PUBLIC DISCLOSURE

March 24, 2025

ILLINOIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Eagle Bank
Illinois Institution Identification Number: 28309

1201 West Madison Street
Chicago, Illinois 60607

Illinois Department of Professional Regulation
555 West Monroe Street, 5th Floor Chicago, IL 60661

THIS ILLINOIS COMMUNITY REINVESTMENT ACT (ILCRA) EVALUATION IS AVAILABLE FOR PUBLIC REVIEW AND COMMENT

This evaluation reflects the Secretary's assessment pursuant to Section 35-10(b) of the Illinois Community Reinvestment Act [205 ILCS 735/35-10(b)] of the performance of this bank in helping to meet the financial services needs of its local communities, 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 herein does not represent an analysis, conclusion, or opinion of the Illinois Department of Financial and Professional Regulation Division of Banking concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S ILCRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and AA credit needs.
- The bank made a majority of its small business and home mortgage loans in the AA.
- The distribution of borrowers reflects excellent penetration of loans among businesses of different sizes and individuals of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The institution did not receive any ILCRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

The institution demonstrated excellent responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the AA.

Discriminatory or Other Illegal Credit Practices

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's ILCRA rating.

Assessment Factors

ILCRA examiners reviewed the bank's activities in its AA to the performance standards outlined in 38 Ill. Admin. Code 345.200 and did not find evidence that the bank is not meeting the financial services needs of its local communities. Therefore, the bank's ILCRA rating was not affected.

DESCRIPTION OF INSTITUTION

Background

First Eagle Bank (FEB) is a $591.3 million Illinois state-chartered financial institution and a designated Community Development Financial Institution (CDFI), headquartered in Chicago, Illinois. The bank is a wholly owned subsidiary of First Eagle Bancshares, Inc., a one-bank holding company. FEB has no affiliates. The Federal Reserve Bank of Chicago (FRBC) assigned an "Outstanding" rating at the prior federal Community Reinvestment Act (CRA) evaluation dated February 7, 2022, based on Federal Financial Institutions Examination Council (FFIEC) Interagency Intermediate Small Institution Examination Procedures. There has been no merger or acquisition activity since the prior evaluation.

Operations

FEB operates two full-service offices, including its main office in its AA. The main office is in an upper-income census tract in Cook County. The branch is in a middle-income census tract in DuPage County. The bank has not opened or closed any branches since the prior evaluation. The bank offers a range of traditional loan and deposit products to serve consumer and business customers. Commercial credit products include business lines of credit, construction lending, real estate lending, equipment leasing and lending, and Small Business Administration (SBA) lending including SBA 7(a), SBA Express, Small Lender Advantage, and SBA 504 loans. Consumer lending products include home mortgage loans, home equity loans, and home equity lines of credit. Consumer and commercial deposit services include checking, savings, money market, certificate of deposit accounts, and merchant services for business customers. Additionally, the bank offers Health Savings Accounts and investment services. Alternative banking services offered by the bank include access to automated teller machines (ATMs), internet banking, mobile banking, direct deposit, bill pay, and Zelle.

Ability and Capacity

As of the December 31, 2024, Consolidated Reports of Condition and Income (Call Report), FEB reported approximately $591.3 million in total assets, $399.7 million in total loans, $127.1 million in net securities, and $432.4 million in total deposits. Total assets have decreased approximately $32.1 million or 5.1 percent, and total loans have increased approximately $5.5 million or 1.4 percent since the prior examination. Secured by 1-4 Family Residential Properties loans continues to be the highest loan category. Commercial and Industrial loans have significantly decreased by $21.3 million or 72.0 percent since the last examination, while Construction loans have increased approximately $24.3 million or 41.9 percent since the prior exam. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	**$(000s)**	**%**
Construction and Land Development	82,311	20.6
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	131,524	32.9
Secured by Multifamily (5 or more) Residential Properties	61,598	15.41
Secured by Nonfarm Nonresidential Properties	56,238	14.1
Total Real Estate Loans	**331,671**	**83.8**
Commercial and Industrial Loans	8,298	2.1
Agricultural Production and Other Loans to Farms	0	0.0
Consumer Loans	542	0.1
Obligations of States and Political subdivisions in the U.S.	0	0.0
Other Loans	6,887	1.7
Lease Financing Receivables (net of unearned income)	53,814	13.5
Less: Unearned Income	(1,496)	(0.4)
Total Loans	**399,716**	**100.0**
Source: Report of Condition and Income. Due to rounding, totals may not equal 100.0		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREA

ILCRA requires each financial institution to define one or more AAs within which its ILCRA performance will be evaluated. FEB designated a single AA, composed of parts of two contiguous counties, Cook and DuPage Counties, in the Chicago-Naperville-Elgin IL-IN Metropolitan Statistical Area (Chicago MSA). This AA consists of 932 census tracts. The AA includes contiguous census tracts, conforms to ILCRA regulatory requirements, and does not arbitrarily exclude any LMI geography.

<u>Economic and Demographic Data</u>

Examiners used demographic data from the 2020 American Community Survey (ACS), 2020 U.S. Census data, and 2023, 2024, and 2025 Dun & Bradstreet (D&B) data to analyze the bank's ILCRA performance. According to 2020 U.S. Census data, the AA's census tracts reflect the following income designations:

- 83 low-income census tracts (8.9 percent)
- 179 moderate-income census tracts (19.2 percent)
- 294 middle-income census tracts (31.5 percent)
- 368 upper-income census tracts (39.5 percent)
- 8 census tracts where income data was not available (NA) (0.9 percent)

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	932	8.9	19.2	31.5	39.5	0.9
Population by Geography	3,887,637	7.5	20.0	33.5	38.7	0.4
Housing Units by Geography	1,603,221	6.9	18.3	32.7	41.7	0.5
Owner-Occupied Units by Geography	857,592	3.8	14.5	35.8	45.7	0.2
Occupied Rental Units by Geography	620,283	10.2	23.4	29.6	36.1	0.8
Vacant Units by Geography	125,346	11.3	19.6	26.5	41.9	0.6
Businesses by Geography	562,195	4.0	13.3	29.7	52.4	0.6
Farms by Geography	5,207	3.3	15.0	33.4	48.0	0.3
Family Distribution by Income Level	881,708	22.1	15.6	18.1	44.2	0.0
Household Distribution by Income Level	1,477,875	23.7	14.6	16.6	45.1	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL		$92,622	Median Housing Value			$341,015
			Median Gross Rent			$1,348
			Families Below Poverty Level			7.4%
Source: 2020 ACS, 2025 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

Economic and demographic data from the 2020 ACS and 2025 D&B report provide relevant comparable factors on which examiners base conclusions. According to the 2025 D&B data, 562,195 businesses operated in the AA. The above table shows that only 4.0 percent of the businesses are in low-income census tracts, and 13.3 percent are in moderate-income census tracts. The analysis under the Geographic Distribution criterion compares the distribution of small business loans by geography to the percentage of businesses located in each geography.

17.3 percent of businesses are in LMI tracts. 28.1 percent of tracts are LMI tracts. This contrast highlights both the difficulty and need that financial institutions face in originating small business loans in these geographies.

Similarly, with regard to housing and home mortgage lending, the AA contains 1,603,221 housing units, with 53.5 percent owner-occupied, 38.7 percent rental-occupied, and 7.8 percent vacant based on 2020 U.S. Census Data. While assessing home mortgage loan performance, examiners looked at LMI tracts. There are 179 moderate and 83 low-income tracts, and 28.1 percent of all tracts are LMI. The above table shows 857,592 owner-occupied units in the AA. 3.8 and 14.5 percent of owner-occupied units are in low-and-moderate income tracts, respectively. In addition, LMI families account for 37.7 percent of the AA, with 7.4 percent of all families generating income below the poverty level. These demographics highlight the limited opportunities available within the AA to provide lending in LMI areas and the difficulty low-income borrowers face in qualifying for traditional home mortgage financing. The bank's performance under the geographic distribution criterion was compared to the respective area demographics. For home mortgage lending, the bank's performance was compared to the percentage of owner-occupied units located within geographies by income level. In addition, aggregate lending was compared to the bank's lending. For non-owner-occupied home mortgage lending, the bank's performance was compared to the aggregate and percent of rental units within geographies by income level.

Examiners used the 2023, 2024, and 2025 FFIEC Median Family Income (MFI) Report, which sets forth the criteria by which geographies and families are determined to be low, moderate, middle, and upper income.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Chicago-Naperville-Evanston, IL Median Family Income (16984)				
2023 ($109,800)	<$54,900	$54,900 to <$87,840	$87,840 to <$131,760	≥$131,760
Chicago-Naperville-Schaumburg, IL Median Family Income (16984)				
2024 ($109,800)	<$54,900	$54,900 to <$87,840	$87,840 to <$131,760	≥$131,760
2025 ($109,800)	<$54,900	$54,900 to <$87,840	$87,840 to <$131,760	≥$131,760
Source: FFIEC				

While the analysis of small business loans under the geographic distribution criterion compares loans to percentage of businesses within geographies by income level, the analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GARs). The GARs of businesses operating in the AA in 2023 were as follows:

- 89.9 percent report $1.0 million or less,
- 4.0 percent report greater than $1 million, and
- 6.1 percent did not report revenues to D&B

The top five business sectors are the following. Service industries represent the largest portion of businesses in the AA (32.8 percent); followed by finance, insurance, and real estate (11.5 percent); retail trade (8.6 percent); transportation and communication (5.9 percent); and construction (4.9 percent). Non-classifiable establishments represented 30.1 percent. In addition, 56.2 percent of businesses have four or fewer employees, and 93.0 percent operate from a single location. Despite the strong presence and importance of small businesses, the business community is very diverse, with large concentrations of regional and national businesses, including many Fortune 500 companies.

Chicago, IL, the major city in the AA, is the primary driver of employment. According to Crain's Chicago Business's *The Book: 2024*, the top five employers at the end of 2022 in the broader Chicagoland area in order from one to five are:

- the United States government (52,315)
- the Chicago Public Schools (41,469)
- the City of Chicago (30,216)
- Amazon.com Inc. (28,994)
- Advocate Health (26,841)

According to the article, "*Unemployment is low but rising quickly. Is it reason to worry?*" by Max Zahn, published on September 23, 2024[1], by ABC News, unemployment rates have declined, having recovered from the COVID-19 pandemic. However, the labor market is cooling in response to higher interest rates implemented to stave off inflation. In an about turn, the Federal Reserve lowered interest rates as inflation cooled, and unemployment rates were rising. Overall, the below data shows a recovery from the pandemic, but some stress in the labor markets in 2024. The following table illustrates the unemployment rates by county, state, and the national average.

Unemployment Rates					
	2021 Average	**2022 Average**	**2023 Average**	**2024 Average**	**January to March 2025**
Area	**%**	**%**	**%**	**%**	**%**
Cook County, Illinois	7.0	4.9	4.4	5.4	5.5
DuPage County, Illinois	4.5	3.6	3.4	4.2	4.3
State of Illinois	6.1	4.6	4.5	5.1	4.8
National Average	5.3	3.6	3.6	4.0	4.1
Source: Bureau of Labor Statistics (State and National are seasonally adjusted, and Counties are not seasonally adjusted.)					

Competition

FEB's AA is a highly competitive market for deposits, home mortgage, and small business loans. According to the most recent FDIC Deposit Market Share data, as of June 30, 2024, 141 financial institutions with 993 offices compete in the AA. FEB ranked 49th among these institutions at $425.8 million, maintaining 0.10 percent of the deposit market share. Large national and regional financial institutions, such as J.P. Morgan Chase, operating offices within the AA, hold the majority of the market share. The top five institutions control 55.3 percent of the deposit market share.

According to the 2023 Peer Mortgage Market Share Report, Home Mortgage Disclosure Act (HMDA) aggregate data shows 691 financial institutions reported 61,802 mortgages, totaling $23.7 billion in the AA. FEB ranked 172nd among these institutions at $24.8 million, maintaining a .05 percent of the market share by count. The top five institutions control 27.3 percent of the market share. This data indicates a high level of competition.

FEB is not subject to ILCRA or CRA data collection and reporting requirements. Consequently, examiners used the 2023 Peer Small Business Market Share Report (most recent available data) as a gauge of competition in the AA but not for a comparison to FEB. According to the 2023

[1] Zahn, Max (2024, Sept. 23). Unemployment is low but rising quickly. Is it reason to worry? ABC News. https://abc7chicago.com/unemployment-is-low-but-rising-quickly-is-it-reason-to-worry/15344783/

Small Business Market Share Report, aggregate data shows 231 financial institutions reported 180,087 loans, totaling $6.2 billion in the AA. The top five institutions control 73.8 percent of the market share. This data indicates a high level of competition.

Community Contacts

As part of the examination, recent community contact interviews were conducted, and community contact files were reviewed to help examiners identify and understand the AA's credit and CD needs. The information provided during the interviews helps examiners determine area needs and whether local financial institutions are responsive to these needs.

Examiners reviewed a community contact file, reporting information from an employee of a CDFI operating in the Chicago MSA. This contact cited the following as needs: affordable housing, small business financial literacy, and financing for new and existing small businesses. Examiners also reviewed another Chicago CDFI contact file, which added evidence that affordable housing was a top need. The file also emphasized the importance of his work in providing small business lending, particularly for loans under $100,000. Examiners reviewed a file focused on DuPage County, which stated that workforce housing is necessary, underscoring the demand for affordable housing and the need to support new entrepreneurs through financial literacy and small business loans.

Credit and Community Development Needs and Opportunities

Considering the information from the community contacts, discussions with management, and demographic data, examiners determined that the following are community development needs in order of importance: affordable housing, small business lending, workforce development, and financial literacy. 27.5 percent of the AA’s population is LMI, indicating the need for affordable housing. Only 17.3 percentage of businesses are in LMI areas indicating both need and opportunity for entrepreneurs.

Numerous opportunities exist to engage in community development activities across this diverse AA. The area contains multiple enterprise zones, empowerment zones, and tax increment financing districts designated by the government to incentivize revitalization, stabilization, and economic growth. These incentives attract developers to the area, creating affordable housing and job opportunities for LMI individuals. Furthermore, they stimulate economic growth. Initiatives sponsored by the U.S. Department of Housing and Urban Development, the State of Illinois, and local community organizations support affordable housing and small business lending efforts. Additionally, CDFIs like FEB can collaborate to facilitate community development.

SCOPE OF EVALUATION

General Information

The evaluation encompasses the period from the previous FRBC performance evaluation dated February 7, 2022, to the current ILCRA evaluation conducted by the Illinois Department of

Financial and Professional Regulation (IDFPR), Division of Banking, dated March 24, 2025. Examiners completed a full scope review of the bank's AA. Examiners used the FFIEC Interagency Intermediate Small Institution Examination Procedures to evaluate FEB's ILCRA performance. These procedures include the Lending Test and the Community Development Test. The criteria for these tests are detailed in the Appendices. IDFPR also provides comments regarding the institution's fair lending policies and procedures pursuant to 205 ILCS 735/35-15. Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures. In addition, under Section 345.200 of the implementing rules of ILCRA, assessment factors as described below were considered in the evaluation of FEB's record of ILCRA performance.

Financial institutions must achieve a satisfactory rating under the Lending Test and Community Development Test to obtain an overall Satisfactory rating. Evidence of discrimination and/or a negative evaluation of assessment factors can lower the overall rating.

Activities Reviewed

After a review of FEB's business strategy, loan portfolio composition, and the number and dollar volume of loan originations during the review period, examiners determined the bank's major loan products to be Small Business and Home Mortgage loans. Consumer and Small Farm loans do not represent a significant portion of the loan portfolio. Therefore, these loan products were not reviewed and have no impact on the conclusions. As the bank is not required to report CRA or ILCRA small business loan data, bank records served as the source for small business loan performance. HMDA data was used for Home Mortgages. This data was subdivided between owner-occupied and non-owner-occupied home mortgages. Based on the number and dollar volume of annual originations, small business and non-owner-occupied loans received equal weight, and owner-occupied home mortgages were less influential in arriving at conclusions.

Examiners analyzed the institution's small business and home mortgage loans from January 1, 2023, through December 31, 2023. Examiners verified and reviewed 39 small business loans, totaling $9.7 million in 2023, and 65 home mortgage loans, totaling in $58.4 million in 2024, to evaluate performance under the Lending Test. Since the bank is not a ILCRA or CRA small business loan data reporter, D&B data for the percentage of businesses located in low, moderate, middle, and upper-income tracts, as well as the percentage of businesses with less than $1.0 million in GAR, served as the comparison for small business performance in the geographic distribution and borrower profile, respectively. As the bank is a HMDA data reporter, the bank's performance was compared to aggregate HMDA data in both the borrower profile and geographic distribution home mortgage performance. In addition, examiners compared the demographics, the percentage of owner-occupied homes and occupied rental units in low, moderate, middle, and upper-income tracts and the distribution of owner-occupied home mortgage loans by borrowers of different income levels, for geographic distribution and borrower profile, respectively.

Community development loans, qualified investments, and community development services since the prior CRA evaluation were considered under the Community Development Test.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FEB demonstrated reasonable performance under the Lending Test. The performance under the Assessment Area Concentration, and Geographic Distribution supports the conclusion.

Loan-to-Deposit Ratio

FEB's net LTD is more than reasonable given the institution's size, capacity, and AA credit needs. FEB maintained an average net LTD ratio of 86.4 percent from December 31, 2021, to December 31, 2024, over 13 quarters. The net LTD ratio was steady throughout the evaluation period ranging from a high of 91.9 percent as of September 30, 2024, to a low of 81.8 percent as of September 30, 2022. FEB's average net LTD ratio is greater than the 75.0 percent average of six ratios of similarly-situated institutions (SSIs), as shown in the table below. Examiners identified SSIs based on asset size, areas served, and lending emphasis.

Loan-to-Deposit Ratio Comparison		
Institution	**Total Assets as of 12/31/2024 ($000s)**	**Average Net LTD Ratio (%)**
First Eagle Bank	**591,285**	**86.4**
Similarly-Situated Institution #1	533,563	93.9
Similarly-Situated Institution #2	576,206	53.1
Similarly-Situated Institution #3	515,404	67.0
Similarly-Situated Institution #4	499,294	87.4
Similarly-Situated Institution #5	771,973	70.9
Similarly-Situated Institution #6	861,804	77.5
Source: Reports of Condition and Income 12/31/2021 through 12/31/2024		

Assessment Area Concentration

The bank made a majority of loans and engaged in a majority of other lending-related activities in its AA. This conclusion is reflected, by number and dollar volume, in its home mortgage and small business loans. The following table summarizes loan concentrations inside and outside of the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$(000s)**	**%**	**$(000s)**	**%**	
Small Business										
2023	29	74.4	10	25.6	39	8,726	89.7	1,005	10.3	9,731
Home Mortgage										
2023	44	67.7	21	32.3	65	34,300	58.8	24,062	41.2	58,362
Total	**73**	**70.2**	**31**	**29.8**	**104**	**43,206**	**63.3**	**25,067**	**36.7**	**68,273**

Source: Bank Data
Due to rounding, totals may not equal 100.0
Dollar amounts for Small Business and Home Mortgage loans are multiplied by 1000.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among customers of different income levels and businesses of different sizes. Only lending in the AA was considered in the borrower profile analysis. Examiners focused on performance by number of loans because the number of loans is a better indicator of the number of borrowers served. Performance in owner-occupied home mortgage loans supports this conclusion. Investment property loans were not evaluated in borrower profile as they are not relevant to LMI borrowers.

Owner-Occupied Home Mortgage Loans

The distribution of borrowers reflects excellent penetration among customers of different income levels. FEB's performance with low-income borrowers exceeds the aggregate by five-fold and is greater than the demographic. FEB's performance with moderate-income borrowers exceeds the aggregate and demographic. Examiners applied more weight to the comparison of lending to aggregate data, especially in low-income tracts as it is a better indicator of lending opportunities and demand in an AA. The aggregate is better because the demographic represents all businesses in the area that reported their data to D&B, not only those seeking traditional bank financing. Therefore, the demographic data does not necessarily represent an accurate picture of demand. Therefore, the aggregate has a greater weight, and FEB's performance is excellent. The following table demonstrates the bank's performance.

Distribution of Owner-Occupied Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	$(000s)	%
Low						
2023	22.1	5.7	5	29.4	590	7.0
Moderate						
2023	15.6	19.0	4	23.5	643	7.6
Middle						
2023	18.1	20.8	1	5.9	200	2.4
Upper						
2023	44.2	37.4	6	35.3	5,901	70.0
Not Available						
2023	0.0	17.1	1	5.9	1,100	13.0
Total						
2023	**100.0**	**100.0**	**17**	**100.0**	**8,433**	**100.0**
Source: 2020 ACS; 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Lending

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank's performance in lending to businesses with GARs of $1.0 million or less trailed the demographic. However, the demographic represents all businesses, not just those seeking credit. Moreover, demographic data does not necessarily represent the demand in the market. Many small businesses seek credit through other mechanisms, such as credit cards, home equity loans, or financing through non-bank sources to fund their businesses. While FEB is not required to collect and submit small business data, CRA Small Business aggregate data can provide insights into the opportunities to lend.

In 2023, CRA Small Business aggregate data indicated that 56.3 percent of loans were made to small businesses. The aggregate trails the demographic and demonstrates that there are not as many opportunities as the percentage of businesses would indicate. Therefore, FEB's 58.6 percent of loans were made to small business performance is reasonable. The following table demonstrates the bank's performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Business Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2023	89.9	17	58.6	6,366	73.0
>$1,000,000					
2023	4.0	11	37.9	2,335	26.8
Revenue Not Available					
2023	6.1	1	3.4	25	.3
Total					
2023	**100.0**	**29**	**100.0**	**8,726**	**100**
Source: 2023 D&B Data; 2023 CRA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*					

Geographic Distribution

The geographic distribution of loans reflects reasonable penetration throughout the AA. The reasonable performance in owner-occupied home mortgage lending supports this conclusion. While geographic distribution in small business lending and non-owner-occupied residential lending varied in its penetration, including an excellent and a poor rating, respectively, small business loans and non-owner-occupied residential lending were weighted equally, bringing balance to the scales.

The percent of businesses, owner-occupied housing units, and occupied rental units located in each income tract level and aggregate lending performance within each tract level were considered when drawing conclusions on the bank's performance. (The former is referred to as the demographic.) However, aggregate data is a better indicator of opportunities to lend when available. Therefore, more weight was applied to the bank's performance relative to aggregate performance than the demographic.

Examiners concentrated on lending penetrations in low- and moderate-income census tracts. Additionally, they focused more on performance by number of loans because it is a better indicator of the number of borrowers served. Only lending in the AA was considered in the geographic distribution analysis.

Owner-Occupied Home Mortgage

The geographic distribution of owner-occupied home mortgage loans reflects reasonable dispersion throughout the AA. While FEB's loan total is zero in low-income tracts, FEB's performance in moderate-income tracts exceeds both the aggregate and demographic. This mitigates the low-income tract performance, leading to a reasonable conclusion for owner-occupied home mortgage dispersion. The following table demonstrates FEB's performance.

Geographic Distribution of Owner-Occupied Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	3.8	3.9	--	--	--	--
Moderate						
2023	14.5	13.8	3	17.6	668	7.9
Middle						
2023	35.8	33.9	5	29.4	1,841	21.8
Upper						
2023	45.7	48.1	9	52.9	5,925	70.3
Not Available						
2023	0.2	0.3	--	--	--	--
Total						
2023	**100.0**	**100.0**	**17**	**100.0**	**8,433**	**100.0**
Source: 2020 ACS; 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Non-Owner-Occupied Home Mortgage

The geographic distribution of non-owner-occupied home mortgage loans reflects poor penetration throughout the AA. Performance is measured against the aggregate and the percentage of occupied rental units in each census tract income level throughout the AA. FEB has zero loans in low-income tracts and significantly trails the aggregate and demographic in moderate-income tracts. The following table reflects the bank's performance.

Geographic Distribution of Non-Owner-Occupied Home Mortgage Loans						
Tract Income Level	**% of Occupied Rental Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	10.2	9.4	--	--	--	--
Moderate						
2023	23.4	22.2	2	7.4	1,138	4.4
Middle						
2023	29.6	31.2	3	11.1	3,267	12.6
Upper						
2023	36.1	36.7	21	75.0	20,780	80.3
Not Available						
2023	0.8	0.4	1	3.7	682	2.6
Total						
2023	**100.0**	**100.0**	**27**	**100.0**	**25,867**	**100.0**
Source: 2020 ACS; 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business

The geographic distribution of small business loans reflects excellent dispersion throughout the AA. Performance is measured against the percentage of businesses in each census tract income level throughout the AA. FEB's small business performance exceeds the demographic in both low-income and moderate-income census tracts. While FEB is not required to collect and submit CRA or ILCRA small business data, and therefore, direct comparisons to ILCRA or CRA aggregate data are generally not performed. However, aggregate data can provide insights into the opportunities to lend. Aggregate CRA small business data revealed that reporting lenders made 3.8 and 14.1 percent of loans in low-income and moderate-income census tracts in 2023. These are consistent with the demographic, indicating excellent performance. The following table illustrates the bank's performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2023	4.2	5	17.2	440	5.0
Moderate					
2023	13.2	6	20.7	1,772	20.3
Middle					
2023	29.3	3	10.3	1,100	12.6
Upper					
2023	52.6	15	51.7	5,414	62.0
Not Available					
2023	0.6	0	0.0	0	0.0
Total					
2023	**100.0**	**29**	**100.0**	**8,726**	**100.0**
Source: 2023 D&B Data; Bank Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*					

Response to Complaints

The bank did not receive any CRA or ILCRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

FEB demonstrated excellent responsiveness to the community development needs of its AA through community development loans, qualified investments, and community development services. The scope of the community development review encompasses the interval since the bank's previous FDIC CRA evaluation dated February 7, 2022, to March 24, 2025. Examiners considered the institution's capacity to participate in such activities, as well as the availability of community development opportunities and the performance of the bank compared to its prior evaluation and SSIs.

Community Development Loans

During the evaluation period, the bank made 74 community development loans totaling approximately $44.0 million in the AA over 38 months. The majority of the community development loans by number, were affordable housing, the top need identified by community contacts. These loans are responsive to the needs of the community and broader regional and statewide area. In this review period, community development loans were 11.7 percent of average net loans and 7.6 percent of average assets or 0.31 percent and 0.20 percent per month, respectively.

Performance was compared to the SSIs. The five SSIs averaged 11.6 percent of average loans or 0.37 percent per month and ranged from 6.0 percent to 23.6 percent for percent of average net loans or 0.17 to 0.76 percent per month. In addition, the five SSIs averaged 7.0 percent of average total assets or 0.22 percent per month and ranged from 3.7 percent to 11.2 percent or 0.10 percent per month to 0.36 percent per month.

FEB made an additional 52 community development loans, totaling $32.5 million outside of the AA but within the broader regional area or within the state. This activity was considered as FEB did its part to meet the AA's needs, and the additional loans helped bring FEB's rating to its excellent conclusion. The following table provides additional information regarding community development lending.

Community Development Lending

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
2/7/2022 – 12/31/2022*	16	5,286	1	249	2	325	6	9,488	**25**	**15,348**
2023	7	3,417	2	1,277	3	616	7	4,690	**19**	**10,001**
2024	13	6,870	6	1,485	4	2,513	6	7,635	**29**	**18,503**
Year-to-Date (YTD) 2025	0	0	0	0	0	0	1	100	**1**	**100**
Subtotal	**36**	**15,573**	**9**	**3,012**	**9**	**3,455**	**20**	**21,913**	**74**	**43,952**
Statewide/ Regional Activity	24	19,739	15	4,174	4	4,077	9	4,471	52	32,462
Total	**60**	**35,312**	**24**	**7,186**	**13**	**7,532**	**29**	**26,384**	**126**	**76,414**

Source: Bank Records
** Only community development loans conducted after the previous FDIC PE were reviewed.*

Notable examples of the bank's CD loans include:

- $3.0 million lent to Revitalize and Stabilize by rehabbing an industrial area.
- $2.0 million lent to a CDFI specializing in multi-family rehabs.
- $3.9 million lent to develop housing and attract new residents to low-income tracts.

Qualified Investments

FEB made 106 donations, totaling $279 thousand and 9 investments, totaling $5.0 million over 38 months. In this review period, the bank's qualified investment was 0.9 percent of average assets or 0.024 percent per month and 3.5 percent of average net securities or 0.1 percent per month. Performance was also compared to the SSIs. The five SSIs averaged 4.5 percent of average net securities or 0.14 percent per month and ranged from 0.2 percent to 11.5 percent or 0.01 percent per month to 0.33 percent per month. The five SSIs averaged 0.7 percent of average assets or 0.022 percent per month and ranged from 0.02 percent to 1.7 percent or 0.001 percent per month to 0.047 percent per month.

FEB also made 15 investments or grants, totaling $583 thousand in the statewide or regional area. These were considered as FEB did its part to meet the AA's need. The following table provides additional details regarding the bank's investment and donation activity.

Community Development Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	4	3,034	0	0	1	112	0	0	**5**	**3,146**
2/7/2022 – 12/31/2022*	0	0	0	0	1	66	0	0	**1**	**66**
2023	1	1,245	0	0	1	245	0	0	**2**	**1,490**
2024	0	0	0	0	1	300	0	0	**1**	**300**
Year-to-Date (YTD) 2025	0	0	0	0	0	0	0	0	**0**	**0**
Subtotal	5	4,279	0	0	4	723	0	0	**9**	**5,002**
Grants & Donations	40	109	51	89	11	69	4	12	**106**	**279**
Statewide/Regional	6	86	7	6	2	490	0	0	**15**	**583**
Total	51	4,474	58	95	17	1,282	4	12	**130**	**5,864**
Source: Bank Records										

Notable examples of the bank's CD investments include:

- $1.3 million invested in a Federal Home Loan Mortgage Corporation loan pool.
- Multiple investments in Federal National Mortgage Association loan pools exceeding $1.0 million.
- $10,000 donation to Chicago Community Loan Fund.

<u>Community Development Services</u>

During the 38-month evaluation period, the bank completed forty instances or 1.1 instances per month of community development services. The bank also completed eight community development services in the statewide or regional area. Performance was compared to the SSIs. The five SSIs averaged 23.6 instances or 0.8 instances per month and ranged from 1 to 64 instances or 0.03 to 2.1 instances per month. The following table provides additional details regarding the bank's community development services

Community Development Services					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	**#**
2/7/2022 – 12/31/2022 *	5	5	1	0	**11**
2023	8	7	2	0	**17**
2024	7	3	2	0	**12**
Subtotal	**20**	**15**	**5**	**0**	**40**
Statewide/Regional Activity	1	4	0	3	**8**
Total	**21**	**19**	**5**	**3**	**48**
Source: Bank Data, ** Only community development services conducted after the previous FDIC PE were reviewed.*					

Notable examples of the bank's CD services include:

- Senior Officer serves on board of a CDFI specializing in multifamily rehab developments.
- Senior Officer assists low- and moderate-income residents to apply for Federal Home Loan Bank of Chicago grants.
- Bank Officer instructs residents on financial literacy.

FAIR LENDING, DISCRIMINATORY, OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The IDFPR Division of Banking provides comments regarding the institution's fair lending policies and procedures pursuant to 205 ILCS 735/35-5. Examiners conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council Interagency Fair Lending Examination Procedures. Based on an application of these procedures, examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, the results did not affect the institution's overall ILCRA rating.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1. The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;

2. The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);

3. The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;

4. The geographic distribution of the bank's loans; and

5. The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1. The number and amount of community development loans;

2. The number and amount of qualified investments;

3. The extent to which the bank provides community development services; and

4. The bank's responsiveness through such activities to community development lending, investment, and service needs.

ASSESSMENT FACTORS
(38 Ill. Admin. Code 345.200)

As used in this Part, "assessment factors" means the assessment of the following factors to determine whether a bank is meeting the financial services needs of local communities:

a) activities to ascertain the financial services needs of the community, including communication with community members regarding the financial services provided;

b) extent of marketing to make members of the community aware of the financial services offered;

c) origination of mortgage loans including, but not limited to, home improvement and rehabilitation loans, and other efforts to assist existing low-income and moderate-income resident to be able to remain in affordable housing in their neighborhoods;

d) for small business lenders, the origination of loans to businesses with gross annual revenues of $1,000,000.00 or less, particularly those in low-income and moderate-income neighborhoods;

e) participation, including investments, in community development and redevelopment programs, small business technical assistance programs, minority-owned depository institutions, community development financial institutions, and mutually owned financial institutions;

f) efforts working with delinquent customers to facilitate a resolution of the delinquency;

g) origination of loans that show an under concentration and a systemic pattern of lending resulting in the loss of affordable housing units;

h) evidence of discriminatory and prohibited practices; and

i) offering retail banking services to unbanked and underbanked persons.

GLOSSARY

Affiliate: This means any company that controls, is controlled by, or is under common control with another company. The term "control" has the meaning given to that term in 12 U.S.C. 1841(a)(2), and a company is under common control with another company if both companies are directly or indirectly controlled by the same company.

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

Alternative financial products or services: This means financial products or services offered by persons other than an insured depository institution at a higher cost than comparable services offered by an insured depository institution**.**

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five-year estimates based on population thresholds.

Area Median Income: This means the median family income for the Metropolitan Statistical Area (MSA), if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: This means a geographic area delineated in accordance with Section 345.400.

Bank: This means a bank that has a charter issued under the Illinois Banking Act [205 ILCS 5], a savings bank that has a charter issued under the Savings Bank Act [205 ILCS 205], and an FDIC-insured banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645].

Branch: This means a staffed banking facility defined as a branch under Section 2 of the Illinois Banking Act [205 ILCS 5/2] or Section 1007.20 of the Illinois Savings Bank Act [205 ILCS 205/1007.20], and a branch of a banking office of a foreign banking corporation issued a certificate of authority under the Foreign Banking Office Act [205 ILCS 645], whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: This means affordable housing (including multifamily rental housing) for low- or moderate-income individuals. It includes community services targeted to low- or moderate-income individuals. It includes 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. It includes activities that revitalize or stabilize low-or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and Office of the Comptroller of the Currency. This designation is based on: Rates of poverty, unemployment, and population loss; or Population size, density, and dispersion. Activities that revitalize and stabilize geographies are designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or Unbanked or underbanked geographies; and Activities targeted to directly and tangibly: Increase climate resilience in low-income to moderate-income neighborhoods; or Mitigate environmental harm in low-income to moderate-income neighborhoods.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors or by other means;
- Not constituting an agency or instrumentality of the United States, of any state

or political subdivision of a state.

Community Development Loan: A loan that:
(1) Has as its primary purpose community development; and
(2) Except in the case of a wholesale or limited-purpose bank:
(i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan unless the loan is for a multifamily dwelling (as defined in 12 CFR 1003.2(n)); and
(ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:
(1) Has as its primary purpose community development;
(2) Is related to the provision of financial services; and
(3) Has not been considered in the evaluation of the bank's retail banking services under Section 345.240(d).

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 loan, which is a consumer loan extended for the purchase of and secured by a motor vehicle; credit card loan, which is a line of credit for household, family, or other personal expenditures that is accessed by a borrower's use of a "credit card," as this term is defined in 12 CFR 1026.2; other secured consumer loan, which is a secured consumer loan that is not included in one of the other categories of consumer loans; and other unsecured consumer loan, which is an unsecured consumer loan that is not included in one of the other categories of consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Department: This means the Illinois Department of Financial and Professional Regulation

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:
(1) An unemployment rate of at least 1.5 times the national average;
(2) A poverty rate of 20 percent or more; or
(3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FDIC: This means the Federal Deposit Insurance Corporation.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 income of applicants, the amount of loan requested, and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loan: This means a closed-end mortgage loan or an open-end line of credit as these terms are defined under Section 1003.2 and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (10) and (13).

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Income level includes:

> **Low-income**: This means an individual income that is less than 50 percent of the area median income or a median family income that is less than 50 percent in the case of a geography.

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

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

Upper-income: This means an individual income that is 120 percent or more of the area median income or a median family income that is 120 percent or more in the case of a geography.

Limited purpose bank: This means a bank that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose bank is in effect, in accordance with Section 345.250(b).

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Loan Location: This means a loan is located as follows:

A consumer loan is located in the geography where the borrower resides;

A home mortgage loan is located in the geography where the property to which the loan relates is located; and

A small business or small farm loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.

Loan production office: This means a staffed facility of a bank, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Low-Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and the other having incomes below the median.

Metropolitan Division (MD): This means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

Metropolitan Statistical Area (MSA): This means a metropolitan statistical area as defined by the United States Director of the Office of Management and Budget.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** This means any area that is not located in an MSA.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Remote Service Facility (RSF): This means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, such as an automated teller machine, cash dispensing machine, point-of-sale terminal, or other remote electronic facility, at which deposits are received, cash dispersed, or money lent.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Bank: This means a bank that is a small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act and an intermediate small bank means a bank that is an intermediate small bank under federal administrative rules established by the bank's primary federal financial supervisory agency pursuant to the federal Community Reinvestment Act.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms.

Small business loan: This means a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Federal Financial Institution Examination Council (FFIEC) 031 and 041).

Small farm loan: This means a loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (FFIEC 031 and 041).

Special credit program: This means any credit program offered by a bank to meet special social needs which is in conformity with and explicitly authorized by the Equal Credit Opportunity Act (15 U.S.C. 1691(c)) and Regulation B (12 C.F.R. 1002.8).

Substantial majority: This means a portion of the bank's lending activity so significant by number and dollar volume of loans that the lending test evaluation would not meaningfully reflect its lending performance if consumer loans were excluded.

Unbanked person: This means an individual that does not have a checking or savings account with an insured depository institution.

Underbanked person: This means an individual that has a checking or saving account with an insured depository institution but that used financial products or services from a person other than an insured depository institution in the past 12 months.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Very Small Bank: This means a bank that is eligible for the Very Small Bank Examination Procedure set forth in Section 345.450(b).

Wholesale bank: This means a bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with Section 345.250(b).