



PUBLIC DISCLOSURE

March 10, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Hatboro Federal Savings, Fa
Charter Number 704859

221 South York Road
Hatboro, PA 19040

Office of the Comptroller of the Currency

1150 Northbrook Drive
Suite 303
Trevoise PA, 19053

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 community development test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on:
 - Hatboro Federal Savings' (HFS or the bank) quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
 - A majority of the bank's lending is inside its AA by number of loans originated and purchased.
 - The bank's distribution of loans represents reasonable dispersion to low- and moderate-income (LMI) census tracts.
 - The bank's distribution of loans among individuals of different income levels in the AA reflects a reasonable dispersion.
- The Community Development (CD) Test rating is based on:
 - The bank's community development activities demonstrate adequate responsiveness to the community development needs of its AAs.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is reasonable.

The bank's average loan-to-deposit (LTD) is reasonable. The bank's quarterly average LTD ratio during the evaluation period was 82.90 percent and ranged from a quarterly low of 77.86 percent on March 31, 2017 to a quarterly high of 96.40 percent on September 30, 2019. We compared the bank's LTD ratio to nine similarly situated banks in Montgomery and Bucks Counties, with total asset sizes ranging from \$279 million to \$952 million. The quarterly average LTD of these banks over the same period was 93.70 percent. The ratios ranged from a quarterly low of 91.12 percent to a quarterly high of 95.97percent.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment area (AA).

The bank originated and purchased 80.9 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

A majority of the bank's home mortgage loans were made within the bank's assessment area. This meets the standard for satisfactory performance. During this evaluation period, 80.9 percent of the number and 79.6 percent of the dollar amount of home mortgage loans were made within the bank's AA. This includes HMDA reported loans from January 1, 2017 to December 31, 2019. Refer to Table D, below.

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										
2017	299	80.6	72	19.4	371	57,117	78.9	15,290	21.1	72,407
2018	352	79.8	89	20.2	441	60,110	76.0	18,975	24.0	79,084
2019	299	82.6	63	17.4	362	62,389	84.0	11,881	16.0	74,270
Subtotal	950	80.9	224	19.1	1,174	179,616	79.6	46,146	20.4	225,761
Total	950	80.9	224	19.1	1,174	179,616	79.6	46,146	20.4	225,761

*Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data
Due to rounding, totals may not equal 100.0*

Description of Institution

The Hatboro Federal Savings, Fa (HFS) is a \$517 million, single-state institution headquartered in Hatboro, Pennsylvania. HFS was chartered in 1941 by the Federal Home Loan Bank Board and is not part of a holding company structure.

HFS operates four full-service offices in Montgomery and Bucks Counties. The main branch office is located in Hatboro, Montgomery County, PA. An administration building and loan center are also located in Hatboro. Three other branches are located in Jamison, Warminster, and Warrington, all within Bucks County. All branches have on-site automated-teller machines (ATMs) and offer extended hours on Fridays. The Hatboro, Jamison, and Warminster offices offer Saturday morning hours. There were no branches opened, closed, or relocated during the evaluation period. No mergers or acquisitions occurred during this period.

HFS offers traditional deposit and loan products. Primary deposit products include free checking, passbook savings, statement savings, student savings, and tiered money market accounts. Related deposit products include certificates of deposit, individual retirement accounts, and holiday club accounts. HFS is primarily a traditional residential real estate lender. Residential loan products include home mortgages to purchase or refinance 1-4 family dwellings, home equity loans, and home equity lines of credit. The bank also offers a First Time Homebuyers Program to new homeowners.

HFS offers traditional services to its customer base. Services include online banking, Remote Deposit Capture, telephone banking, debit cards, direct deposit, and money orders. The bank also offers online Bill Pay and mobile banking for additional convenience to its customers. HFS is part of the MoneyPass ATM Network, one of the largest surcharge-free ATM networks in the United States. Customers can access their money and make transactions for free at more than 32,000 MoneyPass ATMs in the United States and Puerto Rico.

HFS has one assessment area (AA) located in southeastern Pennsylvania. The AA includes designated tracts within Montgomery County and Bucks County. Both counties are a part of the Montgomery County-Bucks County-Chester County, PA Metropolitan Division (MD) #33874. The total geography of

the AA is comprised of 150 census tracts (CTs). The Hatboro, Jamison, and Warminster branches are located in middle-income CTs, with the Warrington branch located in an upper-income CT.

As of December 31, 2019, HFS had \$517 million in total assets. Net loans and leases totaled \$374 million or 72 percent of average assets, and total deposits were \$391 million. Tier one capital was \$119 million. The bank is not subject to any legal or financial restrictions that could impair its ability to help meet the credit needs of its AA. HFS was rated “Satisfactory” on its last CRA Performance Evaluation dated January 3, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated HFS using Intermediate Small Bank (ISB) performance criteria, which includes a lending test and CD test. The lending test evaluates the bank’s record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the bank’s responsiveness to CD needs of its AAs through qualified lending, investments and donations, and services.

The examination covers a single evaluation period. Effective September 14, 2018, the Office of Management and Budget (OMB) issued an update on the delineations of regional statistical areas (MSAs, MDs, CSAs) across certain areas of the country. Our analysis indicates the HFS AA is not impacted by these updates, and therefore a separate analysis involving the 2019 OMB update is not necessary.

The evaluation period for the Community Development Test covers the period from January 1, 2017 through December 31, 2019. We reviewed documentation supplied by bank management to determine if the bank’s CD loans, investments, and services meet the regulatory definition for community development. Further discussion of the bank’s CD activities is included in the ‘Community Development’ section of this performance evaluation.

Selection of Areas for Full-Scope Review

HFS has a single AA located in the Montgomery County-Chester County-Bucks County MD. The AA consists of 150 census tracts, of which two are low-income, 18 moderate-income, 81 are middle-income, and 49 are upper-income. We performed a full-scope review of the AA. Refer to the table in Appendix A for more information.

Ratings

The bank’s overall rating is based on the full-scope review. Based on the bank’s strategic nature as primarily a lender of residential products, home mortgages were the only product considered for the Lending Test. Further, based on the institution’s limited commercial lending, meeting the standard for satisfactory CD lending is difficult. HFS’s lending strategy was considered as part of the performance context of the examination.

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 Pennsylvania

CRA rating for the State of Pennsylvania: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on:
 - Hatboro Federal Savings (HFS or the bank) quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
 - A majority of the bank's lending is inside its AA by number of loans originated and purchased.
 - The bank's distribution of loans represents reasonable dispersion to low- and moderate-income (LMI) census tracts.
 - The bank's distribution of loans among individuals of different income levels in the AA reflects a reasonable dispersion.
- The Community Development (CD) Test rating is based on:
 - The bank's community development activities demonstrate adequate responsiveness to the Community Development needs of its AAs.

Description of Institution's Operations in Pennsylvania

Table 1 provides a breakdown of the total loan portfolio.

Loan Portfolio Summary by Loan Product December 31, 2019		
Loan Category	\$ Amount (thousands)	Percentage of Outstanding Loans
Residential Real Estate	375,366	99.86%
Non-Farm/Non-Residential	532	0.14%
Commercial & Industrial	0	0.00%
Multifamily Loans	0	0.00%
Consumer Loans	0	0.00%
Other Loans	0	0.00%
Agriculture & Farmland Loans	0	0.00%
TOTAL LOANS	375,898	

Source: December 31, 2019 Call Report

HATBORO AA**Table A - Demographic Information of the Assessment Area**

Assessment Area: Hatboro AA

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	150	1.3	12.0	54.0	32.7	0.0
Population by Geography	610,313	1.3	11.1	53.5	34.1	0.0
Housing Units by Geography	238,978	1.5	12.2	53.9	32.5	0.0
Owner-Occupied Units by Geography	175,544	0.2	8.6	55.1	36.1	0.0
Occupied Rental Units by Geography	51,976	6.0	23.1	50.9	20.0	0.0
Vacant Units by Geography	11,458	0.8	17.2	48.6	33.5	0.0
Businesses by Geography	68,975	0.5	9.5	52.8	37.2	0.0
Farms by Geography	1,669	0.6	9.5	53.2	36.7	0.0
Family Distribution by Income Level	161,862	17.5	17.6	22.6	42.3	0.0
Household Distribution by Income Level	227,520	22.0	15.8	18.0	44.2	0.0
Median Family Income MSA - 33874 Montgomery County-Bucks County-Chester County, PA		\$99,939	Median Housing Value			\$340,625
			Median Gross Rent			\$1,223
			Families Below Poverty Level			3.4%

Source: 2015 ACS Census and 2019 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.

The economy of the Hatboro AA has improved from the prior evaluation period. The area benefits from its proximity to Philadelphia, and the resultant spillover of jobs. The area is known for healthcare, making the area a draw for mid and high wage jobs. Job growth in the area continues to outpace the state average. Unemployment is near its record low, despite a contraction of the retail sector over the period. The main employers in the AA are Main Line Health, the Vanguard Group, Abington Memorial Hospital, Holy Redeemer Health System, and Aetna Inc.

According to the Bureau of Labor Statistics, the unemployment rate for the Montgomery County-Chester County-Bucks County MD AA as of December 2019 was 3.4 percent. This figure compares favorably with the Pennsylvania state unemployment rate of 4.6 percent, and the U.S. unemployment rate of 3.5 percent.

HFS ranks 17th in deposit market share in the AA at 1.47 percent according to the FDIC Deposit Market Share report as of December 2019. HFS's main competitors include Wells Fargo Bank, NA (13.21 percent, with 26 branches), TD Bank, NA (11.72 percent, with 20 branches), Citizens Bank, NA (9.34 percent, with 31 branches), and PNC Bank, NA (8.25 percent, with 17 branches).

Peer Mortgage Data as of December 2018 indicates that HFS had a 1.63 percent loan market share and ranks 16th among 393 lending institutions. HFS's major competitors for mortgage lending in the AA are: Wells Fargo Bank, NA, ranked 1st with a 10.72 percent market share; Citizens Savings Bank, NA ranked 2nd with a 5.11 percent market share, Police and Fire FCU ranked 3rd with a 4.14 percent market share; and PNC Bank, NA ranked 4th with a 3.82 percent market share.

Community Contacts

We performed an interview with a community service organization and reviewed three inter-agency interviews with community organizations completed within the past year. The purpose was to determine the credit needs of the community. The organizations being interviewed were generally community development organizations, providing emergency financial assistance, affordable housing development, financial services, and economic development. The general sentiment among the organizations reflects a strong local economy with low unemployment, however, opportunities exist for investment in affordable housing projects within the region's small pockets of LMI communities. These projects often require sizeable commitments and are generally less affordable to institutions of smaller financial standing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Pennsylvania

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review the bank's lending performance in the state of Pennsylvania is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the state of Pennsylvania 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 bank's loan originations reflect reasonable distribution among geographies of different income levels throughout the bank's AAs. HFS's performance meets the standard for satisfactory performance. There were no conspicuous gaps identified within HFS's AA.

Geographic Distribution in the Hatboro AA

The distribution of residential loans to borrowers reflects reasonable dispersion based on Appendix D, Table O. HFS exceeded the 0.2 percent of owner-occupied housing units in low-income census tracts in 2016, with the number of loans made in the AA at 0.6 percent. HFS exceeded the 8.6 percent of owner-occupied housing units in moderate-income census tracts at 9.2 percent during the evaluation period. HFS exceeded peer aggregate lending in low- and moderate-income tracts in the AA for the evaluation periods.

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 and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The bank exhibits a reasonable distribution of loans to individuals of different income levels. Overall, the distribution of loans to borrowers of different incomes reflects reasonable penetration in the AA. HFS's record of lending to borrowers of different incomes meets the standard for satisfactory performance.

Home Mortgage Loans

Borrower Distribution in Hatboro AA

HFS's distribution of home mortgage loans reflects reasonable distribution among borrowers of different income levels based on Appendix D, Table P. The borrower distribution of mortgage loans in the evaluation period is reasonable.

In our analysis, we considered the affordability of home ownership for low-income families. The weighted average median cost of housing is \$340,625. According to the FFIEC, the adjusted median family income in the AA is \$99,939. A low-income family earns less than \$49,970. Median rent for the AA is \$1,223 per month, offering a more affordable alternative to low-income families. This lack of housing affordability, and comparative affordability of rental units limits the opportunity to originate home mortgage loans to low-income borrowers.

The bank's percentage of home mortgage loans made to low-income borrowers was less than the percentage of low-income families in the AA. However, when compared to the peer aggregate for low-income borrowers in the AA, HFS exceeds peer. Given the lack of opportunity to lend to low-income the bank's performance is reasonable.

The bank's percentage of home mortgage loans made to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA. When compared to the peer aggregate for moderate-income borrowers in the AA, HFS exceeds peer.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the state of Pennsylvania is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Hatboro AA	2	100	\$1,000,000	100

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area(s).

Based on a full-scope review, the bank exhibits adequate responsiveness to the needs of the community. Factors supporting this conclusion include the institution’s adequate record regarding qualified CD loans, donations and services, and appropriate responsiveness to CD needs. The bank showed adequate responsiveness to its AA through its CD loans. During the evaluation period, the bank committed 2 loans totaling \$1,000,000 to one organization, which qualifies as a CD organization.

The organization is based in the bank’s AA and sources funding from local financial institutions to fund the construction of affordable housing units within the AA, and the broader regional area. This level of CD lending is generally consistent with the prior examination, in which HFS made \$1.24 million in CD qualified loans.

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)
Hatboro AA	14	104,856	31	\$116,556	31	100	\$116,556	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.

HFS demonstrated adequate responsiveness to its AAs through donations and qualified investments. HFS did not make any qualifying CD investments during the evaluation period. However, the bank made 31 qualified donations and contributions totaling \$116,556 to 7 qualified community development organizations. The bank made all qualified donations to CD organizations within the AA. The community development organizations provide an array of services including: education, financial assistance, food pantries, medical assistance, and other community services which specifically target LMI communities in the AA.

Extent to Which the Bank Provides Community Development Services

HFS demonstrates reasonable responsiveness to the service needs of its AAs through CD services. One employee of the bank provided 260 hours of financial related services to a qualified organization in 2019. Another employee also provided 105 hours of board level supervision to a qualified organization. The qualifying organization serves and is based in the AA. The origination provides financing for the construction of affordable housing to low- and moderate- income communities.

Responsiveness to Community Development Needs

HFS demonstrates adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments and donations, and services. Since the last CRA examination completed in September of 2016, the bank CD lending, investment, and services have remained generally consistent.

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

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:	01/01/17 to 12/31/19	
Bank Products Reviewed:	Home mortgage loans, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Pennsylvania		
Hatboro AA	Full-scope	Partial counties of Montgomery and Bucks Counties.

Appendix B: Summary of MMSA and State Ratings

RATINGS Hatboro Federal Savings			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Hatboro Federal Savings	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Pennsylvania	Satisfactory	Satisfactory	Satisfactory

(*) 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 O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-19**

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
Hatboro AA	950	179,616	100.0	21,648	0.2	0.6	0.2	8.6	9.2	8.9	55.1	66.6	56.2	36.1	23.6	34.7	0.0	0.0	0.0
Total	950	179,616	100.0	21,648	0.2	0.6	0.2	8.6	9.2	8.9	55.1	66.6	56.2	36.1	23.6	34.7	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017-19**

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
Hatboro AA	950	179,616	100.0	21,648	17.5	9.5	8.4	17.6	22.8	20.5	22.6	27.9	24.3	42.3	37.6	36.6	0.0	2.2	10.1
Total	950	179,616	100.0	21,648	17.5	9.5	8.4	17.6	22.8	20.5	22.6	27.9	24.3	42.3	37.6	36.6	0.0	2.2	10.1

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0