conclusion, followed by small business loans.

Borrower and Geographic Distribution of Lending

Home-Mortgage Lending

In 2017, Orrstown originated 77 HMDA loans in the Lancaster, PA assessment area, aggregating nearly \$24 million. The bank's borrower distribution of loans trailed both proxy and aggregate lending in 2017. HMDA lending to low- (3%) and moderate-income borrowers (18%) was below the proxies of low-income families (18%) and moderate-income families (19%). Similarly, Orrstown's lending to low- and moderate-income borrowers below aggregate lending to such borrowers (7% and 20%, respectively). In 2017, the bank's geographic distribution of HMDA loans outperformed both the proxy of owner-occupied housing in low-income tracts and aggregate lending levels in total, nearly 3% of the bank's loans were made in low-income geographies, and 12% were made in moderate-income geographies. This performance was above the proxy of owner-occupied housing in such tracts (2% and 9%, respectively), and the aggregate lending levels (2% and 11%, respectively).

In 2018, Orrstown originated 176 HMDA loans in the Lancaster, PA assessment area, aggregating \$48 million. Again, borrower distribution of loans was below both the proxy and aggregate lending levels. The bank's HMDA lending to low- (3%) and moderate-income borrowers (17%) was below the proxies of low-income families (18%) and moderate-income families (19%), and aggregate lending to low-income borrowers (7%), and moderate-income borrowers (22%). In 2018, geographic distribution of HMDA loans was below to the proxy of owner-occupied housing and aggregate lending levels in low-income tracts, but above both proxy and aggregate lending levels in moderate-income tracts. In total, 1% of the bank's loans were made in low-income geographies and 11% were made in moderate-income geographies. This performance was compared to proxies of 2% and 9%, respectively, and aggregate lending levels of 2% and just below 11%, respectively.

Finally, in 2019, Orrstown originated 167 HMDA loans in the Lancaster, PA assessment area, aggregating nearly \$41 million. The bank's HMDA lending to low- (2%) and moderate-income borrowers (16%) was below the proxies of low-income families (18%) and moderate-income families (19%) and aggregate lending to low-income borrowers (7%), and moderate-income borrowers (21%).

In 2019, the bank's geographic distribution of HMDA loans was below the proxy of owner-occupied housing and aggregate lending levels in both low- and moderate-income census tracts. In total 1% of the bank's loans were made in low-income geographies and 8% were made in moderate-income geographies. This performance was below the proxy of owner-occupied housing in such tracts (2% and 9%, respectively), and the aggregate lending levels (2% and 11%, respectively).

Small Business Lending

In 2017, Orrstown originated 21 small business loans aggregating just under \$5 million in the Lancaster, PA assessment area. Of these loans, 62% were originated to small businesses, which was above the aggregate lending level of 51% to small businesses by all lenders in the assessment area, but below the proxy of 89%. From a geographic perspective, in 2017, 5% of the bank's small business loans were originated in low-income census tracts. The bank's lending exceeded the proxy (4%) and aggregate lending levels (3%) for businesses located in low-income geographies. Orrstown's lending in moderate-income geographies (5%) was below the proxy (10%) and aggregate lending levels in moderate-income tracts (9%).

In 2018, Orrstown originated 51 small business loans aggregating \$13 million in the Lancaster, PA assessment area. Of these loans, 51% were originated to small businesses, which was above the aggregate lending level of 50% to small businesses by all lenders in the assessment area, but below the proxy of 90%. From a geographic perspective, in 2018, none of the bank's small business loans were originated in low-income census tracts. The bank's lending was below the proxy (4%) and aggregate lending levels (3%) for businesses located in low-income geographies. Orrstown's lending in moderate-income geographies (10%) was just below the proxy (11%), but above aggregate lending levels in moderate-income tracts (9%).

In 2019, Orrstown originated 63 small business loans aggregating \$16 million in the Lancaster, PA assessment area. Of these loans, 38% were originated to small businesses, which was below the aggregate lending level of 48% to small businesses by all lenders in the assessment area, and the proxy of 90%. From a geographic perspective, in 2019, 2% of the bank's small business loans were originated in low-income census tracts. The bank's lending was below the proxy (4%) and was below aggregate lending levels (3%) for businesses located in low-income geographies. Orrstown's lending in moderate-income geographies (6%) was below proxy (11%) and aggregate lending levels in moderate-income tracts (10%).

Innovative and/or Flexible Lending Practices and Community Development Lending

As discussed earlier, the bank meets the needs of low- and moderate-income individuals and families by offering several alternative mortgage products. In an effort to address the credit needs of such borrowers in the Lancaster, PA assessment area, Orrstown originated a total of eight home purchase loans under its proprietary in-house mortgage program, totaling \$1.1 million. Additionally, the bank originated a total of 47 loans totaling \$9.1 million through government programs (Fannie Mae, FHA, USDA, VA, and PHFA conventional loans). Finally, closing cost assistance was provided to four borrowers through a variety of programs, totaling over \$18 thousand.

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To address the credit needs of small businesses in its assessment area, Orrstown participates in the SBA 504 and 7A loan programs. Orrstown made a total of six SBA loans totaling \$3.6 million.

As indicated in the following table, Orrstown made eight community development loans totaling nearly \$6 million in this assessment area. Four loans totaling nearly \$1.5 million (25%) supported community services for low- and moderate-income families, one loan totaling nearly \$500 thousand (9%) supported economic development by financing small businesses, and three loans totaling over \$3.8 million (66%) supported revitalization or stabilization efforts in the assessment area through the PPP.¹⁷ Of the bank’s overall community development lending, 16% by dollar amount was within the Lancaster, PA assessment area.

Orrstown Bank Lancaster, PA Assessment Area Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
2017	0	0	0	0	0	0	0	0	0	0
2018	0	0	2	1,258	1	500	0	0	3	1,758
2019	0	0	2	200	0	0	0	0	2	200
2020	0	0	0	0	0	0	3	3,849	3	3,849
TOTAL	0	0	4	1,458	1	500	3	3,849	8	5,807

INVESTMENT TEST

The bank’s investment performance in the Lancaster, PA assessment area is consistent with the bank’s investment performance in the full-scope assessment areas in the Commonwealth of Pennsylvania. Qualified investments, grants, and donations for the Lancaster, PA assessment area totaled just over \$2 million. Investments in this assessment area were above the level in the Chambersburg, PA assessment area, but below the level in the Harrisburg, PA assessment area. Of the bank’s overall investments for the institution, 13% were within the Lancaster, PA assessment area.

Of the total investments, mortgage-backed securities with qualified mortgages in the assessment area totaled nearly \$1 million (46%). This total is comprised of five home-mortgage loans in two investments to low- and moderate-income individuals and/or geographies. The bank also made a large investment in a community development financial institution (CDFI) totaling \$1 million (47%) in the assessment area, which promoted economic development through the financing of small businesses. Finally, the bank made 30 investments in EITCs in the assessment area totaling \$134 thousand (6%), and nine donations totaling \$8 thousand (less than 1%).

¹⁷ PPP loans, which qualify as community development loans, are defined as loans with amounts over \$1 million that are located in low- or moderate-income census tracts.

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The following table presents investment and grant activity for the Lancaster, PA assessment area.

Orrstown Bank Qualified Investments Lancaster, PA Assessment Area										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
Qualified Investments	5	991	30	134	1	1,000	0	0	36	2,125
Donations	2	2	5	3	2	3	0	0	9	8
TOTAL	7	993	35	137	3	1,003	0	0	45	2,133

SERVICE TEST

The bank’s service performance in the Lancaster, PA assessment area is consistent with the bank’s service test performance in the full-scope assessment areas in the Commonwealth of Pennsylvania.

Banking services are offered through the five branches in the assessment area, and products, services and hours are consistent with those offered in the full-scope areas. Of the five branches, four are located in middle-income areas (80%), and one is located in an upper-income tract (20%). During the evaluation period, the bank opened a total of five branches (four in middle-income areas, and one in an upper-income area), and closed three branches (two in middle-income areas, and one in an upper-income area).

In addition to retail services, the bank conducted community development services, with bank officers and leadership participating as board members on organizations supporting affordable housing, economic development, and community services to low- and moderate-income individuals and families. Additionally, bank officers and staff served as trainers in financial literacy programs offered to low- and moderate-income individuals.

STATE OF MARYLAND

STATE RATING

Performance Test	Performance Level
Lending	Low Satisfactory
Investment	Needs to Improve
Service	Low Satisfactory
Overall	Needs to Improve

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects adequate penetration among retail customers of different income levels and businesses of different sizes;
- The geographic distribution of loans reflects adequate penetration throughout the Maryland assessment areas;
- The bank made limited use of innovative and/or flexible lending practices;
- The bank made a low level of community development loans in the Hagerstown, MD assessment area, but far exceeded that performance in the Baltimore, MD assessment area;
- The bank had a poor level of qualified community development investments and grants in the Hagerstown, MD assessment area, but performed better in the Baltimore, MD assessment area;
- The bank exhibits adequate responsiveness to credit and community development needs; and
- The bank provides a limited level of community development services.

SCOPE OF EXAMINATION

Orrstown's CRA performance in Maryland was evaluated for the period from December 5, 2017 through January 25, 2021. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, small business loans, and other loans that qualified as community development.

As mentioned previously, examiners completed a full-scope review for the Hagerstown, MD assessment area, as the bank has operated in this assessment area since 2008. Conversely, examiners conducted a limited-scope review for the Baltimore, MD assessment area. This assessment area was added in calendar year 2019, in conjunction with Orrstown's acquisition of Hamilton Bank. Because the assessment area was added so late in the evaluation's time frame, it was not subject to a full-scope review during this CRA evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS

In Maryland, the bank's operations in the Hagerstown, MD assessment area were established in 2008, and though its operations were relatively limited, it was given the most weight in determining the overall CRA rating in the state and was evaluated using full-scope review procedures.

Orrstown operated one branch in the Hagerstown, MD assessment area, representing 4% of the bank's total branch presence. This assessment area accounted for 2% of the bank's overall deposits, 2% of loans by number and just under 2% of loans by dollar volume.

While the majority of the bank's State of Maryland operations were in the bank's Baltimore, MD assessment area, as previously stated, Orrstown only added this assessment area in May 2019 through the acquisition of Hamilton Bank. Given its limited time in this assessment area, a limited-scope review was conducted, and less weight was given to it in determining the bank's statewide performance. Orrstown operated four branches in the Baltimore, MD assessment area (15% of branches). The Baltimore, MD assessment area accounted for 18% of the bank's deposits, 2% of the bank's loan volume by number and nearly 4% of loans by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overall, the lending test was determined to be low satisfactory in Maryland. The lending test was rated low satisfactory in the Hagerstown, MD assessment area. Using the limited-scope review procedures, the Baltimore, MD assessment area lending test performance was consistent with the performance of the full-scope review assessment area. Primary drivers of the overall lending test rating include borrower and geographic distribution of loans, the bank's use of flexible lending practices, and community development lending. It is noted that borrower distribution was weighted more heavily than geographic distribution, given the demographics of the full-scope Hagerstown, MD assessment area. More detail on the lending test components is provided in the discussions of each Maryland assessment area.

INVESTMENT TEST

Overall, the investment test was determined to be needs to improve in Maryland. The bank's performance in the Hagerstown, MD assessment area was rated needs to improve, while performance in the Baltimore, MD assessment area exceeded performance in the full-scope review assessment area. The investment test rating is driven by the amount of qualified investments and donations, with additional consideration given to the responsiveness and complexity of such investments. More detail on the investment test components is provided in the discussions of each Maryland assessment area.

SERVICE TEST

Overall, the service test was determined to be low satisfactory in Maryland. The service test was rated low satisfactory in the Hagerstown, MD assessment area, and performance in the limited-scope Baltimore, MD assessment area was consistent with performance in the full-scope review assessment area. The service test was influenced by retail service aspects, particularly the accessibility of delivery systems and reasonableness of hours and services in serving assessment area needs, as well as the level of community development services provided by the bank in the State. More detail on the service test components is provided in the discussions of each assessment area.

HAGERSTOWN, MD ASSESSMENT AREA FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Orrstown's Hagerstown, MD assessment area consists of the entirety of Washington County, MD which is part of the larger Hagerstown-Martinsburg, MD-WV MSA (comprised of Washington County, MD, and Berkeley and Morgan Counties, WV).

For the purposes of assessing Orrstown's CRA performance in the State of Maryland, the greatest weight was given to the performance in the Hagerstown, MD assessment area. Though the bank's branch presence is much larger in the Baltimore, MD assessment area, it has only operated there since May 2019. As a result, the Hagerstown, MD is weighted more heavily in this CRA evaluation. Of the bank's total loans, 2% by number, and just under 2% by dollar amount can be attributed to this assessment area. Further, the bank operates one branch in the assessment area and holds over \$51 million in deposits, or 2% of the bank's total deposits as of June 30, 2020. Finally, the bank has operated a branch in this assessment area since 2008.

Orrstown's CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

2015 ACS Data

According to 2015 ACS data, the Hagerstown, MD assessment area consisted of 32 census tracts. Of these, two were designated as low-income census tracts (6%), eight were moderate-income tracts (25%), 14 were middle-income tracts (44%), seven were upper-income tracts (22%), and one had an unknown income level (3%). Per 2015 ACS data, the Hagerstown, MD assessment area had a population of 149,270. Just under 4% of the population resided in low-income tracts, and 20% resided in moderate-income tracts.

2018 OMB Data

Metropolitan areas tend to grow over time as populations increase and expand into nearby areas. To track such demographic movements, the Census Bureau conducts a comprehensive Census every ten years, ongoing surveys based on statistical sampling every year in between, and a substantial release of ACS data and population estimates every five years. The surveys are used for minor, periodic adjustments. As a result, the Office of Management and Budget (OMB) revised the delineations of MSAs to reflect the results from ACS and Census Bureau population estimates for 2015. These changes were released in September 2018 and became effective January 1, 2019. With the OMB changes, Frederick and Montgomery Counties were reclassified to form a new metropolitan division, namely the Frederick-Rockville, MD MSA.

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These changes to metropolitan area boundaries resulted in a change of income-level designation and housing demographics, which ultimately affected tracts within the bank’s Hagerstown, MD assessment area. For evaluation purposes, the revised MSA boundaries apply to the analysis of loan data beginning in 2019.

The new boundaries show a slight shift in assessment area demographics. Of the 32 census tracts in the assessment area, two (6%) were designated as low-income, seven were moderate-income (22%), fifteen were middle-income (47%), seven were upper-income (22%), and one was an unknown income tract (3%). Using 2018 OMB data, the Hagerstown, MD assessment area’s population measured 149,270, with 4% of the population residing in low-income tracts, and 18% in moderate-income tracts.

A table detailing the census tract changes follows.

Orrstown Bank Hagerstown, MD Assessment Area Census Tract Distribution				
Tract Income Categories	2015 ACS Data		2018 OMB Data	
	#	%	#	%
Low	2	6.3	2	6.3
Moderate	8	25.0	7	21.9
Middle	14	43.8	15	46.9
Upper	7	21.9	7	21.9
Unknown	1	3.1	1	3.1
Total	32	100.0	32	100.0

A map of the Hagerstown, MD assessment area at the 2015 ACS update is available in Appendix F.

According to the FDIC Deposit Market Share Report as of June 30, 2020, 16 depository institutions operated in the Hagerstown-Martinsburg, MD-WV MSA. These institutions maintained a total of 78 branches and held nearly \$4.7 million in deposits inside the MSA. Orrstown operated one branch in the assessment area and ranked thirteenth, with 1% of the retail deposit market. Truist Bank held the largest share of deposits with 24% of the market, followed by Fulton Bank, N.A. with 12% of deposits, and Manufacturers & Traders Trust Company with 11% of the market.

Orrstown reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the assessment area reporting real estate loans pursuant to HMDA. This data is reported annually. According to 2017 data, there were 283 HMDA reporters in the assessment area, who originated or purchased a total of 4,188 HMDA loans in the Hagerstown, MD assessment area. Orrstown tied for thirty-eighth, with less than 1% of the HMDA market. Wells Fargo Bank N.A. ranked first with nearly 7% of the market, followed by Quicken Loans, Inc. with nearly 5%, and Pennymac Loan Services, LLC with nearly 5%.

According to 2018 data, there were again 283 HMDA reporters in the assessment area, who originated or purchased a total of 4,398 HMDA loans in the Hagerstown, MD assessment area. Orrstown tied for thirty-third, with less than 1% of the HMDA market.

Branch Banking and Trust Company ranked first with about 5% of the market, followed by Manufacturers and Traders Trust and Pennymac Loan Services, LLC, both with just under 5% of the market.

According to 2019 data, there were 289 HMDA reporters in the assessment area, who originated or purchased a total of 5,105 HMDA loans in the Hagerstown, MD assessment area. Orrstown tied for forty-second, with less than 1% of the HMDA market. Pennymac Loan Services, LLC ranked first with nearly 6% of the market, followed by Quicken Loans, LLC with nearly 6%, and Wells Fargo Bank, N.A. with approximately 4%.

Similarly, the institution reports its small business loans pursuant to the CRA and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2017 data, there were 60 small business reporters in the assessment area, originating or purchasing 2,423 small business loans. Orrstown tied for twenty-second, with less than 1% of the market. American Express Bank, FSB ranked first with 18% of the market, followed by Branch Banking and Trust Company with 10%, and US Bank, N.A. with approximately 9%.

According to 2018 data, there were 69 small business reporters in the assessment area, originating or purchasing 2,579 small business loans. Orrstown tied for twenty-seventh, with less than 1% of the market. American Express Bank, NB ranked first with nearly 17% of the market, followed by Branch Banking and Trust Company with approximately 9%, and Chase Bank USA, N.A. with approximately 8%.

According to 2019 data, there were 69 small business reporters in the assessment area, originating or purchasing 2,766 small business loans. Orrstown tied for twenty-fifth, with less than 1% of the market. American Express Bank, NB ranked first with 19% of the market, followed by JPMorgan Chase Bank, N.A. with approximately 11%, and Branch Banking and Trust Company with 9%.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, some of the top reporters in the assessment area are national credit card originators. More specifically, in 2019, American Express Bank, NB, JPMorgan Chase Bank, N.A., Branch Banking and Trust Company, Synchrony Bank, and Citibank, N.A. were the top five small business reporters, collectively holding 52% of the market share in the Hagerstown, MD assessment area.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on credit needs of the Hagerstown, MD assessment area. One interview was held with an organization focused on neighborhood housing services, and the other was with an agency that supports economic development and growth in the region. These contacts identified affordable housing as a need in the assessment area communities. More specifically, the contacts identified a need for affordable single-family housing. Further, the contacts identified access to credit for small businesses as an important credit need. Lastly, both contacts agreed that there is a pronounced community need for banks to lend their expertise by partnering with organizations that provide credit counseling, and first-time homebuyer and small business training programs.

Economic Characteristics

The bank’s Hagerstown, MD assessment area is situated in north central Maryland, within the larger Hagerstown-Martinsburg, MD-WV MSA. Per 2015 ACS data and 2018 OMB data, the Hagerstown, MD assessment area had a population of 149,270. This is the least populated assessment area of the entire Orrstown footprint.

Hagerstown’s economy is in recovery mode as the city is making its way out of the COVID-19 recession, according to the September 2020 Moody’s Analytics Precis Report. According to Moody’s, the Hagerstown, MD assessment area is recovering from the declines precipitated by the COVID-19 pandemic. Though declines in leisure and hospitality, as well as manufacturing affected the area, its industrial base shielded it from the large-scale lay-offs that adversely affected other parts of the region. The housing market is predicted to be at the forefront of the assessment area’s recovery, as strong demographics and improving economic fundamentals propel housing demand. The area’s relatively low living costs may boost growth in the housing market, as the regions residents look to relocated to more affordable markets in post-pandemic times. Near record low mortgage rates also positively affect housing gains.

The report notes that the area’s proximity to Washington DC and Baltimore, which supports a large commuter workforce, is a major strength of the area. Similarly, its prime location at interstate crossroads has led it to be an expanding logistics hub, and a large retail outlet center for southeastern Pennsylvania and western Maryland. On the other hand, weaknesses in the region include a shrinking finance sector, low educational attainment, and an uneven distribution of income and wealth.

Leading industries in the Hagerstown, MD assessment area include government (17%), education and health services (16%) and retail trade (13%). Large employers in the assessment area include Meritus Health, First Data Corporation, Volvo Powertrain North America, and FedEx Corporation.

Seasonally unadjusted unemployment rates for the assessment area, according to the U.S. Department of Labor, Bureau of Labor Statistics, are presented in the following table. The unemployment rates throughout the assessment area have decreased as economic conditions have improved from 2017 through 2019. As depicted in the table, the unemployment rates in the bank’s assessment area (Washington County, MD) do exceed rates in the larger MSA, State of Maryland, and United States as a whole.

Orrstown Bank Hagerstown, MD Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)			
Geographical Area	2017 Annual	2018 Annual	2019 Annual
Hagerstown, MD Assessment Area	4.8	4.4	3.9
Washington County, MD	4.8	4.4	3.9
Hagerstown-Martinsburg, MD-WV MSA	4.3	4.3	3.7
Maryland	4.1	3.8	3.5
United States	4.4	3.9	3.7

Unemployment data is from the Bureau of Labor Statistics.

Housing

2015 ACS Data

According to 2015 ACS data, the Hagerstown, MD assessment area contained 61,111 housing units, 59% of which were owner-occupied, 33% of which were rental units, and 8% of which were vacant. The overall occupancy rate in the assessment areas (59%) was comparable to that in the State of Maryland (60%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for home-mortgage credit within such tracts. According to the 2015 ACS data, under 2% of owner-occupied housing was located in low-income tracts, and 16% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle- and upper-income tracts (48% and 35%, respectively).

Of the total existing housing units, 77% were single-family units, 6% were two-to-four family units, 13% were multifamily units, and 4% were mobile homes. The median age of the housing stock was 49 years, making it older than that in the State of Maryland, where the median housing age was 39 years.

Data shows that the price of housing in the assessment area was less expensive than in the State overall. The 2015 ACS data indicates that the median housing value in the Hagerstown, MD assessment area was \$200,132, which was appreciably lower than the median housing value in Maryland (\$286,900). Data also reveals a significant disparity in housing values in low- and moderate-income tracts, compared with values in middle- and upper-income tracts. The median housing value in low-income tracts was \$128,093 and was \$145,616 in moderate-income tracts. Housing values were considerably higher in middle- and upper-income tracts (\$201,397 and \$249,140, respectively).

Similarly, median gross rent (rent plus utilities) in the assessment area were less expensive in the assessment area than in the State of Maryland as a whole. Median gross rent in the Hagerstown, MD assessment area was \$858, which compared favorably to a statewide median gross rent of \$1,230. Within the Hagerstown, MD assessment area, 42% of renters spend more than 30% of their income on rent, in contrast to nearly 49% in the State of Maryland.

2018 OMB Changes

As a result of 2018 OMB changes, modest changes were noted in housing demographic data, as indicated below. According to 2018 OMB data, the Hagerstown, MD assessment area consisted of 61,111 housing units, 59% of which were owner-occupied, 33% of which were rental units, and 8% of which were vacant. Again, the overall owner-occupancy rate in the assessment area (59%) approximated that in the State of Maryland (60%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for home-mortgage credit within such tracts. According to 2018 OMB data, in the Hagerstown, MD assessment area, less than 2% of owner-occupied housing was located in low-income tracts, 13% in moderate-income tracts, 51% in middle-income tracts, and 35% in upper-income tracts.

Of the total existing housing units, 77% were single family units, 6% were two-to-four family units, 13% were multifamily units, and 4% were mobile homes. The median age of the housing stock in the assessment area was 49 years, again making it older than the stock in the State of Maryland as a whole (39 years).

According to 2018 OMB data, the median housing value in the Hagerstown, MD assessment area was \$200,132, making it more affordable than in the state as a whole (\$286,900). Again, housing values were appreciably higher in middle- and upper-income areas than in low- and moderate-income tracts. The median housing value in low-income tracts measured \$128,093 and was \$143,817 in moderate-income tracts. In middle-income tracts, median housing value was \$197,292, and in upper-income tracts, the measure was \$249,140.

Finally, median gross rent (rent plus utilities) was again more affordable in the assessment area than in the State of Maryland as a whole (\$858 and \$1,230, respectively). Also, the percentage of renters spending more than 30% of their income on rent was more favorable in the assessment area than the State (42% and 49%, respectively).

Borrower Income Data

2015 ACS Data

The percentages of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. Using 2015 ACS data, of the 37,775 total families in the assessment area, 21% were designated as low-income, 16% were moderate-income, 22% were middle-income, and 41% were upper-income. In the assessment area, just under 10% of families were living below the poverty level, compared to 7% in the State overall.

2018 OMB Data

According to 2018 OMB data, of the 37,775 families in the assessment area, 20% were low-income, 16% were moderate-income, 22% were middle-income and 42% were upper-income. No changes were noted in the percentage of families living below the poverty level. More specifically, just under 10% of assessment area families were living below the poverty level, comparing negatively to the percentage of families living below the poverty level statewide (7%).

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon HUD annually-adjusted median family income data made available by the FFIEC. The assessment area's median family incomes for 2017 through 2019 are listed in the table below, categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

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Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income 120% or Greater
2017	\$69,100	\$34,550	\$34,550 - \$55,279	\$55,280 - \$82,919	\$82,920 or more
2018	\$70,200	\$35,100	\$35,100 - \$56,159	\$56,160 - \$84,239	\$84,240 or more
2019	\$69,900	\$34,950	\$34,950 - \$55,919	\$55,920 - \$83,879	\$83,880 or more

Geographic Business Data2015 ACS Data

The percentage of businesses located within designated tracts is used as a proxy to estimate demand for business credit within such tracts. According to business data provided by Dun & Bradstreet in 2017, there were 4,994 businesses located in the Hagerstown, MD assessment area. Of these businesses, 8% were located in low-income census tracts, and 18% were in moderate-income census tracts. The vast majority of businesses were located in middle-income census tracts (45%) and upper-income census tracts (29%). Business demographic data also revealed that of the 4,994 businesses located in the assessment area in 2017, 88% were small businesses with gross annual revenues of \$1 million or less.

Using 2018 Dun & Bradstreet data, there were 5,867 businesses in the Hagerstown, MD assessment area in 2018. Of these, 7% were located in low-income census tracts, and 18% were in moderate-income census tracts. Again, the vast majority of businesses were located in middle-income census tracts (46%) and upper-income census tracts (29%). Business demographic data also revealed that of the 5,867 businesses located in the assessment area, just under 90% were small businesses with gross annual revenues of \$1 million or less.

2018 OMB Data

Finally, according to 2019 Dun & Bradstreet data, 5,854 businesses operated in the assessment area. Of these, 8% of businesses were located in low-income census tracts, and 14% were in moderate-income census tracts. The vast majority of businesses were located in middle-income census tracts (49%) and upper-income census tracts (29%). Business demographic data also revealed that of the 5,854 businesses located in the assessment area in 2017, 90% were small businesses with gross annual revenues of \$1 million or less.

The 2017, 2018, and 2019 demographics used to evaluate Orrstown's performance under the CRA in the Hagerstown, MD assessment area are detailed in the tables on the following pages.

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Orrstown Bank Hagerstown, MD Assessment Area Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	6.3	1,203	3.2	466	38.7	7,847	20.8
Moderate-income	8	25.0	7,454	19.7	1,532	20.6	6,198	16.4
Middle-income	14	43.8	17,973	47.6	1,205	6.7	8,334	22.1
Upper-income	7	21.9	11,145	29.5	447	4.0	15,396	40.8
Unknown-income	1	3.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	32	100.0	37,775	100.0	3,650	9.7	37,775	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,567	577	1.6	22.5	1,559	60.7	431	16.8
Moderate-income	14,004	5,619	15.6	40.1	6,925	49.5	1,460	10.4
Middle-income	28,187	17,265	48.0	61.3	8,791	31.2	2,131	7.6
Upper-income	16,353	12,519	34.8	76.6	2,812	17.2	1,022	6.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	61,111	35,980	100.0	58.9	20,087	32.9	5,044	8.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	386	7.7	314	7.1	66	12.3	6	10.9
Moderate-income	900	18.0	763	17.3	123	23.0	14	25.5
Middle-income	2,261	45.3	1,998	45.4	242	45.2	21	38.2
Upper-income	1,445	28.9	1,329	30.2	103	19.3	13	23.6
Unknown-income	2	0.0	0	0.0	1	0.2	1	1.8
Total Assessment Area	4,994	100.0	4,404	100.0	535	100.0	55	100.0
	Percentage of Total Businesses:			88.2		10.7		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	1	0.5	1	0.5	0	0.0	0	0.0
Moderate-income	5	2.4	4	1.9	1	50.0	0	0.0
Middle-income	89	42.8	88	42.7	1	50.0	0	0.0
Upper-income	113	54.3	113	54.9	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	208	100.0	206	100.0	2	100.0	0	0.0
	Percentage of Total Farms:			99.0		1.0		0.0

Information based on 2015 ACS Data and 2017 Dun & Bradstreet Information

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Orrstown Bank Hagerstown, MD Assessment Area Assessment Area Demographics 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	6.3	1,203	3.2	466	38.7	7,847	20.8
Moderate-income	8	25.0	7,454	19.7	1,532	20.6	6,198	16.4
Middle-income	14	43.8	17,973	47.6	1,205	6.7	8,334	22.1
Upper-income	7	21.9	11,145	29.5	447	4.0	15,396	40.8
Unknown-income	1	3.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	32	100.0	37,775	100.0	3,650	9.7	37,775	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,567	577	1.6	22.5	1,559	60.7	431	16.8
Moderate-income	14,004	5,619	15.6	40.1	6,925	49.5	1,460	10.4
Middle-income	28,187	17,265	48.0	61.3	8,791	31.2	2,131	7.6
Upper-income	16,353	12,519	34.8	76.6	2,812	17.2	1,022	6.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	61,111	35,980	100.0	58.9	20,087	32.9	5,044	8.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	426	7.3	356	6.8	65	12.1	5	7.7
Moderate-income	1,071	18.3	933	17.7	121	22.6	17	26.2
Middle-income	2,667	45.5	2,392	45.4	248	46.3	27	41.5
Upper-income	1,701	29.0	1,585	30.1	101	18.8	15	23.1
Unknown-income	2	0.0	0	0.0	1	0.2	1	1.5
Total Assessment Area	5,867	100.0	5,266	100.0	536	100.0	65	100.0
	Percentage of Total Businesses:			89.8		9.1		1.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	4	1.8	4	1.8	0	0.0	0	0.0
Moderate-income	5	2.2	4	1.8	1	50.0	0	0.0
Middle-income	102	44.7	101	44.7	1	50.0	0	0.0
Upper-income	117	51.3	117	51.8	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	228	100.0	226	100.0	2	100.0	0	0.0
	Percentage of Total Farms:			99.1		0.9		0.0

Information based on 2015 ACS Data and 2018 Dun & Bradstreet Information

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Orrstown Bank Hagerstown, MD Assessment Area Assessment Area Demographics 2019								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	6.3	1,203	3.2	466	38.7	7,595	20.1
Moderate-income	7	21.9	6,600	17.5	1,466	22.2	6,093	16.1
Middle-income	15	46.9	18,827	49.8	1,271	6.8	8,310	22.0
Upper-income	7	21.9	11,145	29.5	447	4.0	15,777	41.8
Unknown-income	1	3.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	32	100.0	37,775	100.0	3,650	9.7	37,775	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	2,567	577	1.6	22.5	1,559	60.7	431	16.8
Moderate-income	12,354	4,641	12.9	37.6	6,336	51.3	1,377	11.1
Middle-income	29,837	18,243	50.7	61.1	9,380	31.4	2,214	7.4
Upper-income	16,353	12,519	34.8	76.6	2,812	17.2	1,022	6.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	61,111	35,980	100.0	58.9	20,087	32.9	5,044	8.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	443	7.6	373	7.1	64	12.3	6	12.5
Moderate-income	844	14.4	761	14.4	75	14.4	8	16.7
Middle-income	2,865	48.9	2,551	48.3	292	56.2	22	45.8
Upper-income	1,700	29.0	1,600	30.3	88	16.9	12	25.0
Unknown-income	2	0.0	1	0.0	1	0.2	0	0.0
Total Assessment Area	5,854	100.0	5,286	100.0	520	100.0	48	100.0
	Percentage of Total Businesses:			90.3		8.9		0.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	3	1.3	3	1.3	0	0.0	0	0.0
Moderate-income	6	2.5	6	2.5	0	0.0	0	0.0
Middle-income	103	42.9	102	42.7	1	100.0	0	0.0
Upper-income	128	53.3	128	53.6	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	240	100.0	239	100.0	1	100.0	0	0.0
	Percentage of Total Farms:			99.6		0.4		0.0

Information based on 2018 OMB Data and 2019 Dun & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- borrower distribution of loans to low- and moderate-income borrowers¹⁸;
- geographic distribution of loans, including loans originated in low- and moderate-income census tracts¹⁹;
- responsiveness to credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- innovativeness and flexibility of lending practices; and
- community development lending activities.

It is noted that under the lending test, loan products evaluated included HMDA loans and other loans that qualified as community development loans. Due to low loan volumes (only 12 small business loans were made in the assessment area during the review period), small business loans were not included in the lending analysis, as they would not have been sufficient to provide a meaningful analysis and would not have had a significant effect on the bank's overall performance in the Hagerstown, MD assessment area. Data on small business loans is included in Appendix E, for context only.

Performance under the lending test is rated low satisfactory in the Hagerstown, MD assessment area.

Lending Activity

Orrstown's lending levels in the Hagerstown, MD assessment area reflect adequate responsiveness to credit needs. During the evaluation period, lending activity in the Hagerstown, MD assessment area represented 2% of the bank's overall lending by number of loans, and 2% by dollar volume. During the evaluation period, Orrstown made 66 HMDA loans totaling \$8.7 million, and 12 small business loans totaling \$1.1 million in the bank's Hagerstown, MD assessment area.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects adequate penetration among individuals of different income levels, including low- and moderate-income individuals. As indicated above, small business loans were not included in this analysis due to very low loan volumes, which would not have been sufficient on which to draw meaningful conclusions.

¹⁸ Borrower distribution of small business loans is not included in the analysis for the Hagerstown, MD assessment area due to low loan volumes.

¹⁹ Geographic distribution of small business loans is not included in the analysis for the Hagerstown, MD assessment area due to low loan volumes.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area.

Home-Mortgage Lending

Orrstown’s distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is adequate.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate-income families within the assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2015 ACS data, 21% of families in the assessment area were low-income, 16% were moderate-income, 22% were middle-income, and 41% were upper-income. According to 2018 OMB data, modest changes were noted, as 20% of assessment families were low-income, 16% were moderate-income, 22% were middle-income, and 42% were upper-income.

The following tables compare Orrstown’s home-mortgage lending to aggregate home-mortgage lending levels, using the percentage of low- and moderate-income families in the assessment area as proxies for loan demand. The first table, used to evaluate 2017 lending data, relies on 2015 ACS data to estimate demand for home-mortgage credit among both low- and moderate-income families. The second table, used to evaluate 2018 lending relies on 2015 ACS data along with updated HMDA data, following the requirements under Regulation C. The third table, used to evaluate 2019 lending, relies on 2018 OMB data, along with updated HMDA data, following the requirements of Regulation C.

Orrstown Bank Hagerstown, MD Assessment Area Distribution of HMDA Loans by Borrower Income Level				
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison		
		2017		
		% Orrstown Lending	% Aggregate Lending	
Low	20.8	6.3	6.7	
Moderate	16.4	25.0	18.0	
Middle	22.1	18.8	19.6	
Upper	40.7	31.3	30.6	
Unknown	0.0	18.6	25.1	
Total	100.0	100.0	100.0	

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Orrstown Bank Hagerstown, MD Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2015 ACS Data)	Aggregate Comparison	
		2018	
		% Orrstown Lending	% Aggregate Lending
Low	20.8	3.4	7.8
Moderate	16.4	37.9	16.6
Middle	22.1	20.7	22.0
Upper	40.7	27.6	32.2
Unknown	0.0	10.4	21.4
Total	100.0	100.0	100.0

Orrstown Bank Hagerstown, MD Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income (2018 OMB Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	20.1	14.3	5.7
Moderate	16.1	28.6	15.9
Middle	22.0	19.0	20.1
Upper	41.8	33.3	32.3
Unknown	0.0	4.8	26.0
Total	100.0	100.0	100.0

Lending to Low-Income Borrowers

Overall, Orrstown’s lending to low-income borrowers was poor.

2015 ACS Data

Orrstown’s lending in 2017 to low-income borrowers was poor. In 2017, one home purchase loan (6% of the bank’s HMDA loans) was made to a low-income borrower, compared to a proxy of 21%, and aggregate lending of 7%. For contextual purposes, aggregate lenders made 6% of home purchase loans, 6% of refinance loans, 13% of home improvement loans, and no multifamily loans to low-income borrowers in 2017.

Orrstown’s lending in 2018 to low-income borrowers was poor. In 2018, one “other purpose line of credit” loan (3% of the bank’s HMDA loans) was made to a low-income borrower. This performance was below both proxy of 21%, and aggregate lending to low-income borrowers of 8%. For contextual purposes, aggregate lenders made 7% of home purchase loans, 11% of refinance loans, 10% of home improvement loans, 4% of multifamily loans, no loans with purpose “not applicable” to low-income borrowers in 2018.

2018 OMB Data

Orrstown's lending in 2019 to low-income borrowers was adequate. In 2019, three of the bank's HMDA loans (14%) were made to low-income borrowers. The bank's lending was below the proxy of 20%, but above aggregate lending performance of 6%. By product type, Orrstown made 30% of its refinance loans, but no home purchase, home improvement, multifamily, or loans with purpose "not applicable" to low-income borrowers in 2019. In comparison, aggregate lenders made 6% of home purchase loans, 5% of refinance loans, 11% of home improvement loans, and no multifamily or loans with purpose "not applicable" to low-income borrowers in 2019.

Lending to Moderate-Income Borrowers

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

2015 ACS Data

Orrstown's lending in 2017 to moderate-income borrowers was excellent. In 2017, 25% of the bank's HMDA loans (four loans) were made to moderate-income borrowers. Orrstown's lending to moderate-income borrowers surpasses the proxy of 16%, and the aggregate lending level of 18%. By product type, 44% of the bank's home purchase loans, and no refinance, home improvement or multifamily loans were made to moderate-income borrowers. Comparatively, aggregate lenders made 20% of home purchase loans, 14% of refinance loans, 20% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Orrstown's lending in 2018 to moderate-income borrowers was excellent. In 2018, 38% of the bank's HMDA loans (11 loans) were made to moderate-income borrowers. Again, the bank's lending exceeded proxy of 16%, and aggregate lending of 17%. By product type, 33% of home purchase loans, 56% of refinance loans, 50% of home improvement loans, and no multifamily or loans with purpose "not applicable" were made to moderate-income borrowers in 2018. Conversely, aggregate lenders made 18% of home purchase loans, 15% of refinance loans, 16% of home improvement loans, 2% of loans with purpose "not applicable," and no multifamily loans to moderate-income borrowers in 2018.

2018 OMB Data

Orrstown's lending in 2019 to moderate-income borrowers was excellent. In 2019, 29% of the bank's HMDA loans (six loans) were made to moderate-income borrowers, compared to proxy and aggregate lending of 16%. By product, 40% of refinance loans, 50% of home improvement loans, and no multifamily or loans with purpose "not applicable" were made to moderate-income borrowers. Aggregate lenders made 18% of home purchase loans, 14% of refinance loans, 20% of home improvement loans, 1% of loans with purpose "not applicable" and no multifamily loans to moderate-income borrowers in 2019.

Geographic Distribution of Lending

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects adequate penetration throughout the Hagerstown, MD assessment area, including in low- and moderate-income census tracts. As mentioned earlier, small business loans were not included in this analysis, due to their low loan volume during the evaluation period. However, data on small business loans is included in Appendix E, for reference.

Home-Mortgage Lending

Orrstown’s distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income geographies is adequate.

The percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand is for home-mortgage credit in the tract.

According to 2015 ACS data, just under 2% of owner-occupied housing was located in low-income tracts, and 16% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts (48%), and upper-income tracts (35%). According to 2018 OMB data, under 2% of owner-occupied housing stock was located in low-income census tracts, and 13% was located in moderate-income tracts. Again, the majority of owner-occupied housing was located in middle- and upper-income census tracts (51% and 35%, respectively).

The tables below present the geographic distribution of Orrstown’s HMDA lending in comparison to the applicable owner-occupied housing proxies, and the aggregate lending levels in the assessment area. The first table, used for lending in 2017, relies on 2015 ACS data. The second table, used for lending in 2018, relies on 2015 ACS data, along with updated HMDA data, following the requirements under Regulation C. The third table, used for 2019 lending, relies on 2018 OMB data, along with updated HMDA data, following Regulation C requirements.

Orrstown Bank Hagerstown, MD Assessment Area Geographic Distribution of HMDA Loans				
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison		
		2017		
		% Orrstown Lending	% Aggregate Lending	
Low	1.6	6.3	1.8	
Moderate	15.6	37.5	17.8	
Middle	48.0	43.8	46.9	
Upper	34.8	12.4	33.5	
Unknown	0.0	0.0	0.0	
Total	100.0	100.0	100.0	

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Orrstown Bank Hagerstown, MD Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison	
		2018	
		% Orrstown Lending	% Aggregate Lending
Low	1.6	0.0	1.8
Moderate	15.6	24.1	17.3
Middle	48.0	55.2	47.9
Upper	34.8	20.7	33.0
Unknown	0.0	0.0	0.0
Total	100.0	100.0	100.0

Orrstown Bank Hagerstown, MD Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Units (2015 OMB Data)	Aggregate Comparison	
		2019	
		% Orrstown Lending	% Aggregate Lending
Low	1.6	0.0	1.4
Moderate	12.9	23.8	14.0
Middle	50.7	52.4	49.5
Upper	34.8	23.8	35.1
Unknown	0.0	0.0	0.0
Total	100.0	100.0	100.0

Lending in Low-Income Census Tracts

Based on assessment area demographics (there were only two low-income census tracts using both 2015 ACS data and 2018 OMB data), there were greater HMDA lending opportunities in moderate-income census tracts compared to low-income census tracts. This is taken into consideration in the analysis of the bank’s geographic distribution of loans. For the period under review, Orrstown’s overall HMDA lending in low-income tracts was considered poor.

2015 ACS Data

Orrstown’s lending in low-income census tracts in 2017 was considered adequate. Orrstown originated 6% of HMDA loans (one loan) in a low-income census tract, compared to proxy and aggregate lending of 2%. By product type, Orrstown made one home purchase loan, and no refinance, home improvement or multifamily loans in low-income tracts. Comparatively, aggregate lenders made 2% of home purchase loans, 2% of refinance loans, 1% of home improvement loans, and 12% of multifamily loans to low-income census tracts in 2017.

Orrstown’s lending in low-income census tracts in 2018 was considered poor. Orrstown made no HMDA loans in low-income census tracts in 2018, compared to proxy and aggregate lending of 2%. For contextual purposes, aggregate lenders made 2% of home purchase loans, 1% of refinance loans, 2% of home improvement loans, 16% of multifamily loans, 2% of loans with purpose “not applicable” in low-income census tracts in 2018.

2018 OMB Data

Orrstown's lending in low-income census tracts in 2019 was considered poor. Orrstown made no HMDA loans in low-income census tracts in 2019, compared to a proxy of 2%, and aggregate lending in low-income census tracts of 1%. For contextual purposes, aggregate lenders made 2% of home purchase loans, 1% of refinance loans, no home improvement loans, 41% of multifamily loans, and 4% of loans with purpose "not applicable" in low-income census tracts in 2019.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was excellent.

2015 ACS Data

Orrstown's lending in moderate-income census tracts in 2017 was excellent. Orrstown made 38% of HMDA loans (six loans) in moderate-income census tracts above both proxy of 16%, and the aggregate lending level of 18%. By product type, Orrstown made 11% of home purchase loans, 57% of refinance loans, and no home improvement or multifamily loans in moderate-income tracts. Comparatively, aggregate lenders made 20% of home purchase loans, 14% of refinance loans, 16% of home improvement loans, and 42% of multifamily loans in moderate-income census tracts in 2017.

Orrstown's lending in moderate-income census tracts in 2018 was excellent. Orrstown made 24% of HMDA loans (seven loans) in moderate-income census tracts, compared to a proxy of 16%, and aggregate lending level of 17%. By product type, Orrstown made 44% of home purchase loans, 11% of refinance loans, 100% of multifamily loans, and no home improvement or loans with purpose "not applicable" in moderate-income tracts in 2018. Aggregate lenders made 20% home purchase loans, 12% of refinance loans, 7% of home improvement loans, 60% of multifamily loans, and 29% of loans with purpose "not applicable" in moderate--income census tracts in 2018.

2018 OMB Data

Orrstown's lending in moderate-income census tracts in 2019 was excellent. Orrstown made 24% of HMDA loans (five loans) in moderate-income census tracts, exceeding both proxy of 13%, and aggregate lending of 14%. By product type, Orrstown made 17% of home purchase loans, 30% of refinance loans, and no home improvement, multifamily or loans with purpose "not applicable" in moderate-income census tracts. Conversely, aggregate lenders made 17% of home purchase loans, 10% of refinance loans, 12% of home improvement loans, 22% of multifamily loans, and 18% of loans with purpose "not applicable" in moderate-income census tracts in 2019.

Responsiveness to Credit Needs

Orrstown exhibits an adequate record of servicing the credit needs of low- and moderate-income individuals and areas and very small businesses, consistent with safe and sound banking practices.

As indicated previously, community contacts emphasized the needs for affordable housing, and access to credit for small businesses and start-ups. In addition to its retail HMDA lending, Orrstown addressed affordable housing through its use of flexible lending programs and community development lending, as discussed below.

Innovative and/or Flexible Lending Practices

Orrstown makes limited use of innovative and/or flexible practices in serving the Hagerstown, MD assessment area credit needs.

As mentioned previously, the home-mortgage credit needs of low- and moderate-income individuals and families often can be addressed more effectively by alternative mortgage products. In an effort to address the credit needs of such borrowers in the Hagerstown, MD assessment area, Orrstown offers a proprietary first-time homebuyer mortgage product. According to the product's parameters, pre-purchase homebuyer counseling must be completed, and applicant income limits effectively reserve the product for low- and moderate-income borrowers. Additionally, Orrstown participates in programs for first-time homebuyers through a variety of agencies, including Fannie Mae, FHA, USDA, and VA, and also offers closing cost assistance in the form of forgivable loans and grants through state, city, and county programs and FHLB Pittsburgh's First Front Door Program. Each of these programs have income parameters that effectively restrict them to low- and moderate-income borrowers.

In total, the bank made six home purchase loans under the federal government programs, aggregating approximately \$1.1 million. More specifically, the bank made three FHA loans totaling \$512 thousand, two USDA loans totaling \$492 thousand, and one PHFA conventional loan totaling \$129 thousand.

Similarly, the credit needs of small businesses can often be addressed more effectively by alternative products. In an effort to address the credit needs of small businesses in its assessment areas, Orrstown participates in SBA loan programs, including the SBA 504 and 7A programs. However, during the evaluation period, no SBA loans were made in the Hagerstown, MD assessment area.

Community Development Lending

The bank makes few, if any, community development loans in the assessment area in the Hagerstown, MD assessment area. During the period evaluated, the bank made no community development loans in the assessment area. This is a decrease from the previous evaluation when the bank's two community development loans totaled \$750 thousand.

INVESTMENT TEST

The investment test evaluates a financial institution’s level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as needs to improve.

Volume of Investment and Grant Activity

Orrstown has a poor level of qualified community development investments and grants, rarely in a leadership position. In total, the bank’s qualified investments, grants, and donations in the Hagerstown, MD assessment area totaled almost \$497 thousand. While this represents a significant increase from the investment and grant level of \$11 thousand at the previous evaluation, of the bank’s overall investments for the institution, only 3% were within the Hagerstown, MD assessment area.

The vast majority of qualified investments support affordable housing for low- and moderate-income borrowers via mortgage-backed securities, totaling nearly \$491 thousand. This total is comprised of three home-mortgage loans in two investments to low- and moderate-income individuals and/or geographies, each of which was purchased during the current evaluation period.

The bank also made seven donations and grants totaling nearly \$6 thousand to local organizations that routinely provide community development services in the assessment area.

The following table presents the investment and grant activity for the Hagerstown, MD assessment area.

Orrstown Bank Hagerstown, MD Assessment Area Qualified Investments										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
Qualified Investments	3	491	0	0	0	0	0	0	3	491
Donations	0	0	7	6	0	0	0	0	7	6
TOTAL	3	491	7	6	0	0	0	0	10	497

Responsiveness to Credit and Community Development Needs

Orrstown exhibits adequate responsiveness to credit and community development needs in the assessment area. As noted in the table above, nearly all of the bank's investment dollars in this assessment area addressed affordable housing, a pronounced community need in the Hagerstown, MD assessment area, as indicated through community contact interviews. While qualified investments increased since the previous evaluation, the investment level remains low.

Community Development Initiatives

Orrstown makes rare use of innovative and/or complex investments to support community development initiatives. In the Hagerstown, MD assessment area during the evaluation period, the bank invested in two mortgage-backed securities.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as low satisfactory in the assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment areas.

2015 ACS Data

During the review period, Orrstown operated one full-service branch in the Hagerstown, MD assessment area. Using the 2015 ACS data, the bank's one branch in the assessment area was located in a middle-income census tract. By comparison, 45% of the assessment area population resided in middle-income tracts using 2015 ACS data. The table below details the location of the bank's branch with comparison to the 2015 ACS population demographics.

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Orrstown Bank Retail Branch Distribution Hagerstown, MD Assessment Area 2015 ACS Data				
Census Tract Type	Number of Branches	Percent of Branches	Population	Percent of Population
Low	0	0.0%	5,623	3.8
Moderate	0	0.0%	29,934	20.1
Middle	1	100.0%	66,537	44.6
Upper	0	0.0%	40,771	27.3
Unknown	0	0.0%	6,405	4.2
Totals	1	100.0	149,270	100.0

2018 OMB Data

The location of the bank’s single branch did not change with 2018 OMB data. The full-service branch in the Hagerstown, MD assessment area remained in a middle-income census tract. However, the percentage of the population residing in middle-income tracts increased slightly, to 47% using 2019 OMB data. The table below details the location of the bank’s branch with comparison to the 2018 OMB population demographics.

Orrstown Bank Retail Branch Distribution Hagerstown, MD Assessment Area 2018 OMB Data				
Census Tract Type	Number of Branches	Percent of Branches	Population	Percent of Population
Low	0	0%	5,623	3.8
Moderate	0	0%	26,642	17.9
Middle	1	100.0%	69,829	46.8
Upper	0	0%	40,771	27.3
Unknown	0	0%	6,405	4.2
Totals	1	100.0	149,270	100.0

An ATM is available at the branch, which provides electronic access to banking services. To supplement traditional banking services, Orrstown provides alternative delivery systems that include online banking services, telephone banking services, and a smart phone mobile banking application that includes mobile deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts, and apply for loan products via the bank’s website at <https://www.orrstown.com/>.

Changes in Branch Locations

The bank did not open or close any branches within the Hagerstown, MD assessment area during the evaluation period, and therefore this component of the service test was not considered in this assessment area.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. Orrstown's single branch in the assessment area includes an ATM and has a drive-up facility. The branch operates Monday through Friday, with extended hours on Thursday and Friday, and also offers Saturday lobby and drive-up service from 9 a.m. to noon.

Bank Products

Orrstown provides the following products with reduced or no fees, and/or no minimum balance requirements, which provide greater access to banking services for low- and moderate-income customers, and small businesses.

- Free checking account, with no minimum balance requirement, no per-check charges, and no \$2 paper statement fee if customers opt-in to electronic statements. The account also includes free online, mobile deposit, mobile access and bill pay.
- Free Business Checking, with no minimum balance requirement, no monthly service fee, and 1,000 free items per statement cycle (\$0.25 per item, thereafter). This account also includes free online banking and bill pay (first ten bill pays/statement cycle are free).
- Non-Profit Interest Checking, with no per-item fees, no minimum daily balance requirement, and no monthly service fee. This product earns interest and is only available to non-profit organizations.

Community Development Services

Orrstown provides a limited level of community development services in the Hagerstown, MD assessment area.

Over the evaluation period, bank employees provided community development services, providing technical assistance to community development organizations, and serving in various capacities on boards and board-level committees. These include:

- A bank employee serves as a board member for Friends of Safe Place. The organization, located in a low-income census tract, assists child victims of sexual or physical abuse by providing advocacy, therapy, investigation, and medical services.
- A bank employee serves as committee member for United Way of Washington County. This organization provides basic community services, including workforce development, financial literacy programming, school readiness programs, homeless services, health care solutions, and food pantry distribution to low- and moderate-income individuals and families.

BALTIMORE, MD ASSESSMENT AREA LIMITED-SCOPE REVIEW

A limited-scope review of the bank’s performance in the Baltimore, MD assessment area was conducted. During the evaluation period, lending activity in this assessment area represented 2% of the bank’s overall lending by number of loans, and less than 4% by dollar amount. The assessment area accounted for almost \$400 million in deposits, or 18% of the bank’s total deposits as of June 30, 2020. Orrstown operated four branches in the assessment area (15% of the bank’s total branches). For purposes of assessing the institution’s overall performance, the least amount of weight was given to this assessment area, as the bank just added it in May 2019, in conjunction with its acquisition of Baltimore-based Hamilton Bank

The bank’s performance in the Baltimore, MD assessment area is consistent with its performance in the Hagerstown, MD full-scope review assessment area, as seen in the table below. The facts and data reviewed, including performance and demographic information, are presented in the Appendices. Conclusions regarding performance are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
Baltimore, MD Assessment Area	Consistent	Exceeds	Consistent

DESCRIPTION OF INSTITUTION’S OPERATIONS

The bank’s Baltimore, MD assessment area consists of Anne Arundel, Baltimore, Baltimore City, Carroll, Harford, Howard, and Queen Anne’s Counties, MD, which is coterminous with the Baltimore-Columbia-Towson, MD MSA. As noted previously, this assessment area was added in May 2019 and is new at this CRA evaluation.

According to 2015 ACS data, the assessment area consisted of 683 census tracts, 89 of which were designated as low-income (13%), 154 of which were moderate-income (23%), 228 of which were middle-income (33%), 196 were upper-income (29%), and 16 were of unknown income (2%). According to the 2015 ACS data, the assessment area had a population of 2,769,818. Thirty-one percent of the assessment area’s population resided within the low- and moderate-income census tracts in the assessment area. Finally, it is noted that the Baltimore, MD assessment area is the most highly-populated assessment area of Orrstown’s footprint.

Orrstown’s performance was evaluated in terms of the demographic and business context in which the bank operates. According to the FDIC’s Summary of Deposits, as of June 30, 2020, there were 47 depository institutions operating in the Baltimore-Columbia-Towson, MD MSA. These institutions maintained a total of 657 branches holding nearly \$94.4 billion in deposits. Orrstown ranked nineteenth, with almost \$400 million in deposits, or less than 1% of the retail deposit market. Bank of America, N.A. had a strong presence in the market, and ranked first, with 30% of the market, followed by Manufacturers and Traders Trust Company, with 21% of the market, and PNC Bank, N.A., with 10%.

Similarly, Orrstown was a minor player in the HMDA market, holding less than 1% of the market in 2019, its first year operating in the MSA. According to 2019 data, there were a total of 640 institutions reporting HMDA originations or purchases in the Baltimore, MD assessment area. These 640 HMDA reporters originated or purchased a total of 107,166 loans in 2019. Orrstown tied for one-hundred and seventy-first in the HMDA market, with only 37 loans originated. Wells Fargo Bank, N.A. led the market with 6% of HMDA loans, followed by Quicken Loans, LLC (4%), and Pennymac Loan Services, LLC (just under 4%).

Likewise, Orrstown's share of the small business market represented less than 1% of all small business loans in the assessment area in 2019. According to small business data, in 2019, 174 small business reporters originated or purchased a total of 66,637 small business loans. Orrstown tied for sixty-first in 2019, with less than 1% of the market. American Express, NB ranked first with 20% of the market, followed by JP Morgan Chase Bank, N.A. (17%), and Bank of America, N.A. (13%).

According to Moody's Analytics, leading industries in the assessment area include education and health services (20%), professional and business services (17%), government (16%), and leisure and hospitality services (10%). The largest employers are Fort George G. Meade, Johns Hopkins University, Aberdeen Proving Ground, University of Maryland Medical System, and Johns Hopkins Health System.

An interview was conducted with a community development representative to provide perspective on the credit needs in the Baltimore, MD assessment area. This information was supplemented with demographic and economic data pertinent to the assessment area. According to the community contact, who represented an organization focused on housing, the most noteworthy credit needs in the assessment area are quality, updated and affordable housing stock in desirable communities.

A table showing the assessment area demographics of the Baltimore, MD assessment area in 2019 is contained on the following page.

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Orrstown Bank Baltimore, MD Assessment Area Assessment Area Demographics 2019								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	89	13.0	51,583	7.6	14,975	29.0	150,619	22.3
Moderate-income	154	22.5	139,009	20.6	16,748	12.0	115,141	17.0
Middle-income	228	33.4	244,704	36.2	13,122	5.4	133,931	19.8
Upper-income	196	28.7	239,449	35.4	6,138	2.6	275,929	40.8
Unknown-income	16	2.3	875	0.1	413	47.2	0	0.0
Total Assessment Area	683	100.0	675,620	100.0	51,396	7.6	675,620	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	122,695	33,878	4.9	27.6	58,061	47.3	30,756	25.1
Moderate-income	262,370	118,674	17.3	45.2	114,565	43.7	29,131	11.1
Middle-income	406,639	262,778	38.2	64.6	114,662	28.2	29,199	7.2
Upper-income	350,736	271,844	39.5	77.5	59,665	17.0	19,227	5.5
Unknown-income	3,072	381	0.1	12.4	1,804	58.7	887	28.9
Total Assessment Area	1,145,512	687,555	100.0	60.0	348,757	30.4	109,200	9.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	6,419	4.9	5,810	4.8	573	5.4	36	3.9
Moderate-income	20,246	15.4	18,636	15.5	1,495	14.0	115	12.6
Middle-income	50,161	38.1	45,459	37.8	4,354	40.7	348	38.0
Upper-income	53,977	41.0	49,420	41.1	4,140	38.7	417	45.5
Unknown-income	915	0.7	779	0.6	136	1.3	0	0.0
Total Assessment Area	131,718	100.0	120,104	100.0	10,698	100.0	916	100.0
	Percentage of Total Businesses:			91.2		8.1		0.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	14	1.0	14	1.1	0	0.0	0	0.0
Moderate-income	95	7.0	93	7.1	1	2.9	1	33.3
Middle-income	558	41.2	542	41.1	16	47.1	0	0.0
Upper-income	688	50.8	669	50.8	17	50.0	2	66.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,355	100.0	1,318	100.0	34	100.0	3	100.0
	Percentage of Total Farms:			97.3		2.5		0.2

Information based on 2015 ACS Data and 2019 Dun & Bradstreet Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's performance in this assessment area is consistent with the institution's lending, exceeds the institution's investment, and is consistent with the institution's service performance in the full-scope Hagerstown, MD assessment area.

LENDING TEST

The bank's lending in this assessment area is consistent with the bank's lending levels in the full-scope review assessment area in the State of Maryland, though it is noted that both HMDA and small business loans had low loan volumes, as the bank had only been in the Baltimore, MD assessment area for a short time. Due to the number and dollar volume of loans, home-mortgage loans were provided more weight in determining this overall conclusion, followed by small business loans.

Borrower and Geographic Distribution of Lending

Home-Mortgage Lending

During 2019, Orrstown originated 37 HMDA loans in the Baltimore, MD assessment area, aggregating just under \$12 million. Orrstown's borrower distribution of loans was below both proxy and aggregate lending levels. More specifically, the bank's HMDA lending to low- and moderate-income borrowers (8% and 11%, respectively) was below the proxies of low- and moderate-income families (22% and 17%, respectively). Additionally, Orrstown's lending was below aggregate lending levels (9% and 19%, respectively). Similarly, the bank's geographic distribution of HMDA loans was below the proxy of owner-occupied housing in such tracts, and aggregate lending levels. In total 3% of the loans were made in low-income geographies, and 11% were made in moderate-income geographies. This performance was below the proxy of owner-occupied housing in such tracts (5% and 17%, respectively), and the aggregate lending levels (3% and 15%, respectively).

Small Business Lending

In 2019, Orrstown originated 19 small business loans aggregating over \$7 million in the Baltimore, MD assessment area. In 2019, 21% of loans were originated to small businesses, which was below the aggregate lending level of 47% to small businesses, and below the proxy of 91% of small businesses. From a geographic perspective, 5% of the bank's small business loans were originated in low-income census tracts. The bank's lending was consistent with the proxy (5%) and slightly exceeded aggregate lending levels (4%). However, Orrstown's lending in moderate-income geographies (5%) was below proxy (15%) and aggregate lending levels in moderate-income tracts (14%).

Innovative and/or Flexible Lending Practices and Community Development Lending

As mentioned previously, the home-mortgage credit needs of low- and moderate-income individuals and families often can be addressed more effectively by alternative mortgage products. In an effort to address the credit needs of such borrowers in the Baltimore, MD assessment area, Orrstown participates in a variety of mortgage programs for first-time home buyers. Under these programs, the bank made one home-purchase loan under the USDA loan program, aggregating \$334 thousand. Additionally, within the Baltimore, MD assessment area, the bank participates in the Healthy Neighborhood Initiative program run by the U.S. Department of Housing and Urban Development’s (HUD) Neighborhood Stabilization Program. Through this program, a private loan fund provides below-market rate loans to homebuyers in designated census tracts within Baltimore City, in order to encourage investment and renovation in these areas. The bank made 45 home-purchase loans under the Healthy Neighborhoods Initiative, aggregating \$883 thousand during the evaluation period.

Similarly, the credit needs of small businesses can often be addressed more effectively by alternative products. In an effort to address the credit needs of small businesses in its assessment area, Orrstown participates in SBA loan programs, including the SBA 504 and 7A programs. During the evaluation period, Orrstown made four SBA loans totaling just over \$3 million.

Finally, the bank’s community development lending in the Baltimore, MD assessment area far exceeded that in the full-scope review area in Maryland. As indicated in the following table, Orrstown made 29 community development loans totaling over \$13 million in this assessment area. Twenty-four loans totaling \$4.4 million (33%) supported affordable housing initiatives for low- and moderate-income individuals, one loan totaling \$850 thousand (6%) supported community services for low- and moderate-income individuals and families, and four loans totaling over \$8 million (61%) supported revitalization or stabilization efforts in the assessment area and were originated under the PPP.²⁰ Of the bank’s overall community development lending, 37% by dollar amount was within the Baltimore, MD assessment area.

Orrstown Bank Baltimore, MD Assessment Area Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
2018	2	303	0	0	0	0	0	0	2	303
2019	21	3,978	0	0	0	0	0	0	22	4,090
2020	1	112	1	850	0	0	4	8,086	6	9,048
TOTAL	24	4,393	1	850	0	0	4	8,086	29	13,329

²⁰ PPP loans, which qualify as community development loans, are defined as loans with amounts over \$1 million that are located in low- or moderate-income census tracts.

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INVESTMENT TEST

The bank’s investment test performance in the Baltimore, MD assessment area exceeds the bank’s investment performance in the full-scope assessment area in the State of Maryland. Qualified investments, grants, and donations for the Baltimore, MD assessment area totaled \$3.8 million. Of the bank’s overall investments, 24% were within the Baltimore, MD assessment area.

Of the investments, approximately 51% of dollars benefited affordable housing needs. More specifically, the bank invested \$1.9 million in mortgage-backed securities, comprised of nine home-mortgage loans in two investments. The other 49% of investments benefitted economic development, through the financing of small businesses. More specifically, the bank made two investments in small business investment companies totaling \$1.8 million in the assessment area.

The following table presents the qualified investment activity for the Baltimore, MD assessment area.

Orrstown Bank Qualified Investments Baltimore, MD Assessment Area										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)
Qualified Investments	9	1,942	0	0	2	1,857	0	0	11	3,799
Donations	0	0	0	0	0	0	0	0	0	0
TOTAL	9	1,942	0	0	2	1,857	0	0	11	3,799

SERVICE TEST

The bank’s service test performance in the Baltimore, MD assessment area is consistent with the bank’s service test performance in the full-scope assessment area in the State of Maryland.

Retail banking services offered through the four branches in the assessment area were generally in-line with those offered in the full-scope Hagerstown, MD assessment area, including branch hours, ATM and drive-up services, and products offered. In addition, the bank conducted community development services, with a bank officer serving as a board member for the Healthy Neighborhoods program run by HUD. Additionally, a second bank officer provided financial literacy coaching within the assessment area.

CRA APPENDICES

CRA APPENDIX A: SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION			
Time Period Reviewed			
12/05/17 – 01/25/21			
Financial Institution		Products Reviewed	
Orrstown Bank		HMDA	
		Small Business	
Affiliates	Affiliate Relationship	Products Reviewed	
N/A	N/A	N/A	
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Examination	Branches Visited²¹	Other Information
Harrisburg, PA Assessment Area	Full-Scope	N/A	
Chambersburg, PA Assessment Area	Full-Scope	N/A	
Lancaster, PA Assessment Area	Limited-Scope	N/A	
Hagerstown, MD Assessment Area	Full-Scope	N/A	Small business lending not included in analysis due to low volume.
Baltimore, MD Assessment Area	Limited-Scope	N/A	The bank added this assessment area in May 2019, in conjunction with its acquisition of Hamilton Bank.

²¹No branch visits were performed in accordance with the scoping process for this evaluation. The institution's CRA Public File was reviewed electronically.

CRA APPENDIX B: SUMMARY OF STATE RATINGS

State Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Commonwealth of Pennsylvania				Satisfactory
Harrisburg, PA Assessment Area	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Chambersburg, PA Assessment Area	High Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Lancaster, PA Assessment Area	Below	Consistent	Consistent	Consistent
State of Maryland				Needs to Improve
Hagerstown, MD Assessment Area	Low Satisfactory	Needs to Improve	Low Satisfactory	Needs to Improve
Baltimore, MD Assessment Area	Consistent	Exceeds	Consistent	Consistent

CRA APPENDIX C: GLOSSARY

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

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and its physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language.

- (1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;
- (2) Community services targeted to low- or moderate-income individuals;
- (3) Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
- (4) Activities that revitalize or stabilize-
 - (i) Low-or moderate-income geographies;
 - (ii) Designated disaster areas; or
 - (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - A. Rates of poverty, unemployment, and population loss; or
 - B. Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CRA APPENDIX D: HMDA LOAN DISTRIBUTION TABLES

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	4	3.6	845	4.0	15	13.4	1,593	7.5
Moderate	8	7.1	694	3.2	27	24.1	3,426	16.0
Middle	68	60.7	11,566	54.2	22	19.6	3,713	17.4
Upper	32	28.6	8,254	38.6	47	42.0	12,513	58.6
Unknown	0	0.0	0	0.0	1	0.9	114	0.5
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	112	100.0	21,359	100.0	112	100.0	21,359	100.0
	Refinance							
Low	2	6.9	176	4.9	6	20.7	529	14.7
Moderate	5	17.2	480	13.4	10	34.5	1,181	32.9
Middle	16	55.2	2,266	63.1	2	6.9	110	3.1
Upper	6	20.7	667	18.6	11	37.9	1,769	49.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	29	100.0	3,589	100.0	29	100.0	3,589	100.0
	Home Improvement							
Low	3	15.8	267	14.1	2	10.5	271	14.3
Moderate	1	5.3	20	1.1	5	26.3	500	26.4
Middle	12	63.2	1,266	66.9	5	26.3	473	25.0
Upper	3	15.8	339	17.9	5	26.3	506	26.7
Unknown	0	0.0	0	0.0	2	10.5	142	7.5
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	19	100.0	1,892	100.0	19	100.0	1,892	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	33.3	251	41.8	0	0.0	0	0.0
Middle	2	66.7	350	58.2	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	3	100.0	601	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	601	100.0	3	100.0	601	100.0
	HMDA Totals							
Low	9	5.5	1,288	4.7	23	14.1	2,393	8.7
Moderate	15	9.2	1,445	5.3	42	25.8	5,107	18.6
Middle	98	60.1	15,448	56.3	29	17.8	4,296	15.7
Upper	41	25.2	9,260	33.7	63	38.7	14,788	53.9
Unknown	0	0.0	0	0.0	6	3.7	857	3.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	163	100.0	27,441	100.0	163	100.0	27,441	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	15	6.8	1,367	3.6	33	14.9	3,337	8.9
Moderate	34	15.4	3,946	10.5	49	22.2	6,183	16.5
Middle	107	48.4	16,754	44.6	41	18.6	6,476	17.3
Upper	65	29.4	15,457	41.2	90	40.7	20,726	55.2
Unknown	0	0.0	0	0.0	8	3.6	802	2.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	221	100.0	37,524	100.0	221	100.0	37,524	100.0
	Refinance							
Low	9	7.8	783	6.0	15	13.0	1,268	9.7
Moderate	10	8.7	938	7.1	32	27.8	2,658	20.2
Middle	77	67.0	8,193	62.4	22	19.1	2,408	18.3
Upper	19	16.5	3,217	24.5	44	38.3	6,629	50.5
Unknown	0	0.0	0	0.0	2	1.7	168	1.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	115	100.0	13,131	100.0	115	100.0	13,131	100.0
	Home Improvement							
Low	1	1.5	250	4.7	4	6.2	71	1.3
Moderate	1	1.5	59	1.1	9	13.8	648	12.3
Middle	47	72.3	3,919	74.2	18	27.7	1,636	31.0
Upper	16	24.6	1,055	20.0	34	52.3	2,928	55.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	65	100.0	5,283	100.0	65	100.0	5,283	100.0
	Multi-Family							
Low	1	16.7	289	2.4	0	0.0	0	0.0
Moderate	4	66.7	7,439	60.6	0	0.0	0	0.0
Middle	1	16.7	4,550	37.1	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	6	100.0	12,278	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	6	100.0	12,278	100.0	6	100.0	12,278	100.0
	Other Purpose LOC							
Low	3	5.5	160	4.2	6	10.9	260	6.7
Moderate	2	3.6	117	3.0	13	23.6	515	13.4
Middle	34	61.8	2,077	53.9	17	30.9	1,210	31.4
Upper	16	29.1	1,501	38.9	19	34.5	1,870	48.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	55	100.0	3,855	100.0	55	100.0	3,855	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2018 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	34	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	1	100.0	34	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	34	100.0	1	100.0	34	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	29	6.3	2,849	4.0	58	12.5	4,936	6.8
Moderate	51	11.0	12,499	17.3	103	22.2	10,004	13.9
Middle	267	57.7	35,527	49.3	98	21.2	11,730	16.3
Upper	116	25.1	21,230	29.4	188	40.6	32,187	44.6
Unknown	0	0.0	0	0.0	16	3.5	13,248	18.4
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	463	100.0	72,105	100.0	463	100.0	72,105	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	14	6.0	1,332	3.1	26	11.1	2,928	6.8
Moderate	24	10.3	3,146	7.4	65	27.8	9,900	23.1
Middle	129	55.1	23,067	53.9	52	22.2	10,065	23.5
Upper	67	28.6	15,221	35.6	77	32.9	18,054	42.2
Unknown	0	0.0	0	0.0	14	6.0	1,819	4.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	234	100.0	42,766	100.0	234	100.0	42,766	100.0
	Refinance							
Low	6	3.1	800	2.6	17	8.8	1,190	3.9
Moderate	11	5.7	1,023	3.4	45	23.2	5,114	16.8
Middle	129	66.5	18,690	61.5	49	25.3	7,195	23.7
Upper	48	24.7	9,868	32.5	77	39.7	15,569	51.2
Unknown	0	0.0	0	0.0	6	3.1	1,313	4.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	194	100.0	30,381	100.0	194	100.0	30,381	100.0
	Home Improvement							
Low	2	3.3	32	0.8	8	13.3	107	2.8
Moderate	2	3.3	47	1.2	10	16.7	543	14.4
Middle	43	71.7	3,106	82.1	15	25.0	1,032	27.3
Upper	13	21.7	596	15.8	26	43.3	2,021	53.5
Unknown	0	0.0	0	0.0	1	1.7	78	2.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	60	100.0	3,781	100.0	60	100.0	3,781	100.0
	Multi-Family							
Low	5	55.6	841	54.8	0	0.0	0	0.0
Moderate	3	33.3	474	30.9	0	0.0	0	0.0
Middle	1	11.1	220	14.3	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	9	100.0	1,535	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	9	100.0	1,535	100.0	9	100.0	1,535	100.0
	Other Purpose LOC							
Low	1	1.9	22	0.5	8	14.8	305	7.4
Moderate	2	3.7	86	2.1	14	25.9	865	21.0
Middle	41	75.9	3,291	79.9	7	13.0	387	9.4
Upper	10	18.5	721	17.5	25	46.3	2,563	62.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	54	100.0	4,120	100.0	54	100.0	4,120	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2019 HMDA LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	1	50.0	30	12.0
Middle	2	100.0	250	100.0	1	50.0	220	88.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	250	100.0	2	100.0	250	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	28	5.1	3,027	3.7	59	10.7	4,530	5.5
Moderate	42	7.6	4,776	5.8	135	24.4	16,452	19.9
Middle	345	62.4	48,624	58.7	124	22.4	18,899	22.8
Upper	138	25.0	26,406	31.9	205	37.1	38,207	46.1
Unknown	0	0.0	0	0.0	30	5.4	4,745	5.7
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	553	100.0	82,833	100.0	553	100.0	82,833	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 HMDA LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	2	1.7	128	0.7	5	4.3	395	2.1
Moderate	6	5.2	711	3.8	29	25.0	3,675	19.5
Middle	103	88.8	17,001	90.3	27	23.3	4,034	21.4
Upper	5	4.3	991	5.3	43	37.1	9,452	50.2
Unknown	0	0.0	0	0.0	12	10.3	1,275	6.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	116	100.0	18,831	100.0	116	100.0	18,831	100.0
	Refinance							
Low	1	4.3	4,800	56.1	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	4	17.4	564	6.6
Middle	18	78.3	2,844	33.3	5	21.7	858	10.0
Upper	4	17.4	909	10.6	12	52.2	2,177	25.5
Unknown	0	0.0	0	0.0	2	8.7	4,954	57.9
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	23	100.0	8,553	100.0	23	100.0	8,553	100.0
	Home Improvement							
Low	0	0.0	0	0.0	1	33.3	31	60.8
Moderate	0	0.0	0	0.0	1	33.3	15	29.4
Middle	3	100.0	51	100.0	1	33.3	5	9.8
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	51	100.0	3	100.0	51	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	33.3	180	31.4	0	0.0	0	0.0
Middle	1	33.3	100	17.5	0	0.0	0	0.0
Upper	1	33.3	293	51.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	3	100.0	573	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	573	100.0	3	100.0	573	100.0
	HMDA Totals							
Low	3	2.1	4,928	17.6	6	4.1	426	1.5
Moderate	7	4.8	891	3.2	34	23.4	4,254	15.2
Middle	125	86.2	19,996	71.4	33	22.8	4,897	17.5
Upper	10	6.9	2,193	7.8	55	37.9	11,629	41.5
Unknown	0	0.0	0	0.0	17	11.7	6,802	24.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	145	100.0	28,008	100.0	145	100.0	28,008	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 HMDA LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	3	1.6	312	1.0	12	6.3	1,165	3.7
Moderate	5	2.6	890	2.8	44	22.9	5,466	17.2
Middle	164	85.4	27,696	87.1	41	21.4	6,404	20.1
Upper	20	10.4	2,898	9.1	82	42.7	16,904	53.2
Unknown	0	0.0	0	0.0	13	6.8	1,857	5.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	192	100.0	31,796	100.0	192	100.0	31,796	100.0
	Refinance							
Low	1	0.7	145	0.8	17	11.5	1,034	5.4
Moderate	3	2.0	216	1.1	35	23.6	3,663	19.3
Middle	129	87.2	16,578	87.2	42	28.4	5,080	26.7
Upper	15	10.1	2,072	10.9	52	35.1	9,051	47.6
Unknown	0	0.0	0	0.0	2	1.4	183	1.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	148	100.0	19,011	100.0	148	100.0	19,011	100.0
	Home Improvement							
Low	1	1.4	100	1.9	4	5.7	86	1.7
Moderate	0	0.0	0	0.0	13	18.6	814	15.9
Middle	66	94.3	4,849	94.5	23	32.9	1,618	31.5
Upper	3	4.3	184	3.6	30	42.9	2,615	50.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	70	100.0	5,133	100.0	70	100.0	5,133	100.0
	Multi-Family							
Low	1	25.0	3,100	77.0	0	0.0	0	0.0
Moderate	1	25.0	126	3.1	0	0.0	0	0.0
Middle	2	50.0	799	19.9	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	4	100.0	4,025	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	4	100.0	4,025	100.0	4	100.0	4,025	100.0
	Other Purpose LOC							
Low	2	5.0	130	6.0	4	10.0	85	3.9
Moderate	0	0.0	0	0.0	13	32.5	412	19.0
Middle	34	85.0	1,786	82.3	8	20.0	392	18.1
Upper	4	10.0	255	11.7	15	37.5	1,282	59.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	40	100.0	2,171	100.0	40	100.0	2,171	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2018 HMDA LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	2	25.0	44	8.4
Moderate	0	0.0	0	0.0	1	12.5	10	1.9
Middle	8	100.0	524	100.0	3	37.5	360	68.7
Upper	0	0.0	0	0.0	2	25.0	110	21.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	8	100.0	524	100.0	8	100.0	524	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	8	1.7	3,787	6.0	39	8.4	2,414	3.9
Moderate	9	1.9	1,232	2.0	106	22.9	10,365	16.5
Middle	403	87.2	52,232	83.4	117	25.3	13,854	22.1
Upper	42	9.1	5,409	8.6	181	39.2	29,962	47.8
Unknown	0	0.0	0	0.0	19	4.1	6,065	9.7
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	462	100.0	62,660	100.0	462	100.0	62,660	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 HMDA LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	3	2.1	506	2.0	15	10.6	1,702	6.8
Moderate	4	2.8	634	2.6	38	27.0	5,972	24.0
Middle	121	85.8	21,050	84.7	33	23.4	6,085	24.5
Upper	13	9.2	2,666	10.7	49	34.8	10,492	42.2
Unknown	0	0.0	0	0.0	6	4.3	605	2.4
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	141	100.0	24,856	100.0	141	100.0	24,856	100.0
	Refinance							
Low	2	1.1	259	1.0	20	10.8	1,808	6.7
Moderate	1	0.5	117	0.4	36	19.4	3,643	13.6
Middle	166	89.2	23,877	89.0	60	32.3	7,323	27.3
Upper	17	9.1	2,582	9.6	70	37.6	14,061	52.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	186	100.0	26,835	100.0	186	100.0	26,835	100.0
	Home Improvement							
Low	1	1.4	14	0.3	9	12.9	500	12.0
Moderate	2	2.9	34	0.8	14	20.0	739	17.8
Middle	60	85.7	3,702	89.2	14	20.0	778	18.7
Upper	7	10.0	401	9.7	33	47.1	2,134	51.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	70	100.0	4,151	100.0	70	100.0	4,151	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	25.0	1,350	41.4	0	0.0	0	0.0
Middle	3	75.0	1,914	58.6	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	4	100.0	3,264	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	4	100.0	3,264	100.0	4	100.0	3,264	100.0
	Other Purpose LOC							
Low	1	2.0	7	0.2	7	14.3	447	12.7
Moderate	1	2.0	140	4.0	10	20.4	762	21.7
Middle	40	81.6	2,991	85.2	11	22.4	709	20.2
Upper	7	14.3	373	10.6	21	42.9	1,593	45.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	49	100.0	3,511	100.0	49	100.0	3,511	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2019 HMDA LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	2	28.6	100	19.2
Moderate	0	0.0	0	0.0	3	42.9	273	52.4
Middle	7	100.0	521	100.0	1	14.3	140	26.9
Upper	0	0.0	0	0.0	1	14.3	8	1.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	7	100.0	521	100.0	7	100.0	521	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	7	1.5	786	1.2	53	11.6	4,557	7.2
Moderate	9	2.0	2,275	3.6	101	22.1	11,389	18.0
Middle	397	86.9	54,055	85.6	119	26.0	15,035	23.8
Upper	44	9.6	6,022	9.5	174	38.1	28,288	44.8
Unknown	0	0.0	0	0.0	10	2.2	3,869	6.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	457	100.0	63,138	100.0	457	100.0	63,138	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	1	1.6	182	1.2	1	1.6	91	0.6
Moderate	8	12.9	1,137	7.5	13	21.0	2,129	14.0
Middle	44	71.0	10,441	68.4	17	27.4	3,446	22.6
Upper	9	14.5	3,496	22.9	30	48.4	9,078	59.5
Unknown	0	0.0	0	0.0	1	1.6	512	3.4
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	62	100.0	15,256	100.0	62	100.0	15,256	100.0
	Refinance							
Low	1	8.3	60	3.1	1	8.3	119	6.2
Moderate	1	8.3	158	8.2	1	8.3	161	8.4
Middle	7	58.3	1,199	62.5	4	33.3	544	28.4
Upper	3	25.0	500	26.1	6	50.0	1,093	57.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	12	100.0	1,917	100.0	12	100.0	1,917	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	14	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	1	100.0	14	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	14	100.0	1	100.0	14	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	50.0	1,680	25.7	0	0.0	0	0.0
Upper	1	50.0	4,850	74.3	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	2	100.0	6,530	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	6,530	100.0	2	100.0	6,530	100.0
	HMDA Totals							
Low	2	2.6	242	1.0	2	2.6	210	0.9
Moderate	9	11.7	1,295	5.5	14	18.2	2,290	9.7
Middle	53	68.8	13,334	56.2	21	27.3	3,990	16.8
Upper	13	16.9	8,846	37.3	37	48.1	10,185	42.9
Unknown	0	0.0	0	0.0	3	3.9	7,042	29.7
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	77	100.0	23,717	100.0	77	100.0	23,717	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	2	2.2	310	1.4	2	2.2	205	0.9
Moderate	11	11.8	1,446	6.6	14	15.1	2,123	9.7
Middle	63	67.7	14,712	67.5	25	26.9	5,067	23.2
Upper	17	18.3	5,333	24.5	48	51.6	13,329	61.1
Unknown	0	0.0	0	0.0	4	4.3	1,077	4.9
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	93	100.0	21,801	100.0	93	100.0	21,801	100.0
	Refinance							
Low	0	0.0	0	0.0	1	2.9	100	1.7
Moderate	3	8.6	254	4.4	9	25.7	1,151	20.1
Middle	28	80.0	4,835	84.4	6	17.1	644	11.2
Upper	4	11.4	643	11.2	19	54.3	3,837	66.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	35	100.0	5,732	100.0	35	100.0	5,732	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	5.6	249	12.8	2	11.1	52	2.7
Middle	13	72.2	1,423	73.4	4	22.2	372	19.2
Upper	4	22.2	267	13.8	11	61.1	1,415	73.0
Unknown	0	0.0	0	0.0	1	5.6	100	5.2
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	18	100.0	1,939	100.0	18	100.0	1,939	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	16.7	189	1.2	0	0.0	0	0.0
Middle	3	50.0	5,380	34.6	1	16.7	189	1.2
Upper	2	33.3	10,000	64.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	5	83.3	15,380	98.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	6	100.0	15,569	100.0	6	100.0	15,569	100.0
	Other Purpose LOC							
Low	0	0.0	0	0.0	2	8.7	127	4.0
Moderate	4	17.4	174	5.4	5	21.7	462	14.5
Middle	14	60.9	2,460	77.0	3	13.0	153	4.8
Upper	5	21.7	561	17.6	13	56.5	2,453	76.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	23	100.0	3,195	100.0	23	100.0	3,195	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2018 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	77	100.0	1	100.0	77	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	77	100.0	1	100.0	77	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	2	1.1	310	0.6	5	2.8	432	0.9
Moderate	20	11.4	2,312	4.8	30	17.0	3,788	7.8
Middle	122	69.3	28,887	59.8	40	22.7	6,502	13.5
Upper	32	18.2	16,804	34.8	91	51.7	21,034	43.5
Unknown	0	0.0	0	0.0	10	5.7	16,557	34.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	176	100.0	48,313	100.0	176	100.0	48,313	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	1	1.7	60	0.4	1	1.7	125	0.8
Moderate	8	13.3	1,608	10.7	14	23.3	2,109	14.0
Middle	43	71.7	9,971	66.3	12	20.0	2,549	17.0
Upper	8	13.3	3,398	22.6	29	48.3	9,214	61.3
Unknown	0	0.0	0	0.0	4	6.7	1,040	6.9
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	60	100.0	15,037	100.0	60	100.0	15,037	100.0
	Refinance							
Low	1	1.7	43	0.4	1	1.7	70	0.6
Moderate	2	3.4	235	2.0	8	13.8	1,403	11.8
Middle	46	79.3	9,301	78.0	14	24.1	2,157	18.1
Upper	9	15.5	2,353	19.7	33	56.9	8,092	67.8
Unknown	0	0.0	0	0.0	2	3.4	210	1.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	58	100.0	11,932	100.0	58	100.0	11,932	100.0
	Home Improvement							
Low	0	0.0	0	0.0	1	6.3	25	1.0
Moderate	1	6.3	95	3.8	0	0.0	0	0.0
Middle	13	81.3	1,599	63.4	3	18.8	174	6.9
Upper	2	12.5	829	32.9	10	62.5	1,734	68.7
Unknown	0	0.0	0	0.0	2	12.5	590	23.4
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	16	100.0	2,523	100.0	16	100.0	2,523	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	3	60.0	4,539	53.2	0	0.0	0	0.0
Upper	2	40.0	4,000	46.8	1	20.0	249	2.9
Unknown	0	0.0	0	0.0	4	80.0	8,290	97.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	8,539	100.0	5	100.0	8,539	100.0
	Other Purpose LOC							
Low	0	0.0	0	0.0%	1	3.7	31	1.1
Moderate	2	7.4	96	3.4%	4	14.8	169	5.9
Middle	19	70.4	2,031	71.3	3	11.1	246	8.6
Upper	6	22.2	720	25.3	19	70.4	2,401	84.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	27	100.0	2,847	100.0	27	100.0	2,847	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2019 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	1	100.0	35	100.0
Middle	1	100.0	35	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	35	100.0	1	100.0	35	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	2	1.2	103	0.3	4	2.4	251	0.6
Moderate	13	7.8	2,034	5.0	27	16.2	3,716	9.1
Middle	125	74.9	27,476	67.2	32	19.2	5,126	12.5
Upper	27	16.2	11,300	27.6	92	55.1	21,690	53.0
Unknown	0	0.0	0	0.0	12	7.2	10,130	24.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	167	100.0	40,913	100.0	167	100.0	40,913	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	1	11.1	113	9.8	1	11.1	124	10.8
Moderate	2	22.2	159	13.8	4	44.4	452	39.3
Middle	5	55.6	717	62.3	1	11.1	105	9.1
Upper	1	11.1	162	14.1	3	33.3	470	40.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	9	100.0	1,151	100.0	9	100.0	1,151	100.0
	Refinance							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	4	57.1	880	62.1	0	0.0	0	0.0
Middle	2	28.6	289	20.4	2	28.6	289	20.4
Upper	1	14.3	247	17.4	2	28.6	302	21.3
Unknown	0	0.0	0	0.0	3	42.9	825	58.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	7	100.0	1,416	100.0	7	100.0	1,416	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	1	6.3	113	4.4	1	6.3	124	4.8
Moderate	6	37.5	1,039	40.5	4	25.0	452	17.6
Middle	7	43.8	1,006	39.2	3	18.8	394	15.3
Upper	2	12.5	409	15.9	5	31.3	772	30.1
Unknown	0	0.0	0	0.0	3	18.8	825	32.1
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	16	100.0	2,567	100.0	16	100.0	2,567	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	4	44.4	405	29.1	3	33.3	309	22.2
Middle	3	33.3	319	22.9	3	33.3	211	15.2
Upper	2	22.2	668	48.0	2	22.2	792	56.9
Unknown	0	0.0	0	0.0	1	11.1	80	5.7
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	9	100.0	1,392	100.0	9	100.0	1,392	100.0
	Refinance							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	11.1	70	7.7	5	55.6	390	42.8
Middle	6	66.7	526	57.7	1	11.1	129	14.2
Upper	2	22.2	315	34.6	2	22.2	312	34.2
Unknown	0	0.0	0	0.0	1	11.1	80	8.8
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	9	100.0	911	100.0	9	100.0	911	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	3	50.0	205	56.9
Middle	5	83.3	260	72.2	0	0.0	0	0.0
Upper	1	16.7	100	27.8	3	50.0	155	43.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	6	100.0	360	100.0	6	100.0	360	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	100.0	185	100.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	1	100.0	185	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	185	100.0	1	100.0	185	100.0
	Other Purpose LOC							
Low	0	0.0	0	0.0	1	33.3	20	11.8
Moderate	1	33.3	50	29.4	0	0.0	0	0.0
Middle	1	33.3	20	11.8	2	66.7	150	88.2
Upper	1	33.3	100	58.8	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	170	100.0	3	100.0	170	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2018 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	44	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	1	100.0	44	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	44	100.0	1	100.0	44	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	0	0.0	0	0.0	1	3.4	20	0.7
Moderate	7	24.1	710	23.2	11	37.9	904	29.5
Middle	16	55.2	1,169	38.2	6	20.7	490	16.0
Upper	6	20.7	1,183	38.6	8	27.6	1,303	42.6
Unknown	0	0.0	0	0.0	3	10.3	345	11.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	29	100.0	3,062	100.0	29	100.0	3,062	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	16.7	152	9.2	0	0.0	0	0.0
Middle	4	66.7	1,132	68.9	2	33.3	540	32.8
Upper	1	16.7	360	21.9	4	66.7	1,104	67.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	6	100.0	1,644	100.0	6	100.0	1,644	100.0
	Refinance							
Low	0	0.0	0	0.0	3	30.0	300	29.9
Moderate	3	30.0	285	28.4	4	40.0	371	36.9
Middle	4	40.0	386	38.4	1	10.0	100	10.0
Upper	3	30.0	334	33.2	2	20.0	234	23.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	10	100.0	1,005	100.0	10	100.0	1,005	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0%
Moderate	0	0.0	0	0.0	1	50.0	70	56.0
Middle	1	50.0	70	56.0	0	0.0	0	0.0
Upper	1	50.0	55	44.0	1	50.0	55	44.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	125	100.0	2	100.0	125	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1	100.0	224	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	1	100.0	224	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	224	100.0	1	100.0	224	100.0
	Other Purpose LOC							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	1	100.0	40	100.0
Middle	1	100.0	40	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	40	100.0	1	100.0	40	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2019 HMDA LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	100.0	45	100.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	1	100.0	45	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	45	100.0	1	100.0	45	100.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	0	0.0	0	0.0	3	14.3	300	9.7
Moderate	5	23.8	482	15.6	6	28.6	481	15.6
Middle	11	52.4	1,852	60.1	4	19.0	685	22.2
Upper	5	23.8	749	24.3	7	33.3	1,393	45.2
Unknown	0	0.0	0	0.0	1	4.8	224	7.3
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	21	100.0	3,083	100.0	21	100.0	3,083	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	33.3	267	25.7	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	2	66.7	771	74.3	3	100.0	1,038	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	1,038	100.0	3	100.0	1,038	100.0
	Refinance							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	33.3	267	25.7	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	2	66.7	771	74.3	3	100.0	1,038	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	1,038	100.0	3	100.0	1,038	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0%
Moderate	1	100.0	172	100.0	1	100.0	172	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	172	100.0	1	100.0	172	100.0
	Refinance							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	1	50.0	330	74.5
Upper	2	100.0	443	100.0	1	50.0	113	25.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	443	100.0	2	100.0	443	100.0
	Home Improvement							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	1	50.0	62	19.9
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	2	100.0	311	100.0	1	50.0	249	80.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	311	100.0	2	100.0	311	100.0
	Multi-Family							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Other Purpose LOC							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2018 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	20.0	172	18.6	2	40.0	234	25.3
Middle	0	0.0	0	0.0	1	20.0	330	35.6
Upper	4	80.0	754	81.4	2	40.0	362	39.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	926	100.0	5	100.0	926	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	7	70.0	3,152	51.4	1	10.0	250	4.1
Upper	3	30.0	2,983	48.6	9	90.0	5,885	95.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	10	100.0	6,135	100.0	10	100.0	6,135	100.0
	Refinance							
Low	0	0.0	0	0.0	1	8.3	44	1.7
Moderate	1	8.3	44	1.7	2	16.7	357	13.6
Middle	3	25.0	826	31.4	3	25.0	517	19.7
Upper	8	66.7	1,757	66.9	6	50.0	1,709	65.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	12	100.0	2,627	100.0	12	100.0	2,627	100.0
	Home Improvement							
Low	0	0.0	0	0.0	2	18.2	19	2.2
Moderate	3	27.3	169	19.7	2	18.2	250	29.2
Middle	3	27.3	137	16.0	4	36.4	216	25.2
Upper	5	45.5	550	64.3	3	27.3	371	43.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	11	100.0	856	100.0	11	100.0	856	100.0
	Multi-Family							
Low	1	100.0	1,500	100.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	1	100.0	1,500	100.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	1	100.0	1,500	100.0	1	100.0	1,500	100.0
	Other Purpose LOC							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	1	33.3	91	20.6
Upper	3	100.0	441	100.0	2	66.7	350	79.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	3	100.0	441	100.0	3	100.0	441	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

CONTINUED- 2019 HMDA LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Other Purpose Closed/Exempt							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	Loan Purpose Not Applicable							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	HMDA Totals							
Low	1	2.7	1,500	13.0	3	8.1	63	0.5
Moderate	4	10.8	213	1.8	4	10.8	607	5.3
Middle	13	35.1	4,115	35.6	9	24.3	1,074	9.3
Upper	19	51.4	5,731	49.6	20	54.1	8,315	71.9
Unknown	0	0.0	0	0.0	1	2.7	1,500	13.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	37	100.0	11,559	100.0	37	100.0	11,559	100.0

CRA APPENDIX E: SMALL BUSINESS LOAN DISTRIBUTION TABLES

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	5	10.6	486	7.9	0	0.0	0	0.0
Moderate	10	21.3	730	11.9	0	0.0	0	0.0
Middle	21	44.7	3,762	61.3	1	100.0	95	100.0
Upper	11	23.4	1,160	18.9	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	47	100.0	6,138	100.0	1	100.0	95	100.0
	By Revenue							
Total \$1 Million or Less	32	68.1	3,319	54.1	1	100.0	95	100.0
Over \$1 Million	15	31.9	2,819	45.9	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	47	100.0	6,138	100.0	1	100.0	95	100.0
	By Loan Size							
\$100,000 or less	34	72.3	1,567	25.5	1	100.0	95	100.0
\$100,001 - \$250,000	7	14.9	1,347	21.9	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	6	12.8	3,224	52.5	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	47	100.0	6,138	100.0	1	100.0	95	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	26	81.3	1,064	32.1	1	100.0	95	100.0
\$100,001 - \$250,000	3	9.4	602	18.1	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	3	9.4	1,653	49.8	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	32	100.0	3,319	100.0	1	100.0	95	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	8	8.5	1,498	8.6	0	0.0	0	0.0
Moderate	8	8.5	1,399	8.0	0	0.0	0	0.0
Middle	66	70.2	13,135	75.1	5	83.3	458	95.8
Upper	12	12.8	1,469	8.4	1	16.7	20	4.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	94	100.0	17,501	100.0	6	100.0	478	100.0
	By Revenue							
Total \$1 Million or Less	44	46.8	4,093	23.4	5	83.3	458	95.8
Over \$1 Million	50	53.2	13,408	76.6	1	16.7	20	4.2
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	94	100.0	17,501	100.0	6	100.0	478	100.0
	By Loan Size							
\$100,000 or less	50	53.2	2,223	12.7	5	83.3	155	32.4
\$100,001 - \$250,000	21	22.3	3,397	19.4	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	23	24.5	11,881	67.9	1	16.7	323	67.6
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	94	100.0	17,501	100.0	6	100.0	478	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	37	84.1	1,396	34.1	4	80.0	135	29.5
\$100,001 - \$250,000	2	4.5	268	6.5	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	5	11.4	2,429	59.3	1	20.0	323	70.5
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	44	100.0	4,093	100.0	5	100.0	458	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HARRISBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	6	3.9	613	3.3	0	0.0	0	0.0
Moderate	9	5.8	1,321	7.2	0	0.0	0	0.0
Middle	128	82.6	14,919	81.5	1	50.0	22	38.6
Upper	12	7.7	1,452	7.9	1	50.0	35	61.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	155	100.0	18,305	100.0	2	100.0	57	100.0
	By Revenue							
Total \$1 Million or Less	56	36.1	6,483	35.4	2	100.0	57	100.0
Over \$1 Million	95	61.3	11,416	62.4	0	0.0	0	0.0
Not Known	4	2.6	406	2.2	0	0.0	0	0.0
Total	155	100.0	18,305	100.0	2	100.0	57	100.0
	By Loan Size							
\$100,000 or less	109	70.3	5,469	29.9	2	100.0	57	100.0
\$100,001 - \$250,000	27	17.4	3,981	21.7	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	19	12.3	8,855	48.4	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	155	100.0	18,305	100.0	2	100.0	57	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	36	64.3	1,406	21.7	2	100.0	57	100.0
\$100,001 - \$250,000	11	19.6	1,689	26.1	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	9	16.1	3,388	52.3	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	56	100.0	6,483	100.0	2	100.0	57	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	4.5	789	18.1	0	0.0	0	0.0
Middle	20	90.9	2,947	67.7	8	100.0	915	100.0
Upper	1	4.5	618	14.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	22	100.0	4,354	100.0	8	100.0	915	100.0
	By Revenue							
Total \$1 Million or Less	16	72.7	2,901	66.6	5	62.5	143	15.6
Over \$1 Million	6	27.3	1,453	33.4	2	25.0	750	82.0
Not Known	0	0.0	0	0.0	1	12.5	22	2.4
Total	22	100.0	4,354	100.0	8	100.0	915	100.0
	By Loan Size							
\$100,000 or less	13	59.1	594	13.6	6	75.0	165	18.0
\$100,001 - \$250,000	3	13.6	560	12.9	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	6	27.3	3,200	73.5	2	25.0	750	82.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	22	100.0	4,354	100.0	8	100.0	915	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	11	68.8	554	19.1	5	100.0	143	100.0
\$100,001 - \$250,000	1	6.3	125	4.3	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	4	25.0	2,222	76.6	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	16	100.0	2,901	100.0	5	100.0	143	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 SMALL BUSINESS LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	1	1.2	73	0.6	0	0.0	0	0.0
Moderate	1	1.2	96	0.8	0	0.0	0	0.0
Middle	76	89.4	11,014	93.9	12	100.0	1,082	100.0
Upper	7	8.2	546	4.7	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	85	100.0	11,729	100.0	12	100.0	1,082	100.0
	By Revenue							
Total \$1 Million or Less	61	71.8	5,963	50.8	12	100.0	1,082	100.0
Over \$1 Million	24	28.2	5,766	49.2	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	85	100.0	11,729	100.0%	12	100.0	1,082	100.0
	By Loan Size							
\$100,000 or less	60	70.6	2,472	21.1	9	75.0	412	38.1
\$100,001 - \$250,000	13	15.3	2,483	21.2	2	16.7	355	32.8
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	12	14.1	6,774	57.8	1	8.3	315	29.1
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	85	100.0	11,729	100.0	12	100.0	1,082	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	53	86.9	2,083	34.9	9	75.0	412	38.1
\$100,001 - \$250,000	3	4.9	535	9.0	2	16.7	355	32.8
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	5	8.2	3,345	56.1	1	8.3	315	29.1
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	61	100.0	5,963	100.0	12	100.0	1,082	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 SMALL BUSINESS LOAN DISTRIBUTION TABLE (CHAMBERSBURG, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	2	2.7	905	7.6	0	0.0	0	0.0
Moderate	2	2.7	100	0.8	0	0.0	0	0.0
Middle	65	86.7	9,549	80.5	9	90.0	1,476	98.1
Upper	6	8.0	1,310	11.0	1	10.0	29	1.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	75	100.0	11,864	100.0	10	100.0	1,505	100.0
	By Revenue							
Total \$1 Million or Less	48	64.0	5,147	43.4	8	80.0	705	46.8
Over \$1 Million	27	36.0	6,717	56.6	2	20.0	800	53.2
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	75	100.0	11,864	100.0	10	100.0	1,505	100.0
	By Loan Size							
\$100,000 or less	47	62.7	2,236	18.8	6	60.0	259	17.2
\$100,001 - \$250,000	13	17.3	2,172	18.3	1	10.0	150	10.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	20.0	7,456	62.8	3	30.0	1,096	72.8
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	75	100.0	11,864	100.0	10	100.0	1,505	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	37	77.1	1,648	32.0	6	75.0	259	36.7
\$100,001 - \$250,000	5	10.4	739	14.4	1	12.5	150	21.3
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	6	12.5	2,760	53.6	1	12.5	296	42.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	48	100.0	5,147	100.0	8	100.0	705	100.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	1	4.8	50	1.1	0	0.0	0	0.0
Moderate	1	4.8	200	4.3	0	0.0	0	0.0
Middle	19	90.5	4,443	94.7	1	100.0	15	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	21	100.0	4,693	100.0	1	100.0	15	100.0
	By Revenue							
Total \$1 Million or Less	13	61.9	3,437	73.2	0	0.0	0	0.0
Over \$1 Million	8	38.1	1,256	26.8	1	100.0	15	100.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	21	100.0	4,693	100.0	1	100.0	15	100.0
	By Loan Size							
\$100,000 or less	9	42.9	503	10.7	1	100.0	15	100.0
\$100,001 - \$250,000	5	23.8	778	16.6	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	7	33.3	3,412	72.7	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	21	100.0	4,693	100.0	1	100.0	15	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	5	38.5	297	8.6	0	0.0	0	0.0
\$100,001 - \$250,000	4	30.8	658	19.1	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	4	30.8	2,482	72.2	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	13	100.0	3,437	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	9.8	2,020	15.4	0	0.0	0	0.0
Middle	38	74.5	8,718	66.5	1	100.0	300	100.0
Upper	8	15.7	2,381	18.1	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	51	100.0	13,119	100.0	1	100.0	300	100.0
	By Revenue							
Total \$1 Million or Less	26	51.0	5,131	39.1	0	0.0	0	0.0
Over \$1 Million	25	49.0	7,988	60.9	1	100.0	300	100.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	51	100.0	13,119	100.0	1	100.0	300	100.0
	By Loan Size							
\$100,000 or less	25	49.0	1,132	8.6	0	0.0	0	0.0
\$100,001 - \$250,000	6	11.8	1,055	8.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	20	39.2	10,932	83.3	1	100.0	300	100.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	51	100.0	13,119	100.0	1	100.0	300	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	16	61.5	513	10.0	0	0.0	0	0.0
\$100,001 - \$250,000	3	11.5	629	12.3	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	7	26.9	3,989	77.7	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	26	100.0	5,131	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	1	1.6	107	0.7	0	0.0	0	0.0
Moderate	4	6.3	645	4.0	0	0.0	0	0.0
Middle	48	76.2	12,752	79.3	1	100.0	75	100.0
Upper	10	15.9	2,574	16.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	63	100.0	16,078	100.0	1	100.0	75	100.0
	By Revenue							
Total \$1 Million or Less	24	38.1	5,185	32.2	0	0.0	0	0.0
Over \$1 Million	39	61.9	10,893	67.8	1	100.0	75	100.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	63	100.0	16,078	100.0	1	100.0	75	100.0
	By Loan Size							
\$100,000 or less	21	33.3	890	5.5	1	100.0	75	100.0
\$100,001 - \$250,000	19	30.2	3,206	19.9	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	23	36.5	11,982	74.5	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	63	100.0	16,078	100.0	1	100.0	75	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	8	33.3	247	4.8	0	0.0	0	0.0
\$100,001 - \$250,000	8	33.3	1,348	26.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	8	33.3	3,590	69.2	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	24	100.0	5,185	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	2	100.0	189	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	189	100.0	0	0.0	0	0.0
	By Revenue							
Total \$1 Million or Less	2	100.0	189	100.0	0	0.0	0	0.0
Over \$1 Million	0	0.0	0	0.0	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	189	100.0	0	0.0	0	0.0
	By Loan Size							
\$100,000 or less	2	100.0	189	100.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	189	100.0	0	0.0	0	0.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	2	100.0	189	100.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	189	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2018 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	40.0	146	28.8	0	0.0	0	0.0
Middle	3	60.0	361	71.2	2	100.0	121	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	507	100.0	2	100.0	121	100.0
	By Revenue							
Total \$1 Million or Less	2	40.0	253	49.9	0	0.0	0	0.0
Over \$1 Million	3	60.0	254	50.1	2	100.0	121	100.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	507	100.0	2	100.0	121	100.0
	By Loan Size							
\$100,000 or less	1	20.0	39	7.7	2	100.0	121	100.0
\$100,001 - \$250,000	4	80.0	468	92.3	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	507	100.0	2	100.0	121	100.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	2	100.0	253	100.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	253	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 SMALL BUSINESS LOAN DISTRIBUTION TABLE (HAGERSTOWN, MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	5	100.0	468	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	468	100.0	0	0.0	0	0.0
	By Revenue							
Total \$1 Million or Less	2	40.0	148	31.6	0	0.0	0	0.0
Over \$1 Million	3	60.0	320	68.4	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	468	100.0	0	0.0	0	0.0
	By Loan Size							
\$100,000 or less	2	40.0	101	21.6	0	0.0	0	0.0
\$100,001 - \$250,000	3	60.0	367	78.4	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	5	100.0	468	100.0	0	0.0	0	0.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	1	50.0	40	27.0	0	0.0	0	0.0
\$100,001 - \$250,000	1	50.0	108	73.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	148	100.0	0	0.0	0	0.0

**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Revenue							
Total \$1 Million or Less	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million	0	0.0	0	0.0	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Loan Size							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0

LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021

2018 SMALL BUSINESS LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Revenue							
Total \$1 Million or Less	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million	0	0.0	0	0.0	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Loan Size							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0	0	0.0

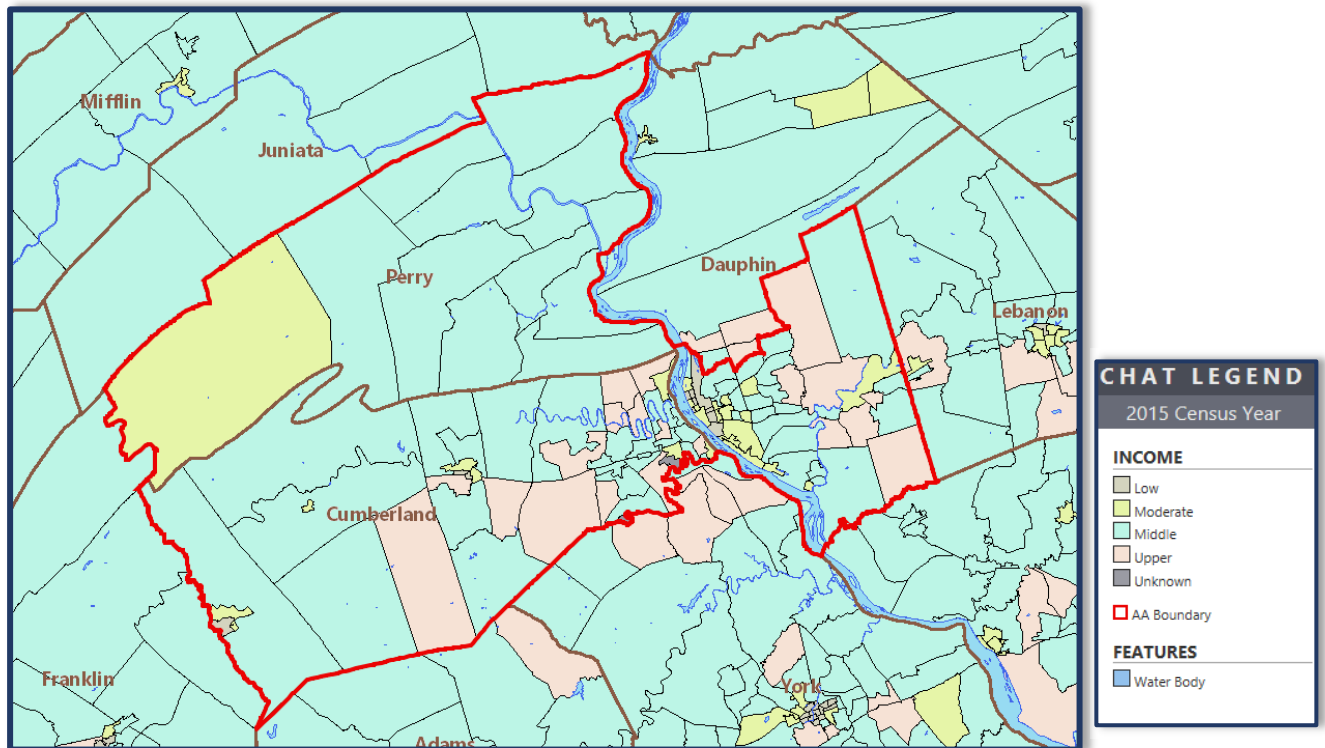
**LARGE INSTITUTION PERFORMANCE EVALUATION
JANUARY 2021**

2019 SMALL BUSINESS LOAN DISTRIBUTION TABLE (BALTIMORE, MD ASSESSMENT AREA)

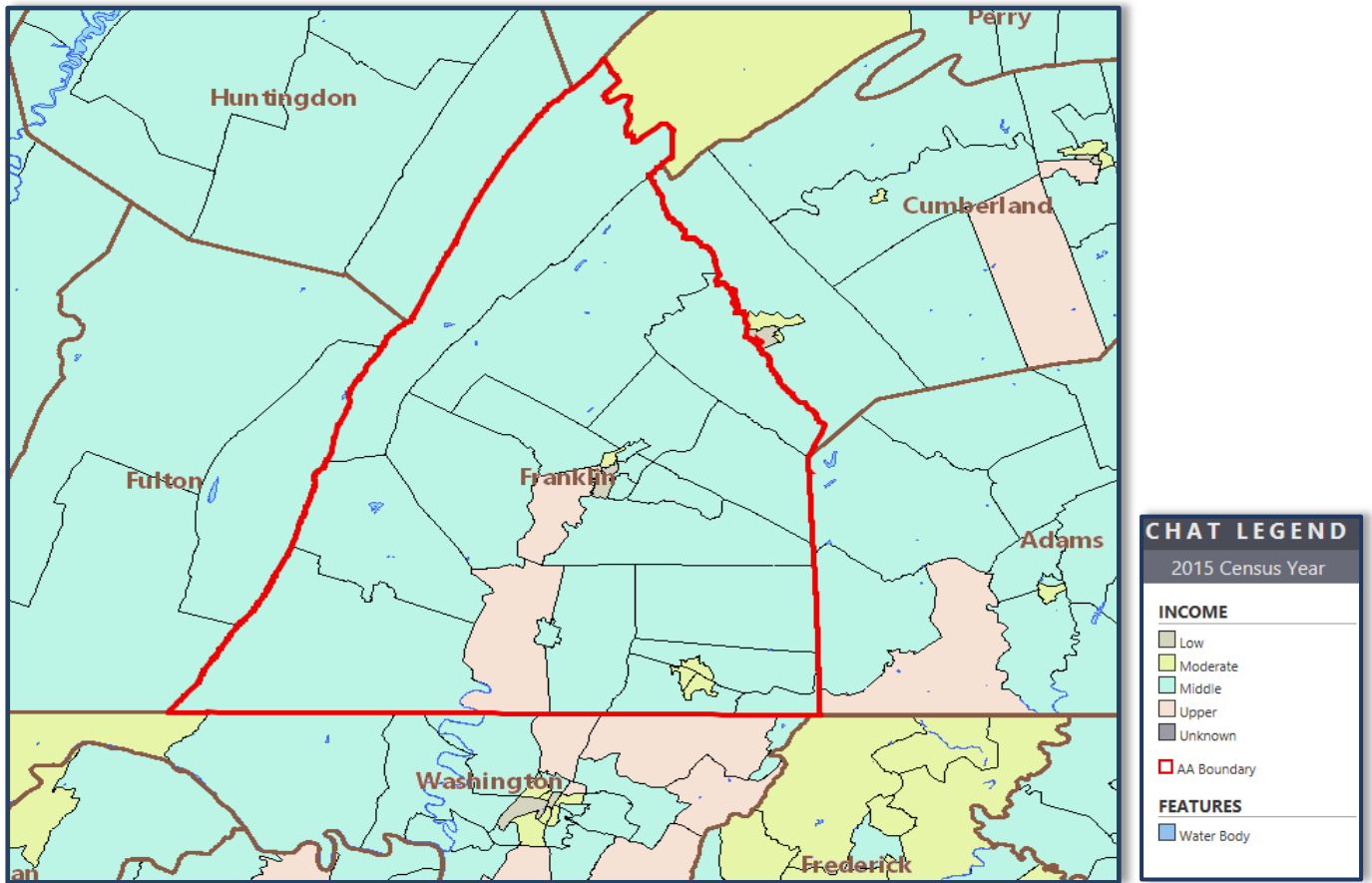
Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	1	5.3	713	9.6	0	0.0	0	0.0
Moderate	1	5.3	178	2.4	0	0.0	0	0.0
Middle	11	57.9	4,319	58.1	0	0.0	0	0.0
Upper	6	31.6	2,230	30.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Tract Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total	19	100.0	7,440	100.0	0	0.0	0	0.0
	By Revenue							
Total \$1 Million or Less	4	21.1	3,063	41.2	0	0.0	0	0.0
Over \$1 Million	15	78.9	4,377	58.8	0	0.0	0	0.0
Not Known	0	0.0	0	0.0	0	0.0	0	0.0
Total	19	100.0	7,440	100.0	0	0.0	0	0.0
	By Loan Size							
\$100,000 or less	4	21.1	229	3.1	0	0.0	0	0.0
\$100,001 - \$250,000	5	26.3	1,014	13.6	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	10	52.6	6,197	83.3	0	0.0	0	0.0
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	19	100.0	7,440	100.0	0	0.0	0	0.0
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	0	0.0	0	0.0	0	0.0	0	0.0
\$100,001 - \$250,000	0	0.0	0	0.0	0	0.0	0	0.0
\$250,001 - \$1 Million (Bus)- \$500k (Farm)	4	100.0	3,063	100.0	0	0.0	0	0.0
Over \$1 Million (Bus) -\$500k (Farm)	0	0.0	0	0.0	0	0.0	0	0.0
Total	4	100.0	3,063	100.0	0	0.0	0	0.0

CRA APPENDIX F: ASSESSMENT AREA MAPS

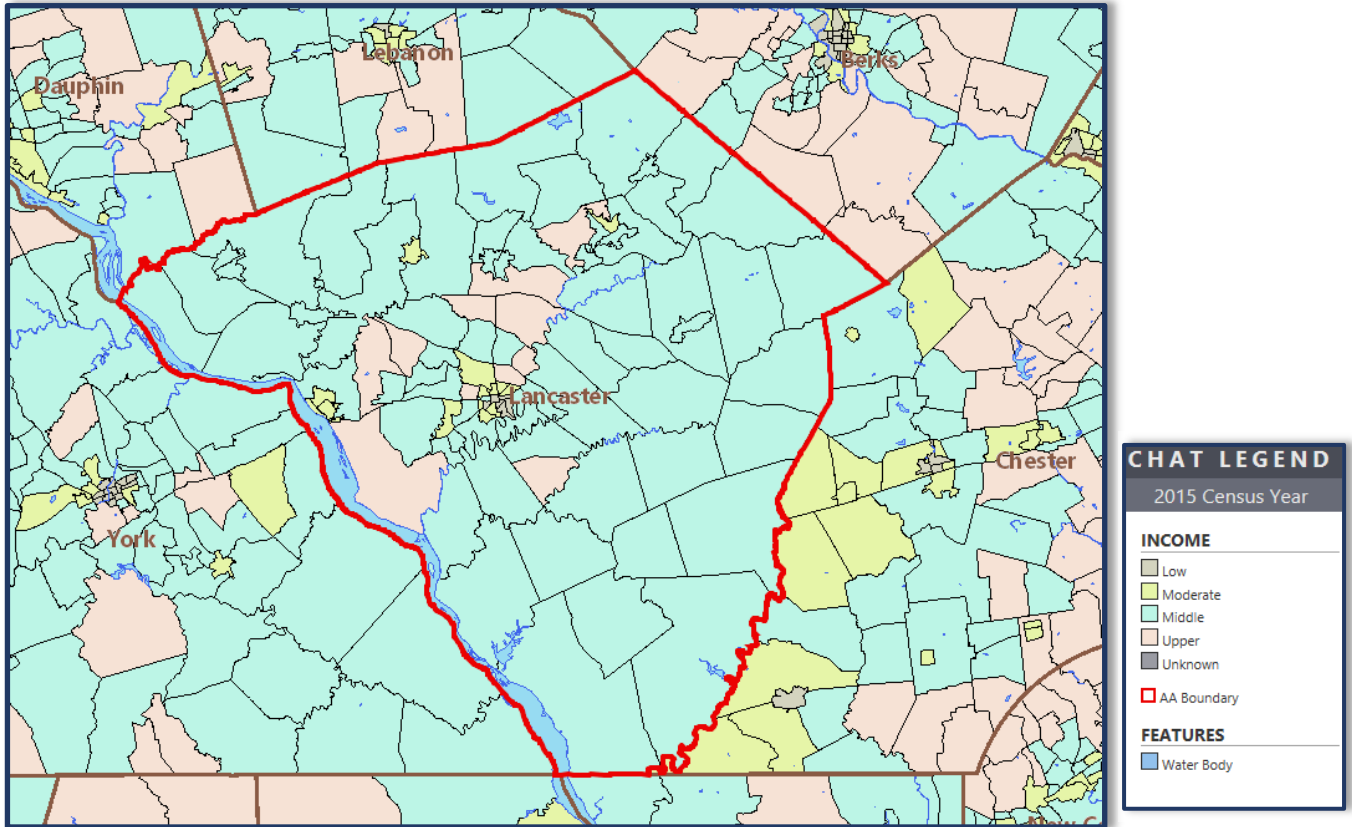
HARRISBURG, PA ASSESSMENT AREA– (2015 ACS DATA)



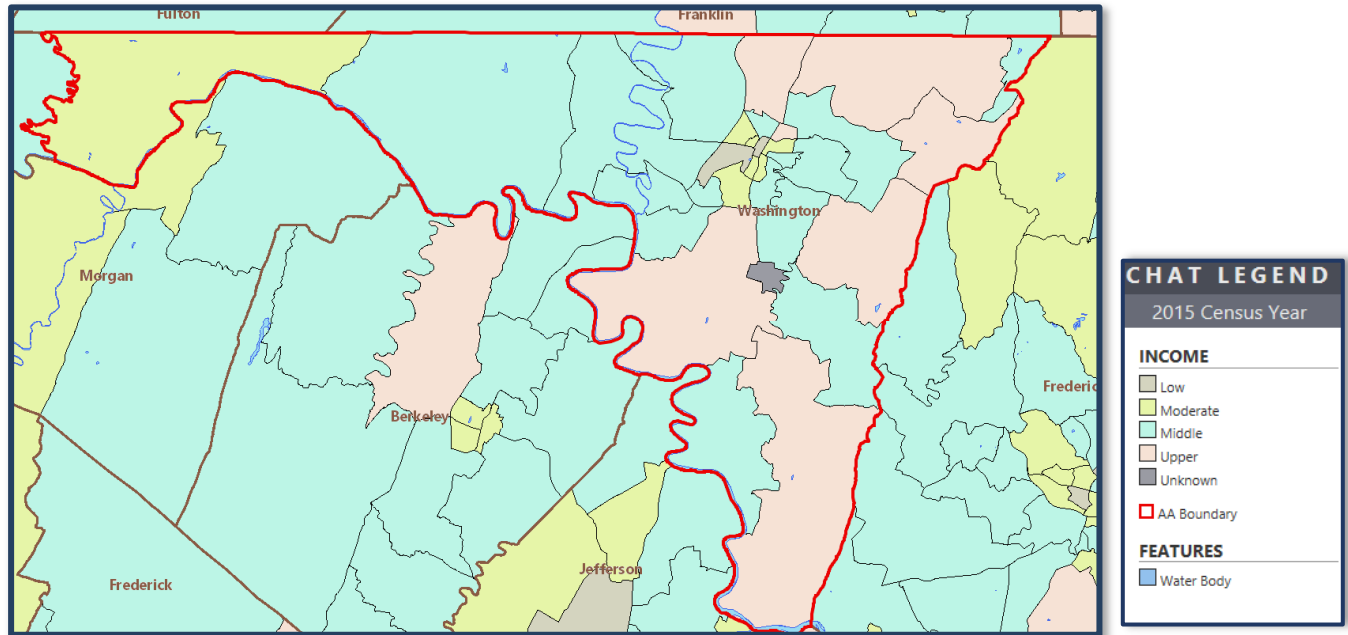
CHAMBERSBURG, PA ASSESSMENT AREA (2015 ACS DATA)



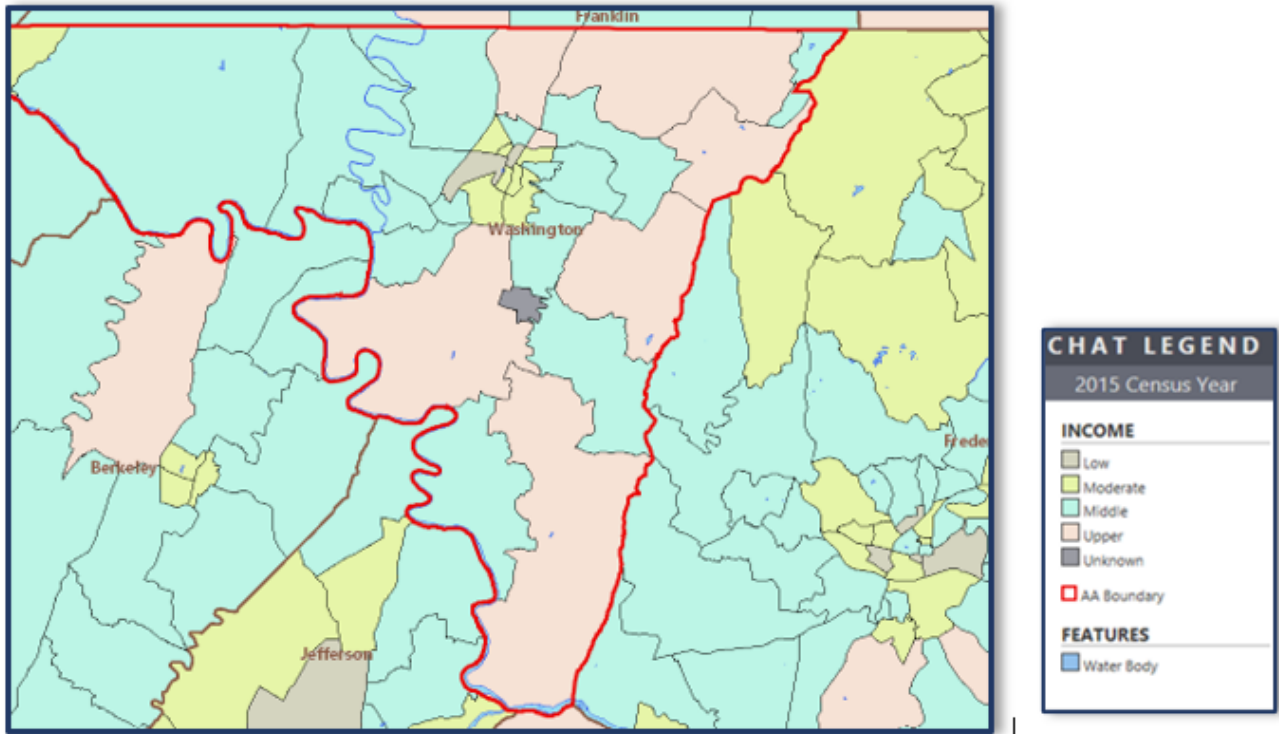
LANCASTER, PA ASSESSMENT AREA (2015 ACS DATA)



HAGERSTOWN, MD ASSESSMENT AREA (2015 ACS DATA)



HAGERSTOWN, MD ASSESSMENT AREA (2018 OMB DATA)



BALTIMORE, MD ASSESSMENT AREA (2015 ACS DATA)

