PUBLIC DISCLOSURE

November 24, 2025

ILLINOIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Healthcare Associates Credit Union
Charter Number: 65421
1151 East Warrenville Road
Naperville, IL 60563

Illinois Department of Financial and 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 credit union in helping to meet the financial services needs of its local communities, including low- and moderate-income neighborhoods (LMI), 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 Financial Institutions, 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 a satisfactory record of helping to meet the credit needs of its assessment field, including low- and moderate-income (or "LMI") individuals and geographies, consistent with its resources, capabilities, and performance context.

The Lending Test [1] is rated Satisfactory.

Healthcare Associates Credit Union's (or "Healthcare Associates") ILCRA performance under the lending test is supported by the following:

- The loan-to-share (or "LTS") ratio is reasonable (considering seasonal variations and taking into account lending-related activities), given the institution's size, financial condition, and assessment field credit needs.
- The credit union demonstrated reasonable responsiveness to credit needs within its assessment field.
- The distribution of loans by borrower income reflects reasonable penetration among individuals of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment field.
- The institution did not receive any complaints related to its ILCRA performance during the evaluation period; therefore, this factor did not affect the rating.

The Community Development Test is rated Satisfactory.

Healthcare Associates Credit Union's performance under the Community Development Test is Satisfactory.

The credit union demonstrates adequate responsiveness to community development needs within its assessment field. Performance reflects consideration of the institution's capacity, available opportunities, and the needs of the communities served. As this represents the institution's first ILCRA evaluation, examiners also considered the credit union's initial efforts to identify and respond to community development needs.

[1] 38 Ill. Adm. Code 185.260.

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

Examiners reviewed the credit union’s activities in its assessment field against the performance standards outlined in 38 Ill. Adm. Code 185.200 and did not find evidence that the credit union is not meeting the financial services needs of its members. Therefore, the credit union’s ILCRA rating was not affected.

DESCRIPTION OF INSTITUTION

Background

Healthcare Associates Credit Union is a member-owned, state-chartered credit union founded in 1979 by the Illinois Hospital Association as Illinois Hospitals Employee Credit Union. In 1990, the credit union changed its name to Healthcare Associates Credit Union. Healthcare Associates states its mission is to help members achieve their financial goals by providing superior financial solutions. The credit union operates under a defined field of membership pursuant to its bylaws, which is primarily associated with healthcare-related employment groups.

Operations

Healthcare Associates is headquartered in Lisle, Illinois, and maintains three branch offices in the Chicago metropolitan area: Oak Lawn, Des Plaines, and Winfield. The census tract income designation includes one branch located in a middle-income census tract and two branches located in upper-income census tracts.

The credit union provides services through both branch based and remote delivery channels. Delivery systems include online banking, mobile banking, remote deposit capture, and telephone banking services. These delivery channels allow members to review balances and account history, transfer funds, make loan payments, deposit checks remotely, and monitor card activity through MyCardRules and text fraud alerts. Healthcare Associates' 2024 annual report reported 15,387 My2247 mobile app users, indicating digital delivery is an established component of the credit union’s service system.

Healthcare Associates participates in the CO-OP Shared Branching network. All three branches are part of the network. Shared branching allows Healthcare Associates members to conduct certain routine in-person transactions at participating credit union locations outside Healthcare Associates offices, subject to identification and account verification requirements. This network may expand access to in-person services beyond the institution’s physical branch footprint and is considered when evaluating service availability within and beyond the assessment field.

The credit union has an additional nine (9) ATMs and also provides members with access to surcharge-free ATM networks, including Pulse, Star, Allpoint, Alliance One, and Cirrus. Night deposit service is available at the Des Plaines, Oak Lawn, and Winfield branches. The credit union offers a range of traditional retail deposit products and related services, including share savings and checking accounts, money market accounts, club accounts, and share certificates. Lending products include consumer vehicle loans, unsecured consumer loans, credit cards, home equity loans, student loans, and residential mortgage lending. Healthcare Associates also offers products and services intended to address a range of member needs, including credit-building products, secured lending options, online financial wellness resources, and short-term, small-dollar loans.

Ability and Capacity

As of December 31, 2024, the credit union reported total assets of approximately $464.8 million, total loans of $323.9 million, and total shares of $395 million. The institution reported a net worth ratio of 14.3 percent and originated over $62 million in new loans during 2024. These figures indicate that the credit union operates from a sound capital position and has the financial capacity to offer a range of retail lending and deposit services within its assessment field.

The loan portfolio reflects a primary emphasis on consumer lending. Consumer loans account for a majority of lending by number and dollar volume, consistent with the institution's business model and field of membership. Based on year-end 2024 data, consumer loans account for 54.3 percent of total loans by dollar amount and 98.7 percent by number. Residential real estate loans account for 37.7 percent of total loans by dollar amount and 1.3 percent by units, and commercial loans account for 8 percent by dollar amount and 0.1 percent by units. Within the consumer portfolio, vehicle lending represented the largest segment. Deposit funding is diversified across regular share savings, checking, money market accounts, and certificates.

The following table provides an overview of the credit union's loan portfolio.

Loan Portfolio Distribution as of 12/31/2024

Loan Category	$	%	#	%
Loans/Lines of Credit Secured by a First Lien on a single 1- to 4-Family Residential Property	80,841,408	25.0	647	0.5
Loans/Lines of Credit Secured by a Junior Lien on a single 1- to 4-Family Residential Property	41,102,644	12.7	1,142	0.8
All Other Non-Commercial Real Estate Loans/Lines of Credit	162,535	0.1	5	0.0
Total Real Estate Loans	**122,106,587**	**37.7**	**1,794**	**1.3**
Unsecured Credit Card Loans	14,549,971	4.5	5,061	3.6
Non-Federally Guaranteed Student Loans	685,070	0.2	41	0.0
All Other Unsecured Loans/Lines of Credit	11,782,211	3.6	1,965	1.4
New Vehicle Loans	43,329,393	13.4	38,697	27.5
Used Vehicle Loans	96,240,105	29.7	92,174	65.5
All Other Secured Non-Real Estate Loans/Lines of	9,256,855	2.9	946	0.7
Total Consumer Loans	**175,843,605**	**54.3**	**138,884**	**98.7**
Commercial Loans/Lines of Credit Real Estate Sec	25,952,475	8.0	87	**0.1**
Total Commercial Loans/Lines of Credit	**25,952,475**	**8.0**	**87**	**0.1**
Total Loans	**323,902,667**	**100.0**	**140,765**	**100.0**

Source: National Credit Union Administration Call Report Form 5300

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

DESCRIPTION OF ASSESSMENT FIELD

The ILCRA requires each credit union to delineate an assessment field within which its ILCRA performance will be evaluated. Pursuant to 38 Ill. Adm. Code 185.400(b), Healthcare Associates Credit Union delineated as its assessment field:

- Healthcare Associates members from its occupational common bonds located in Illinois;
- Healthcare Associates members from its associational common bonds located in Illinois;
- Healthcare Associates community common bond: The following geographic areas contain members and persons eligible for membership:

  The community bounded on the South by 75th Street, on the North by North Avenue (Route 64), on the East by Route 53 on the West by Route 59; or the community bounded on the South by Burr Oak Avenue, on the North by 1-55, on the East by Western Avenue, and on the West by LaGrange Road (Route 45); or any person who lives or works within the boundaries East of Route 53, North of Thorndale/ 1-90 I 90, West of 1-94 and South of Palatine / Willow Road, including all municipal corporations that the geographical boundary lines traverse.

The delineated assessment field conforms to ILCRA regulatory requirements, does not arbitrarily exclude any low- or moderate-income geography, and is reasonable and consistent in providing a meaningful ILCRA evaluation of Healthcare Associates.

Economic and Demographic Data

Healthcare Associates' community-based field of membership includes three defined geographic areas (for purposes of this written evaluation, they are referred to as Area 1, Area 2, and Area 3) within the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (MSA), which serves as the geographic portion of the assessment field. The areas are described by the following boundaries:

- Area 1: South 75th Street to North Avenue (Route 64), east Route 53 to west Route 59
- Area 2: South Burr Oak Avenue to north I-55, east Western Avenue to west LaGrange Road (Route 45)
- Area 3: East of Route 53, north of Thorndale Avenue and I-90, west of I-94, south of Palatine Road and Willow Road (including all municipalities that the boundary lines traverse

In 2024, the Federal Financial Institutions Examinations Council (FFIEC) estimated median family income (or "MFI") for the Chicago-Naperville-Schaumburg, Illinois MSA/MD at \$109,800. The geographic component of the assessment field includes portions of DuPage and Cook counties in Illinois. County-level indicators provide context for economic conditions across the broader area in which the credit union operates. According to the U.S. Census Bureau QuickFacts (2020 to 2024 American Community Survey ("ACS") period), DuPage County reported a median household income of \$112,096 and a poverty rate of 6.3 percent, compared with Cook County's median household income of \$83,498 and poverty rate of 13.7 percent. Housing costs are relatively high across both counties, with median owner-occupied housing values of \$391,400 in DuPage County and \$324,500 in Cook County (2020 to 2024).

Labor market conditions are influenced by the broader metropolitan economy. The annual average unemployment rate for the Chicago-Naperville-Elgin metropolitan area was 5.1 percent in 2024, based on Bureau of Labor Statistics (BLS) metropolitan area annual averages.

The credit union's assessment field, per its community common bond, includes 371 census tracts. It consists of 21 low-income and 78 moderate-income census tracts, totaling 26.7 percent of the census tracts. The remaining tracts are middle or upper-income.

The following table illustrates select demographic characteristics of the assessment field.

Demographic Information of the Assessment Field Assessment Field: Healthcare Associates Assessment Field (Community Common Bond)						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	371	5.7	21.0	36.1	36.7	0.5
Population by Geography	1,717,778	6.2	22.0	36.5	35.3	0.0
Housing Units by Geography	655,634	5.2	20.9	37.7	36.1	0.0
Owner-Occupied Units by Geography	434,052	3.1	17.6	37.5	41.9	0.0
Occupied Rental Units by Geography	180,995	9.5	28.0	38.7	23.8	0.0
Vacant Units by Geography	40,587	9.5	24.1	36.5	29.9	0.0
Businesses by Geography	218,912	3.2	17.7	39.2	39.6	0.3
Farms by Geography	2,484	3.7	20.0	35.5	40.9	0.0
Family Distribution by Income Level	418,584	21.1	16.6	19.0	43.3	0.0
Household Distribution by Income Level	615,047	23.1	15.3	17.0	44.5	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL		$92,622	Median Housing Value			$286,841
			Median Gross Rent			$1,225
			Families Below Poverty Level			6.8%
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.						

There are 655,634 housing units in the assessment field. Of these, 66.2 percent are owner-occupied, 27.6 percent are occupied rental units, and 6.2 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Population is distributed by tract income as follows: 6.2 percent in low-income tracts, 22.0 percent in moderate-income tracts, 36.5 percent in middle-income tracts, and 35.3 percent in upper-income tracts. Household income data indicate that 38.4 percent of households are low- or moderate-income (23.1 percent low, 15.3 percent moderate), compared to 17.0 percent middle and 44.5 percent upper. Both population and household income can serve as the baseline for assessing the distribution of consumer loan originations across tract categories.

Consistent with FFIEC census and demographic reporting, census tracts are categorized as low, moderate, middle, or upper income based on tract MFI as a percentage of the applicable area's median family income. The 2024 FFIEC median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
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
Source: FFIEC				

Competition

The credit union operates in a highly competitive market for retail deposits and consumer lending, which includes portions of DuPage County and Cook County in the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area, both of which are among the largest banking markets in Illinois. FDIC data indicate that Cook County holds over $400 billion in deposits, while DuPage County represents a substantial suburban deposit market with a high concentration of financial institutions and branch offices.

FDIC 2024 Summary of Deposits data show the Chicago MSA includes more than 140 FDIC-insured institutions operating over 2,500 offices and holding more than $500 billion in deposits as of June 30, 2024. These data do not include credit unions; therefore, actual competition is greater than indicated by FDIC figures alone.

Based on 2024 National Credit Union Administration (NCUA) call report data, numerous federally insured credit unions maintain branch locations throughout DuPage County and Cook County, including within or adjacent to the assessment field. These institutions offer share accounts, vehicle loans, and other consumer loan products, and many also offer home mortgage loans. Data indicate that credit unions provide meaningful competition for retail deposits and consumer loans. The credit union operates in an assessment field with significant competition from banks, credit unions, and nonbank lenders for deposits, home mortgage loans, and vehicle loans as of December 31, 2024.

This competitive environment was considered in evaluating the credit union's performance context under the ILCRA.

Credit and Community Development Needs and Opportunities

The credit union's assessment field includes portions of DuPage County and Cook County within the Chicago metropolitan area and reflects a mix of suburban growth areas and more densely populated urban communities. Information obtained from a community contact at a HUD-approved housing counseling agency identified affordable housing and financial literacy as primary credit needs, particularly for low- and moderate-income individuals and first-time homebuyers. The organization noted increasing housing costs, limited affordability, and a growing need for credit counseling services to help borrowers qualify for and sustain homeownership. Additional needs include foreclosure prevention and home retention programs, as fewer assistance options are available following the expiration of pandemic-related relief measures. The contact also identified emerging needs related to language access and financial education for immigrant and refugee populations, which can affect their access to traditional financial services.

Local strategic plans support these identified needs. The Village of Winfield's Strategic Plan (2023–2025) highlights the need for expanded housing supply, including multi-family development, and continued investment in commercial corridors to support long-term economic stability. Similarly, the City of Des Plaines Strategic Plan (2022–2026) emphasizes mixed-use development, higher-density housing, and revitalization of commercial areas, including the use of redevelopment tools such as Tax Increment Financing (TIF) districts to stimulate investment. These plans also identify ongoing infrastructure and transportation improvements, which support broader community development and economic growth.

Community development needs include affordable housing development and preservation, small-business support, and the revitalization of commercial corridors, particularly in areas experiencing disinvestment or redevelopment. The presence of TIF districts and municipal redevelopment initiatives indicates continued demand for capital to support these efforts. In addition, there is a need for community services targeted to low- and moderate-income individuals, including financial literacy, credit counseling, and access to mainstream financial products to reduce reliance on higher-cost alternative services.

Opportunities exist for the credit union to address these needs through home mortgage lending, consumer lending, and community development activities. The community contact identified opportunities for financial institutions to provide operational support to nonprofit organizations, expand homeowner assistance programs, and increase outreach to underserved populations. In addition, partnerships with local governments, housing organizations, and community development entities present opportunities to participate in affordable housing initiatives and economic development projects.

SCOPE OF EVALUATION

General Information

The ILCRA examination, conducted by the Illinois Department of Financial and Professional Regulation (IDFPR or Department), Division of Financial Institutions, encompasses the period from January 1, 2024, through December 31, 2024. Examiners used the ILCRA Intermediate Small Credit Union Examination Procedures to evaluate Healthcare Associates Credit Union's ILCRA performance. These procedures include the modified Lending Test and the Community Development Test and consider the credit union's performance context, field-of-membership limitations, demographic characteristics, and lending opportunities. The criteria for these tests are detailed in the Appendices. The credit union's performance was evaluated under the applicable performance criteria in Appendix A Ratings and in accordance with Section 185.200, Section 185.210, and Section 185.280.

Healthcare Associates' delineated assessment field consists of a geographic portion, along with the credit union's occupational and associational common bonds. The geographic component of the assessment field was evaluated by analyzing members and eligible members within the delineated geographic area. The occupational and associational portions of the assessment field do not constitute distinct geographic areas, and, therefore, were reviewed through an analysis of member and borrower characteristics, including borrower income distribution, membership eligibility, and lending activity to members within the occupational and associational common bonds. The evaluation was based on the credit union's loan-to-share ratio, lending performance within the assessment field and across borrower income levels, responsiveness to ILCRA-related complaints, and fair lending performance. Member residence by tract income and occupational or associational membership status were referred to as performance context only and were not used as a substitute for borrower income data.

Intermediate small credit unions must achieve at least a satisfactory rating under the modified Lending Test and the Community Development 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

As part of the Lending Test, examiners reviewed home mortgage and consumer loans based on the credit union's business strategy and the number and dollar volume of loans originated during the evaluation period. The volume of consumer loans is 98.7 percent, compared with 1.3 percent for residential real estate loans. Examiners assigned greater weight to consumer lending performance when determining overall conclusions, as it is the largest product type in the credit union's loan portfolio.

Examiners analyzed home mortgage loans reported on the credit union's 2024 Home Mortgage Disclosure Act (HMDA) loan application register (LAR) as part of the Lending Test. The credit union reported 334 applications totaling over $21.7 million for 2024. Examiners compared the credit union's lending activity to aggregate lending and demographic data from the 2015 American

Community Survey (ACS). Examiners analyzed 1,863 consumer loan originations. The credit union's loan records included the borrower's address and income. Examiners evaluated the geographic distribution and borrower analysis of these consumer loans.

Community Development qualified activities were considered under the Community Development Test.

CONCLUSIONS ON INTERMEDIATE SMALL CREDIT UNION PERFORMANCE CRITERIA

LENDING TEST

Healthcare Associates Credit Union demonstrated reasonable performance under the Lending Test. The credit union's loan-to-share ratio is reasonable and demonstrates an appropriate level of reinvestment of member shares in loans. Reasonable performance under the geographic distribution and borrower profile criteria, a reasonable loan-to-share ratio, and the origination of loans within the field of membership support the conclusion.

Loan-to-Share Ratio

This performance criterion evaluates the extent to which the credit union reinvests member shares into loans and assesses the reasonableness of that level in light of the institution's size, financial condition, and the credit needs of its assessment field. The credit union's LTS ratio, calculated using quarterly NCUA Call Report data, averaged 71.9 percent over the most recent 16 calendar quarters from March 31, 2021, through December 31, 2024. During this period, the ratio ranged from a low of 59.56 percent as of March 31, 2021, to a high of 82.01 percent as of December 31, 2024.

Focusing on the current evaluation period, January 1, 2024, through December 31, 2024, the credit union's LTS ratio showed a modest upward trend, increasing from 79.4 percent on March 31, 2024, to 82.01 percent at year's end. This trend reflects continued loan growth relative to shares. The level of lending indicates an appropriate balance between utilizing member shares to support lending activity and maintaining sufficient liquidity. Variability in the ratio over the review period consists of normal fluctuations in share balances and loan demand.

Assessment Field Concentration

This performance criterion evaluates the extent to which the credit union originates loans within its assessment field. The analysis considers both the number and dollar volume of loans and is conducted within the credit union's assessment field, consistent with their field of membership, which includes a community (geographic) common bond, as well as occupational and associational common bonds.

The credit union's assessment field is not exclusively geographic. As a result, a portion of lending is expected to occur outside the defined geographic assessment field, particularly for members affiliated through employer groups or associations located beyond the community common bond.

As shown in the table below, the credit union originated a majority of its loans outside the assessment field during the review period. Home mortgage lending inside the assessment field accounted for 27.7 percent by number and 27.0 percent by dollar, while consumer lending inside the assessment field accounted for 24.6 percent by number and 23.5 percent by dollar. The distribution reflects the composition of the credit union's membership, which includes members who reside or are employed outside the geographic assessment field. Given this lending structure, lending outside the assessment field does not, by itself, indicate weak performance.

The level of lending within the assessment field is below what would typically be expected for a credit union with a defined geographic component. Examiners consider the credit union's multiple common bonds, business strategy, and membership dispersion in evaluating performance.

Lending Inside and Outside of the Assessment Field

Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$	%	$	%	
Home Mortgage	52	27.7	136	72.3	188	3,223,305.02	27.0	8,715,099.32	73.0	11,938,404.34
Consumer	456	24.5	1,407	75.5	1,863	7,328,000.00	23.3	24,159,000.00	76.7	31,487,000.00

Source: Credit Union Data
Due to rounding, totals may not equal 100.0
Dollar amounts for Consumer loans are multiplied by 1000.

Borrower Profile

This performance criterion evaluates the distribution of loans among borrowers of different income levels, including low- and moderate-income individuals, and compares lending performance to the demographic characteristics of borrowers within the credit union's associational and occupational common bonds.

The distribution of home mortgage loans shows adequate penetration across income levels. The credit union originated 9.6 percent of loans to low-income borrowers and 11.5 percent to moderate-income borrowers by number. By dollar volume, lending to low-income borrowers accounted for 3.3 percent, while lending to moderate-income borrowers accounted for 13.4 percent. Lending to moderate-income borrowers is below the demographic comparator (16.6 percent of families), and lending to low-income borrowers is also below (21.1 percent of families). Performance is mitigated by the relatively small volume of home mortgage lending.

The distribution of consumer loans shows excellent penetration across income levels, including LMI borrowers. By number, the credit union originated 22.6 percent of consumer loans to low-income borrowers and 26.5 percent to moderate-income borrowers. Lending to low-income borrowers generally aligns with the share of households (23.1 percent), while lending to moderate-income borrowers exceeds the share (15.3 percent). By dollar volume, lending to moderate-income borrowers account for 14.1 percent, slightly below demographic levels but still reasonable.

Examiners placed greater weight on consumer lending performance as consumer loans represent a substantial majority of the credit union's loan portfolio (98.7 percent by number and 54.3 percent by dollar volume). The credit union demonstrates excellent penetration among borrowers of different income levels, particularly within its primary product lines. Performance reflects an excellent level of responsiveness to the credit needs of low and moderate-income individuals within the assessment field.

Distribution of Home Mortgage Loans by Borrower Income Level
Assessment Field: Healthcare Associates Community Common Bond

Borrower Income Level	% of Families	#	%	$(000s)	%
Low	21.1	5	9.6	105	3.3
Moderate	16.6	6	11.5	430	13.4
Middle	19.0	13	25.0	623	19.3
Upper	43.3	28	53.8	2,066	64.1
Not Available	0.0	0	0.0	0	0.0
Subtotal	**100.0**	**52**	**100.0**	**3,223**	**100.0**

Source: 2020 ACS; Credit Union Data.
Due to rounding, totals may not equal 100.0%

Distribution of Consumer Loans by Borrower Income Level Assessment Field: Healthcare Associates Community Common Bond					
Borrower Income Level	**% of Households**	**#**	**%**	**$(000s)**	**%**
Low	23.1	103	22.6	1,035	14.1
Moderate	15.3	121	26.5	1,518	20.7
Middle	17.0	135	29.6	2,148	29.3
Upper	44.5	97	21.3	2,627	35.8
Subtotal	**100.0**	**456**	**100.0**	**7,328**	**100.0**
Source: 2020 ACS; Credit Union Data. *Due to rounding, totals may not equal 100.0%*					

Geographic Distribution

This performance criterion evaluates the dispersion of lending across geographies of different income levels within the assessment field, particularly low- and moderate-income census tracts. Greater emphasis is placed on the percentage of loans by number.

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment field. The credit union originated 3.8 percent of home mortgage loans in low-income census tracts, which is above the demographic comparator of 3.1 percent of owner-occupied housing units. Lending in moderate-income census tracts accounted for 9.6 percent of loans, which is below the demographic level of 17.6 percent. Lending was concentrated in middle-and upper-income tracts, which is consistent with the distribution of housing opportunities within the assessment field.

The geographic distribution of consumer loans reflects reasonable dispersion across census tracts of varying income levels. The credit union originated 4.2 percent of consumer loans in low-income census tracts, which is slightly below the demographic comparator of 4.9 percent of households. Lending in moderate-income census tracts totaled 20.6 percent, which is consistent with the demographic level of 20.7 percent. Examiners placed greater emphasis on consumer lending as it represents a substantial majority of the credit union's lending activity. The geographic distribution of loans reflects reasonable dispersion through the assessment field, including LMI geographies.

Geographic Distribution of Home Mortgage Loans Assessment Field: Healthcare Associates Community Common Bond					
Tract Income Level	**% of Owner-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Low	3.1	2	3.8	193	6.0
Moderate	17.6	5	9.6	307	9.5
Middle	37.5	25	48.1	1,393	43.2
Upper	41.9	20	38.5	1,330	41.3
Subtotal	**100.0**	**52**	**100.0**	**3,223**	**100.0**
Source: 2020 ACS; Credit Union Data. *Due to rounding, totals may not equal 100.0%*					

Geographic Distribution of Consumer Loans Assessment Field: Healthcare Associates Community Common Bond					
Tract Income Level	**% of Households**	**#**	**%**	**$(000s)**	**%**
Low	4.9	19	4.2	242	3.3
Moderate	20.7	94	20.6	1,238	16.9
Middle	37.8	237	52.0	3,890	53.1
Upper	36.6	106	23.2	1,958	26.7
Subtotal	**100.0**	**456**	**100.0**	**7,328**	**100.0**
Source: 2020 ACS; Credit Union Data. *Due to rounding, totals may not equal 100.0%*					

<u>Response to Complaints</u>

The credit union did not receive any ILCRA-related complaints for the evaluation period; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates the credit union's responsiveness to community development needs through qualified loans, services, and investments, considering its capacity, business strategy, and field of membership. Healthcare Associates demonstrates an adequate level of community development performance.

As this is the credit union's first ILCRA examination, community development activities are primarily reflected through its lending and service efforts that support low and moderate-income individuals within its assessment field. The credit union's membership includes occupational and associational groups, and approximately 28.2 percent of its members are in LMI geographies. As a result, products and services offered broadly to the membership are adequately considered to benefit LMI individuals.

The credit union provides access to financial education through the ENRICH Financial Wellness Program, which had over 5,300 users in 2024. In addition, management conducts business development seminars and "lunch and learn" sessions designed to promote financial literacy and access to credit. Given the composition of the membership, these services adequately benefit LMI individuals and are responsive to identified community development needs related to financial education and credit access.

The credit union also supports economic development through small-business lending. Management reported several commercial loans to businesses with gross annual revenues of 1 million or less, which meet the definition of small businesses under ILCRA. These loans support business growth and job creation and are consistent with community development activities related to economic development.

Further, the credit union demonstrates a commitment to community involvement through charitable contributions and support for local organizations and events. The 2024 annual report indicates more than $10,000 in charitable donations and participation in initiatives benefiting local communities. These activities reflect ongoing efforts to support community stability and well-being.

FAIR LENDING, DISCRIMINATORY, OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Pursuant to its examination authority [205 ILCS 735/15], the IDFPR - Division of Financial Institutions examines an institution's compliance with applicable State and federal fair lending laws and provides comments regarding the institution's fair lending policies and procedures. Examiners found the credit union's record relative to fair lending policies and practices to be reasonable and 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 CREDIT UNION PERFORMANCE CRITERIA

Lending Test – Section 185.260(b)
An intermediate small credit union's lending performance in home mortgage, small business, community development lending, consumer lending, or any other type of lending, as applicable, is evaluated pursuant to the following criteria:

1. the credit union's loan-to-share 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 credit union's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses of different sizes;

3. the geographic distribution of the credit union's loans in the context of its relevant field of membership;

4. the credit union's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment field and its performance with regard to fair lending policies and practices; and

5. the origination of loans to businesses with gross annual revenues of $1,000,000 or less, particularly those in low-income and moderate-income neighborhoods. This subsection (b)(5) applies only to credit unions that make business loans.

Community Development Test – Section 185.260(c)
An intermediate small credit union's community development performance is also evaluated pursuant to the following criteria:

1. the number and amount of community development loans;

2. the extent to which the credit union provides community development services;

3. the credit union's responsiveness through such activities to community development lending, investment and service needs; and

4. at the election of the credit union, the number and amount of qualified investments.

GLOSSARY

“Affiliate” 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.

"Alternative financial products or services" 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.

"Area median income" means the median family income for the MSA/CBSA, if a person or geography is located in an MSA/CBSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA/CBSA.

"Assessment field" means the persons delineated in accordance with Section 400 as subject to the ILCRA evaluation.

"Automated teller machine" or "ATM" means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the credit union at which deposits are received, cash is dispensed, or money is lent.

"Branch" means a staffed facility established or acquired as a branch under Illinois law means a staffed facility established or acquired as a branch under Illinois law.

"CBSA" refers to a Core Based Statistical Area, as defined by the Director of the Office of Management and Budget.

"Community development" means:

Affordable housing (including multifamily rental housing) for low- and moderate-income individuals;

Community services targeted to low- and moderate-income individuals;

Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or

Activities that revitalize or stabilize –

low- or moderate-income geographies;

designated disaster areas; or
distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, the Federal Deposit

Insurance Corporation, and the Office of the Comptroller of the Currency, based on –

rates of poverty, unemployment, and population loss; or

population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or

unbanked or underbanked geographies;

Activities targeted to directly and tangibly –

increase climate resilience in low- and moderate-income neighborhoods; or

mitigate environmental harm in low-income to moderate-income neighborhoods; and

Any other such area as determined by the Secretary based on –

Rates of poverty, unemployment, and population loss; or

Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

"Community Development Financial Institutions (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 access 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 the following eligibility requirements:

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" is a loan that has as its primary purpose community development; and except in the case of a wholesale or limited-purpose credit union:

Has not been reported or collected by the credit union or an affiliate for consideration in the credit union's assessment as a home mortgage or consumer has not been reported or collected by the credit union or an affiliate for consideration in the credit union's assessment as a home mortgage or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to 12 CFR 203, the Consumer Financial Protection Bureau's implementing regulations for the Home Mortgage Disclosure Act); and directly or indirectly benefits the credit union's assessment field.

"**Community development service"** means a service that:

has as its primary purpose community development;

is related to the provision of financial services; and

has not been considered in the evaluation of the credit union's retail banking services under Section 185.240(d).

"Community Reinvestment Act" unless context indicates otherwise means the Illinois Community Reinvestment Act ("ILCRA").

"Consumer loan" means a loan to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage or small business loan. Consumer loans include the following categories of loans:

Motor vehicle loan, a consumer loan extended for the purchase of and secured by a motor vehicle;

Credit card loan, 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, a secured consumer loan that is not included in one of the other categories of consumer loans; and

Other unsecured consumer loan, 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.

"Credit union" means a corporation chartered as a cooperative, non-profit association, incorporated under the Illinois Credit Union Act [205 ILCS 305].

"Department" means the Illinois Department of Financial and Professional Regulation.

“Distressed middle-income nonmetropolitan geography” means 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 years 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” means the Federal Deposit Insurance Corporation.

“Field of membership” means the members or persons eligible to join a credit union consisting of members or persons:

within one or more of the following common bonds: association, occupation, or community as defined in 205 ILCS 305; and

as otherwise authorized under 205 ILCS 305.

“Fiscal year” means the fiscal year for the State of Illinois (starts July 1 and ends June 30).

“Geography” means a census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

“Home Mortgage Disclosure Act (HMDA)” is a statute that requires specific mortgage lenders doing business or having banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include data such as the applicant's race, gender, and income, the amount of the requested loan, and the disposition of the application (approved, denied, or withdrawn).

“Home mortgage loan” means a closed-end mortgage loan or an open-end line of credit, as these terms are defined under 12 CFR 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, an individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

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

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

Upper-income, an individual income that is 120% or more of the area median income, or a median family income that is 120% or more, in the case of a geography.

"Institution", unless context indicates otherwise, means a credit union.

"Limited purpose institution or limited purpose credit union" means an institution 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 institution is in effect, in accordance with Section 185.250(b).

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

"Loan production office" means a staffed facility of a credit union, other than a branch, that is open to the public or members and that provides lending-related services, such as loan information and applications.

"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)" means a metropolitan division as defined by the United States Director of the Office of Management and Budget.

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

"Person" means any individual, partnership, joint venture, trust, estate, firm, corporation, cooperative society or association, or any other form of business association or legal entity.

"Public lobby" means an area generally accessible to a credit union's members or some of a credit union's members, which allows for easy reading of notices in the place of business.

"Qualified Investment" means a lawful investment, deposit, membership share, or grant that has as its primary purpose community development, and lawful investments include the following:

> corporations for the purpose of micro-lending in the area of small business and small farms;
>
> corporations for the purpose of providing technical assistance to nonprofit housing corporations, small businesses, and farms for the purpose of establishing creditworthiness;
>
> contributions to any private nonprofit organization organized for improving the social and economic conditions, such as community development and redevelopment programs, small business technical assistance, and educational institutions, in communities in which the credit union has an office; and
>
> contributions for the purpose of relieving suffering or distress resulting from disaster or other calamity, such as hurricane or flood, occurring in any part of the State; and
>
> contributions to community development and redevelopment programs.

"Rural area" means territories, populations, and housing units that are not classified as urban.

"Secretary" means the Secretary or Acting Secretary of the Financial and Professional Regulation and his or her authorized representatives.

"Small credit union" means a credit union that, as of December 31 of either of the prior two calendar years, had total assets of less than $412 million. "Intermediate small credit union" means a credit union with assets of at least $412 million as of December 31 of both of the prior two calendar years and less than $1.649 billion as of December 31 of either of the prior two calendar years. The asset-size thresholds (dollar figures) for small credit unions and intermediate small credit unions shall be automatically adjusted to remain consistent with the asset-size thresholds in effect for small banks and intermediate small banks as published by the Federal Deposit Insurance Corporation. The Secretary shall publish each adjustment of the asset-size thresholds for small credit unions and intermediate small credit unions on the Department's website. "Very Small Credit Union" means a credit union that is eligible for the Very Small Credit Union Examination Procedures set forth in 185.Appendix D pursuant to Section 185.450.

"Small Business Investment Company (SBIC)" SBICs are privately-owned investment companies that 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" means a loan to a business with gross annual revenues of $1,000,000.00 or less. For purposes of this Part, small business loan includes small farm loans.

"Special Credit Program" means any credit program offered by a credit union 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 CFR 1002.8, and the Illinois Human Rights Act [775 ILCS 5/4-104(C)].

"Substantial majority" means a portion of the credit union'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" refers to an individual who does not have a checking or savings account with an insured bank, savings bank, or credit union.

"Underbanked person" means a person who has a checking or savings account with an insured depository institution but who has used alternative financial products or services in the past 12 months.

“Underserved Middle-Income Nonmetropolitan Geographies” means 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.

"Wholesale credit union" means a credit union 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 credit union is in effect, in accordance with Section 185.250(b). means an individual that does not have a checking or savings account with an insured depository institution.