

# **PUBLIC DISCLOSURE**

April 21, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Ally Bank  
RSSD# 3284070

200 West Civic Center Drive  
Sandy, Utah 84070

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

### **Ally Bank's Overall CRA Rating: Outstanding**

A Community Reinvestment Act (CRA) Rating of "Outstanding" is assigned. The institution's performance reflects an outstanding record of helping to meet the credit needs of the assessment area, including low- and moderate- income areas, as outlined by its 2023-2024 Strategic Plan (the Plan). The following conclusions support this rating:

#### Lending and Investment Goals

- Ally Bank exceeded the institution's established goals for Outstanding performance in the combined goal for CRA-Qualifying Loans and Community Development (CD) Loans and Investments.
- Ally Bank exceeded all of the annual interim goals in the combined goal for CRA-Qualifying Loans and CD Loans and Investments.
- Ally Bank's actual performance exceeded the amounts for Outstanding for all three sub-goals in the Utah Assessment Area (UTAA), including the annual interim goals for each asset category.
- Ally Bank exceeded the Plan's requirement in which 90 percent of auto loans to small businesses located in low- and moderate-income (LMI) census tracts in the UTAA must be in amounts of \$100,000 or less.

#### Service Goals

- CD Service hours exceeded the institution's established goals for Outstanding performance.
- Ally Bank exceeded all the annual interim goals for CD Service hours.
- Ally Bank exceeded the Plan's requirement in which at least 50 percent of the CD Service hours per year must be in the UTAA.

## ALLY BANK

### DESCRIPTION OF INSTITUTION

Ally Bank is a wholly owned subsidiary bank of Ally Financial, Inc. (AFI), an independent, nationwide automotive financial services firm and a leading digital financial services company. As of December 31, 2024, AFI held \$191.9 billion in combined assets with Ally Bank comprising \$181.4 billion in assets. AFI is headquartered in Detroit, Michigan and Ally Bank is headquartered in Sandy, Utah. Ally Bank maintains no branch offices or deposit-taking automated teller machines (ATMs); it provides all of AFI's direct banking business online. Deposit products include checking, savings, and money market deposit accounts, as well as certificates of deposit. Ally Bank, together with AFI, is one of the nation's leading providers of automotive financing and leasing products, including automotive vehicle purchase and lease financing to consumers, dealership financing, and commercial financing. Ally Bank also offered an array of personal lending and mortgage products and services during the evaluation period.

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

At its previous evaluation conducted on March 6, 2023, the bank was rated **Outstanding** under the CRA.

As presented in the following table, the bank held \$136.0 billion in loans as of December 31, 2024. Consistent with AFI's core lines of business, Ally Bank's loan portfolio is primarily represented by automobile loans and commercial and industrial loans (dealer floorplan).

Comparative Loan Mix				
	\$ Volume (000) 12/31/23	% of Portfolio 12/31/23	\$ Volume (000) 12/31/24	% of Portfolio 12/31/24
<b>Real Estate</b>				
Other Const Lns & Land Dev & Other	324,000	0.2	379,000	0.3
1-4 Family-Revolver	145,000	0.1	116,000	0.1
1-4 Family Res Secured by First Liens	18,521,000	13.1	17,114,000	12.6
1-4 Family Res Secured by Junior Liens	26,000	0.0	21,000	0.0
Secured Multifamily Res Properties	94,000	0.1	72,000	0.1
Lns Secured Owner Occupd NonFrm NonRes	4,224,000	3.0	4,266,000	3.1
Lns Secured by Other NonFrm NonRes	1,351,000	1.0	1,535,000	1.1
<b>Total Real Estate Loans</b>	<b>24,685,000</b>	<b>17.4</b>	<b>23,503,000</b>	<b>17.3</b>
Commercial & Industrial	33,695,000	23.9	31,891,000	23.5
Automobile Loans	73,974,000	52.3	74,255,000	54.6
Credit Cards	1,990,000	1.4	2,294,000	1.7
Other Consumer Loans	1,940,000	1.4	0	0.0
Obligations (other than securities and leases)	1,000	0.0	0	0.0
All Other Loans including to non-depository institutions	4,870,000	3.4	3,636,000	2.7
Lease Financing	404,000	0.3	390,000	0.3
<b>Total Loans &amp; Leases</b>	<b>141,559,000</b>	<b>100.0</b>	<b>135,969,000</b>	<b>100.0</b>
Note: Percentages may not add to 100.0 percent due to rounding.				

## SCOPE OF THE EXAMINATION

Ally Bank's CRA performance was evaluated under the Interagency Strategic Plan CRA Examination Procedures. The evaluation assessed the bank's performance in meeting the credit needs of its communities, including the bank's responsiveness to, and effectiveness in meeting, the credit and community development needs of its assessment area through the achievement of measurable goals established in its approved January 1, 2023, to December 31, 2024, CRA Strategic Plan. The bank's Plan was developed taking into consideration information about the institution including its business model, assessment area demographics and economic indicators, and information obtained from community partners. Performance rating criteria and thresholds were established in the approved Plan, and ratings are assigned for actual performance in relation to these established goals, as described in the Conclusion section of this evaluation.

## DESCRIPTION OF ASSESSMENT AREA

Ally Bank's 2023-2024 delineated Utah assessment area (UTAA) consists of eight contiguous counties in the Salt Lake City-Provo-Orem Combined Statistical Area (CSA) #482 including or bordering the Sandy, Utah headquarters location. Specific counties include Salt Lake and Tooele Counties in the Salt Lake City Metropolitan Statistical Area (MSA) #41620, Davis, Morgan, and Weber Counties in the Ogden-Clearfield MSA #36260, Utah County in the Provo-Orem MSA #39340, and Summit and Wasatch Counties designated as non-metropolitan areas. The bank's assessment area has not changed since the previous evaluation.

The assessment area contains 575 census tracts, of which 17 are low-income, 109 are moderate-income, 274 are middle-income, 165 are upper-income, and 10 for which income is unknown. Additional demographic information as of 2024 for the assessment area is presented below.

Assessment Group(s): 2024 Salt Lake City-Provo-Orem CSA 482

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	3.0	11,759	2.0	2,936	25.0	100,976	17.1
Moderate-income	109	19.0	104,794	17.7	11,498	11.0	112,315	19.0
Middle-income	273	47.5	293,590	49.6	13,734	4.7	141,393	23.9
Upper-income	166	28.9	181,668	30.7	4,753	2.6	237,276	40.1
Unknown-income	10	1.7	149	0.0	36	24.2	0	0.0
Total Assessment Area	575	100.0	591,960	100.0	32,957	5.6	591,960	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	22,204	3,679	0.7	16.6	16,557	74.6	1,968	8.9
Moderate-income	173,496	83,072	14.8	47.9	79,859	46.0	10,565	6.1
Middle-income	409,451	285,011	50.7	69.6	103,942	25.4	20,498	5.0
Upper-income	251,083	189,907	33.8	75.6	34,567	13.8	26,609	10.6
Unknown-income	548	6	0.0	1.1	492	89.8	50	9.1
Total Assessment Area	856,782	561,675	100.0	65.6	235,417	27.5	59,690	7.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,690	2.5	2,328	2.4	342	4.5	20	1.5
Moderate-income	16,666	15.5	14,816	15.0	1,711	22.4	139	10.4
Middle-income	51,575	48.0	47,100	47.8	3,921	51.3	554	41.6
Upper-income	35,815	33.3	33,696	34.2	1,508	19.7	611	45.8
Unknown-income	743	0.7	571	0.6	163	2.1	9	0.7
Total Assessment Area	107,489	100.0	98,511	100.0	7,645	100.0	1,333	100.0
	Percentage of Total Businesses:			91.6		7.1		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	11	1.1	11	1.1	0	0.0	0	0.0
Moderate-income	91	8.8	86	8.5	5	17.2	0	0.0
Middle-income	528	50.8	507	50.2	21	72.4	0	0.0
Upper-income	408	39.3	405	40.1	3	10.3	0	0.0
Unknown-income	1	0.1	1	0.1	0	0.0	0	0.0
Total Assessment Area	1,039	100.0	1,010	100.0	29	100.0	0	.0
	Percentage of Total Farms:			97.2		2.8		.0

2024 FFIEC Census Data and 2024 D&B Information

There were no changes in the distribution of census tracts by income since the previous evaluation.

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

In addition to the UTAA, the bank's Broader Statewide or Regional Area (BSRA) includes the following states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

### Population Characteristics

According to the 2020 U.S. Census Bureau demographic data, the combined assessment area's population has increased from 2015. Wasatch and Morgan Counties experienced the greatest increases within the assessment area counties with population changes of 30.5 and 19.6 percent, respectively. The population of the state increased by 12.7 percent. The combined assessment area represents 80.4 percent of the total state population, indicating that this assessment area is the major population center of the state and is largely responsible for the state's increase in population. Salt Lake County continues to be the most populous county in the state, comprising approximately 36.2 percent of the state of Utah population. The table below presents the population trends for the assessment area counties and the state of Utah from 2015 to 2020.

Population Change 2015 and 2020			
Area	2015 Population	2020 Population	Percentage Change (%)
Davis County, UT	323,374	362,679	12.2
Morgan County, UT	10,276	12,295	19.6
Salt Lake County, UT	1,078,958	1,185,238	9.9
Summit County, UT	38,521	42,357	10.0
Tooele County, UT	60,893	72,698	19.4
Utah County, UT	551,957	659,399	19.5
Wasatch County, UT	26,661	34,788	30.5
Weber County, UT	238,682	262,223	9.9
State of Utah	2,903,379	3,271,616	12.7
Source: Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			



## Income Characteristics

According to the 2024 Federal Financial Institutions Examination Council's (FFIEC) Census Data, the UTAA is comprised of 591,960 families, of which 17.1 percent are designated as low-, 19.0 percent are moderate-, 23.9 percent are middle-, and 40.1 percent are upper-income. In addition, 5.6 percent of families residing within the assessment area live below the poverty line.

According to the 2016-2020 Census Bureau data, the median family income (MFI) in the combined assessment area and the state has increased since 2011-2015 Census Bureau data. Overall, a majority of the counties within the assessment area had MFI figures that were consistent with or above the MFI for the state of Utah. Median family income across the assessment area also experienced growth in line with or above the state, indicative of a strong and growing economy. However, community partners emphasized the continued need for educational and workforce development opportunities for LMI individuals to help bridge the economic divide within the assessment area. The table below compares the median family income for the assessment area counties and the state of Utah from 2015 to 2020.

Median Family Income 2011-2015 and 2016-2020			
Area	2015 Median Family Income 2015 Dollars (\$)	2020 Median Family Income 2020 Dollars (\$)	Percentage Change (%)
Davis County, UT	85,622	96,482	12.7
Morgan County, UT	98,332	101,572	3.3
Salt Lake County, UT	78,719	90,815	15.4
Summit County, UT	111,070	119,592	7.7
Tooele County, UT	75,714	83,730	10.6
Utah County, UT	73,745	83,938	13.8
Wasatch County, UT	83,059	99,014	19.2
Weber County, UT	71,089	80,961	13.9
State of Utah	75,188	84,590	12.5
<i>Source: 2011 - 2015 U.S. Census Bureau American Community Survey  2016 - 2020 U.S. Census Bureau American Community Survey  Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

## Housing Characteristics

Overall, there are a total of 856,782 housing units in the assessment area. The majority of housing units are owner-occupied at 65.6 percent, while 27.5 percent are rental units, and 7.0 percent are vacant. The majority of the assessment area's housing stock is owner-occupied units located in middle- and upper-income census tracts (approximately 84.5 percent), with only 15.5 percent of owner-occupied housing units located in low- and moderate-income census tracts.

A method to understand poverty and housing outcomes is calculating housing cost burden. The

housing cost burden is the ratio of a household's gross monthly housing costs to the household's gross monthly income. 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. The following table shows the percentage of renters and owners spending more than 30.0 percent of household income on housing costs. Among the geographies analyzed, Davis County had the highest percentage of low-income renters facing a housing cost burden at 80.4 percent, which is slightly above Utah County at 80.2 percent, and Salt Lake County at 80.1 percent. Moderate-income renters had the highest percentage of housing cost burden in Wasatch County at 67.6 percent, followed by Salt Lake County at 44.5 percent, and Utah County at 42.6 percent. For homeowners, Salt Lake County had the highest percentage cost burden with 66.7 percent of low-income homeowners considered overburdened, followed by 64.8 percent of Wasatch County low-income owners, and 64.5 percent of low-income owners in Utah County. For moderate-income owners in the assessment area, 45.2 percent of owners were overburdened in Summit County, followed by Utah County with 40.7 percent, and Wasatch County with 36.6 percent. Community representatives stated the continued need for affordable homeownership and rental opportunities, especially for low- and moderate-income families.

Housing Cost Burden						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Davis County, UT	80.4%	34.1%	37.1%	61.6%	32.9%	16.4%
Morgan County, UT	36.0%	0.0%	9.8%	41.4%	37.8%	15.4%
Weber County, UT	71.4%	26.6%	39.4%	58.9%	33.2%	18.2%
Ogden-Clearfield, UT MSA	75.6%	28.9%	37.6%	60.4%	32.6%	16.3%
Salt Lake County, UT	80.1%	44.5%	41.7%	66.7%	37.6%	18.8%
Tooele County, UT	58.0%	38.3%	31.0%	63.6%	31.1%	15.6%
Salt Lake City, UT MSA	79.5%	44.3%	41.5%	66.5%	37.1%	18.6%
Summit County, UT	61.1%	18.9%	29.1%	61.9%	45.2%	20.5%
Wasatch County, UT	77.0%	67.6%	50.8%	66.4%	38.2%	22.2%
Non MSA Utah	67.6%	26.7%	36.3%	51.9%	28.7%	17.9%
Utah County, UT	80.2%	42.6%	43.2%	64.5%	40.7%	17.9%
Provo-Orem, UT MSA	79.7%	42.4%	43.0%	63.8%	40.2%	17.8%
Utah	77.1%	40.0%	40.7%	61.5%	35.6%	17.9%
<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 Characteristics

While unemployment rates fluctuate across all counties, they are generally aligned and experienced declines from the highs of the COVID-19 pandemic in 2020. Subsequently, all counties saw declining unemployment rates in the following years as local economies normalized from the

economic downturn caused by the COVID-19 pandemic. Overall, the assessment area experienced unemployment at a similar rate as the state of Utah for all years reviewed. The following table presents the unemployment trends for the counties in the assessment area and the state of Utah from 2020 to 2023.

Unemployment Rates (%)				
Area	2020	2021	2022	2023
Davis County, UT	4.2	2.5	2.2	2.4
Morgan County, UT	3.4	2.2	2.0	2.1
Salt Lake County, UT	5.2	2.8	2.4	2.7
Summit County, UT	7.4	2.9	2.2	2.4
Tooele County, UT	4.8	2.9	2.6	2.8
Utah County, UT	3.9	2.4	2.2	2.6
Wasatch County, UT	6.6	2.9	2.4	2.4
Weber County, UT	4.9	2.9	2.5	2.8
State of Utah	4.8	2.8	2.4	2.6
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)</i>				

## Industry Characteristics

The assessment area has a large and diverse set of public and private industry sectors. In the private sector, health care and social assistance has the most employees by industry, followed by professional and technical services, and retail trade. Community partners confirmed the breadth and diversity of the assessment area industries.

## Community Representatives

Organizations who received community development financing from Ally Bank were interviewed to provide specific context regarding impactful lending, investment, and service opportunities and how they were addressed by the bank. In addition, information was reviewed from the bank's community needs assessment, which was performed in conjunction with the development of Ally Bank's Plan. In aggregate, their observations were fairly uniform in terms of population, housing, and business climate.

Representatives indicated that while economic conditions are generally stable, they corroborated data indicating that the assessment area needs more affordable housing units for LMI individuals and families, and individuals coming out of the criminal justice system. Representatives also noted a housing need for the homeless, including those in need of medical treatment or end of life hospice care. In addition to affordable housing, organizations stated the need for funding and affordable workspaces to support small business development, job creation and workforce development programs. Additionally, educational opportunities for LMI students, including access to early- and higher-education, were discussed as a need.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The Plan established two main goals for both the Utah Assessment Area (UTAA) and for the Broader Statewide and Regional Area (BSRA) as follows:

- Combined \$2.6 billion in CRA-Qualifying Loans and CD Loans and Investments
- Provide 1,600 hours of CD Services

In addition to the two overall main goals, the Plan established annual interim goals. Ally Bank's performance relative to each goal exceeded the goals for an Outstanding rating. Ally Bank's performance thresholds and actual performance for 2023-2024 are presented in the following tests.

## LENDING AND INVESTMENT TEST

Ally Bank's approved Strategic Plan combined CRA-Qualifying Loans with CD Loans and Investments; therefore, for the purpose of this evaluation, lending performance and investment performance have been combined. Ally Bank's performance relative to lending and investments is rated Outstanding.

Ally Bank originated over \$2.6 billion in CRA qualifying loans and CD loans and investments throughout the UTAA and BSRA, exceeding the bank's \$2.6 billion threshold for an Outstanding rating. Ally Bank also achieved all of the annual interim goals in its Strategic Plan. In meeting the 2024 combined loan & investment annual interim goal, Ally Bank utilized the carryover provision of its Strategic Plan. This allows any amount in excess of the designated "annual interim goal" amount, in one calendar year for a certain asset category, to be applied toward the next calendar year's "annual interim goal" amount for that same asset category. Details and the table below present the bank's CRA-Qualifying Loans and CD loans and investments during the evaluation period. Due to rounding, the values below are considered to be approximate.

- The bank originated \$231.3 million in home mortgage and \$51.5 million in auto loans.
- The bank originated \$734.4 million in community development loans.
- The bank's community development investments totaled \$1.7 billion.
- Grants for community development purposes totaled \$3.4 million.

Combined Goal: CRA Qualifying Loans, Community Development Loans, Investments and Grants				
Dollars Originated in Assessment Area and Broader State and Regional Area				
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2023	1.0 billion	1.1 billion	1.3 billion	1.3 billion
2024	1.0 billion	1.2 billion	1.3 billion	1.3 billion
<b>Total</b>	<b>2.0 billion</b>	<b>2.3 billion</b>	<b>2.6 billion</b>	<b>2.6 billion</b>

The Plan also established UTAA specific sub-goals for three categories:

- Small auto loans to LMI borrowers (consumer) for purchase of a vehicle and closed-end loans (<\$1MM) to businesses in LMI geographies for purchase of a vehicle;

- Mortgage Loans to LMI Borrowers; and
- CD Loans and Investments

Ally Bank's performance relative to each sub-goal exceeded the goals for an Outstanding rating. Ally Bank's performance thresholds and actual performance for the 2023-2024 UTAA sub-goals are presented in the following tables. Sub-goals specific to the BSRA were not identified in the Plan; however, those dollars are presented in the combined goal as stated above.

### Small Loans to LMI Borrowers and to Businesses in LMI Geographies

Small auto loans to LMI borrowers (consumer) for purchase of a vehicle and closed-end loans (<\$1MM) to businesses in LMI geographies for purchase of a vehicle were designated as a combined sub-goal under the bank's Plan. Loans to LMI borrowers for purchase of a vehicle was designated as a goal to reflect performance in helping meet the credit needs of LMI individuals within the assessment area. In addition, as the bank only originates or purchases business purpose loans for auto finance, a goal for small auto loans to businesses in LMI geographies was established to reflect performance in providing small dollar credit to businesses. This goal contains a requirement that at least 90 percent of the small business auto loans must be in amounts of \$100,000 or less.

The following table presents information regarding Ally Bank's performance relative to benchmarks established within the assessment area for Plan years 2023-2024.

Small Auto Loans to LMI Borrowers and Businesses in LMI Geographies within UTAA				
Year	Goal Thresholds (\$ in Millions)			Actual Performance
	Low Satisfactory	High Satisfactory	Outstanding	
2023	17.0	20.00	23.00	25.00
2024	18.0	20.00	23.00	26.53
<b>Total</b>	<b>35.0</b>	<b>40.00</b>	<b>46.00</b>	<b>51.53</b>

Actual performance exceeded goal thresholds for an Outstanding rating in lending to both low- and moderate-income geographies and borrowers in each year of the Plan, with the total aggregate lending substantially exceeding that threshold. Further, the bank averaged 97 percent over the two-year period for small business auto loans in amounts of \$100,000 or less, exceeding the 90 percent requirement.

### Home Mortgage Loans to LMI Borrowers

Home mortgage loans to LMI borrowers for the purchase or refinance of a residence was designated as a sub-goal under the bank's Plan. Home mortgage loans to LMI borrowers was designated as a goal to reflect performance in helping meet the credit needs of LMI individuals within the assessment area and Ally Bank's commitment to affordable single-family housing.

Home Mortgage Loans to LMI Borrowers in UTAA				
	Goal Thresholds (\$ in Millions)			Actual Performance
Year	Low Satisfactory	High Satisfactory	Outstanding	
2023	16.00	18.00	21.00	21.69
2024	16.00	18.00	21.00	21.27
<b>Total</b>	<b>32.00</b>	<b>36.00</b>	<b>42.00</b>	<b>42.96</b>

Actual performance exceeded goal thresholds for an Outstanding rating in lending to low- and moderate-income borrowers in each year of the Plan, with the total aggregate lending exceeding that threshold.

### Community Development Lending and Investments

Ally Bank's CD Loans, Investments, and Grants performance thresholds and actual performance for 2023-2024 in the UTAA are presented in the following table.

Community Development Loans, Investments, and Grants				
	Dollars Originated in UTAA (\$ in Millions)			
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2023	263.00	304.00	351.00	421.14
2024	270.00	311.00	358.00	301.45
<b>Total</b>	<b>533.00</b>	<b>615.00</b>	<b>709.00</b>	<b>722.59</b>

The bank's CD lending originations and the number of dollars in new investments exceeded the established thresholds for an Outstanding rating in each year of the Plan. Under the Strategic Plan Carryover, Ally Bank can add at least \$70M, the total amount over the annual interim goal amount for 2023, to its 2024 actual performance amount of \$301M, resulting in at least \$371M for 2024 which meets the criteria for an Outstanding rating for that year.

A number of loans originated were focused in areas identified, based on the needs assessment, as being particularly innovative, flexible, and responsive. Loans often required special expertise and effort to provide a benefit that would not otherwise be possible. Notable examples of impactful community development loans include:

- Ally Bank made a \$35 million loan to increase a small business lender's ability to respond to recovery efforts relating to the post COVID-19 pandemic economic environment. Ally Bank took the lead role in structuring the facility and negotiating terms as well as making up the majority portion of the syndicated loan.
- The bank made a \$740,000 loan to a housing organization to acquire a property that would facilitate redevelopment of one of their outdated housing projects after their original source of funding was delayed. Ally underwrote and closed the loan within two weeks.

- The bank provided an \$11.7 million real estate construction loan for a Low-Income-Housing Tax-Credit (LIHTC) rental project for chronically homeless individuals including set asides for homeless veterans and people with disabilities. LIHTC transactions indicate a high level of knowledge, familiarity, and skill with a complex tax credit investment model.
- Ally renewed its \$60 million commitment to an organization that facilitates the development and preservation of safe and clean affordable housing and community facilities that serve low- to moderate-income individuals, families and underserved communities.

The bank's investments and grants further highlighted a commitment to responding to identified community development needs, particularly in leadership positions and in complex areas. Notable examples include:

- Three lead or anchor investments totaling \$18 million in different venture capital funds with varying goals including helping bring financial freedom to vast numbers of underserved individuals, making financial services more accessible and effective, and a fund looking to close the disability wealth gap.
- Ally invested \$25 million into a multi-investor, multi-property LIHTC Fund. This investment helps address the increasing affordable housing challenges faced by Native Americans.
- Investments totaling almost \$40 million into 13 non-SBIC funds, which provides critical capital to new and emerging fund managers that lack the significant funding and experience necessary to apply for an SBIC license.
- Donations totaling at least \$400,000 to support financial literacy and education for LMI individuals; and donations totaling at least \$140,000 targeted to support organizations providing substance abuse or mental health services to LMI individuals.
- Ally committed to a three-year \$1.4M grant that will fund the construction of a community center designed to host group sessions, financial literacy training, life skills and wellness classes for a developing community of permanent housing that will house up to 460 chronically homeless people in Utah.

## SERVICE TEST

Ally Bank's performance relative to the service test is rated Outstanding. The Strategic Plan performance thresholds and actual performance are presented in the table below. The Plan also required that at least 50 percent of the services per year must be in the UTAA.

Community Development Services				
Service Hours Performed in the Assessment Area and Broader State and Regional Area				
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2023	590	690	790	903.4
2024	610	710	810	784.3
<b>Total</b>	<b>1,200</b>	<b>1,400</b>	<b>1,600</b>	<b>1,687.7</b>

Actual performance exceeds the number of hours necessary to meet the threshold for Outstanding in each year of the plan. Under the Strategic Plan Carryover, Ally Bank can add at least 113 hours, the total amount over the annual interim goal amount for 2023, to its 2024 actual performance amount of 784 hours, resulting in at least 897 hours for 2024, which meets the criteria for an Outstanding rating for that year. Further, Ally Bank satisfied the requirement of at least 50 percent of service hours completed in the UTAA annually with an average of 74 percent over the two-year period, substantially exceeding the 50 percent requirement. Many of these service hours were in leadership positions on boards and in providing technical assistance regarding financial services. The extent of the services provided reflects a high level of responsiveness to the variety of needs in the assessment area. Examples of the bank's service hours are presented below.

- Board of Director and Loan Committee memberships of various organizations which facilitate the development and preservation of affordable housing demonstrate Ally Bank's commitment to affordable housing efforts throughout its assessment area and BRSA.
- Technical assistance and facilitating a customized program that provides essential financial education tools needed to place participants on a pathway to homeownership. This includes a multi-year financial education curriculum plus a 2:1 matched savings program.
- Board of Director memberships, including providing financial education, at several local schools.

## FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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



## APPENDIX A – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	January 1, 2023 - December 31, 2024		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Ally Bank			Small auto loans to businesses, Consumer auto loans, LMI Mortgages
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
Ally Financial, Inc.	Parent company		Small auto loans to business, Consumer auto loans, LMI Mortgages
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Salt Lake City-Provo-Orem CSA #482	Full Review	N/A	N/A

## APPENDIX B – 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

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

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 228.11(c)(2).

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

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

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

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

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

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

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or

- 3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
  - a. Rates of poverty, unemployment or population loss; or
  - b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

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

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

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

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

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

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

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to

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

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

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

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

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

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

**Income Level:** Income level means:

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

- than 80 percent in the case of a census tract;
- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
  - 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

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

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

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

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

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

**Loan production office (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).

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