



PUBLIC DISCLOSURE

August 1, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Monroe Federal Savings & Loan Association
Charter Number: 703692

24 E. Main St.
Tipp City, OH 45371-1926

Office of the Comptroller of the Currency

Central Ohio – Indiana Field Office
Westlake Center
4555 Lake Forest Drive, Suite 520
Blue Ash, OH 45242-3760

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 Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on the state rating and the following overall conclusions:
 - The loan-to-deposit (LTD) ratio is reasonable.
 - A majority of the bank’s loans are inside the assessment area (AA).
 - Monroe Federal Savings and Loan Association (hereafter “Monroe Federal” or “bank”) exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
 - The bank has not received any complaints about its Community Reinvestment Act (CRA) performance in helping to meet the AA’s credit needs during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s LTD ratio is reasonable.

Monroe Federal’s quarterly average LTD ratio over the 15 quarters since the previous CRA evaluation (June 30, 2018 to December 31, 2021) is 79.8 percent. The ratio ranged from a high of 89.3 percent as of June 30, 2019, to a low of 67.5 percent as of June 30, 2021. The bank’s quarterly average LTD ratio of 79.8 percent is reasonable when compared to financial institutions of similar size in the bank’s AA, which includes four financial institutions headquartered in the bank’s AA with total assets less than \$300 million. The other four financial institutions have an average LTD ratio of 76.5 percent, ranging from 63.3 percent to 85.9 percent. Monroe Federal is ranked third highest out of the similarly situated financial institutions in the AA for average LTD ratio during the evaluation period.

Lending in Assessment Area

A majority of the bank’s loans are inside its AA.

The bank originated and purchased 71.4 percent of its total loans inside the bank’s AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage (2019)	35	87.5	5	12.5	40	5,690	93.1	422	6.9	6,112

Home Mortgage (2020 – 21)	34	85.0	6	15.0	40	7,991	82.2	1,733	17.8	9,724
Small Business (2019 – 21)	31	51.7	29	48.3	60	1,621	46.7	1,848	53.3	3,469
Total	100	71.4	40	28.6	140	15,302	79.3	4,003	20.7	19,305

Source: 01/01/19 – 12/31/21 Bank Data.
Due to rounding, totals may not equal 100.0%.

Description of Institution

Monroe Federal is a mutual federal savings association headquartered in Tipp City, Ohio, in Miami County. Tipp City is approximately 16 miles north of Dayton, Ohio. As a mutual, Monroe Federal does not have stockholders. The depositors are the owners of the savings association, and they elect the Board of Directors. There is no holding company or affiliates. There was no merger or acquisition activity that affected the scope of the bank’s operations during the evaluation period. As of December 31, 2021, Monroe Federal had total assets of \$139.4 million with \$89.8 million in net loans and leases, \$122.4 million in total deposits, and \$12.7 million in tier 1 capital.

In addition to the main office, the bank has two branches in Montgomery County, which are in Vandalia, Ohio and Dayton, Ohio. All offices have a drive-up window. Monroe Federal has a deposit-taking automated teller machine (ATM) at the main office and a non-deposit taking ATM at each branch. All offices are open during normal business hours. According to the 2015 American Community Survey (ACS) U.S. Census, each of the three full-service offices is in a middle-income census tract (CT). The bank has not opened or closed any branches during the evaluation period.

Monroe Federal is a single state financial institution with one rating area, the state of Ohio. Monroe Federal has one AA located in the Dayton-Kettering, OH Metropolitan Statistical Area (MSA) 19430 (Dayton MSA AA). The bank has operations in Tipp City, Dayton, and Vandalia. The AA consists of 13 CTs in the southern portion of Miami County and 27 CTs in the northern half of Montgomery County in the Dayton-Kettering, OH MSA 19430. The AA is contiguous, meets the requirements of the regulation and does not reflect illegal discrimination, nor does it arbitrarily exclude any low- and moderate-income (LMI) areas. The AA is described in the “Scope of the Evaluation” and “Description of Institution’s Operations in Ohio” sections of this performance evaluation.

Competition in the AA is strong. Competition is comprised of local community banks, credit unions, state banks, and branches of larger financial institutions. According to the June 30, 2021, Deposit Market Share Report from the Federal Deposit Insurance Corporation (FDIC), Monroe Federal has a 0.86 percent deposit market share in Montgomery and Miami Counties and ranks 12th out of 26 financial institutions. The top five financial institutions in Montgomery and Miami Counties include Fifth Third Bank, National Association (N.A.), JPMorgan Chase Bank, N.A., PNC Bank, N.A., Keybank N.A., and U.S. Bank, N.A. These five financial institutions held 77.9 percent of the deposit market share in the AA as of June 30, 2021.

Monroe Federal offers a variety of standard lending and deposit products and services through their full-service banking offices to accommodate their customers, including online, mobile, and telephone banking. Deposit products include standard checking, savings, certificates of deposit (CDs), and individual retirement accounts (IRAs). Loan products include one-to-four family residential real estate, home equity lines of credit, commercial and commercial real estate, and consumer (personal and auto) loans. The bank does not sell home mortgage loans on the secondary market.

As of the December 31, 2021, Consolidated Report of Condition and Income (Call Report), Monroe Federal's total loans were \$90.6 million representing 65 percent of total assets. The loan portfolio consisted of approximately 58 percent residential real estate (home mortgage), 41 percent commercial and industrial loans and commercial real estate loans (small business loans), and 1 percent consumer loans. The bank's loan originations and purchases, based on the number of loans originated/purchased, during the evaluation period (2019-2021) are 37.4 percent small business, 51 percent home mortgage, 0.2 percent farm, and 11.4 percent consumer loans. The bank's loan originations and purchases, based on the dollar amount of loans originated/purchased, are 28.3 percent small business, 69.3 percent home mortgage, 0.7 percent farm, and 1.7 percent consumer loans. The bank's primary lending focus is home mortgage and small business lending.

The global Coronavirus Disease (also referred to as COVID-19) pandemic in 2020 impacted the local economy, including unemployment data. The Small Business Administration's (SBA) Paycheck Protection Program (PPP) provided loans to help businesses keep their workforces employed during the COVID-19 crisis. The bank was particularly responsive to the SBA's PPP and originated a significant volume of PPP loans in 2020 and 2021. In 2020, the bank originated 74 PPP loans totaling \$4 million. In 2021, the bank originated 65 PPP loans totaling \$2.6 million.

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs of its AA. Monroe Federal's previous CRA rating was Satisfactory as of the CRA Performance Evaluation (PE) dated June 25, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) conducted a CRA performance evaluation to assess the bank's record of meeting the credit needs of its entire community, including LMI areas. The OCC used small savings association CRA evaluation procedures to assess the bank's performance under the Lending Test. The evaluation period was January 1, 2019, to December 31, 2021.

The OCC evaluated the bank's lending performance based on their primary lending products, home mortgage and small business lending. While the bank offers other lending products, these products were not a primary product during the evaluation period. As a result, the OCC did not consider these as part of the performance evaluation, as an analysis of this data would not be meaningful. Monroe Federal's primary lending products are discussed under the "Description of Institution" section in this report. For the Lending Test, the OCC evaluated home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) for 2019 and transaction tested 20 home mortgage loans per year for years 2020 and 2021, as the bank was exempt from HMDA reporting for those years. For the small business loans, the OCC transaction tested 20 loans per year during the evaluation period for the "Lending in the Assessment Area" analysis. For 2019, there were not 20 loans inside the AA; therefore, additional loans were added from 2020 and 2021 to ensure a 60-loan sample for transaction testing for the geographic and borrower income distribution analyses. The OCC relied on internal bank reports for the transaction testing of home mortgage loans and small loans to businesses originated/purchased during the evaluation period.

For analysis purpose, the OCC compared the bank's lending performance with demographic data from the 2015 ACS U.S. Census data and 2021 Dun and Bradstreet (D&B) data. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA are combined and evaluated as a single AA. Refer to the "Scope" section under each State Rating 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.

Monroe Federal has one AA, as described above under the "Description of Institution" section. The OCC completed a full-scope review for the Dayton MSA AA. A description of the AA is also provided in the "Description of Institution's Operations in Ohio" section of this evaluation.

Ratings

The bank's overall rating is a blend of the state ratings. Since all Monroe Federal's offices are in Ohio, the bank's rating is based on performance solely in Ohio.

The rating is based on performance in the Dayton MSA AA. By product type, home mortgage loans received the most weight. Home mortgage loans represented 51 percent by number and 69.3 percent by dollar volume of total loan originations and purchases during the evaluation period. Refer to the "Scope" section under the state rating for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, 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 AA 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 Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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 Ohio

CRA rating for the State of Ohio: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits an overall reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- The bank has not received any complaints about its CRA performance in helping to meet the AA’s credit needs during the evaluation period.

Description of Institution’s Operations in Ohio

Demographic Information of the Assessment Area						
Assessment Area: Monroe Federal - Dayton MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	40	0.0	15.0	62.5	22.5	0.0
Population by Geography	194,487	0.0	14.5	61.9	23.6	0.0
Housing Units by Geography	84,524	0.0	15.5	62.7	21.9	0.0
Owner-Occupied Units by Geography	54,788	0.0	11.8	62.8	25.5	0.0
Occupied Rental Units by Geography	23,824	0.0	21.8	63.2	15.0	0.0
Vacant Units by Geography	5,912	0.0	24.5	59.3	16.2	0.0
Businesses by Geography	12,398	0.0	14.7	61.3	24.0	0.0
Farms by Geography	502	0.0	9.2	66.7	24.1	0.0
Family Distribution by Income Level	52,888	18.9	18.4	20.2	42.5	0.0
Household Distribution by Income Level	78,612	19.6	16.4	18.2	45.8	0.0
Median Family Income MSA - 19430 Dayton-Kettering, OH MSA		\$61,957	Median Housing Value			\$125,550
			Median Gross Rent			\$762
			Families Below Poverty Level			9.1%

*Source: 2015 ACS and 2021 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.*

Dayton MSA AA

The Dayton MSA AA consists of 13 CTs in the southern portion of Miami County and 27 CTs in the northern half of Montgomery County. Bank management selected the AA based on their targeted lending area and office locations. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. As of December 31, 2021, the bank had three full-services offices in the Dayton MSA AA with one in Tipp City, Ohio, one in Dayton, Ohio, and one in Vandalia, Ohio. All offices have a drive-up window and an ATM. The three branches are in middle-income CTs. There are no substantial differences in business focus or services offered between the different offices. The bank's primary lending focus is home mortgage and small business lending.

Based on the bank's AA in 2021 and 2015 ACS U.S. Census data in the above table, the population of the Dayton MSA AA is 194,487, with 14.5 percent of the population living in moderate-income CTs, 61.9 percent in middle-income CTs, and 23.6 percent in upper-income CTs. As of the 2015 ACS U.S. Census, the AA consists of 40 CTs, and is comprised of six moderate-income, 25 middle-income, and nine upper-income.

The economic conditions in the Dayton MSA AA are improving since the start of the COVID-19 pandemic. According to the U.S. Bureau of Labor Statistics as of December 2021, the "not seasonally adjusted" unemployment rates were 3 percent in Miami County and 3.6 percent in Montgomery County, which were reasonable when compared with the state of Ohio unemployment rate of 3.6 percent for the same time period.

The economy in the Dayton MSA AA is diversified with little dependency on one industry. Top industries include retail, education and health services, professional and business services, manufacturing, and government. Top employers in the Dayton MSA include Wright-Patterson Air Force Base, Premiere Health Partners, Kettering Health Network, The Kroger Co., Miami University, and Dayton Children's Hospital.

According to the 2015 ACS U.S. Census data, the median housing value of owner-occupied housing units is \$125,550. With the median family income of \$61,957, moderate-income families make less than \$49,566 annually and low-income families make less than \$30,979 annually. Median housing values are at least 2.5 times the annual income of moderate-income families and 4.1 times the annual income of low-income families. Thus, the cost of housing creates a significant financial barrier to homeownership among these families. The 2015 ACS U.S. Census data shows that there are 84,524 total housing units in the Dayton MSA AA, of which 64.8 percent are owner-occupied, 28.2 percent are rental occupied, and 7 percent are vacant units. The median age of housing stock is approximately 52 years overall and 56 years in moderate-income CTs. The cost of homeownership in older housing stock is typically higher than in newer housing; thus, the median age of housing in moderate-income geographies is also a significant barrier to mortgage lending in those CTs.

Competition for deposits in the AA is strong. As stated above, Monroe Federal held \$121 million or 0.86 percent of the total deposits inside this market area (Miami and Montgomery Counties in Ohio), according to the FDIC Deposit Market Share Report as of June 30, 2021. The bank only has one AA; therefore, most of their deposits are in this AA. The top five financial institutions in deposit market share held 77.9 percent of total deposits in the AA and are dominated by large financial institutions.

Home mortgage lending is a primary loan product. Based on the 2019 Peer Mortgage Data, Monroe Federal had 0.46 percent of the total market share for home mortgages, lending \$5.7 million (35 loans) and ranking 39th among 263 market participants. The top five financial institutions for home mortgage lending were Wright-Patt Credit Union Inc., Union Savings Bank, Fifth Third Bank, N.A., Caliber Home Loans Inc., and Mycumortgage LLC. Combined these five institutions had 34.4 percent of the total market share. The bank was exempt from filing HMDA data in 2020 and 2021; therefore, the bank was not included in the 2020 and 2021 Peer Mortgage Data reports. However, as of the 2021 Peer Mortgage Data, the top five institutions were Union Savings Bank, Wright-Patt Credit Union, Inc., Fifth Third Bank, N.A., Rocket Mortgage, and Caliber Home Loans, Inc, with a combined market share of 36.3 percent.

Many of the businesses in the AA are small as measured by the number of employees and gross annual revenues. According to the D&B data as of June 2021, 81.1 percent of the businesses located in the AA have gross annual revenues of \$1 million or less and 65.9 percent have fewer than five employees. Approximately 86.3 percent operate from a single location. According to the 2020 Peer Small Business Data, 121 lenders originated or purchased small business loans in the AA. The top five financial institutions were PNC Bank, N.A., American Express National Bank, JPMorgan Chase Bank, N.A., Fifth Third Bank N.A., and U.S. Bank N.A. The top five competitors held almost 50 percent of the market share as of the 2020 peer data. Monroe Federal is not included in the peer small business data report as the bank is not required to report CRA small business loan data.

Two community contacts were conducted with community service organizations that serve the Dayton MSA AA, including Montgomery and Miami Counties. One contact mentioned that access to capital for small businesses was a need in the community. The other contact mentioned that affordable housing is a need in the community, including small dollar mortgage products and down payment assistance. Overall, local financial institutions are adequately meeting the credit and community development (CD) needs of the community.

Scope of Evaluation in Ohio

The OCC performed a full-scope review for the Dayton MSA AA. The data in this AA was analyzed and presented as one AA for the purposes of this evaluation. Home mortgage loans and small loans to businesses are the bank's primary lending products and were evaluated under the Lending Test. As discussed above, the OCC used 2019 HMDA data and transaction tested 20 home mortgage loans per year for years 2020 and 2021 and 20 loans per year for small loans to businesses. However, the volume of loans inside the AA was not sufficient in 2019; therefore, additional loans were added in 2020 and 2021 to ensure a 60-loan sample for the geographic and borrower income distribution analyses.

By product type, home mortgage loans received the most weight due to the number and dollar volume of total loan originations and purchases during the evaluation period.

Lending Test

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Dayton MSA AA is adequate.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the State.

There are no low-income CTs in the Dayton MSA AA. As of the 2015 ACS U.S. Census, the bank's six moderate-income CTs in the AA are in Montgomery County, Ohio.

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 OCC compared the percentage of home mortgage loans originated or purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on the LMI geographies. The OCC also compared the bank's performance against the percentage of home mortgage loans of other mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

In determining the ratings, the OCC weighed demographic factors of the AA that could affect the bank's ability to lend. These factors include competition from larger financial institutions, the number of LMI geographies, branch presence, area demographics, and the location of most owner-occupied housing.

The bank's exhibits a poor geographic distribution of home mortgage loans in the Dayton MSA AA. For 2019, the percentage of home mortgage loans originated or purchased by the bank in moderate-income CTs is poor. The bank did not originate or purchase any home mortgage loans in the moderate-income CTs in 2019. For 2020 - 2021, the bank originated/purchased one home mortgage loan in a moderate-income CT, representing 2.5 percent of the sample and is well below aggregate data of other HMDA reporters and demographic data (percentage of owner-occupied housing units).

The OCC considered that better lending opportunities exist in middle- and upper-income CTs within the AA. According to the 2015 ACS U.S. Census, moderate-income CTs contained only 11.8 percent of owner-occupied housing units in the bank's AA. And while single family homes comprise 75 percent in moderate-income CTs of the total housing units, only 49.3 percent in moderate-income CTs are owner-occupied, with 11.1 percent as vacant units. Additionally, the median age of housing stock in the AA is 52 years, with the median age of housing in moderate-income CTs at 56 years. The cost of homeownership in older housing stock is typically higher than in newer housing; thus, the median age of housing in moderate-income geographies is also a significant barrier to mortgage lending in those CTs.

The bank has three branches, none of which are in moderate-income CTs. This may lead to a competitive disadvantage with many large financial institutions located in the AA and demonstrates the effect competition and limited owner-occupied housing have on the bank's ability to originate home mortgage loans within moderate-income CTs in the AA. Competition is strong in the Dayton area, with smaller institutions, including Monroe Federal, having a difficult time competing with larger financial institutions and credit unions on prices and fees. This results in limited opportunities to lend in moderate-income CTs.

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 OCC compared the percentage of the number of small loans to businesses originated or purchased by the bank in the four geographic income categories (low-, moderate-, middle-, and upper-income) to the distribution of businesses throughout those geographies (demographic data), placing emphasis on the LMI geographies. The OCC also compared the bank's performance against the percentage of small loans to businesses of other lenders (aggregate data), as demonstrated by CRA aggregate data.

In determining the conclusions, the OCC gave consideration for opportunities to lend based on the number of CTs in each income level, the level of competition, and the number of non-farm businesses located in the LMI CTs within the AA.

The bank's geographic distribution of small loans to businesses is reasonable. The percentage of small loans to businesses originated or purchased by the bank in moderate-income CTs is below both demographic and aggregate data of other CRA reporters. However, the bank's performance is overall reasonable. There is strong competition for loans in the AA. The top ten financial institutions in small business lending in the AA are large financial institutions and held 73 percent of the market share as of the 2020 Peer Small Business Data.

Distribution of Loans by Income Level of the Borrower

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

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 OCC compared the percentage of home mortgage loans originated or purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level (demographic data), placing emphasis on lending to LMI families. The OCC also compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data), as demonstrated by HMDA aggregate data.

The bank's distribution of home mortgage loans among borrowers of different income levels is overall reasonable.

In evaluating the borrower distribution of home mortgage loans, the OCC considered the level of competition and its effect on limiting the bank's ability to lend to borrowers of different incomes, as well as the economic conditions in the AA, especially during the COVID-19 pandemic. The OCC also considered the percentage of families that live below the poverty level, and the barriers this creates for these families to qualify for home mortgage financing.

In 2019, Monroe Federal's percentage of home mortgage loans to low-income borrowers was significantly below demographic and aggregate data of other HMDA reports. The bank's percentage of home mortgage loans to moderate-income borrowers was below demographic and aggregate lending data of other HMDA reporters but was overall reasonable.

In 2020 - 2021, Monroe Federal's percentage of home mortgage loans to low-income borrowers exceeded aggregate data of other HMDA reporters but was below demographic data. The bank's percentage of home mortgage loans to moderate-income borrowers was below both demographic and aggregate lending data of other HMDA reporters but was overall reasonable. Out of 40 loans that were transaction tested during the evaluation period, the bank originated or purchased four loans to low-income borrowers and four loans to moderate-income borrowers, as shown in Table P in Appendix D of this performance evaluation.

The OCC considered other factors in the bank's performance during the evaluation period, including the cost of homeownership in the AA as an obstacle for LMI borrowers. As stated above, overall median housing values are 2.5 to 4.1 times the weighted average of median family income of LMI families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to LMI families. Additionally, 9.1 percent of the families in the AA live below poverty.

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 originations and purchases of small loans to businesses.

The OCC compared the percentage distribution of the number of small loans to businesses originated or purchased by the bank by gross annual revenue level to businesses with gross annual revenues of \$1 million or less (demographic data). The OCC also compared the bank's performance to aggregate small business data (aggregate data), as demonstrated by CRA aggregate data.

The bank's distribution of small loans to businesses of different sizes is excellent. As evidenced in Table R in the state of Ohio section of Appendix D, the bank's percentage of small loans to businesses with gross annual revenues of \$1 million or less significantly exceeded aggregate lending data and exceeded demographic data.

Responses to Complaints

Monroe Federal has not received any complaints about its performance in helping to meet the AA's credit needs during the evaluation period.

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”.

Time Period Reviewed:	01/01/2019 – 12/31/2021	
Bank Products Reviewed:	Home mortgage and small business loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Ohio		
Dayton, OH MSA 19430 (Dayton MSA AA)	Full-scope	<p>The AA includes 27 CTs in Montgomery County, Ohio: 1150.02, 1150.11, 1150.12, 1201.01, 1201.02, 1201.03, 1250.00, 1251.01, 1251.02, 801.00, 802.00, 805.00, 807.00, 903.02, 1001.01, 1001.02, 1002.01, 1002.02, 1002.03, 1003.01, 1003.02, 1004.00, 1101.00, 1102.01, 1102.02, 1301.01, and 1301.02.</p> <p>The AA includes 13 CTs in Miami County, Ohio: 3401.00, 3450.00, 3501.00, 3550.01, 3550.02, 3650.00, 3651.01, 3651.02, 3652.00, 3653.01, 3653.02, 3801.00, and 3901.00.</p>

Appendix B: Summary of State Ratings

RATINGS: Monroe Federal Savings and Loan Association	
Overall Bank:	Lending Test Rating
Monroe Federal Savings and Loan Association (Monroe Federal)	Satisfactory
State:	
Ohio	Satisfactory

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/AA.

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 U.S. 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 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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.

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

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 are treated 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/AA. Deposit data are compiled by the FDIC and are available as of June 30th 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/A. 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 AA.
- 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.

- 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. The table also presents aggregate peer data for the years the data is available. 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 AA.
- 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 thousand) 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/AA.

State of Ohio

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019	
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	
Dayton MSA AA	35	5,690	100.0	7,600	0.0	0.0	0.0	11.8	0.0	7.8	62.8	37.1	61.9	25.5	62.9	30.3	0.0	0.0	0.0	
Total	35	5,690	100.0	7,600	0.0	0.0	0.0	11.8	0.0	7.8	62.8	37.1	61.9	25.5	62.9	30.3	0.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2019 - 12/31/2019 Bank Data, 2019 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																			2020-21	
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	
Dayton MSA AA	40	9,475	100.0	11,689	0.0	0.0	0.0	11.8	2.5	8.4	62.8	50.0	61.9	25.5	47.5	29.7	0.0	0.0	0.0	
Total	40	9,475	100.0	11,689	0.0	0.0	0.0	11.8	2.5	8.4	62.8	50.0	61.9	25.5	47.5	29.7	0.0	0.0	0.0	

*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 P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2019

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
Dayton MSA AA	35	5,690	100.0	7,600	18.9	2.9	8.6	18.4	14.3	20.7	20.2	14.3	22.8	42.5	45.7	31.9	0.0	22.9	16.0
Total	35	5,690	100.0	7,600	18.9	2.9	8.6	18.4	14.3	20.7	20.2	14.3	22.8	42.5	45.7	31.9	0.0	22.9	16.0

Source: 2015 ACS; 01/01/2019 - 12/31/2019 Bank Data, 2019 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
Dayton MSA AA	40	9,475	100.0	11,689	18.9	10.0	7.9	18.4	10.0	21.0	20.2	15.0	22.0	42.5	65.0	29.6	0.0	0.0	19.5
Total	40	9,475	100.0	11,689	18.9	10.0	7.9	18.4	10.0	21.0	20.2	15.0	22.0	42.5	65.0	29.6	0.0	0.0	19.5

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 Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2019-21**

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
Dayton MSA AA	60	5,427	100.0	3,494	0.0	0.0	0.0	14.7	10.0	15.3	61.3	65.0	57.3	24.0	25.0	27.4	0.0	0.0	0.0
Total	60	5,427	100.0	3,494	0.0	0.0	0.0	14.7	10.0	15.3	61.3	65.0	57.3	24.0	25.0	27.4	0.0	0.0	0.0

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 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 **2019-21**

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
Dayton MSA AA	60	5,427	100.0	3,494	81.1	88.3	40.5	5.8	11.7	13.1	0.0
Total	60	5,427	100.0	3,494	81.1	88.3	40.5	5.8	11.7	13.1	0.0

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.
 Due to rounding, totals may not equal 100.0%.