

# **PUBLIC DISCLOSURE**

July 21, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Bank of Manhattan  
RSSD# 238139

230 South State Street  
Manhattan, Illinois 60442

Federal Reserve Bank of Chicago

230 South LaSalle Street  
Chicago, Illinois 60604-1413

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

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## BANK'S CRA RATING

First Bank of Manhattan is rated Satisfactory.

First Bank of Manhattan is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans are originated in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and lending activity reflects reasonable penetration among borrowers of different income levels, and businesses of different sizes. There were no CRA-related complaints received by the institution or the Reserve Bank since the previous evaluation.

## SCOPE OF EXAMINATION

First Bank of Manhattan's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Interagency CRA Examination Procedures for Small Banks. Performance was evaluated in the context of information about the institution and its assessment area, including the bank's asset size, financial condition, competition, and economic and demographic characteristics.

A full-scope evaluation was performed on the bank's single assessment area, which consists of a portion of Will County, Illinois, in the Chicago-Naperville-Schaumburg, IL MD #16984. Loan products reviewed include Home Mortgage Disclosure Act (HMDA) reportable loans from January 1, 2023, through December 31, 2024, and a sample of small business loans from July 12, 2021, through December 31, 2024.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 16 quarter average loan-to-deposit ratio, from April 1, 2021, to March 31, 2025, was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2023, to December 31, 2024, and a sample of small business loans originated from July 12, 2021, to December 31, 2024, were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated from January 1, 2023, to December 31, 2024, and a sample of small business loans originated from July 12, 2021, to December 31, 2024 were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate- income.

- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** – The bank’s HMDA-reportable loans originated from January 1, 2023, to December 31, 2024, and a sample of small business loans originated in the assessment area, from July 12, 2021, to December 31, 2024, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: economic development and housing organizations.

## DESCRIPTION OF INSTITUTION

First Bank of Manhattan is a wholly owned subsidiary of Manhattan Bancshares, a one bank holding company located in Manhattan, Illinois. The bank operates in a portion of Will County, with its main office located in an upper-income census tract in the Village of Manhattan, approximately 30 miles southwest of Chicago, Illinois. The bank also has two additional full-service branches, one in Manhattan, Illinois, and one in New Lenox, Illinois, both located in upper-income census tracts. There is one cash-only automated teller machine (ATM) at both the main office and the New Lenox branch, and two ATMs at the Manhattan branch. Since the previous evaluation, the bank has not opened or closed any branch offices or ATMs.

As of March 31, 2025, the bank reported \$257.4 million in total assets. The bank serves its assessment area primarily as a commercial and residential real estate lender, comprising 45.2 percent and 37.0 percent of the bank’s portfolio, respectively. Loan products include, but are not limited to, agricultural, commercial, consumer, and residential real estate loans. Deposit products offered by the bank include, but are not limited to, checking, savings, certificates of deposit, money market accounts, and negotiable order of withdrawal (NOW) accounts. The bank offers a website (<https://www.fnbmanhattan.com>) where customers can open an account, view account statements, transfer funds, pay bills, make loan payments, submit stop payment requests, and apply for consumer and residential mortgage loans. Details of the allocation of the bank’s loan portfolio are provided in the following table:



Composition of Loan Portfolio as of March 31, 2025		
Loan Type	Dollar Volume (\$ are in 000s)	% of Portfolio
Commercial	66,003	45.2
Residential Real Estate	54,049	37.0
Agricultural	13,516	9.2
Consumer - Open End	7,404	5.1
Consumer – Closed End	2,318	1.6
Other Loans	2,848	2.0
<b>Total</b>	<b>146,138</b>	<b>100.0</b>
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

As of June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, First Bank of Manhattan ranks 15<sup>th</sup> out of 33 financial institutions operating in the assessment area. The bank held approximately \$233.7 million in deposits, representing a market share of 1.1 percent. Old National Bank (Evansville, Indiana) held the largest market share at 25.3 percent, followed by JPMorgan Chase Bank, National Association (Columbus, Ohio) at 17.8 percent and BMO Bank National Association (Chicago, Illinois) at 16.3 percent of the market share. The remaining institutions each hold less than nine percent of the deposit market share in the assessment area, indicating a high level of competition within the assessment area.

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on July 12, 2021.

## DESCRIPTION OF ASSESSMENT AREA<sup>1</sup>

First Bank of Manhattan's assessment area is located southwest of Chicago, Illinois and includes a portion of Will County in the Chicago-Naperville-Schaumburg, IL MD #16984. The bank's assessment area includes the cities of Manhattan, New Lenox, and Joliet.

The bank's delineated assessment area is comprised of 65 census tracts located in Will County. Six of the 65 census tracts are low-income, 19 are moderate-income, 18 are middle-income, 21 are upper-income, and one is unknown-income, due to a nature reserve. The assessment area is geographically unchanged from the previous performance evaluation of July 12, 2021; however, the number of census tracts increased from 64 to 65 due to a split in census tract number 8812.00. Additionally, low- and moderate- income (LMI) tracts increased from 20 to 25. Specifically, low-

<sup>1</sup> Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

income census tracts decreased from eight to six census tracts and moderate-income census tracts increased from 12 to 19 census tracts. These increases are attributed to the changes in the 2020 Decennial Census and the American Community Survey for the 2016-2020 period.

#### *Tract Designation Change Data*

*The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.*

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Performance Evaluation (#)	2025 Performance Evaluation (#)	Net Change (#)
Low	8	6	-1
Moderate	12	19	7
Middle	24	18	-6
Upper	19	21	2
Unknown	1	1	0
Total	64	65	1
Source: U. S. Census Bureau: Decennial Census; American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census; America Community Survey Data: 2016-2020			

The bank's low-income census tracts are home to 3,128 families, representing 5.1 percent of all families in the assessment area. The bank's moderate-income census tracts are home to 13,940 families, representing 22.6 percent of all families in the assessment area. A total of 91,679 housing units are located in the assessment area, of which 6,153 (6.7 percent) and 23,017 (25.1 percent) are located in low- and moderate-income census tracts, respectively. Within the low-income census tracts, 2.5 percent of the housing units are owner-occupied while 17.7 percent of the housing units are owner-occupied in the moderate-income census tracts. This indicates opportunities for home ownership, within these census tracts, are limited.

A total of 9,298 businesses are located in the assessment area, of which 779 (8.4 percent) and 1,360 (14.6 percent) are located in the low- and moderate-income census tracts, respectively. Businesses with gross annual revenues of less than \$1 million represent 89.9 percent of total businesses.

Additional assessment area demographic information is presented in the following table.

2024 Chicago-Naperville-Schaumburg, IL MD 16984 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	9.2	3,128	5.1	814	26.0	12,418	20.2
Moderate	19	29.2	13,940	22.6	1,923	13.8	10,495	17.0
Middle	18	27.7	15,297	24.8	660	4.3	12,300	20.0
Upper	21	32.3	29,210	47.4	673	2.3	26,362	42.8
Unknown	1	1.5	0	0.0	0	0.0	0	0.0
Total AA	65	100.0	61,575	100.0	4,070	6.6	61,575	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	6,153	1,591	2.5	25.9	3,625	58.9	937	15.2
Moderate	23,017	11,457	17.7	49.8	9,175	39.9	2,385	10.4
Middle	25,071	18,437	28.5	73.5	5,049	20.1	1,585	6.3
Upper	37,438	33,183	51.3	88.6	2,673	7.1	1,582	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	91,679	64,668	100.0	70.5	20,522	22.4	6,489	7.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	779	8.4	705	8.4	65	7.5	9	11.5
Moderate	1,360	14.6	1,212	14.5	137	15.9	11	14.1
Middle	1,930	20.8	1,759	21.0	143	16.6	28	35.9
Upper	5,227	56.2	4,679	56.0	518	60.0	30	38.5
Unknown	2	0.0	2	0.0	0	0.0	0	0.0
Total AA	9,298	100.0	8,357	100.0	863	100.0	78	100.0
Percentage of Total Businesses:				89.9		9.3		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	2	1.5	2	1.5	0	0.0	0	0.0
Moderate	11	8.3	11	8.5	0	0.0	0	0.0
Middle	72	54.5	70	53.8	2	100.0	0	0.0
Upper	46	34.8	46	35.4	0	0.0	0	0.0
Unknown	1	0.8	1	0.8	0	0.0	0	0.0
Total AA	132	100.0	130	100.0	2	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

### Population Characteristics

As presented in the following table, Will County experienced population growth of 1.8 percent since 2015, according to the 2011-2015 American Community Survey (ACS) and 2020 U.S. Census data. The Chicago-Naperville-Schaumburg, IL MD saw a population growth of 0.8 percent while the entire state of Illinois had a 0.5 percent decrease in population. A community representative noted that the population growth in Will County is largely driven by residents relocating from Cook County, primarily due to its higher property taxes. According to the representative, many individuals prefer to commute for work rather than living in Cook County and bear the financial burden of high property taxes. Aspiring small business owners are also leaving Cook County in search of more favorable tax conditions.

Population Change			
Area	2015 Population	2020 Population	Percentage Change
Will County	683,995	696,355	1.8
Chicago-Naperville-Schaumburg, IL MD	7,208,434	7,267,535	0.8
Illinois	12,873,761	12,812,508	-0.5
Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2020 U.S. Census Bureau: American Community Survey Data: 2011-2015			

### Income Characteristics

The following table compares the median family income (MFI) for Will County, the Chicago-Naperville-Schaumburg, IL MD, and the state of Illinois. In 2015 the median family income in Will County was \$96,092. By 2020, that number increased to \$105,658, reflecting a 10.0 percent increase. The Chicago-Naperville-Schaumburg, IL MD experienced the highest percentage increase at 13 percent. In the state of Illinois overall, the median family income increased by \$8,082 from 2015 to 2020, which reflects a 10.3 percent increase. Although Will County had the lowest percentage increase compared to the MD and the state of Illinois, it still maintained the highest income levels. Overall, all three areas experienced growth in the median family income between 2015 and 2020.

Community representatives indicated that inflation, supply chain concerns, and the political environment have had an impact on the cost of living in the area. A community representative mentioned that although there are concerns with respect to the cost of living in Will County, the area is still generally better off compared to the surrounding counties like Cook County. This is due to the lower property taxes in Will County when compared to Cook County. A community representative indicated that, particularly for low- and moderate-income individuals, the cost of living has increased, while wage increases have not kept pace.

Median Family Income Change 2015 and 2020			
Area	2015 Median Family Income	2020 Median Family Income	Percentage Change
Will County	\$96,092	\$105,658	10.0%
Chicago-Naperville-Schaumburg, IL MD	\$81,969	\$92,622	13.0%
Illinois	\$78,169	\$86,251	10.3%
Source: U.S. Census Bureau: American Community Survey Data: 2011-2015 U.S. Census Bureau: American Community Survey Data: 2016-2020			

## Housing Characteristics

A household is considered cost-burdened when it spends more than 30 percent of its income on housing. A household is considered severely cost-burdened when it spends more than 50 percent of its income on housing. The following table compares housing cost burdens for renters and homeowners in Will County, the Chicago-Naperville-Schaumburg, IL MD, and the state of Illinois. Low-income individuals are generally impacted at a higher rate than moderate-income individuals as both renters and homeowners. Low-income renters in Will County have the greatest housing cost burden at 78.7 percent compared to 75.8 in the Chicago-Naperville-Schaumburg, IL MD and 73.6 percent in the state of Illinois. For moderate-income renters, the burden is highest in the Chicago-Naperville-Schaumburg, IL MD at 39.4 percent, followed by Will County and the state of Illinois at 37.4 and 34.6 percent, respectively. As it pertains to homeowners, the Chicago-Naperville-Schaumburg, IL MD has the highest overall burden, with 24.8 percent of all owners cost-burdened compared to Will County and the state of Illinois at 21.0 percent and 20.8 percent, respectively. Low-income homeowners face similar cost burden in Will County (72.8 percent) and the Chicago-Naperville-Schaumburg, IL MD (72.9 percent), while the state of Illinois is lower at 67.0 percent. Among moderate-income homeowners, the MD shows the highest burden at 42.3 percent, compared to 41.4 percent in Will County and 34.3 percent across the state of Illinois. It is noted that the cost burden on low- and moderate-income owners in both Will County and Chicago-Naperville-Schaumburg, IL MD is greater than renters of the same income in those areas. This is compared to the overall state of Illinois in which the burden is approximately equal whether between renting or owning. Overall, housing costs appear to be most burdensome in Will County for renters and in the MD for homeowners.

A community representative indicated that the biggest challenge with housing is the lack of availability of affordable housing in Will County, particularly multifamily housing. The community representative also mentioned that there are a few new developments in the assessment area. Currently, one of the projects is a multifamily development that is age restricted for residents that are age 55 and above. In addition to these new developments, there are down payment assistance programs in the area to help low- and moderate- income individuals attain homeownership. The community representative stated that it is difficult to find homes that are affordable given the current housing market.

Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Will County, IL	78.7%	37.4%	44.4%	72.8%	41.4%	21.0%
Chicago-Naperville-Schaumburg, IL MD	75.8%	39.4%	42.7%	72.9%	42.3%	24.8%
Illinois	73.6%	34.6%	41.8%	67.0%	34.3%	20.8%
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development, 2017-2021 Comprehensive Housing Affordability Strategy						

## Employment Characteristics

The following table presents unemployment statistics for Will County, the Chicago-Naperville-Schaumburg, IL MD, and the state of Illinois from 2020-2023. In 2020 all three areas experienced high unemployment rates due to the COVID-19 pandemic, with rates of 9.1 percent in Will County, 9.9 percent in the MD, and 9.3 percent statewide. By 2021, unemployment rates significantly declined across all areas. Will County unemployment rates dropped by 3.4 percent, and a decline of 3.5 percent and 3.2 percent occurred in the MD and the state of Illinois, respectively. This downward trend continues into 2022 and 2023. Overall, the data reflects a gradual recovery in employment levels from 2020 to 2023. Remediation amounts and notice were included as part of the transaction testing process.

A community representative indicated that there is a general lack of skilled workers in the area, however, it is not a critical factor for most employers. Another challenge in the assessment area is transportation; skilled workers often have a difficult time finding means of transportation to and from work. The community representative also mentioned that Will County is a very big transportation hub, so there is an abundance of lower paying warehouse and delivery driver positions available that are not being filled due to the low wages offered for these positions.

Unemployment Rates				
Region	2020	2021	2022	2023
Will County, IL	9.1%	5.7%	4.5%	4.2%
Chicago-Naperville-Schaumburg, IL MD	9.9%	6.4%	4.6%	4.2%
Illinois	9.3%	6.1%	4.6%	4.5%
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics				

## Community Representatives

Two community representatives were contracted during the evaluation to provide information regarding local economic conditions and affordable housing efforts within the assessment area.

The representatives provided information on housing, employment, and economic development needs within the assessment area. Each representative stated that there are financial and affordability challenges within the area, however, representatives also mentioned that the financial institutions in their area are actively involved in the community, and working to meet the credit needs of the community.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

*Performance standards for small banks consist of the following, as applicable: the bank's loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank's assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.*

## LENDING TEST

First Bank of Manhattan's performance relative to the lending test is rated Satisfactory. This is based on a reasonable loan-to-deposit ratio, a majority of the loans originating within the bank's assessment area, a geographic distribution of loans reflecting a reasonable dispersion throughout the assessment area, and a reasonable penetration of loans to individuals of different income levels and businesses of different sizes.

### Loan-to-Deposit Ratio

First Bank of Manhattan's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment area, and considering, as appropriate, other lending-related activities such as loan originations for sale to the secondary market. As of March 31, 2025, the bank's LTD ratio averaged 56.5 percent over a 16-quarter period. Although lower than all but one of its competitors, the bank's LTD ratio remains reasonable considering the volume of loans the bank originates and then sells on the secondary market. Strong competition and geographic barriers within Joliet impact the bank's ability to find lending opportunities within portions of their assessment area. At the previous examination, the bank's LTD ratio was at 60.8 percent.

The following table compares First Bank of Manhattan's LTD ratio to its local competitor of similar size and portfolio composition.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	16 – Quarter Average
First Bank of Manhattan	56.5%
<b>Competitors</b>	
First Community Bank and Trust	51.1%
Busey Bank	73.5%
Woodforest National Bank	74.1%
Heartland Bank and Trust Company	71.4%
First Savings Bank of Hegewisch	58.1%

### Assessment Area Concentration

A majority of the bank's loans and other lending-related activities are originated within the bank's assessment area. During the evaluation period, the bank originated 72.7 percent of HMDA-reportable and small business loans, by number, and 64.0 percent, by dollar amount, inside the assessment area. The bank's overall assessment area concentration has increased by number (69.8 percent at the previous examination), accounting for a 2.9 percent increase. Overall, the percentage of HMDA-reportable and small business loans originated within the assessment area indicates the bank is actively responding to the credit needs of individuals and businesses in the community.

The following table summarizes the bank's lending inside and outside its assessment area for HMDA-reportable loans and a sample of small business loans.

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	8	88.9	\$529	93.8	1	11.1	\$35	6.2
Home Purchase - Conventional	24	54.5	\$5,453	44.3	20	45.5	\$6,855	55.7
Multi-Family Housing	8	80.0	\$5,536	63.5	2	20.0	\$3,178	36.5
Refinancing	9	75.0	\$1,545	85.5	3	25.0	\$261	14.5
<b>Total HMDA related</b>	<b>49</b>	<b>65.3</b>	<b>\$13,063</b>	<b>55.8</b>	<b>26</b>	<b>34.7</b>	<b>\$10,329</b>	<b>44.2</b>
Small Business	52	81.3	\$9,391	80.4	12	18.8	\$2,288	19.6
<b>Total Small Bus. related</b>	<b>52</b>	<b>81.3</b>	<b>\$9,391</b>	<b>80.4</b>	<b>12</b>	<b>18.8</b>	<b>\$2,288</b>	<b>19.6</b>
<b>TOTAL LOANS</b>	<b>101</b>	<b>72.7</b>	<b>\$22,454</b>	<b>64.0</b>	<b>38</b>	<b>27.3</b>	<b>\$12,617</b>	<b>36.0</b>



## Geographic Distribution of Loans

*For the purposes of this review, loans made in calendar years up to and including 2021 were analyzed based on income designations from the 2011-2015 American Community Survey data<sup>2</sup>. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 American Community Survey data.*

First Bank of Manhattan demonstrates a reasonable geographic distribution of loans given the bank's assessment area. An analysis of the geographic distribution of HMDA-reportable loans and a sample of small business loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly low- and moderate-income census tracts. The analysis took into consideration the demographics, economic conditions, and branching network of the bank. Examiners determined that there were no conspicuous or unexplained gaps in the assessment area.

### Residential Real Estate Lending

The bank did not originate any HMDA-reportable loans in low-income census tracts in 2023, which is below the 2.5 percent of owner-occupied housing units located in low-income census tracts, and below the aggregate lender performance of 2.7 percent. All six of the low-income tracts within the assessment area are located in the Joliet Township, where the bank has limited opportunity to originate loans due to a lack of physical presence and high competition. However, the bank has been hosting home ownership classes and other public outreach events in an attempt to not only increase brand name awareness, but to provide financial literacy courses to this area. Events have been well received and well attended but have yet to lead to a significant increase in loan applications or originations. Adding to the lending challenges, 58.9 percent of the housing units located in low-income census tracts are rental properties, limiting the ability to originate HMDA-reportable loans in these areas. The bank originated 13.8 percent of HMDA-reportable loans in the moderate-income census tracts within the assessment area, below the aggregate lending at 20.1 percent. The bank's lending is lower than the 17.7 percent of owner-occupied housing units in the moderate-income census tracts.

The bank's geographic distribution in 2024 was above the performance in 2023 as 10.0 percent of HMDA-reportable loans were originated in low-income census tracts, compared to 2.5 percent of owner-occupied units located in low-income census tracts. The bank originated 25.0 percent of HMDA-reportable loans within moderate-income census tracts, above the 17.7 percent of owner-occupied units located in moderate-income census tracts.

The following table summarizes the bank's 2023 geographic distribution of HMDA-reportable loans in the assessment area. The 2024 geographic distribution of HMDA-reportable loans table

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<sup>2</sup> The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)

can be found in Appendix C.

Distribution of 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: Chicago-Naperville-Evanston, IL MD 16984							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	%	%	
Home Purchase Loans							
Low	0	0.0	3.2	0	0.0	1.9	2.5
Moderate	2	18.2	22.4	226	7.3	14.3	17.7
Middle	7	63.6	30.8	2,047	66.5	26.3	28.5
Upper	2	18.2	43.5	805	26.2	57.4	51.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	11	100.0	100.0	3,078	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	2.1	0	0.0	1.2	2.5
Moderate	0	0.0	18.9	0	0.0	14.0	17.7
Middle	3	37.5	29.2	365	30.0	24.7	28.5
Upper	5	62.5	49.8	850	70.0	60.1	51.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	8	100.0	100.0	1,215	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.7	0	0.0	1.0	2.5
Moderate	0	0.0	11.9	0	0.0	8.2	17.7
Middle	4	66.7	19.6	79	19.8	13.4	28.5
Upper	2	33.3	66.9	321	80.3	77.5	51.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	400	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	4.5	0	0.0	21.1	24.7
Moderate	2	50.0	18.2	2,140	73.1	7.9	41.6
Middle	2	50.0	50.0	788	26.9	26.5	17.0
Upper	0	0.0	27.3	0	0.0	44.6	16.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	2,928	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	2.7	0	0.0	2.3	2.5
Moderate	4	13.8	20.1	2,366	31.0	13.7	17.7
Middle	16	55.2	29.6	3,279	43.0	25.6	28.5
Upper	9	31.0	47.6	1,976	25.9	58.3	51.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	29	100.0	100.0	7,621	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

### Small Business Lending

In 2024, the geographic distribution of small business loans reflects a reasonable dispersion throughout the assessment area. Within the sample of small business loans reviewed, First Bank of Manhattan originated 6.3 percent of small business loans, by number, in low-income census tracts, below the percentage of total businesses located in low-income census tracts at 8.4 percent. The bank did not originate any small business loans in moderate-income census tracts, which is significantly below the 14.6 percent of total small businesses in the assessment area located in moderate-income census tracts. The majority of low- and moderate-income census tracts are located within the Joliet Township, where there is increased competition with other financial institutions. Further, the branch locations in Manhattan and New Lenox are not easily accessible from Joliet, as transportation options and travel routes are limited. A majority (50.0 percent) by number of the bank's small business loans were originated in upper-income tracts, which is comparable to the percentage of total businesses located in those geographies at 56.2 percent. The bank originated 43.8 percent by number of its small business loans in middle-income census tracts, which is greater than the percentage of total businesses located in those geographies at 20.8 percent. Additionally, when looking at the bank's geographic dispersion at lending activity by dollar amount, rather than loan volume, 23.5 percent of the bank's total small business lending occurred in low-income census tracts. Significantly more than 8.4 percent of total businesses present in those tracts. First Bank of Manhattan made 35.9 percent of small business dollars were lent to middle income tracts and 40.5 percent were made to upper income tracts.

In 2023, the bank's small business lending performance was comparable to their performance in 2024. In 2022, the bank's performance was above that in 2024 as they originated 8.3 percent of small business loans in both low- and moderate-income census tract. This was comparable to the small businesses located in low-income census tracts at 8.3 percent and slightly below the percentage of small businesses located in moderate-income census tracts at 14.8 percent. In 2021 the bank only originated four small business loans, so a meaningful analysis could not be completed.

The following table presents the geographic distribution of small business loans in 2024. The 2023, 2022, and 2021 geographic distribution tables for small business loans can be found in appendix C.

Distribution of 2024 Small Business Lending By Income Level of Geography Assessment Area: Chicago-Naperville-Schaumburg, IL MD 16984					
Geographic Income Level	Bank Loans				Total
	#	%	\$ (000)	%	Businesses %
Low	1	6.3	400	23.5	8.4
Moderate	0	0.0	0	0.0	14.6
Middle	7	43.8	611	35.9	20.8
Upper	8	50.0	689	40.5	56.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>1,700</b>	<b>100.0</b>	<b>100.0</b>
Source: 2024 FFIEC Census Data 2024 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

### Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

For the purposes of this review, loans made in calendar year 2021 or before were analyzed based on 2011-2015 American Community Survey income designations for individuals<sup>3</sup>. Loans made in calendar year 2022 or after were analyzed based on 2016-2020 American Community Survey income designations for individuals.

First Bank of Manhattan's loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different revenue sizes, given the demographics of the bank's assessment area.

### Residential Real Estate Lending

HMDA-reportable lending reflects a reasonable penetration among borrowers of different income levels. Twenty-six percent of low-income families in the assessment area have incomes below the poverty level and therefore are less likely to afford an owner-occupied home. Despite this, in 2023, First Bank of Manhattan originated 12.0 percent of HMDA-reportable loans to low-income borrowers, which is below the 20.2 percent of low-income borrowers that make up the assessment area's demographic but exceeded the 10.7 percent of lending to low-income borrowers by the aggregate. Among moderate-income borrowers, the bank did not originate any residential real estate loans, which is significantly lower than the 17.0 percent of moderate-income families within the assessment area, and the aggregate lending at 25.4 percent. located in the Joliet area. The bank originated 24.0 percent of its residential real estate loans to middle-income borrowers, which is greater than the percentage of middle-income families within the assessment area at 20.0 percent and the aggregate lending at 22.7 percent. A total of 20.0 percent of HMDA-reportable loans were originated to borrowers of unknown-income. These are loans for investment properties where income documentation is not required. Finally, the bank originated 44.0 percent of its residential

<sup>3</sup> Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

real estate loans to upper-income borrowers, above the percentage of upper-income families within the assessment area at 42.8 percent and significantly above aggregate lending at 27.5 percent. Overall, these figures indicate the bank is appropriately serving the credit needs of low- and moderate-income borrowers within the assessment area.

The bank's borrower distribution in 2024 was above the performance in 2023 as 12.5 percent of HMDA-reportable loans were originated to low-income borrowers compared to 12.0 percent in 2023. Among moderate-income borrowers, the bank originated 6.3 percent of their loans compared to zero percent in 2023. Although low- and moderate-income (LMI) lending is below the assessment area demographics of 20.2 percent and 17.0 percent, respectively, the bank's lending to LMI borrowers in 2024 has increased since 2023, demonstrating that the increased outreach efforts are having positive results.

The following table summarizes the bank's 2023 borrower distribution of HMDA-reportable loans in the assessment area. The table for 2024 HMDA-reportable borrower distribution can be found in Appendix C.

Distribution of 2023 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Chicago-Naperville-Evanston, IL MD 16984							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	2	18.2	11.1	284	9.2	6.0	20.2
Moderate	0	0.0	27.5	0	0.0	20.0	17.0
Middle	2	18.2	22.0	460	14.9	21.7	20.0
Upper	4	36.4	24.0	1,834	59.6	35.7	42.8
Unknown	3	27.3	15.4	500	16.2	16.7	0.0
Total	11	100.0	100.0	3,078	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	11.5	0	0.0	6.3	20.2
Moderate	0	0.0	22.5	0	0.0	19.8	17.0
Middle	3	37.5	25.0	250	20.6	24.5	20.0
Upper	5	62.5	30.0	965	79.4	36.6	42.8
Unknown	0	0.0	11.0	0	0.0	12.8	0.0
Total	8	100.0	100.0	1,215	100.0	100.0	100.0
Home Improvement Loans							
Low	1	16.7	7.7	13	3.3	5.1	20.2
Moderate	0	0.0	22.4	0	0.0	17.1	17.0
Middle	1	16.7	24.3	12	3.0	22.2	20.0
Upper	2	33.3	42.5	335	83.8	53.3	42.8
Unknown	2	33.3	3.0	40	10.0	2.4	0.0
Total	6	100.0	100.0	400	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	12.0	10.7	297	6.3	5.9	20.2
Moderate	0	0.0	25.4	0	0.0	19.5	17.0
Middle	6	24.0	22.7	722	15.4	21.9	20.0
Upper	11	44.0	27.5	3,134	66.8	36.7	42.8
Unknown	5	20.0	13.7	540	11.5	16.0	0.0
Total	25	100.0	100.0	4,693	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

### Small Business Lending

The distribution of small business loans reflects a reasonable penetration among businesses of different revenue sizes. A sample of small business loans originated in 2024 were reviewed, of which 56.3 percent by number were to businesses with gross revenues equal to or less than \$1 million. The bank's performance was significantly below the presence of total small businesses operating in the assessment area at 89.9 percent. Additionally, 55.6 percent of the bank's loans originated to businesses with annual revenues of \$1 million or less, were in the amounts of

\$100,000 or less. These loans are considered the most beneficial to small businesses and demonstrate the bank's willingness to meet the credit needs of small businesses.

As previously stated, in 2021 the bank only originated four small business loans. So, a meaningful analysis could not be completed. In 2022, the bank's performance was below that in 2024. In 2023 the bank's performance was comparable to that in 2024.

The following table presents the borrower distribution of small business loans in 2024. The borrower distribution tables for 2021, 2022, and 2023 can be found in appendix C.

Distribution of 2024 Small Business Lending By Revenue Size of Businesses Assessment Area: Chicago-Naperville-Schaumburg, IL MD 16984					
	Bank Loans				Total Businesses
	#	#%	\$ (000)	%	
By Revenue					
\$1 Million or Less	9	56.3	1,444	84.9	89.9
Over \$1 Million	7	43.8	256	15.1	9.3
Revenue Unknown	0	0.0	0	0.0	0.8
Total	16	100.0	1,700	100.0	100.0
By Loan Size					
\$100,000 or Less	12	75.0	396	23.3	
\$100,001 - \$250,000	1	6.3	185	10.9	
\$250,001 - \$1 Million	3	18.8	1,119	65.8	
Total	16	100.0	1,700	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	5	55.6	140	9.7	
\$100,001 - \$250,000	1	11.1	185	12.8	
\$250,001 - \$1 Million	3	33.3	1,119	77.5	
Total	9	100.0	1,444	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

## Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

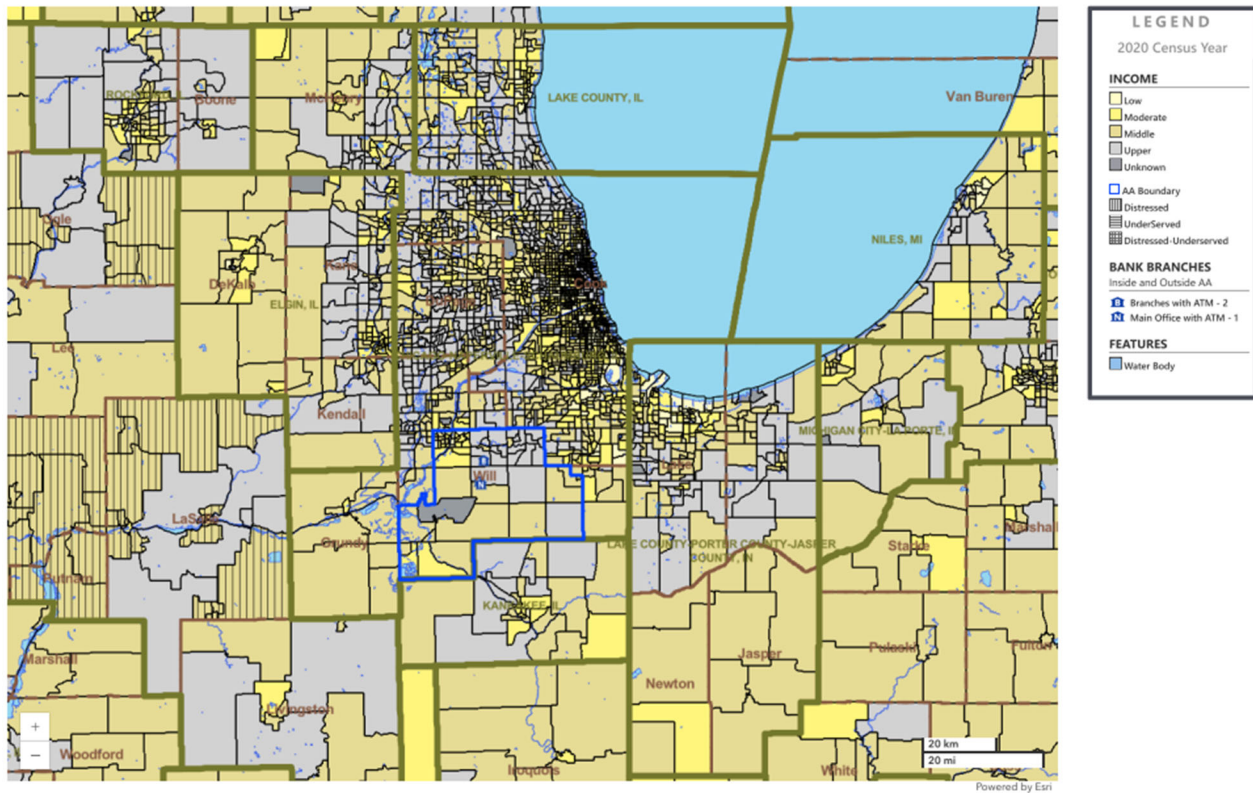
## FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.



## APPENDIX A – Map of Assessment Area

**First Bank of Manhattan 238139**  
Chicago-Naperville-Schaumburg, IL MD 16984





## APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>		HMDA: January 1, 2023, to December 31, 2024 Small Business: July 12, 2021, to December 31, 2024	
<b>FINANCIAL INSTITUTION</b>			<b>PRODUCTS REVIEWED</b>
First Bank of Manhattan			HMDA-Reportable Loans Small Business Loans
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Chicago-Naperville-Schaumburg, IL MD (16984)	Full scope	N/A	N/A

### APPENDIX C – Additional Demographics and Lending Tables

2023 Chicago-Naperville-Evanston, IL MD 16984 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	9.2	3,128	5.1	814	26.0	12,418	20.2
Moderate	19	29.2	13,940	22.6	1,923	13.8	10,495	17.0
Middle	18	27.7	15,297	24.8	660	4.3	12,300	20.0
Upper	21	32.3	29,210	47.4	673	2.3	26,362	42.8
Unknown	1	1.5	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>65</b>	<b>100.0</b>	<b>61,575</b>	<b>100.0</b>	<b>4,070</b>	<b>6.6</b>	<b>61,575</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	6,153	1,591	2.5	25.9	3,625	58.9	937	15.2
Moderate	23,017	11,457	17.7	49.8	9,175	39.9	2,385	10.4
Middle	25,071	18,437	28.5	73.5	5,049	20.1	1,585	6.3
Upper	37,438	33,183	51.3	88.6	2,673	7.1	1,582	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>91,679</b>	<b>64,668</b>	<b>100.0</b>	<b>70.5</b>	<b>20,522</b>	<b>22.4</b>	<b>6,489</b>	<b>7.1</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	811	8.3	733	8.3	70	7.7	8	10.0
Moderate	1,444	14.8	1,293	14.7	140	15.5	11	13.8
Middle	2,033	20.8	1,854	21.1	151	16.7	28	35.0
Upper	5,493	56.1	4,915	55.9	545	60.2	33	41.3
Unknown	2	0.0	2	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>9,783</b>	<b>100.0</b>	<b>8,797</b>	<b>100.0</b>	<b>906</b>	<b>100.0</b>	<b>80</b>	<b>100.0</b>
<b>Percentage of Total Businesses</b>				<b>89.9</b>		<b>9.3</b>		<b>0.8</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.7	1	0.8	0	0.0	0	0.0
Moderate	12	9.0	12	9.1	0	0.0	0	0.0
Middle	75	56.0	73	55.3	2	100.0	0	0.0
Upper	45	33.6	45	34.1	0	0.0	0	0.0
Unknown	1	0.7	1	0.8	0	0.0	0	0.0
<b>Total AA</b>	<b>134</b>	<b>100.0</b>	<b>132</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms</b>				<b>98.5</b>		<b>1.5</b>		<b>0.0</b>
Source: 2023 FFIEC Census Data 2023 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2022 Chicago-Naperville-Evanston, IL MD 16984 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	9.2	3,128	5.1	814	26.0	12,418	20.2
Moderate	19	29.2	13,940	22.6	1,923	13.8	10,495	17.0
Middle	18	27.7	15,297	24.8	660	4.3	12,300	20.0
Upper	21	32.3	29,210	47.4	673	2.3	26,362	42.8
Unknown	1	1.5	0	0.0	0	0.0	0	0.0
Total AA	65	100.0	61,575	100.0	4,070	6.6	61,575	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	6,153	1,591	2.5	25.9	3,625	58.9	937	15.2
Moderate	23,017	11,457	17.7	49.8	9,175	39.9	2,385	10.4
Middle	25,071	18,437	28.5	73.5	5,049	20.1	1,585	6.3
Upper	37,438	33,183	51.3	88.6	2,673	7.1	1,582	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	91,679	64,668	100.0	70.5	20,522	22.4	6,489	7.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	814	8.3	735	8.3	72	7.8	7	8.2
Moderate	1,472	14.9	1,318	14.9	141	15.2	13	15.3
Middle	2,038	20.7	1,858	21.0	152	16.4	28	32.9
Upper	5,527	56.1	4,930	55.8	560	60.5	37	43.5
Unknown	2	0.0	2	0.0	0	0.0	0	0.0
Total AA	9,853	100.0	8,843	100.0	925	100.0	85	100.0
Percentage of Total Businesses:				89.7		9.4		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.8	1	0.8	0	0.0	0	0.0
Moderate	12	9.1	12	9.2	0	0.0	0	0.0
Middle	75	56.8	73	56.2	2	100.0	0	0.0
Upper	43	32.6	43	33.1	0	0.0	0	0.0
Unknown	1	0.8	1	0.8	0	0.0	0	0.0
Total AA	132	100.0	130	100.0	2	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

2021 Chicago-Naperville-Evanston, IL MD 16984 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	8	12.5	5,636	9.4	1,685	29.9	12,160	20.3
Moderate	12	18.8	8,994	15.0	1,404	15.6	9,522	15.9
Middle	24	37.5	20,489	34.1	1,359	6.6	12,543	20.9
Upper	19	29.7	24,930	41.5	669	2.7	25,824	43.0
Unknown	1	1.6	0	0.0	0	0.0	0	0.0
Total AA	64	100.0	60,049	100.0	5,117	8.5	60,049	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	9,715	2,967	4.8	30.5	5,536	57.0	1,212	12.5
Moderate	14,747	6,661	10.8	45.2	6,566	44.5	1,520	10.3
Middle	32,642	23,663	38.4	72.5	6,071	18.6	2,908	8.9
Upper	31,664	28,331	46.0	89.5	2,116	6.7	1,217	3.8
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	88,768	61,622	100.0	69.4	20,289	22.9	6,857	7.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	904	9.3	820	9.5	76	8.1	8	9.9
Moderate	1,018	10.5	877	10.1	132	14.1	9	11.1
Middle	2,622	27.0	2,380	27.4	208	22.2	34	42.0
Upper	5,148	53.1	4,597	53.0	521	55.6	30	37.0
Unknown	2	0.0	2	0.0	0	0.0	0	0.0
Total AA	9,694	100.0	8,676	100.0	937	100.0	81	100.0
Percentage of Total Businesses:				89.5		9.7		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	6	4.5	6	4.6	0	0.0	0	0.0
Middle	86	65.2	84	64.6	2	100.0	0	0.0
Upper	39	29.5	39	30.0	0	0.0	0	0.0
Unknown	1	0.8	1	0.8	0	0.0	0	0.0
Total AA	132	100.0	130	100.0	2	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0
Source: 2021 FFIEC Census Data 2021 Data & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Distribution of 2024 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Chicago-Naperville-Schaumburg, IL MD 16984					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	%	\$(000)	\$%	
Low	2	10.0	1,690	31.1	2.5
Moderate	5	25.0	814	15.0	17.7
Middle	8	40.0	1,490	27.4	28.5
Upper	5	25.0	1,448	26.6	51.3
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	20	100.0	5,442	100.0	100.0
Source: 2024 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2024 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Chicago-Naperville-Schaumburg, IL MD 16984					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	%	\$(000)	\$%	
Low	2	12.5	134	4.7	20.2
Moderate	1	6.3	49	1.7	17.0
Middle	4	25.0	612	21.6	20.0
Upper	4	25.0	781	27.6	42.8
Unknown	5	31.3	1,258	44.4	0.0
Total	16	100.0	2,834	100.0	100.0
Source: 2024 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography Assessment Area: Chicago-Naperville-Evanston, IL MD 16984									
Geographic Income Level	Bank Loans By Year								Total Businesses %
	2022				2023				
	#	%	\$(000)	\$%	#	%	\$(000)	\$%	
Low	1	8.3	772	29.5	1	5.0	150	4.1	8.3
Moderate	1	8.3	263	10.0	0	0.0	0	0.0	14.8
Middle	4	33.3	82	3.1	4	20.0	343	9.3	20.8
Upper	6	50.0	1,504	57.4	15	75.0	3,177	86.6	56.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	12	100.0	2,621	100.0	20	100.0	3,670	100.0	100.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

Distribution of 2021 Small Business Lending By Income Level of Geography Assessment Area: Chicago-Naperville-Evanston, IL MD 16984					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	\$%	
Low	0	0.0	0	0.0	9.3
Moderate	0	0.0	0	0.0	10.5
Middle	1	25.0	20	1.4	27.0
Upper	3	75.0	1,380	98.6	53.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>1,400</b>	<b>100.0</b>	<b>100.0</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					



Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses									
Assessment Area: Chicago-Naperville-Evanston, IL MD 16984									
	Bank Loans By Year								Total Businesses %
	2022				2023				
	#	%	\$(000)	%	#	%	\$(000)	%	
By Revenue									
\$1 Million or Less	3	25.0	1,893	72.2	9	45.0	1,267	34.5	89.9
Over \$1 Million	4	33.3	313	11.9	6	30.0	823	22.4	9.3
Revenue Unknown	5	41.7	415	15.8	5	25.0	1,580	43.1	0.8
Total	12	100.0	2,621	100.0	20	100.0	3,670	100.0	100.0
By Loan Size									
\$100,000 or Less	6	50.0	206	7.9	9	45.0	397	10.8	
\$100,001 - \$250,000	2	16.7	260	9.9	6	30.0	821	22.4	
\$250,001 - \$1 Million	4	33.3	2,156	82.3	5	25.0	2,453	66.8	
Total	12	100.0	2,621	100.0	20	100.0	3,670	100.0	
By Loan Size and Revenue \$1 Million or Less									
\$100,000 or Less	0	0.0	0	0.0	5	55.6	167	13.2	
\$100,001 - \$250,000	0	0.0	0	0.0	2	22.2	238	18.8	
\$250,001 - \$1 Million	3	100.0	1,893	100.0	2	22.2	862	68.0	
Total	3	100.0	1,893	100.0	9	100.0	1,267	100.0	
Source: 2023 FFIEC Census Data 2023 DRI & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Chicago-Naperville-Evanston, IL MD 16984					
	Bank Loans				Total Businesses
	#	#%	\$ (000)	%	
By Revenue					
\$1 Million or Less	1	25.0	20	1.4	89.5
Over \$1 Million	1	25.0	960	68.6	9.7
Revenue Unknown	2	50.0	420	30.0	0.8
Total	4	100.0	1,400	100.0	100.0
By Loan Size					
\$100,000 or Less	2	50.0	40	2.9	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	2	50.0	1,360	97.1	
Total	4	100.0	1,400	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	1	100.0	20	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	1	100.0	20	100.0	
Source: 2021 FFIEC Census Data 2021 DRI & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

## APPENDIX D – Glossary

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**American Community Survey Data (ACS):** The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.<sup>4</sup>

**Area Median Income (AMI):** AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment area:** Assessment area means a geographic area delineated in accordance with section 228.41

**Automated teller machine (ATM):** An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

**Bank:** Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

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<sup>4</sup> Source: FFIEC press release dated October 19, 2011.



uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

**Branch:** Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

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

**Combined Statistical Area (CSAs):** Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

**Community Development:** The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office

of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies are designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

**Community Development Loan:** A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
  - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
  - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

**Community Development Service:** A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

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

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

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the

rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

**Full review:** Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

**Geography:** A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

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

**Home mortgage loans:** Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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

**Income Level:** Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;
- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and

- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

*Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).*

**Limited-purpose bank:** This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

**Limited review:** Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

**Loan location:** Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

**Nonmetropolitan area:** This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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

**Qualified Investment:** This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

**Small Bank:** This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

*Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.*

**Small Business Loan:** This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

**Small Farm:** This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Wholesale Bank:** This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).