



PUBLIC DISCLOSURE

November 17, 2025

ILLINOIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Grundy Bank

Illinois Institution Identification Number: 17866

201 Liberty Street
Morris, Illinois 60450

Illinois Department of Financial and Professional Regulation
555 W Monroe Street, 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 **Satisfactory**.

An institution in this group has an adequate 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 reasonable given the institution's size, financial condition, and AA credit needs.
- The bank made a majority of its mortgage loans and small business loans in the AA.
- The distribution of borrowers reflects reasonable penetration of loans among mortgages and 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.

Discriminatory or Other Illegal Credit Practices

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, these factors 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

Grundy Bank is a \$412.5 million full-service state-chartered community bank headquartered in Morris, Illinois. Grundy Bank is a wholly owned subsidiary of Illinois Valley Bancorp, Inc., a one-bank holding company also located in Morris. The Federal Reserve Bank of Chicago (FRB) assigned a “Satisfactory” rating at the prior Community Reinvestment Act (CRA) evaluation on October 25, 2021, which was conducted under the Federal Financial Institutions Examination Council (FFIEC) Interagency Small Institution Examination Procedures. There has been no merger or acquisition activity since the prior evaluation.

Operations

Grundy Bank operates three offices serving Grundy and Will Counties. The main office is located at 201 Liberty Street in downtown Morris within an upper-income census tract, and it provides full-service banking and includes a full-service automated teller machine (ATM). The drive-up facility down the street is an extension of the main branch.

Two additional full-service branches operate in middle-income census tracts. The Bedford branch offers lobby services and a full-service ATM. The Wilmington branch provides a full range of retail and commercial banking services and includes a full-service ATM. Since the prior evaluation, Grundy Bank has not opened or closed any branches.

Grundy Bank offers a comprehensive suite of personal and business banking products. Personal banking services include checking, savings, money market accounts, certificates of deposit, debit cards, credit cards, consumer loans, and residential mortgage loans. Customers have access to online and mobile banking services, allowing remote account access, bill payment, and mobile deposit functionality. Business banking services include commercial checking and savings accounts, commercial and industrial lending, and business credit and debit cards. The bank also offers treasury-management services, including Positive Pay, designed to help commercial customers mitigate check fraud risk.

Grundy Bank participates in both the IntraFi Cash Service (ICS) and Certificate of Deposit Account Registry Service (CDARS) networks. Through these programs, customers can obtain full FDIC insurance on large deposit balances while keeping their funds local, which enhances the bank’s ability to support lending opportunities in its communities. Residential real estate lending remains the institution’s primary business focus, supplemented by commercial real estate, commercial and industrial lending, and agricultural lending.

Ability and Capacity

According to the September 30, 2025, Consolidated Report of Condition and Income (Call Report), Grundy Bank reported total assets of \$412.5 million, total loans of \$269.3 million, total deposits of \$360.6 million, and net securities of \$45.1 million. Total assets increased from \$345 million at the prior evaluation to \$412.5 million, representing growth of \$67.5 million, or 19.6 percent. Total loans increased from \$248 million to \$269.3 million, reflecting growth of \$21.3 million, or 8.6 percent. Total deposits increased from \$305 million to \$360.6 million, an increase of \$55.6 million, or 18.2 percent. The securities portfolio also expanded, increasing from \$32 million to \$45.1 million, or 40.9 percent.

Residential real estate loans represent the largest segment of the loan portfolio. As of September 30, 2025, loans secured by 1–4 family residential properties comprised 33.8 percent of total loans. Non-farm non-residential real estate loans accounted for 19.6 percent, and construction and land development loans accounted for 13.3 percent. The following table summarizes the bank’s loan portfolio composition:

Loan Portfolio Distribution as of 9/30/2025

Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	35,771	13.3%
Secured by Farmland	23,646	8.8%
Secured by 1-4 Family Residential Properties	91,059	33.8%
Secured by Multi-family (5 or more) Residential Properties	8,864	3.3%
Secured by Nonfarm Nonresidential Properties	52,689	19.6%
Total Real Estate Loans	212,029	78.7%
Commercial and Industrial Loans	31,178	11.6%
Agricultural Production and Other Loans to Farms	19,523	7.3%
Consumer Loans	1,878	0.7%
Obligations of States and Political subdivisions in the U.S.	4,411	1.6%
Other Loans	59	0.0%
Lease Financing Receivables (net of unearned income)	291	0.1%
Less: Unearned Income		0.0%
Total Loans	269,369	100.0%

Source: Reports of Condition and Income

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

The ILCRA requires each financial institution to define one or more AAs within which its ILCRA performance will be evaluated. Grundy Bank’s assessment area includes the entirety of Grundy County and 12 of 172 census tracts in Will County. The assessment area consists of three moderate-income census tracts, 17 middle-income census tracts, one upper-income census tract, and one unknown-income census tract (comprised entirely of the Abraham Lincoln National Cemetery). The AA does not include low-income census tracts. The AA includes contiguous census tracts, conforms to ILCRA regulatory requirements, and does not arbitrarily exclude any moderate-income geography.

Economic and Demographic Data

Examiners used demographic data from the 2020 American Community Survey (ACS) and 2024 Dun & Bradstreet (D&B) data to analyze the bank’s ILCRA performance. 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)	22	0.0	13.6	77.3	4.5	4.5
Population by Geography	84,984	0.0	8.4	87.0	4.6	0.0
Housing Units by Geography	34,698	0.0	11.3	85.2	3.5	0.0
Owner-Occupied Units by Geography	24,750	0.0	9.3	86.1	4.6	0.0
Occupied Rental Units by Geography	7,666	0.0	12.4	86.9	0.6	0.0
Vacant Units by Geography	2,282	0.0	28.7	70.2	1.1	0.0
Businesses by Geography	6,672	0.0	8.3	88.5	3.1	0.1
Farms by Geography	401	0.0	5.2	91.5	3.0	0.2
Family Distribution by Income Level	23,095	19.6	19.0	23.4	38.0	0.0
Household Distribution by Income Level	32,416	20.3	15.8	20.5	43.5	0.0

Demographic Characteristics	Low % of #	MSA Characteristics	Value
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL	\$92,622	Median Housing Value	\$201,261
		Median Gross Rent	\$999
Families Below Poverty Level			5.5%

Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; () The NA category consists of geographies that have not been assigned an income classification.*

The AA has 34,698 housing units including 24,750 owner-occupied units (71.3 percent), 7,666 occupied-rental units (22.0 percent), and 2,282 vacant units (6.6 percent). In assessing the bank's performance with home mortgage loans, the geographic distribution test compares the home mortgage loans to the percentage of owner-occupied housing units located within the geographies by income. The bank's lending performance was compared to the aggregate lending.

Examiners used the 2023 and 2024 FFIEC Median Family Income (MFI) Report, which sets forth the criteria by which the borrower profile categories are analyzed. The FFIEC MFI data follows.

Median Family Income Ranges

Chicago-Naperville-Evanston, IL Median Family Income (16984)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
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)

Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2024 (\$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 revenue (GAR). The GAR of businesses operating in the AA in 2024 were as follows:

- 86.6 percent report \$1.0 million or less,
- 3.2 percent report greater than \$1 million, and
- 10.1 percent did not report revenues to D&B

The percentages of employment by sector in Grundy County are retail (21.6 percent), educational services (12.1 percent), health care and social assistance (11.7 percent), and transportation and warehousing (9.2 percent), according to data from Illinois Department of Employment Security. According to data from 2024 D&B, 90.3 percent of businesses in the AA operate from single locations and 62.2 percent have four or less employees. Data shows the limited presence of local establishments, employment is driven mainly by retail services, educational services and health care sectors; this demonstrates that small businesses are an important part of this AA's economy.

According to the Bureau of Labor Statistics, the unemployment rate in the AA is similar to that of the state and national rate as of August 2025. The unemployment rate increased throughout the nation in 2024; however, this year it has returned to the average rate of 2023. The following table illustrates the unemployment rates by county, state, and the national average.

Unemployment Rates			
	2023 Average	2024 Average	August 2025
Area	%	%	%
Grundy County, Illinois	4.3	5.3	4.1
Will County, Illinois	4.2	5.1	4.4
State of Illinois	4.5	5.0	4.4
National Average	3.6	4.0	4.3

Source: Bureau of Labor Statistics (State and National are seasonally adjusted, and Counties are not seasonally adjusted.)

Competition

Grundy Bank's AA reflects a highly competitive market for deposit and loans. According to the FDIC Deposit Market Share Report as of June 30, 2024, there were 37 financial institutions with 179 offices operating in the AA. Grundy Bank ranked 11th at \$419.9 million, maintaining 1.7 percent of the deposit market share. The top five financial institutions control 71 percent of deposits.

Grundy banked ranked 3rd at \$33.5 million, with 4.0 percent of the home mortgage lending market share in the AA. Guarantee Rate, a mortgage broker, and U.S. Bank have higher lending market share with 7.4 percent and 4.8 percent, respectively.

Although the bank is not required to collect or report small business loan data, aggregate data provides insight into the level of small business lending demand within the AA. The 2024 aggregate data reflects that 128 reporting lenders originated 19,339 small business loans in the AA, indicating a highly competitive market for these types of loans.

Community Contacts

As part of the evaluation process, examiners contact third parties active within the AA to assist in identifying credit needs and opportunities within the AA. This information helps assess whether local financial institutions are responsive to those needs.

Examiners reviewed two recent community contacts with non-profit organizations focusing on small business and economic development organization within the bank's AA. The first contact was conducted with a countywide economic development organization serving Grundy County. The organization works with employers, local governments, educational partners, and industry stakeholders to promote business retention, workforce development, and commercial and industrial expansion. The contact described the county as experiencing growth driven by manufacturing, logistics, energy, and commercial development. Key credit needs include

financing for family-owned small businesses, small farms, and new housing and commercial development. The interviewee noted that while several banks participate in local economic development initiatives and training programs, financial institutions could be more engaged and adaptable in supporting smaller and emerging businesses. The contact also highlighted growing needs among minority-owned businesses, including language support, technical assistance, and child-care access to facilitate workforce participation.

The second contact was conducted with a regional economic and workforce development organization serving Will County. The organization supports industrial development, business retention, and infrastructure planning, in addition to coordinating workforce programs and partnerships. The contact stated Will County continues to experience significant economic expansion, with strong job growth and substantial private investment in logistics, manufacturing, healthcare, hospitality, and multifamily housing. Several ongoing development projects provide employment opportunities that may benefit LMI individuals.

Credit Needs and Opportunities

Considering the information from the community contacts, discussions with management, and demographic data, examiners determined that the key credit needs included affordable housing, financing for small businesses, and other needs like revitalization of older industrial and unincorporated areas.

Affordable housing remains a significant need across the AA. Higher interest rates, elevated development costs, and zoning constraints continue to limit the availability of affordable rental and owner-occupied housing. Opportunities for bank participation include investments in Low-Income Housing Tax Credits, participation in down-payment assistance initiatives, and collaboration with local housing and community development organizations.

Small businesses face persistent barriers to obtaining start-up and working-capital financing. Limited collateral, and the small size of typical loan requests make traditional credit less accessible. Partnerships with mission-driven lenders present opportunities for financial institutions to support microloans, revenue-based products, financial education, and technical assistance programs that serve underserved entrepreneurs.

There are opportunities for community development designated by federal, state, and local government. These opportunities have created incentives for revitalization, stabilization, and affordable housing. The U.S. Department of Housing and Urban Development, State of Illinois and local community groups promote and sponsor programs to assist with affordable housing and small business lending.

SCOPE OF EVALUATION

General Information

The evaluation encompasses the period from the previous FRB performance evaluation dated October 25, 2021, to the current ILCRA evaluation conducted by the Illinois Department of Financial and Professional Regulation (IDFPR), Division of Banking, dated November 17, 2025. Examiners completed a full scope review of the bank's AA. Examiners used the FFIEC Interagency Small Institution Examination Procedures to evaluate Grundy Bank's ILCRA performance. These procedures include the Lending Test. The criteria for this test 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, the implementing rules of ILCRA assessment factors as described on page 16 below were considered in the evaluation of Grundy Bank's record of ILCRA performance.

Financial institutions must achieve a satisfactory rating under the Lending Test to obtain an overall satisfactory rating. However, evidence of discrimination and/or a negative evaluation of assessment factors can lower the overall ILCRA rating.

Activities Reviewed

Examiners reviewed Grundy Bank's business strategy, loan portfolio composition, and the number and dollar volume of loan originations during the review period and determined the bank's major loan products to be home mortgage loans, and small business loans. Grundy Bank made very few small farm and consumer loans during the review period. These loans were not a significant portion of the loan portfolio; therefore, they were not reviewed and did not affect the conclusions.

Examiners analyzed the institution's home mortgage loans originated and purchased from January 1, 2023, through December 31, 2024. Examiners also reviewed small business loans originated and purchased from January 1, 2024, to December 31, 2024. The bank originated and purchased 250 home mortgage loans, totaling \$46.0 million in 2023 and 231 mortgage loans, totaling \$46.3 million in 2024. In 2024, the bank originated and purchased 89 small business loans, totaling \$14.0 million. Given the larger volume of home mortgage loans as compared to small business loans, home mortgage lending performance received significantly more weight when drawing conclusions.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Grundy Bank demonstrated satisfactory performance under the Lending Test. Overall, the performance in the Loan-to-Deposit Ratio, AA Concentration, and Borrower Profile support this performance.

Loan-to-Deposit Ratio

Grundy Bank's LTD is reasonable given the institution's size, capacity, and AA credit needs. Grundy Bank maintained an average LTD ratio of 65.9 percent from September 30, 2021, to September 30, 2025, over 17 quarters. The LTD ratio has increased over the review period and ranged from a low of 49.2 percent as of September 30, 2021, to a high of 81.3 percent as of December 31, 2024. Grundy Bank's average LTD ratio is consistent with the ratios of similarly-situated institutions (SSIs), as shown in the table below. Examiners identified SSIs based on asset size, areas served, and similar loan concentrations.

Loan-to-Deposit Ratio Comparison

Institution	Total Assets as of 9/30/2025 (\$000s)	Average Net LTD Ratio (%)
Grundy Bank	412,515	65.9
Similarly-Situated Institution #1	513,825	69.2
Similarly-Situated Institution #2	276,940	56.6
Similarly-Situated Institution #3	262, 358	84.5
Similarly-Situated Institution #4	205,436	52.2

Source: Reports of Condition and Income 9/30/2021 through 9/30/2025

Assessment Area Concentration

The bank made a majority of its home mortgage loans and small business loans in its AA. The following table summarizes loan concentrations inside and outside of the AA.

Lending Inside and Outside of the Assessment Area (AA)

Home Mortgage

Year	Inside # of Loans	Inside % of Loans	Outside # of Loans	Outside % of Loans	Total #	Inside Dollar Amount \$(000s)	Inside Dollar Amount %	Outside Dollar Amount \$(000s)	Outside Dollar Amount %	Total
2023	163	65.2	87	34.8	250	27,225	59.1	18,845	40.9	46,070
2024	140	60.6	91	39.4	231	25,590	55.2	20,745	44.8	46,335
Subtotal	303	63.0	178	37.0	481	52,815	57.2	39,590	42.8	92,405

Small Business

Year	Inside # of Loans	Inside % of Loans	Outside # of Loans	Outside % of Loans	Total #	Inside Dollar Amount \$(000s)	Inside Dollar Amount %	Outside Dollar Amount \$(000s)	Outside Dollar Amount %	Total
2024	52	58.4	37	41.6	89	5,550	39.5	8,495	60.5	14,045
Subtotal	52	58.4	37	41.6	89	5,550	39.5	8,495	60.5	14,045
Total	355	60.7	215	39.3	570	58,365	48.4	48,085	51.6	110,061

Source: Bank Data Due to rounding, totals may not equal 100.0

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different incomes levels and reasonable levels of lending to businesses of different sizes within the bank's AA. Only lending in the AA was considered in the borrower profile analysis. Examiners focused on performance by number of loans as the number of loans is a better indicator of the number of borrowers served in the AA. The bank's performance under home mortgage loans and small business loans supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different incomes, including low-and moderate-income borrowers. In assessing Grundy Bank's home mortgage lending performance, more weight is applied to comparisons of aggregate data than the demographic data as aggregate data is a better indicator of demand of borrower demand for home mortgage financing. This performance supports the reasonable conclusion. The table below provides details.

Distribution of Home Mortgage Loans by Borrower Income Level

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	19.6	11.3	23	14.1	2,195	8.1
2024	19.6	8.8	20	14.3	2,240	8.8
Moderate						
2023	19.0	27.6	47	28.8	6,285	23.1
2024	19.0	26.5	32	22.9	5,420	21.2
Middle						
2023	23.4	26.6	34	20.9	6,210	22.8
2024	23.4	26.1	34	24.3	5,920	23.1
Upper						
2023	38.0	21.8	51	31.3	10,225	37.6
2024	38.0	22.5	50	35.7	10,280	40.2
Not Available						
2023	0.0	12.8	8	4.9	2,310	8.5
2024	0.0	16.1	4	2.9	1,730	6.8
Total						
2023	100.0	100.0	163	100.0	27,225	100.0
2024	100.0	100.0	140	100.0	25,590	100.0

Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Small Business

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1.0 million or less. Performance is measured against the percentage of businesses with the demographic. The bank's performance in lending to small businesses is slightly lower than the demographic; however, demographic data represents all businesses and may not reflect whether small businesses are seeking traditional bank financing. Small businesses seek credit through other mechanisms, such as credit cards, home equity loans, or financing through non-bank sources to fund their operations.

Distribution of Small Business Loans by Gross Annual Revenue

Business Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2024	86.8	42	80.8	3,474	62.6
>\$1,000,000					
2024	3.1	10	19.2	2,076	37.4
Revenue Not Available					
2024	10.1	0	0.0	0.0	0.0
Total					
2024	100.0	52	100.0	5,550	100.0

Source: 2023 & 2024 D&B Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Geographic Distribution

A review of the geographic distribution of loans reflects reasonable dispersion throughout the AA considering the demographics, aggregate data, lending opportunities, and location of the institution. The reasonable penetration of home mortgages supports this conclusion. Given the absence of low-income census tracts in the AA, the assessment centered on lending patterns in the moderate-income tracts as loan volume in these areas offer a more accurate measure of the borrowers served. Only loans originating in the assessment area were considered in the analysis.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion in moderate-income census tracts in the AA. Performance is measured against the percentage of owner-occupied housing units and aggregate data in the AA. Examiners focused on the comparison to aggregate data as it better reflects the demand and opportunities for originating home mortgage loans in the AA.

There are no low-income census tracts in the bank's AA. In moderate-income census tracts, the bank's performance of 13.5 percent exceeded the aggregate performance of 8.7 percent in 2023. In 2024 the bank's performance decreased slightly but remained comparable to the aggregate. Given the limited lending opportunities in moderate-income census tracts in the AA, the geographic distribution is reasonable as more than 80 percent of the census tracts are middle-income. The bank's performance is summarized in the table below.

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion in moderate-income census tracts in the AA. Grundy Bank originated only one small business loan of \$20.2 thousand in a moderate-income census tract within the AA. These moderate-income tracts are in rural areas and include a large power plant and nature preserves reducing the potential lending activity. Therefore, this criterion for small business loans was given less weight when drawing the overall geographic distribution performance conclusion. The following table summarizes the bank's small business performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
Moderate						
2023	9.3	8.7	22	13.5	2,990	11.0
2024	9.3	10.0	13	9.3	1,515	5.9
Middle						
2023	86.1	87.9	138	84.7	23,300	85.6
2024	86.1	86.2	125	89.3	23,675	92.5
Upper						
2023	4.6	3.5	3	1.8	935	3.4
2024	4.6	3.8	2	1.4	400	1.6
Not Available						
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
Total						
2023	100.0	100.0	163	100.0	27,225	100.0
2024	100.0	100.0	140	100.0	25,590	100.0

Source: 2020 ACS; Bank Data, 2023 & 2024 HMDA Aggregate Data, "--" data not available
Due to rounding, totals may not equal 100.0%

Geographic Distribution of Small Business Loans Assessment Area`

Tract Income Level	% of Households	#	%	\$ (0000s)	%
Low					
2024	--	0	0	0	0
Moderate					
2024	8.3	1	1.9	20.2	0.4
Middle					
2024	88.5	51	98.1	5529.8	99.6
Upper					
2024	3.1	0	0	0	0
Not Available					
2024	0.1	0	0	0	0
Total					
2024	100.0	52	100.0	5,550	100.0

Source: 2024 D&B 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.

FAIR LENDING, DISCRIMINATORY, OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The IDFPD Division of Banking 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 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

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).

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 38 Ill. Admin. Code 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 includes: affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, 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 based on rates of poverty, unemployment, and population loss or based on 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 LMI 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 institution'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
- 38 Ill. Admin. Code 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 38 Ill. Admin. Code 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 38 Ill. Admin. Code 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 38 Ill. Admin. Code 345.450(b).