# PUBLIC DISCLOSURE

Evaluation Period: January 1, 2024 – December 31, 2024
Examination Date: December 22, 2025

# ILLINOIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

University of Illinois Community Credit Union
Charter Number: 60583
2201 South First Street
Champaign, IL 61820

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

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**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 **<u>Satisfactory</u>.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment field (or "AF"), including low- and moderate-income (or "LMI") individuals and geographies, consistent with its resources, capabilities, and performance context.

**The Lending Test [1] is rated <u>Satisfactory</u>.**

University of Illinois Community Credit Union's (or "UICCU") 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 AF credit needs.

- The credit union demonstrated reasonable responsiveness to credit needs of its AF.

- The distribution of home mortgage loans by borrower income reflects reasonable penetration among individuals of different income levels.

- The geographic distribution of loans reflects adequate dispersion throughout the AF.

- 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 <u>Satisfactory.</u>**

University of Illinois Community Credit Union's performance under the Community Development Test is Satisfactory**.**

The credit union demonstrates adequate responsiveness to community development needs and opportunities within its AF. 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.

**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.

[1] 38 Ill. Adm. Code 185.260.

**Assessment Factors**

Examiners reviewed the credit union's activities in its AF against the performance standards outlined in 38 Ill. Admin. 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

UICCU is a state-chartered credit union headquartered in Champaign, Illinois. The credit union was founded in October 1932 as "Our Credit Union" to serve hourly employees working at the University of Illinois Power Plant. In 1935, the institution expanded its charter to include university faculty and changed its name to University of Illinois Employees Credit Union. Over time, the credit union expanded its membership eligibility through growth and mergers, including those with Illini Student Federal Credit Union in 1998 and Champaign Bell Credit Union in 1999. In 2015, the institution adopted its current name, University of Illinois Community Credit Union, to reflect its broader community-based field of membership.

## Operations

UICCU operates the following seven full-service branch offices located in Illinois: Champaign, Urbana, Mahomet, Bloomington, Normal, and Danville. The credit union maintains four branch offices in Champaign County, including two in upper-income census tracts, one in a low-income census tract, and one in a census tract without an income designation. UICCU also operates two branch offices in McLean County, including one in a moderate-income census tract and one in a middle-income census tract. In addition, the credit union operates one branch office in Vermilion County, located in a middle-income census tract. During the evaluation period, the credit union opened a branch office in Mahomet, Illinois, located in an upper-income census tract. No branch offices were closed during the evaluation period.

UICCU offers a variety of consumer-focused deposit and lending products and services. Deposit products include share savings accounts, checking accounts, money market accounts, certificates of deposit, and individual retirement accounts. Lending products include new and used automobile loans, residential mortgage loans, home equity loans, credit cards, student loans, unsecured consumer loans, and commercial loans. Additional services include online banking, mobile banking, remote deposit capture, debit and credit cards, wire transfers, surcharge-free ATM access, and shared branching services.

## Ability and Capacity

As of December 31, 2024, the credit union reported total assets of $677.2 million and total loans of approximately $567.7 million. The institution maintains a diversified loan portfolio with primary emphasis on consumer lending. Consumer loans represented 71.6 percent of total loans by dollar volume and 95.9 percent by number of loans. The portfolio is primarily composed of used-vehicle, new-vehicle, unsecured credit card, and residential real estate loans. Residential real estate loans totaled approximately $158.3 million, or 27.9 percent of total loans. Commercial lending activity represented a limited portion of the overall loan portfolio, consistent with the institution's business strategy and field of membership.

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 | 138,555,735 | 24.4 | 1,261 | 2.6 |
| Loans/Lines of Credit Secured by a Junior Lien on a single 1- to 4-Family Residential Property | 19,756,671 | 3.5 | 764 | 1.6 |
| **Total Real Estate Loans** | **158,312,406** | **27.9** | **2,025** | **4.1** |
| Unsecured Credit Card Loans | 68,504,202 | 12.1 | 23,812 | 48.4 |
| Non-Federally Guaranteed Student Loans | 606,080 | 0.1 | 96 | 0.2 |
| All Other Unsecured Loans/Lines of Credit | 17,802,457 | 3.1 | 5,565 | 11.3 |
| New Vehicle Loans | 98,403,673 | 17.3 | 4,017 | 8.2 |
| Used Vehicle Loans | 183,408,811 | 32.3 | 11,233 | 22.8 |
| All Other Secured Non-Real Estate Loans/Lines of Credit | 37,688,973 | 6.6 | 2,474 | 5.0 |
| **Total Consumer Loans** | **406,414,196** | **71.6** | **47,197** | **95.9** |
| Commercial Loans/Lines of Credit Real Estate Secured | 3,007,530 | 0.5 | 1 | **0.0** |
| **Total Commercial Loans/Lines of Credit** | **3,007,530** | **0.5** | **1** | **0.0** |
| **Total Loans** | **567,734,132** | **100.0** | **49,223** | **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 AF credit needs.

# DESCRIPTION OF ASSESSMENT FIELD

The ILCRA requires each credit union to delineate an AF within which its ILCRA performance will be evaluated. Pursuant to 38 Ill. Admin. Code 185.400(f), UICCU delineated as its AF the following geographic areas containing members and persons eligible for membership pursuant to UICCU's community common bonds or portions thereof:

The following three (3) Illinois counties:

- Champaign
- McLean
- Vermilion

The delineated AF conforms to ILCRA regulatory requirements, does not arbitrarily exclude any LMI geography, and is reasonable and consistent in providing a meaningful ILCRA evaluation of the University of Illinois Community Credit Union.

**Economic and Demographic Data**

The AF consists of Champaign, McLean, and Vermilion Counties in Illinois. Champaign County is anchored by the cities of Champaign and Urbana and is influenced significantly by the presence of the University of Illinois Urbana-Champaign. The local economy is supported by higher education, healthcare, professional services, government employment, and retail trade. McLean County is centered on the Bloomington-Normal metropolitan area and maintains a diverse economic base, including insurance, manufacturing, education, logistics, and healthcare industries. Vermilion County, located in eastern Illinois along the Indiana border, includes the city of Danville and has a more rural economic profile supported by manufacturing, healthcare, retail trade, and agricultural activity.

According to the 2024 U.S. Census Bureau estimates, Champaign County had an estimated population of approximately 212,000 persons, McLean County had an estimated population of approximately 172,000 persons, and Vermilion County had an estimated population of approximately 71,000 persons. Population trends remained relatively stable in Champaign and McLean Counties, while Vermilion County experienced a population decline in recent years. The AF demonstrates varying income levels and economic conditions. U.S. Census Bureau data reflect median household incomes of approximately $63,683 in Champaign County, $79,905 in McLean County, and $56,877 in Vermilion County. Poverty levels also varied throughout the AF. Champaign County reported a poverty rate of 18.8 percent, Vermilion County reported 17.3 percent, and McLean County reported a comparatively lower rate of 11.6 percent. Statewide, the Illinois poverty rate was approximately 11.6 percent.

Champaign County's economy is significantly influenced by the University of Illinois Urbana-Champaign, which contributes substantially to local employment, housing demand, and the county's demographic composition. The county also benefits from healthcare, professional services, retail trade, and technology-related employment sectors. The large student population contributes to elevated demand for rental housing and affects income demographics in certain parts of the county. McLean County maintains a diversified economic base supported by insurance, education, healthcare, logistics, manufacturing, and agriculture. Major employers in the Bloomington-Normal area contribute to relatively stable employment and higher household incomes compared to other parts of the AF. Housing demand and economic conditions in McLean County remained generally stable during the evaluation period. Vermilion County reflects more rural and economically distressed characteristics than the metropolitan portions of the AF. The county has experienced population decline, lower household incomes, and elevated poverty and unemployment rates relative to statewide averages. Economic activity in Vermilion County is supported by manufacturing, healthcare, agriculture, retail trade, and public sector employment.

Housing characteristics vary throughout the AF. Metropolitan areas of Champaign and McLean Counties exhibit stronger housing demand and higher housing costs, driven by university populations and employment growth. Rural and lower-income areas of Vermilion County generally exhibit lower housing values and slower economic growth. Certain census tracts within the AF exhibit elevated concentrations of LMI individuals and households that have a greater need for affordable credit and retail financial services.

Economic conditions during the evaluation period were influenced by elevated interest rates, inflationary pressures, and housing affordability concerns. Rising borrowing costs affected demand for consumer and residential mortgage lending throughout the AF. Despite these conditions, employment levels in the metropolitan portions of the AF remained generally stable due to the presence of large educational institutions, healthcare systems, insurance companies, and government-related employment.

The credit union's AF includes 119 census tracts. It consists of 11 low-income and 23 moderate-income census tracts, totaling 28.5 percent of the census tracts. The remaining tracts are middle or upper-income.

The following table illustrates select demographic characteristics of the AF.

| Demographic Information of the Assessment Field<br>University of Illinois Community Credit Union | | | | | | |
|---|---|---|---|---|---|---|
| **Demographic Characteristics** | **#** | **Low % of #** | **Moderate % of #** | **Middle % of #** | **Upper % of #** | **NA* % of #** |
| Geographies (Census Tracts) | 119 | 9.2 | 19.3 | 41.2 | 22.7 | 7.6 |
| Population by Geography | 451,007 | 7.9 | 19.6 | 40.6 | 25.2 | 6.7 |
| Housing Units by Geography | 202,294 | 9.0 | 21.4 | 42.1 | 22.1 | 5.3 |
| Owner-Occupied Units by Geography | 109,057 | 3.3 | 20.0 | 47.1 | 28.2 | 1.3 |
| Occupied Rental Units by Geography | 71,240 | 15.4 | 23.0 | 35.3 | 15.8 | 10.5 |
| Vacant Units by Geography | 21,997 | 16.7 | 23.3 | 39.2 | 12.4 | 8.4 |
| Businesses by Geography | 35,142 | 7.3 | 17.1 | 42.1 | 27.6 | 6.0 |
| Farms by Geography | 2,040 | 2.2 | 12.2 | 60.5 | 24.0 | 1.1 |
| Family Distribution by Income Level | 101,324 | 22.9 | 16.8 | 20.5 | 39.8 | 0.0 |
| Household Distribution by Income Level | 180,297 | 27.0 | 14.8 | 16.2 | 42.0 | 0.0 |
| Median Family Income MSA - 14010 Bloomington, IL MSA | | $93,882 | Median Housing Value | | | $137,521 |
| Median Family Income MSA - 16580 Champaign-Urbana, IL MSA | | $81,070 | Median Gross Rent | | | $840 |
| Median Family Income Non-MSAs - IL | | $67,835 | Families Below Poverty Level | | | 9.6% |
| *Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income;*<br>*(*) The NA category consists of geographies that have not been assigned an income classification.* | | | | | | |

There are 202,294 housing units in the AF. Of these, 53.9 percent are owner-occupied, 35.2 percent are occupied rental units, and 10.9 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: 9.2 percent in low-income tracts, 19.3 percent in moderate-income tracts, 41.2 percent in middle-income tracts, 22.7 percent in upper-income tracts, and 7.6 percent in tracts with income unknown. Household income data indicate that 41.8 percent of households are LMI (27.0 percent low, 14.8 percent moderate), compared to 16.2 percent middle and 42.0 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 (median family income or MFI) as a percentage of the applicable area's MFI. 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% |
| Bloomington, IL MSA Median Family Income (14010) | | | | |
| 2024 ($109,400) | <$54,700 | $54,700 to <$87,520 | $87,520 to <$131,280 | ≥$131,280 |
| Champaign-Urbana, IL MSA Median Family Income (16580) | | | | |
| 2024 ($99,000) | <$49,500 | $49,500 to <$79,200 | $79,200 to <$118,800 | ≥$118,800 |
| IL NA Median Family Income (99999) | | | | |
| 2024 ($82,800) | <$41,400 | $41,400 to <$66,240 | $66,240 to <$99,360 | ≥$99,360 |
| *Source: FFIEC* | | | | |

## Competition

The AF is highly competitive for financial services. UICCU competes with national, regional, and community financial institutions, as well as other credit unions, mortgage companies, and online lenders throughout Champaign, McLean, and Vermilion Counties. Competition is most significant in the Champaign-Urbana and Bloomington-Normal markets, where numerous financial institutions operate and where major employers, healthcare systems, and educational institutions are concentrated.

According to the Federal Deposit Insurance Corporation's Summary of Deposits data as of June 30, 2024, numerous banking institutions operated throughout the AF. In addition, the credit union competes with other credit unions and non-depository lenders that offer consumer and residential mortgage products. Major competitors include large regional and national institutions that generally possess greater financial resources, broader product offerings, and larger branch networks.

Competition for residential mortgage lending is particularly strong. Home mortgage lending activity within the AF includes banks, credit unions, mortgage companies, and non-depository lenders operating through traditional branch networks and digital delivery channels. Competition for consumer lending is similarly significant, particularly in vehicle lending, credit card lending, and other unsecured consumer lending products.

The competitive environment, together with the credit union's AF was considered when evaluating the institution's lending performance and overall ILCRA performance context.

## Credit and Community Development Needs and Opportunities

The AF consists of Champaign County, McLean County, and Vermilion County, Illinois. In evaluating the credit and community development needs of the AF, examiners considered information obtained from community contacts representing a regional community development organization and an affordable housing organization, regional planning documents, and other publicly available economic and demographic information. Consistent with ILCRA performance context requirements, consideration was given to local economic conditions, demographic characteristics, housing trends, and opportunities for financial institutions to address identified credit and community development needs.

Access to affordable consumer financial products and services represents a significant need throughout the AF. Community contacts identified ongoing demand for small-dollar loans, credit-building products, affordable banking services, financial counseling, and financial education. An affordable housing organization serving McLean County reported that some LMI individuals continue to rely on alternative financial services and may have limited access to affordable mainstream financial products. The organization further identified needs for credit-building services, fraud-prevention education, and programs that assist consumers in establishing and maintaining banking relationships.

A regional community development organization similarly identified affordable mortgage products, small-dollar consumer loans, financial education, credit-building services, and community development investments as important needs within the region. The organization emphasized the importance of increasing awareness of available financial resources and programs, particularly among LMI households.

Affordable housing remains an important community development need throughout the AF. Community contacts identified housing affordability, increasing rental costs, housing rehabilitation needs, and demand for supportive housing as ongoing challenges. Opportunities continue to exist for financial institutions to support affordable housing development, housing preservation, and activities benefiting LMI individuals.

Small business financing was also identified as a credit need within the AF. Community contacts reported that startup businesses and small enterprises continue to face challenges obtaining financing and identified equipment financing, working capital, and technical assistance as ongoing needs. Opportunities exist for financial institutions to support economic development through lending, partnerships, and community development activities that promote business growth and job creation.

Community development opportunities also include financial literacy initiatives, workforce development programs, affordable housing activities, and partnerships with organizations serving LMI individuals. Based on information obtained from community contacts and other publicly available sources, primary credit needs within the AF include affordable consumer credit products, small-dollar loans, credit-building services, financial education, and access to affordable financial services. Primary community development needs include affordable housing development and preservation, workforce development, financial capability initiatives, and activities that benefit LMI individuals and communities.

# 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, covers the period from January 1, 2024, through December 31, 2024. Examiners used the ILCRA Intermediate Small Credit Union Examination Procedures to evaluate UICCU'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.

UICCU's delineated AF consists of three counties within its field of membership. The AF was evaluated by analyzing members and eligible members within the delineated geographic area. The analysis included member and borrower characteristics, borrower income distribution, membership eligibility, and lending activity to members. The evaluation was based on the credit union's LTS ratio, lending performance within the AF and across borrower income levels, responsiveness to ILCRA-related complaints, and fair lending performance. Member residence-by-tract income was referred to as the performance context only and was 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 95.9 percent, compared with 4.1 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 applications 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 149 applications totaling over $31.5 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 6,578 consumer loan originations. The credit union's loan records included the borrower's address and no income data. Examiners evaluated the geographic distribution of these consumer loans.

Community Development activities identified by the credit union were considered under the Community Development Test.

# CONCLUSIONS ON INTERMEDIATE SMALL CREDIT UNION PERFORMANCE CRITERIA

## LENDING TEST

UICCU demonstrated reasonable performance under the Lending Test. The credit union's LTS 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 LTS ratio, and the origination of loans within the field of membership support the conclusion.

**Loan-to-Share Ratio**

The credit union's average quarterly LTS ratio was reasonable given the institution's size, financial condition, and AF credit needs. Examiners analyzed quarterly LTS data from March 31, 2021, through December 31, 2024. During that timeframe, the ratio increased from 69.22 percent to 93.24 percent, with an average of 85.80 percent.

Focusing on the current evaluation period, January 1, 2024, through December 31, 2024, the credit union's LTS ratio showed a stable, favorable lending trend. The ratio increased from 89.93 percent as of March 31, 2024, to 94.31 percent as of June 30, 2024, then rose to 95.45 percent as of September 30, 2024, before declining slightly to 93.24 percent as of December 31, 2024. Despite the modest year-end decline, the ratio remained strong throughout the evaluation period and reflected continued growth in lending activity relative to the number of shares. The sustained high level of lending indicates the credit union effectively utilized available funds to help meet the credit needs of its membership and AF, consistent with safe and sound operations.

**Assessment Field Concentration**

This performance criterion evaluates the extent to which the credit union originates loans within its AF. The analysis considers both the number and dollar volume of loans and is conducted within the credit union's AF. The credit union originated a majority of its loans within the AF. Examiners reviewed a sample of home mortgage and consumer loans originated during the evaluation period to assess the distribution of lending inside and outside the AF, which consists of Champaign, McLean, and Vermilion Counties, Illinois.

The analysis showed 83.8 percent by number and 87.4 percent by dollar amount of home mortgage loans were originated within the AF. In addition, 72.8 percent by number and 67.4 percent by dollar amount of consumer loans were originated within the AF. Overall, the substantial majority of loans were extended to borrowers within the AF, demonstrating the credit union's commitment to serving the credit needs of its membership and communities.

UICCU made a majority of loans within the AF, both in number and in dollar amount. The following table summarizes loan concentrations inside and outside of the AF.

| Lending Inside and Outside of the AF (Champaign County, McLean County, Vermilion County) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Loan Category | Number of Loans | | | | Total | Dollar Amount of Loans | | | | Total |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | # | $ | % | $ | % | |
| Home Mortgage | 114 | 83.8 | 22 | 16.2 | 136 | 26,090,130.00 | 87.4 | 3,754,046.00 | 12.6 | 29,844,176.00 |
| Consumer | 4,786 | 72.8 | 1,792 | 27.2 | 6,578 | 104,581,000.00 | 67.4 | 50,527,000.00 | 32.6 | 155,108,000.00 |
| *Source: Credit Union Data<br>Due to rounding, totals may not equal 100.0* | | | | | | | | | | |

## Borrower Profile

This performance criterion evaluates the distribution of loans among borrowers across different income levels, including LMI individuals, and compares lending performance with the demographic characteristics of the AF.

The distribution of home mortgage loans shows reasonable penetration across income levels. The credit union originated 14.9 percent of loans to low-income borrowers and 17.5 percent to moderate-income borrowers in number terms. By dollar volume, lending to low-income borrowers accounted for 10.0 percent, while lending to moderate-income borrowers accounted for 10.5 percent. Lending to low-income borrowers is below the demographic comparator (22.9 percent of families), while lending to moderate-income borrowers is above it (16.8 percent of families). Performance is mitigated by the relatively small volume of home mortgage lending.

| Distribution of Home Mortgage Loans by Borrower Income Level<br>UICCU AF (Champaign County, McLean County, Vermilion County) | | | | | |
|---|---|---|---|---|---|
| Borrower Income Level | % of Families | # | % | $(000s) | % |
| Low | 22.9 | 17 | 14.9 | 2,596 | 10.0 |
| Moderate | 16.8 | 20 | 17.5 | 2,743 | 10.5 |
| Middle | 20.5 | 27 | 23.7 | 4,841 | 18.6 |
| Upper | 39.8 | 50 | 43.9 | 15,910 | 61.0 |
| **Subtotal** | **100.0** | **114** | **100.0** | **26,090** | **100.0** |
| *Source: 2020 ACS; Credit Union Data, "--" data not available.<br>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 AF, particularly LMI census tracts. Greater emphasis is placed on the percentage of loans by number.

The geographic distribution of home mortgage loans reflects adequate dispersion throughout the

AF. The credit union originated 15.8 percent of home mortgage loans in moderate-income census tracts, below the demographic comparator of 20.0 percent for owner-occupied housing units. No loans were originated in low-income census tracts. Performance is viewed in the context of the limited number of owner-occupied units located in low-income census tracts, which comprise only 3.3 percent of owner-occupied housing units within the AF, and the relatively small volume of home mortgage loans reviewed.

The geographic distribution of consumer loans reflects adequate dispersion across census tracts of varying income levels. The credit union originated 6.6 percent of consumer loans in low-income census tracts, which is below the demographic comparator of 8.1 percent of households. Lending in moderate-income census tracts totaled 18.7 percent, which is near the demographic level of 21.2 percent. Examiners placed greater emphasis on consumer lending, as it represents the vast majority of the credit union's lending activity. The geographic distribution of loans reflects adequate dispersion through the AF, including LMI geographies.

| Geographic Distribution of Home Mortgage Loans<br>UICCU AF (Champaign County, McLean County, Vermilion County) | | | | | |
|---|---|---|---|---|---|
| **Tract Income Level** | **% of Owner-Occupied Housing Units** | **#** | **%** | **$(000s)** | **%** |
| Low | 3.3 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 20.0 | 18 | 15.8 | 2,272 | 8.7 |
| Middle | 47.1 | 39 | 34.2 | 6,841 | 26.2 |
| Upper | 28.2 | 56 | 49.1 | 16,544 | 63.4 |
| Not Available | 1.3 | 1 | 0.9 | 434 | 1.7 |
| **Subtotal** | **100.0** | **114** | **100.0** | **26,090** | **100.0** |
| *Source: 2020 ACS; Credit Union Data, "--" data not available.*<br>*Due to rounding, totals may not equal 100.0%* | | | | | |

| Geographic Distribution of Consumer Loans<br>UICCU AF (Champaign County, McLean County, Vermilion County) | | | | | |
|---|---|---|---|---|---|
| **Tract Income Level** | **% of Households** | **#** | **%** | **$(000s)** | **%** |
| Low | 8.1 | 316 | 6.6 | 4,731 | 4.5 |
| Moderate | 21.2 | 893 | 18.7 | 16,345 | 15.6 |
| Middle | 42.4 | 2,016 | 42.1 | 44,442 | 42.5 |
| Upper | 23.3 | 1,472 | 30.8 | 37,702 | 36.1 |
| Not Available | 5.0 | 89 | 1.9 | 1,361 | 1.3 |
| **Subtotal** | **100.0** | **4,786** | **100.0** | **104,581** | **100.0** |
| *Source: 2020 ACS; Credit Union Data, "--" data not available.*<br>*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

UICCU demonstrated adequate responsiveness to community development needs within its AF. Performance reflects consideration of the institution's capacity, available opportunities, and the credit and community development needs identified within the AF.

The credit union supported community development through financial education, financial counseling, and outreach activities conducted throughout the AF. During the evaluation period, the institution provided financial education programs covering budgeting, savings, credit management, fraud prevention, debt reduction, financial wellness, and homeownership. Activities included public webinars, financial education presentations, one-on-one financial coaching, educational media segments, and partnerships with local employers, educational institutions, and community organizations.

The institution also promoted financial capability through ongoing financial wellness communications and publicly available educational resources. These activities increased access to financial information and services and demonstrated responsiveness to identified community needs, particularly in financial education, credit building, and consumer financial stability.

As this represents the institution's first ILCRA evaluation, examiners also considered management's efforts to identify community development opportunities and establish programs designed to address community financial service needs.

## 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 AF 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 LMI 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 AF.

"**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.