

# **PUBLIC DISCLOSURE**

June 2, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

CUSB Bank  
RSSD# 900146

111 North Elm Street  
Cresco, Iowa 52136

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

**CUSB Bank is rated: Satisfactory**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

CUSB Bank is meeting the credit needs of the communities within its combined assessment area. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and combined assessment area credit needs. A majority of loans are originated in the combined assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the combined assessment area, and loan distribution reflects reasonable penetration to individuals of different income levels and businesses and farms of different revenue sizes. Neither CUSB Bank nor this Reserve Bank has received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

CUSB Bank's community development performance demonstrates adequate responsiveness to the needs of its combined assessment area through community development loans, qualified investments, and community development services. This performance is appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the combined assessment area.

## SCOPE OF EXAMINATION

CUSB Bank's CRA performance was evaluated using the Federal Financial Institutions Examinations Council's (FFIEC) Intermediate Small Institution Examination Procedures. The evaluation considered information about the institution and its combined assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics. Lending activity for the bank's major products lines (HMDA-reportable, small business, and small farm loans), were reviewed as the basis of this evaluation. No other lending products were reviewed. HMDA-reportable and small farm lending received greater weight in the analysis based on loan origination volume during the review period.

The bank delineated two assessment areas in the state of Iowa, including: Iowa Non-Metropolitan Statistical Area (Iowa Non-MSA) and Waterloo-Cedar Falls, Iowa Metropolitan Statistical Area (Waterloo-Cedar Falls, IA MSA).

The Iowa Non-MSA assessment area received a full-scope review due to the volume of lending in the assessment area and the bank's physical presence of branches and automated teller machines (ATMs). The Waterloo-Cedar Falls, IA MSA received a limited scope review due to limited lending volume and one branch location and ATM in the assessment area. Additional information that was considered included deposit market share, percentage of low- and moderate-income families, and community credit needs.

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

- ***Loan-to-Deposit Ratio*** – A 12 quarter average loan-to-deposit ratio, from the period of March 31, 2022, through December 31, 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, through December 31, 2024, and a sample of small business and small farm loans originated from January 1, 2024, through December 31, 2024, were reviewed to determine the percentage of loans originated within the combined assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated from January 1, 2023, through December 31, 2024, and a sample of small business and small farm loans originated within the combined assessment area, from January 1, 2024, through 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 moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank’s HMDA-reportable loans originated from January 1, 2023, through December 31, 2024, and a sample of small business and small farm loans originated within the combined assessment area from January 1, 2024, through 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 and farms 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 May 17, 2022, through June 2, 2025, were reviewed considering the capacity, need, and availability of such opportunities within the combined 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: economic development and affordable housing.

## DESCRIPTION OF INSTITUTION

CUSB bank is headquartered in Cresco, Iowa and is a wholly owned subsidiary of How-Win Development Company, a one bank holding company located in Cresco, Iowa. The bank operates the main office, five branch offices, and three Automated Teller Machines (ATMs) (two full-service and one cash-only) in the Iowa Non-MSA assessment area. Further, the bank maintains one branch location and one full-service ATM in the Waterloo-Cedar Falls, IA MSA assessment area. Since the prior examination, the bank has not opened or closed any branch locations; however, the Waverly and Shell Rock, Iowa locations were not included in the prior evaluation as they were opened during the previous evaluation. Upon opening the Waverly, Iowa branch location, the bank delineated a second assessment area (Waterloo-Cedar Falls, IA MSA), which is new in this evaluation period.

A list of the bank's branches is provided in the table below.

CUSB Branch Listing			
Branch Name	Assessment Area	County	City & State
Cresco (Main Office)	Iowa Non-MSA	Howard County	Cresco, Iowa
Charles City	Iowa Non-MSA	Floyd County	Charles City, Iowa
Lime Springs	Iowa Non-MSA	Howard County	Lime Springs, Iowa
Osage	Iowa Non-MSA	Mitchell County	Osage, Iowa
Ridgeway	Iowa Non-MSA	Winneshiek County	Ridgeway, Iowa
Shell Rock	Iowa Non-MSA	Butler County	Shell Rock, Iowa
Waverly	Waterloo-Cedar Falls, IA MSA	Bremer County	Waverly, Iowa

As of December 31, 2024, Uniform Banking Performance Report (UBPR), the bank reported total assets of approximately \$776.1 million. CUSB Bank offers a range of traditional deposit and loan products and service offerings that meet the banking needs of consumers, businesses, and farms operating in its combined assessment area. The bank is primarily an agricultural and commercial lender, as these categories represent approximately 47.2 and 36.6 percent of the gross loan portfolio, respectively. The bank's deposit offerings include various checking, savings, and certificates of deposit. Further, the bank offers additional services, such as direct telephone banking and Insured Cash Sweep. The bank's product offerings are tailored to meet the needs of the community it serves.

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

Composition of Loan Portfolio as of December 31, 2024 (000's)		
Type	\$	%
Agriculture	284,536	47.2
Commercial	220,550	36.6
Residential Real Estate	51,137	8.5
Consumer	45,719	7.6
Other	1,066	0.2
Total	603,008	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

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 May 16, 2022.

## DESCRIPTION OF ASSESSMENT AREA

CUSB Bank is an intrastate institution consisting of two assessment areas in Northeast Iowa. The Iowa Non-MSA assessment area consists of Butler, Floyd, Howard, and Mitchell counties in the state of Iowa, in their entirety. Also included in the Iowa Non-MSA assessment area are portions of Chickasaw and Winneshiek counties in Iowa and a portion of Fillmore County in Minnesota. The Waterloo-Cedar Falls, IA MSA assessment area is comprised of portions of Bremer County, Iowa (partial Waterloo-Cedar Falls, IA MSA #47940). The bank's combined assessment area has changed since the prior examination with the addition of the entirety of Butler County, Iowa in the Iowa Non-MSA assessment area. Further, the Waterloo-Cedar Falls, IA MSA assessment area is a newly delineated assessment area as of this evaluation.

The combined delineated assessment area includes 26 census tracts, including two moderate-, 23 middle-, and one upper-income census tract. Included in the Iowa Non-MSA assessment area there are seven census tracts, five in Butler County and two in Winneshiek County, that are designated as underserved due to their remote rural designation. Of the 23,140 families residing in the combined assessment area, 16.4 percent are low-income, and 18.8 percent are moderate-income families. Further, businesses and farms with gross annual revenues less than or equal to \$1 million represent 91.8 and 99.3 percent, respectively. This information is indicative of lending opportunities for low- and moderate-income families, as well as small businesses and small farms within the combined assessment area. Additional 2024 demographic information of the combined assessment area is provided in the following table. Demographic information of the combined assessment area for 2023 is provided in Appendix B.

2024 Combined AA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,801	16.4
Moderate	2	7.7	1,630	7.0	241	14.8	4,359	18.8
Middle	23	88.5	20,005	86.5	1,243	6.2	5,602	24.2
Upper	1	3.8	1,505	6.5	34	2.3	9,378	40.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	23,140	100.0	1,518	6.6	23,140	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,175	1,914	7.0	60.3	887	27.9	374	11.8
Middle	33,292	23,544	86.2	70.7	6,366	19.1	3,382	10.2
Upper	2,232	1,865	6.8	83.6	217	9.7	150	6.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	38,699	27,323	100.0	70.6	7,470	19.3	3,906	10.1
	Total Businesses by Tract		Businesses 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	268	6.4	247	6.4	15	5.6	6	7.9
Middle	3,695	88.4	3,393	88.4	237	89.1	65	85.5
Upper	218	5.2	199	5.2	14	5.3	5	6.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,181	100.0	3,839	100.0	266	100.0	76	100.0
Percentage of Total Businesses:				91.8		6.4		1.8
	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	56	4.6	55	4.5	1	14.3	0	0.0
Middle	1,145	93.8	1,138	93.8	6	85.7	1	100.0
Upper	20	1.6	20	1.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,221	100.0	1,213	100.0	7	100.0	1	100.0
Percentage of Total Farms:				99.3		0.6		0.1
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.								

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

HMDA-reportable and small farm loans were given greater weight of the products included in the evaluation due to loan origination volume during the review period.

### LENDING TEST

CUSB Bank's performance relative to the lending test is Satisfactory. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans and other lending-related activities were in the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, and loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses and farms of different sizes.

#### Loan-to-Deposit Ratio

CUSB Bank had a reasonable loan-to-deposit (LTD) ratio given the bank's size, financial condition, the credit needs of its combined assessment area, and considering, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.

As of December 31, 2024, the bank had a 12-quarter average LTD ratio of 87.1 percent. The previous evaluation's 13-quarter average LTD ratio was lower at 84.9 percent. The bank's current LTD ratio is above the peer average of 77.7 percent. The bank's average LTD ratio indicates the bank is adequately lending out funds to benefit the communities it serves.

The following table compares the bank's LTD ratio to its local competitors of similar size and complexity.

Comparative Loan-to-Deposit Ratios as of December 31, 2024	
Comparative Data	12 Quarter Average (%)
CUSB Bank	87.1
Peer Avg – Local	77.7
Green Belt B&TC	93.7
Decorah B&TC	86.1
First Bank	76.1
First Security B&TC	69.4
Northeast Security Bank	63.0

## Assessment Area Concentration

CUSB Bank made a majority of its loans in its combined assessment area, as the bank originated 80.4 percent of total loans by number and 75.7 percent of total loans by dollar, inside the combined assessment area. Small farm loans had the highest concentration of loans originated in the combined assessment area with 93.4 percent by number and 94.2 percent by dollar. Conversely, small business loans had the lowest concentration with 61.7 percent by number and 48.2 percent by dollar. The concentration of HMDA-reportable loans originated in the combined assessment area was 82.4 percent of loans by number and 76.2 percent by dollar. This performance indicates the bank is actively serving the credit needs of the local community as the majority of loans are made in the combined assessment area.

The following table summarizes CUSB Bank's lending inside and outside its combined assessment area for HMDA-reportable loans from January 1, 2023, through December 31, 2024, and small business and small farm loans from January 1, 2024, through December 31, 2024.

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	14	82.4	807	72.8	3	17.6	302	27.2
Home purchase - Conv.	193	80.1	28,708	73.8	48	19.9	10,180	26.2
Multi-Family Housing	2	100.0	260	100.0	0	0.0	0	0.0
Refinancing	58	90.6	6,464	88.7	6	9.4	823	11.3
<b>Total HMDA Related</b>	<b>267</b>	<b>82.4</b>	<b>36,239</b>	<b>76.2</b>	<b>57</b>	<b>17.6</b>	<b>11,305</b>	<b>23.8</b>
<b>Small Business</b>	<b>79</b>	<b>61.7</b>	<b>4,235</b>	<b>48.2</b>	<b>49</b>	<b>38.3</b>	<b>4,550</b>	<b>51.8</b>
<b>Small Farm</b>	<b>127</b>	<b>93.4</b>	<b>11,121</b>	<b>94.2</b>	<b>9</b>	<b>6.6</b>	<b>689</b>	<b>5.8</b>
<b>TOTAL LOANS</b>	<b>473</b>	<b>80.4</b>	<b>51,595</b>	<b>75.7</b>	<b>115</b>	<b>19.6</b>	<b>16,545</b>	<b>24.3</b>

## Geographic and Borrower Distribution

The geographic distribution of HMDA-reportable, small business, and small farm loans reflects reasonable dispersion throughout the combined assessment area, including moderate- income geographies. In addition, the distribution of loans to individuals of different income levels, including low- and moderate-income individuals, and businesses and farms of different sizes is reasonable given the demographics of the combined assessment area. Additional information regarding the bank's geographic and borrower distribution of lending activity is found within the individual assessment areas in this evaluation.

## Response to Complaints

CUSB Bank and this Reserve Bank have not received any CRA-related complaints since the prior examination.

## COMMUNITY DEVELOPMENT TEST

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

### **Lending, Investment, and Services Activities**

CUSB Bank demonstrates adequate responsiveness to the community development needs of its combined assessment area through community development loans, qualified investments and donations, and community development services, as appropriate, considering the bank's capacity and the availability of such opportunities for community development in the assessment areas.

During the evaluation period, CUSB originated 13 qualified loans with a total of approximately \$12.0 million towards affordable housing, economic development, and revitalization/stabilization for the communities the bank serves. All 13 of the bank's community development loans were made to an individual or business located in the Iowa Non-MSA assessment area. No community development loans were originated in the Waterloo-Cedar-Falls, IA MSA assessment area. The bank's community development loans in the assessment area are deemed responsive as community contacts noted that affordable housing and economic development for small businesses are critical needs in the area. The number of community development loans decreased from the previous evaluation from 39 to 13; however, the dollar amount increased from approximately \$10.0 million to \$12.0 million.

During the evaluation period, the bank made 45 qualified investments totaling approximately \$15.0 million. Of the bank's investments, five investments were current period investments totaling \$1.9 million, and 40 were prior period investments totaling approximately \$13.1 million. Of the bank's 45 qualified investments, 17 investments totaling approximately \$7.9 million were made outside the bank's assessment area, benefiting the broader statewide or regional area. The remaining 28 investments were made in the Iowa Non-MSA assessment area. Those investments made outside of the assessment area are considered enhancements to the bank's performance as the bank adequately addressed the needs of the assessment area. The bank's performance during the evaluation period represents an increase in the number of community development investments by number, and an increase by dollar amount as the bank made 20 investments during the prior evaluation totaling approximately \$9.9 million.

The bank made 178 qualified donations for a total of approximately \$343,000 to organizations which support community services, economic development, and revitalization and stabilization of the areas the bank serves. Of the 178 qualified donations, 166 donations for approximately \$337,000 were made in the Iowa Non-MSA assessment area and 12 donations for approximately \$6,200 were made in the Waterloo-Cedar Falls, IA MSA assessment area. The total number and dollar amount of donations during this evaluation period represents an increase in both the number of individual donations and the total dollar amount of donations. At the prior examination, the bank made 139 qualified donations totaling approximately \$205,000.

During the evaluation period, CUSB Bank's staff provided 712 hours of community development services to 24 unique organizations. The qualified community development service hours were dedicated to community services, economic development, and revitalization and stabilization of the bank's Iowa Non-MSA assessment area. No qualified community development services were provided in the Waterloo-Cedar Falls, IA MSA assessment area during the evaluation period. For the services provided, staff provided organizations with financial planning and technical assistance by serving on committees or the board of the organization. Community development service hours decreased from the prior evaluation period in which the bank provided 1,186 hours; however, the number of unique organizations served increased from 21 to 24.

The specifics of the bank's community development activities are discussed in the individual assessment area sections.

Community Development Activities May 17, 2022, through June 02, 2025								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$	#	\$	#	\$	#	Hours
<b>Full Review</b>								
Iowa Non-MSA	13	11,981,520	28	7,116,200	166	337,016	418	712
<b>Limited Review</b>								
Waterloo-Cedar Falls, IA MSA	0	0	0	0	12	6,200	0	0
<b>Enhancement</b>								
Broader Statewide and Regional Area	0	0	17	7,940,000	0	0	0	0
Total Qualified	13	11,981,520	45	15,056,200	178	343,216	418	712

## 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.

## IOWA NON-MSA – FULL REVIEW

### SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Iowa Non-MSA assessment area. The scope of this section is consistent with the overall scope of the examination described within the institution summary. For further information refer to the "Scope of Examination" section for details.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN IOWA NON-MSA

The bank's Iowa Non-MSA assessment area is comprised of Butler, Floyd, Howard, and Mitchell counties in the state of Iowa, in their entirety. The bank also delineates portions of Chickasaw and Winneshiek counties in Iowa and a portion of Fillmore County in Minnesota. The assessment area is comprised of 20 census tracts located in Northeast Iowa and the Southernmost part of Minnesota. The delineation of the assessment area has changed since the prior evaluation as the bank has added the entirety of Butler County to its assessment area delineation. As such, the total number of census tracts increased since the prior examination. There are no low-income census tracts in the assessment area, there are two moderate-income census tracts, and the remaining 18 census tracts are designated as middle-income. In addition, all five census tracts in Butler County and two census tracts in Winneshiek County are designated as underserved due to their remote rural designation.

The bank operates its headquarters, five full-service branch offices, and three automated teller machines (ATM), in the assessment area. Of the three ATMs in the assessment area, two are full-service and one is cash-only. The bank's branches in the assessment area are located in the Iowa cities of Cresco (headquarters), Charles City, Lime Springs, Osage, Ridgeway, and Shell Rock. The two full-service ATMs in the assessment area are located at the main office in Cresco and the Osage, Iowa branch office. The cash-only ATM is located at the Charles City, Iowa branch. All locations in the Iowa Non-MSA assessment area are located in middle-income census tracts. However, the Ridgeway, Iowa and Shell Rock, Iowa branches are located in underserved middle-income census tracts. Since the prior examination, the bank has not opened or closed any branch locations; however, the Shell Rock, Iowa branch was opened in March of 2022 and was not included in the May 2022 performance evaluation.

According to the June 30, 2024, FDIC Deposit Market Share report, the bank ranked second out of 31 depository institutions operating in the assessment area. The bank's deposits were \$586.9 million, with 11.8 percent of the market share in the assessment area. Decorah Bank & Trust Company ranked first out of 31, with total deposits of \$621.2 million and 12.5 percent of the market share. CUSB Bank was followed by First Citizens Bank, ranked third out of 31, with total deposits of \$418.8 million and 8.4 percent of the market share. In 2023, CUSB Bank ranked first out of 102 HMDA-reporting financial institutions in the Iowa Non-MSA assessment area, with a total of 137 originations. One additional institution, Veridian Credit Union, also had 137 originations. The

institution ranked third was Fidelity Bank & Trust with a total of 36 originated loans. The volume of originated loans from local competitors and the number of loan competitors indicates that despite significant competition in the assessment area, CUSB is a top lender for HMDA-reportable loans in the area.

Additional 2024 demographic information of the Iowa Non-MSA assessment area is provided in the following table. Demographic information of the assessment area for 2023 is provided in Appendix B.

2024 IA Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,118	17.8
Moderate	2	10.0	1,630	9.3	241	14.8	3,448	19.7
Middle	18	90.0	15,883	90.7	1,028	6.5	4,170	23.8
Upper	0	0.0	0	0.0	0	0.0	6,777	38.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>20</b>	<b>100.0</b>	<b>17,513</b>	<b>100.0</b>	<b>1,269</b>	<b>7.2</b>	<b>17,513</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	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,175	1,914	9.2	60.3	887	27.9	374	11.8
Middle	26,873	18,805	90.8	70.0	5,179	19.3	2,889	10.8
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>30,048</b>	<b>20,719</b>	<b>100.0</b>	<b>69.0</b>	<b>6,066</b>	<b>20.2</b>	<b>3,263</b>	<b>10.9</b>
	Total Businesses by Tract		Businesses 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	268	8.3	247	8.3	15	7.9	6	9.8
Middle	2,954	91.7	2,723	91.7	176	92.1	55	90.2
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,222</b>	<b>100.0</b>	<b>2,970</b>	<b>100.0</b>	<b>191</b>	<b>100.0</b>	<b>61</b>	<b>100.0</b>
Percentage of Total Businesses:				92.2		5.9		1.9
	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	56	5.3	55	5.2	1	14.3	0	0.0
Middle	1,001	94.7	994	94.8	6	85.7	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,057</b>	<b>100.0</b>	<b>1,049</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
Percentage of Total Farms:				99.2		0.7		0.1
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.								

## Population Characteristics

According to the 2011-2015 U.S. Census Bureau American Community Survey and 2020 U.S. Census Bureau Decennial Census, the total population within the assessment area, in 2020, was 63,086. Population growth in the state of Iowa was 3.1 percent during the same period, which was above all the counties comprising the assessment area. Fillmore County, Minnesota was the sole county in the assessment area to experience growth, with 1.8 percent growth from 2015 to 2020. While Fillmore County grew, it was below the growth observed in the state of Minnesota overall, which was 5.3 percent. According to one community representative the lack of available housing is one reason for the population loss in the area. Another contact noted that many individuals leave to go to larger metro areas across Iowa. Overall, the population throughout the geographies comprising the assessment area have generally declined.

The following table represents population trends for the assessment area, the counties comprising the assessment area and state of Iowa and state of Minnesota from 2015 to 2020.

Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Assessment Area	N/A	63,086	N/A
Butler County, Iowa	14,966	14,334	-4.2
Chickasaw County, Iowa	12,244	12,012	-1.9
Floyd County, Iowa	16,050	15,627	-2.6
Howard County, Iowa	9,494	9,469	-0.3
Mitchell County, Iowa	10,762	10,565	-1.8
Winneshiek County, Iowa	20,884	20,070	-3.9
Fillmore County, Minnesota	20,843	21,228	1.8
State of Iowa	3,093,526	3,190,369	3.1
State of Minnesota	5,419,171	5,706,494	5.3
Source: 2011-2015 U.S. Census Bureau American Community Survey and 2020 U.S. Census Bureau Decennial Census			

## Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 17,513 families, of which 17.8 percent are designated as low-income, 19.7 percent are moderate-income, 23.8 percent are middle-income, and 38.7 percent are upper-income. The percentage of families living below the poverty level within the assessment area is 7.2 percent, which is slightly above the poverty rate of state of Iowa overall at 7.1 percent.

The assessment area median family income (MFI) in 2020 was \$72,739. Due to changes in the assessment area, 2015 data for MFI is unavailable. From 2015 to 2020, growth in MFI occurred in Chickasaw, Floyd, Mitchell, and Winneshiek, Iowa counties as well as Fillmore County,

Minnesota. Conversely, Butler and Howard counties experienced small decreases in MFI. One community representative noted that Floyd County experienced significant growth due to the competitive job market in Charles City, Iowa. Another community contact noted that despite the decreases in Butler and Howard County, since the COVID-19 pandemic, major employers in the area have increased wages to pull in new skilled employees. Overall, MFI growth was inconsistent throughout the assessment area.

The following table represents the MFI for 2015 and 2020, for families living in the assessment area, the counties comprising the assessment area, the state of Iowa, and the state of Minnesota. As previously mentioned, 2015 MFI is not available for the assessment area due to changes in the assessment area delineation since the prior evaluation.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	N/A	72,739	N/A
Butler County, Iowa	69,608	68,904	-1.0
Chickasaw County, Iowa	67,163	75,797	12.9
Floyd County, Iowa	61,189	74,894	22.4
Howard County, Iowa	66,835	66,267	-0.9
Mitchell County, Iowa	70,010	73,550	5.1
Winnebago County, Iowa	73,129	82,960	13.4
Fillmore County, Minnesota	72,665	79,507	9.4
State of Iowa	73,712	79,186	7.4
State of Minnesota	84,188	92,692	10.1
Source: 2011 - 2015 and 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 is a total of 30,048 housing units within the assessment area. The majority of housing units are owner-occupied at 69.0 percent, followed by rental units which comprise 20.2 percent, and vacant units, which make up 10.9 percent.

A method to understand poverty and housing outcomes is calculating housing cost burden, which is presented in the following table. The housing cost burden is the ratio of a household's gross monthly housing costs to the household's gross monthly income. Housing cost burden, as defined by The United States Department of Housing and Urban Development (HUD), takes these quantitative ratios, and assigns qualitative values to them. If a household's housing cost is above 30.0 percent of its income, then that household is considered housing cost burdened. If housing cost is above 50.0 percent, then the household is severely housing cost burdened. Across the counties comprising the bank's Iowa Non-MSA assessment area, low-income renters are considered housing burdened at the highest rate, while moderate-income renters are considered

housing burdened at the lowest rates. For homeowners, a significantly smaller percentage are housing cost burdened overall across the counties that comprise the assessment area, the state of Iowa, and the state of Minnesota. Housing cost burden in the assessment area, the state of Iowa, and the state of Minnesota varies, but generally, 50 percent or more of low-income renters and owners are considered housing cost burdened, while low- and moderate-income owners experience housing cost burden at a lower rate, from as low as 10.7 percent in Floyd County, Iowa to 17.2 percent in Fillmore County, Minnesota.

A community representative noted that there is a lack of developers willing to construct new housing due to construction costs. When construction costs are high, developers are less likely to invest in affordable housing projects since they won't see appropriate returns. Another representative noted that there is a need for all types of affordable housing, but especially for single-family housing options to support the needs of those in the area. Overall, community representatives noted that additional housing, including affordable housing, is one of the greatest needs of the community.

Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Butler County, Iowa	59.7%	19.0%	32.3%	54.5%	22.8%	13.6%
Chickasaw County, Iowa	56.9%	0.0%	18.4%	55.0%	12.7%	14.5%
Floyd County, Iowa	59.6%	3.3%	29.1%	34.1%	17.8%	10.7%
Howard County, Iowa	66.2%	5.1%	28.1%	52.2%	14.2%	11.7%
Mitchell County, Iowa	59.3%	23.7%	26.4%	53.6%	23.0%	15.0%
Winnebago County, Iowa	72.4%	15.9%	37.8%	49.4%	32.4%	16.6%
Fillmore County, Minnesota	55.6%	15.7%	30.1%	57.0%	25.2%	17.2%
State of Iowa	71.9%	21.4%	37.9%	58.7%	23.5%	14.9%
State of Minnesota	72.7%	30.1%	41.5%	61.2%	29.0%	16.7%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i> <i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

## Employment Conditions

The unemployment rate for the state of Iowa and the state of Minnesota in 2023 were 2.9 and 2.8 percent, respectively. In 2023, the counties comprising the assessment area had some variances in unemployment rates from a low of 2.3 percent for Mitchell County, Iowa, and a high of 3.4 percent for Floyd County, Iowa. Unemployment rates in 2020 were elevated during the COVID-19 pandemic, but dropped substantially in 2021. Since 2021, unemployment rates appear to be generally stable.

One community representative indicated that the growth and retention of businesses in the area can partially be contributing to the significant number of grant and loan programs for businesses offered by local government. Another contact noted that there are some skilled trades in which there is a significant shortage, including electricians, HVAC plumbing and heating, and carpentry. Further, one community contact noted that during the COVID-19 pandemic, some individuals started new small businesses, which has elevated the number of small businesses arising in the area.

The following table represents employment trends for the counties that comprise the assessment area, the state of Iowa, and the state of Minnesota, from 2019 to 2023.

Unemployment Rates					
Area	2019	2020	2021	2022	2023
Butler County, Iowa	3.1%	4.6%	3.4%	2.9%	3.1%
Chickasaw County, Iowa	2.8%	4.6%	3.3%	2.6%	2.5%
Floyd County, Iowa	3.5%	5.9%	3.9%	3.0%	3.4%
Howard County, Iowa	2.7%	4.4%	3.5%	3.2%	3.2%
Mitchell County, Iowa	1.7%	3.3%	2.8%	2.1%	2.3%
Winneshiek County, Iowa	2.8%	4.8%	3.8%	3.2%	3.2%
Fillmore County, Minnesota	3.4%	5.1%	3.2%	2.5%	2.8%
State of Iowa	2.7%	5.2%	3.8%	2.8%	2.9%
State of Minnesota	3.3%	6.3%	3.7%	2.6%	2.8%
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics					

## Industry Characteristics

According to the Quarterly Census of Employment and Wages conducted by the Bureau of Labor Statistics (BLS), manufacturing, government, and retail trade industries have the largest number of employees in the assessment area. Health care and social assistance, retail trade, and construction have the largest number of establishments in the assessment area. One community representative indicated that one major employer, a farming equipment manufacturer, conducted a major layoff that impacted the area. Neither community representatives indicated any other major employer closures or openings that had a significant impact on the area.

## Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions within the assessment area. The representatives provided information on housing, employment, and economic development needs. The representatives highlighted the financial challenges within the assessment area and how local financial institutions could be more involved. One community contact noted the need for additional loan programs for housing, such as downpayment assistance programs and home improvement loans with favorable terms. One contact noted that low-interest funding for

construction of new housing would also benefit the area. Overall, both community representatives noted the importance of businesses and housing in retaining population and encouraging more people to move to the area.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN IOWA NON-MSA**

### **LENDING TEST**

#### **Geographic Distribution of Loans**

CUSB Bank's geographic distribution of loans reflects reasonable dispersion throughout the bank's Iowa Non-MSA assessment area.

An analysis of the dispersion of the loans in the assessment area was also reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. In 2023 and 2024, the Iowa Non-MSA was comprised of 20 census tracts, of which two were designated as moderate-income and the remaining 18 were middle-income. In 2023, the bank originated HMDA-reportable loans in 14 of the 20 census tracts in the assessment area. The bank did not make HMDA-reportable loans in six middle-income census tracts. Similarly, in 2024, CUSB Bank originated HMDA-reportable loans in 15 of 20 census tracts. The bank did not originate HMDA-reportable loans in five middle-income census tracts. In addition, in 2024 the bank did not originate small business or small farm loans in one moderate-income census tract and three middle-income census tracts. In both 2023 and 2024, the bank made loans in a majority of census tracts comprising the assessment area, including loans in the two moderate-income census tracts. Examiners determined that there were no conspicuous geographic lending gaps.

#### HMDA-Reportable Loans

In 2023 and 2024, the bank originated a limited number of HMDA-reportable home improvement and multi-family loans; therefore, a meaningful analysis could not be conducted on these specific product types. Further, aggregate lender data for 2024 HMDA-reportable loans was not available at the time of this evaluation; therefore, 2024 performance was compared solely to demographics of the assessment area.

In 2023 and 2024, CUSB Bank originated 135 and 120 HMDA-reportable loans, respectively, in the assessment area. In 2024, the bank originated 5.0 percent of HMDA-reportable loans in moderate-income geographies, which was below the percentage of owner-occupied units in moderate-income geographies at 9.2 percent. During 2023, the bank originated 3.7 percent of loans in moderate-income, and 96.3 percent in middle-income census tracts. The bank's lending in moderate-income census tracts in 2023 was below the performance of aggregate lenders at 10.6 percent and the percentage of owner-occupied units in moderate-income census tracts at 9.2 percent. Further, bank's lending in middle-income census tracts was above aggregate lending and demographics at 89.4 percent and 90.8 percent, respectively. The bank's geographic distribution of

HMDA-reportable loans in the assessment area is considered reasonable. Performance in 2023 was consistent with the performance of 2024.

#### *Home Purchase*

In 2024, the bank originated 6.9 percent of home purchase loans in moderate-income census tracts, in the assessment area. This performance was below the percentage of owner-occupied units in moderate-income census tracts at 9.2 percent. The bank originated 93.1 percent of home purchase loans in middle-income census tracts, which was consistent with the percentage of owner-occupied units in middle-income census tracts (90.8 percent). The bank's performance in 2023 was comparable to performance in 2024 as the bank originated 5.2 percent of home purchase loans in moderate-income census tracts, which was below aggregate lenders (11.7 percent) and the percentage of owner-occupied units in moderate-income census tracts (9.2 percent). The remainder of home purchase loans in 2023 were made in middle-income census tracts (94.8 percent), which was above aggregate lenders and slightly above the percentage of owner-occupied units in middle-income census tracts at 88.3 percent and 90.8 percent, respectively.

#### *Refinance*

In 2024, the bank originated no refinance loans in moderate-income census tracts in the assessment area. This performance was below the percentage of owner-occupied units in moderate-income census tracts at 9.2 percent. As a result, the bank originated 100.0 percent of refinance loans in middle-income census tracts, which was above the percentage of owner-occupied units in middle-income census tracts (90.8 percent). Similarly, in 2023, the bank originated no refinance loans in moderate-income census tracts, which was below aggregate lenders who originated 8.6 percent of refinance loans in moderate-income census tracts. The bank's performance in 2023 was consistent with the performance in 2024 as the bank originated all refinance loans in middle-income census tracts.

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

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography											
Assessment Area: IA Non MSA											
Geographic Income Level	Bank And Aggregate Loans By Year										Owner Occupied Units %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	##	##	\$(000)	%	%	#	##	\$(000)	%	
Home Purchase Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	5	5.2	11.7	453	3.3	9.1	6	6.9	1,109	8.1	9.2
Middle	91	94.8	88.3	13,094	96.7	90.9	81	93.1	12,505	91.9	90.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	96	100.0	100.0	13,547	100.0	100.0	87	100.0	13,614	100.0	100.0
Refinance Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	8.6	0	0.0	4.4	0	0.0	0	0.0	9.2
Middle	31	100.0	91.4	3,608	100.0	95.6	25	100.0	2,682	100.0	90.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	31	100.0	100.0	3,608	100.0	100.0	25	100.0	2,682	100.0	100.0
Home Improvement Loans											
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	11.4	0	0.0	12.0	0	0.0	0	0.0	9.2
Middle	8	100.0	88.6	384	100.0	88.0	6	100.0	423	100.0	90.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	8	100.0	100.0	384	100.0	100.0	6	100.0	423	100.0	100.0
Multifamily Loans											Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	19.2
Middle	0	0.0	100.0	0	0.0	100.0	2	100.0	260	100.0	80.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	2	100.0	260	100.0	100.0
Total Home Mortgage Loans											Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	5	3.7	10.6	453	2.6	7.6	6	5.0	1,109	6.5	9.2
Middle	130	96.3	89.4	17,086	97.4	92.4	114	95.0	15,870	93.5	90.8
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	135	100.0	100.0	17,539	100.0	100.0	120	100.0	16,979	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.											

### Small Business Loans

The bank's geographic distribution of small business loans in the assessment area is considered reasonable. CUSB Bank originated 3.9 percent of small business loans by number in moderate-income census tracts, which is below the percentage of businesses in the assessment area located in moderate-income census tracts at 8.3 percent. The bank originated 96.1 percent of loans in middle-income census tracts, which is above the percentage of businesses located in middle-income census tracts at 91.7 percent.

The following table presents the bank's geographic distribution of small business loans.

Distribution of 2024 Small Business Lending By Income Level of Geography					
Assessment Area: IA Non MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	3	3.9	70	1.7	8.3
Middle	73	96.1	4,005	98.3	91.7
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>76</b>	<b>100.0</b>	<b>4,075</b>	<b>100.0</b>	<b>100.0</b>
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.					

### Small Farm Loans

The bank's geographic distribution of small farm loans in the assessment area is considered reasonable. CUSB Bank originated 9.2 percent of small farm loans in moderate-income census tracts, which is above the percentage of farms in the assessment area located in moderate-income census tracts at 5.3 percent. The bank originated the remainder of loans in middle-income census tracts at 90.8 percent, which is below the percentage of farms located in middle-income census tracts, at 94.7 percent.

The following table presents the bank's geographic distribution of small farm loans.

Distribution of 2024 Small Farm Lending By Income Level of Geography					
Assessment Area: IA Non MSA					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	11	9.2	780	7.6	5.3
Middle	109	90.8	9,531	92.4	94.7
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	120	100.0	10,311	100.0	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.					

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

CUSB Bank demonstrates reasonable penetration of loans among individuals of different income levels, including low- and moderate-income individuals, and businesses and farms of different sizes.

### HMDA-Reportable Loans

The borrower distribution of total HMDA-reportable loans reflects reasonable penetration among individuals of different income levels. In 2024, CUSB Bank originated 15.3 percent of HMDA-reportable loans to low-income borrowers, which was below the percentage of families that are designated as low-income in the assessment area (17.8 percent). The bank originated a larger portion of HMDA-reportable loans to moderate-income borrowers, which accounts for 24.6 percent of HMDA-reportable lending in 2024. The bank's performance was above the percentage of families in the assessment area who are moderate-income, at 19.7 percent. The bank originated 20.3 percent of HMDA-reportable loans to middle-income borrowers, which was below the percentage of families in the assessment area who are middle-income at 23.8 percent. The bank originated 28.0 percent of loans to upper-income borrowers, which was significantly below the percentage of families in the assessment area (38.7 percent). Furthermore, the bank originated 11.9 percent of loans to borrowers with an unknown-income designation. Borrower distribution of 2023 HMDA-Reportable loans were comparable to the bank's 2024 performance. As displayed in the following lending table, aggregate data from 2023 highlights that the bank was also consistent with aggregate lenders in lending to low- and moderate-income borrowers.

### *Home Purchase*

The bank originated 17.2 percent of home purchase loans to low-income borrowers and 26.4 percent to moderate-income borrowers in 2024. The bank's lending to low-income borrowers was comparable to the percentage of families in the assessment area that are low-income at 17.8 percent. The bank's lending to moderate-income borrowers in 2024 exceeded the percentage of families in the assessment area that are moderate-income at 19.7 percent. The bank also originated 24.1 percent of home purchase loans to middle-income borrowers, which was similar to the percentage of families that are designated as middle-income (23.8 percent). The bank originated 21.8 percent of home purchase loans to upper-income borrowers, which was significantly below the percentage of families designated as upper-income (38.7 percent). The bank originated 10.3 percent of home purchase loans in 2024, to families with unknown-income designation. In 2023, the bank's lending to low- and moderate-income families was in alignment with 2024. Further, the bank's record of lending to low- and moderate-income borrowers in 2023 was also consistent with aggregate lenders.

### *Refinance*

In 2024, the bank originated 8.0 percent of HMDA-reportable refinance loans to low-income borrowers, which was below the percentage of low-income families at 17.8. The bank originated 24.0 percent of refinance loans to moderate-income borrowers, which was above the percentage of families in the assessment area who are moderate-income, at 19.7 percent. The bank originated 8.0 percent of loans to middle-income borrowers, which is significantly below the percentage of families that are middle-income at 23.8 percent. The bank originated the largest portion of refinance loans to upper-income borrowers at 44.0 percent, which is above the percentage of families that are upper-income (38.7 percent). Further, the bank originated 16.0 percent of refinance loans in 2024 to borrowers with unknown-income designations.

Performance in 2023 for HMDA-reportable refinance loans differed from 2024. In 2023, the bank originated 16.1 percent and 12.9 percent of refinance loans to low- and moderate-income borrowers, respectively. The bank's lending to low-income borrowers was above aggregate lenders (11.5 percent) and below aggregate lending to moderate-income borrowers (21.3 percent). In addition, in 2023, the bank originated 32.3 percent of refinance loans to middle-income borrowers, which was above aggregate lenders (24.1 percent). Conversely, the bank's lending to upper-income borrowers in 2023 was 19.4 percent, which was below aggregate lenders, which made 29.3 percent of refinance loans to upper-income borrowers. Further, the bank made 19.4 percent of refinance loans to borrowers with unknown-income designations.

The following table summarizes the bank's 2023 and 2024 distribution of HMDA-reportable lending to borrowers of different income levels in the assessment area.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level											
Assessment Area: IA Non MSA											
Borrower Income Level	Bank And Aggregate Loans By Year										Families by Family Income %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	%	%	#	%	\$(000)	%	
Home Purchase Loans											
Low	16	16.7	15.4	1,574	11.6	8.4	15	17.2	1,279	9.4	17.8
Moderate	25	26.0	27.8	2,348	17.3	20.5	23	26.4	2,288	16.8	19.7
Middle	25	26.0	19.3	4,675	34.5	22.0	21	24.1	2,932	21.5	23.8
Upper	22	22.9	23.9	4,421	32.6	35.5	19	21.8	4,254	31.2	38.7
Unknown	8	8.3	13.6	529	3.9	13.7	9	10.3	2,861	21.0	0.0
Total	96	100.0	100.0	13,547	100.0	100.0	87	100.0	13,614	100.0	100.0
Refinance Loans											
Low	5	16.1	11.5	253	7.0	6.8	2	8.0	176	6.6	17.8
Moderate	4	12.9	21.3	472	13.1	15.1	6	24.0	473	17.6	19.7
Middle	10	32.3	24.1	1,154	32.0	24.6	2	8.0	160	6.0	23.8
Upper	6	19.4	29.3	796	22.1	38.9	11	44.0	1,582	59.0	38.7
Unknown	6	19.4	13.8	933	25.9	14.7	4	16.0	291	10.9	0.0
Total	31	100.0	100.0	3,608	100.0	100.0	25	100.0	2,682	100.0	100.0
Home Improvement Loans											
Low	0	0.0	8.6	0	0.0	6.5	1	16.7	30	7.1	17.8
Moderate	2	25.0	25.7	80	20.8	25.4	0	0.0	0	0.0	19.7
Middle	2	25.0	25.7	48	12.5	19.8	1	16.7	37	8.7	23.8
Upper	3	37.5	34.3	186	48.4	39.0	3	50.0	251	59.3	38.7
Unknown	1	12.5	5.7	70	18.2	9.3	1	16.7	105	24.8	0.0
Total	8	100.0	100.0	384	100.0	100.0	6	100.0	423	100.0	100.0
Total Home Mortgage Loans											
Low	21	15.6	14.1	1,827	10.4	8.2	18	15.3	1,485	8.9	17.8
Moderate	31	23.0	25.8	2,900	16.5	19.5	29	24.6	2,761	16.5	19.7
Middle	37	27.4	21.6	5,877	33.5	22.7	24	20.3	3,129	18.7	23.8
Upper	31	23.0	26.6	5,403	30.8	36.2	33	28.0	6,087	36.4	38.7
Unknown	15	11.1	11.9	1,532	8.7	13.4	14	11.9	3,257	19.5	0.0
Total	135	100.0	100.0	17,539	100.0	100.0	118	100.0	16,719	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.											

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. A sample of small business loans originated in 2024 were reviewed, of which 90.8 percent by number were to businesses with annual revenues of \$1.0 million or less. CUSB Bank's performance is similar to the percentage of total businesses in the assessment area with total revenues of \$1.0 million or less (92.2 percent). In addition, of the bank's loans with revenues of \$1 million or less, 88.4 percent were in loan amounts of \$100,000 or less, which are considered the most beneficial to small businesses, and indicating the bank's willingness to meet the credit needs of small businesses within the assessment area.

The following table presents the distribution of business loans by revenue and loan size.

Distribution of 2024 Small Business Lending By Revenue Size of Businesses					
Assessment Area: IA Non MSA					
	Bank Loans				Total
	#	#%	\$(000)	%	Businesses %
By Revenue					
\$1 Million or Less	69	90.8	2,873	70.5	92.2
Over \$1 Million	7	9.2	1,203	29.5	5.9
Revenue Unknown	0	0.0	0	0.0	1.9
Total	76	100.0	4,075	100.0	100.0
By Loan Size					
\$100,000 or Less	65	85.5	1,984	48.7	
\$100,001 - \$250,000	10	13.2	1,592	39.1	
\$250,001 - \$1 Million	1	1.3	500	12.3	
Total	76	100.0	4,075	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	61	88.4	1,781	62.0	
\$100,001 - \$250,000	8	11.6	1,092	38.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	69	100.0	2,873	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.					

### Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different revenue sizes. A sample of small farm loans originated in 2024 were reviewed, of which 93.3 percent by number were to farms with annual revenue of \$1 million or less. The bank's performance is below the percentage of total farms in the assessment area with total revenues of \$1 million or less (99.2 percent). Of those loans to farms with annual revenue of \$1 million or less, a total of 77.7 percent of small farm loans were in loan amounts of \$100,000 or less, which are considered the most beneficial to small farms, and indicate the bank's willingness to meet the credit needs of small farms within the assessment area.

The following table presents the distribution of farm loans by revenue and loan size.

Distribution of 2024 Small Farm Lending By Revenue Size of Farms					
Assessment Area: IA Non MSA					
	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	112	93.3	8,964	86.9	99.2
Over \$1 Million	8	6.7	1,347	13.1	0.7
Revenue Unknown	0	0.0	0	0.0	0.1
Total	120	100.0	10,311	100.0	100.0
By Loan Size					
\$100,000 or Less	90	75.0	2,934	28.5	
\$100,001 - \$250,000	21	17.5	3,974	38.5	
\$250,001 - \$500,000	9	7.5	3,403	33.0	
Total	120	100.0	10,311	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	87	77.7	2,735	30.5	
\$100,001 - \$250,000	18	16.1	3,459	38.6	
\$250,001 - \$500,000	7	6.3	2,770	30.9	
Total	112	100.0	8,964	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.					

## COMMUNITY DEVELOPMENT TEST

### Lending, Investment, and Services Activities

The bank demonstrates adequate responsiveness to the community development needs of its Iowa Non-MSA assessment area through community development loans, qualified investments and donations, and community development services.

#### Loans

During the evaluation period, the bank originated 13 community development loans for approximately \$12.0 million with the purposes of affordable housing, economic development, and revitalization/stabilization. Community representatives noted affordable housing to be a significant need in the communities of the Iowa Non-MSA assessment area. The bank made one loan for the purpose of affordable housing for approximately \$31,000 aiding this community need. Further, community development lending within the assessment area was lower by number, but higher by dollar amount. During the prior evaluation the bank originated 39 community development loans totaling approximately \$10.0 million.

#### Investments

The bank made 28 qualified investments in the assessment area during the review period for a total of approximately \$7.1 million. The bank's investments were focused primarily on revitalization/stabilization of the Iowa Non-MSA assessment area. The bank's assessment area contains seven census tracts that are designated as underserved, with many of these community development investments occurring within those census tracts. These activities are responsive to the needs of the assessment area. During the prior evaluation, the bank made 20 community development investments for a total of approximately \$9.9 million. Performance during this evaluation period represents an increase by number and a decrease in dollars of funds provided.

The bank made 166 qualified community development donations in the assessment area totaling approximately \$337,000 to various organizations with focuses on community services, economic development, and revitalization and stabilization. This performance is an increase from the prior examination, in which the bank made 139 qualified donations for approximately \$205,000.

#### Services

Bank staff provided a total of 712 hours of community services to 24 unique organizations located throughout the assessment area. The majority of service hours involved staff serving on committees or on the board of organizations providing financial expertise and technical assistance. The number of community organizations served increased from the prior evaluation from 21 to 24. Conversely, the number of hours of service decreased since the prior evaluation from 1,186 to 712.

The following table presents CUSB Bank's Community development activities during the evaluation period in the Iowa Non-MSA assessment area.

Summary of Community Development Activities from May 17, 2022 – June 2, 2025										
Type of Activity	Affordable Housing		Economic Development		Revitalize and Stabilize		Community Service		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
<b>Lending</b>	1	\$31,560	10	\$11,308,050	2	\$641,910	0	\$0	13	\$11,981,520
<b>Investments</b>	0	\$0	0	\$0	27	\$6,602,200	1	\$514,000	28	\$7,116,200
<b>Donations</b>	0	\$0	72	\$116,295	48	\$134,551	46	\$86,170	166	\$337,016
<b>Services</b>	9	13 hrs	117	204 hrs	157	218 hrs	135	278 hrs	418	712 hrs

## **WATERLOO CEDAR-FALLS, IA MSA – LIMITED REVIEW**

### **SCOPE OF EXAMINATION**

Limited scope examination procedures were used to evaluate the bank’s performance in the Waterloo-Cedar Falls, IA MSA assessment area. The scope of this section is consistent with the overall scope of the examination described within the institution summary. For further information refer to the “Scope of Examination” section for details.

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN WATERLOO-CEDAR FALLS, IA MSA**

The Waterloo-Cedar Falls, IA MSA assessment area is comprised of a portion of Bremer County (partial Waterloo-Cedar Falls, IA MSA #47940). The assessment area is comprised of six census tracts, of which five are middle-income, and one is an upper-income census tract. The assessment area contains no low- or moderate-income census tracts. This assessment area is also new as of this evaluation and was delineated in connection with the opening of the bank’s branch and full-service ATM in Waverly, Iowa in March of 2022.

In the assessment area, the bank operates one branch location with a full-service ATM in Waverly, Iowa in a middle-income census tract. Since the prior evaluation, the bank has not opened or closed any branches in the assessment area; however, this assessment area is being evaluated for the first time.

According to the June 30, 2024, FDIC Market Share Report, CUSB Bank ranked seventh out of eight depository institutions operating within the Waterloo-Cedar Falls, IA MSA assessment area. The bank held \$25.6 million in deposits, representing a market share of 2.6 percent. The financial institution with the largest share of the deposit market is First Bank (36.5 percent). In 2023, CUSB Bank ranked 14<sup>th</sup> out of 65 HMDA-reporting financial institutions in the Waterloo-Cedar Falls, IA MSA assessment area with six total originations. Veridian Credit Union and Greenstate Credit Union ranked first and second with 176 and 59 originations, respectively.

Additional 2024 demographic information of the Waterloo-Cedar Falls, IA MSA assessment area is provided in the following table. Demographic information of the assessment area for 2023 is provided in Appendix B.

2024 Waterloo-Cedar Falls, IA MSA 47940 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	683	12.1
Moderate	0	0.0	0	0.0	0	0.0	911	16.2
Middle	5	83.3	4,122	73.3	215	5.2	1,432	25.4
Upper	1	16.7	1,505	26.7	34	2.3	2,601	46.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	5,627	100.0	249	4.4	5,627	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	6,419	4,739	71.8	73.8	1,187	18.5	493	7.7
Upper	2,232	1,865	28.2	83.6	217	9.7	150	6.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	8,651	6,604	100.0	76.3	1,404	16.2	643	7.4
	Total Businesses by Tract		Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	741	77.3	670	77.1	61	81.3	10	66.7
Upper	218	22.7	199	22.9	14	18.7	5	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	959	100.0	869	100.0	75	100.0	15	100.0
Percentage of Total Businesses:				90.6		7.8		1.6
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	144	87.8	144	87.8	0	0.0	0	0.0
Upper	20	12.2	20	12.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	164	100.0	164	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		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.								

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS WATERLOO-CEDAR FALLS, IA MSA

Assessment Area	Lending Test	Community Development Test
Waterloo-Cedar Falls, IA MSA	Consistent	Below

The institution's lending performance in the assessment area is consistent with the institution's performance in the Iowa Non-MSA assessment area. Community development performance in the area is below the Iowa Non-MSA assessment area; however, it does not change the overall rating for the institution. Please see the lending and community development tables below for further details.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography Assessment Area: Waterloo-Cedar Falls, IA MSA 47940											
Geographic Income Level	Bank And Aggregate Loans By Year										Owner Occupied Units %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	№%	№%	\$(000)	№%	№%	#	№%	\$(000)	№%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Middle	6	100.0	75.2	1,050	100.0	73.7	6	100.0	671	100.0	71.8
Upper	0	0.0	24.8	0	0.0	26.3	0	0.0	0	0.0	28.2
Unknown	0	0.0	0.0	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	0.0	0	0.0	
Total	6	100.0	100.0	1,050	100.0	100.0	6	100.0	671	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 Small Business Lending By Income Level of Geography					
Assessment Area: Waterloo-Cedar Falls, IA MSA 47940					
Geographic Income Level	Bank Loans				Total
	#	#%	\$(000)	\$%	Businesses %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0
Middle	2	66.7	150	93.8	77.3
Upper	1	33.3	10	6.3	22.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>160</b>	<b>100.0</b>	<b>100.0</b>
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.					

Distribution of 2024 Small Farm Lending By Income Level of Geography					
Assessment Area: Waterloo-Cedar Falls, IA MSA 47940					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.0
Middle	6	85.7	510	63.0	87.8
Upper	1	14.3	300	37.0	12.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>810</b>	<b>100.0</b>	<b>100.0</b>
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.					

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level											
Assessment Area: Waterloo-Cedar Falls, IA MSA 47940											
Borrower Income Level	Bank And Aggregate Loans By Year										Families by Family Income %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	##	##	\$(000)	%	%	#	##	\$(000)	%	
Low	0	0.0	10.2	0	0.0	5.2	0	0.0	0	0.0	12.1
Moderate	0	0.0	21.6	0	0.0	15.2	1	16.7	170	25.3	16.2
Middle	1	16.7	22.2	200	19.0	19.4	0	0.0	0	0.0	25.4
Upper	2	33.3	32.8	603	57.4	45.5	0	0.0	0	0.0	46.2
Unknown	3	50.0	13.3	247	23.5	14.7	5	83.3	501	74.7	0.0
Total	6	100.0	100.0	1,050	100.0	100.0	6	100.0	671	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 2024 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Waterloo-Cedar Falls, IA MSA 47940					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	3	100.0	160	100.0	90.6
Over \$1 Million	0	0.0	0	0.0	7.8
Revenue Unknown	0	0.0	0	0.0	1.6
Total	3	100.0	160	100.0	100.0
By Loan Size					
\$100,000 or Less	3	100.0	160	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	3	100.0	160	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	3	100.0	160	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	3	100.0	160	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.					

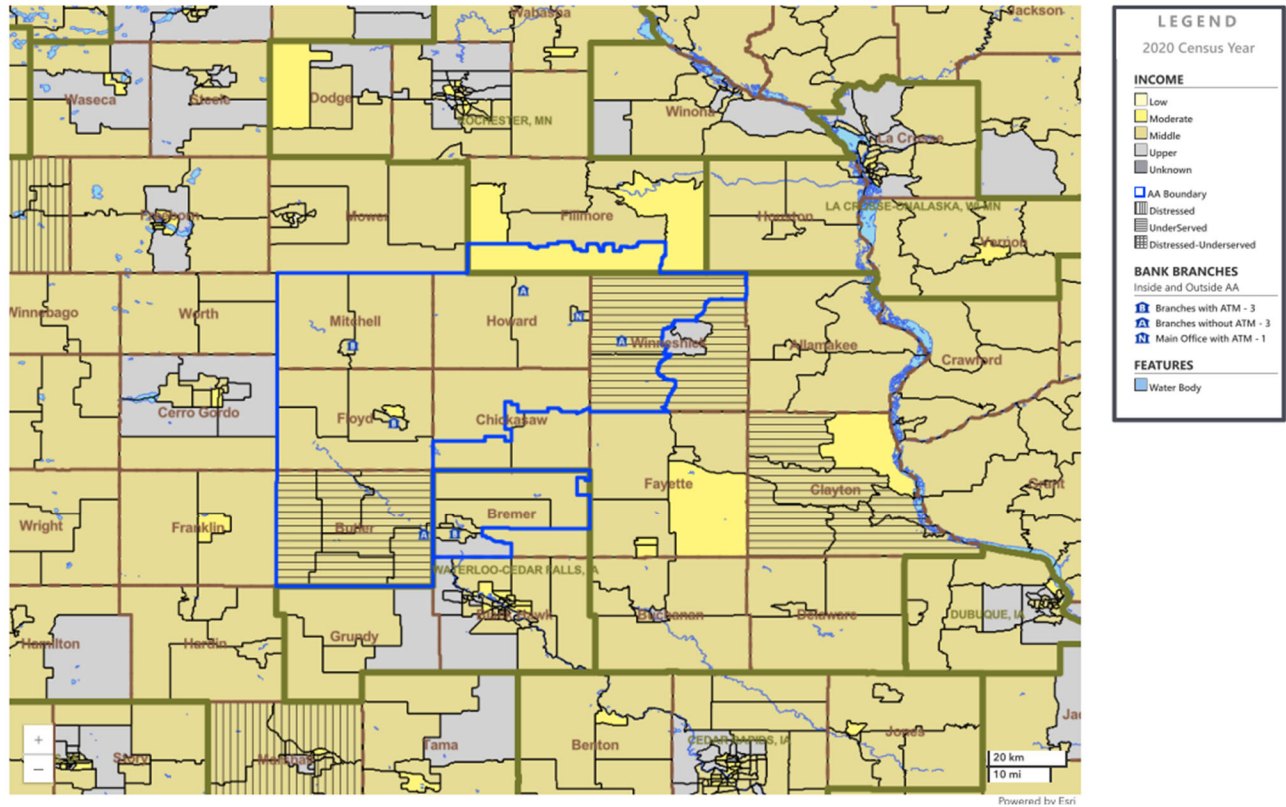
Distribution of 2024 Small Farm Lending By Revenue Size of Farms Assessment Area: Waterloo-Cedar Falls, IA MSA 47940					
	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	6	85.7	510	63.0	100.0
Over \$1 Million	1	14.3	300	37.0	0.0
Revenue Unknown	0	0.0	0	0.0	0.0
Total	7	100.0	810	100.0	100.0
By Loan Size					
\$100,000 or Less	5	71.4	60	7.4	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$500,000	2	28.6	750	92.6	
Total	7	100.0	810	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	5	83.3	60	11.8	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$500,000	1	16.7	450	88.2	
Total	6	100.0	510	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.					

## Community Development

Summary of Community Development Activities from May 17, 2022 – June 2, 2025										
Type of Activity	Affordable Housing		Economic Development		Revitalize and Stabilize		Community Service		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	0	0	0	0	0	0	0	0
Investments	0	0	0	0	0	0	0	0	0	0
Donations	0	0	11	\$5,950	1	\$250	0	0	12	\$6,200
Services	0	0	0	0	0	0	0	0	0	0

## APPENDIX A – Map of the Combined Assessment Area

### CUSB Bank 900146 Combined Assessment Area



## APPENDIX B – 2023 Assessment Area Demographics

2023 Combined AA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,801	16.4
Moderate	2	7.7	1,630	7.0	241	14.8	4,359	18.8
Middle	23	88.5	20,005	86.5	1,243	6.2	5,602	24.2
Upper	1	3.8	1,505	6.5	34	2.3	9,378	40.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>26</b>	<b>100.0</b>	<b>23,140</b>	<b>100.0</b>	<b>1,518</b>	<b>6.6</b>	<b>23,140</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	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,175	1,914	7.0	60.3	887	27.9	374	11.8
Middle	33,292	23,544	86.2	70.7	6,366	19.1	3,382	10.2
Upper	2,232	1,865	6.8	83.6	217	9.7	150	6.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>38,699</b>	<b>27,323</b>	<b>100.0</b>	<b>70.6</b>	<b>7,470</b>	<b>19.3</b>	<b>3,906</b>	<b>10.1</b>
	Total Businesses by Tract		Businesses 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	275	6.6	254	6.6	15	5.5	6	7.9
Middle	3,703	88.2	3,396	88.2	242	89.3	65	85.5
Upper	219	5.2	200	5.2	14	5.2	5	6.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>4,197</b>	<b>100.0</b>	<b>3,850</b>	<b>100.0</b>	<b>271</b>	<b>100.0</b>	<b>76</b>	<b>100.0</b>
Percentage of Total Businesses:				91.7		6.5		1.8
	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	55	4.4	54	4.4	1	14.3	0	0.0
Middle	1,168	94.0	1,161	94.1	6	85.7	1	100.0
Upper	19	1.5	19	1.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,242</b>	<b>100.0</b>	<b>1,234</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
Percentage of Total Farms:				99.4		0.6		0.1
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.								

2023 IA Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,118	17.8
Moderate	2	10.0	1,630	9.3	241	14.8	3,448	19.7
Middle	18	90.0	15,883	90.7	1,028	6.5	4,170	23.8
Upper	0	0.0	0	0.0	0	0.0	6,777	38.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>20</b>	<b>100.0</b>	<b>17,513</b>	<b>100.0</b>	<b>1,269</b>	<b>7.2</b>	<b>17,513</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	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,175	1,914	9.2	60.3	887	27.9	374	11.8
Middle	26,873	18,805	90.8	70.0	5,179	19.3	2,889	10.8
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>30,048</b>	<b>20,719</b>	<b>100.0</b>	<b>69.0</b>	<b>6,066</b>	<b>20.2</b>	<b>3,263</b>	<b>10.9</b>
	Total Businesses by Tract		Businesses 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	275	8.5	254	8.5	15	7.5	6	9.8
Middle	2,967	91.5	2,728	91.5	184	92.5	55	90.2
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>3,242</b>	<b>100.0</b>	<b>2,982</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>61</b>	<b>100.0</b>
Percentage of Total Businesses:				92.0		6.1		1.9
	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	55	5.1	54	5.1	1	14.3	0	0.0
Middle	1,022	94.9	1,015	94.9	6	85.7	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>1,077</b>	<b>100.0</b>	<b>1,069</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
Percentage of Total Farms:				99.3		0.6		0.1
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.								

2023 Waterloo-Cedar Falls, IA MSA 47940 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	683	12.1
Moderate	0	0.0	0	0.0	0	0.0	911	16.2
Middle	5	83.3	4,122	73.3	215	5.2	1,432	25.4
Upper	1	16.7	1,505	26.7	34	2.3	2,601	46.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	5,627	100.0	249	4.4	5,627	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	6,419	4,739	71.8	73.8	1,187	18.5	493	7.7
Upper	2,232	1,865	28.2	83.6	217	9.7	150	6.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	8,651	6,604	100.0	76.3	1,404	16.2	643	7.4
	Total Businesses by Tract		Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	736	77.1	668	77.0	58	80.6	10	66.7
Upper	219	22.9	200	23.0	14	19.4	5	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	955	100.0	868	100.0	72	100.0	15	100.0
Percentage of Total Businesses:				90.9		7.5		1.6
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	146	88.5	146	88.5	0	0.0	0	0.0
Upper	19	11.5	19	11.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	165	100.0	165	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0
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.								

## APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	<ul style="list-style-type: none"><li>HMDA-Reportable Lending from January 1, 2023, to December 31, 2024.</li><li>Small Business Lending from January 1, 2024, to December 31, 2024.</li><li>Small Farm Lending from January 1, 2024, to December 31, 2024.</li><li>Community Development Activities from May 17, 2022, to June 2, 2025.</li></ul>		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED <ul style="list-style-type: none"><li>HMDA-Reportable</li><li>Small Business</li><li>Small Farm</li><li>Community Development Loans, Investments and Donations, and Services</li></ul>
CUSB Bank			
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	NA		NA
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa Non-MSA	Full Scope	NA	ISB HMDA Reporter
Waterloo-Cedar Falls, IA MSA	Limited Scope	NA	ISB HMDA Reporter

## 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>1</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 uninsured state branch (other than a limited branch) of a foreign bank described in section

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<sup>1</sup> Source: FFIEC press release dated October 19, 2011.

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 based on 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 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 householder 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 (LPO):** 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).