



Marlin Business Bank

Community Reinvestment Act

Strategic Plan

Approved by Marlin Business Bank

Board of Directors on

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July 1, 2020 to June 30 2023

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Section 1. Introduction

Marlin Business Bank Overview

Marlin Business Bank, (“Bank”, “the Bank”, or “MBB”) is a Utah State Chartered Federal Reserve Member commercial bank located in Salt Lake City, Utah. The Bank was established on March 12, 2008 and is a subsidiary of Marlin Business Services Corporation (“MBSC” and collectively with Marlin Business Bank, “Marlin”) a bank holding company and a financial-services holding company under the Gramm Leach Bliley Act. Marlin is regulated under consolidated federal supervision by the Board of Governors of the Federal Reserve System (“FRB”) acting through the Federal Reserve Bank of San Francisco (“FRB-SF”) as the Bank’s primary federal regulator and acting through the Federal Reserve Bank of Philadelphia (“FRB-Phil”) as the holding company regulator. The Bank is regulated at the state level by the Utah Department of Financial Institutions (“UDFI”). Marlin Business Bank is subject to the Community Reinvestment Act (“CRA”) as a federally insured depository institution. The CRA requires depository institutions to help meet the credit needs of their entire community, including low and moderate-income neighborhoods. MBB has elected to be evaluated under the strategic plan option provided in the CRA under 12 C.F. R. 228.27 since Marlin is a small institution doing business throughout the entire United States (“U.S.”). The following strategic plan covers a three-year period from July 1, 2020 through June 30, 2023.

Marlin Business Bank Product Offerings and Business Strategy

Marlin Business Bank has a very narrow product line and a narrow group of deposit liabilities. The deposits are raised through the issuance of Certificates of Deposit and money market accounts, nationwide. A large portion of CDs are issued through the Depository Trust Corporation (“DTC”) as DTC eligible transactions in large blocks, generally to customers of the deposit brokers used by the Bank or through national CD issuance channels available to many companies and CD issuers. The remaining deposits are raised from businesses, institutions and consumers in a direct method using listing services or with direct contact with the customer.

Just as the deposits are national in scope, so are the loan and lease receivable assets. The Bank issues leases and loans primarily on essential-use business equipment nationally to businesses, generally small and intermediate size organizations. The Bank also makes short-term working capital loans to the same market, most of which are to current or former equipment finance customers of the Bank. The Bank does not issue any loans or leases to its deposit consumers. The leases are considered micro-ticket leases, with the current average size of a new lease under \$25,000 at the inception of the loan or lease. The average outstanding balance remaining on our books is around \$10,000. The nature of micro-ticket lending does not produce extensive loan files that are typically seen in large banks, and makes it difficult to gather, retain, monitor, and report on information such as census tracts, income level of owners, minority status, number of employees, and other types of things necessary to receive CRA credit for most leases and loans. The cost to obtain and use such information makes it economically impractical to the bank. As a national lender the geographic distribution of the leases tend to follow the total value of goods and services produced in a specific geographical area within the United States as measured by the national Gross Domestic Product (“GDP”). The amount of goods and services produced as shown by the GDP in the assessment area for the Bank is small compared to the GDP nationally, so relatively few leases tend to be made in the assessment area.

Marlin Business Bank Financial Information

For CRA purposes, the Bank is considered an Intermediate Small Institution. As of the writing of this plan, September 2019 was the most recent publicly available information. As of September 30, 2019, the Bank held total assets of \$1.080 billion, total liabilities of \$928 million, and total equity capital of \$151 million. MBB's assets were comprised of \$120 million in cash, \$15 million in investment securities, \$937 million in leases and loans to businesses (net of allowance for loan and lease losses), and \$7 million in other assets. Liabilities consisted of \$873 million in deposits comprised of \$445 million in term CDs to individuals, partnerships and corporations, \$408 million in term CDs to commercial banks and other depository institutions, and \$20 million in a floating rate money market account as part of a sweep product from another financial institution. Tier 1 capital (as defined by the Basel Accords and other Federal Reserve regulations) of \$151 million represents a Total Risk-Based Capital Ratio of 16.95% and a Tier 1 Leverage Ratio of 13.78% (see the Bank Call Reports for further detail).

The Bank primarily receives funding by accepting fixed rate, fixed term certificates of deposit solicited nationally through an online platform, rate listing services, and through brokered deposit relationships. These deposits provide an efficient way for the Bank to reduce interest rate risk by matching deposit maturities with loan/lease cash flows and allow customers nationally to make deposits at the Bank.

Section 2. Community Reinvestment Act

CRA Requirements and MBB Commitment to CRA

Prior to the submission of this strategic plan, MBB was examined under the Limited Purpose designation due to the narrow product line, national deposit and lending focus, and lending strictly to business customers. MBB met the CRA requirements under the Limited Purpose designation by meeting the community development test through lending, investing, donating to, and serving community development needs in the assessment area. The CRA regulations allow banks to elect to be assessed under a Strategic Plan option, allowing Banks with unique abilities and structures an opportunity to design a program that works within the Bank's unique capabilities and business model. The CRA regulations encourage Banks to meet the credit needs of the communities in which they operate deposit-taking branches. The deposit and lending structure of the Bank remains narrow in purpose and product line with the same national footprint, with a very small percentage of both deposits and lending occurring within the assessment area. After approval of this plan, although the Bank will be examined differently, Bank management remains fully committed to the purpose and intent of the Community Reinvestment Act and intends to fully meet all obligations and intents of the act. Further, Bank management is committed to remaining responsive to the community development and credit needs of the assessment and broader areas.

Effective Term of Plan

This is the first strategic plan being submitted for Marlin Business Bank. The Bank understands that it will be evaluated as an Intermediate Small Bank for the months between the prior examination and the start date of this CRA Strategic Plan, and under the CRA Strategic Plan for the remainder of the examination period. It is intended that this plan will provide information for the examiners to use during the entire exam period and provides a basis for the change to the Strategic Plan option. As outlined in Section 228.27(e), the Bank is requesting that this strategic plan proposed for MBB will be effective

beginning July 1, 2020 through June 30, 2023. Although the goals, business structure, lending and deposit products, geography, and management objectives in this plan align with prior year goals, prior years were reviewed under a different process. If there are any material changes in the Bank's products, geography, or operations during the approved effective term of the plan, the Bank will seek approval to amend or modify the Plan from the Board of Governors of the Federal Reserve System and would fulfill the remainder of the term under any such modified plan.

Section 3. Assessment Area

Marlin Business Bank has only one location, with no subsidiaries and no branches. The location of the Bank is in Cottonwood Heights, Utah, within Salt Lake County. The Bank has chosen the full boundary of Salt Lake County for its assessment area. Please see **Appendix 1** for a map of the assessment area and **Appendix 2** for a list of census tracts within the county. The Bank is committed to helping to meet the credit needs of the entire assessment area.

Area Demographics and Population Data

Although 2019 demographics and statistics would ultimately have changed, at the time of writing the best and most comprehensive data available was from 2018 as most 2019 reports have not yet been circulated. The Bank assumes that changes during the 2019 year would not have materially changed the background information or the goals established by the bank.

Utah's population grew by 52,664 persons and reached 3,166,647 by July 1, 2018, according to estimates prepared by the Utah Population Committee (UPC). Salt Lake County grew by 1.22% from 2017 to 2018 ending at 1,142,077 people, 36% of the total growth of the state. The median age in Utah is 30.9, the youngest in the nation. While Utah's population growth has moderated, it remains quite strong. From 2016 to 2017, Utah was the third fastest growing state in the nation. During 2017-2018 Utah led all states with the strongest Job Growth at 3.3% compared to the U.S. at 1.6%. The largest growth was in the Trade, Transportation, and Utilities sector followed by Education and Health Services. According to the Hachman Index, a measure of economic diversity, Utah led the nation in economic diversity in 2017 with a score of 96.9%. (Utah Economic Council, 2019)

Looking at dependency, per 100 people, Utah ranks highest in the nation for Preschool-Age at 13.9 (compared to U.S. at 9.9), highest in School-Age at 36.5 (compared to U.S. at 26.7), 49th in Retirement-Age at 17.5 (compared to the U.S. at 25.3) and 3rd in Total Non-Working Age at 68.6 (compared to the U.S. at 61.9). Utah is also first in new births and natural increase. (Utah Economic Council, 2019)

The total dependency ratio (non-working age persons per 100 working age persons) in Utah in 2017 was 68.6, a slight decline from 2016. The national dependency ratio was 61.9. While most of this ratio in Utah was youth, it decreased from 51.2 in 2016 to 50.4 in 2017. However, the old-age dependency ratio increased, going from 17.8 in 2016 to 18.2 in 2017. (Utah Economic Council, 2019)

There were an estimated 3.13 people in an average Utah household in 2017 — the highest in the nation. This is edging closer to the 3.10 average household size in 2010, decreasing from estimated increases in the first half of the decade. Nationally, this same measure is 2.65 persons per household and has remained consistent for the past several years. Utah ranks second in growth of housing units from 2010

to 2017 at 10.7% growth as compared to the U.S. at 4.3% growth. Utah is second only to South Dakota. (Utah Economic Council, 2019)

The “minority” population (measured as the population that is Hispanic or not white alone) remained similar to the past several years, at 21.5 percent of the Utah population. Three counties have a higher minority population than the state average – San Juan County (56.0 percent), Salt Lake County (28.6 percent), and Weber County (23.9 percent). (Utah Economic Council, 2019)

In Salt Lake county the dominant group is the Hispanic or Latino population. The Hispanic or Latino population is the largest minority group in the state. This population increased 3.3 percent – from 420,400 in 2016 to 434,288 in 2017. In 2017, those identifying as Hispanic or Latino were 14.0 percent of Utah’s population. The second largest minority group in Utah was the non-Hispanic Asian population at 2.4 percent. (Utah Economic Council, 2019)

Economic Outlook

United States and Global

The U.S. economy experienced strong growth throughout 2019. The convergence of several positive factors such as low interest rates, tax reform and a positive global growth story gave the national economy a tailwind throughout the previous few years. Looking ahead, some of the positive factors that boosted growth in 2019 will begin to fade in 2020. Additionally, several new risks will be present in 2020, adding a degree of uncertainty going forward. With that said, 2020 should be a reasonably good year for the U.S. economy with continuing signs of a maturing cyclical position. (Utah Economic Council, 2019)

Several events in 2020 could impact the local, national, and global markets. Of importance are the U.S. Presidential election, congressional proceedings, and trade risks (particularly China, Middle East, North Korea, and North America). Other factors such as having a very long period of economic expansion (no other decade besides the 2010’s has gone without a recession), immigration issues, and potential unrest could change the banking environment for all banks, including us.

Looking backward, while still positive, the outlook for 2019 was becoming more clouded. The Wall Street consensus for the national GDP growth going into 2019 showed growth rates beginning to taper off from around 3.0 percent, largely due to the waning effects of recent fiscal stimulus, a slowing global economy and less accommodative monetary policy. This change did occur in 2019 and is expected to continue into 2020. In terms of the labor economy, healthy employment growth is expected to keep the national unemployment in the mid-three percent range and support continued wage growth. (Utah Economic Council, 2019)

A divided Congress has continued to create additional policy uncertainty. For example, an issue to watch is the debt ceiling which in August 2019 was suspended through July 2021, and the impeachment trial of the President. Additionally, spending cuts mandated by the Budget Control Act of 2011 (also referred to as sequestration) could come into effect unless budget agreements continue to be reached. These issues maintain the potential to increase uncertainty, affect confidence, and negatively influence growth levels. (Utah Economic Council, 2019)

Outside of the U.S., growth levels that began slowing in 2018 are expected to continue to stabilize as fiscal easing around the globe takes effect and issues creating uncertainty are resolved. Of importance to global growth levels will be how trade negotiations between the U.S. and China evolve. (Utah Economic Council, 2019) Additionally, the question of Brexit seems to have been recently addressed as the U.K. is now expected to leave the European Union in early 2020. will need to be addressed before March of 2019, when the U.K. is set to leave the European Union.

Though growth rates are expected to taper off, they will likely remain solidly positive. Consequently, this growth along with a low unemployment rate means additional interest rate hikes may happen. The start of 2019 was characterized by notably different conditions from the start of 2018, with growth rates tapering off and new risks in play. Still, the U.S. economy performed reasonably well in 2019 and is expected to continue in 2020. (Utah Economic Council, 2019)

Utah Employment

Utah's 3.3 percent job growth in 2018 and 3.0% in 2019 (Kem C. Gardner Policy Institute, January 2020) will once again be among the top states in the nation. The number of jobs in Utah increased by 48,500 to 1.5 million in 2018. The rate of job growth had been trending down since 2015, falling from 3.7 percent to 3.0 percent in 2017. Hence, the strong uptick in 2018 was unexpected and surprised most forecasters. The Utah economy created 6,000 more jobs this year than in 2017. (Utah Economic Council, 2019) Utah's economic expansion is the strongest in any state of the Nation as evidenced by the 31% change in employment from Q2 2009 through Q2 2019. Although employment continues at historic low levels, 9% of Utahns are below poverty level, and 17% additional Utahns are below 200% of poverty level (Kem C. Gardner Policy Institute, January 2020).

Four major sectors drove job growth in Utah: professional and business services, with a gain of 6,700 jobs, followed by construction and retail trade, each with 6,300 additional jobs, and health care with an increase of 5,000 jobs. (Utah Economic Council, 2019)

The job growth in professional and business services is particularly important because it is a high-skill, high-wage sector with an average wage above \$70,000. Occupations in this sector cover a wide range of expertise including lawyers, architects, computer programmers, and engineers. Many of Utah's high-tech companies are in this sector. (Utah Economic Council, 2019)

Rapid job growth in Utah's construction industry is tied to the state's residential construction boom and multiyear, mega public projects, including the redevelopment of the Salt Lake International Airport, construction of a new Utah State Prison, a billion dollars in state road construction, and \$600.0 million in public school renovation and new construction. (Utah Economic Council, 2019)

The growth in Utah's retail sector over the past few years was not anticipated given the growing challenge of online retail. The retail sector is an important source of job opportunities and the state's largest employment sector with over 170,000 jobs. The Utah economy is a leader among all states in retail job growth. Since 2010 only Washington has had a higher growth rate. (Utah Economic Council, 2019)

Utah's job growth is concentrated in four counties: Salt Lake, Utah, Davis, and Washington. These four counties captured 80.0 percent of the job growth in 2018. Salt Lake County (encompassing the entire assessment area of the Bank) had by far the largest absolute gain, with an increase of 20,400 jobs,

followed by Utah County with a gain of 9,800 jobs. Davis and Washington counties trail with increases of 5,000 and 3,900 jobs, respectively. (Utah Economic Council, 2019)

The 2019 forecast for the Utah job market anticipates another year of solid growth with an increase of 3.1 percent. This would be the eighth consecutive year of job growth above 3.0 percent. The only post–World War II economic expansion of longer duration is the 11-year period from 1988 to 1998. (Utah Economic Council, 2019)

Professional and business services is projected to lead in job growth in 2019 with an increase of 7,700 jobs, followed by the construction sector with 5,700 additional jobs. The demand for construction workers has pushed the average wage to nearly \$50,000, an increase of 4.3 percent in 2018. (Utah Economic Council, 2019)

Labor Shortages and Unemployment Rates

Tight conditions in Utah’s labor market continued this year and employers in many industries reported labor shortages. Employers’ concerns were reinforced as the annual unemployment rate fell to 3.1 percent. (Utah Economic Council, 2019)

The forecast for the unemployment rate in 2019 of 3.0 percent shows further tightening of the market and little relief for employers. The recent extraordinarily low unemployment rates are a defining characteristic of Utah’s post–Great Recession expansion. Only two years in the past 70 years, 2006 and 2007, have had lower unemployment rates. (Utah Economic Council, 2019)

Wages and Personal Income

While employers are frustrated by the labor shortage, employees are experiencing a market of expanded job opportunities and improving wages. The average pay per job in Utah increased by 3.8 percent in 2018 to \$47,441. Next year’s forecast for wage growth shows a lower increase of 2.5 percent, which may be a conservative forecast given the expected low unemployment rate in 2019. (Utah Economic Council, 2019)

Total personal income in Utah increased to \$143.1 billion in 2018, a 6.1 percent increase. Utah ranks in the top tier of states in total personal income growth, which includes all income earned in a region and is a broader measure than wages discussed above. States with high rates of employment growth generally also have high rates of total personal income growth. (Utah Economic Council, 2019)

Total personal income includes not only wages, which account for two-thirds of total personal income, but also property income (dividends, interest, rent, etc.) and transfer payments (Social Security, veteran’s benefits, etc.). In 2018, per capita personal income in Utah was \$45,174, up 3.9 percent from 2017. (Utah Economic Council, 2019)

Economic Diversity

Utah leads all states in the rate of job growth since 2010. The exceptional recovery from the Great Recession is due, in part, to the economic diversity of the Utah economy. According to the Hachman Index, a measure of economic diversity, Utah and Missouri led the nation in economic diversity in 2017 with scores of 96.9 and 96.8, respectively when analyzing gross domestic product data from the Bureau of Economic Analysis. A higher score, closer to 100, indicates more economic diversity. (Utah Economic Council, 2019)

A timely example of the advantage of diversity is the impact of globalization and tariffs on state economies. Those states with employment concentrations in auto, textiles, or steel production experienced severe job losses. In contrast, Utah's economic diversity protected the state from the negative impacts of globalization. (Utah Economic Council, 2019)

Consumer Confidence, Retail Sales, and Home Prices

The Zions Bank Consumer Attitude Index shows that Utahns are optimistic about current economic conditions, although slightly less so than a year ago. Optimistic consumers lead to increased consumer spending, which is reflected in the state's record level of retail sales. Taxable retail sales in Utah in 2018 increased by 6.0 percent to \$33.7 billion, led by new auto/truck sales, which reached an all-time high of 140,000 vehicles sold. (Utah Economic Council, 2019)

Retail sales also got a lift from rising home prices, which added to consumer confidence. The Federal Housing Finance Agency's (FHFA) housing price index reported an increase of 9.5 percent in 2018. The increase in the FHFA index is lower than the price increase reported by the local multiple listing service, UtahRealEstate.com. The multiple listing data show the median sales price of a home in the four Wasatch Front counties increased by 11.5 percent in 2018. (Utah Economic Council, 2019)

The Utah economy had a solid year of growth in 2019. Every major economic indicator showed an increase over 2018. Growth rates, however, for most indicators will likely not be as strong in 2020 as some of the preceding years. Economic activity should still be solid, but the rate of growth may see a modest decline. (Utah Economic Council, 2019)

Section 4. Performance Context and Opportunities

MBB Business Model

MBB provides equipment financing and working capital loans, primarily to small businesses nationwide. Nearly all MBB's new financing transactions are under \$200,000, with new equipment financing transactions averaging under \$25,000, and working capital loans averaging around \$50,000. Marlin provides these services through equipment dealers and directly to existing and former customers. Marlin finances a wide range of equipment types as long as they are essential to the operation of the business. Some of the equipment types include office equipment and furniture, transportation, healthcare, restaurant and many other types of equipment used in small business. MBB operates from one branch located in Salt Lake City, UT, primarily using affiliate relationships to perform origination, account servicing, and operational services.

Constraints Impacting the Plan

The Bank operates nationally primarily through partnerships with equipment dealers and vendors, and not through in-person branch banking. The Bank does not have a lobby, tellers, or walk-in customers. Contact with customers comes after the customer determines that they have an equipment need and visits or reaches out to an equipment supplier with which we have a relationship with the customer choosing Marlin as a means to finance the transaction. The lack of direct individual contact with customers limits the ability of the Bank to actively focus lending to specific groups or individuals.

The Bank does not provide financing to consumers as it is strictly a business lender. Businesses have diverse ownership structures varying from small single owner companies to multi-national public companies. Our products are primarily equipment financing which makes every business in America a potential customer. Our lending generally follows the national population and GDP concentrations as described earlier. Our marketing efforts for commercial lending are limited. Because of our national reach with our assessment area being a very small piece of the national GDP, most of the marketing is to customer bases that are outside of our limited assessment area.

The Bank does not provide typical banking services such as checking, savings, safe deposit boxes, etc. Although our product, equipment financing and working capital lending, is critical to the success of all businesses, it does not follow the traditional community banking structure. CRA regulations are broad-based and allow for flexibility in how a bank meets the needs of its community. MBB's assessment area is one specific county, but the lending community is much broader, and thus we believe our CRA activities should follow our lending and deposit community. One of the main activities used by traditional banks to meet CRA requirements is through qualified mortgage lending, typically for residential consumer housing. As the Bank does not participate in any consumer lending or in the lending for property purchases, our ability to satisfy the CRA requirements is greatly limited.

Similar to lending activities, the deposit activities of the Bank are decentralized and follow a similar national pattern. Roughly half of all deposits at the Bank are raised through relationships with other Banks and with Deposit Brokers. These other Banks have direct relationships with their customers, and to increase the security and provide additional services to their customers, they will place deposits at other institutions to increase the FDIC insurance available to the customers. Other Banks, Credit Unions, and customers may use Deposit Brokers to place their deposits for them to gain better visibility to deposit options, consolidate deposit recordkeeping at one organization, receive better rates, or for convenience. Other depositors use online systems to order and process their own deposits in a similar way, or they contact MBB directly to place deposits using the Banks online product or simply through email, fax, or phone. This decentralized and national deposit gathering limits the face-to-face contact with customers that could result in add-on lending activities that would meet CRA needs.

As described earlier, the Bank is a micro-ticket lender and does not have the expertise or the desire to lend in large dollar transactions. Most CRA activity that provides qualified housing for Low- and Moderate Income individuals and families are related to very large and complex transactions which are outside of the expertise of the Bank and would not fall within the Bank's current products or services or expertise.

Prior to this exam cycle, MBB was designated as a Limited Purpose institution, primarily due to the limitations noted above. Although the Limited Purpose designation has been removed, the Bank continues to operate in the same manner that it did previously, with slight changes in some products, but very few changes in the overall bank operations.

Competitive Environment

The Bank competes nationally with many different types of companies. Many regional and national banks have leasing and working capital products. Non-bank and unregulated companies provide financing for similar products. Many of the Bank’s competitors are not subject to the same level of regulation, including the requirements of CRA. Many equipment manufacturers have in house products or partner directly with established banks to provide captive financing. The competitive differences vary dramatically from one establishment to the next, but all combined provide a broad level of competition for equipment financing.

The Bank differs from traditional banks in that it provides financing primarily to small companies, in small dollars (micro lending), both attributes which are primary goals of CRA regulation. According to the Small Business Administration (“SBA”) Office of Advocacy, small businesses make up 99.7 percent of U.S. employer firms, 64 percent of net new private-sector jobs, 49.2 percent of private sector employment, and 98 percent of firms exporting goods (SBA Office of Advocacy, 2020). Our support of small businesses helps meet the needs of a critical component of the U.S. economy. Small businesses exist in every community, including the very poorest neighborhoods. Meeting the credit needs of small business lending is critical to meeting the needs of any community. As a national lender, we believe our structure facilitates lending that meets some of the most basic goals of CRA and aligns our lending with groups that benefit from CRA requirements.

The Bank’s assessment area is Salt Lake County, Utah, the most populated county in Utah. According to the Utah Department of Financial Institutions website (Financial Institutions, 2020) there are 111 Banks and Credit Unions headquartered in Utah, with 56 of those headquartered in Salt Lake County, broken out as follow:

- 21 State Banks 9 in Salt Lake County
- 8 National Banks 8 in Salt Lake County
- 5 Out of State Banks 2 in Salt Lake County
- 15 Industrial Banks 13 in Salt Lake County
- 30 State Credit Unions 10 in Salt Lake County
- 31 Federal Credit Unions 13 in Salt Lake County
- 1 Federal Savings Association 1 in Salt Lake County

Each of these financial institutions is competing for Salt Lake County lending and deposits. All but the credit unions are also competing for local CRA activity. There are six banks headquartered in Salt Lake County with over \$50 billion in assets (Ally Bank, Morgan Stanley Bank NA, American Express National Bank, Synchrony Bank, Zions Bank, and UBS Bank.) Six additional institutions (including one Credit Union) are over \$9 billion. This concentration of banking in Salt Lake County places great competition on lending, investing, and deposit taking, which extends to CRA projects, investments, and services with so much competition for attention. This concentrated activity also drives down investment proceeds and drives up costs. As a relatively small bank in this market with a very limited product offering, MBB experiences the competitive effects when seeking qualified activity.

Section 5. Public Participation

Public Input and Comments

In preparation for this application, the Bank reached out to 50 different neighborhood and charitable groups to ascertain the specific needs in the community (**Appendix 3**). We asked each organization to provide us with feedback on six specific areas, along with any other information that they thought was relevant to our application or CRA efforts. The six areas for specific solicitation were:

- The organizational mission
- Geography and the populations served
- Greatest organizational challenges and barriers to achieving their organizational mission
- The greatest needs within their primary service area
- Largest gaps in service within their primary service area
- Needs of small businesses that their organizations interact with or serve

We received responses from the following 18 organizations:

- Catholic Community Services of Utah (“CCS”)
- Community Development Corporation of Utah
- Crossroads Urban Center
- Family Support Center
- Guadalupe School
- Holy Cross Ministries
- Junior Achievement of Utah
- NeighborWorks Salt Lake
- People Helping People
- Rocky Mountain Community Reinvestment Corporation (“RMCRC” or “Rocky Mountain CRC”)
- Salt Lake Chamber of Commerce
- Suazo Business Center
- The Inn between
- Utah Housing Coalition
- Utah Partners for Health
- Voices for Utah Children
- YMCA of Northern Utah
- YWCA of Utah

The needs assessment surveys received back by the Bank produced largely expected results that were in line with the formal studies we reviewed. Not surprisingly, the primary need listed in most of the responses lined up with the mission of that organization. However, some common overlap and other trends emerged in our review. In analyzing the responses, the Bank grouped responses from these 18 organizations into 12 categories of needs based on the responses:

- Small Business
- Housing

- Housing Gaps
- Homeless
- Education
- Child Abuse
- Out of School Time
- Transportation
- Language Barriers
- Employment
- Wages
- Other

Not surprisingly, the Bank recorded the primary need noted by most survey participants was for more direct funding to run their individual programs. The Bank also found that most respondents listed the primary goal of their organization as both the biggest gap in the area and as the biggest need. Most of the respondents have a primary focus of providing housing, financial services, living, and social needs, primarily to low-income people. These organizations are intimately involved in the lives of low and moderate-income individuals in the Bank assessment area and have a very good understanding of the needs of the community. So, despite the appropriate and expected attention each organization gives to their own mission, MBB found the secondary needs were equally insightful to the needs of the community as they seemed to remove the primary mission of the organization and looked more objectively at the overall needs of the community and the members served by each organization. In short, they looked past their key goals and centered on a larger picture of the community need. These secondary needs are included in the finding above.

Next to additional funding, the respondent results expressed wide concern for the shortage of housing in general and particularly for low-income housing. This was the number one issue surfaced in the responses to the survey. Many respondents listed homeless and mental health issues as additional contributing factors affecting the communities that they serve. Additional comments noted the rising cost of rent in the area that pushes many low- and moderate-income families out of the market or makes their rent an unrealistic or unsustainable level; need for more literacy and English language classes; the need for more after-school and summer youth programs; and technical assistance for small businesses. MBB is confident that the goals outlined in this plan below will help to meet both the needs expressed in the informal studies above and the needs outlined in the formal studies below.

Formal Studies

Utah has increasingly experienced a housing shortage. Utah economic recovery has been underway since 2012. In 2016, the Salt Lake County housing market had its best year in a decade, and the third highest in the county's history. The Salt Lake City Metro unemployment rate is at 2.7% as of May 2018. (NeighborWorks Salt Lake, 2019)

The economic turnaround and population growth rate in Utah have created a housing shortage. The rise in population and households exceeds the number of new housing units which has resulted in an insufficient supply. In the new home market, specifically, unsold inventory is basically non-existent. (NeighborWorks Salt Lake, 2019)

One important indicator is the median cumulative days on market (CDOM) of “for sale” homes. In 2016, the CDOM dropped to its lowest level ever, 13 days. This low level is an indicator for continued increased pricing to continue. (NeighborWorks Salt Lake, 2019)

Since 2011, the median sales price of a single-family home has increased by over 50 percent, rising from \$216,431 in 2011 to \$325,000 in 2017. (NeighborWorks Salt Lake, 2019)

Mortgage interest rates remain low, having decreased recently after a short term of increases. The increased rates in 2018 caused first-time homebuyers being able to afford 7 percent less than they could previously with the lower interest rates. (NeighborWorks Salt Lake, 2019)

Current estimates approximate that the price for residential units will increase in the range of 7 to 8 percent annually. The upward direction of home sales and prices will all become driving factors in the demand for affordable housing. (NeighborWorks Salt Lake, 2019)

Based on the estimates provided by the Salt Lake City 2017-2021 Housing Plan, we are currently experiencing a housing shortage of at least 7,500 units in Salt Lake City alone. Beyond that, Salt Lake County is also unique positioned demographically with a population made up of 17% millennials who may have traditionally preferred to rent. Housing economists predict that the increase in housing demand and subsequent increase in price and decrease in rental vacancy will motivate this population to move towards homeownership instead, placing an additional strain on an already limited supply. (NeighborWorks Salt Lake, 2019)

Section 6. MBB Strategic Plan and Measurable Goals

Methodology and Framework

MBB is establishing goals for both “Satisfactory” and “Outstanding” levels within this plan, and fully intends to meet all established goals. Historically the Bank has provided financing, primarily to small businesses, nationwide and was evaluated under the community development test as a “Limited Purpose” organization. The bank’s product line is very narrow, with no consumer lending and no demand deposits. A very small percentage of deposits are gathered in the assessment area. As of the most recent quarter end, less than 0.4% of all outstanding MBB deposit dollars were derived directly from within the entire state of Utah with only 0.1% from within the assessment area. A slightly higher level of lending is made in the entire state of Utah at approximately 1.2% of the lending with only 0.57% from within the assessment area. In total, both deposits and lending are small within Utah, with lending levels surpassing the deposit balances. Additional deposits may have been derived in Utah in DTC markets (described earlier), but due to the terms and confidentiality of the contracts, individual depositors are not identified to the Bank and the Bank is not able to determine if any exist within Utah.

The Bank is located in an assessment area that is the headquarters of several very large Banks, regular community and regional banks, and many of the nation’s industrial banks. Each of these banks have a unique role in meeting the deposit and lending demands of the community, but also each has specific CRA requirements that greatly increase the demand on a limited supply of opportunities. Coupled with the narrow product offering of MBB (95% lease or Equipment Finance Agreement (“EFA”) which are accounts structured like a lease, but with some loan characteristics, and only 5% true loans), the Bank

has fewer lending opportunities than Banks with typical product lines. The Bank has traditionally met the CRA requirements with a blend of lending and investments. To ensure that the Bank can continue to meet the CRA needs of the community in a manner that fits within its established banking model, the Bank proposes that the CRA evaluation of the lending and investments tests continue to be evaluated using a combination of both the community development lending and community development investments for each of the years outlined in this Strategic Plan. Further, as the Bank has been growing from inception in 2008 through the writing of this plan, the Bank goals are not set in dollar values but in percentages to provide a more consistent measurement as the size of the bank changes over time.

Goal 1 – Combined Lending and Investments

Plan Year	Satisfactory Balance (Cumulative ¹ small business loans, Community development loans, donations, and investments as percentage of Bank’s average assets ²)	Outstanding Balance (Cumulative small business loans, Community development loans, donations, and investments as percentage of Bank’s average assets)
Plan Year 1	1.20%	1.50%
Plan Year 2	1.20%	1.50%
Plan Year 3	1.20%	1.50%

The Bank intends to meet the above cumulative goals in a similar manner as it has for the past 12 years which will include a mix of lending to qualified people or organizations, supporting the lending programs in qualified institutions by placing deposits with them, qualified investments in eligible community development activities within the assessment area, and donations to further the qualified programs of qualified organizations with the assessment area. Cumulative amounts shown above include qualified small business loans, eligible community development loans and eligible donations made during the current period along with investments made during the period and the remaining outstanding balances of investments as of the period end whether made in the current or a previous period. Since 2015, MBB has placed more than \$11 million in deposits in Minority- and Women-Owned Institutions, Low-Income Institutions and Credit Unions, and Community Development institutions to facilitate their lending to their customers which have a primary CRA need. The Bank intends to continue placing deposits in all three types of institutions where qualified, where available, and as needed by the receiving institutions to facilitate their lending. No specific ratio has been established for each individual type of institution as the placement depends to a large degree on the demand generated by the accepting institution and each of their lending needs. The Total Average Assets² for this calculation will use the average of the quarterly average assets as listed in the Call Report (currently Schedule RC-K line 9) for each quarter in the measured period. Calculating the average assets in this manner will ensure that the goals are kept in line with current growth trends at the bank. This also facilitates a plan with a starting month that is not set based on calendar years.

¹ Cumulative amounts include qualified small business loans, community development loans and donations made during the current period along with outstanding balances of investments as of the period end whether made in the current or a previous period.

² Total Average Assets for this calculation uses the average of the quarterly average assets as listed in the Call Report (currently Schedule RC-K line 9) for each quarter in the measured period. For example, the average Total Assets for the period of July 1, 2021 through June 30, 2022 would average the four quarters ending September 30, 2021, December 31, 2021, March 31, 2022, and June 30, 2022.

Despite having no established goals listed in the CRA regulations or Q&A's, Bank Management has experience overseeing community development programs and providing community development services in the community. MBB is currently smaller than most of the Banks it reviewed with approved CRA Strategic Plans, some of which are in the Bank's assessment area. No Bank under a current CRA strategic plan is an ideal peer comparison to MBB when taken individually. MBB has a unique structure and business model focused around a very narrow product, which is small business equipment leasing and lending. In other more traditional banks this would be a very small product line, if it is a product line at all. Each of the strategic plans selected for review by MBB have one or more quality, attribute, or component that is similar to MBB such as bank charter type, location (with the same primarily assessment area of Salt Lake County, UT), bank size, primary regulator, a business plan that is limited to a narrow lending line, a business platform that focuses on national deposit gathering and national lending, with virtually no face-to-face contact with customers, etc. When taken as a whole, the group of plans selected for comparison provide meaningful analysis and comparison even when no individual bank is a great peer comparison when taken individually and is considered by MBB to be an appropriate peer group comparison.

MBB management is confident that given the Bank's unique structure and product mix, it can meet the above goals which fall near the mid-point of the targeted percentages of assets in the other plans³ (other plans reviewed by the Bank range from 1.05 to 1.30 for Satisfactory and 1.15 to 1.75% for Outstanding⁴, after removing two outliers from the range). Similarly, other banks have received approval in their plans to combine the lending and investments into a single test for similar reasons outlined above due to similar operating characteristics as those at MBB. In total, Management believes meeting these measurable goals will provide positive impact within our community and are comparable to the unified peer group goals.

Most of the larger Utah banks are headquartered directly in Salt Lake City which is located within the Bank's assessment area which includes all of Salt Lake County. These larger banks typically have very wide product offerings, and many operate with large branch networks. Some of the communities located just outside of the county provide more affordable housing communities for people that commute to work or shop inside the assessment area. Using the most recent analysis of county-wide GDP from the Bureau of Economic Analysis, Salt Lake County GDP is nearly double that of the three next counties. All other counties combined equal less than one-third of the GDP of Salt Lake County (Bureau of Economic Analysis, U.S. Department of Commerce, 2018). Two of those counties, Davis and Utah are adjacent to Salt Lake County and provide cross-border work forces and support services. The third, Weber County, is near enough to Salt Lake County to do so likewise. Also, there are several larger communities located further from the assessment area with fewer financial options and services,

³ Ally Bank 2017-2019 plan, pages 19-21; Medallion Bank 2020-2024 plan, page 28; Medallion Bank 2015-2019 plan, page 17; Stifel Bank and Trust 2018-2020 plan, page 14; Seacoast Commerce Bank 2014-2019 plan, page 18; Silicon Valley Bank 2018-2020 plan, page 12; Silvergate Bank 2017-2019 plan, page 8, Green Dot Bank 2018-2020 plan, page 16, and other banks noted on page 14.

⁴ Data was taken from the Strategic Plans and/or the Performance evaluations of Ally Bank, BMW Bank of North America, Green Dot Bank, Medallion Bank, Merrick Bank, Sallie Mae Bank, Seacoast Commerce Bank, Silvergate Bank, Silicon Valley Bank, and Stifel Bank and Trust.

including rural and underserved communities. This is further supported by the GDP statistics noted above. Because the entire state benefits from these outlying areas having better community development, the Bank requests that all community development within both the assessment area and eligible activity in the broader statewide and regional areas that includes the Bank assessment area be considered qualifying if they meet the CRA requirements, and after the Bank has met the needs within the designated assessment area. This will allow the Bank to support those outlying or adjacent communities with fewer opportunities.

Some of the usual lending of MBB may qualify for CRA credit. All lending is currently to businesses only, with no personal lending. Lending to customers within the assessment area which have commitment amounts under \$1,000,000 (currently all lending by MBB) may qualify as "small business loans". If the Bank were to lend in amounts greater than \$1,000,000 that lending may qualify as "community development loans" for CRA evaluation purposes if it meets all CRA qualification guidelines. To meet the goals outlined above regarding small business lending, MBB uses the standard definition in 12 CFR § 228.12 which defines loans to small business as those loans with original amounts of \$1 million or less that are reported in the Call Report schedule RC-C – Loans and Lease Financing Receivables in section 1(e) (Loans secured by nonfarm nonresidential properties) or in section 4 (Commercial and industrial loans). The Bank is not seeking to include small business lending from the other sections of Schedule RC-C such as the leasing line unless specifically allowed per the regulation in some other section. The Bank requests that all eligible CRA activities and small business lending that fall within the Bank's designated assessment area and where qualified in the broader statewide and regional areas that include the assessment area receive CRA consideration.

The Bank intends to continue with similar community development loans and investments in which it participated for the past 12 years. These include lending to eligible organizations such as Rocky Mountain Community Reinvestment Corporation ("RMCRC" or "Rocky Mountain CRC"), a Community Development Financial Institution ("CDFI") that has as a primary mission the development and retention of low-income housing in the Bank's assessment area and a broader regional area that includes the Bank's assessment area. Low income housing is the primary need identified in the MBB Needs Assessment survey. The Bank will continue to make investments in eligible securities and community development funds that also further the goals of adding housing units dedicated to eligible low- and moderate-income families and individuals. Some of these investments in the past have been in CRA eligible Mortgage-Backed Securities such as Utah Housing Bonds; to CRA eligible Community Development Funds with a CRA focus that puts the investments to use directly in the Bank's assessment area or where qualified, in a broader statewide or regional area that includes the Bank's assessment area, traditionally primarily in housing; and other eligible loans and investments of similar nature. The Bank will explore other eligible activities to ensure this goal is met, such as a previous loan made by the Bank to build a school that primarily educates low- to moderate-income refugee and immigrant students in the Bank assessment area.

Although the Bank is combining donations into the total goal above, the Bank remains committed to helping meet the needs of the local community development charities and organizations with whom it has partnered. The Bank will continue to make appropriate donations to these organizations, but the

specific amount is not broken out as a unique goal, but instead is added to the total lending and investment goals listed above.

Goal 2 – Community Development Service Hours

Plan Year	Satisfactory Balance (Average number of hours per bank employee per plan year) ⁵	Outstanding Balance (Average number of hours per bank employee per plan year)
Plan Year 1	8.0 hours	10.0 hours
Plan Year 2	8.5 hours	10.5 hours
Plan Year 3	9.0 hours	11.3 hours

The Bank considers service hours to be important to meeting the needs of the community. Bank employees and management have traditionally been very active in the local community, providing adequate service hours to consistently meet the outstanding level listed above. MBB reviewed the service hour goals for other strategic plans⁶ and found a range from 1.39 hours to 10 hours per employee per year for the Satisfactory goal and 2.09 to 14 hours per employee per year for the Outstanding goal (one outlier on the low end was excluded from the calculation). MBB is putting the goal nearer the high end of the range as MBB is committed to continuing the historical support previously provided in the community. The Bank put a target at the high end of the range to show the importance that this activity has on impacting the community. Bank management have been actively serving specific needs in organizations for many years. The informal needs assessment makes it clear that financial experience, counseling, and direction is critical to the success of many local organizations that serve the community development needs in the assessment area. Serving the needs of these organizations is also a development opportunity for the less experienced Bank employees that benefits both the individual, the Bank, and the receiving organization. As of the writing of this plan all Bank employees (currently 5 FTE) are working from the Bank headquarters located within the designated assessment area of Salt Lake County, Utah. The Bank intends to meet the goals above through various eligible activities which may include serving as Board Member, Board or other committee involvement, counseling or teaching employees of a Community Development organization or the people they serve, and oversight of other business needs (i.e. financial, managerial, human resource, technology, peer development, investment, etc.). The Bank believes that community development service is critical to the support of many CRA eligible organizations. As such, the Bank intends to continue providing community development service hours to existing partners such as People Helping People, Junior Achievement, The Opportunity Scholars program at the University of Utah, Rocky Mountain CRC, and to new organizations where eligible and when an identified fit exists. Below is an example of some of the

⁵ Qualified service hours to meet either the Satisfactory or Outstanding requirements will be equal to the number of qualified hours divided by the average number of the Bank’s full-time equivalent employees (“FTEs”) for the respective CRA Strategic Plan year. This calculation uses the average of the quarterly FTEs as reported in the Call Report (currently Schedule RI Memorandum line 5) for each quarter in the measured period. For example, the FTEs for the period of July 1, 2021 through June 30, 2022 would average the four quarterly FTEs ending September 30, 2021, December 31, 2021, March 31, 2022, and June 30, 2022.

⁶ Ally Bank 2017-2019 plan, pages 19-21; Medallion Bank 2020-2024 plan, page 28; Medallion Bank 2015-2019 plan, page 19; Stifel Bank and Trust 2018-2020 plan, page 15; Seacoast Commerce Bank 2014-2019 plan, page 27 divided by number of employees listed on 12/31/2017 Call Report; Silvergate Bank 2017-2019 plan, page 10 divided by number of employees listed on 12/31/2016 Call Report, Green Dot Bank 2018-2020 plan, page 17.

previous service by the staff at MBB in Utah, along with a description of how the organization meets the needs in the community that we identified in our Needs Assessment. We intend to continue many of these and add additional eligible activities based on needs of these and similar organizations:

- Various positions (Board Member, Vice-Chair, Executive Committee, Audit Committee Chair, and Audit Committee Member) - Rocky Mountain CRC (a CDFI) (development and preservation of low-income housing)
- Board Member - Community Development Corporation of Utah (Affordable housing ownership and neighborhood revitalization)
- Various support and positions (Board Member, CRA Committee, Fundraising, Solicitation of Members, Teaching in Title 1 and Low-Income Schools, and Teaching in Junior Achievement City) - Junior Achievement of Utah (financial education to Utah Students – focus on addition of low-income schools and students to the program and assisting in teaching financial topics to students in qualified schools)
- Advisory Board - People Helping People (assist single mothers in finding and improving career after being out of the workforce for considerable time – includes mentorship and teaching classes on credit, budgeting, etc. as well as support of staff such as review of financials, audits, etc.)
- Advisory Board/scholarship program - University of Utah Opportunity Scholars (This scholarship program identifies and provides scholarships and follows with mentorship and training for qualifying low-income students from families located within the Bank’s assessment area, focusing on first generation students)
- Board Member - Catholic Community Services (provide essential services to refugees, addicts and homeless)
- Board Member/Chair, Finance and Executive Committee - Holy Cross Ministries (Outreach to low income regarding pre-natal, school readiness, social and health counseling)

Election of Alternate Performance Evaluation

Marlin Business Bank expects to meet or exceed all goals within this Strategic Plan to be considered at a minimum “satisfactory.” As provided in 12 C.F.R section 228.27(f)(4), and in the Guidelines for Requesting Approval for a Strategic Plan Under the Community Reinvestment Act guide posted on the Federal Reserve Site, Marlin Business Bank reserves the right to elect to be evaluated under the alternative Intermediate Small Bank test if it fails to substantially meet all requirements to be rated at a minimum as “satisfactory” under the CRA Strategic Plan test.

Section 7. Request for Approval and Contact Information

Regulatory Criteria for Approval

Marlin Business Bank has established the above CRA Strategic Plan using the guidance contained in 12 CFR § 228.27. The Bank recognizes that the Board evaluates a plan’s measurable goals using the following criteria, as appropriate:

- 1) Measurable goals. MBB has established measurable goals for both “Satisfactory” and “Outstanding” performance that meet the credit needs of the community that the bank serves, including the designated assessment area, considering the Bank’s business model, product offerings, business strategy, and constraints.
- 2) Performance Categories. MBB has addressed the lending, investment, and service categories in the above plan in a way that meets the business model, product offerings, and banking strategy of the bank. The Bank has considered the availability and effectiveness of its products and systems for delivering banking services. As appropriate, it has placed emphasis on the

categories that meet the constraints of the bank after considering public comments in a way that will meet the needs of the areas it serves.

Request for Approval

Marlin Business Bank respectfully requests that the Federal Reserve Board approve the CRA Strategic Plan as outlined above for the period July 1, 2020 through June 30, 2023 plan years.

Contact Information

Marlin Business Bank
President and CEO
2795 E. Cottonwood Pkwy, St 120
Salt Lake City, UT 84121

References

Bureau of Economic Analysis, U.S. Department of Commerce. (2018). *News Release Prototype Gross Domestic Product by county, 2012-2015*. www.bea.gov.

NeighborWorks Salt Lake. (2019). *Community Needs Assessment*. Salt Lake City.

SBA Office of Advocacy. (2020, 01 09). *Frequently Asked Questions*. Retrieved from SBA.gov/advocacy: https://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf

Utah DFI. (2020, 01 06). *Utah DFI - Financial Institutions*. Retrieved from Utah.gov/dfi/: <https://www.utah.gov/dfi/FinancialInstitutions.html>

Utah Economic Council. (2019). *Economic Report to the Governor*. Salt Lake City, UT: A collaborative endeavor of the David Eccles School of Business and Governor's Office of Management and Budget.

Appendix 2: Salt Lake County Census Tracts

1002.00	1031.00	1107.02	1121.00	1128.05	1130.10	1134.13	1137.02
1003.06	1032.00	1108.00	1122.01	1128.10	1130.11	1135.05	1138.01
1003.07	1033.00	1109.00	1122.02	1128.12	1130.12	1135.09	1138.02
1003.08	1034.00	1110.01	1123.01	1128.13	1130.13	1135.10	1138.03
1005.00	1035.00	1110.02	1123.02	1128.14	1130.14	1135.11	1139.03
1006.00	1036.00	1111.01	1124.02	1128.15	1130.16	1135.12	1139.04
1007.00	1037.00	1111.02	1124.03	1128.16	1130.17	1135.13	1139.05
1008.00	1038.00	1111.03	1124.04	1128.17	1130.19	1135.14	1139.06
1010.00	1039.00	1112.01	1125.01	1128.18	1130.20	1135.15	1139.07
1011.01	1040.00	1112.02	1125.02	1128.19	1131.01	1135.20	1140.00
1011.02	1041.00	1113.02	1125.03	1128.20	1131.02	1135.21	1141.00
1012.00	1042.00	1113.04	1126.04	1128.21	1131.05	1135.22	1142.00
1014.00	1043.00	1113.05	1126.05	1128.22	1131.07	1135.23	1143.00
1015.00	1044.00	1113.06	1126.08	1128.23	1131.08	1135.25	1145.00
1016.00	1047.00	1114.00	1126.09	1129.04	1133.05	1135.26	1146.00
1017.00	1048.00	1115.00	1126.10	1129.05	1133.06	1135.27	1147.00
1018.00	1049.00	1116.00	1126.11	1129.07	1133.07	1135.28	1148.00
1019.00	1101.02	1117.01	1126.12	1129.12	1133.08	1135.32	1151.06
1020.00	1101.03	1117.02	1126.13	1129.13	1133.09	1135.33	1152.09
1021.00	1101.04	1118.01	1126.14	1129.14	1133.10	1135.34	9800.00
1023.00	1102.00	1118.02	1126.15	1129.16	1134.06	1135.35	
1025.00	1103.00	1119.03	1126.16	1129.17	1134.07	1135.36	
1027.01	1104.01	1119.04	1126.17	1129.18	1134.08	1135.37	
1027.02	1104.02	1119.05	1126.18	1129.20	1134.09	1135.38	
1028.02	1105.00	1119.06	1126.19	1129.21	1134.10	1135.39	
1029.00	1106.00	1120.01	1127.00	1130.07	1134.11	1136.00	
1030.00	1107.01	1120.02	1128.04	1130.08	1134.12	1137.01	

Appendix 3: MBB 2019 Needs Assessment Survey Participants

MBB 2019 Needs Assessment Surveys Requested Participants List (Actual respondents listed in text above)	
AAA Fair Credit Foundation American Red Cross Artspace Big Brothers Big Sisters of Utah Bountiful Community Food Pantry Catholic Community Services of Utah Christian Center of Park City Community Action Partnership of Utah Community Action Services & Food Bank Community Development Corporation of Utah Community Foundation of Utah Community Nursing Services Crossroads Urban Center Envision Utah Family Support Center First Step House Friends for Sight Guadalupe School Holding Out HELP Holy Cross Ministries House of Hope Housing Authority of Salt Lake City Junior Achievement of Utah Maliheh Free Clinic Mountainlands Community Housing Trust	Neighborhood House Neighborhood Housing Solutions NeighborWorks Salt Lake People Helping People Rocky Mountain Community Reinvestment Corp Salt Lake Chamber of Commerce Salt Lake County Aging & Adult Services Suazo Business Center The Haven The INN Between The Road Home TURN Community Services United Way of Salt Lake Utah Afterschool Network Utah Community Action Utah Head Start Association Utah Housing Coalition Utah Microenterprise Loan Fund Utah Partners for Health Utahns Against Hunger Voices for Utah Children Volunteers of America, Utah Wasatch Community Gardens Women of the World YMCA of Northern Utah YWCA Utah

Appendix 4: Proof of Publication of Request for Public Comment

Per 12 C.F. R. 228.27, the following public comments are required:

(d) Public participation in plan development. Before submitting a plan to the Board for approval, a bank shall:

- (1)** Informally seek suggestions from members of the public in its assessment area(s) covered by the plan while developing the plan;
- (2)** Once the bank has developed a plan, formally solicit public comment on the plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the plan; and
- (3)** During the period of formal public comment, make copies of the plan available for review by the public at no cost at all offices of the bank in any assessment area covered by the plan and provide copies of the plan upon request for a reasonable fee to cover copying and mailing, if applicable.

MBB posted the following notice to the Salt Lake Tribune and to the Deseret News on February 26, 2020, two large newspapers with wide circulation throughout Salt Lake County. Notarized proof forthcoming.

February 26, 2020 – Marlin Business Bank (“MBB”) intends to file a Community Reinvestment Act (“CRA”) Strategic Plan with the Federal Reserve Bank (“FRB”) in San Francisco, CA no later than thirty (30) days from the date of this public notice. MBB is requesting public comment regarding the proposed CRA Strategic Plan pursuant to FRB regulations, 12 C.F.R section 228.27. The proposed CRA Strategic Plan is available for public inspections from 9:00 a.m. to 4:00 p.m., Monday – Friday at 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121. To obtain a copy of the nonconfidential portions of the proposed CRA Strategic Plan at no charge to the requesting party, individuals may request a copy by email, mail, or phone by contacting Scott Simmons, MBB President and CRA Officer, at ssimmons@marlincapitalsolutions.com, 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121, 856-505-4106. All written comments will be reviewed and considered in preparing the final version of the CRA Strategic Plan to be submitted to the FRB. All written comments will also be submitted along with the CRA Strategic Plan to the FRB in San Francisco, CA. Any person wishing to comment on the proposed CRA Strategic Plan may file comments in writing with Scott Simmons, MBB President and CRA Officer at ssimmons@marlincapitalsolutions.com, 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121, no later than March 28, 2020. Published 2/26/2020.

Notarized Copy of Proof of Publication:

4770 S. 5600 W.
WEST VALLEY CITY, UTAH 84118
FED.TAX I.D.# 87-0217663
801-204-6910

Deseret News



The Salt Lake Tribune

PROOF OF PUBLICATION CUSTOMER'S COPY

CUSTOMER NAME AND ADDRESS		ACCOUNT NUMBER
MARLIN BUSINESS BANK, ACCOUNTS PAYABLE 2795 E COTTONWOOD PKWY STE 120		9001501623
SALT LAKE CITY UT 84121		DATE 3/4/2020
ACCOUNT NAME		
MARLIN BUSINESS BANK,		
TELEPHONE	ORDER # / INVOICE NUMBER	
8565054106	0001283166 / 101283166-02262020	
PUBLICATION SCHEDULE		
START 02/26/2020 END 02/26/2020		
CUSTOMER REFERENCE NUMBER		
Marlin Business Bank Legal Notice		
CAPTION		
LEGAL NOTICE February 26, 2020 Marlin Business Bank (MBB) intends to file a Commu		
SIZE		
31 LINES	2 COLUMN(S)	
TIMES	TOTAL COST	
3	109.16	

LEGAL NOTICE

February 26, 2020 – Marlin Business Bank (“MBB”) intends to file a Community Reinvestment Act (“CRA”) Strategic Plan with the Federal Reserve Bank (“FRB”) in San Francisco, CA no later than thirty (30) days from the date of this public notice. MBB is requesting public comment regarding the proposed CRA Strategic Plan pursuant to FRB regulations, 12 C.F.R. section 228.27, pursuant to FRB regulations, 12 C.F.R. section 228.27. The proposed CRA Strategic Plan is available for public inspection from 9:00 a.m. to 4:00 p.m., Monday – Friday at 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121. To obtain a copy of the non-confidential portions of the proposed CRA Strategic Plan or to provide to the requesting party, individuals may request a copy by email, mail, or phone by contacting Scott Simmons, MBB President and CRA Officer, at ssimmons@marlinincapital.com, 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121, 856-505-4106. All written comments will be reviewed and considered in preparing the final version of the CRA Strategic Plan to be submitted to the FRB. All written comments will also be submitted along with the CRA Strategic Plan to the FRB in San Francisco, CA. Any person wishing to comment on the proposed CRA Strategic Plan may file comments in writing with Scott Simmons, MBB President and CRA Officer at ssimmons@marlinincapital.com, 2795 E. Cottonwood Parkway, Suite 120, Salt Lake City, UT 84121, no later than March 26, 2020. Published 2/26/2020. UPAKLP 1283166

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP LEGAL BOOKER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF **LEGAL NOTICE February 26, 2020 Marlin Business Bank (MBB) intends to file a Community Reinvestment Act (CRA) Strategic Plan with the Federal Reserve Bank (FRB) FOR MARLIN BUSINESS BANK**, WAS PUBLISHED BY THE NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP, AGENT FOR DESERET NEWS AND THE SALT LAKE TRIBUNE, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH. NOTICE IS ALSO POSTED ON UTAHLEGALS.COM ON THE SAME DAY AS THE FIRST NEWSPAPER PUBLICATION DATE AND REMAINS ON UTAHLEGALS.COM INDEFINITELY. COMPLIES WITH UTAH DIGITAL SIGNATURE ACT UTAH CODE 46-2-101; 46-3-104.

PUBLISHED ON Start 02/26/2020 End 02/26/2020

DATE 3/4/2020

SIGNATURE *Loraine Gudmundson*

STATE OF UTAH)

COUNTY OF SALT LAKE)

SUBSCRIBED AND SWORN TO BEFORE ME ON THIS 4TH DAY OF MARCH IN THE YEAR 2020

BY LORAIN GUDMUNDSON.



Jae Levi
NOTARY PUBLIC SIGNATURE

After posting the legal notice in the paper as noted above, MBB waited 34 days (32 days if 2/26/20 and 3/31/20 are not counted). The Bank did not receive any requests for copies of the report, and no comments were received from the public.