



PUBLIC DISCLOSURE

May 3, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Savings and Loan Association of McMinnville
Charter Number: 703773

118 NE 3rd Street
McMinnville, Oregon 97128

Office of the Comptroller of the Currency

Seattle Field Office
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Seattle, Washington 98101

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 **Outstanding**.

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

All ratings are based entirely on the association's performance in the state of Oregon, which includes the Yamhill County assessment area (AA). The major factors that support each rating include:

Lending Test

- The reasonable loan-to-deposit (LTD) ratio.
- The fact that a majority of the association's home mortgage lending is to borrowers inside the Yamhill County AA.
- The reasonable distribution of home mortgage loans in geographies with different income levels.
- The reasonable distribution of home mortgage loans to borrowers with different income levels.
- The lack of complaints related to First Federal Savings and Loan Association's (First Federal, or association) Community Reinvestment Act (CRA) performance during the evaluation period.

Community Development Test

- The excellent level of community development (CD) loans, including those originated through an innovative loan program that was designed by the association to meet business credit needs and retain jobs during the Coronavirus Disease 2019 (COVID-19) pandemic.
- The excellent level of CD services.
- The adequate level of qualified investments, consisting entirely of donations.
- The high level of responsiveness to AA needs.

Loan-to-Deposit Ratio

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

First Federal's quarterly average LTD ratio was 71.7 percent for the 14 quarters ending December 31, 2020. This represents the period from the last CRA examination, which evaluated the association's LTD ratio through June 30, 2017. For the first ten quarters, the ratio was relatively stable with a quarterly average of 74.6 percent. Then, in 2020, the ratio declined to 61.5 percent due to unexpected COVID-19 related deposit growth that was caused by rapidly changing market and economic conditions.

For comparison, we reviewed four similarly-sized institutions that operate within or near First Federal's footprint and are therefore facing similar demographic and economic factors and lending opportunities. The quarterly average LTD ratio for this peer group was comparable at 70.2 percent. The peer group ratios also declined in 2020.

Lending in Assessment Area

A majority of the association's home mortgage loans are inside its AA.

Based on aggregate lending data, 73.4 percent of the home mortgage loans that First Federal originated or purchased during the evaluation period benefited individuals inside its AA. This meets the standard for satisfactory performance.

Table D - 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										
2018	77	68.8	35	31.3	112	20,521	67.0	10,127	33.0	30,647
2019	96	74.4	33	25.6	129	27,143	72.5	10,319	27.5	37,463
2020	208	74.8	70	25.2	278	64,992	72.7	24,380	27.3	89,372
Subtotal	381	73.4	138	26.6	519	112,656	71.5	44,826	28.5	157,482
Total	381	73.4	138	26.6	519	112,656	71.5	44,826	28.5	157,482

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

First Federal Savings and Loan Association of McMinnville is a federal mutual savings association founded in 1922 that operates within the state of Oregon. The association was initially founded as American Savings and Loan Corporation in McMinnville, but changed its name to First Federal in 1936. As of December 31, 2020, the association reported \$548.4 million in total assets and \$69.1 million in tier 1 capital. As a mutual savings association, First Federal is owned by its depositors. There is no holding company, and there are no subsidiaries or affiliates.

First Federal is headquartered in McMinnville and also has offices in Amity, Carlton, Newberg, and Sheridan. In total there are six full service branches, two limited service branches in retirement communities, one lending center, seven deposit-taking automated teller machines (ATMs), and one non deposit-taking ATM. All offices and ATMs are located within Yamhill County, which comprises the association's single CRA AA.

There were no changes to branches or ATMs during the evaluation period, except that there were some temporary closures in 2020 to protect customers and employees due to the COVID-19 pandemic. Because the limited service branches are located in retirement communities, they were temporarily closed on March 17, 2020, and remain closed as of this evaluation. For full service branches, management closed lobbies intermittently beginning on the same date; however, services remained available by appointment and through drive up facilities.

First Federal offers a full suite of traditional community bank products and services. Deposit products include checking accounts, savings accounts, certificates of deposit, and individual retirement accounts. There are multiple ways for customers to make deposits during business hours at branches and drive up facilities. At all hours, customers may use deposit-taking ATMs and night depositories at the full service branches along with the mobile deposit function on the association's mobile banking platform. The association also offers direct deposit.

Lending products offered to individuals include home purchase and refinance loans, construction loans, land loans, home equity loans and lines of credit, and automobile loans. Credit cards are also offered through a partnership with an unaffiliated third party. Lending products offered to businesses include commercial real estate loans and lines of credit, construction loans, land loans, multifamily loans, and other commercial loans and lines of credit. Home loans remain the primary product, with closed-end loans secured by 1-4 family residential properties representing 68.4 percent of total loans and 36.9 percent of total assets as of December 31, 2020.

Other products and services include online banking, mobile banking, safe deposit boxes, coin counting, wire transfers, notary services, and medallion signature guarantees. Note that all products and services are offered at the limited service branches, some by appointment only, except drive ups and ATMs.

The full service branch lobbies are open from 9:00AM to 5:00PM on Monday through Thursday, and from 9:00AM to 6:00PM on Fridays. There are also extended drive up hours beginning at 8:30AM every weekday. Additionally, prior to the pandemic, the limited service branch lobbies were open from 9:00AM to 12:00PM on Tuesdays and Thursdays.

First Federal's CRA performance was rated "Outstanding" in the last examination, which was as of February 26, 2018, and there were no legal, financial, or other barriers present during the current evaluation period that would impede the association's ability to meet the credit and CD needs of its AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated First Federal using the Intermediate Small Bank CRA Examination Procedures due to its asset size. These procedures include both a lending test, which evaluates the association's record of meeting the credit needs of its AA through lending activities, and a CD test, which evaluates the association's record of meeting the CD needs of its AA through qualifying lending, investment, and service activities.

When completing the lending test, our primary objectives were to assess whether First Federal has originated and purchased a reasonable volume of home mortgage loans that benefited low- and moderate-income (LMI) individuals and individuals living in LMI areas. We also assessed whether a reasonable percentage of First Federal's home mortgage loans benefited individuals living inside the association's CRA AA. The evaluation period for our lending test was from January 1, 2018, to December 31, 2020.

We determined the above scope by analyzing evaluation period lending activity and determining that home mortgage loans are the association's primary product. Specifically, during the evaluation period, home mortgage loans represented 65.2 percent of total originations and purchases by number, and 65.7 percent by dollar. Because First Federal is a Home Mortgage Disclosure Act (HMDA) reporter, we were able to use aggregate loan data in our analysis. Prior to this examination, we tested the accuracy of this data and found it to be reliable.

When completing the CD test, our primary objective was to assess whether First Federal has participated in a reasonable volume of qualifying lending, investment, and service activities. Our primary

consideration was the level of CD activities within the association's CRA AA, but to a lesser extent we also considered activities that benefited a broader statewide area. The evaluation period for our CD test was from February 27, 2018 to December 31, 2020..

Selection of Areas for Full-Scope Review

First Federal has one CRA AA, which is referred to as the Yamhill County AA throughout this report. This AA was selected for a full-scope review and evaluated under the State of Oregon rating area.

Ratings

The association's overall rating is based entirely on our full-scope review of the Yamhill County AA.

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 Oregon

CRA rating for the State of Oregon: Outstanding

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support each rating include:

Lending Test

- The reasonable distribution of home mortgage loans in geographies with different income levels.
- The reasonable distribution of home mortgage loans to borrowers with different income levels.
- The lack of complaints related to First Federal's CRA performance during the evaluation period.

Community Development Test

- The excellent level of CD loans, including those originated through an innovative loan program that was designed by the association to meet business credit needs and retain jobs during the COVID-19 pandemic.
- The excellent level of CD services.
- The adequate level of qualified investments, consisting entirely of donations.
- The high level of responsiveness to AA needs.

Description of Institution's Operations in Oregon

The association's sole CRA AA includes all of Yamhill County, Oregon. This AA meets regulatory requirements and does not arbitrarily exclude any LMI areas.

Yamhill County is located in northwest Oregon and the southwest corner of the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA). One side of the county extends to approximately 15 miles from the city of Portland, and the other side extends to approximately 11 miles from the Pacific Ocean. The United States Census Bureau estimates the population of this county was 107,100 as of July 1, 2019. Primary industries, competition, and demographics are discussed further below.

First Federal primarily operates in McMinnville, which is the county seat and had an estimated population of 34,743 as of July 1, 2019. Within McMinnville, First Federal has its home office, one additional full service branch, a limited service branch at the Hillside Retirement Community, and a lending center. The main office and full service branch each have one deposit-taking ATM, and there is one additional non deposit-taking ATM at the Willamette Valley Medical Center.

First Federal also has full service branches in Amity, Carlton, Newberg, and Sheridan, and an additional limited service branch at the Friendsview Retirement Community in Newberg. There are two deposit-taking ATMs at the full service branch in Newberg, and one deposit-taking ATM at each of the other full service branches. The populations of these towns range from 1,768 to 23,886.

The county has 17 census tracts (tracts, or CTs), including one low-income, six moderate-income, nine middle-income, and one upper-income. The majority of First Federal's branches are located in or near LMI CTs, except the Amity and Carlton branches which are located in middle-income CTs. Refer to Table O in appendix D for more information about the distribution of households between tracts of various income levels.

According to the June 30, 2020, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, ten financial institutions have at least one branch in Yamhill County. First Federal has the largest market share with 27.2 percent of area deposits. U.S. Bank, N.A.; Columbia State Bank; and Wells Fargo Bank, N.A. are the primary competitors with 19 percent, 12.5 percent, and 11.5 percent of area deposits, respectively. No other institutions shown in the report solely serve Yamhill County.

Data compiled by Moody's Analytics in February 2021, indicates the Portland-Vancouver-Hillsboro MSA is currently recovering from the economic impacts of COVID-19, with the leisure/hospitality industry experiencing the most significant employment impact. The unemployment rate was low at 3.8 percent and 3.6 percent in 2018 and 2019, respectively, but spiked to 8.2 percent in 2020. Top employers include Intel Corp., Providence Health Systems, and Oregon Health and Science University.

The primary economic drivers of the Portland-Vancouver-Hillsboro MSA are technology, logistics, and manufacturing. Strengths include a diversified economy, skilled workforce, favorable job mix, high quality of life, high incomes, and low costs relative to other technology hubs. Weaknesses include a vulnerability to changes in terms of trade, exposure to volatile technology and resource manufacturing, and weakening state and local tax revenues. The report also discussed an annual 10 percent increase in housing prices due to a lack of inventory and increased demand for single-family homes.

Yamhill County, specifically, is primarily driven by agriculture. The Oregon Secretary of State's website indicates that nursery and greenhouse crops, fruit trees, nuts, wine grapes, berries, hay, silage, and grass seeds are the area's primary agricultural products. Yamhill County is also the heart of Oregon's wine industry, with over 80 wineries and 200 vineyards. Additionally, approximately one third of the county is covered in commercial timber, producing logging and timber products.

Based on Federal Financial Institutions Examination Council (FFIEC) data, the median family income (MFI) for the Portland-Vancouver-Hillsboro MSA was \$81,400 in 2018, \$87,900 in 2019, and \$92,100 in 2020. For each year, AA families earning up to 50 percent of these figures were considered low-income, 50 to 80 percent were considered moderate-income, 80 to 120 percent were considered middle-income, and more than 120 percent were considered upper-income. Refer to Table A below for more information about the percentage of AA families and households at each income level.

We conducted two community contact interviews in conjunction with this examination. The contacts were affiliated with a local government organization and a local nonprofit. Both indicated that affordable and workforce housing are primary AA needs. One also discussed Oregon's designation as a "childcare desert" meaning there is only one childcare slot for every three children who need care. We also reviewed comments related to community contacts that were conducted for four recent CRA examinations of other financial institutions operating in or near Yamhill County. These contacts also indicated that affordable housing is a primary need, along with financial education. They noted the cost of housing has risen significantly in recent years. We considered these comments when evaluating First Federal's lending and CD activities.

Yamhill County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Yamhill County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	17	5.9	35.3	52.9	5.9	0.0
Population by Geography	101,119	5.1	33.7	59.1	2.0	0.0
Housing Units by Geography	37,495	3.5	35.1	59.1	2.3	0.0
Owner-Occupied Units by Geography	23,203	2.3	27.2	67.3	3.1	0.0
Occupied Rental Units by Geography	11,222	6.1	50.2	43.1	0.7	0.0
Vacant Units by Geography	3,070	2.7	39.2	56.3	1.9	0.0
Businesses by Geography	9,591	2.5	37.8	56.3	3.4	0.0
Farms by Geography	785	1.3	18.2	73.4	7.1	0.0
Family Distribution by Income Level	24,518	27.4	20.5	20.3	31.8	0.0
Household Distribution by Income Level	34,425	26.5	19.4	17.8	36.3	0.0
Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR-WA MSA		\$73,089	Median Housing Value			\$223,021
			Median Gross Rent			\$931
			Families Below Poverty Level			12.0%
<i>Source: 2015 ACS and 2020 D&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 Oregon

The rating for the state of Oregon is based entirely on the association’s performance in the Yamhill County AA, as this is the only AA in the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OREGON

LENDING TEST

The association’s performance under the Lending Test in Oregon is rated Satisfactory.

Conclusion for Area Receiving a Full-Scope Review

Based on a full-scope review, the association’s lending performance in the Yamhill County AA is reasonable.

Distribution of Loans by Income Level of the Geography

The association exhibits reasonable geographic distribution of loans in the AA.

Home Mortgage Loans

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

As shown in Table O, 2.4 percent of the home mortgage loans that First Federal originated or purchased during the evaluation period benefited households in low-income areas. This is comparable to aggregate peer performance, at 2.9 percent, and the percentage of AA households that are located in low-income areas, at 2.3 percent.

Further, 21.5 percent of the home mortgage loans that First Federal originated or purchased during the evaluation period benefited households in moderate-income areas. This is slightly below aggregate peer performance, at 25.9 percent, and the percentage of AA households that are located in moderate-income areas, at 27.2 percent, but meets the standard for satisfactory performance.

Distribution of Loans by Income Level of the Borrower

The association exhibits a reasonable distribution of loans to individuals of different income levels.

Home Mortgage Loans

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

As shown in Table P, 19.2 percent of the home mortgage loans that First Federal originated or purchased during the evaluation period benefited moderate-income borrowers. This is slightly below aggregate peer performance, at 20.7 percent, and the percentage of AA families that are moderate-income, at 20.5 percent, but meets the standard for satisfactory performance.

Further, 9.4 percent of the home mortgage loans that First Federal originated or purchased during the evaluation period benefited low-income borrowers. This exceeds aggregate peer performance, at 6.2 percent. Both association and peer performance fall below the percentage of AA families that are low-income, at 27.4 percent. The comparison to peer was given more weight in our analysis as the variance between association/peer performance and market demographics can be attributed to performance context factors that are discussed in the subsequent paragraphs.

Housing affordability impacts low-income borrowers most acutely. Table A, which is included in the "Description of Institution's Operations in Oregon" section above, shows that 12 percent of AA families were living below the poverty level as of the 2015 American Community Survey (ACS). This figure was stable as of the most recent data release in 2019. Our examination considered that families living below the poverty level can encounter difficulties in meeting industry-standard credit underwriting criteria.

We also considered the median price of housing as a barrier to homeownership. ACS data indicates the median housing value in Yamhill County was \$295,500 in 2019. This is 6.7 times the maximum annual income for a low-income family during the same period, further indicating housing is unaffordable for a significant portion of low-income families. Recent increases in home prices due to a lack of inventory, increased demand, and increased construction costs may also be exacerbating the issue.

Finally, we considered the association’s outreach to LMI borrowers in our analysis. First Federal offers a first-time home buyer program, which is targeted to borrowers who make up to 90 percent of the MFI. This program allows for financing of up to 97 percent of the home’s value, waives certain fees, and is advertised on the association’s website. First Federal also participates in the Home\$start grant program through the Federal Home Loan Bank of Des Moines, and the Housing Authority of Yamhill County’s Housing Choice Voucher Homeownership Program (HAP). Home\$start is targeted to borrowers who make up to 80 percent of the MFI, which is the threshold to be considered moderate-income. HAP provides Section 8 renters the opportunity of homeownership by applying their subsidy towards the purchase of a house, rather than the rental of a house. Participation in these initiatives further demonstrates First Federal’s efforts to promote housing for LMI individuals.

Responses to Complaints

There were no consumer complaints related to First Federal’s CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The association’s performance under the Community Development Test in the state of Oregon is rated Outstanding.

Conclusion for Area Receiving a Full-Scope Review

Based on a full-scope review, the association exhibits excellent responsiveness to the CD needs of the Yamhill County AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the association’s level of CD lending. The table includes all CD loans, including loan commitments and any multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Yamhill County	18	90	6,579,256	85.4
Statewide	2	10	1,125,000	14.6
Total	20	100	7,704,256	100

First Federal’s volume of CD lending demonstrates excellent responsiveness to AA needs. During the evaluation period, the association originated 16 qualifying loans and two qualifying letters of credit totaling \$6.6 million that benefited individuals and businesses in Yamhill County.

Examples include:

- Seven loans totaling \$301 thousand that were originated through an innovative loan program, designed by the association to meet business credit needs and retain jobs during the COVID-19 pandemic.
- Six loans totaling \$2.4 million that were originated through the Small Business Association’s 504 Loan Program, which promotes economic development.
- Three loans totaling \$3.9 million that funded affordable housing, which was identified through our community contact and other demographic information as a primary AA need.

In addition to the lending activity that directly benefited Yamhill County, First Federal also originated two qualifying loans totaling \$1.1 million that benefited the broader statewide area. These loans funded affordable housing and helped retain LMI jobs during the COVID-19 pandemic. Although our primary focus was on CD activities that directly benefited the AA, these additional activities further demonstrate the association’s commitment to CD.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Yamhill County	0	0	89	365	89	100	365	100	0	0
Total	0	0	89	365	89	100	365	100	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.

First Federal’s volume of CD investments demonstrates adequate responsiveness to AA needs. During the evaluation period, the association donated \$364.9 thousand to businesses that provide qualifying services in Yamhill County. Our examination considered that donated funds are more impactful as they do not require repayment by the recipients.

Examples include:

- \$33 thousand in donations to four organizations that provide prevention, advocacy, and other support services related to child abuse and neglect.
- \$31.2 thousand in donations to two organizations that provide affordable housing for LMI individuals.
- \$24.2 thousand in donations to an organization that supplies financial assistance, clothing, emergency food, and transportation for LMI individuals.
- \$8 thousand in donations to an organization that provides daycare services for preschool children from LMI families. This is responsive to the childcare need that was described by our community contact.

Extent to Which the Association Provides Community Development Services

The association's volume of CD services demonstrates excellent responsiveness to AA needs. During the evaluation period, First Federal Employees contributed 1,677 hours of qualifying CD services to 28 organizations.

Examples include:

- One employee contributed 197.5 hours by providing bookkeeping services for a charity that supplies food boxes and other forms of assistance to those in need.
- One employee contributed 93 hours as a board member for an organization that provides affordable housing for LMI individuals.
- Eight employees provided a combined 461 hours of financial education and counseling to elderly and disabled individuals. This is responsive to the area need for financial education that was noted in the "Description of Institution's Operations in Oregon" section of this report.

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 MSA(s) and non-MSA(s) 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:	January 1, 2018 to December 31, 2020	
Products Reviewed:	Home Mortgage Loans Community Development Loans, Investments, and Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Oregon		
Yamhill County	Full-scope	This AA includes all of Yamhill County, which is within the Portland-Vancouver-Hillsboro MSA.

Appendix B: Summary of MMSA and State Ratings

RATINGS		First Federal Savings and Loan Association of McMinnville	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
First Federal Savings and Loan Association of McMinnville	Satisfactory	Outstanding	Outstanding
MMSA or State:			
State of Oregon	Satisfactory	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight 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 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/assessment area. 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/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.
- 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 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 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/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2018-20**

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
Yamhill County AA	381	112,656	100.0	5,160	2.3	2.4	2.9	27.2	21.5	25.9	67.3	75.9	69.3	3.1	0.3	1.8	0.0	0.0	0.0
Total	381	112,656	100.0	5,160	2.3	2.4	2.9	27.2	21.5	25.9	67.3	75.9	69.3	3.1	0.3	1.8	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 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 **2018-20**

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
Yamhill County AA	381	112,656	100.0	5,160	27.4	9.4	6.2	20.5	19.2	20.7	20.3	25.2	28.2	31.8	42.8	29.1	0.0	3.4	15.9
Total	381	112,656	100.0	5,160	27.4	9.4	6.2	20.5	19.2	20.7	20.3	25.2	28.2	31.8	42.8	29.1	0.0	3.4	15.9

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%