PUBLIC DISCLOSURE

March 24, 2025

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

First Eagle Bank
RSSD# 759045

1201 West Madison Street
Chicago, Illinois 60607

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 as, 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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INSTITUTION'S CRA RATING

First Eagle Bank is rated: Outstanding
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

First Eagle Bank is meeting the credit needs of its community based on an analysis of the bank's lending and community development activities. The bank's loan-to-deposit ratio is more than reasonable considering the bank's size, financial condition, and credit needs of its assessment area. A majority of the bank's loans were originated in the bank's assessment area. Geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and the distribution of loans among individuals of different income levels and businesses of different sizes is reasonable. There were no Community Reinvestment Act (CRA)-related complaints received by the institution or this Reserve Bank since the previous evaluation.

The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, investments, and services considering the institution's capacity and the availability of community development opportunities within the bank's assessment area.

SCOPE OF EXAMINATION

First Eagle Bank's CRA performance was assessed based on the Federal Financial Institutions Examination Council's (FFIEC) Intermediate Small Institution CRA examination procedures. Performance was evaluated in the context of information about the institution and its assessment area, including asset size, financial condition, competition, and the economic and demographic characteristics of the bank's assessment area.

A full scope evaluation was conducted on First Eagle Bank's one assessment area. The assessment area is located within the five county Chicago-Naperville-Evanston, IL Metropolitan Division #16984 (Chicago, IL MD) and includes portions of Cook and DuPage Counties. The evaluation included a review of HMDA-reportable loans and small business loans. Residential real estate and commercial lending are the bank's primary business lines. Additionally, the level of qualified community development loans, investments, donations and services was evaluated.

Performance within the designated assessment area was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13 quarter average loan-to-deposit ratio from September 30, 2021, to September 30, 2024, 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, 2023, and small business loans originated from the previous evaluation on February 7, 2022, through December 31, 2023, were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank's HMDA-reportable loans originated within the assessment area from January 1, 2023, to December 31, 2023, and small business loans originated within the assessment area from the previous evaluation on February 7, 2022, through December 31, 2023, 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 within the assessment area from January 1, 2023, to December 31, 2023, and small business loans originated within the assessment area from the previous evaluation on February 7, 2022, through December 31, 2023, 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.

- ***Community Development Activities*** – The bank's responsiveness to community development needs through community development loans, qualified investments, and community development services from February 7, 2022, through March 24, 2025, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

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: affordable housing and economic development.

DESCRIPTION OF INSTITUTION

First Eagle Bank is the wholly owned, sole subsidiary of First Eagle Bancshares, Inc., a one bank holding company headquartered in Chicago, Illinois. The intrastate bank operates two full-service locations with drive-through services. First Eagle Bank's main office is in an upper-income census tract located in Chicago, Illinois. A branch office is located in a middle-income census tract in Hanover Park, Illinois, a suburb of Chicago, approximately 40 miles west of the main office. First

Eagle Bank closed the ATMs at both locations in July of 2023. While this occurred during the examination period, the ATMs will be included as part of the bank's network for the purpose of this evaluation. The bank maintains a website (www.febank.com) that provides information on loan and deposit products, applications, online banking, and other bank services. Online and mobile banking provides access to accounts, statements, balances and transaction history, as well as, mobile check deposit, bill payment, and funds transfers between accounts and peer to peer. The bank has not opened or closed any branches since the previous evaluation.

Since 2010, First Eagle Bank has been designated by the United States Department of the Treasury as a Community Development Financial Institution (CDFI). CDFIs are mission-driven financial institutions that create economic opportunity for individuals and small businesses, quality affordable housing, and essential community services. Programs developed by the bank that focus on low- and moderate-income individuals and areas include grants, lending, and credit building. The Small Business Improvement Fund and the Community First Accelerate Grant provide funding for small businesses. Affordable housing assistance is provided by their Diverse Developer Initiative and Down Payment Plus grants. The bank also works with Habitat for Humanity by providing financial literacy education and affordable mortgages. Additionally, the bank works with Revolution Workshop, a nonprofit organization that provides construction job training to underserved communities. The bank partnered with the organization by creating the RWheels Program, which provides below market fixed rate auto loans, enabling borrowers to obtain reliable transportation while they are developing skills and beginning new careers. Other programs targeting low- and moderate-income individuals who are seeking to start or re-start a financial foundation include the Credit Builder Program, Eagle Fresh Start Checking, and Second Chance Savings Account. The bank works with many local organizations to build up the community and improve access to financial services. The bank has identified affordable housing as the greatest need of the community and a large amount of its community developments activities focus on that need, showing they are helping meet the identified needs of the community.

As of the June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, First Eagle Bank ranks 54th out of 108 FDIC-insured depository institutions operating in the assessment area. The bank held approximately $425.8 million in deposits, representing a market share of 0.1 percent. Based on the market share report, the top three institutions in the assessment area by market share are BMO Bank, National Association (20.5 percent), JPMorgan Chase Bank, National Association (20.5 percent), and Bank of America, National Association (9.1 percent).

As of September 30, 2024, the Uniform Bank Performance Report (UBPR) reported total assets of approximately $566.1 million. The bank's primary focus is commercial lending, as it makes up just over half of its loan portfolio, as well as residential real estate and consumer loan products. First Eagle Bank, in addition to its lending activities, offers standard deposit products consisting of checking, savings, money market demand, and negotiable order of withdrawal (NOW) accounts, as well as certificates of deposit.

Details of the allocation of the bank's loan portfolio are provided in the following table.

Composition of Loan Portfolio as of September 30, 2024		
Loan Type	**Dollar Volume ($ in 000's)**	**% of Portfolio**
Commercial	206,413	53.0
Residential Real Estate	115,006	29.5
Other	58,177	14.9
Consumer	9,885	2.5
Total	389,481	100.0
Note: Percentages may not total 100.0 percent due to rounding.		

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 outstanding under the CRA at its previous evaluation conducted on February 7, 2022.

DESCRIPTION OF ASSESSMENT AREA

First Eagle Bank delineates one assessment area in the state of Illinois that includes portions of Cook and DuPage Counties, within the five county Chicago-Naperville-Evanston, IL Metropolitan Division #16984 (Chicago, IL MD) of the Chicago-Naperville-Elgin, IL-IN-WI MSA #16980. Although the bank's assessment area delineation has not changed since the previous evaluation, the total number of census tracts increased by 15 to a total of 932 tracts due to an American Community Survey (ACS) Data update from 2016-2020 and the 2022 Decennial Census update. Other impacts from the change were a decrease in number of low- and moderate-income census tracts by 42 to 262 total tracts and majority-minority (Black/Hispanic) census tracts increased by two to 277 total tracts. Furthermore, unknown income tracts increased by two to eight total tracts.

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 Designations (#)**	**2022 Designations (#)**	**Net Change (#)**
Low	104	83	-21
Moderate	200	179	-21
Middle	247	294	+47
Upper	360	368	+8
Unknown	6	8	+2
Total	917	932	+15
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*			

Of the 881,708 families residing in the assessment area, 22.1 percent are designated as low-income, and 15.6 percent are moderate-income families. There are 1,603,221 total housing units in the assessment area, of which 53.5 percent are owner-occupied, 38.7 percent are rental units, and 7.8 percent are vacant. Of the 110,347 total housing units located in low-income census tracts, 29.5 percent are owner-occupied, and 57.6 percent are rental units. Of the 293,726 total housing units located in moderate-income census tracts, 42.3 percent are owner-occupied, and 49.3 percent are rental units. The relatively low number of owner-occupied units indicates opportunity for increased homeownership in low- and moderate-income tracts. The affordable housing community representative indicated an ongoing need and high demand for affordable housing in the assessment area that has increased significantly in the last five years.

A total of 186,507 businesses are located in the assessment area, of which 4.0 and 12.4 percent are located in low- and moderate-income census tracts, respectively. Businesses with gross annual revenues under $1.0 million represent 88.6 percent of total business, evidencing ample lending opportunities to small businesses within the assessment area.

Additional information about the assessment area is provided in the chart on the following page.

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	83	8.9	59,713	6.8	15,376	25.7	194,453	22.1
Moderate	179	19.2	168,670	19.1	20,872	12.4	137,546	15.6
Middle	294	31.5	309,733	35.1	18,721	6.0	159,963	18.1
Upper	368	39.5	340,229	38.6	9,593	2.8	389,746	44.2
Unknown	8	0.9	3,363	0.4	674	20.0	0	0.0
Total AA	**932**	**100.0**	**881,708**	**100.0**	**65,236**	**7.4**	**881,708**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	110,347	32,598	3.8	29.5	63,559	57.6	14,190	12.9
Moderate	293,716	124,163	14.5	42.3	144,946	49.3	24,607	8.4
Middle	523,547	307,000	35.8	58.6	183,330	35.0	33,217	6.3
Upper	667,999	391,696	45.7	58.6	223,731	33.5	52,572	7.9
Unknown	7,612	2,135	0.2	28.0	4,717	62.0	760	10.0
Total AA	**1,603,221**	**857,592**	**100.0**	**53.5**	**620,283**	**38.7**	**125,346**	**7.8**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	7,433	4.0	6,555	4.0	847	4.2	31	2.5
Moderate	23,042	12.4	20,779	12.6	2,169	10.8	94	7.6
Middle	56,589	30.3	49,813	30.2	6,472	32.2	304	24.6
Upper	98,353	52.7	87,020	52.7	10,531	52.4	802	64.8
Unknown	1,090	0.6	1,004	0.6	80	0.4	6	0.5
Total AA	**186,507**	**100.0**	**165,171**	**100.0**	**20,099**	**100.0**	**1,237**	**100.0**
Percentage of Total Businesses:				88.6		10.8		0.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	16	3.1	15	3.0	1	5.3	0	0.0
Moderate	46	8.8	45	9.0	1	5.3	0	0.0
Middle	142	27.3	135	26.9	7	36.8	0	0.0
Upper	316	60.7	305	60.9	10	52.6	1	100.0
Unknown	1	0.2	1	0.2	0	0.0	0	0.0
Total AA	**521**	**100.0**	**501**	**100.0**	**19**	**100.0**	**1**	**100.0**
Percentage of Total Farms:				96.2		3.6		0.2

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.

Population Change

According to U.S. Census Bureau's ACS data, the population in the counties included within the assessment area has remained consistent with only a small increase of less than 1.0 percent between 2015 and 2020. The assessment area population growth is consistent with the entirety of the Metropolitan Division. While the population in the state of Illinois has also stayed relatively consistent, it experienced a small decrease of 0.5 percent. Both community representatives noted the population has been steady since 2020.

The following table presents population trends for the counties comprising the assessment area, the Metropolitan Division, and the state of Illinois from 2015 to 2020. Note the geographical area titled 2023 Chicago-Naperville-Evanston, IL MD 16984 includes the entirety of Cook and DuPage Counties, while the area titled Chicago-Naperville-Evanston, IL MD includes the five counties (Cook, DuPage, Grundy, McHenry, and Will) of the metropolitan division.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
2023 Chicago-Naperville-Evanston, IL MD 16984	6,166,805	6,208,418	0.7
Cook County, IL	5,236,393	5,275,541	0.7
DuPage County, IL	930,412	932,877	0.3
Chicago-Naperville-Evanston, IL MD	7,208,434	7,267,535	0.8
State of Illinois	12,873,761	12,812,508	-0.5
Source: 2011-2015 U.S. Census Bureau American Community Survey *2020 U.S. Census Bureau: Decennial Census*			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 881,708 families; 22.1 percent are designated as low-income, 15.6 percent are moderate-income, 18.1 percent are middle-income, and 44.2 percent are upper-income. Additionally, 7.4 percent of families are living below the poverty level. In 2020, median family income (MFI) had a wide difference between the two counties in the assessment area, from $115,954 in DuPage County to $84,500 in Cook County. With the assessment area's population consisting mostly of Cook County, the Cook County MFI is more representative of the assessment area than DuPage County. DuPage County's MFI is also significantly higher than the Chicago-Naperville-Evanston, IL MD and the state of Illinois, but saw less growth between 2015 and 2020. While the counties in the assessment area experienced MFI growth through 2020, one community representative stated any income growth has been negated by high inflation and a significant increase in cost of living within the time from 2020 to present.

The following table compares the MFI for families living in the counties in the assessment area, the Chicago IL MD, and the state of Illinois.

Median Family Income Change			
Area	**2015 Median Family Income ($)**	**2020 Median Family Income ($)**	**Percent Change (%)**
2023 Chicago-Naperville-Evanston, IL MD 16984	78,678	89,009	13.1
Cook County, IL	73,557	84,500	14.9
DuPage County, IL	105,708	115,954	9.7
Chicago-Naperville-Evanston, IL MD	81,969	92,622	13.0
State of Illinois	78,169	86,251	10.3

Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

Housing Characteristics

There are 1,603,221 total housing units in the assessment area, of which 53.5 percent are owner-occupied, 38.7 percent are rental units, and 7.8 percent are vacant. Homeowners and renters are considered overburdened when housing costs equal 30.0 percent or more of household income. The following table shows the percentage of owners and renters spending greater than 30.0 percent of household income on housing costs. DuPage County had the highest percentage of overburdened, low-income renters at 81.8 percent, 6.0 percentage points or more above all other defined geographies. Moderate-income renters also experienced the highest housing cost burden in DuPage County at 52.2 percent, which is significantly above the state of Illinois' rate of 34.6 percent. In contrast, housing cost burden for low- and moderate-income homeowners is comparable across both counties and the Chicago-Naperville-Evanston, IL MD but is higher than the percentage for the state of Illinois. The economic and community development representative stated about 30.0 percent of the housing units in the community they serve are considered affordable and they benefit from more housing diversity to retain residents that want to upgrade or change their housing type. Meanwhile, the affordable housing contact stated the demand for affordable housing has increased, as inquires to their organization have tripled since the beginning of the COVID-19 pandemic.

Housing Cost Burden						
	Cost Burden – Renters (%)			Cost Burden – Owners (%)		
Area	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
2023 Chicago-Naperville-Evanston, IL MD 16984	75.6	39.4	42.6	73.0	42.6	25.7
Cook County, IL	75.1	37.8	42.9	72.4	42.2	26.6
DuPage County, IL	81.8	52.2	39.7	77.3	44.9	21.6
Chicago-Naperville-Evanston, IL MD	75.8	39.4	42.7	72.9	42.3	24.8
State of 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 (HUD), 2017-2021 Comprehensive Housing Affordability Strategy*						

Employment Conditions

The following table presents the unemployment trends of the counties comprising the bank's assessment area, the Metropolitan Division, and the state of Illinois from 2019 to 2023 from the Bureau of Labor Statistics. Unemployment rates were low across all geographies until the onset of the COVID-19 pandemic, which caused rates to rise sharply in 2020. All geographies experienced a decline in unemployment rates in subsequent years, leveling out in 2023 nearing pre-pandemic unemployment rates. Additionally, unemployment rates in Cook and DuPage Counties returned to below the state of Illinois's rate, as it was prior to the COVID-19 pandemic. The economic and community development representative stated employers can find adequate staffing, with the one exception of restaurants struggling to retain employees. The affordable housing community representative stated they are also seeing more clients that are self-employed.

Unemployment Rates (%)					
Area	2019	2020	2021	2022	2023
2023 Chicago-Naperville-Evanston, IL MD 16984	3.8	10.1	6.6	4.7	4.2
Cook County, IL	3.9	10.6	7.0	4.9	4.4
DuPage County, IL	3.0	7.6	4.5	3.5	3.4
Chicago-Naperville-Evanston, IL MD	3.8	9.9	6.4	4.6	4.2
State of Illinois	4.0	9.3	6.1	4.6	4.5
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

Industry Characteristics

Based on data from the Bureau of Labor Statistics, Cook and DuPage Counties have a large and diverse mix of public and private industry sectors. In the private sector, healthcare and social assistance, professional and technical services, retail trade, and accommodation and food services comprise the largest segments of employees by industry. Community representatives stated industry and employment have remained steady with no major new employers or businesses closing.

Community Representatives

Two community representatives were contacted to obtain performance context regarding housing conditions and economic development conditions within the assessment area. The representatives provided information on affordable housing, employment, and economic development needs within their respective areas of expertise.

The affordable housing representative stated demand for affordable housing has increased dramatically in the last five years and that more people are inquiring about housing programs. They also stated the increase in income is not keeping up with the increase in the cost of living. The housing programs, specifically the homeownership program, have more interested parties applying, but they are also seeing an increase in the percentage of people not meeting the qualification requirements. They also stated access to basic needs, including healthcare, are the other major community needs.

In contrast the economic development representative stated the community's biggest needs are to revitalize its aging commercial infrastructure and attract developers for new housing and commercial development. Additionally, they stated that there are two banks, one being First Eagle Bank, located in the area that have a fantastic record with community involvement and working to meet the financial needs of residents particularly noting their affordable housing initiatives.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

First Eagle Bank performance relative to the lending test is satisfactory. The bank's loan-to-deposit (LTD) ratio is more than reasonable based on the bank's size, complexity, financial condition, and assessment area credit needs. The bank originated a majority of its loans within its assessment area. The geographic dispersion of the bank's loans shows reasonable penetration throughout the assessment area, and lending activity reflects reasonable penetration among individuals of different incomes and to businesses of different revenue sizes.

Loan-to-Deposit Ratio

First Eagle Bank had a more than reasonable LTD ratio given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities. As of September 30, 2024, the bank’s 13-quarter average LTD ratio was 85.7 percent, which was 8.4 percentage points above the average of local competitors. Since the previous evaluation, the bank’s LTD ratio has remained relatively steady and aligned with the changes in its peers’ average. The LTD ratio only decreased slightly from 87.8 percent at the previous evaluation. The following table compares the bank’s LTD ratio to that of its local competitors.

Comparative Loan-to-Deposit Ratios as of September 30, 2024	
Comparative Data	**13 Quarter Average (%)**
First Eagle Bank	85.7
Peer Avg – Local	77.3
Competitors	
Lisle Savings Bank	68.0
FNBC Bank & Trust	52.5
First Nations Bank	92.3
Millennium Bank	82.4
Time Bank	91.4

Assessment Area Concentration

First Eagle Bank made a majority of its loans within its assessment area. As presented in the following table, during the evaluation period, the bank originated 62.9 percent of total loans by number and 62.2 percent of total loans by dollar amount inside the assessment area. The bank originated 66.6 percent of HMDA-reportable loans by number and 57.9 percent by dollar amount within the assessment area. Small business loans were originated within the assessment area at 60.0 percent by number and 73.2 percent by dollar amount. The percentage of HMDA-reportable and small business originations within the assessment area indicates the bank is responding to the credit needs of borrowers in the assessment area.

Lending Inside and Outside the Assessment Area								
Loan Types	**Inside**				**Outside**			
	#	%	$(000)	%	#	%	$(000)	%
Home Improvement	0	0.0	0	0.0	2	100.0	4,184	100.0
Home Purchase - Conventional	23	74.2	18,002	69.0	8	25.8	8,083	31.0
Multi-Family Housing	1	33.3	624	17.9	2	66.7	2,865	82.1
Refinancing	7	63.6	5,567	69.6	4	36.4	2,431	30.4
Total HMDA Related	**31**	**66.0**	**24,193**	**57.9**	**16**	**34.0**	**17,563**	**42.1**
Total Small Business Related	**30**	**60.0**	**11,735**	**73.2**	**20**	**40.0**	**4,296**	**26.8**
Total Loans	**61**	**62.9**	**35,928**	**62.2**	**36**	**37.1**	**21,859**	**37.8**
Note: Percentages may not add to 100.0 percent due to rounding.								

Geographic and Borrower Distribution of Loans

First Eagle Bank demonstrated a reasonable geographic distribution of loans given the large size of the assessment area and the volume of loans. First Eagle Bank’s distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes is reasonable given the demographics of the bank's assessment area.

<u>Geographic Distribution</u>

First Eagle Bank demonstrated a reasonable geographic distribution of loans given the bank's assessment area. In 2022, the bank originated small business loans in nine of the 932 census tracts; 99.0 percent of tracts did not receive any small business loans. In 2023, the bank originated HMDA-reportable loans in 28 census tracts and small business loans in 15 of the 932 census tracts; 95.4 percent of tracts did not receive any HMDA-reportable or small business loans.

The dispersion of loans in the assessment area was also reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. Based upon this analysis and considering the low volume of loans originated and the sizeable assessment area, it was determined that there were no unexplained or conspicuous gaps in contiguous census tracts.

The bank’s HMDA-reportable and small business lending is discussed in more detail below by individual product. Because First Eagle Bank is primarily a commercial lender, more weight is placed on small business lending.

HMDA-Reportable Lending

The geographic distribution of 2023 HMDA-reportable loans reflect poor dispersion throughout the assessment area. The bank's primary HMDA-reportable products during the review period were home purchase and refinance loans. The remaining HMDA-reportable products will not be evaluated due to low or no volume.

Home Purchase Loans

Home purchase loans represent the largest percentage of the bank's total 2023 HMDA-reportable loans originated in the assessment area with 74.2 percent of loan originations. No home purchase loans were originated in low-income census tracts. However, aggregate lenders originated only 4.0 percent of loans in low-income census tracts, and 3.8 percent of owner-occupied units are in low-income census tracts. Of the bank's home purchase loans, 8.7 percent were originated in moderate-income census tracts, which is below aggregate lenders (14.0 percent) and owner-occupied units (14.5 percent). The bank made the majority, 69.6 percent, of its home purchase loans to borrowers in upper-income census tracts, substantially above the aggregate of 48.0 percent and 45.7 percent of owner-occupied units. First Eagle Bank is primarily a commercial lender and only originated 23 home purchase loans in 2023. The bank services its own home purchase loans and does not offer private mortgage insurance (PMI), in turn requiring a minimum of a 20 percent downpayment. This factor is contributing to the home purchase distribution.

Home Refinance Loans

Refinance loans accounted for 22.6 percent of the bank's total 2023 HMDA-reportable loans originated in the assessment area. No refinance loans were originated in low- or moderate-income census tracts. Aggregate lenders originated 4.7 percent and 14.2 percent of refinance loans in low- and moderate-income census tracts, respectively, and there are 3.8 percent and 14.5 percent of owner-occupied units in low- and moderate-income census tracts, respectively.

The table on the following page presents the 2023 geographic distribution of HMDA-reportable loans in the assessment area.

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	4.0	0	0.0	3.0	3.8
Moderate	2	8.7	14.0	323	1.8	10.3	14.5
Middle	4	17.4	33.7	1,300	7.2	26.7	35.8
Upper	16	69.6	48.0	15,697	87.2	59.6	45.7
Unknown	1	4.3	0.3	682	3.8	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	23	100.0	100.0	18,002	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	4.7	0	0.0	2.8	3.8
Moderate	0	0.0	14.2	0	0.0	8.3	14.5
Middle	1	14.3	34.7	334	6.0	19.9	35.8
Upper	6	85.7	46.2	5,233	94.0	68.7	45.7
Unknown	0	0.0	0.3	0	0.0	0.3	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	5,567	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.8	0	0.0	1.6	3.8
Moderate	0	0.0	10.2	0	0.0	7.1	14.5
Middle	0	0.0	34.6	0	0.0	26.3	35.8
Upper	0	0.0	53.2	0	0.0	64.8	45.7
Unknown	0	0.0	0.1	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	10.3	0	0.0	5.7	5.8
Moderate	0	0.0	26.4	0	0.0	18.6	18.0
Middle	1	100.0	29.9	624	100.0	24.5	28.2
Upper	0	0.0	32.6	0	0.0	50.7	47.3
Unknown	0	0.0	0.8	0	0.0	0.5	0.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	624	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	3.9	0	0.0	3.3	3.8
Moderate	2	6.5	13.8	323	1.3	11.0	14.5
Middle	6	19.4	33.9	2,258	9.3	25.5	35.8
Upper	22	71.0	48.1	20,930	86.5	59.8	45.7
Unknown	1	3.2	0.3	682	2.8	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	31	100.0	100.0	24,193	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

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2022 and 2023, the bank did not originate any small business loans in low-income census tracts, which is below the 4.0 percent of total businesses. During 2022, the bank originated 7.1 percent of its small business loans in moderate-income census tracts, which is below the 12.4 percent of total businesses operating within moderate-income census tracts. First Eagle Bank increased its geographic distribution of small business lending in 2023 by originating 18.8 percent of its small business loans in moderate-income census tracts, which is above the 12.4 percent of total businesses. In both years the majority of the bank's small business lending in dollar amount was in upper-income census tracts.

The following table presents the geographic distribution of small business loans in the assessment area from 2022 and 2023.

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	0	0.0	0	0.0	0	0.0	0	0.0	4.0
Moderate	1	7.1	200	3.5	3	18.8	346	5.7	12.4
Middle	5	35.7	892	15.7	1	6.3	522	8.6	30.3
Upper	7	50.0	4,067	71.7	12	75.0	5,195	85.7	52.7
Unknown	1	7.1	513	9.0	0	0.0	0	0.0	0.6
Tract-Unk	0	0.0	0	0.0	0	0.0	0	0.0	
Total	14	100.0	5,672	100.0	16	100.0	6,064	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.

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

First Eagle Bank distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes is reasonable given the demographics of the bank's assessment area.

A breakdown of the bank's HMDA-reportable and small business lending is discussed in more detail below by individual product. Because First Eagle Bank is primarily a commercial lender, more weight is placed on small business lending.

HMDA-Reportable Lending

The distribution of 2023 HMDA-reportable home purchase and refinance loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income. The bank's primary HMDA-reportable products during the review period were home purchase and refinance. The remaining HMDA-reportable products will not be evaluated due to low or no volume. Further, a majority (66.7 percent) of 2023 HMDA-reportable loans were made to businesses, where there is no income reporting requirement and are, therefore, listed as unknown-income borrowers. Supporting the commercial focus of the bank, First Eagle Bank does not seek out residential real estate loans to individuals and families, as a result only ten loans were originated to non-business entities. Of those ten loans, six were made to low- and moderate-income borrowers.

Home Purchase Loans

In 2023, of First Eagle Bank's home purchase loans, 13.0 percent were originated to low-income borrowers, which is more than double the aggregate lenders at 5.2 percent, but still below the 22.1 percent of low-income families in the assessment area. Of the bank's home purchase loans, 8.7 percent were originated to moderate-income borrowers, which is less than half of the aggregate lenders at 20.2 percent and lower than the 15.6 percent of moderate-income families in the assessment area. Meanwhile, 69.6 percent were made to unknown-income borrowers, compared to the 16.4 percent by aggregate lenders, supporting the commercial focus of the bank.

Home Refinance Loans

In 2023, First Eagle Bank did not originate any refinance loans to low-income borrowers. Aggregate lenders originated 9.0 percent of refinance loans to low-income borrowers, and 22.1 percent of families within the assessment area are considered low-income. The bank originated 14.3 percent of refinance loans to moderate-income borrowers, which is below the percentage of aggregate lenders and moderate-income families at 18.2 percent and 15.6 percent, respectively. Of the refinance loans, 57.1 percent were made to unknown-income borrowers, compared to the 16.0 percent by aggregate lenders.

The table on the following page presents borrower distribution of 2023 HMDA-reportable loans in the assessment area.

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	3	13.0	5.2	392	2.2	2.1	22.1
Moderate	2	8.7	20.2	338	1.9	12.0	15.6
Middle	0	0.0	21.5	0	0.0	16.7	18.1
Upper	2	8.7	36.8	1,701	9.4	52.1	44.2
Unknown	16	69.6	16.4	15,571	86.5	17.1	0.0
Total	23	100.0	100.0	18,002	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	9.0	0	0.0	3.3	22.1
Moderate	1	14.3	18.2	36	0.6	8.6	15.6
Middle	0	0.0	19.3	0	0.0	10.9	18.1
Upper	2	28.6	37.6	3,287	59.0	37.0	44.2
Unknown	4	57.1	16.0	2,244	40.3	40.2	0.0
Total	7	100.0	100.0	5,567	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	6.0	0	0.0	3.4	22.1
Moderate	0	0.0	15.1	0	0.0	9.3	15.6
Middle	0	0.0	22.5	0	0.0	16.3	18.1
Upper	0	0.0	52.4	0	0.0	65.2	44.2
Unknown	0	0.0	4.0	0	0.0	5.8	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	10.0	5.8	392	1.7	2.3	22.1
Moderate	3	10.0	19.2	374	1.6	11.3	15.6
Middle	0	0.0	21.1	0	0.0	15.7	18.1
Upper	4	13.3	37.9	4,988	21.2	50.2	44.2
Unknown	20	66.7	15.9	17,815	75.6	20.4	0.0
Total	30	100.0	100.0	23,569	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 reasonable penetration among businesses of different revenue sizes. In 2022, First Eagle Bank originated 85.7 percent of its small business loans by number and 92.9 percent by dollar amount to businesses with total revenues of $1.0 million or less. The percentage, by number of small business loans, was slightly below the percentage of total businesses in the assessment area with revenues of $1 million or less (88.6 percent). In 2023, First

Eagle Bank increased its loans originated to businesses with total revenues of $1.0 million or less, to 87.5 percent of its small business loans by number and 98.6 percent by dollar amount. This was above the 88.6 percent of total businesses in the assessment area with revenues of $1 million or less. Even with the smaller number of loans originated in 2022 and 2023 compared to the last examination, First Eagle Bank did originate a large majority of its small business lending to businesses with revenues of $1.0 million or less. In 2022, the bank originated 8.3 percent of loans to small businesses in an amount of $100,000 or less. In 2023, the bank originated 7.1 percent of loans to small businesses in an amount of $100,000 or less. During the last examination, 81.9 percent of loans in this same category were originated to small businesses representing a substantial decrease. However, most of these loans made during the previous evaluation period were the result of PPP lending.

The following table presents First Eagle Bank's borrower distribution for 2022 and 2023 small business loans.

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	12	85.7	5,272	92.9	14	87.5	5,977	98.6	88.6
Over $1 Million	2	14.3	400	7.1	2	12.5	86	1.4	10.8
Revenue Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.7
Total	14	100.0	5,672	100.0	16	100.0	6,064	100.0	100.0
By Loan Size									
$100,000 or Less	1	7.1	59	1.0	3	18.8	101	1.7	
$100,001 - $250,000	5	35.7	979	17.3	4	25.0	759	12.5	
$250,001 - $1 Million	8	57.1	4,634	81.7	9	56.3	5,203	85.8	
Total	14	100.0	5,672	100.0	16	100.0	6,064	100.0	
By Loan Size and Revenue $1 Million or Less									
$100,000 or Less	1	8.3	59	1.1	1	7.1	15	0.3	
$100,001 - $250,000	3	25.0	579	11.0	4	28.6	759	12.7	
$250,001 - $1 Million	8	66.7	4,634	87.9	9	64.3	5,203	87.1	
Total	12	100.0	5,272	100.0	14	100.0	5,977	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.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Outstanding

Lending, Investment, and Services Activities

First Eagle Bank demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments (including donations), and community development services.

The bank's CDFI status ensures community development is a primary mission of the bank. The bank specializes in working with niche and underserved markets not typically addressed by traditional financial institutions and provides a range of unique financial products and services in economically distressed target markets. Objectives include increased partnerships with other CDFIs, increased opportunities for knowledge building, and expanding services that impact low- and moderate-income individuals and small businesses by getting involved with local community organizations. As a CDFI, the bank continues to achieve its primary mission to promote development throughout its assessment area and exemplifies First Eagle Bank's commitment to increasing their outreach efforts to low- and moderate-income communities.

The bank made a majority of loans and investments for the primary purpose of affordable housing. The majority of its donations and services were split between affordable housing and community services benefiting low-and moderate-income individuals and families. A community contact, along with the bank, identified affordable housing as the greatest need in the community. Therefore, by strategy, most of First Eagle Bank's community development activities are targeted to affordable housing showing the bank's commitment to serve the needs of the community. Additionally, the bank made community development loans and investments outside of the assessment area, but within the broader statewide or regional area. These activities supported the bank's mission, but did not directly serve the assessment area. Such activities are considered enhancements to the bank's community development performance.

<u>Community Development Lending</u>

The bank originated 117 qualified loans that benefited the assessment area for a total of $70.8 million focused on affordable housing, economic development, revitalization/stabilization, and community services over a 37-month evaluation period between February 8, 2022, and March 24, 2025. A majority of the qualified loans were dedicated to organizations with an affordable housing purpose (49.6 percent). The monthly average number of community development loans made was consistent with the last evaluation. The average monthly dollar amount of the loans substantially increased by almost 50.0 percent. In addition to the 117 qualified loans benefiting the assessment area directly, 24 qualified loans totaling $16.2 million were originated in the broader statewide or regional area. The following table displays the distribution of the bank's community development loans based on the purpose of the loan proceeds.

Community Development Loans February 8, 2022 - March 24, 2025										
Area Benefitted	**Affordable Housing**		**Community Service**		**Economic Development**		**Revitalize/ Stabilize**		**Total**	
	#	**$ (000)**	#	**$ (000)**	#	**$ (000)**	#	**$ (000)**	#	**$ (000)**
Assessment Area	58	35,099	31	9,784	8	4,161	20	21,712	**117**	**70,756**
Broader Statewide or Regional Area	16	12,789	0	0	3	1,542	5	1,908	**24**	**16,239**
Total	74	47,888	31	9,784	11	5,703	25	23,620	**141**	**86,995**

Community Development Investments

During the evaluation period, First Eagle Bank made three new community development investments totaling $1.8 million. Two of these investments were originated within First Eagle Bank's assessment area totaling approximately $1.5 million. Additionally, six investments with outstanding prior period balances, totaling approximately $3.5 million, qualified during this evaluation. All six benefited the bank's assessment area. The one current period investment outside of the assessment area was made to a low-income designated financial institution. This type of financial institution primarily lends or facilitates lending in low- and moderate-income areas or to low- and moderate-income individuals. The majority of the bank's investments were for affordable housing, totaling approximately $4.3 million. The remaining four investments were split between revitalize/stabilize, economic development and community service that benefit low- and moderate-income individuals and families and totaled approximately $1.0 million. The table below displays the bank's current and prior period investments by community development purpose.

Community Development Investments February 8, 2022 - March 24, 2025										
Area Benefitted - Investment Period	Affordable Housing		Community Service		Economic Development		Revitalize/ Stabilize		Total	
	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)
Assessment Area – Current Period	1	1,281	0	0	0	0	1	245	**2**	**1,526**
Assessment Area – Prior Period	4	3,049	0	0	2	500	0	0	**6**	**3,549**
Broader Statewide or Regional Area - Current Period	0	0	1	245	0	0	0	0	**1**	**245**
Broader Statewide or Regional Area - Prior Period	0	0	0	0	0	0	0	0	**0**	**0**
Total	5	4,330	1	245	2	500	1	245	**9**	**5,320**

The bank also made 131 qualified community development donations, totaling $320,951. All the bank's donations benefited the assessment area. A total of 62 donations were for the purpose of community services to organizations that primarily benefit low- to moderate-income individuals. The bank made 51 donations to organizations or efforts supporting affordable housing within the assessment area, 8 donations to revitalized/stabilized the assessment area, and 10 donations were for the purpose of economic development. The bank's community development donations increased since the previous evaluation where 83 donations totaling $265,988 were made. The following table displays the bank's donations by community development purpose.

Community Development Donations February 8, 2022 - March 24, 2025										
Area Benefitted	Affordable Housing		Community Service		Economic Development		Revitalize/ Stabilize		Total	
	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)	#	$ (000)
Assessment Area	51	126	62	114	10	69	8	12	**131**	**321**
Total	51	126	62	114	10	69	8	12	**131**	**321**

Community Development Services

During the evaluation period, First Eagle Bank staff provided a total of 1,569 qualified hours with 24 different organizations for community development services in the assessment area. Of the total service hours the bank provided, 777 hours were dedicated to 18 organizations with a community service focus for low- and moderate-income individuals. The bank's employees also served 677 hours at 22 affordable housing service events for eight different organizations and 115 hours at three revitalization/stabilization service events for one organization. This is an increase of 306 hours served from the previous evaluation, where bank staff provided 1,263 hours. The following table presents First Eagle Bank's community development activities within the assessment area during the evaluation period.

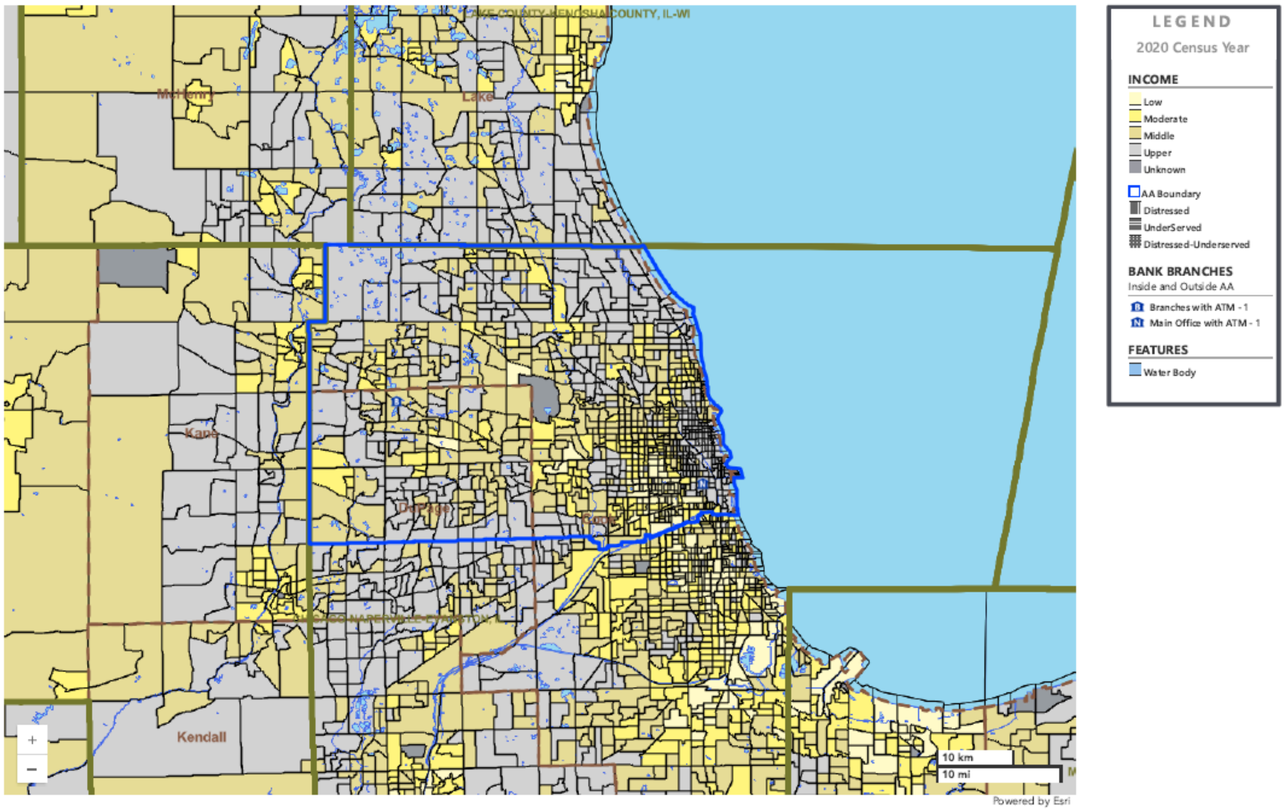
Community Development Services February 8, 2022 - March 24, 2025					
Area Benefitted	Affordable Housing	Community Service	Economic Development	Revitalize/ Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Assessment Area	677	777	0	115	**1,569**
Total	677	777	0	115	**1,569**

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 Eagle Bank 759045
Chicago-Naperville-Evanston, IL MD 16984



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	HMDA Reportable Lending: January 1, 2023 – December 31, 2023 Small Business Lending: February 7, 2022 – December 31, 2023 Community Development Activities: February 7, 2022 - March 24, 2025		
FINANCIAL INSTITUTION First Eagle Bank			**PRODUCTS REVIEWED** HMDA-Reportable Loans Small Business Loans Community Development Activities
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**		**PRODUCTS REVIEWED**
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	**TYPE OF EXAMINATION**	**BRANCHES VISITED**	**OTHER INFORMATION**
Chicago-Naperville-Evanston, Illinois MD	Full scope review	N/A	The assessment area includes portions of Cook and DuPage Counties.

APPENDIX C – 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.[1]

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

[1] *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 persons, 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 non metropolitan median income figure.

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

1. Affordable housing, including for 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 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 Loan: 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).