



## **PUBLIC DISCLOSURE**

October 9, 2023

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Flagstar Bank, NA  
Charter Number: 25282

102 Duffy Ave  
Hicksville, NY 11801

Office of the Comptroller of the Currency

Large Bank Supervision  
Constitution Center  
400 7<sup>th</sup> Street SW  
Washington, DC 20219

**NOTE:** This document is an evaluation of this institution'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 institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Flagstar Bank, NA** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Flagstar Bank, NA Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	x		
High Satisfactory			x
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on Outstanding performance in the Lending Test in the states of California, Indiana, and Michigan.
- The Investment Test rating is based primarily on Low Satisfactory in the Investment Test in the states of Indiana and Michigan.
- The Service Test rating is based primarily on the High Satisfactory rating in the states of California and Michigan.

### Lending in Assessment Area

A small percentage of the bank’s loans are in in its assessment areas (AA).

The bank originated and purchased 11.7 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

<b>Lending Inside and Outside of the Assessment Area 1/1/2020 – 12/31/2022</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	45,741	11.0	368,678	89.0	414,419	10,983,718	8.2	123,377,119	91.8	134,360,837
Small Business	3,040	87.5	434	12.5	3,474	300,060	84.2	56,095	15.8	356,155
Total	48,781	11.7	369,112	88.3	417,893	11,283,778	8.4	123,433,214	91.6	134,716,992

We considered the overall bank lending inside the AA in the geographical distribution of lending. Lending inside and outside of the AA had a neutral impact on the geographical distribution of loan ratings throughout the evaluation period and rating areas. We considered the bank's business strategy of originating loans nationwide and collecting deposits only within the geographic region consisting of the five bank rating areas.

## **Other Factors Considered in our Analysis Under Performance Tests**

### **Lending Test**

*Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans* – Due to the exigent circumstances related to the Covid-19 pandemic, the bank responded to the needs of small businesses within its AAs by originating a significant volume of loans under the PPP. Banks were not required to collect revenue information as part of the underwriting process for PPP loans. The significant volume of PPP loans in the bank's AAs resulted in a very low percentage of small loans to small businesses compared to the percentage of small businesses and aggregate lending in the AAs. When concluding on borrower income distribution of small loans to small businesses, we considered the bank's responsiveness to needs created by the Covid-19 pandemic resulting in the significant volume of small business loans without revenue information. We also considered the bank's historical small business lending performance. Historically, the bank has not been a significant small business lender, instead focusing on home mortgage loans. Given the extraordinary circumstances and needs brought on by the Covid-19 pandemic and the bank's responsiveness to those needs by originating a significant volume of PPP loans, we gave positive consideration to the bank's lending to small businesses in its rating areas and AA.

*Community Development (CD) loans quantitative analysis* – When conducting quantitative analysis of CD loans, we compare the proportion of the bank's CD loans to tier 1 capital allocated to a respective bank AA. The higher the proportion of bank CD loans as compared to tier 1 capital, the better the performance is relative to the quantitative aspects of CD loan performance. To determine the amount of tier 1 capital to allocate to a respective AA, we typically use the tier 1 capital number at the end of the evaluation period. For this examination, the last day of the evaluation period is December 31, 2022. Given the merger of the former Flagstar FSB with New York Community Bank (NYCB) on December 1, 2022, the bank's total tier 1 capital increased by 40.0 percent within the last month of the evaluation period (December 1, 2022, to December 31, 2022). An increase in tier 1 capital causes the proportion of bank CD loans as compared to tier 1 capital to become smaller. To reduce the impact of the significant capital increase, we used a blended tier 1 capital amount based on a three-year average of tier 1 capital balances as of December 31, 2020, through 2022.

*CD Loans in Broader Statewide or Regional Area* - The bank originated one CD loan totaling \$8.5 million that funded a project to build 65 units of new construction affordable housing and benefited the broader, statewide area of Arizona. The project used low-income housing tax credits (LIHTC) as part of its funding. The loan served the broader statewide area and does not have a purpose, mandate, or function to serve the bank's AAs.

## **Investment Test**

*CD Investments Quantitative Analysis* - When conducting quantitative analysis of CD investments, we compare the proportion of the bank's CD investments to their tier 1 capital as allocated to the bank's respective AA. The higher the proportion of the bank's CD investments compared to the allocated tier 1 capital, the better the performance is relative to the quantitative aspects of CD investment performance. To determine the amount of tier 1 capital to allocate to a respective AA, we typically use the total tier 1 capital number at the end of the evaluation period. When determining our conclusions for bank quantitative CD investment performance, we considered that the bank's total tier 1 capital increased significantly in the last month of the evaluation and was not consistent with the bank's tier 1 capital throughout the majority of the evaluation period. Like CD loans quantitative analysis, we used a blended tier 1 capital figure based on a three-year average of tier 1 capital balances as of December 31, 2020, through 2022.

*CD Investments in Broader Statewide or Regional Area* – Throughout the evaluation period, the bank made 50 CD investments and grants in a broader statewide or regional area that did not have a purpose, mandate, or function to serve the bank's rating areas. These CD investments and grants totaled \$41.7 million and focused on economic development and community service. Five CD investments totaling \$25.0 million were made to small business investment companies (SBICs), with the funds benefitting small businesses in a geography with no purpose, mandate, or function to serve the bank's AAs. The bank also made nine CD investments totaling \$2.6 million by purchasing certificates of deposit with various minority deposit institutions (MDIs) located in states outside of the bank's rating areas.

## **Service Test**

The OCC's review of services during the evaluation period included analyzing Flagstar's network of retail branches and deposit-taking automated teller machines (ATMs) for the availability and effectiveness of delivering retail banking services. Examiners gave the most weight to the geographic distribution of bank branches.

*Retail Branches* - Primary consideration was given to Flagstar's performance in delivering retail products and services to geographies and individuals of different income levels through the bank's distribution of branches. The OCC focused the analysis of retail branches on the current distribution of the bank's branches in low-to-moderate income (LMI) geographies. The analysis of the distribution of the bank's retail branches was based on locations as of December 31, 2022, and income category classifications for the locations were based on the 2020 Census data. When applicable, examiners considered changes to the branch distribution in an AA that resulted solely from a geography's income classification changing from the 2015 U.S. Census American Community Survey (ACS) to the 2020 U.S. Census.

*Branch Distribution* - In both full-scope and limited-scope AAs, examiners gave the most weight to the geographic distribution of bank branches among LMI geographies. In the full-scope AAs, examiners gave consideration for branches located in middle- or upper-income (MUI) geographies that served

customers in LMI geographies and improved accessibility. Flagstar provided internal data to support MUI branches that are being used by customers residing in LMI geographies. Flagstar collected deposit transaction data and used customer address as a proxy to determine LMI status. MUI branches with the majority of their transactions conducted by LMI customers residing in LMI geographies were presented for consideration. Positive consideration was given to the MUI branches providing increased access to retail banking services for customers in LMI geographies. Consideration was given to each MUI branch only once.

*Alternate Delivery Systems* - Management complements its traditional service delivery systems with alternative delivery systems, including deposit-taking ATMs, telephone banking, mobile banking, and online banking, throughout the bank's AAs. No significant weight was placed on these services. No data and analysis were available, throughout all the bank's AAs for the evaluation period, to determine its impact on LMI individuals.

Flagstar operates multiple deposit-taking ATMs throughout its AAs. In addition, customers can continue to access cash from their accounts outside of the bank's AAs through the Allpoint ATM network, consisting of over 55,000 ATMs.

*Branch Openings and Closings* - Over the evaluation period, Flagstar maintained a consistent retail branch network as there was only one mitigated branch closure in a LMI geography. The OCC did not assess this performance criteria for the Service Test evaluation in AAs where the bank had no branch openings or closings during the evaluation period.

*Branch Hours and Retail Products and Services* - The OCC evaluated the range of products and services offered by all the bank's branches. The OCC specifically focused on any differences in branch hours, products, and services provided in LMI geographies compared to those provided in MUI geographies. Branch hours and retail products and services offered at branches are consistent throughout the bank's AAs regardless of the income level of the area. Therefore, examiners concluded that for each of the bank's AAs, services, including business hours, where appropriate, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals.

*Community Development Services* - The bank's record of providing CD services was evaluated in the AAs that received full-scope reviews. Examiner's primary consideration was the responsiveness to the needs of the community. Services that addressed critical needs, were most impactful, or reflected ongoing relationships with organizations involved in CD, received the most consideration in this analysis.

## Description of Institution

Flagstar Bank, N.A. (Flagstar) is an interstate, nationally chartered bank headquartered in Hicksville, New York, with assets of \$90.0 billion as of December 31, 2022. From January 1, 2020, to November 30, 2022, Flagstar FSB operated as a federally chartered savings bank with 158 branches in five states and headquarters in Troy, Michigan. In April 2021, parent holding companies New York Community Bancorp, Inc. and Flagstar Bancorp, Inc. entered into a merger agreement that closed December 1, 2022, and combined Flagstar FSB and NYCB into Flagstar Bank, NA. At the time of merger, Flagstar FSB had approximately \$25.4 billion in assets, and NYCB had approximately \$63.0 billion in assets. This review focuses on Flagstar FSB's performance during the evaluation period. Given that Flagstar FSB and NYCB were merged for only one month in 2022, we did not assess or conclude on NYCB's performance.

Flagstar has five rating areas and 17 AAs spanning five states: California, Indiana, Michigan, Ohio, and Wisconsin. Flagstar provides home loans through a wholesale network of brokers and correspondents in all 50 states, including 88 home loan centers in 27 states and two call centers. While the bank is primarily a home mortgage lender, Flagstar also offers a wide range of retail banking products and services to individuals and businesses through its branch network. Consumer loans, credit cards, business loans, cash management, and merchant services are offered.

As of December 31, 2022, Flagstar had total assets of \$90.0 billion including total loans of \$70.1 billion and tier 1 capital of \$7.7 billion. Approximately 80.5 percent of the bank's loan portfolio consisted of real estate loans, of which the predominant portion, or 67.5 percent, was secured by multi-family commercial real estate properties and 15.2 percent by one-to-four family residential real estate properties.

Flagstar FSB was rated "Outstanding" in the prior CRA evaluation dated November 16, 2020.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Flagstar's evaluation period is January 1, 2020, through December 31, 2022. We use this evaluation period to conduct analysis and form conclusions for the entirety of all performance tests associated with this evaluation. For the Home Mortgage Disclosure Act (HMDA) analysis and conclusions related to lending activity, geographical distribution of loans, and borrower distribution of loans, we consolidated the bank's home purchase, home refinance, home improvement, and multifamily lending. We concluded on all home mortgage and small loans to businesses loan products that met the definition of a primary loan product. To be considered a primary loan product, there must have been, at minimum, 20 loan originations for a specific loan product within a respective AA in an evaluation period. The bank did not originate any small farm loans; therefore, small farm loans were not included in any analysis or considered in the ratings.

## **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

## **Ratings**

The bank’s overall rating is a blend of the state ratings.

For the lending test, geographical and borrower distribution of HMDA and small loans to businesses, there were two evaluation periods. The evaluation periods are January 1, 2020, through December 31, 2021, and January 1, 2022, through December 31, 2022. The two evaluation periods were necessary due to the changes in demographics between the 2015 U.S. Census ACS and the 2020 U.S. Census. For the lending test, we placed more weight on the bank’s performance during the January 1, 2020, through December 31, 2021, evaluation period. We did so as this evaluation period contained 78.8 percent of HMDA originations and 79.4 percent of HMDA volume, within the bank’s AAs, throughout the evaluation period. The January 1, 2020, through December 31, 2021, evaluation period had 95.9 percent of small business loan originations and 85.8 percent of small business loan volume throughout the evaluation period, within the bank’s AAs. Additionally, in determining our conclusions for the lending activity, geographical, and borrower distribution of loans, we gave significantly more weight to performance in home mortgage lending. We weighed home mortgage lending more in all the bank’s full- and limited-scope AAs throughout the full evaluation period. We did so because home mortgage lending made up 93.7 percent of originations and 97.3 percent of the loan volume of all home mortgage and small business loans made within the bank’s AAs, throughout the entirety of both evaluation periods.

Due to the timing of this evaluation, geographical and borrower distribution of small loans to businesses in the 2022 evaluation period did not have aggregate lending data available. Therefore, in concluding, we placed all weight on performance compared to the demographics.

The state ratings are based on performance in all bank AAs within those states. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.



## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which the institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of California

#### CRA rating for the State of California: Outstanding

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to the credit needs of the AA.
- The bank exhibits excellent geographical distribution of loans in its AA.
- The bank is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating.
- The institution has an excellent level of qualified CD investment and grants, often in a leadership position, and particularly those that are not routinely provided by private investors.
- Branch delivery systems are accessible to geographies and people of different income levels.
- The bank is a leader in providing CD services.

### Description of Institution's Operations in California

The bank's only AA in California is the Riverside-San Bernardino-Ontario MSA (Riverside MSA) that includes all of San Bernardino and Riverside Counties (refer to appendix A for a list of all AAs). While Flagstar's branch presence includes only eight branches in San Bernardino County, they include Riverside County in its AA due to Flagstar originating a high volume of mortgage lending in that county. Flagstar operates its branches in the high desert area of Southern California over the Cajon pass. Flagstar operates the branches branded as "Desert Community Bank" in this AA. These branches are from a prior bank acquisition and Flagstar has opted to keep the Desert Community Bank brand name in this AA. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI CTs.

As of June 30, 2022, deposits in the state of California totaled \$838.3 million and represented 4.8 percent of total bank-wide deposits. Home Mortgage loan originations in the Riverside MSA account for 35.8 percent of the home mortgage loans originated by the entire bank. Flagstar's eight branches in California are equal to 5.1 percent of the bank-wide total number of branches.

According to the 2020 U.S. Census, the Riverside MSA has a population of approximately 4.6 million, of which 4.0 percent is low-income and 27.3 percent is moderate income, with 10.5 percent of the families living below the poverty level. The 2022 U.S Census population number represents a 4.7 percent increase since the 2015 American Community Survey (ACS). As of the 2020 U.S. Census, the Riverside MSA is made up of 984 census tracts (CTs,) which include 4.9 percent low-income and 28.7 percent moderate-income CTs.

The Riverside MSA is a competitive banking environment. As of June 30, 2022, there were 42 banks operating 485 banking offices within the counties. With its eight branches and \$838.3 million in deposits, Flagstar ranked 14<sup>th</sup> with a 1.0 percent market share based on deposits. The top five banks with the largest deposit market shares in the Riverside MSA are: Bank of America, National Association, JPMorgan Chase Bank, National Association, Wells Fargo Bank, National Association, U.S Bank, National Association, and Citizens Business Bank. These banks combined for a 74.9 percent deposit market share.

The economy of the MSA has a heavy reliance on health care, retail trade and logistics. Warehousing is a mainstay of the economy. Unemployment and, perhaps more significantly, underemployment are growing issues. This AA unemployment rate as of year-end 2022 is 3.8 percent compared to 5.1 percent at year-end 2021.

According to the “Bureau of Labor Statistics” (BLS), the unemployment rate at the beginning of the evaluation period in January 2020 was 4.1 percent. The unemployment rate peaked to 15.4 percent in April 2020 due to the circumstances involving business shutdowns due to the Covid-19 pandemic. The unemployment rate at the end of the evaluation period in December 2022 dropped to 3.7 percent, which is lower than the statewide unemployment rate of 3.9 percent.

According to 2020 U.S. Census demographic data, the number of housing units in the MSA was 1,566,422. Owner-occupied housing units (OOHU) and rental units represented 56.3 percent and 32.0 percent of total housing units, respectively, and total vacant units of 12.1 percent of total housing units. The critical statistic related to housing appears to be the high cost for single-family homes. According to 2015 ACS demographic data, the number of housing units in the MSA was 1,521,284. OOHU and rental units represented 53.9 percent and 32.5 percent of total housing units, respectively, and 13.7 percent of total vacant units.

For 2020-2021, based on the 2015 ACS demographic table, low-income families earned less than \$30,754 and moderate-income families earned less than \$49,206 annually. One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant’s net income. Using 30 percent as a reasonable debt-to-income (DTI) ratio, a maximum monthly mortgage payment was calculated of \$769 for low-income borrowers and \$1,230 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Riverside MSA median housing value would be \$1,109. As such, we concluded that home mortgage loans were not affordable to all low-to-moderate income borrowers in the geography.

In 2022, based on the 2020 U.S. Census demographic table, low-income families earned less than \$38,343 and moderate-income families earned less than \$61,349. Using 30 percent as a reasonable debt-to-income (DTI) ratio, a maximum monthly mortgage payment was calculated of \$959 for low-income borrowers and \$1,534 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Riverside MSA median housing value would be \$2,017. We concluded that home mortgage loans were not affordable to LMI borrowers in this AA.

We utilized one OCC community contact performed during the evaluation period to identify community needs in the Riverside MSA. The community contact worked for a county organization, chartered by the state of California, that’s purpose is to build, provide, and preserve affordable housing to LMI people. The mission of the organization is to transform and promote healthy, thriving communities, which enhance the quality of life and revitalize neighborhoods to foster self-sufficiency. The contact stated the economic conditions “were good, not great”, and that a lot of people still need help. The contact identified a need for affordable housing noting that the costs of owner-occupied housing has increased significantly, which has also increased the costs of renting. Additionally, the contact stated a need for community services helping LMI families with transportation to work, childcare, and assistance to the needs of LMI seniors.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Riverside MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	822	5.2	29.9	36.6	27.5	0.7
Population by Geography	4,392,801	5.4	27.6	35.4	31.2	0.4
Housing Units by Geography	1,521,284	5.0	27.4	36.5	31.1	0.1
Owner-Occupied Units by Geography	819,653	2.6	21.0	37.2	39.1	0.1
Occupied Rental Units by Geography	493,904	9.1	37.8	33.8	19.2	0.0
Vacant Units by Geography	207,727	4.5	27.5	40.0	27.5	0.5
Businesses by Geography	323,761	4.2	24.8	34.5	36.4	0.1
Farms by Geography	6,567	3.7	24.1	37.6	34.4	0.1
Family Distribution by Income Level	979,189	23.0	16.8	18.9	41.3	0.0
Household Distribution by Income Level	1,313,557	24.6	15.9	17.4	42.2	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$61,507	Median Housing Value			\$246,946
			Median Gross Rent			\$1,192
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Riverside MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	984	4.9	28.7	36.8	28.4	1.3
Population by Geography	4,599,839	4.0	27.3	37.4	30.4	1.0
Housing Units by Geography	1,566,442	4.2	27.3	37.8	29.9	0.7
Owner-Occupied Units by Geography	882,033	2.2	21.4	38.3	37.4	0.6
Occupied Rental Units by Geography	494,470	7.5	37.1	37.1	17.7	0.7
Vacant Units by Geography	189,939	4.7	29.4	37.4	26.9	1.6

Businesses by Geography	369,356	2.8	23.3	37.1	36.1	0.7
Farms by Geography	7,250	3.0	21.0	39.7	35.7	0.6
Family Distribution by Income Level	1,029,309	21.8	17.5	19.3	41.4	0.0
Household Distribution by Income Level	1,376,503	24.3	15.8	17.9	42.0	0.0
Median Family Income MSA - 40140 Riverside-San Bernardino-Ontario, CA MSA		\$76,686	Median Housing Value			\$355,170
			Median Gross Rent			\$1,427
			Families Below Poverty Level			10.5%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in California

We conducted a full-scope review of the Riverside MSA, as it is the only AA in the state of California. We placed significantly more weight on home mortgage lending performance in the Lending Test. Flagstar's home mortgage originations represented 97.7 percent of total home mortgage and small business loan originations in the AA. For the 2022 evaluation period, the bank did not originate or purchase enough small business loans to conduct a meaningful performance analysis. Therefore, when evaluating performance for geographical and borrower distribution of small loans to businesses, our conclusions were based solely on performance in the 2020 through 2021 evaluation period.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

### LENDING TEST

The bank's performance under the Lending Test in California is rated Outstanding.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Riverside MSA is excellent.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Riverside MSA	16,319	384	0	5	16,708	100.0	100.0

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas.

Dollar Volume of Loans* (000's) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Riverside MSA	5,496,897	35,818	0	24,691	5,557,406	100.0	100.0

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2021, FDIC Summary of Deposits report, the bank had \$759.7 million of deposits in the Riverside MSA. The bank had a 1.0 percent deposit market share within the AA. The bank's deposit market share ranked 14<sup>th</sup> out of 41 deposit taking institutions in the AA. The bank's deposit market share ranked in the top 34.1 percent of all deposit taking institutions.

According to 2021 peer mortgage data, the bank had a 2.0 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was stronger than its deposit market share. The bank ranked 12<sup>th</sup> out of 852 HMDA lenders. The bank's market share ranking was in the top 1.4 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make enough small loans to businesses to perform a meaningful analysis.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

Refer to Table O in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was excellent. The geographic distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans in low-income geographies was below the percentage of owner-occupied housing and approximated the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies approximated the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of California section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in both LMI geographies exceeded the percentages of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for evaluation period.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

Refer to Table P in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans was adequate. We considered the fact that the home purchases were not affordable to LMI borrowers throughout the evaluation period. Therefore, we placed more weight to the aggregate industry distribution of loans. The borrower distribution of home mortgage loans in 2020 through 2021 was poor. The proportion of the bank's home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and below the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was significantly below the percentage of moderate-income families and below the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

### ***Small Loans to Businesses***

Refer to Table R in the state of California section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to business was adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate. The percentage of bank loans in 2020 and 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

### **Community Development Lending**

The institution is a leader in making CD loans. CD lending had a significantly positive impact on the Lending Test rating in California.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The volume of CD lending was excellent. Throughout the evaluation period, Flagstar originated five CD loans totaling \$24.7 million within the Riverside MSA. The volume of CD loans was equivalent to 8.6 percent of allocated tier 1 capital. The bank's CD loans were responsive to community needs, particularly affordable housing and community services.

- The bank extended a \$23.4 million construction line of credit, leveraging LIHTC funding, to fund a 60-unit affordable housing development on a vacant parcel of land owned by the City of Palm Springs Successor Redevelopment Agency. The project is in partnership with the city under a Disposition Development Agreement.
- The bank extended a \$500,000 line of credit to a nonprofit organization that provided community services including shelter and advocacy services to victims of domestic violence and other services such as runaway/homeless youth shelters. The operations are in a moderate-income tract. The organization primarily serves LMI people.
- The bank made a \$96,000 loan to a non-profit organization that serves the LMI population with housing. The goal of this organization is to provide skills training to avoid future homelessness.
- The bank made two PPP loans totaling \$655,000 that qualified as CD loans. These PPP loans were made to non-profit organizations providing services to LMI individuals in the AA.

### Statewide

The bank originated one CD loan totaling \$15.0 million within the state of California that was not inside a Flagstar AA. This line of credit was extended to a community reinvestment institution for the purpose of making permanent financing available to LIHTC projects that support affordable housing throughout the state of California.

### **Product Innovation and Flexibility**

The institution makes limited use of innovative and/or flexible lending practices to serve AA credit needs.

The PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. In total, Flagstar originated 442 PPP loans totaling \$37.5 million within the state of California. Of these, 186 PPP loan originations totaling \$16.9 million, were in a low- or moderate-income CT. The bank originated the majority of its PPP loans in California within the Riverside MSA. PPP loans in the Riverside MSA numbered 361 and totaled \$14.8 million, and 169 PPP loans totaling 14.8 million were in a low- or moderate-income CTs. The bank's PPP loan originations had a neutral impact on its overall rating.

### **INVESTMENT TEST**

The bank's performance under the Investment Test in California is rated Outstanding.

### **Conclusions for Area Receiving a Full-Scope Review**



Based on a full-scope review, the bank’s performance in the Riverside MSA is excellent.

The institution has an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits excellent responsiveness to credit and community economic development needs. The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Riverside MSA	1	5,000	40	12,783	41	100.0	17,783	100.0	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

In total, current and prior period CD investments equaled \$17.8 million and represented 6.2 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made two CD investments totaling \$12.0 million and 38 donations and grants totaling \$783,000. Current period CD investments and grants were equivalent to 4.4 percent of allocated tier 1 capital. Current period CD investments and grant supported 24 organization/projects focusing on affordable housing and community service needs in the AA. The AA also benefitted from the ongoing impact of one prior period investment, totaling \$5.0 million.

The two CD investments made during current period focused on affordable housing through LIHTC financing, a primary community development need in the AA. The bank’s investments in LIHTC demonstrate complexity and leadership. The remaining CD investments were comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- In December 2022, the bank donated \$100,000 to a community service organization. The organization provides support for potential low-and-moderate income first-time homebuyer programs including programmatic and training costs for staff. The program provides prospective homebuyers a path towards financial stability and homeownership.
- In November 2020, the bank donated \$175,000 to two economic development organizations. The organizations provide support to small business programs by providing funding and technical assistance to minority-owned small businesses including Black and Indigenous peoples in the assessment area.

Statewide

The bank made one qualified investment in a minority-owned financial institution totaling \$250,000. Additionally, the bank made 10 grants totaling \$260,000 to community service and economic development organizations located throughout the state. These grants serve the broader statewide area that does not have a purpose, mandate, or function to serve the bank’s AA.

## SERVICE TEST

The bank's performance under the Service Test in California is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Riverside MSA is good.

### Retail Banking Services

Service delivery systems are accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Riverside MSA	100.0	8	100.0	0.0	25.0	62.5	12.5	4.0	27.3	37.4	30.4

\*Does not equal 100.0 percent due to NA CTs.

Flagstar's branch distribution in the Riverside MSA is good. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was near-to, the percentages of the population living within those geographies. Examiners further considered two middle middle-income CT branches that bank data indicated served customers from LMI geographies within the AA. Consideration was given to the adjacent branches and positively impacted the overall branch distribution conclusion. The bank also operates 11 deposit-taking ATMs in the AA, of which two were in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. Services offered and branch hours are comparable amongst locations regard of the income level of the area.

### Community Development Services

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Riverside MSA is excellent. During the evaluation period, 15 bank employees performed 62 CD activities that totaled 117 hours of service for

nine organizations. The employees are involved with community service events and providing financial education and mentorship to LMI youth.

Leadership was evident by 10 bank employees performing 152 CD activities and spending 266 hours serving on boards and committees for 11 different CD organizations.

Examples of CD services in the AA include:

- A bank employee provided 46 service hours while serving as a board member for an organization that assists LMI residents in the AA who have been displaced from long-term housing due to natural disaster or loss of income. The organization empowers homeless individuals by providing the necessary skills to become self-sufficient.
- A bank employee provided seven service hours while serving as a board member for an organization that provides an international trade program to high school students in LMI areas who have been displaced from long-term housing due to natural disaster or loss of income. The organization empowers homeless LMI individuals by providing the necessary skills to become self-sufficient.

## State Rating

### State of Indiana

#### **CRA rating for the State of Indiana: Satisfactory**

**The Lending Test is rated: Outstanding**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- Lending levels reflects excellent responsiveness to community and economic development needs.
- The bank exhibits an excellent geographic and borrower distribution of loans.
- The bank has an adequate level of qualified CD investments and grants.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.
- The bank provides an adequate level of CD services.
- Performance in limited-scope AA had a positive impact on the Service Test rating.

### **Description of Institution's Operations in Indiana**

Flagstar acquired operations in Indiana in November 2018. The bank has five AAs in the state of Indiana: Elkhart-Goshen MSA (Elkhart MSA), Fort Wayne MSA, Indiana Non-MSA, Michigan City-LaPorte MSA (Michigan City MSA), and South Bend-Mishawaka MSA (South Bend MSA) (refer to appendix A for a list of all AAs). The AAs meet the requirement of the regulation and do not arbitrarily exclude any LMI CTs.

According to the FDIC's June 30, 2022, Deposit Market Share report, Flagstar held \$1.4 billion in deposits ranking 25<sup>th</sup> out of 132 institutions and 0.7 percent deposit market share in Indiana. The five largest competitors in the AA include JP Morgan Chase Bank, National Association, PNC Bank, National Association, Fifth Third Bank, National Association, Old National Bank, and First Merchants Bank. These competitors' deposits total \$82.7 billion, representing 42.4 percent of total deposit market share. Flagstar's deposits within the state of Indiana represent 8.0 percent of bank-wide deposits. Home mortgage loan originations, within the bank's AAs in Indiana, account for 5.5 percent of bank wide home mortgage lending within a Flagstar AA. The bank has 32 bank branches in Indiana, which represent 20.2 percent of the bank-wide branch network.

#### Fort Wayne MSA

Flagstar's Fort Wayne MSA AA consists of all of Allen County. Flagstar operates 13 branches, which equals 40.6 percent of the bank's branches in Indiana. The bank has deposits totaling \$712.4 million in the Fort Wayne MSA. The bank has 7.7 percent deposit market share in the AA, which ranks fifth out of 20 institutions. The bank's deposits in the Fort Wayne MSA account for 52.0 percent of the bank's total

deposits in Indiana. According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: JP Morgan Chase Bank, National Association, Lake City Bank, Star Financial Bank, First Merchants Bank, and PNC Bank, National Association. These five banks combine for a 65.1 percent deposit market share.

Fort Wayne has a strong economy as a regional business and manufacturing center. Several large companies headquarter there including Parkview Health, General Motors, Lutheran Health Network, Steel Dynamics, Inc., and Raytheon Technologies. The area also offers a low cost of living compared to national averages. According to the BLS, the unemployment rate at the beginning of the evaluation period in January 2020 was 3.4 percent. The unemployment rate increased to 18.9 percent as of April 2020 due to the circumstances surrounding business lockdown related to the Covid-19 pandemic. At the end of the evaluation period in December 2022 the unemployment rate has dropped to 2.3 percent, which is below the statewide unemployment rate of 2.6 percent.

According to 2015 ACS demographic data, the number of housing units in the MSA was 153,860. Owner-occupied housing units and rental units represented 62.8 percent and 28.4 percent of total housing units, respectively, and 8.7 percent of total are vacant units. According to 2020 U.S. Census demographic data, the number of housing units grew by 3.6 percent to 159,424. Owner-occupied housing units and rental units represented 60.5 percent and 27.8 percent of total housing units, respectively, and 11.5 percent of total are vacant units.

In 2021, based on 2015 ACS demographic table below, low-income families earned less than \$30,341 and moderate-income families earned less than \$48,545. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$759 for low-income borrowers and \$1,214 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Fort Wayne MSA median housing value would be \$500. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on 2020 U.S. Census, low-income families earned less than \$35,948 and moderate-income families earned less than \$57,517. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, payment of \$899 for low-income borrowers and \$1,438 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Fort Wayne MSA median housing value would be \$759. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

To identify community needs, we used a community contact interview performed with a nonprofit organization during the evaluation period. The organization has a mission to help communities, families, and individuals remove the causes and conditions of poverty. The organization stated many LMI individuals and families in this AA financially struggle to pay all their monthly bills and to afford car maintenance. The contact further stated that 22.0 percent of children in Allen County live in poverty. The organization indicated a need for affordable housing, emergency assistance, childcare subsidies, and more reliable, cost-effective public transportation in the AA. The organization also indicated that there are opportunities for construction financing for multi-family housing rental projects and investment in small business loan pools. The contact added that participation from local banks is needed to serve on boards of directors or loan review committees of community organizations in the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Fort Wayne</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	96	12.5	25.0	36.5	22.9	3.1
Population by Geography	363,453	10.6	19.4	38.8	30.5	0.7
Housing Units by Geography	153,860	11.3	21.5	38.8	27.9	0.5
Owner-Occupied Units by Geography	96,765	6.7	15.1	42.0	36.1	0.1
Occupied Rental Units by Geography	43,771	17.8	31.6	35.1	14.4	1.2
Vacant Units by Geography	13,324	23.5	34.6	27.9	13.0	1.1
Businesses by Geography	35,497	8.5	19.4	34.1	33.7	4.4
Farms by Geography	1,052	4.1	11.1	46.9	36.8	1.1
Family Distribution by Income Level	91,978	20.7	17.9	21.8	39.6	0.0
Household Distribution by Income Level	140,536	22.8	17.6	19.4	40.1	0.0
Median Family Income MSA - 23060 Fort Wayne, IN MSA		\$60,681	Median Housing Value			\$111,417
			Median Gross Rent			\$679
			Families Below Poverty Level			12.0%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Fort Wayne MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	96	8.3	27.1	38.5	22.9	3.1
Population by Geography	385,410	6.4	22.5	36.4	34.1	0.7
Housing Units by Geography	159,424	6.8	24.3	40.0	28.4	0.6
Owner-Occupied Units by Geography	100,935	3.5	19.6	40.1	36.6	0.2
Occupied Rental Units by Geography	46,108	11.8	32.7	40.9	13.3	1.3
Vacant Units by Geography	12,381	14.8	31.3	36.3	16.8	0.8
Businesses by Geography	43,412	4.7	19.7	38.6	32.4	4.5
Farms by Geography	1,208	2.0	14.8	43.6	38.2	1.4
Family Distribution by Income Level	93,168	19.7	18.9	21.9	39.4	0.0
Household Distribution by Income Level	147,043	22.9	16.9	19.4	40.8	0.0
Median Family Income MSA - 23060 Fort Wayne, IN MSA		\$71,896	Median Housing Value			\$133,673
			Median Gross Rent			\$784
			Families Below Poverty Level			9.3%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### South Bend-Mishawaka MSA

The South Bend MSA is a single-county MSA encompassing all of St. Joseph County. Flagstar operates four branches in the county, which equals 12.5 percent of the bank's branch network in Indiana. As of June 30, 2022, the bank had \$115.3 million in deposits. The bank had a 1.9 percent deposit market share in the AA which ranked ninth out of 14 banks. The bank's deposits in the South Bend MSA account for 8.4 percent of the bank's total deposits in Indiana.

According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: First Source Bank, PNC Bank, National Association, Lake City, JP Morgan Chase Bank, National Association, and KeyBank, National Association. The top five institutions with the highest deposit market shares in the South Bend MSA combined for an 83.4 percent deposit market share.

The most recent census data reveals a population estimate of 272,234 for the county, a number which has been stable for several years. The area had a reasonable cost-of-living, with median home values significantly below national averages, but it does experience poverty at 14.3 percent which is higher than the national average of 11.3 percent. Health care, higher education, and social assistance are the largest industries for employment in the South Bend MSA.

According to the BLS, the unemployment rate at the beginning of the evaluation period in January 2020 was 4.1 percent. The unemployment rate peaked at 20.5 percent in April 2020 due to the circumstances related to business shutdowns due to the Covid-19 pandemic. The unemployment rate dropped to 3.3 percent at the end of the evaluation period in December 2022. The unemployment rate in the South Bend MSA in December 2022 was higher than the statewide unemployment rate of 2.6 percent.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$28,846 and moderate-income families earned less than \$46,154 in 2020 and 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, payment of \$721 for low-income borrowers and \$1,154 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the South Bend MSA median housing value would be \$507. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on the 20202 U.S. Census, low-income families earned less than \$35,219 and moderate-income families earned less than \$56,350. This calculated to a maximum monthly mortgage at, 30.0 percent DTI, payment of \$880 for low-income borrowers and \$1,409 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the South Bend MSA median housing value would be \$730. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized two community contacts performed in this AA during the evaluation period. The first was an affordable housing entity of the State of Indiana. The second community contact was a nonprofit community development corporation that is committed to the stabilization and empowerment of South Bend's neighborhoods.

The organizations stated that, while there has been a recovery of employment since the Covid-19 pandemic, higher interest rates had contributed to a slowdown in the economy and many jobs are still unfilled. One of the organizations stated that the biggest challenge it faced is providing enough of a pipeline of affordable housing to serve the needs of LMI clients. The contact added that the cost of housing materials and groceries are still high in the area. These organizations indicated a need for affordable housing, eviction prevention services, homeless shelters, and services for returning citizens who were formerly incarcerated. In addition, opportunities for construction of a demo and new multi-family housing, funding for homeownership courses and financial literacy, banking services for LMI residents (brick and mortar), and investment in a new CDFI in South Bend were identified during the community contact interviews.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: South Bend MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	75	14.7	25.3	34.7	25.3	0.0
Population by Geography	267,246	8.9	17.9	41.8	31.3	0.0
Housing Units by Geography	115,351	10.8	18.5	45.0	25.7	0.0
Owner-Occupied Units by Geography	69,843	4.9	15.0	44.4	35.7	0.0
Occupied Rental Units by Geography	32,162	19.9	22.4	48.0	9.7	0.0
Vacant Units by Geography	13,346	19.8	27.4	40.6	12.2	0.0
Businesses by Geography	23,301	12.1	17.8	41.9	28.3	0.0
Farms by Geography	599	4.2	11.2	41.7	42.9	0.0
Family Distribution by Income Level	65,126	22.1	16.7	20.1	41.2	0.0
Household Distribution by Income Level	102,005	23.8	16.8	17.7	41.7	0.0
Median Family Income MSA - 43780 South Bend-Mishawaka, IN-MI MSA		\$57,692	Median Housing Value			\$112,830
			Median Gross Rent			\$710
			Families Below Poverty Level			13.3%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: South Bend MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	82	11.0	25.6	32.9	29.3	1.2
Population by Geography	272,912	7.0	23.7	38.2	30.3	0.7
Housing Units by Geography	117,050	7.1	26.0	38.4	27.9	0.6
Owner-Occupied Units by Geography	70,887	4.1	18.5	38.9	38.1	0.4
Occupied Rental Units by Geography	33,493	11.9	38.0	37.8	11.5	0.9



Vacant Units by Geography	12,670	11.3	36.0	37.3	14.2	1.3
Businesses by Geography	27,170	6.4	25.5	35.3	32.1	0.7
Farms by Geography	677	3.8	16.4	47.3	32.1	0.4
Family Distribution by Income Level	63,705	20.4	17.2	22.0	40.4	0.0
Household Distribution by Income Level	104,380	24.8	16.4	17.8	41.0	0.0
Median Family Income MSA - 43780 South Bend-Mishawaka, IN-MI MSA		\$70,437	Median Housing Value			\$128,492
			Median Gross Rent			\$804
			Families Below Poverty Level			10.6%

Source: 2020 U.S. Census and 2022 D&B Data

Due to rounding, totals may not equal 100.0%

(\*) The NA category consists of geographies that have not been assigned an income classification.

## Scope of Evaluation in Indiana

We conducted full-scope reviews of the Fort Wayne MSA and South Bend MSA, all other AAs received limited-scope reviews. Combined the full-scope AAs accounted for 60.4 percent deposits and 59.3 percent of bank's home mortgage and small business loans within its AAs, in the state of Indiana. For the full scope areas, regarding all performance tests, we gave more weight to the bank's performance in the Fort Wayne MSA. We gave more weight to the Fort Wayne MSA due to it having the largest percentage of statewide deposits and loans, 52.0 and 47.2 percent respectively. When determining our overall conclusions for the Lending Test, we gave significantly more weight to home mortgage lending performance. The bank's home mortgage originations represented 86.3 percent of the total home mortgage and small business loan originations within the bank's AAs in Indiana, for the entire evaluation period. For the 2022 evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, when evaluating performance for geographical and borrower distribution of small loans to businesses, our conclusions were based solely on performance in the 2020 through 2021 evaluation period.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA

### LENDING TEST

The bank's performance under the Lending Test in Indiana is rated Outstanding.

### Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Fort Wayne MSA is excellent and in the South Bend MSA is good.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Elkhart MSA	93	8	0	0	101	3.5	0.0
Fort Wayne MSA	1,157	210	0	0	1,367	47.2	52.0
Indiana Non-MSA	823	118	0	0	941	32.5	35.1
Michigan City MSA	122	15	0	0	137	4.7	4.5
South Bend MSA	306	44	0	2	352	12.1	8.4

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000's) 1/1/2020 -12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Elkhart MSA	17,601	194	0	0	17,795	5.3	0.0
Fort Wayne MSA	145,128	8,509	0	0	153,637	45.9	52.0
Indiana Non-MSA	97,000	3,820	0	0	100,820	30.1	35.1
Michigan City MSA	15,352	1,708	0	0	17,060	5.1	4.5
South Bend MSA	43,592	1,939	0	185	45,716	13.6	8.4

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

### Fort Wayne MSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$698.0 million in deposits with a deposit market share of 8.6 percent. The bank's deposit market share ranked sixth out of 20 deposit taking institutions. Flagstar's deposit market share ranked the top 30.0 percent of all deposit taking institutions within the Fort Wayne MSA.

According to 2021 peer mortgage data, Flagstar had 2.1 percent market share of home mortgage loan origination. The bank's market share of home mortgage loan origination was weaker than its deposit market share. Flagstar ranked 13<sup>th</sup> out of 347 HMDA lenders, ranking it in the top 3.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

South Bend MSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$115.0 million in deposits with a deposit market share of 2.2 percent. The bank's deposit market share ranked ninth out of 14 deposit taking institutions. Flagstar's deposit market share ranked the top 64.3 percent of all deposit taking institutions within the South Bend MSA.

According to 2021 peer mortgage data, Flagstar had 1.0 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked 24<sup>th</sup> out of 340 HMDA lenders, ranking it in the top 7.1 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was stronger than its deposit market share ranking.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

**Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in its AAs.

***Home Mortgage Loans***

Refer to Table O in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Fort Wayne MSA

The geographic distribution of home mortgage loans is excellent.

The geographic distribution of home mortgage loans in years 2020 and 2021 was excellent. The proportion of the bank's home mortgage loans in low-income geographies was below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in years 2020 through 2021.

South Bend MSA

The geographic distribution of home mortgage loans is excellent.

The geographic distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans in both LMI geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those

geographies. The bank's geographical distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

### ***Small Loans to Businesses***

Refer to Table Q in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### *Fort Wayne MSA*

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in both LMI geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

#### *South Bend MSA*

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in low-income geographies was near to the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

### ***Home Mortgage Loans***

Refer to Table P in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### *Fort Wayne MSA*

The borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to both LMI borrowers exceeded the percentages of LMI families and the aggregate industry distribution of home mortgage loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

#### South Bend MSA

The borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans to low-income borrowers was near to the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and was below the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of loans to moderate-income borrowers as compared to the aggregate industry distribution.

#### ***Small Loans to Businesses***

Refer to Table R in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

#### Fort Wayne MSA

The borrower distribution of small loans to businesses by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation.

#### South Bend MSA

The borrower distribution of small loans to businesses by revenue size is adequate given performance context discussed in the front section of this PE.

The borrower distribution of small loans to businesses in 2020 through 2021 was adequate. In 2020 through 2021, the percentage of bank loans to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation.

## Community Development Lending

The institution made few, if any, CD loans within its AAs in Indiana. The bank's very limited CD lending in the state of Indiana had a negative impact on the overall Lending Test rating in Indiana. However, the negative impact does not result in a downgrade in the overall Lending Test rating of Outstanding due to the excellent responsiveness of the bank's lending and excellent geographic and borrower distributions of lending.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Fort Wayne MSA

Flagstar made few, if any, CD loans within the Fort Wayne MSA. The bank did not originate any CD loans in the Fort Wayne MSA during the evaluation period. CD lending had a negative impact on the Lending Test rating.

### South Bend MSA

Flagstar originated a low-level of CD loans in the South Bend MSA during the evaluation period. CD lending had a negative impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank demonstrated a low level of CD loans in the South Bend MSA during the evaluation period, which had a negative impact on the Lending Test performance. Flagstar originated \$185,000 in CD lending, or 0.5 percent of allocated tier one capital.

- The bank made two loans totaling \$185,000 that benefitted economic development. The bank made the loans to a business that used the funds to retain and create jobs in a low-income CT.

### Broader Statewide or Regional Area

The bank extended one \$25.0 million CD loan to a healthcare fund in Indiana that provides affordable housing and assisted living services to LMI families nationwide. The funds proceeds were not used within a bank AA in Indiana.

## Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices in order to serve its AAs credit needs within the state of Indiana.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic economic conditions and the subsequent business shut-downs. Flagstar originated 369 PPP loans totaling \$14.6 million within the bank's AAs in Indiana. Of these loans, 92 PPP loan originations,

totaling \$4.5 million, were in either low- or moderate-income CTs. The bank's PPP loan originations had a neutral impact on overall rating.

### Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope review, the bank's performance under the Lending Test in the Indiana Non-MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the Elkhart MSA and Michigan City MSA is weaker. Weaker performance due to good performance in the Michigan City MSA, and adequate performance in the Elkhart MSA.

Refer to Tables O through R in the state of Indiana section of appendix D for the facts and data that support these conclusions.

### INVESTMENT TEST

The bank's performance under the Investment Test in Indiana is rated Low Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Fort Wayne MSA is adequate and the South Bend MSA is poor.

The institution has an adequate level of qualified CD investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution occasionally uses, innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Elkhart MSA	0	0	3	16	3	2.1	16	0.1	0	0
Fort Wayne MSA	1	2,000	72	7,018	73	52.1	9,018	94.3	0	0
Indiana Non-MSA	0	0	29	209	29	20.7	209	2.2	0	0
Michigan City MSA	0	0	5	30	5	3.5	30	0.3	0	0
South Bend MSA	0	0	30	285	30	21.4	285	3.0	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

#### Fort Wayne MSA

Based on a full-scope review, the bank's performance in the Fort Wayne MSA is adequate. The bank had an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The institution occasionally makes

extensive use of innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$9.0 million and represented 3.7 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made one CD investment totaling 6.3 million and 71 donations and grants totaling \$718,000. Current period CD investments and grants were equivalent to 2.9 percent of allocated tier 1 capital. Current period CD investments and grant supported 60 organization/projects primarily benefitting affordable housing and community service needs in the AA.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. The one CD investment made during current period focused on affordable housing through LIHTC financing, a primary community development need in the AA. The remaining CD investments were comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- During the evaluation period, the bank donated \$152,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In November 2020, the bank donated \$175,000 to an organization that focused on advancing economic development in the AA. The donation benefitted small business development in LMI areas.

### South Bend MSA

Based on the full-scope review, the bank's performance in the South Bend MSA is poor. The bank had a poor level of qualified CD investments and grants, not in a leadership position, particularly those that are not routinely provided by private investors. The institution rarely makes use of innovative and/or complex investments to support CD initiatives. The institution made no CD investments during the evaluation period or prior period and 71 donations and grants totaling \$285,000 that represented 0.7 percent of the bank's tier 1 capital allocated to the AA. Current period donations and grant supported 29 organization/projects.

The institution exhibits poor responsiveness to credit and communities' economic development needs. The CD investments were entirely comprised of grants and donations. The following are examples of CD grants and donations made in this AA:

- During the evaluation period, the bank donated \$85,000 in down payment assistance funds to 21 LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In November 2020, the bank donated \$100,000 to an economic development organization that works to provide tribal citizens with access to affordable capital for the purposes of small business loans.

### Statewide

The bank made five CD grants totaling \$103,000 to community service and economic development organizations located throughout Indiana. These grants serve the broader statewide area that does not have a purpose, mandate, or function to serve the bank's AAs in Indiana.



## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Elkhart MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Stronger performance is due to the greater percentage of CD investments as compared to allocated tier 1 capital. Based on limited-scope reviews, the bank's performance under the Investment Test in the Indiana Non-MSA and the Michigan City MSA is weaker than the bank's overall performance under the Investment Test in the full-scope areas. Weaker performance is due to a smaller percentage of CD investments as compared to allocated tier 1 capital in the respective AAs. Performance in the limited-scope AAs had a neutral impact on the overall Investment Test rating in Indiana.

## SERVICE TEST

The bank's performance under the Service Test in Indiana is rated Low Satisfactory.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in Fort Wayne MSA is poor and performance in the South Bend MSA is good.

## Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Reviews:</b>											
Fort Wayne MSA	52.0	13	40.6	0.0	15.4	61.5	23.1	6.4	22.5	36.4	34.1
South Bend MSA	8.4	4	12.5	25.0	25.0	25.0	25.0	7.0	23.7	38.2	30.3
<b>Limited Reviews:</b>											
Elkhart MSA	0.0	0	0.0	0.0	0.0	0.0	0.0	4.2	20.5	49.7	25.6
Indiana Non-MSA	35.1	14	43.8	0.0	35.7	57.1	7.1	0.0	10.1	68.9	21.0
Michigan City MSA	4.5	1	3.1	0.0	100.0	0.0	0.0	0.0	26.4	48.9	21.9

### Fort Wayne MSA

Flagstar's branch distribution in the Fort Wayne MSA is poor. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was below, the percentage of the population living within those geographies. The bank also operates 21 deposit-taking ATMs in the AA, of which five were in moderate-income geographies. During the evaluation, there was one ATM closure in a moderate-income geography.

South Bend MSA

Flagstar’s branch distribution in the South Bend is excellent. With operating only four branches, the bank’s distribution of branches in low- and moderate-income geographies exceeded the percentage of the population living within those geographies. The bank also operates seven deposit-taking ATMs in the AA, of which one was in a low-income geography and three were in moderate-income geographies.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Elkhart MSA	0	0	0	0	0	0
Fort Wayne MSA	0	0	0	0	0	0
Indiana Non-MSA	0	0	0	0	0	0
Michigan City MSA	0	0	0	0	0	0
South Bend MSA	0	1	-1	0	0	0

Fort Wayne MSA

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

South Bend MSA

To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed one branch in a low-income geography due to closure of the leased office building that housed the branch.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

**Community Development Services**

Fort Wayne MSA

Flagstar provides an adequate level of CD services.

The bank's performance in providing CD services in Fort Wayne MSA is adequate. During the evaluation period, 11 bank employees performed 23 CD activities that totaled 113 hours of service for seven organizations within the AA. The employees are involved with community service events and providing financial literacy and mentorship to the youth. Leadership was evident by six bank employees performing 27 CD activities and spending 77 hours sharing their financial expertise in leadership roles by participating on boards and committees for seven CD organizations.

Examples of CD Services in the AA include:

- A bank employee provided 38 service hours working in partnership planning activities and events with an organization located in LMI geographies with a commitment to promoting voluntarism, developing the potential of women, and improving the community through the effective action and leadership of trained volunteers. The organization's purpose is exclusively educational and charitable.
- A bank employee provided 55 service hours serving on the board of directors lending their financial expertise and assisting in establishing fund raising to an organization with a mission to provide financial assistance to low-income families for children to have recreational activities.

### South Bend MSA

Flagstar provides a low level of CD services.

The bank's performance in providing CD services in South Bend MSA is poor. During the evaluation period, five bank employees performed seven CD activities that totaled nine hours of service for one organization within the AA. The bank employees provided mentorship, tutored, read to, and taught financial literacy to children of LMI adults living in low-income geographies.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Indiana Non-MSA and Michigan City MSA is stronger than the bank's performance in the full-scope AAs. Stronger performance is due to a higher proportion of bank branches in LMI CTs as compared to the percentages of the population in LMI CTs. Performance exhibits excellent branch distribution. Performance in the Elkhart MSA is consistent with performance in the full-scope areas.

Performance in the limited-scope areas had a positive impact on the Service Test rating in Indiana.

## State Rating

### State of Michigan

#### **CRA rating for the State of Michigan: Satisfactory**

**The Lending Test is rated: Outstanding.**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits excellent borrower distribution of loans.
- The bank has an adequate level of CD investments.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- The bank is a leader in providing CD services.

### **Description of Institution's Operations in Michigan**

Flagstar has eight AAs in the state of Michigan: Battle Creek MSA, Detroit-Warren-Ann Arbor CSA (Detroit CSA), Grand Rapids-Kentwood MSA (Grand Rapids MSA), Jackson MSA, Kalamazoo-Portage MSA (Kalamazoo MSA), Lansing-East Lansing MSA (Lansing MSA), Michigan Non-MSA (MI Non-MSA), and Niles MSA (refer to appendix A for a list of all AAs). The AAs meet the requirement of the regulation and do not arbitrarily exclude any LMI CTs.

According to the FDIC's June 30, 2022, Deposit Market Share report, Flagstar held \$15.0 billion in deposits, ranking seventh out of 103 institutions in the state, and representing a 4.8 percent deposit market share. The five largest competitors in Michigan include JP Morgan Chase Bank, The Huntington National Bank, Comerica Bank, Bank of America, and PNC Bank. These competitors' deposits total \$210.0 billion, representing 66.9 percent of the total deposit market share. Flagstar's deposits within the state of Michigan represent 86.5 percent of the bank's total bank-wide deposits. Home mortgage lending within the Michigan AAs accounts for 57.9 percent of bank-wide home mortgage loans in Flagstar AAs. The bank has 114 bank branches in Michigan, which accounts for 72.2 percent of the bank-wide total number of branches.

#### *Detroit CSA*

The Detroit CSA consists of all of Genesee, Livingston, Macomb, Monroe, Oakland, Washtenaw, and Wayne Counties for this evaluation period. The 2015 ACS data shows 4.9 million people live in the Detroit CSA. According to Moody's Analytics, the CSA growth, sustained over the past ten years, has recently plateaued. As of the 2020 U.S Census the population of the Detroit CSA grew 2.2 percent to 5.1 million people since the 2015 ACS.

According to the FDIC 's June 30, 2022, Deposit Market Share report the five banks with the largest deposit market share are: JP Morgan Chase, National Association, Comerica Bank, Bank of America, National Association, The Huntington National Bank, and PNC Bank, National Association. The five largest bank deposit market shares total 79.8 percent.

The leading industries in the area are motor vehicle parts manufacturing, management of companies and enterprises, motor vehicle manufacturing, federal government, and local government. The largest employers in the area include General Motors Corp., Ford Motor Co., University of Michigan, Chrysler Group LLC, and Beaumont Health System. According to the Bureau of Labor Statistics, the unemployment rate at the beginning of the evaluation period in January 2020 was 2.5 percent and 3.0 percent in December 2022 at the end of the evaluation period. Unemployment hit an evaluation period peak of 14.3 percent in April 2020 due to the business shutdowns caused by the Covid-19 pandemic. The poverty rate dropped from 12.8 percent to 9.9 percent from the 2015 ACS to the 2020 U.S. Census, respectively.

According to 2015 ACS demographic data, the number of housing units in the MSA was 2,186,952. According to 2020 U.S. Census demographic data, the number of housing units was 2,210,848. This equates to 1.0 percent growth in owner-occupied housing stock compared to the 2015 ACS. According to the 2015 ACS, owner-occupied and rental units represented 60.2 percent and 27.9 percent of total housings units, respectively, and 19.6 percent of total vacant units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$26,367 and moderate-income families earned less than \$42,187. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$659 for low-income borrowers and \$1,055 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Detroit CSA median housing value would be \$589. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S. Census, low-income families earned less than \$31,042 and moderate-income families earned less than \$49,667. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$776 for low-income borrowers and \$1,242 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Detroit CSA median housing value would be \$1,032. Based on this we concluded that home mortgages were not affordable to low-income borrowers or all moderate-income borrowers.

We utilized three OCC community contacts performed for the Detroit CSA during the evaluation period. A municipal downtown development authority that strives to promote economic development through creating an environment where small businesses can thrive. Also, a county organization that promotes economic development through community planning, workforce development, support for entrepreneurs, and overall business development. Additionally, we contacted a municipal housing authority that promotes home ownership and affordable rents for LMI people in the AA.

The two organizations that focused on economic development stated the Covid-19 pandemic was difficult on small businesses and forced some to close. That a lot of small businesses relied on Cares Act money to remain viable post-pandemic. The organizations stated there was a continued need for working capital for small businesses. Both organizations stated that finding employees was challenging.

Challenges to finding employees revolve around childcare and transportation concerns of the employee, with few viable and affordable options available to LMI working families.

The affordable housing organization noted several needs relative to housing. First off, that some LMI CT neighborhoods are underinvested in, which causes the needs for high loan-to-value loans, which are expensive. This can lead to houses needing repairs or rehabilitation in older neighborhoods for things such as roofing, plumbing, or asbestos abatement. There is an identified need for small loans or grants for repairing homes in LMI geographies. The contact also stated that there needs to be rental assistance and services to allow aging LMI seniors to receive medical care while remaining in their homes.

### Detroit CSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Detroit CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,497	13.8	23.6	32.5	28.1	2.1
Population by Geography	4,968,154	10.6	21.4	35.1	32.5	0.5
Housing Units by Geography	2,186,952	12.2	23.2	34.4	29.7	0.4
Owner-Occupied Units by Geography	1,316,739	6.2	17.6	38.1	37.9	0.1
Occupied Rental Units by Geography	611,285	19.3	30.3	31.2	18.4	0.8
Vacant Units by Geography	258,928	26.5	34.6	23.1	14.8	1.1
Businesses by Geography	413,015	7.8	18.9	32.6	39.7	1.0
Farms by Geography	9,470	4.7	14.2	44.4	36.4	0.3
Family Distribution by Income Level	1,240,781	22.7	16.4	18.9	42.0	0.0
Household Distribution by Income Level	1,928,024	24.9	15.4	16.9	42.8	0.0
Median Family Income MSA - 11460 Ann Arbor, MI MSA		\$87,331	Median Housing Value			\$131,071
Median Family Income MSA - 19804 Detroit-Dearborn-Livonia, MI		\$52,733	Median Gross Rent			\$866
Median Family Income MSA - 22420 Flint, MI MSA		\$53,333	Families Below Poverty Level			12.8%
Median Family Income MSA - 33780 Monroe, MI MSA		\$67,811				
Median Family Income MSA - 47664 Warren-Troy-Farmington Hills, MI		\$76,739				
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Detroit CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,563	9.7	23.9	30.6	29.5	6.4
Population by Geography	5,076,317	7.9	22.8	33.4	34.4	1.5

Housing Units by Geography	2,210,848	9.3	24.6	32.9	31.8	1.5
Owner-Occupied Units by Geography	1,374,608	4.6	19.2	35.8	39.9	0.6
Occupied Rental Units by Geography	626,509	16.0	32.5	30.0	18.9	2.6
Vacant Units by Geography	209,731	20.1	36.5	22.3	17.6	3.5
Businesses by Geography	424,787	6.4	19.2	31.4	40.3	2.7
Farms by Geography	9,676	4.0	15.9	42.5	36.6	1.0
Family Distribution by Income Level	1,245,398	21.4	17.0	20.1	41.6	0.0
Household Distribution by Income Level	2,001,117	24.6	15.6	17.2	42.6	0.0
Median Family Income MSA - 11460 Ann Arbor, MI MSA	\$105,224	Median Housing Value				\$181,797
Median Family Income MSA - 19804 Detroit-Dearborn-Livonia, MI	\$63,896	Median Gross Rent				\$988
Median Family Income MSA - 22420 Flint, MI MSA	\$62,084	Families Below Poverty Level				9.9%
Median Family Income MSA - 33780 Monroe, MI MSA	\$80,507					
Median Family Income MSA - 47664 Warren-Troy-Farmington Hills, MI	\$92,419					
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data            Due to rounding, totals may not equal 100.0%            (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Jackson MSA

The Jackson MSA consist of all of Jackson County. The Jackson MSA represents a vital area of Flagstar and its history. It was in Jackson, MI, that Flagstar became a retail bank when it acquired Security Savings and transitioned from its mortgage company roots to a full-service bank.

According to the June 30, 2022, FDIC Deposit Market report, 12 financial institutions operated 34 offices in Jackson County. In Jackson County, Flagstar is the market leader with 38.8 percent deposit market share, eight offices and \$1.1 billion in deposits. Comerica Bank ranks second with a 19.4 percent deposit market share, seven offices and \$550.8 million in deposits. County National Bank ranks third with a 15.6 percent of the market share, six offices and \$442.3 million in deposits. The Huntington National Bank ranks fourth with a 12.3 percent of the market share, four offices and \$348.0 million in deposits. Fifth Third Bank, National Association ranks fifth with a 3.6 percent of market share, one office and \$103.4 million in deposits.

The Moody's Analytics report shows that the Jackson MSA's economy is struggling to build momentum as overall employment has plateaued even through manufacturing payrolls have been inching ahead. The leading industries in the area are state government, offices of physicians, architectural and engineering services, computer systems design and related services, and local government. The largest employers in the area include Allegiance Health, Consumers Energy Co., Michigan Department of Corrections, Great Lakes Caring, and Michigan Automotive Compressor. According to the U.S. Bureau of Labor Statistics, unemployment rate in Jackson MSA was 3.8 percent in January 2020 at the beginning of the evaluation period. The unemployment rate peaked in April 2020 at 22.7 percent due to business shutdown related to the Covid-19 pandemic. The unemployment rate in Jackson MSA declined throughout the evaluation

period to 4.0 percent in December 2021 and was steady at 4.0 percent in December 2022 at the end of the evaluation period.

According to 2015 ACS demographic data, the number of housing units was 69,121. Owner-occupied and rental units represented 63.1 percent and 24.6 percent of total housings units, respectively. The number of housing units remained relatively flat throughout the evaluation period. According to 2020 U.S. Census demographic data, the number of housing units in the CSA was 69,719. Owner-occupied housing and rental units represented 66.3 percent and 28.3 percent of total housing units, respectively.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$29,216 and moderate-income families earned less than \$46,746 in 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$730 for low-income borrowers and \$1,169 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Jackson MSA median housing value would be \$505. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S Census demographic table below, low-income families earned less than \$33,838 and moderate-income families earned less than \$54,140. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$846 for low-income borrowers and \$1,354 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Jackson MSA median housing value would be \$745. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized one community contact performed during the evaluation period to identify community needs in the Jackson MSA. The organization offers community services to LMI people and youth on a nationwide basis, throughout a series of affiliated centers. The contact had concerns about economic development opportunities and employment due to the high levels of poverty and the inability of people to attain a job paying a living wage. The contact stated affordable housing is a need and there is an issue with homes in need of repair and overcrowding in homes that lack sufficient plumbing and kitchens. The contact also stated that community services for LMI people in need of mental health care is limited, with affordable mental healthcare service providers needed.

## Jackson MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Jackson MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	15.8	23.7	36.8	21.1	2.6
Population by Geography	159,759	9.9	19.4	47.4	20.1	3.2
Housing Units by Geography	69,121	9.8	20.7	47.0	22.5	0.0
Owner-Occupied Units by Geography	43,555	5.7	15.6	53.7	25.0	0.0
Occupied Rental Units by Geography	17,036	18.9	32.2	34.9	14.0	0.0
Vacant Units by Geography	8,530	12.7	23.9	36.7	26.7	0.0
Businesses by Geography	8,946	8.9	27.3	42.4	21.3	0.1
Farms by Geography	451	1.6	8.9	66.1	23.5	0.0



Family Distribution by Income Level	39,930	22.3	17.5	20.2	40.0	0.0
Household Distribution by Income Level	60,591	24.6	16.0	17.0	42.4	0.0
Median Family Income MSA - 27100 Jackson, MI MSA		\$58,432	Median Housing Value			\$112,449
			Median Gross Rent			\$722
			Families Below Poverty Level			12.9%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Jackson MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	46	6.5	30.4	32.6	26.1	4.3
Population by Geography	160,366	4.1	27.5	38.6	25.2	4.6
Housing Units by Geography	69,719	4.6	29.4	38.5	26.3	1.2
Owner-Occupied Units by Geography	46,231	1.8	23.5	43.0	31.7	0.1
Occupied Rental Units by Geography	15,985	11.3	48.0	29.0	8.3	3.4
Vacant Units by Geography	7,503	7.6	26.0	31.3	31.4	3.6
Businesses by Geography	8,969	2.8	30.3	36.7	24.1	6.0
Farms by Geography	446	0.4	12.8	54.5	32.1	0.2
Family Distribution by Income Level	39,908	18.7	19.0	20.9	41.3	0.0
Household Distribution by Income Level	62,216	22.7	16.9	18.4	42.0	0.0
Median Family Income MSA - 27100 Jackson, MI MSA		\$67,657	Median Housing Value			\$131,185
			Median Gross Rent			\$783
			Families Below Poverty Level			8.6%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Michigan

We conducted full-scope reviews of the Detroit CSA and Jackson MSA AAs with all other AAs receiving limited-scope reviews. Combined, the full-scope AAs accounted for 90.8 percent of deposits and 77.7 percent of the bank's home mortgage and small business loans within the bank's AAs in Michigan. For the full scope areas, regarding all performance tests, we gave more weight to the bank's performance in the Detroit CSA. We gave more weight to the Detroit CSA due to it having the highest percentage of statewide deposits and loans, 83.5 and 73.5 percent, respectively. The Detroit CSA is home to the bank's headquarters and has the largest percentage of branches in the state, with 60.5 percent. When evaluating the overall performance for the Lending Test, we gave significantly more weight to the bank's home mortgage performance. The bank's home mortgage originations represented 92.1 percent of total home mortgage and small business loans originated in the bank's AAs in Michigan, for the entire evaluation period.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

### LENDING TEST

The bank's performance under the Lending Test in Michigan is rated Outstanding.

### Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank's performance in the Detroit CSA is excellent and performance in the Jackson MSA is good.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Battle Creek MSA	278	10	0	1	289	1.0	0.2
Detroit CSA	19,349	1,676	0	35	21,060	73.5	83.5
Grand Rapids MSA	1,715	134	0	3	1,852	6.5	2.1
Jackson MSA	1,035	154	0	8	1,197	4.2	7.3
Kalamazoo MSA	430	16	0	1	447	1.6	0.4
Lansing MSA	2,101	92	0	0	2,193	7.7	1.4
Michigan Non-MSA	1,161	141	0	1	1,303	4.5	4.8
Niles MSA	312	11	0	0	323	1.1	0.2

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000's) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Battle Creek MSA	35,620	967	0	1,500	38,087	0.7	0.2
Detroit CSA	3,966,397	205,061	0	104,711	4,276,169	77.8	83.5
Grand Rapids MSA	344,462	14,335	0	30,900	389,697	7.1	2.1
Jackson MSA	144,867	11,341	0	2,096	158,304	2.9	7.3
Kalamazoo MSA	76,502	1,324	0	5,430	83,256	1.5	0.4
Lansing MSA	331,786	7,942	0	0	339,728	6.2	1.4

Michigan Non-MSA	145,506	5,890	0	9,075	160,471	2.9	4.8
Niles MSA	48,791	249	0	0	49,040	0.9	0.2

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

### Detroit CSA

Lending levels reflect excellent responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$15.0 billion in deposits with a deposit market share of 6.9 percent. The bank's deposit market share ranked sixth out of 46 deposit taking institutions. Flagstar's deposit market share ranked the top 13.0 percent of all deposit taking institutions within the Detroit CSA.

According to 2021 peer mortgage data, Flagstar had 2.7 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked fifth out of 731 HMDA lenders, ranking it in the top 0.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations and its ranking relative to the level of competition were both stronger than its deposit market share ranking and its ranking relative to competition.

According to 2021 peer small business data, Flagstar had 0.1 percent market share of small business loan originations. The bank's market share of small business loan originations was weaker than its deposit market share. Flagstar ranked 56<sup>th</sup> out of 242 small business loan lenders, ranking it in the top 23.1 percent of all small business loan lenders in the AA. The bank's market share ranking of small business loan originations was weaker than its deposit market share ranking.

### Jackson MSA

Lending levels reflect good responsiveness to AA credit needs, primarily based on Flagstar's HMDA lending activity in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$1.2 billion in deposits with a deposit market share of 41.0 percent. The bank's deposit market share ranked first out of 12 deposit taking institutions. Flagstar's deposit market share ranked the top 8.3 percent of all deposit taking institutions within the Jackson MSA.

According to 2021 peer mortgage data, Flagstar had 5.2 percent market share of home mortgage loan originations. The bank's market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked second out of 296 HMDA lenders, ranking it in the top 0.7 percent of all HMDA lenders in the AA. The bank's market share ranking of home mortgage loan originations was near to its deposit market share ranking and was stronger than its deposit market share ranking compared to competition.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

## **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AAs.

### ***Home Mortgage Loans***

Refer to Table O in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### *Detroit CSA*

The geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing and exceeded the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of home mortgage loans in both LMI CTs as compared to the percentage of owner-occupied housing. Performance in 2022 was excellent and had a neutral impact on the conclusion.

#### *Jackson MSA*

The geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was adequate. The proportion of the bank's home mortgage loans in low-income geographies was significantly below the percentage of owner-occupied housing and well below the aggregate industry distribution of home mortgage loans in those geographies. The proportion of the bank's home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans to those geographies. The bank's geographical distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021 and it had a positive impact on overall rating. Stronger performance was due to a higher percentage of loans in low-income census tracts. The proportion of the bank's home mortgage loans in low-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies. Performance in 2022 was excellent and had a positive impact on the conclusion.

### ***Small Loans to Businesses***

Refer to Table Q in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### *Detroit CSA*

The geographic distribution of small loans to businesses is excellent.

The geographic distribution of small loans to businesses in 2020 through 2021 was excellent. The proportion of the bank's small loans to businesses in low-income geographies approximated the percentage of businesses and exceeded the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies was near to the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The bank's geographical distribution of small loans to businesses in 2022 was consistent with the bank's performance in 2020 through 2021.

#### Jackson MSA

The geographic distribution of small loans to businesses is good.

The geographic distribution of small loans to businesses in 2020 through 2021 was good. The proportion of the bank's small loans to businesses in low-income geographies was below the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies. The proportion of the bank's small loans to businesses in moderate-income geographies exceeded the percentage of businesses and the aggregate industry distribution of small loans to businesses in those geographies.

In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

#### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

#### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits excellent distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### Detroit CSA

The borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers was below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was consistent with the bank's performance in 2020 through 2021.

Jackson MSA

The borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in 2020 through 2021 was good. The proportion of the bank's home mortgage loans to low-income borrowers was well below the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was stronger than the bank's performance in 2020 through 2021. Stronger performance was due to a higher percentage of loans to low-income families and had a neutral impact on the conclusion.

***Small Loans to Businesses***

Refer to Table R in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Detroit CSA

The borrower distribution of small loans to businesses by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. The borrower distribution of small loans to businesses with revenues less than \$1 million in 2022 was consistent with the bank's performance in 2020 through 2021.

Jackson MSA

The borrower distribution of small loans to business by revenue size is adequate. As discussed in the front section of this PE, we gave positive consideration for the bank's small loans to businesses given the significant volume of lending without revenue information. As a result of that positive consideration, the bank's performance in making small loans to small businesses is adequate.

The borrower distribution of small loans to businesses in 2020 through 2021 is adequate. The percentage of bank loans in 2020 through 2021 to businesses with revenues less than \$1 million was significantly below the percentage of businesses and the aggregate industry distribution of loans to those businesses. In 2022, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for this evaluation period.

**Community Development Lending**

The institution has made an adequate level of CD loans. CD lending had a neutral impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

### Detroit CSA

The volume of CD lending was adequate and had a neutral impact on the Lending Test performance in the Detroit CSA. During the evaluation period, Flagstar originated 25 CD loans totaling \$104.7 million or 2.4 percent of allocated tier 1 capital. The CD loans were responsive to affordable housing and revitalization and stabilization efforts in LMI geographies.

The following are examples of CD loans in the AA:

- The bank originated a \$33.9 million loan to fund a 154-unit mixed-income housing community. LIHTC funding is being utilized and 65 of the units are rent restricted for households with incomes at or below 60.0 percent of area median income.
- The bank facilitated a \$23.0 million real estate mortgage draw to build 151 units of affordable housing involving LIHTC funding and the Michigan State Housing Development Authority.
- The bank extended a \$6.4 million loan to a construction project management entity to finance the creation of a modular housing factory in the Detroit CSA area that will create new jobs, and eventually, more housing affordable to LMI individuals.
- The bank made 10 PPP loans, totaling \$1.4 million, that also qualified as CD loans. The loans were made to non-profits providing community services to LMI people in the AA.

### Jackson MSA

The volume of CD lending was poor and had a neutral impact on the Lending Test performance in the Jackson MSA. During the evaluation period, the bank originated eight CD loans totaling \$2.1 million, which is equivalent to 0.6 percent of allocated tier 1 capital. The CD loans were responsive to community services targeted to LMI individuals.

- Flagstar originated a \$650,000 real estate mortgage to a nonprofit organization located in a moderate-income community, that provides essential community services to LMI families within the MSA. Community services include a breakout drug education program that provides drug abuse prevention skills to middle and high school students throughout Jackson County, and programs for youth that are first-time court-referred minor offenders.
- Flagstar extended a \$250,000 line of credit to a nonprofit organization located in a moderate-income community, that provides essential community services to LMI families within the MSA that includes substance abuse counselling.
- The bank made six PPP loans totaling \$1.2 million that also qualified as CD loans. The loans were made to non-profits providing community services to LMI people in the AA.

## **Product Innovation and Flexibility**

The institution uses of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. Flagstar originated 1,917 PPP loans totaling \$139.4 million within the bank's AAs in Michigan. Of these, 441 PPP loan originations, totaling \$32.8 million, were in either a low-or moderate-income CT.

## **Conclusions for Areas Receiving a Limited-Scope Review**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Battle Creek MSA, Grand Rapids MSA, Kalamazoo MSA, and Lansing MSA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. Performance in the Niles MSA is weaker than the full-scope areas. Weaker performance is due to good performance in geographical and borrower distribution of loans. Performance in the limited-scope AAs had a neutral impact on the Lending Test rating in Michigan.

Refer to Tables O through R in the state of Michigan section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Michigan is rated Low Satisfactory.

## **Conclusions for Areas Receiving a Full-Scope Review**

Based on full-scope reviews, the bank's performance in the Detroit CSA and Jackson MSA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.



Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Battle Creek MSA	0	0	7	43	7	1.0	43	0.0	0	0
Detroit CSA	2	10,700	517	72,581	519	74.2	83,281	60.3	0	0
Grand Rapids MSA	2	3,500	30	31,683	32	4.0	35,183	25.5	0	0
Jackson MSA	2	12,271	34	334	36	5.0	12,605	9.1	0	0
Kalamazoo MSA	0	0	8	2,682	8	1.1	2,682	2.0	0	0
Lansing MSA	0	0	53	1,895	53	7.5	1,895	1.4	0	0
Michigan Non-MSA	0	0	33	2,246	33	4.7	2,246	1.6	0	0
Niles MSA	0	0	18	98	18	2.5	98	0.1	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Detroit CSA

Based on the full-scope review, the bank's performance in the Detroit CSA is adequate. The bank had an adequate level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The institution made significant use of innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$83.3 million and represented 1.9 percent of allocated tier 1 capital. Throughout the evaluation period, the bank made 14 CD investments totaling 63.3 million and 503 donations and grants totaling \$9.2 million. Current period CD investments and grants were equivalent to 1.7 percent of allocated tier 1 capital. Current period CD investments and grants supported 618 organization or projects. CD grants provided a significant amount of funding to a variety of entities providing valuable community services and demonstrated the bank's leadership and commitment to its community.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. The majority of current period CD investments, 92.0 percent of the bank's overall CD investment dollars focused on affordable housing through LIHTC financing. The bank investments in LIHTCs demonstrate complexity and are responsive to identified community needs related to affordable housing. Additionally, 7.0 percent of CD investments focused on economic development through new market tax credit financing. The remaining CD investments benefitted minority owned deposit institutions. The following are examples of some CD investments and grants:

- The bank made an investment totaling \$6.5 million in a \$10.0 million LIHTC project. The bank's proceeds benefitted a project that provided 234 affordable housing units to the AA. The property was located within a low-income CT.
- The bank made nine additional CD investments in LIHTCs totaling \$51.6 million. These CD investments targeted the creation of affordable housing for LMI families throughout the Detroit CSA. These investments demonstrate complexity through the bank's responsiveness to the development of large affordable housing projects.

- In 2022, the bank donated \$987,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.

### Jackson MSA

Based on the full-scope review, the bank's performance in the Jackson MSA is adequate. The bank had an adequate level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are routinely provided by private investors. The institution occasionally uses innovative and/or complex investments to support CD initiatives. The current and prior period CD investments totaled \$12.6 million and represented 3.3 percent of the bank's allocated tier 1 capital. Throughout the current evaluation period, the bank made 0 CD investments and 34 donations and grants totaling \$334,000. Current period CD grants were equivalent to 0.1 percent of allocated tier 1 capital. Current period CD investments and grants supported 32 organization. The AA had the ongoing benefit of two prior period CD investments totaling \$12.3 million.

The institution exhibits adequate responsiveness to credit and communities' economic development needs. Prior period CD investments, representing 97.3 percent of the bank's overall CD investment dollars in the AA focused on affordable housing through LIHTC financing, a primary community development need in the AA. The remaining CD investments were in the form of grants and donations benefitting organizations and LMI persons in the AA. The following are examples of CD grants and donations made in this AA.

- In 2022, the bank donated \$65,000 in down payment assistance funds to LMI mortgage applicants. The contributions help address affordable housing, a key need in the assessment area.
- In May 2021, the bank donated \$75,000 to an organization that focused on performing community service in the AA. The donation benefitted the expansion of an existing building where the organization provides community services including mentoring to LMI youth.

### Statewide

The bank made three qualified CD investments including two LIHTCs and one NMTC totaling \$11.3 million. These investments serve the broader statewide area and do not have a purpose, mandate, or function to serve the bank's AA. Statewide CD investments had a neutral impact on the Investment Test rating in Michigan.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lansing MSA is consistent the bank's overall performance under the Investment Test in the full-scope areas.

Based on limited-scope reviews, the bank's performance under the Investment Test in the Grand Rapids MSA and Kalamazoo MSA is stronger than the bank's overall performance under the Investment Test in the full-scope areas. Stronger performance is due to the greater percentage of CD investments as compared to allocated tier 1 capital in the respective AAs.

Based on limited-scope reviews, the bank's performance under the Investment Test in the Battle Creek MSA, Michigan Non-MSA, and Niles MSA are weaker than the bank's overall performance under the

Investment Test in the full-scope areas. Weaker performance is due to a smaller percentage of CD investments as compared to allocated tier 1 capital in the respective AAs.

Performance in the limited-scope AAs had a neutral impact on the overall Investment Test rating in Michigan.

### SERVICE TEST

The bank’s performance under the Service Test in Michigan is rated High Satisfactory.

### Conclusions for Areas Receiving a Full-Scope Review

Based on full-scope reviews, the bank’s performance in the Detroit CSA and the Jackson MSA is good.

### Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System													
Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography*				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	
<b>Full Reviews:</b>													
Detroit CSA*	83.5	69	60.5	4.3	17.4	31.9	42.0	4.3	7.9	22.8	33.4	34.4	
Jackson MSA*	7.3	8	7.0	0.0	25.0	37.5	25.0	12.5	4.1	27.5	38.6	25.2	
<b>Limited Reviews:</b>													
Battle Creek MSA	0.2	1	0.9	0.0	0.0	0.0	100.0	0.0	5.5	30.0	38.2	26.4	
Grand Rapids MSA	2.1	10	8.8	0.0	10.0	70.0	20.0	0.0	4.7	16.7	47.8	29.8	
Kalamazoo MSA	0.4	2	1.8	0.0	0.0	50.0	50.0	0.0	6.3	21.5	37.6	33.3	
Lansing MSA	1.4	5	4.4	0.0	0.0	60.0	40.0	0.0	4.5	19.6	43.7	26.7	
Michigan Non-MSA	4.8	18	15.8	0.0	22.2	61.1	16.7	0.0	0.6	15.9	72.0	11.5	
Niles MSA	0.2	1	0.9	0.0	0.0	0.0	100.0	0.0	9.1	15.6	42.8	31.5	

\*May not equal 100.0 percent due to NA CTs

*Detroit CSA*

Flagstar's branch distribution in the Detroit CSA is good. The bank's distribution of branches in low-income geographies was below, and in moderate-income geographies was near-to, the percentage of the population living within those geographies. Examiners further considered two middle branches, that data indicated served customers from LMI geographies within the AA. Consideration was given to the adjacent branches but had minimal impacted on the overall branch distribution conclusion. The bank also operates 65 deposit-taking ATMs in the AA, of which 14 were located in LMI geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

*Jackson MSA*

Flagstar's branch distribution in the Jackson MSA is adequate. The bank's distribution of branches in low-income geographies was significantly below, and in moderate-income geographies was near-to the percentage of the population living within those geographies. The bank also operates nine deposit-taking ATMs in the AA, of which two were in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

**Community Development Services**

The institution is a leader in providing CD services. CD services had a positive impact on Service Test rating in Michigan.

*Detroit CSA*

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Detroit MSA is excellent. During the evaluation period, 289 bank employees performed 647 CD activities that totaled 2,599 hours of service for 49 organizations within the AA. The employees are involved with organizations working to create affordable housing, provide education to children of LMI parents, and provide economic development support to the local community.

Leadership was evident by 12 bank employees performing 123 CD activities and spending 327 hours sharing their financial expertise in leadership roles by participating on boards and committees for 15 CD organizations.

Examples of CD Services in the AA include:

- Bank employees worked in partnership with a global non-profit youth organization with a purpose of providing the youth financial literacy serving LMI individuals. Bank employees dedicated 173 service hours teaching at the organizations event about basic banking functions, budgeting skills, and improving credit scores.
- A bank employee provided 26 service hours serving as a board member to a non-profit organization that raises funds for LMI individuals. The money raised at fundraising events held throughout the year is granted to people supported by CLS for opportunities such as community connections, starting or furthering their education, start-up funds for small businesses and much more. The money donated also assist LMI individuals to fund different expenses in their lives that Medicaid dollars do not cover.
- A bank employee provided eight service hours serving as a board member contracting negotiations for a free clinic organization that provides low or no cost medical services for uninsured and underinsured LMI individuals.

### Jackson MSA

Flagstar is a leader in providing CD services.

The bank's performance in providing CD services in the Jackson MSA is excellent. During the evaluation period, eight bank employees performed 39 CD activities that totaled 72 hours of service for 12 organizations within the AA. The employees are involved with organizations working to provide community services and financial literacy to LMI individuals.

Leadership was evident by five bank employees performing 83 CD activities and spending 162 hours sharing their financial expertise in leadership roles by participating on boards and committees for six CD organizations.

Examples of CD Services in the AA include:

- A bank employee provided 60 service hours serving as a board member for an organization that aids in the prevention of blindness and supplying eye wear to LMI individuals.
- A bank employee provided three hours using their professional skills as a member of the board of directors on the finance committee, reviewing budgets and making recommendations, for an organization. The organization's mission is to strengthen the emotional health and functioning of LMI families through counseling, education, adoption, foster care, advocacy, adult guardian services, and program development.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Battle Creek MSA, Grand Rapids MSA, Kalamazoo MSA, Lansing MSA, Michigan Non-MSA, and Niles MSA is weaker than the bank's overall performance under the Service Test in the full-scope AAs. Weaker performance is due to a smaller percentage of branches in LMI CTs as compared to the percentage of the

population in those geographies. Weaker performance had a neutral impact on the Service Test rating in Michigan.

## State Rating

### State of Ohio

#### **CRA rating for the State of Ohio: Satisfactory**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: Needs to Improve**

**The Service Test is rated: Needs to Improve**

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs.
- The bank exhibits good geographical and excellent borrower distribution of loans.
- The bank made few if any CD loans. CD lending had a negative impact on the Lending Test rating.
- The institution has a poor level of qualified CD investments and grants.
- Service and delivery systems are reasonably accessible to geographies and individuals of different income levels.
- The bank did not provide any CD services.

### **Description of Institution's Operations in Ohio**

Flagstar acquired one branch in Ohio from Wells Fargo in November 2018. Flagstar's Ohio Non-MSA assessment area consists of all of Van Wert County, located in western Ohio (refer to appendix A for a list of all AAs). The city of Van Wert is the county seat, with the only branch in an upper-income CT. The bank ranks sixth in deposits market share holding \$63.7 million in deposit or 8.9 percent of deposits in the AA. This AA meets the requirement of the regulation and does not arbitrarily exclude any LMI CTs.

Van Wert's population has remained relatively flat since Flagstar's 2020 CRA exam and stands at an estimated 28,769 as of the most recent census data. The area is affordable by cost-of-living metrics, with median home values less than half of the national average. While incomes are far closer to national averages, poverty is nearly 3.0 percentage points below at 6.2 percent.

According to the FDIC's June 30, 2022, Deposit Market Share report, the top five banks with the largest deposit market shares are: Citizens National Bank of Bluffton, First Financial Bank, Van Wert Federal Savings Bank, First Federal Savings, and U. S. Bank, National Association. The top five institutions combined for an 82.2 percent overall deposit market share.

The Ohio Non-MSA is primarily rural. According to the Van Wert Area Economic Development Corporation, most regional employees are in Manufacturing, Finance, Health Care and Social Assistance, Education, and Retail Trade. Large private-sector employers include Eaton Corporation, Cooper Foods, Toledo Molding & Die, Inc., and Van Wert County Hospital. Van Wert County's

unemployment rate as of September 2022 is 3.2 percent. This unemployment rate is lower than state average of 3.4 percent.

According to 2015 American Community Survey (ACS) demographic data, the number of housing units in the MSA was 12,672. Owner-occupied housing units and rental units represented 67.8 percent and 21.8 percent of total housing units, respectively, and total vacant units represent 10.4 percent of total housing units. The overall housing units remained stable throughout the evaluation period. According to 2020 U.S Census demographic data, the number of housing units in the MSA was 12,724. Owner-occupied and rental units represented 71.0 percent and 20.4 percent of total housing units, respectively, and total vacant units represented 8.51 percent of total housing units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$27,893 and moderate-income families earned less than \$44,628 in 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$697 for low-income borrowers and \$1,116 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Ohio Non-MSA median housing value would be \$438. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, based on the 2020 U.S. Census demographic table below, low-income families earned less than \$33,342 and moderate-income families earned less than \$53,347. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$834 for low-income borrowers and \$1,334 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Ohio Non-MSA median housing value would be \$633. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We conducted a community contact interview with a nonprofit organization in the Ohio Non-MSA during the evaluation period. The organization’s function is to plan, develop, and coordinate programs and services designed to help mainly low-income people in Van Wert County become more self-sufficient. The contact stated that employment levels have recovered since pandemic and wages have increased. However, inflation is forcing some LMI clients to rely on food banks. There is a shortage of affordable housing and less housing inventory. The contact added that the homeless population has increased in the area. The contact identified a need for affordable housing, food donations, homeless shelters, housing and utility cost assistance, financial literacy program, and public transportation. The contact suggested that banks should partner with affordable housing developers to build homes in rural areas.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Ohio Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	0.0	88.9	11.1	0.0
Population by Geography	28,576	0.0	0.0	84.3	15.7	0.0
Housing Units by Geography	12,672	0.0	0.0	85.3	14.7	0.0
Owner-Occupied Units by Geography	8,594	0.0	0.0	82.2	17.8	0.0



Occupied Rental Units by Geography	2,761	0.0	0.0	92.4	7.6	0.0
Vacant Units by Geography	1,317	0.0	0.0	90.8	9.2	0.0
Businesses by Geography	1,588	0.0	0.0	84.7	15.3	0.0
Farms by Geography	232	0.0	0.0	78.0	22.0	0.0
Family Distribution by Income Level	7,851	16.5	18.1	23.9	41.5	0.0
Household Distribution by Income Level	11,355	19.1	18.0	18.8	44.0	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$97,464
			Median Gross Rent			\$642
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Ohio Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	33.3	66.7	0.0	0.0
Population by Geography	28,931	0.0	22.4	77.6	0.0	0.0
Housing Units by Geography	12,724	0.0	22.2	77.8	0.0	0.0
Owner-Occupied Units by Geography	9,042	0.0	17.3	82.7	0.0	0.0
Occupied Rental Units by Geography	2,598	0.0	37.7	62.3	0.0	0.0
Vacant Units by Geography	1,084	0.0	26.0	74.0	0.0	0.0
Businesses by Geography	2,388	0.0	20.6	79.4	0.0	0.0
Farms by Geography	326	0.0	6.7	93.3	0.0	0.0
Family Distribution by Income Level	8,315	13.8	22.1	24.6	39.6	0.0
Household Distribution by Income Level	11,640	19.0	15.5	22.5	43.0	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$111,493
			Median Gross Rent			\$694
			Families Below Poverty Level			6.2%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Ohio

We conducted a full-scope review of the Ohio Non-MSA, as it is the only AA in the state of Ohio. For the Lending Test we placed more weight on the bank's home mortgage performance. The bank's home mortgage originations represented 92.6 percent of total home mortgage and small business originations with the bank's AAs in Ohio, for the entire evaluation period.

There were no LMI census tracts in the 2020 through 2021 evaluation period and no low-income census tracts in 2022 evaluation period. Therefore, for the Lending Tests geographical distribution of home mortgage loans, our conclusion was based on the bank’s performance in moderate-income census tracts in 2022.

For the entire evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, all conclusions in the Lending Test are based solely on home mortgage performance.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OHIO

### LENDING TEST

The bank’s performance under the Lending Test in Ohio is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is good.

### Lending Activity

Lending levels reflects excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Ohio Non-MSA	63	5	0	0	68	100.0	100.0

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000’s) 1/1/2020 – 12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Ohio Non-MSA	5,027	350	0	0	5,377	100.0	100.0

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$56.9 million in deposits with a deposit market share of 8.8 percent. The bank’s deposit market share ranked sixth out of eight deposit taking institutions. Flagstar’s deposit market share ranked the top 75.0 percent of all deposit taking institutions within the Ohio Non-MSA.

According to 2021 peer mortgage data, Flagstar had 3.0 percent market share of home mortgage loan originations. The bank’s market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked 12<sup>th</sup> out of 96 HMDA lenders, ranking it in the top 12.5 percent of all HMDA lenders in the AA. The bank’s market share ranking of home mortgage loan originations relative to the number of competitor lenders was stronger than its deposit market share ranking relative to the number of depository institutions.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AA.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is good.

There were no LMI geographies in 2020 through 2021, and no low-income census tracts in 2022. The analysis was based on the bank's home mortgage loans in moderate-income geographies in 2022. The proportion of the bank's home mortgage loans in moderate-income geographies approximated the percentage of owner-occupied housing and was below the aggregate industry distribution of home mortgage loans to those geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

#### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is excellent.

The borrower distribution of home mortgage loans 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers approximated the percentage of low-income families and exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the

percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was weaker than the bank's performance in 2020 through 2021. Weaker performance was due to a lower percentage of loans to moderate-income borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and well below the aggregate industry distribution of loans to those borrowers. Weaker performance had a neutral impact on the conclusion.

### ***Small Loans to Businesses***

Refer to Table R in the state of Ohio section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

### **Community Development Lending**

The institution made few if any CD loans in Ohio. CD lending had a negative impact on the Lending Test rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

#### **Ohio Non-MSA**

The bank did not originate any CD loans within the Ohio Non-MSA. CD lending had a negative impact on the Lending Test rating in the Ohio Non-MSA.

#### **Broader Statewide or Regional Area**

The bank made three statewide CD loans totaling \$43.0 million. The bank's statewide CD lending supported affordable housing projects throughout Ohio. The proceeds from these loans did not benefit the bank's AA and had a neutral impact on the bank's Lending Test rating in Ohio.

### **Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the Covid-19 pandemic and subsequent business shut-downs. Flagstar originated four PPP loans totaling \$330,600 within the bank's AA in Ohio. No PPP loan originations were in LMI CTs. The bank's PPP loan originations had a neutral impact on overall rating.

## **INVESTMENT TEST**

The bank's performance under the Investment Test in Ohio is rated Needs to Improve.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor.

The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits poor responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Ohio Non-MSA	0	0	6	40	6	100.0	40	100.0	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor. Throughout the evaluation period, the bank made six CD grants totaling \$40,000. Current period CD investments and grants were equivalent to 0.2 percent of allocated tier 1 capital. Current period CD grants supported four organization that benefitted community service and economic development needs in the AA.

The following are examples of CD grants made in this AA:

- In November 2022, the bank donated \$10,000 to an economic development organization. The organization worked to promote and retain existing business and to design and implement solutions to drive investment and facilitate job creation throughout Van Wert County.
- In November 2021, the bank donated \$10,000 to a community service organization. The organization provided financial education workshops. The organization primarily serves LMI people.

Statewide

The bank made two qualified investments including one LIHTC that benefits affordable housing in the state. These investments serve the broader statewide area, but do not have a purpose, mandate, or function to serve the bank’s AA. Statewide CD investments had a neutral impact on the Investment Test rating in Ohio.

**SERVICE TEST**

The bank’s performance under the Service Test in Ohio is rated Needs to Improve.

**Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Ohio Non-MSA is poor. The lack of any CD services reflects very poor performance in the Ohio Non-MSA and has a negative impact on the Service Test rating.

**Retail Banking Services**

Service delivery systems are reasonably accessible geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Ohio Non-MSA	100.0	1	100.0	0	0	100.0	0	0.0	22.4	77.6	0.0

Flagstar’s branch distribution in the Ohio Non-MSA is adequate. The bank’s distribution of branches in moderate-income geographies was significantly below the percentage of the population living within those geographies as the bank does not have any moderate-income branches. The bank has a very limited presence in the AA with only one branch in a middle-income geography representing 77.6 percent of the total population in the AA and no low-income geographies. The bank also operates one deposit-taking ATM attached to the branch and one stand-alone deposit-taking ATM both of which are located in middle-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly to low- and moderate-income individuals.

**Community Development Services**

Flagstar provides few if any CD services.

The bank’s performance of providing CD services in the Ohio Non-MSA is very poor. The bank did not provide any CD services during the evaluation period. The lack of any CD services reflects very poor performance in the Ohio Non-MSA. This has a negative impact on the Service Test rating.

## State Rating

### State of Wisconsin

#### **CRA rating for the State of Wisconsin: Satisfactory**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: Needs to Improve**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels exhibit excellent responsiveness to community credit needs.
- The bank exhibits good geographical and borrower distribution of home mortgage loans.
- The bank made few, if any, CD loans. CD lending had a negative impact on the Lending Test rating.
- The bank has a poor level of CD investments and grants.
- Service delivery systems are readily accessible to geographies and individuals of different income levels.
- The bank provided a low level of CD services.

### **Description of Institution's Operations in Wisconsin**

The Green Bay MSA is the bank's only AA in Wisconsin, at the end of the evaluation period (refer to appendix A for a list of all AAs). The Flagstar AA includes all of Oconto County, where it has three retail branches. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs. As of June 30, 2022, the bank had \$63.6 million in deposits in Wisconsin, which accounts for 0.4 percent of the bank-wide total. Home mortgage loan originations in the AA in Wisconsin, accounted for 0.6 percent of total home mortgage loan originations by the bank. Bank branches in Wisconsin total 1.9 percent of the bank-wide totals.

According to the 2015 ACS, the Green Bay MSA had a population of 37,476. There were no low-income CTs, and 20.6 percent of the population lived in moderate-income CTs. According to the 2020 U.S. Census, the population increased 3.9 percent to 38,965 people. There were no low-income CTs, and 22.4 percent of the population lived in moderate-income CTs.

Oconto County, while part of the Green Bay MSA, is more rural and consists of farms and small communities. Agriculture and dairy farms are prevalent, as is boat building in one region of the county, while tourism is popular in another. Small business activity seems to be focused on hospitality, restaurants, and brew pubs. Outmigration of young people is a long-term problem for the county, both as worker replacement, and as consumers. According to Moody's, the Green Bay MSA labor market has slowed down and manufacturing has stopped fueling the area's job growth. Transportation and warehousing are faring better due to the Port of Green Bay. Construction jobs, however, remain unfilled due to unfilled remote work locations or low population density in the AA. Inadequate public

transportation limits the potential workforce in fulfilling these employment opportunities. Large private-sector employers include Humana, Inc., Bellin Health, and Oneida Tribe of Indians of Wisconsin.

According to the BLS, the unemployment rate in the Green Bay MSA at the beginning of the evaluation period in January 2020 was 3.1 percent. The unemployment rate peaked at 13.4 percent due to the business shutdowns related to the Covid-19 pandemic. The unemployment rate dropped to 2.0 percent at the end of the evaluation period in December 2022, which was slightly better than the state unemployment rate at 2.2 percent.

According to 2015 ACS demographic data, the number of housing units in the Green Bay MSA was 23,705. OOHU and rental units represented 54.6 percent and 10.7 percent of total housing units, respectively, and total vacant housing represented 34.7 percent of total housing units. According to 2020 U.S. Census demographic data, the number of housing units grew 2.6 percent to 24,344. Owner-occupied housing units and rental units represented 55.2 percent and 11.6 percent of total housing units, respectively, and total vacant units represented 33.1 percent of total housing units.

In 2021, based on the 2015 ACS demographic table below, low-income families earned less than \$33,833 and moderate-income families earned less than \$54,133 in 2020 and 2021. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$846 for low-income borrowers and \$1,353 for moderate-income borrowers. Assuming a 30-year mortgage with a 3.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Green Bay MSA median housing value would be \$666. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

In 2022, according to the 2020 U.S. Census low-income families earned less than \$40,935 and moderate-income families earned less than \$65,496. This calculated to a maximum monthly mortgage, at 30.0 percent DTI, a payment of \$1,023 for low-income borrowers and \$1,637 for moderate-income borrowers. Assuming a 30-year mortgage with a 5.5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the Green Bay MSA median housing value would be \$877. Based on this, we concluded that home mortgages were affordable to LMI people in this AA.

We utilized two community contacts interviews in this AA performed during the evaluation period. The first was an affordable housing entity and the second community contact was an economic development entity of the state of Wisconsin. Both contacts stated that current economic conditions are good and local unemployment rate is low but rising interest rates are beginning to affect local employers. These conditions are aggravating the housing market for both developers and home buyers. The contact also added that per a recent housing study, the city is lacking thousands of housing units, both market rate and affordable. There are not enough high-end units, so those that can afford upper-income units are renting at the lower level, displacing less affluent renters in the area. The contacts identified a need for more housing units across the market and the need for workers and the funding for worker training. In addition, more flexible sources of funding are needed to work with refugee populations.



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Green Bay MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	11	0.0	27.3	54.5	9.1	9.1
Population by Geography	37,476	0.0	20.6	56.2	23.2	0.0
Housing Units by Geography	23,705	0.0	26.0	60.5	13.5	0.0
Owner-Occupied Units by Geography	12,951	0.0	21.3	55.8	23.0	0.0
Occupied Rental Units by Geography	2,535	0.0	24.7	70.5	4.9	0.0
Vacant Units by Geography	8,219	0.0	33.8	65.0	1.3	0.0
Businesses by Geography	1,996	0.0	18.8	59.9	21.3	0.0
Farms by Geography	240	0.0	33.8	42.1	24.2	0.0
Family Distribution by Income Level	10,867	20.9	19.9	23.8	35.4	0.0
Household Distribution by Income Level	15,486	22.1	17.7	19.8	40.4	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		\$67,666	Median Housing Value			\$148,406
			Median Gross Rent			\$608
			Families Below Poverty Level			6.5%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Green Bay MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	12	0.0	33.3	50.0	8.3	8.3
Population by Geography	38,965	0.0	30.8	55.6	13.7	0.0
Housing Units by Geography	24,344	0.0	34.3	58.3	7.3	0.0
Owner-Occupied Units by Geography	13,459	0.0	31.9	56.2	11.9	0.0
Occupied Rental Units by Geography	2,824	0.0	38.3	56.2	5.5	0.0
Vacant Units by Geography	8,061	0.0	37.0	62.6	0.5	0.0
Businesses by Geography	2,508	0.0	28.7	60.2	11.1	0.0
Farms by Geography	263	0.0	38.4	52.1	9.5	0.0
Family Distribution by Income Level	10,967	20.1	20.1	25.4	34.4	0.0
Household Distribution by Income Level	16,283	23.6	16.3	20.7	39.4	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		\$81,870	Median Housing Value			\$154,407
			Median Gross Rent			\$683
			Families Below Poverty Level			5.6%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Wisconsin

We conducted a full-scope review of the Green Bay MSA, which accounted for 100.0 percent deposits and 75.2 percent of bank loans in the state of Wisconsin as of December 31, 2022. The Wisconsin Non-MSA received a limited-scope review. The bank closed its branch in the Wisconsin Non-MSA and exited the AA on December 31, 2020. Performance in the Wisconsin Non-MSA will only be evaluated January 1, 2020, through December 31, 2020. For the Lending Test, we placed significantly more weight on home mortgage lending performance. The bank's home mortgage originations represented 92.2 percent of total home mortgage and small business loan originations in the bank's AAs, within Wisconsin, for the entire evaluation period.

There were no low-income census tracts throughout the evaluation period. Therefore, for the Lending Test geographical distribution of home mortgage loans, our conclusion was based on the bank's performance in moderate-income census tracts.

For the entire evaluation period, the bank did not originate or purchase enough small business loans for consideration as a primary loan product and to have performance evaluated in the Lending Test. Therefore, all conclusions in the Lending Test are based solely on home mortgage performance.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

### LENDING TEST

The bank's performance under the Lending Test in Wisconsin is rated High Satisfactory

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Green Bay MSA is good.

### Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs.

Number of Loans* 1/1/2020 -12/31/2022							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Green Bay MSA	212	18	0	0	230	75.2	100.0
Wisconsin Non-MSA**	72	4	0	0	76	24.8	0.0

\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

\*\*Data from 1/1/2020 – 12/31/2020 only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Green Bay MSA	35,200	548	0	0	35,748	78.4	100.0

Wisconsin Non-MSA**	9,801	40	0	0	9,841	21.6	0.0
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\*The tables present the data for all assessment areas 1/1/2020 – 12/31/2022. The narrative below addresses performance in full-scope areas only.

\*\*Data from 1/1/2020 – 12/31/2020 only. No deposits as of 12/31/2022

According to the June 30, 2021, FDIC Summary of Deposit report, Flagstar had \$57.3 million in deposits with a deposit market share of 16.5 percent. The bank’s deposit market share ranked fourth out of five deposit taking institutions. Flagstar’s deposit market share ranked the top 80.0 percent of all deposit taking institutions within the Green Bay MSA.

According to 2021 peer mortgage data, Flagstar had 3.4 percent market share of home mortgage loan originations. The bank’s market share of home mortgage loan originations was weaker than its deposit market share. Flagstar ranked seventh out of 179 HMDA lenders, ranking it in the top 3.9 percent of all HMDA lenders in the AA. The bank’s market share ranking of home mortgage loan originations relative to the number of competitors was stronger than its deposit market share ranking relative to the number of depository institutions.

In 2021, the bank did not make the minimum number of small loans to businesses to have it considered as a primary product for the evaluation of lending activity.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a good geographic distribution of loans in its AA.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is good.

The geographic distribution of home mortgage loans in 2020 through 2021 was adequate. The proportion of the bank’s home mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing and near to the aggregate industry distribution of home mortgage loans in those geographies. The bank’s geographical distribution of home mortgage loans in 2022 was stronger than the bank’s performance in 2020 through 2021 and it had a positive impact on the conclusion. Stronger performance was due to a higher percentage of loans in moderate-income census tracts. The proportion of the bank’s home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied housing and the aggregate industry distribution of home mortgage loans in those geographies and is considered excellent.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s originations and purchases of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

#### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed home mortgage and small business lending data. We did not identify any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans is good.

The borrower distribution of home mortgage loans in in 2020 through 2021 was excellent. The proportion of the bank's home mortgage loans to low-income borrowers was below the percentage of low-income families and approximated the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers. The borrower distribution of home mortgage loans in 2022 was weaker than the bank's performance in 2020 through 2021 and it had a negative impact on the overall rating. Weaker performance was due to a lower percentage of loans to moderate-income borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was below the percentage of moderate-income families and the aggregate industry distribution of loans to those borrowers.

#### ***Small Loans to Businesses***

Refer to Table R in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank did not originate or purchase a sufficient volume of small loans to businesses throughout the evaluation period to be considered a primary product for evaluation.

### **Community Development Lending**

The institution made few, if any, CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

#### **Green Bay MSA**

The bank made no CD loans in the state of Wisconsin throughout the evaluation period. CD lending had a negative impact on the Lending Test rating in the Green Bay MSA.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution’s level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

**Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices in order to serve AA credit needs.

The SBA PPP provided economic relief to small businesses impacted by the economic conditions associated with the Covid-19 pandemic and related business shut-downs. Flagstar originated 18 PPP loans totaling \$546,600 within Wisconsin. Of these 18 loans, 11 borrowers, totaling \$273,400, were in a low- to moderate-income CT. The bank’s PPP loan originations had a neutral impact on the overall rating.

**Conclusions for Area Receiving Limited-Scope Review**

Based on a limited-scope review, the bank’s performance under the Lending Test in the Wisconsin Non-MSA is consistent with the bank’s overall performance under the Lending Test in the full-scope area.

Refer to Tables O through R in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST**

The bank’s performance under the Investment Test in Wisconsin is rated Needs to Improve.

**Conclusions for Areas Receiving a Full-Scope Review**

Based on a full-scope review, the bank’s performance in the Green Bay MSA is poor.

The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits poor responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments 1/1/2020 – 12/31/2022										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Green Bay MSA	0	0	10	200	10	76.9	200	93.0	0	0
Wisconsin Non-MSA	0	0	3	15	3	23.1	15	7.0	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.  
 \*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Based on a full-scope review, the bank’s performance in the Green Bay MSA is poor. Throughout the evaluation period, the bank made 10 CD grants totaling \$200,000. Current period CD investments and grants were equivalent to 0.9 percent of allocated tier 1 capital. Current period CD grants supported 10 organization/projects. The bank’s CD grants supported organizations providing community services, economic development, and affordable housing.

The following are examples of CD grants made in this AA:

- In November 2021, the bank donated \$30,000 to an organization that supported affordable housing. The organization was in a moderate-income CT and its services primarily benefitted LMI people. The organization is a non-profit that provides homeownership counseling and down payment assistance to qualified candidates.
- In December 2022, the bank donated \$20,000 to an economic development organization. The organization provides support to small business programs by providing technical assistance to businesses with 20 or fewer employees and less than \$1 million in annual revenues.

### Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank’s performance under the Investment Test in the Wisconsin Non-MSA is consistent with the bank’s overall performance under the Investment Test in the full-scope area.

### SERVICE TEST

The bank’s performance under the Service Test in Wisconsin is rated High Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Green Bay MSA is good.

### Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>											
Green Bay MSA	100.0	3	100.0	0.0	66.7	33.3	0.0	0.0	30.8	55.6	13.7
<b>Limited Review:</b>											
Wisconsin Non-MSA	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	83.1	0.0

Flagstar's branch distribution in the Green Bay MSA is excellent. With operating only three branches, the bank's distribution of branches in moderate-income geographies exceeds the percentage of the population living within those geographies. The AA had no low-income geographies. However, two of the three bank branches are in moderate-income geographies. The bank also operates three deposit-taking ATMs of which two are in moderate-income geographies.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly moderate-income geographies and/or individuals. Services offered and branch hours are comparable among locations regardless of the income level of the area.

### **Community Development Services**

The bank provides a low level of CD services.

The bank's performance in providing CD services in Green Bay MSA is poor. During the evaluation period, two bank employees performed two CD activities that totaled four hours of service for two organizations within the AA. The bank employees provided financial education to an organization creating affordable housing to LMI individuals and board services to an organization providing community services to LMI individuals in the AA.

### **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review, the bank's performance under the Service Test in the Wisconsin Non-MSA is weaker than the bank's overall performance under the Service Test in Green Bay MSA. The weaker performance in the Wisconsin non-MSA is due to no branch presence in the AA, the bank closed its only branch and exited the AA. The limited-scope review had a neutral impact on the Service Test rating.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	1/1/2020 – 12/31/2022	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, CD loans, CD investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Desert Community Bank	Flagstar brand in CA.	Home mortgage, small business, CD loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>California</b>		
Riverside–San Bernadino-Ontario MSA	Full-scope	Riverside and San Bernardino Counties
<b>Indiana</b>		
Elkhart-Goshen MSA	Limited-scope	Elkhart County
Fort Wayne MSA	Full-scope	Allen County
Indiana Non-MSA	Limited-scope	Adams, Dekalb, Fulton, Huntington, Lagrange, Miami, Rush, Steuben, Wabash, Wells, and White Counties
Michigan City–LaPorte MSA	Limited-scope	Laporte County
South Bend-Mishawaka MSA	Full-scope	St. Joseph County
<b>Michigan</b>		
Battle Creek MSA	Limited-scope	Calhoun County
Detroit-Warren-Ann Arbor CSA	Full-scope	Genesee, Livingston, Macomb, Monroe, Oakland, Washtenaw, and Wayne Counties.
Grand Rapids-Kentwood MSA	Limited-scope	Kent and Ottawa Counties
Jackson MSA	Full-scope	Jackson County
Kalamazoo-Portage MSA	Limited-scope	Kalamazoo County
Lansing-East Lansing MSA	Limited-scope	Eaton and Ingham Counties
Michigan Non-MSA	Limited-scope	Branch, Delta, Dickinson, Gogebic, Hillsdale, Houghton, Iron, Marquette, Menominee, and Schoolcraft* Counties
Niles MSA	Limited-scope	Berrien County
<b>Ohio</b>		
Ohio Non-MSA	Full-scope	Van Wert County
<b>Wisconsin</b>		
Green Bay MSA	Full-scope	Oconto County
Wisconsin Non-MSA	Limited-scope	Marinette** County

\*Added 1/1/2021

\*\*Closed all branches 1/1/2021, AA removed



## Appendix B: Summary of MMSA and State Ratings

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RATINGS      Flagstar, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Flagstar, NA	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
MMSA or State:				
California	Outstanding	Outstanding	High Satisfactory	Outstanding
Indiana	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
Michigan	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
Ohio	High Satisfactory	Needs to Improve	Needs to Improve	Satisfactory
Wisconsin	High Satisfactory	Needs to Improve	High Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** 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: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

**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.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** 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 geography

**Moderate-Income:** 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 geography.

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

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** 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 geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

# California

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Riverside MSA	13,677	4,500,900	100.0	314,269	2.6	1.8	1.9	21.0	20.7	17.3	37.2	31.0	36.3	39.1	46.4	44.4	0.1	0.0	0.0		
<b>Total</b>	<b>13,677</b>	<b>4,500,900</b>	<b>100.0</b>	<b>314,269</b>	<b>2.6</b>	<b>1.8</b>	<b>1.9</b>	<b>21.0</b>	<b>20.7</b>	<b>17.3</b>	<b>37.2</b>	<b>31.0</b>	<b>36.3</b>	<b>39.1</b>	<b>46.4</b>	<b>44.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*



**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Riverside MSA	2,642	995,997	100.0	145,545	2.2	2.5	2.2	21.4	21.0	20.2	38.3	37.1	38.4	37.4	38.7	38.5	0.6	0.7	0.8
<b>Total</b>	<b>2,642</b>	<b>995,997</b>	<b>100.0</b>	<b>145,545</b>	<b>2.2</b>	<b>2.5</b>	<b>2.2</b>	<b>21.4</b>	<b>21.0</b>	<b>20.2</b>	<b>38.3</b>	<b>37.1</b>	<b>38.4</b>	<b>37.4</b>	<b>38.7</b>	<b>38.5</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Riverside MSA	13,677	4,500,900	100.0	314,269	23.0	1.4	3.1	16.8	7.2	9.5	18.9	15.4	20.0	41.3	37.4	45.0	0.0	38.7	22.4	
<b>Total</b>	<b>13,677</b>	<b>4,500,900</b>	<b>100.0</b>	<b>314,269</b>	<b>23.0</b>	<b>1.4</b>	<b>3.1</b>	<b>16.8</b>	<b>7.2</b>	<b>9.5</b>	<b>18.9</b>	<b>15.4</b>	<b>20.0</b>	<b>41.3</b>	<b>37.4</b>	<b>45.0</b>	<b>0.0</b>	<b>38.7</b>	<b>22.4</b>	

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2022</b>
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
Riverside MSA	2,642	995,997	100.0	145,545	21.8	2.0	4.3	17.5	7.9	9.8	19.3	14.5	20.3	41.4	31.3	45.9	0.0	44.3	19.7
<b>Total</b>	<b>2,642</b>	<b>995,997</b>	<b>100.0</b>	<b>145,545</b>	<b>21.8</b>	<b>2.0</b>	<b>4.3</b>	<b>17.5</b>	<b>7.9</b>	<b>9.8</b>	<b>19.3</b>	<b>14.5</b>	<b>20.3</b>	<b>41.4</b>	<b>31.3</b>	<b>45.9</b>	<b>0.0</b>	<b>44.3</b>	<b>19.7</b>
<i>Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2020-21
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Riverside MSA	375	33,409	100.0	132,675	4.2	9.6	3.5	24.8	37.3	23.8	34.5	44.3	34.4	36.4	8.8	38.3	0.1	0.0	0.1
<b>Total</b>	<b>375</b>	<b>33,409</b>	<b>100.0</b>	<b>132,675</b>	<b>4.2</b>	<b>9.6</b>	<b>3.5</b>	<b>24.8</b>	<b>37.3</b>	<b>23.8</b>	<b>34.5</b>	<b>44.3</b>	<b>34.4</b>	<b>36.4</b>	<b>8.8</b>	<b>38.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2022
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Riverside MSA	9	2,409	100.0	2.8	0.0	23.3	44.4	37.1	33.3	36.1	22.2	0.7	0.0	
<b>Total</b>	<b>9</b>	<b>2,409</b>	<b>100.0</b>	<b>2.8</b>	<b>0.0</b>	<b>23.3</b>	<b>44.4</b>	<b>37.1</b>	<b>33.3</b>	<b>36.1</b>	<b>22.2</b>	<b>0.7</b>	<b>0.0</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data  
 Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2020-21</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Riverside MSA	375	33,409	100.0	132,675	89.3	1.3	46.3	3.5	1.9	7.3	96.8
<b>Total</b>	<b>375</b>	<b>33,409</b>	<b>100.0</b>	<b>132,675</b>	<b>89.3</b>	<b>1.3</b>	<b>46.3</b>	<b>3.5</b>	<b>1.9</b>	<b>7.3</b>	<b>96.8</b>

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Riverside MSA	9	2,409	100.0	--	90.3	33.3	--	3.0	66.7	6.6	0.0
<b>Total</b>	<b>9</b>	<b>2,409</b>	<b>100.0</b>	<b>--</b>	<b>90.3</b>	<b>33.3</b>	<b>--</b>	<b>3.0</b>	<b>66.7</b>	<b>6.6</b>	<b>0.0</b>

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Indiana**

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Elkhart MSA	66	13,131	3.9	9,517	0.4	1.5	0.3	12.3	6.1	10.4	63.7	54.5	65.1	23.7	37.9	24.2	0.0	0.0	0.0	
Fort Wayne MSA	813	101,265	48.0	22,078	6.7	5.4	2.3	15.1	21.0	13.2	42.0	38.6	39.5	36.1	34.9	44.9	0.1	0.0	0.1	
Indiana Non-MSA	530	63,223	31.3	15,597	0.0	0.0	0.0	7.1	8.1	7.7	80.1	74.2	77.5	12.7	17.7	14.8	0.0	0.0	0.0	
Michigan City MSA	87	11,568	5.1	5,355	2.9	3.4	2.8	20.7	19.5	21.3	30.6	29.9	32.5	45.8	47.1	43.5	0.0	0.0	0.0	
South Bend MSA	198	27,004	11.7	13,294	4.9	9.1	3.8	15.0	16.2	10.5	44.4	44.4	46.8	35.7	30.3	38.9	0.0	0.0	0.0	
<b>Total</b>	<b>1,694</b>	<b>216,190</b>	<b>100.0</b>	<b>65,841</b>	<b>3.2</b>	<b>3.9</b>	<b>1.8</b>	<b>12.9</b>	<b>15.8</b>	<b>11.6</b>	<b>55.5</b>	<b>50.6</b>	<b>53.1</b>	<b>28.4</b>	<b>29.8</b>	<b>33.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Elkhart MSA	27	4,470	3.3	6,645	2.3	0.0	2.4	16.9	7.4	14.9	53.5	59.3	51.7	27.3	33.3	31.0	0.0	0.0	0.0
Fort Wayne MSA	344	43,863	42.6	13,754	3.5	5.5	2.1	19.6	22.7	15.7	40.1	35.8	37.2	36.6	36.0	44.8	0.2	0.0	0.2
Indiana Non-MSA	293	33,777	36.3	11,181	0.0	0.0	0.0	9.4	16.4	9.1	68.1	61.8	66.9	22.5	21.8	23.9	0.0	0.0	0.0
Michigan City MSA	35	3,784	4.3	3,669	0.0	0.0	0.0	18.6	11.4	16.0	56.2	51.4	56.9	25.1	37.1	27.1	0.1	0.0	0.0
South Bend MSA	108	16,588	13.4	8,761	4.1	5.6	2.9	18.5	23.1	18.9	38.9	40.7	38.1	38.1	28.7	39.7	0.4	1.9	0.4
<b>Total</b>	<b>807</b>	<b>102,482</b>	<b>100.0</b>	<b>44,010</b>	<b>2.1</b>	<b>3.1</b>	<b>1.6</b>	<b>16.0</b>	<b>19.5</b>	<b>14.6</b>	<b>51.2</b>	<b>47.3</b>	<b>48.8</b>	<b>30.5</b>	<b>29.9</b>	<b>34.9</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Elkhart MSA	66	13,131	3.9	9,517	19.0	3.0	7.0	18.1	16.7	21.7	23.4	16.7	25.6	39.5	36.4	32.2	0.0	27.3	13.4	
Fort Wayne MSA	813	101,265	48.0	22,078	20.7	21.6	8.9	17.9	24.4	21.5	21.8	18.3	21.0	39.6	22.0	32.6	0.0	13.7	15.9	
Indiana Non-MSA	530	63,223	31.3	15,597	17.3	14.2	7.8	18.5	23.8	19.7	23.9	22.8	22.6	40.3	27.0	34.6	0.0	12.3	15.3	
Michigan City MSA	87	11,568	5.1	5,355	21.7	17.2	8.7	17.3	16.1	21.0	20.1	21.8	20.4	40.9	24.1	32.8	0.0	20.7	17.1	
South Bend MSA	198	27,003	11.7	13,294	22.1	17.7	13.5	16.7	18.7	23.3	20.1	25.8	20.5	41.2	24.2	28.8	0.0	13.6	13.8	
<b>Total</b>	<b>1,694</b>	<b>216,190</b>	<b>100.0</b>	<b>65,841</b>	<b>19.8</b>	<b>17.9</b>	<b>9.3</b>	<b>17.8</b>	<b>22.8</b>	<b>21.4</b>	<b>22.1</b>	<b>20.7</b>	<b>21.9</b>	<b>40.2</b>	<b>24.5</b>	<b>32.3</b>	<b>0.0</b>	<b>14.1</b>	<b>15.1</b>	
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data            Due to rounding, totals may not equal 100.0%</i>																				



**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Elkhart MSA	27	4,470	3.3	6,645	19.2	0.0	11.3	18.5	25.9	24.8	22.7	14.8	26.3	39.7	22.2	24.8	0.0	37.0	12.8
Fort Wayne MSA	344	43,863	42.6	13,754	19.7	23.3	11.6	18.9	29.9	23.1	22.0	17.7	22.3	39.4	18.0	29.9	0.0	11.0	13.1
Indiana Non-MSA	293	33,777	36.3	11,181	17.0	17.7	11.7	19.3	24.6	23.5	23.4	22.5	23.0	40.3	15.7	30.0	0.0	19.5	11.9
Michigan City MSA	35	3,784	4.3	3,669	21.4	8.6	11.4	16.0	37.1	22.4	23.5	22.9	21.5	39.1	17.1	28.9	0.0	14.3	15.9
South Bend MSA	108	16,588	13.4	8,761	20.4	13.9	15.3	17.2	25.9	20.9	22.0	27.8	21.4	40.4	15.7	29.8	0.0	16.7	12.7
<b>Total</b>	<b>807</b>	<b>102,482</b>	<b>100.0</b>	<b>44,010</b>	<b>19.1</b>	<b>18.6</b>	<b>12.3</b>	<b>18.4</b>	<b>27.6</b>	<b>23.0</b>	<b>22.6</b>	<b>20.9</b>	<b>22.8</b>	<b>39.9</b>	<b>17.0</b>	<b>29.0</b>	<b>0.0</b>	<b>15.9</b>	<b>12.9</b>

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Elkhart MSA	8	194	2.1	3,338	1.2	0.0	1.1	16.7	0.0	13.5	62.8	50.0	66.0	19.4	50.0	19.4	0.0	0.0	0.0
Fort Wayne MSA	209	8,489	53.7	7,216	8.5	8.6	7.7	19.4	20.6	17.9	34.1	39.2	35.9	33.7	28.7	33.9	4.4	2.9	4.5
Indiana Non-MSA	113	3,422	29.0	5,430	0.0	0.0	0.0	8.2	12.4	6.8	79.7	77.9	79.7	12.1	9.7	13.4	0.0	0.0	0.0
Michigan City MSA	15	1,708	3.9	2,076	6.7	6.7	10.0	33.3	20.0	23.4	26.1	46.7	27.0	33.9	26.7	39.6	0.0	0.0	0.0
South Bend MSA	44	1,939	11.3	4,935	12.1	11.4	10.1	17.8	27.3	15.9	41.9	31.8	42.5	28.3	29.5	31.5	0.0	0.0	0.0
<b>Total</b>	<b>389</b>	<b>15,752</b>	<b>100.0</b>	<b>22,995</b>	<b>6.0</b>	<b>6.2</b>	<b>5.7</b>	<b>17.1</b>	<b>18.5</b>	<b>14.7</b>	<b>50.1</b>	<b>50.1</b>	<b>51.2</b>	<b>25.3</b>	<b>23.7</b>	<b>27.0</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Elkhart MSA	0	0	0.0	2.8	0.0	20.1	0.0	54.1	0.0	23.0	0.0	0.0	0.0	
Fort Wayne MSA	1	20	16.7	4.8	0.0	19.7	0.0	38.6	100.0	32.4	0.0	4.5	0.0	
Indiana Non-MSA	5	398	83.3	0.0	0.0	11.7	0.0	66.7	60.0	21.5	40.0	0.0	0.0	
Michigan City MSA	0	0	0.0	0.0	0.0	28.1	0.0	49.2	0.0	22.5	0.0	0.2	0.0	
South Bend MSA	0	0	0.0	6.4	0.0	25.5	0.0	35.3	0.0	32.1	0.0	0.7	0.0	
<b>Total</b>	<b>6</b>	<b>418</b>	<b>100.0</b>	<b>3.4</b>	<b>0.0</b>	<b>19.8</b>	<b>0.0</b>	<b>47.4</b>	<b>66.7</b>	<b>27.7</b>	<b>33.3</b>	<b>1.7</b>	<b>0.0</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data  
 Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2020-21</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Elkhart MSA	8	194	2.1	3,338	83.6	0.0	40.8	6.2	0.0	10.3	100.0	
Fort Wayne MSA	209	8,489	53.7	7,216	85.9	3.8	46.2	4.6	0.5	9.5	95.7	
Indiana Non-MSA	113	3,422	29.0	5,430	84.3	3.5	46.8	4.4	0.0	11.3	96.5	
Michigan City MSA	15	1,708	3.9	2,076	84.8	0.0	50.4	4.1	0.0	11.1	100.0	
South Bend MSA	44	1,939	11.3	4,935	85.2	9.1	46.0	4.3	0.0	10.5	90.9	
<b>Total</b>	<b>389</b>	<b>15,752</b>	<b>100.0</b>	<b>22,995</b>	<b>84.9</b>	<b>4.1</b>	<b>45.9</b>	<b>4.7</b>	<b>0.3</b>	<b>10.4</b>	<b>95.6</b>	
<p><i>Source: 2021 D&amp;B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data</i>  <i>Due to rounding, totals may not equal 100.0%</i></p>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2022</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Elkhart MSA	--	--	--	--	85.4	--	--	5.4	--	9.2	--	
Fort Wayne MSA	1	20	16.7	--	88.4	100.0	--	3.6	0.0	8.0	0.0	
Indiana Non-MSA	5	398	83.3	--	86.2	100.0	--	3.8	0.0	10.0	0.0	
Michigan City MSA	--	--	--	--	86.7	--	--	3.5	--	9.8	--	
South Bend MSA	--	--	--	--	87.3	--	--	3.5	--	9.2	--	
<b>Total</b>	<b>6</b>	<b>418</b>	<b>100.0</b>	<b>--</b>	<b>87.1</b>	<b>100.0</b>	<b>--</b>	<b>3.9</b>	<b>0.0</b>	<b>9.0</b>	<b>0.0</b>	

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%*

## Michigan

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Battle Creek MSA	212	26,840	1.0	5,597	5.2	0.5	2.6	21.1	20.3	19.1	42.7	39.2	42.1	31.0	40.1	36.3	0.0	0.0	0.0
Detroit CSA	15,095	3,148,004	74.6	263,247	6.2	2.9	2.5	17.6	14.1	12.3	38.1	37.6	39.2	37.9	45.3	46.0	0.1	0.1	0.1
Grand Rapids MSA	1,268	226,153	6.3	58,537	2.0	1.9	2.1	12.3	13.0	12.9	53.4	53.6	51.2	32.4	31.5	33.9	0.0	0.0	0.0
Jackson MSA	757	106,715	3.7	7,462	5.7	2.0	3.2	15.6	16.6	14.9	53.7	50.6	53.1	25.0	30.8	28.7	0.0	0.0	0.0
Kalamazoo MSA	319	55,905	1.6	13,719	4.9	5.0	3.1	11.1	12.2	11.1	50.7	51.1	48.6	33.3	31.7	37.1	0.1	0.0	0.1
Lansing MSA	1,587	246,648	7.8	17,152	2.9	4.7	2.6	19.3	23.8	17.3	45.8	39.8	44.3	31.9	31.6	35.6	0.2	0.1	0.2
Michigan Non-MSA	798	102,103	3.9	10,668	0.0	0.0	0.0	11.5	13.0	10.1	71.9	67.7	70.8	16.6	19.3	19.2	0.0	0.0	0.0
Niles MSA	210	32,758	1.0	8,296	5.7	3.3	1.7	13.7	18.6	12.6	49.5	57.6	52.3	31.1	20.5	33.5	0.0	0.0	0.0
<b>Total</b>	<b>20,246</b>	<b>3,945,125</b>	<b>100.0</b>	<b>384,678</b>	<b>5.1</b>	<b>2.9</b>	<b>2.4</b>	<b>16.4</b>	<b>15.0</b>	<b>12.6</b>	<b>43.4</b>	<b>40.9</b>	<b>43.1</b>	<b>35.0</b>	<b>41.3</b>	<b>41.9</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Battle Creek MSA	66	8,780	1.1	3,910	3.9	7.6	4.1	21.5	21.2	22.2	41.7	37.9	41.7	33.0	33.3	32.0	0.0	0.0	0.0
Detroit CSA	4,254	818,393	69.3	144,338	4.6	4.7	3.0	19.2	19.3	16.5	35.8	35.6	37.8	39.9	39.8	42.1	0.6	0.6	0.5
Grand Rapids MSA	447	118,309	7.3	33,640	1.9	2.9	2.4	13.1	15.4	14.2	49.5	47.4	48.9	34.4	33.6	33.6	1.1	0.7	0.9
Jackson MSA	278	38,152	4.5	4,650	1.8	2.2	1.5	23.5	26.6	24.8	43.0	38.1	43.4	31.7	33.1	30.1	0.1	0.0	0.3
Kalamazoo MSA	111	20,597	1.8	8,598	2.8	2.7	3.8	18.4	24.3	20.7	42.6	42.3	38.9	36.0	29.7	36.5	0.1	0.9	0.2
Lansing MSA	514	85,138	8.4	10,608	3.2	3.1	3.6	16.5	26.1	18.3	47.8	45.9	48.6	32.4	24.9	29.3	0.1	0.0	0.2
Michigan Non-MSA	363	43,403	5.9	7,319	0.3	0.0	0.4	13.4	17.6	13.1	75.3	74.4	74.5	11.0	8.0	11.9	0.0	0.0	0.0

Niles MSA	102	16,033	1.7	5,342	5.6	2.0	2.5	13.6	28.4	15.3	44.0	42.2	44.0	36.3	27.5	37.9	0.6	0.0	0.3
<b>Total</b>	<b>6,135</b>	<b>1,148,803</b>	<b>100.0</b>	<b>218,405</b>	<b>3.8</b>	<b>4.0</b>	<b>2.9</b>	<b>17.9</b>	<b>20.1</b>	<b>16.6</b>	<b>41.0</b>	<b>40.0</b>	<b>41.7</b>	<b>36.7</b>	<b>35.5</b>	<b>38.4</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*



**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2020-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Battle Creek MSA	212	26,840	1.0	5,597	21.7	8.5	6.6	17.8	23.6	20.7	19.6	27.8	23.8	40.9	32.1	36.6	0.0	8.0	12.4
Detroit CSA	15,095	3,148,003	74.6	263,247	22.7	10.5	9.2	16.4	21.1	19.6	18.9	22.7	23.2	42.0	34.5	35.3	0.0	11.3	12.8
Grand Rapids MSA	1,268	226,153	6.3	58,537	19.1	7.6	8.3	17.6	25.1	21.4	22.2	26.7	23.4	41.2	25.7	35.4	0.0	15.0	11.6
Jackson MSA	757	106,715	3.7	7,462	22.3	7.7	6.7	17.5	21.3	19.2	20.2	26.2	23.4	40.0	36.6	35.8	0.0	8.3	14.9
Kalamazoo MSA	319	55,905	1.6	13,719	20.5	14.4	10.2	16.6	27.6	21.4	20.0	22.9	23.4	42.9	24.1	34.3	0.0	11.0	10.8
Lansing MSA	1,587	246,648	7.8	17,152	22.8	13.3	9.8	17.9	30.1	22.9	20.1	24.9	23.8	39.1	26.4	31.3	0.0	5.3	12.1
Michigan Non-MSA	798	102,103	3.9	10,668	19.3	10.0	6.8	18.1	20.1	19.0	22.8	25.9	23.6	39.8	34.3	38.5	0.0	9.6	12.2
Niles MSA	210	32,759	1.0	8,296	22.6	9.5	7.9	17.0	27.1	17.6	19.4	24.8	18.6	40.9	33.8	45.6	0.0	4.8	10.2
<b>Total</b>	<b>20,246</b>	<b>3,945,125</b>	<b>100.0</b>	<b>384,678</b>	<b>21.9</b>	<b>10.5</b>	<b>8.9</b>	<b>16.8</b>	<b>22.2</b>	<b>20.0</b>	<b>19.7</b>	<b>23.4</b>	<b>23.2</b>	<b>41.6</b>	<b>33.2</b>	<b>35.4</b>	<b>0.0</b>	<b>10.8</b>	<b>12.4</b>

Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2022</b>
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
Battle Creek MSA	66	8,780	1.1	3,910	21.9	9.1	10.1	17.2	24.2	26.7	19.8	22.7	24.9	41.2	25.8	26.7	0.0	18.2	11.7
Detroit CSA	4,254	818,393	69.3	144,338	21.4	13.0	11.3	17.0	24.6	22.5	20.1	21.6	23.2	41.6	28.6	31.5	0.0	12.1	11.5
Grand Rapids MSA	447	118,309	7.3	33,640	18.0	8.1	10.4	17.9	28.0	23.4	23.2	20.1	23.0	40.9	18.1	32.8	0.0	25.7	10.5
Jackson MSA	278	38,152	4.5	4,650	18.7	22.3	16.5	19.0	27.7	26.6	20.9	19.8	22.8	41.3	19.1	23.3	0.0	11.2	10.9
Kalamazoo MSA	111	20,597	1.8	8,598	21.5	8.1	12.1	18.3	26.1	21.9	19.7	31.5	21.9	40.5	18.9	31.4	0.0	15.3	12.7
Lansing MSA	514	85,138	8.4	10,608	21.1	13.4	12.9	17.1	35.0	25.6	21.7	22.8	23.4	40.0	23.2	26.7	0.0	5.6	11.4
Michigan Non-MSA	363	43,403	5.9	7,319	18.4	12.1	8.9	19.4	28.9	23.3	23.6	23.4	22.5	38.6	28.9	35.2	0.0	6.6	10.0
Niles MSA	102	16,033	1.7	5,342	22.8	13.7	9.2	17.7	34.3	17.8	17.8	26.5	21.5	41.7	17.6	41.4	0.0	7.8	10.1
<b>Total</b>	<b>6,135</b>	<b>1,148,803</b>	<b>100.0</b>	<b>218,405</b>	<b>20.7</b>	<b>13.0</b>	<b>11.2</b>	<b>17.3</b>	<b>26.3</b>	<b>22.8</b>	<b>20.7</b>	<b>21.9</b>	<b>23.1</b>	<b>41.2</b>	<b>26.6</b>	<b>31.6</b>	<b>0.0</b>	<b>12.2</b>	<b>11.3</b>

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Battle Creek MSA	9	763	0.4	1,337	8.3	0.0	9.1	26.1	11.1	26.2	33.4	0.0	32.8	32.3	88.9	31.9	0.0	0.0	0.0
Detroit CSA	1,588	169,958	74.8	126,388	7.8	7.6	7.5	18.9	16.7	19.0	32.6	31.4	32.7	39.8	43.3	39.9	1.0	1.1	0.8
Grand Rapids MSA	125	12,330	5.9	20,067	3.4	2.4	3.6	14.3	12.8	13.5	47.6	57.6	48.4	34.8	27.2	34.6	0.0	0.0	0.0
Jackson MSA	151	10,490	7.1	1,924	8.9	6.6	9.6	27.3	34.4	27.6	42.4	33.1	40.5	21.3	25.8	22.3	0.1	0.0	0.0
Kalamazoo MSA	16	1,324	0.8	4,057	8.3	0.0	8.0	19.8	6.3	18.0	45.1	75.0	45.8	26.2	18.8	28.0	0.6	0.0	0.2
Lansing MSA	90	7,653	4.2	5,490	8.2	2.2	8.2	21.2	18.9	19.7	34.3	34.4	33.5	33.2	44.4	36.8	3.2	0.0	1.8
Michigan Non-MSA	133	4,516	6.3	4,345	0.0	0.0	0.0	16.7	18.0	13.5	64.4	51.9	64.7	18.6	30.1	21.8	0.3	0.0	0.0
Niles MSA	11	249	0.5	2,573	10.1	18.2	9.8	11.3	0.0	12.1	43.8	9.1	45.6	34.7	72.7	32.5	0.0	0.0	0.0
<b>Total</b>	<b>2,123</b>	<b>207,308</b>	<b>100</b>	<b>166,181</b>	<b>7.1</b>	<b>6.5</b>	<b>7.0</b>	<b>18.5</b>	<b>17.7</b>	<b>18.3</b>	<b>36.4</b>	<b>34.5</b>	<b>36.1</b>	<b>37.1</b>	<b>40.5</b>	<b>38.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Battle Creek MSA	1	204	0.9	5.6	0.0	30.8	0.0	37.3	0.0	26.3	100.0	0.0	0.0	
Detroit CSA	88	35,103	79.3	6.4	8.0	19.2	19.3	31.4	35.2	40.3	28.4	2.7	9.1	
Grand Rapids MSA	9	2,005	8.1	2.3	0.0	16.8	0.0	45.7	33.3	34.4	55.6	0.8	11.1	
Jackson MSA	3	851	2.7	2.8	0.0	30.3	33.3	36.7	66.7	24.1	0.0	6.0	0.0	
Kalamazoo MSA	0	0	0.0	6.6	0.0	18.1	0.0	40.0	0.0	34.9	0.0	0.5	0.0	
Lansing MSA	2	289	1.8	5.8	0.0	21.7	0.0	41.5	100.0	27.2	0.0	3.9	0.0	
Michigan Non-MSA	8	1,374	7.2	0.5	0.0	18.9	37.5	67.3	62.5	13.3	0.0	0.0	0.0	
Niles MSA	0	0	0.0	9.9	0.0	13.0	0.0	39.3	0.0	37.3	0.0	0.5	0.0	
<b>Total</b>	<b>111</b>	<b>39,826</b>	<b>100.0</b>	<b>5.7</b>	<b>6.3</b>	<b>19.2</b>	<b>18.9</b>	<b>35.5</b>	<b>38.7</b>	<b>37.3</b>	<b>27.9</b>	<b>2.3</b>	<b>8.1</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data  
 Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2020-21</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Battle Creek MSA	9	763	0.4	1,337	79.7	11.1	46.0	6.3	0.0	14.0	88.9	
Detroit CSA	1,588	169,958	74.8	126,388	87.0	3.3	46.0	4.9	6.0	8.1	90.7	
Grand Rapids MSA	125	12,330	5.9	20,067	83.8	3.2	44.2	6.4	8.0	9.8	88.8	
Jackson MSA	151	10,490	7.1	1,924	82.4	3.3	44.6	6.3	2.0	11.4	94.7	
Kalamazoo MSA	16	1,324	0.8	4,057	82.6	31.3	47.8	6.0	0.0	11.4	68.8	
Lansing MSA	90	7,653	4.2	5,490	82.5	11.1	47.5	5.1	1.1	12.4	87.8	
Michigan Non-MSA	133	4,516	6.3	4,345	79.8	4.5	49.7	5.9	1.5	14.3	94.0	
Niles MSA	11	274	0.5	2,573	83.4	9.1	49.7	5.3	0.0	11.4	90.9	
<b>Total</b>	<b>2,123</b>	<b>207,308</b>	<b>100.0</b>	<b>166,181</b>	<b>85.8</b>	<b>4.0</b>	<b>46.0</b>	<b>5.2</b>	<b>5.3</b>	<b>9.1</b>	<b>90.8</b>	
<i>Source: 2021 D&amp;B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2022</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Battle Creek MSA	1	204	0.9	--	79.9	100.0	--	5.9	0.0	14.2	0.0	
Detroit CSA	88	35,103	79.3	--	87.2	48.9	--	4.6	51.1	8.2	0.0	
Grand Rapids MSA	9	2,005	8.1	--	83.8	22.2	--	6.1	77.8	10.1	0.0	
Jackson MSA	3	851	2.7	--	82.0	33.3	--	6.4	66.7	11.6	0.0	
Kalamazoo MSA	--	--	--	--	82.7	--	--	5.8	--	11.5	--	
Lansing MSA	2	289	1.8	--	82.7	50.0	--	4.8	50.0	12.5	0.0	
Michigan Non-MSA	8	1,374	7.2	--	79.9	75.0	--	5.6	25.0	14.5	0.0	
Niles MSA	--	--	--	--	83.8	--	--	4.9	--	11.3	--	
<b>Total</b>	<b>111</b>	<b>39,826</b>	<b>100.0</b>	<b>--</b>	<b>85.9</b>	<b>48.6</b>	<b>--</b>	<b>4.9</b>	<b>51.4</b>	<b>9.1</b>	<b>0.0</b>	

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%*

# Ohio

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Ohio Non-MSA	39	3,341	100.0	799	0.0	0.0	0.0	0.0	0.0	0.0	82.2	79.5	83.1	17.8	20.5	16.9	0.0	0.0	0.0		
<b>Total</b>	<b>39</b>	<b>3,341</b>	<b>100.0</b>	<b>799</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>82.2</b>	<b>79.5</b>	<b>83.1</b>	<b>17.8</b>	<b>20.5</b>	<b>16.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Ohio Non-MSA	24	1,686	100.0	557	0.0	0.0	0.0	17.3	16.7	24.4	82.7	83.3	75.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>24</b>	<b>1,686</b>	<b>100.0</b>	<b>557</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17.3</b>	<b>16.7</b>	<b>24.4</b>	<b>82.7</b>	<b>83.3</b>	<b>75.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%



<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>		
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>				
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Ohio Non-MSA	39	3,341	100.0	799	16.5	15.4	9.5	18.1	33.3	26.0	23.9	23.1	22.8	41.5	17.9	27.2	0.0	10.3	14.5		
<b>Total</b>	<b>39</b>	<b>3,341</b>	<b>100.0</b>	<b>799</b>	<b>16.5</b>	<b>15.4</b>	<b>9.5</b>	<b>18.1</b>	<b>33.3</b>	<b>26.0</b>	<b>23.9</b>	<b>23.1</b>	<b>22.8</b>	<b>41.5</b>	<b>17.9</b>	<b>27.2</b>	<b>0.0</b>	<b>10.3</b>	<b>14.5</b>		
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>																					

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2022**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Ohio Non-MSA	24	1,686	100.0	557	13.8	29.2	15.3	22.1	16.7	26.4	24.6	20.8	22.1	39.6	25.0	26.0	0.0	8.3	10.2
<b>Total</b>	<b>24</b>	<b>1,686</b>	<b>100.0</b>	<b>557</b>	<b>13.8</b>	<b>29.2</b>	<b>15.3</b>	<b>22.1</b>	<b>16.7</b>	<b>26.4</b>	<b>24.6</b>	<b>20.8</b>	<b>22.1</b>	<b>39.6</b>	<b>25.0</b>	<b>26.0</b>	<b>0.0</b>	<b>8.3</b>	<b>10.2</b>

*Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2020-21</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Ohio Non-MSA	5	350	100.0	377	0.0	0.0	0.0	0.0	0.0	0.0	84.7	40.0	86.2	15.3	60.0	13.8	0.0	0.0	0.0	
<b>Total</b>	<b>5</b>	<b>350</b>	<b>100.0</b>	<b>377</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>84.7</b>	<b>40.0</b>	<b>86.2</b>	<b>15.3</b>	<b>60.0</b>	<b>13.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>														<b>2022</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Ohio Non-MSA	0	0	0.0	0.0	0.0	20.6	0.0	79.4	0.0	0.0	0.0	0.0	0.0		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20.6</b>	<b>0.0</b>	<b>79.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data  
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Ohio Non-MSA	5	350	100.0	377	78.5	20.0	51.7	6.1	0.0	15.4	80.0	
<b>Total</b>	<b>5</b>	<b>350</b>	<b>100.0</b>	<b>377</b>	<b>78.5</b>	<b>20.0</b>	<b>51.7</b>	<b>6.1</b>	<b>0.0</b>	<b>15.4</b>	<b>80.0</b>	

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Ohio Non-MSA	--	--	--	--	85.9	--	--	3.9	--	10.2	--	
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>85.9</b>	<b>--</b>	<b>--</b>	<b>3.9</b>	<b>--</b>	<b>10.2</b>	<b>--</b>	

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
 Due to rounding, totals may not equal 100.0%

## Wisconsin

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
Green Bay MSA	180	31,206	48.4	2,553	0.0	0.0	0.0	21.3	15.0	17.0	55.8	47.2	53.8	23.0	37.8	29.2	0.0	0.0	0.0		
Wisconsin Non-MSA*	72	9,801	43.4	1,937	0.0	0.0	0.0	17.4	12.5	20.4	82.6	87.5	79.6	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Total</b>	<b>252</b>	<b>41,007</b>	<b>100.0</b>	<b>4,490</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>19.3</b>	<b>12.6</b>	<b>18.4</b>	<b>69.6</b>	<b>69.1</b>	<b>64.5</b>	<b>11.1</b>	<b>18.3</b>	<b>17.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%  
 \*1/1/2020 - 12/31/2020 only

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2022**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Green Bay MSA	32	3,994	30.5	1,637	0.0	0.0	0.0	31.9	43.8	28.0	56.2	46.9	56.9	11.9	9.4	15.1	0.0	0.0	0.0
<b>Total</b>	<b>32</b>	<b>3,994</b>	<b>30.5</b>	<b>1,637</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>31.9</b>	<b>43.8</b>	<b>28.0</b>	<b>56.2</b>	<b>46.9</b>	<b>56.9</b>	<b>11.9</b>	<b>9.4</b>	<b>15.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data  
 Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Green Bay MSA	180	31,206	48.4	2,553	20.9	9.4	10.5	19.9	26.7	21.4	23.8	32.8	23.5	35.4	23.3	35.1	0.0	7.8	9.4	
Wisconsin Non-MSA*	72	9,801	43.4	1,937	0.0	0.0	0.0	17.4	12.5	20.4	82.6	87.5	79.6	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>252</b>	<b>41,007</b>	<b>100.0</b>	<b>4,490</b>	<b>20.6</b>	<b>11.3</b>	<b>9.4</b>	<b>21.0</b>	<b>30.1</b>	<b>21.4</b>	<b>24.3</b>	<b>24.7</b>	<b>23.0</b>	<b>34.1</b>	<b>28.2</b>	<b>35.2</b>	<b>0.0</b>	<b>5.6</b>	<b>11.1</b>	
<i>Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>*1/1/2020 – 12/31/2020 only</i>																				

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2022</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Green Bay MSA	32	3,994	30.5	1,637	20.1	28.1	14.8	20.1	15.6	22.3	25.4	18.8	24.3	34.4	25.0	30.2	0.0	12.5	8.5	
<b>Total</b>	<b>32</b>	<b>3,994</b>	<b>30.5</b>	<b>1,637</b>	<b>20.1</b>	<b>28.1</b>	<b>14.8</b>	<b>20.1</b>	<b>15.6</b>	<b>22.3</b>	<b>25.4</b>	<b>18.8</b>	<b>24.3</b>	<b>34.4</b>	<b>25.0</b>	<b>30.2</b>	<b>0.0</b>	<b>12.5</b>	<b>8.5</b>	
<i>Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>																				



**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Green Bay MSA	18	548	81.8	572	0.0	0.0	0.0	18.8	66.7	15.9	59.9	33.3	47.7	21.3	0.0	36.4	0.0	0.0	0.0
Wisconsin Non-MSA*	4	40	18.2	496	0.0	0.0	0.0	13.1	0.0	13.5	86.9	100.0	86.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>22</b>	<b>588</b>	<b>100.0</b>	<b>1,068</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15.7</b>	<b>54.5</b>	<b>14.8</b>	<b>74.5</b>	<b>45.5</b>	<b>65.7</b>	<b>9.8</b>	<b>0.0</b>	<b>19.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data  
 Due to rounding, totals may not equal 100.0%  
 \*1/1/2020 - 12/31/2020 only

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Green Bay MSA	0	0	0.0	0.0	0.0	28.7	0.0	60.2	0.0	11.1	0.0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28.7</b>	<b>0.0</b>	<b>60.2</b>	<b>0.0</b>	<b>11.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data  
Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2020-21</b>	
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	
Green Bay MSA	18	548	81.8	572	83.9	5.6	60.8	4.2	0.0	12.0	94.4	
Wisconsin Non-MSA	4	40	18.2	496	77.0	0.0	54.0	6.8	0.0	16.3	100.0	
<b>Total</b>	<b>22</b>	<b>588</b>	<b>100.0</b>	<b>1,068</b>	<b>80.1</b>	<b>4.5</b>	<b>57.7</b>	<b>5.6</b>	<b>0.0</b>	<b>14.3</b>	<b>95.5</b>	
<i>Source: 2021 D&amp;B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data                      Due to rounding, totals may not equal 100.0%</i>												

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>	
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>
Green Bay MSA	--	--	--	--	<b>87.4</b>	--	--	<b>3.1</b>	--	<b>9.5</b>	--
<b>Total</b>	--	--	--	--	<b>87.4</b>	--	--	<b>3.1</b>	--	<b>9.5</b>	--

*Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%*

