



## **PUBLIC DISCLOSURE**

AUGUST 17, 2020

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

**CORNERSTONE BANK  
RSSD# 403151**

**529 LINCOLN AVENUE  
YORK, NEBRASKA 68467**

**Federal Reserve Bank of Kansas City  
1 Memorial Drive  
Kansas City, Missouri 64198**

**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, nor should it 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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## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **Satisfactory**

The following table indicates the performance level of Cornerstone Bank (the bank) with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			
* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.			

## SUMMARY OF THE MAJOR FACTORS SUPPORTING THE RATING

### Lending Test

- Lending levels reflect good responsiveness to assessment area (AA) credit needs, and the bank makes limited use of innovative and/or flexible lending practices in serving AA credit needs.
- A substantial majority of the bank's loans are originated within its delineated AAs.
- The bank's distribution of loans by income level of geography (geographic distribution) is adequate.
- The bank's distribution of loans among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes (borrower distribution) is good.
- The bank makes an adequate level of community development (CD) loans.

### Investment Test

- The bank makes an excellent level of qualified CD investments and grants and is occasionally in a leadership position. In addition, the bank makes occasional use of innovative and/or complex investments to support CD initiatives and exhibits good responsiveness to credit and CD needs.

Service Test

- The bank's delivery systems are accessible to geographies and/or individuals of different income levels in its AAs.
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.
- Products, services, and business hours do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or LMI individuals.
- The bank provides an adequate level of CD services and is responsive to its available service opportunities.

## INSTITUTION

### SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Community Reinvestment Act (CRA) Examination Procedures for Large Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Performance was assessed within the bank's Eastern Nebraska and Grand Island Metropolitan Statistical Area (MSA) AAs using full-scope reviews, with more weight placed on the bank's performance in the Eastern Nebraska AA. The Omaha-Council Bluffs Metropolitan AA was assessed using a limited-scope review. The following data was reviewed:

- The bank's home purchase, home refinance, home improvement, and multifamily loans reported on the bank's 2017 Home Mortgage Disclosure Act (HMDA) Loan/Application Register (LAR);
- The bank's small business and small farm loans reported on the bank's 2017 and 2018 CRA LARs;
- CD loans originated from January 1, 2018 to December 31, 2019;
- Qualified investments that were made from January 1, 2018 to December 31, 2019, qualified investments made prior to, but still outstanding, during this period, and qualifying grants, donations, or in-kind contributions of property made during this period; and,
- Retail banking services and CD services from January 1, 2018 to December 31, 2019.

For the lending analysis, more weight was placed on small farm loans, followed by small business loans, due to the bank's strategic focus on agricultural and commercial lending. In addition, more weight was placed on the volume of loan originations than the dollar amount, as this represents the numbers of individuals/entities served. Finally, multifamily housing loans were not evaluated in the geographic distribution test as the bank originated only one multifamily loan during the review period.

Table 1 illustrates the bank's presence in each AA by numbers of branches, the percentage of lending and deposits compared to the bank-wide and the state level totals, and the bank's June 30, 2019 deposit market share as a percent of all Federal Deposit Insurance Corporation (FDIC)-insured financial institutions.

TABLE 1  
REVIEW TYPE AND MARKET SHARE BY AA

Assessment Area	Review Type	Br. #	Percent of Bank's Lending by \$ <sup>1</sup>	Percent of Bank's Deposits by \$ <sup>2,3</sup>	Deposit Market Share	
					% Market Share <sup>2</sup>	Market Share Rank <sup>4</sup>
State of Nebraska		43	100.0	100.0		
Eastern Nebraska	Full	36	92.7	89.5	16.6	1/59
Grand Island MSA	Full	4	5.3	5.5	3.3	10/20
Omaha-Council Bluffs Metropolitan	Limited	3	2.0	4.9	6.6	5/24

1. Based on the bank's outstanding loan balances as of December 31, 2019.

2. Based on the June 30, 2019 FDIC's Market Share Report.

3. Includes June 30, 2019 deposits from the recent acquisition of Security Home Bank as of December 4, 2019.

4. Based on the bank's ranking among FDIC-insured financial institutions in each AA (Amended per footnote 3).

## DESCRIPTION OF INSTITUTION

The bank is an intrastate financial institution headquartered in York, Nebraska. The bank's characteristics include:

- The bank is a wholly owned subsidiary of First York Banc Corporation.
- The bank reported total assets of \$1.7 billion as of September 30, 2019.
- The bank operates within three delineated AAs in Nebraska, which includes the Eastern Nebraska AA, the Grand Island MSA AA, and the Omaha-Council Bluffs Metropolitan AA. Within each AA, the bank operates 36, 4, and 3 branch locations, respectively, for a total of 43 banking offices.
- Drive-through banking services are available at 24 of the bank's branches, and automated teller machines (ATMs) are available at 28 branches (15 full-service and 13 cash-dispensing only). In addition, the bank operates 6 full-service and 22 cash-dispensing only ATMs at various off-site locations, including one ATM outside of the bank's AAs.
- Since the previous evaluation, the bank expanded its operations through the acquisition of Franklin State Bancshares, Inc., parent company of Franklin State Bank, on October 30, 2018, and Malmo Bancorp, Inc., parent company of Security Home Bank, on December 5, 2019.
- The Franklin State Bank acquisition added one additional branch location in the bank's Eastern Nebraska AA. The acquisition of Security Home Bank also resulted in one additional branch location, but required the bank to amend its Omaha-Council Bluffs Metropolitan AA to include all of Saunders County, where the new branch is located.
- The bank's primary business focus is on agricultural and commercial lending, with a focus on small- to medium-sized businesses.

**TABLE 2**  
**COMPOSITION OF LOAN PORTFOLIO AS OF SEPTEMBER 30, 2019**

Loan Type	\$(000)	%
Agricultural	605,824	48.6
Commercial	443,047	35.5
Other	120,469	9.7
Residential Real Estate	53,813	4.3
Consumer	24,479	2.0
<b>Gross Loans</b>	<b>1,247,632</b>	<b>100.0</b>

*Note: Percentages may not total 100.0 percent due to rounding.*

The bank was rated Satisfactory under the CRA at its February 12, 2018 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

While conclusions with respect to the lending performance for small business and small farm lending data were evaluated for both 2017 and 2018, only 2018 lending tables for AAs that received a full-scope review are reflected in the body of this report. The bank's 2017 small business and small farm lending data for AAs that received full-scope reviews can be found in Appendix C of this report. In comparison, conclusions for the bank's home mortgage lending data were evaluated for 2017 only. Lending data for AAs that received limited-scope reviews can be found in Appendix D. The performance evaluation first discusses the bank's overall performance, followed by an in-depth analysis of the bank's record of lending, investment, and service activities in each specific AA.

## LENDING TEST

The bank's overall performance under the lending test is Low Satisfactory.

### Lending Activity

This performance criterion evaluates the bank's lending volume considering the bank's resources and business strategy and other information from the performance context. The bank's overall lending activities reflect good responsiveness to AA credit needs. Table 3 illustrates the lending products, numbers of loan originations, and dollar volumes of loans generated by the bank.

**TABLE 3**  
**SUMMARY OF LENDING ACTIVITY REVIEWED**

Loan Type	January 1, 2017 through December 31, 2018			
	#	\$(000)	#%	\$%
Home Purchase	87	10,122	1.8	1.7
Home Refinance	74	21,412	1.5	3.5
Home Improvement	75	1,488	1.5	0.2
Multifamily	1	102	0.0	0.0
<b>Total HMDA Loans</b>	<b>237</b>	<b>33,124</b>	<b>4.8</b>	<b>5.5</b>
Small Business Loans	1,670	171,306	33.7	28.4
Small Farms Loans	3,053	399,270	61.6	66.1
<b>Total Loans</b>	<b>4,960</b>	<b>603,700</b>	<b>100.0</b>	<b>100.0</b>

The bank makes limited use of innovative and/or flexible lending programs to serve AA credit needs, including LMI borrowers. Such loans help borrowers who might not otherwise qualify for credit. The bank offers two programs for first-time homebuyers through the Nebraska Investment Finance Authority, Lincoln, Nebraska (NIFA), as well as an Affordable Housing Program offered through the Federal Home Loan Bank of Topeka, Topeka, Kansas (FHLB).

The NIFA single-family home program features below market interest rates and lower down payment requirements. The program has restrictions on borrower income and home purchase price to help lower-income families purchase homes. The Down Payment Assistance Program through the FHLB is for first-time homebuyers who have incomes below 80.0 percent of area median income. In 2018 and 2019, the bank originated 53 NIFA loans totaling \$4.7 million (MM), and 16 FHLB loans totaling \$3.8MM. The bank also offers a limited volume of U.S. Department of Agriculture rural development loans, Veterans Administration loans, Farm Service Agency loans, and Small Business Administration loans. All programs are available throughout the bank's three AAs.

#### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A substantial majority of the bank's loans, by number and dollar, are originated inside the bank's AAs.



**TABLE 4  
LENDING INSIDE AND OUTSIDE THE AAs**

Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	72	8,030	86.7	85.3	15	2,092	13.3	14.7
Home Refinance	68	19,800	91.9	92.5	6	1,612	8.1	7.5
Home Improvement	66	1,241	88.0	83.4	9	247	12.0	16.6
Multifamily	1	102	100.0	100.0	0	0	0.0	0.0
<b>Total HMDA Loans</b>	<b>207</b>	<b>29,173</b>	<b>87.3</b>	<b>88.1</b>	<b>30</b>	<b>3,951</b>	<b>12.7</b>	<b>11.9</b>
Small Business Loans	1,459	123,307	87.4	72.0	210	47,974	12.6	28.0
Small Farm Loans	2,812	360,879	92.1	90.4	241	38,391	7.9	9.6
<b>Total Loans</b>	<b>4,478</b>	<b>513,359</b>	<b>90.3</b>	<b>85.0</b>	<b>481</b>	<b>90,316</b>	<b>9.7</b>	<b>15.0</b>

*Note: Percentages may not add to 100.0 percent due to rounding.*

The remaining loan distribution analyses discussed in this performance evaluation will consider only those loans originated within the bank's AAs.

### Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AAs by income level of census tracts. The bank's overall geographic distribution of lending reflects adequate penetration throughout its AAs. The distribution of lending by income level of census tracts for home mortgage, small business, and small farm loans are each adequate in the Eastern Nebraska AA. However, in the Grand Island MSA AA, the geographic distribution of loans was poor for each loan product reviewed.

In regard to the limited-scope review in the Omaha-Council Bluffs Metropolitan AA, the analysis was not considered meaningful as all census tracts in the AA are categorized as middle-income census tracts.

### Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses and farms of different sizes. Overall, the bank's lending has good penetration among individuals of different income levels and businesses and farms of different sizes.

The borrower distribution for home mortgage, small business, and small farm loans in both the Eastern Nebraska AA and the Grand Island MSA AA was good.

With respect to the limited-scope review in the Omaha-Council Bluffs Metropolitan AA, the bank's lending by income level and revenue size was consistent with the overall conclusions for the borrower distribution.

## Community Development Lending

This performance criterion evaluates the bank's level of CD lending. The bank makes an adequate level of CD loans. Table 5 lists all CD loans originated during the review period. All CD loans were originated within the Eastern Nebraska AA, while no CD loans were originated in the Grand Island MSA or Omaha-Council Bluffs Metropolitan AAs.

In addition to CD loans in its AAs, the bank also originated an affordable housing loan for \$3.5MM in a nearby county, but outside of its Eastern Nebraska AA, to help construct low-income housing. Since the bank adequately meets the credit and CD needs of the communities within its AAs, this loan also was given consideration under this performance criteria.

TABLE 5 COMMUNITY DEVELOPMENT LOANS ALL AAs		
Community Development Purpose	#	\$(000's)
Affordable Housing	2	8,100
Community Services	2	345
Economic Development	0	0
Revitalization and Stabilization	5	3,093
<b>TOTAL LOANS</b>	<b>9</b>	<b>11,538</b>

## INVESTMENT TEST

The bank's overall performance under the investment test is Outstanding.

This performance criterion evaluates the bank's level of qualifying grants, donations, or in-kind contributions of property made since the previous evaluation that have a primary purpose of CD.

The bank has an excellent level of qualified CD investments and grants and is occasionally in a leadership position. The bank also makes occasional use of innovative and/or complex investments and exhibits good responsiveness to the credit and CD needs of its AAs.

Table 6 details all of the bank's qualified CD investments, including prior-period and current-period investments, as well as donations and grant activity. All of the bank's investments were for the revitalization and stabilization of distressed and/or underserved nonmetropolitan middle-income census tracts, and all occurred within the Eastern Nebraska AA.

In addition to qualified investments, the bank also made a limited level of qualified donations. The bank's donation activity increased from the previous evaluation, which included 17 donations totaling \$115,000.

**TABLE 6  
INVESTMENTS, GRANTS, AND DONATIONS**

Community Development Purpose	Prior Period Investments <sup>1</sup>		Current Investments <sup>2</sup>		Donations		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Affordable Housing	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	14	26	14	26
Economic Development	0	0	0	0	0	0	0	0
Revitalization and Stabilization	159	27,736	71	9,795	11	94	241	37,625
<b>TOTAL</b>	<b>159</b>	<b>27,736</b>	<b>71</b>	<b>9,795</b>	<b>25</b>	<b>120</b>	<b>255</b>	<b>37,651</b>

<sup>1</sup> Book Value of Investment  
<sup>2</sup> Original Market Value of Investment

## SERVICE TEST

The bank's overall performance under the service test is High Satisfactory.

### Retail Banking Services

This performance criterion evaluates the bank's level of service-delivery systems provided in each geography classification.

Branch locations and alternative delivery systems, such as drive-through facilities and online and mobile banking, are accessible to the bank's various geographies and to individuals of different income levels in each AA. In total, 1 branch is located in a moderate-income census tract, 35 branches are located in middle-income census tracts, and 7 branches are located in upper-income census tracts. The branch in the moderate-income census tract does not provide an on-site ATM, nor does the bank have any off-site, full-service ATMs in any other moderate-income census tracts. Branch locations generally align with the total percentage of census tracts in the AAs by income level, and remain similar to the branch locations noted in prior evaluations. The bank's network of full-service ATMs also generally aligns with the total percentage of census tracts in the AAs by income level. In addition to bank-owned ATMs, the bank also offers its customers access to over 32,000 surcharge-free ATMs across the country through the MoneyPass Network. Furthermore, additional off-site delivery channels include online and mobile banking, as well as peer-to-peer payments through Zelle®.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI areas or to LMI individuals. Since the prior evaluation, the bank acquired two branch locations and opened another de novo branch. All of the new branches are located in middle-income census tracts. No branches were closed during the evaluation period.

The bank's products, services, and business hours do not vary in a way that inconveniences its AAs, particularly LMI geographies and/or LMI individuals. With the exception of seven limited-

service locations, all bank products and services are offered at all branch locations throughout the bank's three AAs. Only deposit services are offered at the limited-service locations, which include three administrative locations and four locations inside Walmart stores. A majority of branches offer hours from at least 8:00 AM to 4:00 PM Monday through Friday, with 27 branches offering extended hours, including 24 branches with Saturday hours. Additionally, 24 branches have drive-through locations, with 20 of these locations providing Saturday hours as well.

### Community Development Services

This performance criterion evaluates the bank's level of CD services. The bank provides an adequate level of CD services. As illustrated in Table 7, the bank provided 75 CD services to 34 different organizations. While a majority of qualified activities were attributed to several bank representatives providing financial expertise by serving in key positions, such as board members and treasurers, and on key committees, approximately one-third of activities were short-term services providing financial education to students in schools with a high population of students on the national free- and reduced-lunch programs. Over 80.0 percent of provided CD services were attributable to the Eastern Nebraska AA and the remaining to the Grand Island MSA AA, except for one service that was attributable to all three AAs. This CD service was for Interest on Lawyers Trust Accounts where the interest earned is used to help fund legal services for low-income individuals in Nebraska.

TABLE 7 RETAIL BANKING AND COMMUNITY DEVELOPMENT SERVICES ALL AAs												
Branch Accessibility	Location of Branches by Tract (%)						Percent of Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
	0.0	2.3	83.7	14.0	0.0	100.0	0.0	8.9	71.1	20.0	0.0	100.0
	Location of Full-Service ATMs by Tract (%)						Percent of Households by Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
	0.0	0.0	85.7	14.3	0.0	100.0	0.0	9.3	68.8	21.9	0.0	100.0
Changes in Branch Location	Number of Branches (#)					Net Change in Branch Locations (#)						
	Total Branches		Openings (#)	Closings (#)		Low	Mod	Mid	Upp	Unk	Total	
	43		3	0		0	0	3	0	0	3	
Community Development Services	Affordable Housing		Community Services	Economic Development		Revitalization & Stabilization		Total Services		Total Organizations		
	7		36	14		18		75		34		

<sup>1</sup> Based on 2019 FFIEC census tract definitions.  
(NOTE: Total percentages may vary by 0.1 percent due to automated rounding differences.)

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**EASTERN NEBRASKA ASSESSMENT AREA  
NONMETROPOLITAN AREA  
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS**

The AA is comprised of Adams, Boone, Buffalo, Butler, Clay, Fillmore, Franklin, Greeley, Kearney, Nance, Nuckolls, Platte, Polk, Thayer, Valloy, Webster, Wheeler, and York Counties in their entirety. In 2019, due to changes in the Office of Management and Budget's (OMB's) MSA definitions, Hamilton County was removed from the bank's Grand Island MSA AA and is now included in the Eastern Nebraska AA (refer to Appendix B for the AA maps). Nonetheless, the demographic information shown below was based on 2017 and 2018 AA census tract delineations to correspond with the 2017 and 2018 lending data.

- According to the 2017 and 2018 FFIEC census tract definitions, the AA included 4 moderate-, 43 middle-, and 10 upper-income census tracts. As of the 2019 FFIEC census tract definitions and OMB changes, the AA now includes 4 moderate-, 45 middle-, and 11 upper-income census tracts.
- The Eastern Nebraska AA is the bank's primary market and contains 36 of the bank's 43 banking offices, including its headquarters in York, Nebraska. All branches offer a full array of products and services, except for three administrative facilities in York and two Walmart locations that offer only limited services and deposit products. One branch location is in a moderate-income census tract, while 30 locations, including the limited-service facilities are in middle-income census tracts, and five locations are in upper-income census tracts.
- According to the June 30, 2019 FDIC Market Share Report, the bank had 16.6 percent of the market share in the AA, ranking first out of 59 FDIC-insured financial institutions operating from 184 locations in the AA.
- To further augment the evaluation, six interviews recently conducted as part of the CRA evaluations of other financial institutions in the AA were reviewed to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and to obtain perspective on local economic conditions. The contacts included three representatives from various economic development organizations, two representatives from agricultural-related entities, and one representative from a local school district.

**TABLE 8  
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Adams County	31,364	31,442	0.2
Boone County	5,505	5,373	(2.4)
Buffalo County	46,102	47,958	4.0
Butler County	8,395	8,256	(1.7)
Clay County	6,542	6,382	(2.4)
Fillmore County	5,890	5,697	(3.3)
Franklin County	3,225	3,105	(3.7)
Greeley County	2,538	2,476	(2.4)
Kearney County	6,489	6,549	0.9
Nance County	3,735	3,639	(2.6)
Nuckolls County	4,500	4,391	(2.4)
Platte County	32,237	32,642	1.3
Polk County	5,406	5,271	(2.5)
Thayer County	5,228	5,182	(0.9)
Valley County	4,260	4,254	(0.1)
Webster County	3,812	3,697	(3.0)
Wheeler County	818	847	3.5
York County	13,665	13,825	1.2
State of Nebraska	1,826,341	1,869,365	2.4

Source: 2010 U.S. Census Bureau Decennial Census  
2011-2015 U.S. Census Bureau American Community Survey

- As of 2015, the total AA population (190,986) represented 10.2 percent of the statewide population, and demonstrated a relatively stable growth rate of 0.7 percent.
- The largest county in the AA is Buffalo County with 25.1 percent of AA residents, which also experienced the most significant population growth. The county is on the western boundary of the AA and includes the AA's largest city (Kearney, Nebraska).

**TABLE 9  
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Adams County	57,281	66,994	17.0
Boone County	51,981	63,569	22.3
Buffalo County	60,646	71,377	17.7
Butler County	58,438	63,592	8.8
Clay County	53,098	61,510	15.8
Fillmore County	54,365	62,741	15.4
Franklin County	47,604	59,357	24.7
Greeley County	53,500	52,283	(2.3)
Kearney County	62,718	61,880	(1.3)
Nance County	52,083	57,012	9.5
Nuckolls County	41,667	56,173	34.8
Platte County	59,691	67,420	12.9
Polk County	56,306	71,745	27.4
Thayer County	51,471	59,412	15.4
Valley County	49,417	59,583	20.6
Webster County	45,871	54,635	19.1
Wheeler County	50,083	53,611	7.0
York County	59,091	65,785	11.3
State of Nebraska	61,888	67,225	8.6

Source: 2006-2010 U.S. Census Bureau; American Community Survey  
2011-2015 U.S. Census Bureau; American Community Survey

- As of 2015, the collective median family income (MFI) for the AA was \$65,265, which was above the statewide nonmetropolitan figure of \$61,382, but fell below the state of Nebraska at \$67,225.
- The percent of families in the AA considered LMI was 33.8 percent, which was below the statewide nonmetropolitan figure of 37.2 percent.
- Generally, the least populated counties in the AA had the highest percentage of LMI families, which included Greeley (45.9 percent), Webster (45.8 percent), Nuckolls (42.7 percent), Nance (41.5 percent), and Thayer (40.3 percent).
- The family poverty rate in the AA was 7.3 percent, which was similar to the statewide nonmetropolitan poverty rate of 8.3 percent. When assessed by income level of census tracts in the AA, the poverty rate was 19.2 percent in moderate-income census tracts, 7.6 percent in middle-income census tracts, and 4.3 percent in upper income census tracts.
- The affordability ratio<sup>1</sup> in the AA, at 46.7 percent, is comparable to the statewide nonmetropolitan affordability ratio of 48.0 percent, and better than the state of Nebraska ratio of 39.8 percent.

<sup>1</sup> The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.



**TABLE 10  
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Adams County	95,000	104,300	9.8	583	623	6.9
Boone County	71,100	97,700	37.4	415	557	34.2
Buffalo County	128,600	151,300	17.7	619	722	16.6
Butler County	87,800	100,200	14.1	551	650	18.0
Clay County	73,700	81,100	10.0	473	562	18.8
Fillmore County	75,100	75,700	0.8	450	578	20.4
Franklin County	50,400	59,900	18.8	578	600	3.8
Greeley County	52,100	59,600	14.4	363	500	37.7
Kearney County	101,100	109,900	8.7	548	703	28.3
Nance County	60,200	78,400	30.2	487	534	9.7
Nuckolls County	54,200	54,500	0.6	475	501	5.5
Platte County	108,100	125,200	15.8	541	658	21.6
Polk County	86,400	103,400	19.7	538	592	10.0
Thayer County	61,900	64,700	4.5	426	472	10.8
Valley County	72,900	84,700	16.2	370	500	35.1
Webster County	58,700	77,600	32.2	419	444	6.0
Wheeler County	66,100	88,100	33.3	455	606	33.2
York County	92,300	117,600	27.4	527	617	17.1
State of Nebraska	123,900	133,200	7.5	648	726	12.0

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey

- The combined median housing value in the AA of \$110,148 exceeded the statewide nonmetropolitan median housing value of \$101,385. Additionally, the percentage change in housing costs in 15 of the AA's 18 counties exceeded the statewide figure of 7.5 percent, with increases of over 30.0 percent in some cases.
- The AA's moderate-income census tracts had a lower percentage of owner-occupied units at 41.2 percent, compared to 63.8 percent in middle- and 70.4 percent in upper-income census tracts. Conversely, the percentage of rental units in moderate-income census tracts was higher at 45.7 percent, compared to 25.1 percent and 24.3 percent in middle- and upper-income census tracts, respectively.
- Mobile homes represented 19.3 percent of all owner-occupied housing in the AA's moderate-income census tracts.
- The median age of housing stock in the AA was 56 years versus 44 years for the state of Nebraska. Buffalo County (38 years) was the only county with an average median age of housing below the state of Nebraska.
- A few community members noted the need for additional affordable housing along with a need for significant renovation of older, dilapidated homes in the AA. Other community members also stated that there is a shortage of affordable rental housing in the area.

TABLE 11  
UNEMPLOYMENT RATES

Region	2014	2015	2016	2017	2018
Adams County	3.4	3.2	3.3	3.4	2.9
Boone County	2.6	2.5	2.8	3.0	2.2
Buffalo County	2.7	2.5	2.6	2.4	2.3
Butler County	3.0	2.8	3.3	2.8	2.3
Clay County	3.3	3.0	3.3	3.1	3.1
Fillmore County	2.4	3.0	2.9	2.5	2.5
Franklin County	3.2	2.4	3.1	2.9	3.0
Groesbeck County	3.2	3.1	3.3	3.0	2.6
Kearney County	2.5	2.2	2.5	2.2	2.1
Nance County	2.7	2.5	2.8	2.4	2.4
Nuckolls County	2.9	2.6	3.1	2.6	2.6
Platte County	3.0	3.0	3.7	2.9	2.6
Polk County	3.2	2.6	2.8	2.3	2.3
Thayer County	2.6	2.4	2.6	2.2	2.2
Valley County	3.0	2.8	3.0	2.6	2.9
Webster County	3.4	3.6	3.3	2.9	2.8
Wheeler County	2.9	2.5	2.3	2.2	2.5
York County	3.1	2.9	2.8	2.5	2.5
State of Nebraska	3.3	3.0	3.2	2.9	2.8

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- From 2014 to 2018, unemployment rates for counties in the AA were low and compared similarly with the unemployment rate for the state of Nebraska.
- Agriculture, other services, retail trade, and construction were the largest employment sectors in the AA. Some of the largest employers were primarily located in the counties of Buffalo (city of Kearney), Adams (city of Hastings), Platte (city of Columbus), and York (city of York).
- In addition to government entities, school districts, and community hospitals, the AA's largest employers include the University of Nebraska, Baldwin Filters (oil, air, and fuel filters), Eaton Corporation (auto valves), The Buckle (retail manufacturing), Thermo King (transportation), WR Reserve (meat processing), Behlen Manufacturing (steel buildings and agricultural equipment), Becton-Dickinson (medical products), and Columbus Hydraulic.
- According to several community members, the major source of employment is agriculture and agricultural-related industries. The local economy is stable, but is heavily reliant on agricultural commodity prices. Commodity prices have been low over the last few years and recent flooding will continue to impact local farm production.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

The bank's performance under the lending test in the Eastern Nebraska AA is adequate.

#### Lending Activity

The bank's lending activities reflect good responsiveness to AA credit needs. However, the bank makes limited use of innovative and/or flexible lending practices in serving AA credit needs. The review of this AA included 130 home mortgage, 1,082 small business, and 2,743 small farm loans originated during the lending evaluation period.

#### Geographic Distribution of Loans

The geographic distribution of lending reflects adequate penetration throughout the AA.

#### Home Mortgage Lending

The geographic distribution of home mortgage lending is adequate. The bank's lending in moderate-income census tracts is comparable to aggregate lending data and the percentage of owner-occupied housing units (demographic figure). The majority of home mortgage lending occurred in middle-income census tracts, which exceeded both aggregate lending data and the demographic figure.

The evaluation of the dispersion of home mortgage lending did not reveal any significant gaps within the AA.

#### Home Purchase Loans

The geographic distribution of home purchase lending is adequate. Although the bank did not originate any home purchase loans in moderate-income census tracts, the level of loans made by aggregate lenders is low, as is the percentage of owner-occupied housing units. Thus, the distribution is considered adequate.

The dispersion of home purchase loans revealed a lending gap given the absence of any loans in moderate-income census tracts, but this factor did not impact the overall assessment given the low percentage of housing units in these tracts.

#### Home Refinance Loans

The geographic distribution of home refinance lending is adequate. The bank's home refinance lending in moderate-income census tracts is comparable to aggregate lenders and the demographic figure.

The evaluation of the dispersion of home refinance loans did not reveal any significant gaps in lending within the AA.

#### Home Improvement Loans

The geographic distribution of home improvement lending is adequate. Similar to the bank's home purchase lending, the bank did not originate any loans in moderate-income census tracts. However, given the low volume of aggregate lending and the low percentage of owner-occupied units, the distribution is considered comparable.

The dispersion of home improvement loans revealed a lending gap given the absence of any loans in moderate-income census tracts, but this factor did not impact the overall assessment given the low percentage of housing units in these tracts.

**TABLE 12**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**EASTERN NEBRASKA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data		% of Owner- Occupied Units
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	2	177	1.5	0.9	3.1	3.0	3.8
Middle	115	19,123	88.5	94.2	67.1	57.8	71.6
Upper	13	1,000	10.0	4.9	29.8	39.3	24.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Purchase Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	3.4	3.7	3.8
Middle	37	3,532	88.1	83.7	67.6	60.0	71.6
Upper	5	690	11.9	16.3	29.0	36.3	24.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	2	177	5.3	1.1	2.9	1.9	3.8
Middle	33	15,017	86.8	97.5	66.8	66.1	71.6
Upper	3	206	7.9	1.3	30.4	32.0	24.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	1.7	2.1	3.8
Middle	45	574	90.0	84.7	65.6	55.9	71.6
Upper	5	104	10.0	15.3	32.7	42.0	24.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Multifamily Loans							% of Multifamily Units
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	11.1	2.2	12.5
Middle	0	0	0.0	0.0	51.9	18.5	54.0
Upper	0	0	0.0	0.0	37.0	79.2	33.5
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Small Business Lending

The geographic distribution of small business lending is adequate. The bank's distribution of small business lending in 2017 was consistent with the distribution of lending originated in 2018.

As shown in Table 13, the bank's small business lending in moderate-income census tracts is comparable, by both number and dollar, to aggregate lending data and the percentage of businesses operating within these census tracts. The majority of small business loans were originated in middle-income census tracts, which is above aggregate lending data and the percentage of businesses by both number and dollar.

The evaluation of the dispersion of small business lending in 2017 and 2018 did not reveal any significant gaps in lending within the AA.

### Small Farm Lending

The geographic distribution of small farm lending is adequate. The bank's distribution of small farm lending in 2017 was consistent with the distribution of lending originated in 2018.

As shown in Table 13, the bank's small farm lending in moderate-income census tracts was comparable to aggregate lending data and the percentage of farms operating within these census tracts by both number and dollar. The majority of small farm loans were originated in middle-income census tracts, which is comparable with aggregate lending data and the percentage of businesses by both number and dollar.

The evaluation of the dispersion of small farm lending in 2017 and 2018 did not reveal any significant gaps in lending within the AA.

**TABLE 13**  
**DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**EASTERN NEBRASKA AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	13	1,966	2.5	4.4	3.1	4.2	3.7
Middle	466	37,725	87.9	85.3	71.5	69.1	75.1
Upper	51	4,548	9.6	10.3	23.2	26.0	21.2
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	2.3	0.7	0.0

Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	36	2,111	3.3	1.4	1.8	1.0	1.6
Middle	897	121,411	81.2	82.8	82.3	82.7	82.8
Upper	172	23,161	15.6	15.8	15.7	16.2	15.6
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.2	0.0	0.0

Source: 2018 FFIEC Census Data  
 2018 Dun & Bradstreet Data  
 2011 – 2015 U.S. Census Bureau: American Community Survey  
 NOTE: Percentages may not add up to 100.0 due to rounding.

### Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The bank's lending has a good penetration among individuals of different income levels and businesses and farms of different sizes.

### Home Mortgage Lending

The borrower distribution of home mortgage lending is excellent. The lending analysis was skewed for various home mortgage loans, including the sub-products below, due to a high percentage of borrower income data, by number and dollar, not being reported (unknown-income level) by either the bank or the aggregate lenders. The conclusions detailed below considered this impact within the lending analysis.

As displayed in Table 14, the bank's home mortgage lending to low-income borrowers is above aggregate lending data by number and comparable by dollar. The bank's lending compared to the percent of families in the AA (demographic figure) is comparable by number and below by dollar. The bank's lending to moderate-income borrowers is well above aggregate lending data and the demographic figure by number; whereas, the bank's lending by dollar is comparable to aggregate lending data and below the demographic figure. The dollar volume of the bank's home mortgage loans where the income level was not reported is very high and well above aggregate lending data.

#### Home Purchase Loans

The borrower distribution of home purchase lending is excellent. The bank's home purchase lending to low-income borrowers is above aggregate lending data by both number and dollar. When compared to the demographic figure, lending to low-income borrowers is comparable by number, but below by dollar. Home purchase lending to moderate-income borrowers is well above the aggregate lending data and the demographic figure by number and dollar.

#### Home Refinance Loans

The borrower distribution of home refinance lending is good. Home refinance lending to low-income borrowers is comparable to aggregate lending data by number and dollar. When compared to the demographic figure, lending to low-income borrowers is below by number and dollar. Home refinance lending to moderate-income borrowers is comparable to aggregate lending data and the demographic figure by number, while lending by dollar is below. The lending analysis by dollar for LMI borrowers is significantly skewed by the large dollar amount of loans that reported an unknown-income level.

#### Home Improvement Loans

The borrower distribution of home improvement lending is excellent. Home improvement lending to low-income borrowers is above aggregate lending data by number and comparable by dollar. When compared to the demographic figure, lending by number is comparable, but below by dollar. Home improvement lending to moderate-income borrowers is well above aggregate lending data and the demographic figure by number and dollar.



**TABLE 14**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY BORROWER INCOME LEVEL**  
**EASTERN NEBRASKA AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data		% of Families
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	16	584	12.3	2.9	6.0	2.7	16.2
Moderate	41	2,301	31.5	11.3	18.9	11.7	17.6
Middle	21	1,624	16.2	8.0	18.8	15.4	23.3
Upper	28	5,420	21.5	26.7	31.7	37.7	42.8
Unknown	24	10,371	18.5	51.1	24.6	32.5	0.0
Home Purchase Loans							
Low	6	446	14.3	10.6	5.8	3.1	16.2
Moderate	20	1,514	47.6	35.9	19.8	14.5	17.6
Middle	7	509	16.7	12.1	17.6	17.4	23.3
Upper	8	1,612	19.0	38.2	27.1	38.6	42.8
Unknown	1	141	2.4	3.3	29.6	26.5	0.0
Home Refinance Loans							
Low	3	112	7.9	0.7	6.8	3.0	16.2
Moderate	6	508	15.8	3.3	17.2	10.4	17.6
Middle	6	1,035	15.8	6.7	21.7	16.5	23.3
Upper	8	3,584	21.1	23.3	37.1	43.5	42.8
Unknown	15	10,161	39.5	66.0	17.3	26.5	0.0
Home Improvement Loans							
Low	7	26	14.0	3.8	4.8	1.3	16.2
Moderate	15	279	30.0	41.2	19.9	10.0	17.6
Middle	8	80	16.0	11.8	19.3	15.0	23.3
Upper	12	224	24.0	33.0	49.1	68.2	42.8
Unknown	8	69	16.0	10.2	6.8	5.6	0.0
Multifamily Loans							
Low	0	0	0.0	0.0	0.0	0.0	16.2
Moderate	0	0	0.0	0.0	0.0	0.0	17.6
Middle	0	0	0.0	0.0	0.0	0.0	23.3
Upper	0	0	0.0	0.0	0.0	0.0	42.8
Unknown	0	0	0.0	0.0	100.0	100.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau; American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Small Business Lending

The borrower distribution of small business lending is adequate. The bank's 2017 small business lending performance was above its performance in 2018; however, the bank's overall volume of small business lending has trended slightly downward since the previous evaluation.

As shown in Table 15, the bank's loan originations to businesses with gross annual revenues of \$1MM or less is above the aggregate lending data by number and comparable by dollar.

However, when compared to the percent of small businesses in the AA, the bank's lending is well below by number and dollar.

### Small Farm Lending

The borrower distribution of small farm lending is good. The bank's 2017 small farm lending performance was consistent with its performance in 2018.

As shown in Table 15, the bank's loan originations to farms with gross annual revenues of \$1MM or less is well above the aggregate lending data by number and above by dollar. When compared to the percent of small farms in the AA, the bank's small farm lending is well below by number and dollar.

TABLE 15 DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING BY REVENUE SIZE OF BUSINESSES AND FARMS EASTERN NEBRASKA AA							
Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	371	21,383	70.0	48.3	54.1	44.82	88.1
Over \$1MM	93	18,107	17.5	40.9	Not Reported		9.1
Unknown	66	4,749	12.5	10.7			2.8
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	996	129,190	90.1	88.1	69.9	82.0	98.3
Over \$1MM	52	12,987	4.7	8.9	Not Reported		1.5
Unknown	57	4,506	5.2	3.1			0.2
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011 - 2015 U.S. Census Bureau; American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.							

### Community Development Lending

The bank provides an adequate level of CD loans. As detailed in Table 16, the bank originated nine CD loans totaling \$11.5MM in the AA. All loans were new originations except for one that was a refinance of a previous loan for \$45,734. The following are examples of CD loans that were responsive to AA credit needs:

- The bank originated a \$3.6MM loan to build an affordable 32-unit apartment complex for low-income residents in Columbus, Nebraska. The project was also funded using low-income housing tax credits (LIHTCs).
- The bank also advanced a construction loan of \$4.5MM for another LIHTC project that built 15 duplexes and provided 30 affordable housing units for low-income families in Hastings, Nebraska.

- A \$2MM line of credit was issued to a rural town located in an underserved nonmetropolitan middle-income census tract to replace its water supply, which had excess nitrates.

TABLE 16 COMMUNITY DEVELOPMENT LOANS EASTERN NEBRASKA AA		
Community Development Purpose	#	\$(000's)
Affordable Housing	2	8,100
Community Services	2	345
Economic Development	0	0
Revitalization and Stabilization	5	3,093
<b>TOTAL LOANS</b>	<b>9</b>	<b>11,538</b>

## INVESTMENT TEST

The bank's performance under the investment test is excellent. The bank has an excellent level of qualified CD investments and grants and is occasionally in a leadership position. The bank also makes occasional use of innovative and/or complex investments and exhibits good responsiveness to the credit and CD needs of its AA.

Table 17 details the bank's qualified CD investments, including prior-period and current-period investments, as well as donations and grant activity. All of the investments were general obligation bonds for the purpose of revitalizing and stabilizing distressed and/or underserved nonmetropolitan middle-income census tracts in the AA. Of the \$9.8MM in current investments, \$8.3MM went towards Boone, Fillmore, and Clay Counties for street and infrastructure improvements and sewer and irrigation projects.

Overall, the bank made 20 donations totaling \$91,650 that qualified as CD activities. The following are examples of donations that were responsive to AA needs:

- Three donations totaling \$35,000 to support an organization focused on providing essential infrastructure to a distressed and underserved nonmetropolitan community.
- One donation for \$25,000 to a disaster relief fund to help communities in the AA recover from the impact of widespread flooding in 2019.
- Two donations for \$16,000 to fund a scholarship for economically disadvantaged students to attend a local community college.
- A donation of \$5,000 to a community foundation to purchase X-ray equipment for a local medical clinic in an underserved nonmetropolitan middle-income census tract.
- A \$3,000 donation to a rural fire protection district to train volunteer firefighters in an underserved nonmetropolitan middle-income census tract.

TABLE 17  
INVESTMENTS, GRANTS, AND DONATIONS  
EASTERN NEBRASKA AA

Community Development Purpose	Prior Period Investments <sup>1</sup>		Current Investments <sup>2</sup>		Donations		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Affordable Housing	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	10	23	10	23
Economic Development	0	0	0	0	0	0	0	0
Revitalization and Stabilization	159	27,736	71	9,795	10	69	240	37,600
<b>TOTAL</b>	<b>159</b>	<b>27,736</b>	<b>71</b>	<b>9,795</b>	<b>20</b>	<b>92</b>	<b>250</b>	<b>37,623</b>

<sup>1</sup> Book Value of Investment  
<sup>2</sup> Original Market Value of Investment

## SERVICE TEST

The bank's performance under the service test in the Eastern Nebraska AA is good.

### Retail Banking Services

Branch locations and alternative delivery systems, such as drive-through facilities and online and mobile banking, are accessible to the bank's various geographies and to individuals of different income levels in the AA. The bank operates 36 of its 43 total banking offices in the AA, including 1 in moderate-, 31 in middle-, and 4 in upper-income census tracts. One branch in Hamilton County went from a middle- to an upper-income census tract because of the OMB MSA changes discussed previously. Five of the branches (three administrative offices and two Walmart locations) offer deposit services only. Although full-service locations are given more weight in the analysis, the bank's limited-service locations did not affect the distribution, as all were located in middle-income census tracts. Additionally, the bank also provides 14 full-service ATMs at various branches and 4 full-service ATMs at off-site locations; 16 were in middle- and 2 were in upper-income census tracts. The distribution of branches and full-service ATMs are generally proportional to the percent of census tracts by income level, as well as the AA population of households by census tract income levels.

The bank's record of opening and closing branches did not adversely affect the accessibility of its delivery systems, particularly in LMI areas or to LMI individuals. During the evaluation period, the bank opened a full-service branch in a middle-income census tract and did not have any branch closures.

The bank's products, services, and business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals. Lobby hours and additional services, as discussed previously in this report, do not vary by market, with the exception of the bank's five limited-service branches within its Eastern Nebraska AA.

### Community Development Services

The bank provides an adequate level of CD services. As illustrated in Table 18, the bank provided 61 CD services to 29 different organizations. The following is a sample of activities that were considered responsive to AA credit and CD needs:

- Two bank officers and a bank employee provided financial expertise to organizations that provide low-income housing to AA residents living in three separate counties.
- Several bank employees provided board leadership or served on various committees to support economic development within communities in the AA, as well as technical assistance to support small businesses.
- Several bank employees serve on local county foundations that support and fund revitalization and stabilization efforts in several counties that have distressed and underserved nonmetropolitan middle-income census tracts.

**TABLE 18  
RETAIL AND COMMUNITY DEVELOPMENT SERVICES  
EASTERN NEBRASKA AA**

Branch Accessibility	Location of Branches by Tract (%)						Percent of Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
	0.0	2.8	86.1	11.1	0.0	100.0	0.0	6.7	75.0	18.3	0.0	100.0
	Location of Full-Service ATMs by Tract (%)						Percent of Households by Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
0.0	0.0	89.5	10.5	0.0	100.0	0.0	5.4	71.2	23.4	0.0	100.0	
Changes in Branch Location	Number of Branches (#)					Net Change in Branch Locations (#)						
	Total Branches		Openings (#)	Closings (#)		Low	Mod	Mid	Upp	Unk	Total	
	36		1	0		0	0	1	0	0	1	
Community Development Services	Affordable Housing		Community Services	Economic Development		Revitalization & Stabilization		Total Services		Total Organizations		
	5		24	14		18		61		29		

<sup>1</sup> Based on 2019 FFIEC census tract definitions.  
(NOTE: Total percentages may vary by 0.1 percent due to automated rounding differences.)

**GRAND ISLAND MSA ASSESSMENT AREA  
METROPOLITAN AREA  
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS**

The bank's AA is comprised of Hall, Hamilton, Howard, and Merrick Counties in their entireties. However, as previously discussed, changes in the OMB's MSA definitions in 2019 resulted in Hamilton County being removed from the Grand Island MSA AA to the bank's Eastern Nebraska AA (refer to Appendix B for the AA maps). Nonetheless, the demographic information shown below was based on 2017 and 2018 AA census tract delineations to correspond with the 2017 and 2018 lending data.

- According to the 2017 and 2018 FFIEC census tract definitions, the AA included 4 moderate-, 10 middle-, and 8 upper-income census tracts. As of the 2019 FFIEC census tract definitions, the AA now includes 4 moderate-, 8 middle-, and 7 upper-income census tracts.
- Based on 2018 FFIEC census data, the bank's presence in the AA included five full-service branches and two limited-service branches (Walmart locations). Two full-service and one limited-service branch were in middle-income census tracts, while three full-service and the other limited-service branch were in upper-income census tracts. As of 2019, three branch locations (one middle-income and two upper-income census tracts) were removed from the Grand Island MSA AA.
- According to the June 30, 2019 FDIC Market Share Report, the bank had 3.3 percent of the market share in the Grand Island MSA, ranking 10<sup>th</sup> out of 20 FDIC-insured financial institutions operating in the AA.
- To further augment the evaluation, two interviews recently conducted as part of the CRA evaluations of other financial institutions in the AA were reviewed to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and to obtain perspective on local economic conditions. One contact was a representative from an organization that provides affordable housing to low-income residents in the AA, while the other contact was a representative focused on economic development, public works, transportation, construction, and small business support.

**TABLE 19  
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Hall County	58,607	60,792	3.7
Hamilton County	9,124	9,100	(0.3)
Howard County	6,274	6,347	1.2
Merrick County	7,845	7,776	(0.9)
Grand Island MSA	81,850	84,015	2.6
State of Nebraska	1,826,341	1,869,365	2.4

Source: 2010 U.S. Census Bureau Decennial Census  
2011-2015 U.S. Census Bureau: American Community Survey

- Based on 2015 American Community Survey (ACS) data, approximately 72.4 percent of the AA's population resides in Hall County, the location of the AA's largest city, Grand Island, Nebraska.
- The focused population growth in Hall County and in the city of Grand Island was mentioned by a community member as contributing to high demand for homes and the lack of available affordable housing.

**TABLE 20  
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Hall County	54,447	56,654	4.1
Hamilton County	57,397	67,813	18.1
Howard County	56,406	65,795	16.6
Merrick County	52,486	60,110	14.5
Grand Island MSA	54,801	58,820	7.3
State of Nebraska	61,888	67,225	8.6

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey

- With the exception of Hamilton County, MFI income within the AA was below the state of Nebraska. In comparison, income growth in three of the four AA counties was above the statewide level.

**TABLE 21  
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Hall County	107,700	122,500	13.7	593	661	11.5
Hamilton County	108,600	111,600	2.8	581	686	18.1
Howard County	89,300	109,200	22.3	561	553	(1.4)
Merrick County	78,900	85,600	8.5	551	584	6.0
Grand Island MSA	102,905	116,344	13.1	584	655	12.2
State of Nebraska	123,900	133,200	7.5	648	726	12.0

Source: 2006-2010 U.S. Census Bureau: American Community Survey  
2011-2015 U.S. Census Bureau: American Community Survey

- The AA had a slightly higher affordability ratio at 43.5 percent, as compared to the statewide level at 39.8 percent, suggesting greater housing affordability. However, in Hall County, the housing affordability ratio more closely aligned with the statewide affordability ratio at 40.2 percent.
- The percentage of rental units was higher in the moderate-income census tracts than the middle- and upper-income census tracts in the AA. For the moderate-income census tracts, only 51.1 percent of housing units were owner-occupied, while 42.7 percent were rental units. In comparison, for the middle- and upper-income census tracts, rental units accounted for 29.6 percent and 23.7 percent, respectively, and owner-occupied units accounted for 61.0 percent and 69.3 percent, respectively.
- A community member stated the city of Grand Island's population growth has resulted in a lack of affordable housing units.

**TABLE 22  
UNEMPLOYMENT RATES**

Region	2014	2015	2016	2017	2018
Hall County	3.8	4.0	3.8	3.4	3.2
Hamilton County	2.9	2.9	2.9	2.5	2.5
Howard County	3.6	3.7	3.5	3.0	3.0
Merrick County	3.7	3.8	3.8	2.7	2.8
Grand Island MSA	3.7	3.8	3.7	3.2	3.0
State of Nebraska	3.3	3.0	3.2	2.9	2.8

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- According to the Bureau of Labor Statistics/Moody's Analytics (Moody's Analytics), manufacturing and government comprised the largest economic sectors, as a percentage of total employment, in the AA at 20.3 percent and 15.7 percent, respectively. Additionally, retail trade and education and health services also were significant contributors to the economy at 13.8 percent and 11.2 percent, respectively.
- According to Moody's Analytics, agriculture is also a dominant industry within the Grand Island MSA AA, which has an indirect impact on the local economy, including consumer industries and housing.



- Primary employers in the AA include JBS (beef processing), CHI Health (St. Francis Medical Center), Hornady Manufacturing, CNH Industrial America, Walmart Inc., Chief Industries, McCain Foods, and Principal Financial Group.
- A community member stated the city of Grand Island has very low unemployment levels and local businesses have indicated there is a shortage of skilled labor. The community member also stated several existing businesses have expanded, which has created additional jobs in the AA.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

The bank's performance under the lending test in the Grand Island MSA AA is adequate.

#### **Lending Activity**

The bank's overall lending reflects good responsiveness to AA credit needs. However, the bank makes limited use of innovative and/or flexible lending practices in serving AA credit needs. The review of this AA included 44 home mortgage, 330 small business, and 461 small farm loans originated during the lending evaluation period.

#### **Geographic Distribution of Loans**

The geographic distribution of lending reflects poor penetration throughout the AA. The bank's home improvement and multifamily loans were not evaluated given the limited volume of loan activity for each product.

#### Home Mortgage Lending

The geographic distribution of home mortgage lending is poor. As shown in Table 23, only two home mortgage loans were originated in the AA's moderate-income census tracts (one home purchase and one multifamily loan). By number and dollar, the bank's lending in moderate-income census tracts is well below the aggregate lending data and the percentage of owner-occupied units in the AA (demographic figure).

The evaluation of the dispersion of home mortgage lending did not reveal any significant gaps in lending within the AA. Most mortgage lending is originated in small cities and towns rather than less densely populated rural areas.

#### Home Purchase Loans

The geographic distribution of home purchase lending is poor. The bank originated only one home purchase loan in the AA's moderate-income census tracts. By number and dollar, the bank's lending in moderate-income census tracts is well below the aggregate lending data and

the demographic figure. The majority of home purchase lending is originated in the AA's middle-income census tracts, which is above aggregate lending data and the demographic figure by number and dollar.

Although the bank had limited home purchase loans within the moderate-income census tracts, the dispersion of loans did not reveal any significant gaps in lending within the AA.

#### Home Refinance Loans

The geographic distribution of home refinance lending is poor. The bank did not originate any home refinance loans in moderate-income census tracts, although there was an opportunity to lend based on the aggregate lending data and the demographic figure.

The dispersion of home refinance loans revealed a lending gap given the absence of any loans in moderate-income census tracts, which also contributed to the overall poor rating.

**TABLE 23**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**GRAND ISLAND MSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data		% of Owner- Occupied Units
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	2	144	4.5	2.9	21.3	14.4	19.1
Middle	29	3,251	65.9	64.4	47.5	49.4	46.0
Upper	13	1,653	29.5	32.7	31.2	36.1	34.9
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Purchase Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	42	5.0	1.9	22.3	16.4	19.1
Middle	12	1,428	60.0	65.9	46.6	43.4	46.0
Upper	7	696	35.0	32.1	31.1	40.2	34.9
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	18.8	12.8	19.1
Middle	11	1,479	73.3	63.2	50.2	55.8	46.0
Upper	4	861	26.7	36.8	31.0	31.4	34.9
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	21.7	16.4	19.1
Middle	6	344	75.0	78.2	43.8	41.7	46.0
Upper	2	96	25.0	21.8	34.6	42.0	34.9
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Multifamily Loans							% of Multifamily Units
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	1	102	100.0	100.0	36.8	3.3	27.6
Middle	0	0	0.0	0.0	52.6	77.7	43.6
Upper	0	0	0.0	0.0	10.5	19.0	28.8
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Small Business Lending

The geographic distribution of small business lending is poor. The bank's distribution of small business lending in 2017 was consistent with the distribution of lending originated in 2018.

As shown in Table 24, the bank's small business lending in moderate-income census tracts is below aggregate lending data and the percentage of businesses operating in moderate-income census tracts (demographic figure). The majority of small business loans are originated in middle-income census tracts, which is above aggregate lending data and the demographic figure by number and dollar.

Although the bank had limited small business lending in 2017 and 2018 within moderate-income census tracts, the dispersion of loans did not reveal any significant gaps in lending within the AA.

### Small Farm Lending

The geographic distribution of small farm lending is poor. The bank's distribution of small farm lending in 2017 was consistent with the distribution of lending originated in 2018.

As shown in Table 24, the bank did not originate any small farm loans in the AA's moderate-income census tracts; however, the low percentage of farms and the low volume of aggregate lending data implies that opportunities to lend are limited. Additionally, the bank's small farm lending in middle-income census tracts is well below both aggregate lending data and the percent of farms by number and dollar. The majority of small farm loans are originated within upper-income census tracts.

The evaluation of the dispersion of small farm lending in 2017 and 2018 did not reveal any significant gaps in lending within the AA. The limited numbers of farms present within the moderate-income census tracts located in the downtown area of Grand Island contributed to the absence of lending in those census tracts.

**TABLE 24**  
**DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**GRAND ISLAND AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	6	837	3.4	5.3	15.3	13.1	19.4
Middle	95	9,684	54.6	61.6	44.0	50.5	47.8
Upper	73	5,204	42.0	33.1	39.3	35.6	32.8
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.6	0.6	2.0
Middle	60	6,407	28.0	29.7	45.2	47.2	45.2
Upper	154	15,184	72.0	70.3	54.0	52.2	52.8
Unknown	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2018 FFIEC Census Data  
2018 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The bank has a good distribution of lending to individuals of different income levels and businesses and farms of different sizes. The bank's home improvement lending was not considered in this evaluation based on the limited volume.

### Home Mortgage Lending

The borrower distribution of home mortgage lending is adequate. The lending analysis was skewed for various home mortgage loans, including the sub-products below, due to a high percentage of borrower income data, by number and dollar, not being reported (unknown-income level) by either the bank or the aggregate lenders. The conclusions detailed below considered this impact within the lending analysis.

As shown in Table 25, the bank's home mortgage lending to low-income borrowers is comparable with aggregate lending data by number and dollar, but is well below the percent of families in the AA (demographic figure). The bank's lending to moderate-income borrowers is comparable with aggregate lending data by number and dollar; whereas, the bank's lending by number is comparable with the demographic figure, but below by dollar.

Although home mortgage lending to low-income borrowers was well below the demographic figure, the level of lending by aggregate lenders can also be considered as a representation of loan demand. Therefore, the bank's home mortgage lending, including home purchase and

home refinance loans, is considered to be in line with the aggregate demand for home mortgage products from low-income borrowers.

Additionally, home construction lending has not kept up with the growing population and there is a lack of affordable housing available in the AA. As one community member indicated, a majority of the housing redevelopment has been geared towards higher-end income buyers.

#### Home Purchase Loans

The borrower distribution of home purchase lending is adequate. While the bank did not originate any home purchase loans to low-income borrowers, the volume of loans reflected in the aggregate lending data also was low and, thus, considered comparable. Nonetheless, both the bank and the aggregate lending data is well below the demographic figure by number and dollar. As previously noted, the lack of affordable housing available to purchase for low-income borrowers is constrained. In comparison, the bank's home purchase lending to moderate-income borrowers by number is comparable to aggregate lending data and the demographic figure, while home purchase lending by dollar is above aggregate lending data and comparable to the demographic figure.

#### Home Refinance Loans

The borrower distribution of home refinance lending is poor. The bank's home refinance lending to low-income borrowers by number and dollar is comparable to aggregate lending data; however, both the bank and the aggregate lending data is well below the demographic figure. Additionally, the bank's lending to moderate-income borrowers by number and dollar is below aggregate lending data and well below the demographic figure.

**TABLE 25**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY BORROWER INCOME LEVEL**  
**GRAND ISLAND MSA AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data		% of Families
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	1	31	2.3	0.6	5.4	2.5	18.6
Moderate	6	516	13.6	10.2	16.3	10.2	18.0
Middle	8	1,002	18.2	19.8	18.4	15.2	23.9
Upper	21	2,717	47.7	53.8	35.7	41.5	39.5
Unknown	8	782	18.2	15.5	24.3	30.6	0.0
Home Purchase Loans							
Low	0	0	0.0	0.0	4.7	2.7	18.6
Moderate	4	444	20.0	20.5	16.5	12.4	18.0
Middle	6	856	30.0	39.5	18.5	17.8	23.9
Upper	4	217	20.0	10.0	31.7	42.3	39.5
Unknown	6	649	30.0	30.0	28.5	24.8	0.0
Home Refinance Loans							
Low	1	31	6.7	1.3	6.2	2.5	18.6
Moderate	1	46	6.7	2.0	15.7	8.0	18.0
Middle	1	120	6.7	5.1	18.8	13.8	23.9
Upper	11	2,112	73.3	90.3	40.2	45.6	39.5
Unknown	1	31	6.7	1.3	19.1	30.1	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	7.4	4.2	18.6
Moderate	1	26	12.5	5.9	18.0	11.0	18.0
Middle	1	26	12.5	5.9	17.5	12.9	23.9
Upper	6	388	75.0	88.2	50.2	67.2	39.5
Unknown	0	0	0.0	0.0	6.9	4.7	0.0
Multifamily Loans							
Low	0	0	0.0	0.0	0.0	0.0	18.6
Moderate	0	0	0.0	0.0	0.0	0.0	18.0
Middle	0	0	0.0	0.0	0.0	0.0	23.9
Upper	0	0	0.0	0.0	0.0	0.0	39.5
Unknown	1	102	100.0	100.0	100.0	100.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau; American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

### Small Business Lending

The borrower distribution of small business lending is good. The bank's 2017 small business lending performance is consistent with its performance in 2018.

As shown in Table 26, the bank's lending to businesses with gross annual revenues of \$1MM or less is well above the aggregate lending data by number and dollar. However, when compared to the percent of small businesses in the AA, the bank's lending is comparable by number and well below by dollar.

### Small Farm Lending

The borrower distribution of small farm lending is good. The bank's 2017 small farm lending performance was consistent with its performance in 2018.

As shown in Table 26, the bank's lending to farms with gross annual revenues of \$1MM or less is well above the aggregate lending data by number and comparable by dollar. When compared to the percent of small farms in the AA, the bank's small farm lending is below by number and well below by dollar.

TABLE 26							
DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING							
BY REVENUE SIZE OF BUSINESSES AND FARMS							
GRAND ISLAND MSA AA							
Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	145	9,124	83.3	58.0	55.3	46.7	88.9
Over \$1MM	23	6,492	13.2	41.3	Not Reported		9.4
Unknown	6	109	3.4	0.7			1.7
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	190	16,300	88.8	75.5	64.4	72.2	97.6
Over \$1MM	21	4,968	9.8	23.0	Not Reported		2.3
Unknown	3	323	1.4	1.5			0.1
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011 - 2015 U.S. Census Bureau; American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.							

### Community Development Lending

The bank makes a low level of CD loans. For this evaluation period, the bank did not originate any new CD loans in the AA; however, given the bank's reduced presence within this market, opportunities to make qualified CD loans are limited.



## **INVESTMENT TEST**

The bank's performance under the investment test in the Grand Island MSA AA is poor. The bank has a poor level of qualified CD investments and grants and is rarely in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments and exhibits poor responsiveness to the credit and CD needs of its AA.

The bank did not have any qualified CD investments for this evaluation period, and only had four qualified donations totaling \$28,300. One donation for \$25,000 was for the renovation and improvement of a public library located in a moderate-income census tract within the AA. In addition, one donation of \$2,500 was made to a training program that supports LMI teens in becoming teachers, while two other donations totaling \$800 were made to support educational activities at an elementary school where 87.0 percent of students received free and reduced lunches. According to community members and other publically available information, opportunities to further invest in affordable housing, community services, or economic development are available in the AA.

## **SERVICE TEST**

The bank's performance under the service test in the Grand Island MSA AA is adequate.

### **Retail Banking Services**

Branch locations and alternative delivery systems, such as drive-through facilities and online and mobile banking, are reasonably accessible to the bank's various geographies and to individuals of different income levels in the AA. Two of the bank's four branches in the Grand Island MSA AA are in middle-income census tracts, while the other two branches are in upper-income census tracts. The OMB MSA changes discussed previously did not affect the census tract income levels of the bank's branch locations. Two of the four branches are in Walmart stores and offer limited deposit products only. One of those limited service branches is located in a middle-income tract and the other is located in an upper-income tract. Additionally, one of the bank's branches in an upper-income census tract provides an on-site, full-service ATM. The bank also offers customer access to full-service ATMs at two off-site locations located in middle-income census tracts in the AA. Two of the branch locations, as well as each of the off-site ATMs, are located in close proximity to moderate-income census tracts. Other than the lack of branch locations in moderate-income census tracts, the distribution of branches and full-service ATMs are generally proportional to the percent of census tracts by income level, as well as the AA population of households by census tract income levels.

The bank's record of opening and closing branches generally did not adversely affect the accessibility of its delivery systems, particularly in LMI areas or to LMI individuals, since no changes were made to the bank's branching structure during the evaluation period.

The bank's products, services, and business hours do not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals. Lobby hours and additional services, as discussed previously in this report, do not vary by market.

### Community Development Services

The bank provides an adequate level of CD services. As illustrated in Table 27, the bank provided 13 CD services to four different organizations in the AA. The majority of CD services were provided by three bank employees who taught financial education courses to students at three elementary schools that have a majority of students that qualify for free and reduced lunches. The other service was provided by a bank mortgage lender that served on the applicant selection committee for an affordable housing entity providing housing for low-income borrowers.

TABLE 27 RETAIL AND COMMUNITY DEVELOPMENT SERVICES GRAND ISLAND MSA AA												
Branch Accessibility	Location of Branches by Tract (%)						Percent of Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
	0.0	0.0	50.0	50.0	0.0	100.0	0.0	21.1	42.1	36.8	0.0	100.0
	Location of Full-Service ATMs by Tract (%)						Percent of Households by Tracts <sup>1</sup> (%)					
	Low	Mod	Mid	Upp	Unk	Total	Low	Mod	Mid	Upp	Unk	Total
0.0	0.0	42.9	57.1	0.0	100.0	0.0	26.4	42.2	31.4	0.0	100.0	
Changes in Branch Location	Number of Branches (#)			Net Change in Branch Locations (#)								
	Total Branches	Openings (#)	Closings (#)	Low	Mod	Mid	Upp	Unk	Total			
	4	0	0	0	0	0	0	0	0			
Community Development Services	Affordable Housing	Community Services	Economic Development	Revitalization & Stabilization	Total Services		Total Organizations					
	2	11	0	0	13		4					

<sup>1</sup> Based on 2019 FHIC census tract definitions.  
(NOTE: Total percentages may vary by 0.1 percent due to automated rounding differences.)

<sup>1</sup> Based on 2019 FHIEC census tract definitions.  
(NOTE: Total percentages may vary by 0.1 percent due to automated rounding differences.)

**OMAHA-COUNCIL BLUFFS METROPOLITAN ASSESSMENT AREA  
METROPOLITAN AREA  
(Limited-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS**

The AA was comprised of Cass County in its entirety. However, the AA delineation was changed in December 2019 due to the bank's acquisition of Security Home Bank. As a result, the AA delineation now includes Saunders County in its entirety (refer to Appendix B for the AA maps). Due to the timing of the AA change, it did not affect this analysis, except for the retail analysis under the Service Test.

- According to the 2017-2019 FFIEC census tract definitions, the AA included six middle-income census tracts. The addition of Saunders County in 2019 added an additional 11 middle-income census tracts to the AA. The OMB MSA changes did not affect the Omaha-Council Bluffs MSA AA for 2019.
- Based on 2015 ACS data, the population of the AA was 46,273.
- The bank currently operates three full-service branch locations in the AA. One branch is a de novo facility opened on January 14, 2019, while another branch (Security Home Bank) was recently acquired on December 5, 2019. The remaining branch was acquired on January 6, 2017. All three branches are located in middle-income census tracts.
- According to the June 30, 2019 FDIC Market Share Report (adjusted for the Security Home Bank acquisition), the bank had 6.6 percent of the market share in the Omaha-Council Bluffs Metropolitan AA, ranking 5<sup>th</sup> out of 24 FDIC-insured financial institutions operating in the AA.
- To further augment the evaluation, three interviews recently conducted as part of the CRA evaluations of other financial institutions in the AA were reviewed to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The contacts included two representatives from agricultural-related entities, while the other contact was from a local government agency.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The AA listed in the table below was reviewed using limited-scope examination procedures. Conclusions regarding the bank's CRA performance were drawn from a review of available facts and data, including performance figures, aggregate lending comparisons, and demographic information. The conclusions regarding the bank's performance did not significantly impact the overall rating and are as follows:

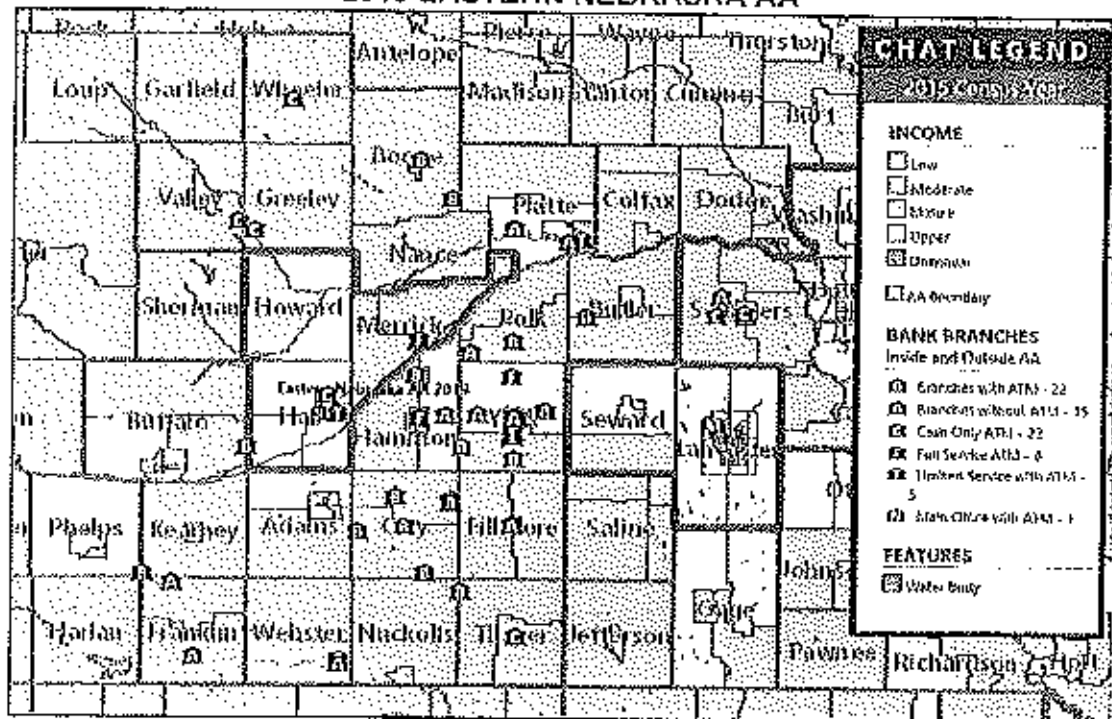
Assessment Area	Lending Test	Investment Test	Service Test
Omaha-Council Bluffs Metropolitan AA	consistent	below	below

APPENDIX A

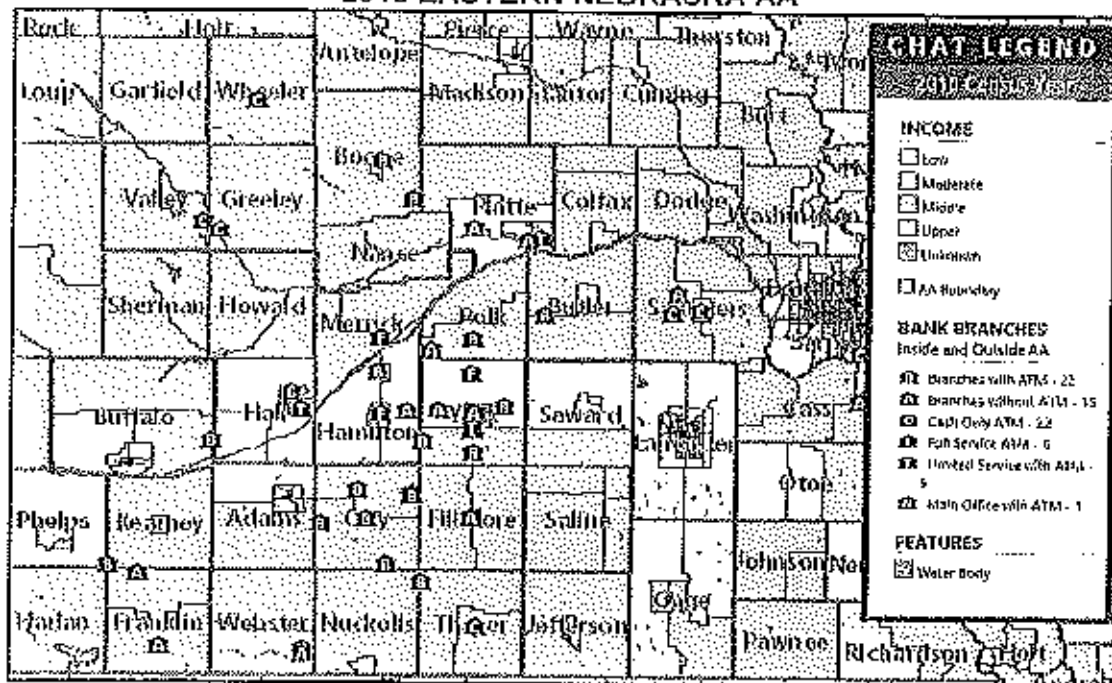
SCOPE OF EXAMINATION			
<b>FINANCIAL INSTITUTION</b> Cornerstone Bank York, Nebraska		<b>PRODUCTS/SERVICES REVIEWED</b> <ul style="list-style-type: none"> <li>• Home Purchase Loans</li> <li>• Home Refinance Loans</li> <li>• Home Improvement Loans</li> <li>• Multifamily Loans</li> <li>• Small Business Loans</li> <li>• Small Farm Loans</li> <li>• Community Development Loans</li> <li>• Qualified Investments and Donations</li> <li>• Community Development Services</li> </ul>	
<b>TIME PERIODS REVIEWED</b> <u>Home Mortgage Loans:</u> January 1, 2017 to December 31, 2017 <u>Small Business and Small Farm Loans:</u> January 1, 2017 to December 31, 2018 <u>Community Development Activities:</u> January 1, 2017 to December 31, 2019			
LIST OF AFFILIATES CONSIDERED IN THIS EVALUATION			
<b>AFFILIATES</b>	<b>AFFILIATE RELATIONSHIP</b>	<b>PRODUCTS REVIEWED</b>	
Cornerstone Bank Services	Subsidiary of Holding Company	None	
LIST OF ASSESSMENT AREAS AND SCOPE OF REVIEW			
<b>ASSESSMENT AREA</b>	<b>SCOPE OF REVIEW</b>	<b>BRANCHES VISITED</b>	<b>COMMUNITY CONTACTS</b>
Nebraska			
MSA 99999 Eastern Nebraska AA	Full Review	None	6 prior
MSA 24260 Grand Island MSA AA	Full Review	None	2 prior
MSA 36540 Omaha-Council Bluffs Metropolitan AA	Limited Review	None	3 prior

APPENDIX B - MAPS OF THE ASSESSMENT AREAS

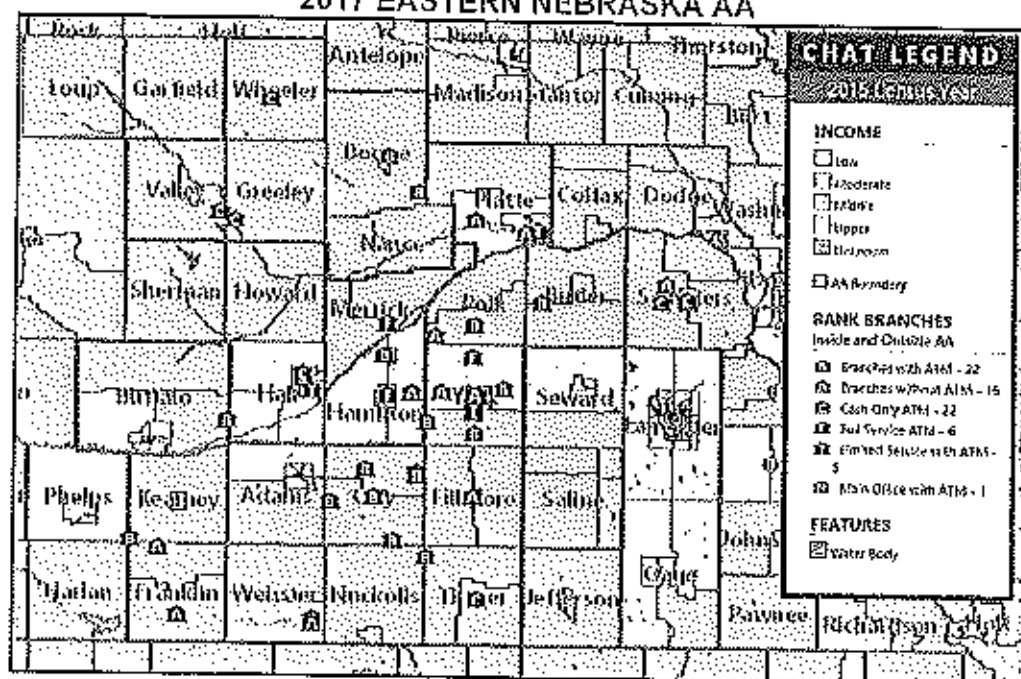
2019 EASTERN NEBRASKA AA



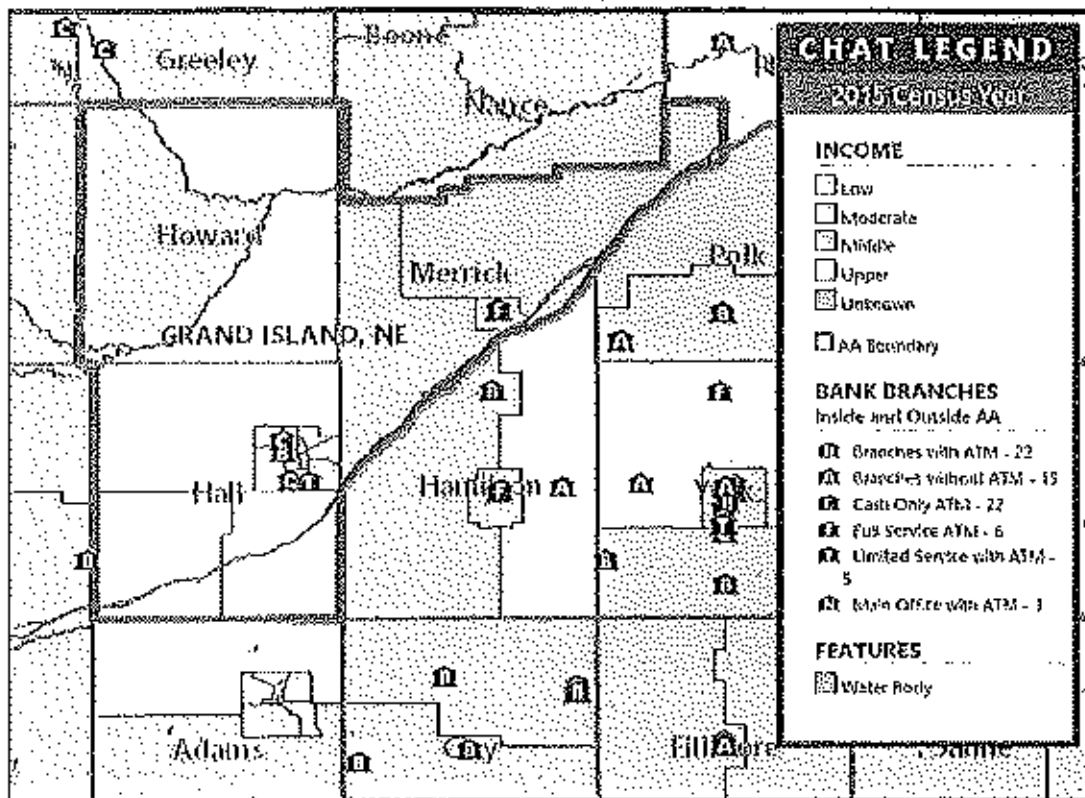
2018 EASTERN NEBRASKA AA



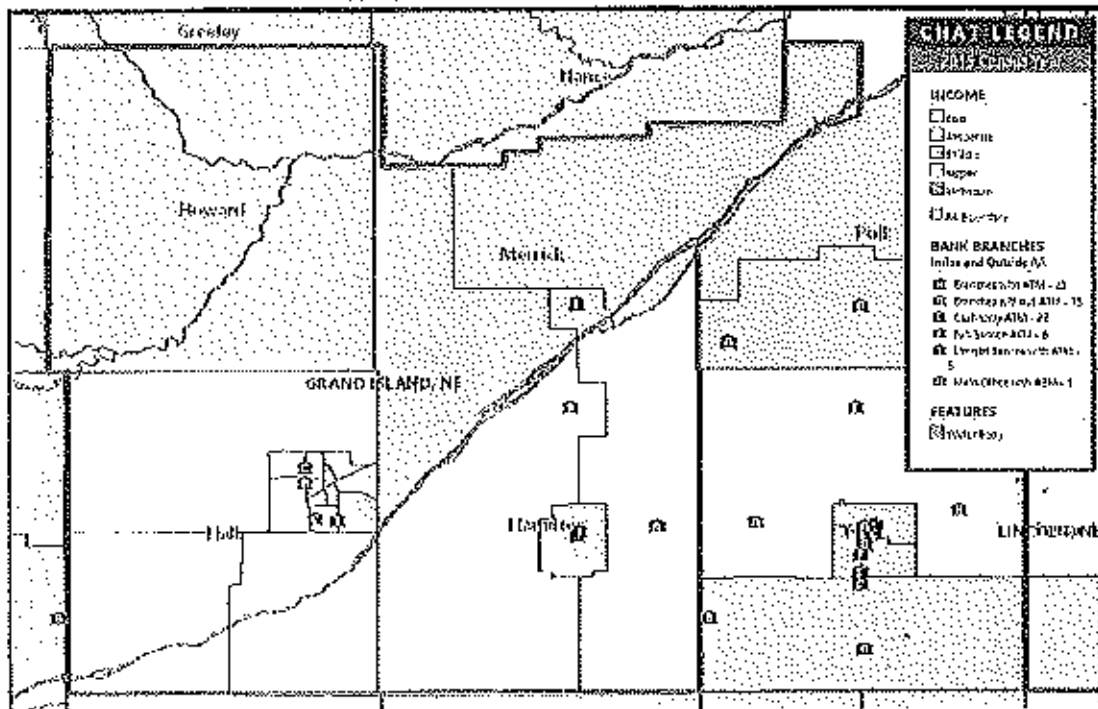
2017 EASTERN NEBRASKA AA



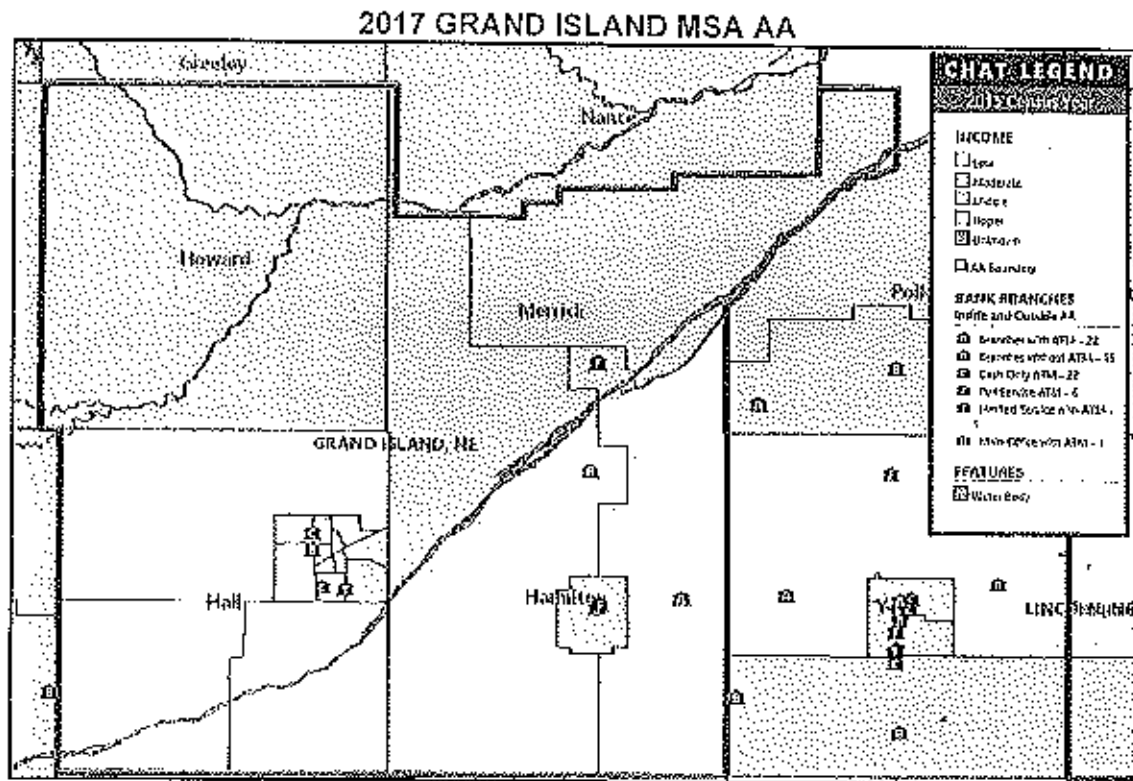
2019 GRAND ISLAND MSA AA



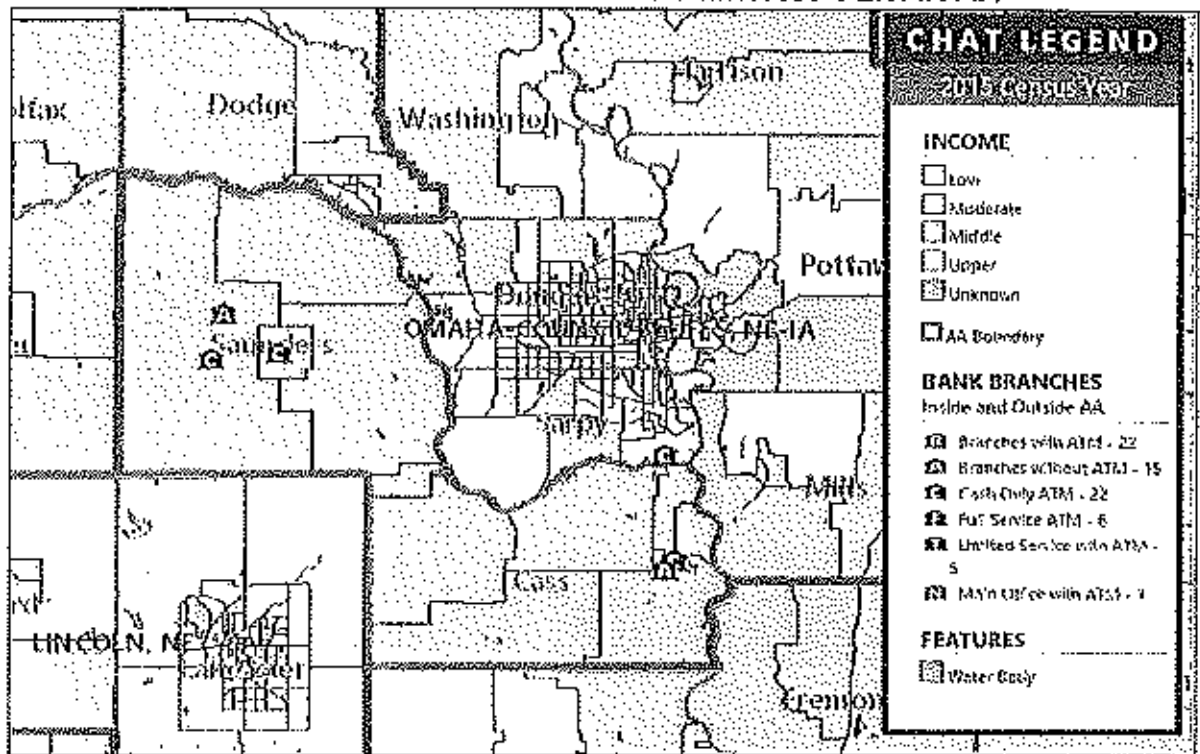
2018 GRAND ISLAND MSA AA



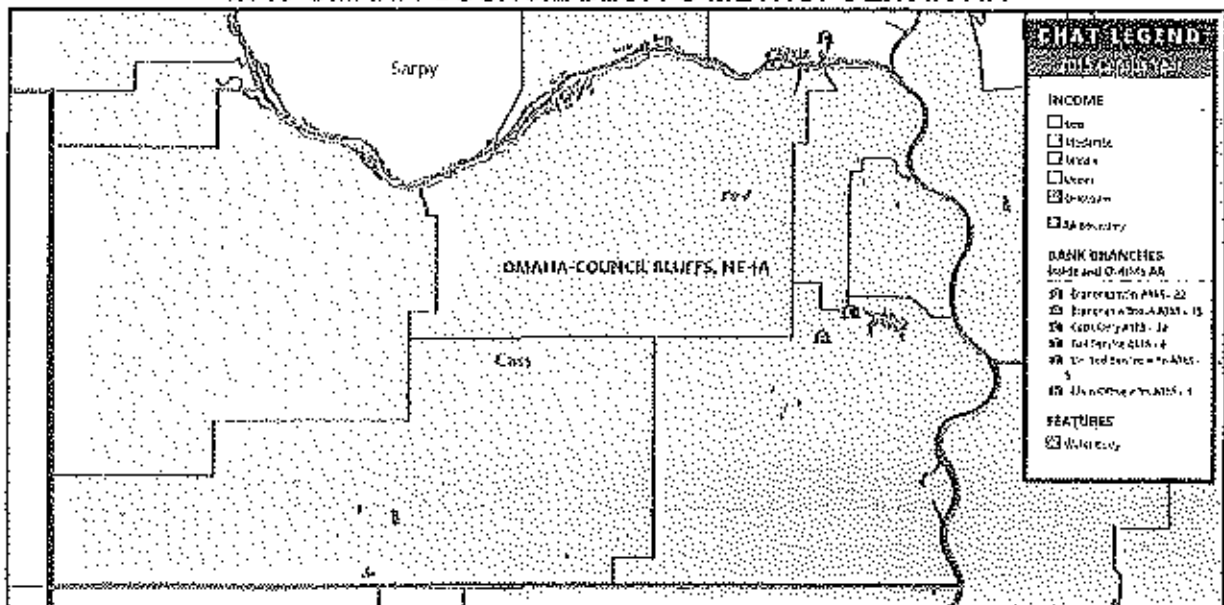




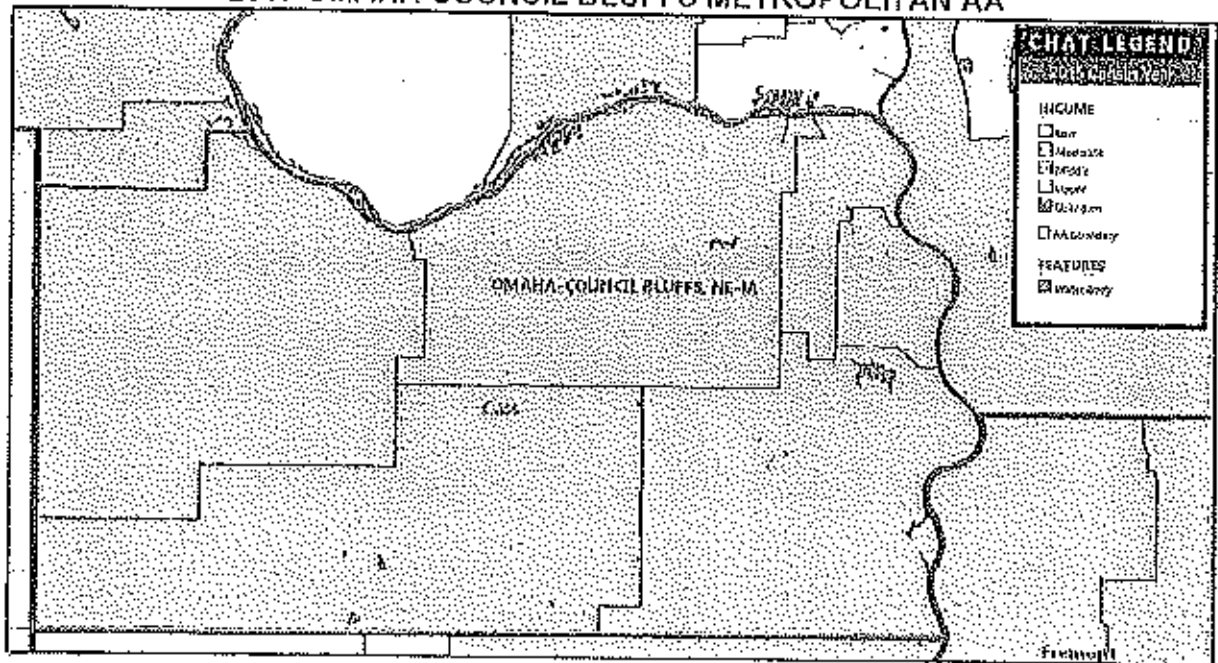
2019 OMAHA-COUNCIL BLUFFS METROPOLITAN AA



2018 OMAHA-COUNCIL BLUFFS METROPOLITAN AA



2017 OMAHA-COUNCIL BLUFFS METROPOLITAN AA



APPENDIX C

ANALYSIS TABLES FOR FULL-SCOPE REVIEW ASSESSMENT AREAS

- A. Eastern Nebraska AA (Full-Scope Review) – 2017 Demographic and Lending Tables
- B. Eastern Nebraska AA (Full-Scope Review) – 2018 Demographic Table
- C. Grand Island MSA AA (Full-Scope Review) – 2017 Demographic and Lending Tables
- D. Grand Island MSA AA (Full-Scope Review) – 2018 Demographic Table

A. Eastern Nebraska AA (Full-Scope Review) – 2017 Demographic and Lending Tables

TABLE A-1 EASTERN NEBRASKA AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	8,133	16.2
Moderate	4	7.0	2,099	4.2	404	19.2	8,816	17.6
Middle	43	75.4	35,685	71.2	2,719	7.6	11,702	23.3
Upper	10	17.5	12,342	24.6	526	4.3	21,475	42.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	57	100.0	50,126	100.0	3,649	7.3	50,126	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,006	2,064	3.8	41.2	2,285	45.6	657	13.1
Middle	61,726	39,352	71.6	63.8	15,471	25.1	6,903	11.2
Upper	19,208	13,519	24.6	70.4	4,672	24.3	1,017	5.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	85,940	54,935	100.0	63.9	22,428	26.1	8,577	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	353	3.9	282	3.6	65	7.3	6	2.4
Middle	6,779	75.7	5,911	75.6	653	73.8	215	84.6
Upper	1,821	20.3	1,621	20.7	167	18.9	33	13.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	8,953	100.0	7,814	100.0	885	100.0	254	100.0
Percentage of Total Businesses:			87.3		9.9		2.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	50	2.0	48	1.9	2	4.8	0	0.0
Middle	2,120	83.0	2,086	83.1	34	81.0	0	0.0
Upper	383	15.0	377	15.0	6	14.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2,553	100.0	2,511	100.0	42	100.0	0	0.0
Percentage of Total Farms:			98.4		1.6		0.0	
Source: 2017 FFIEC Census Data 2017 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau; American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE A-2**  
**DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**EASTERN NEBRASKA AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	14	1,820	2.5	4.1	3.1	4.0	3.9
Middle	480	37,366	87.0	83.4	72.3	67.7	75.7
Upper	58	5,602	10.5	12.5	22.8	27.5	20.3
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	1.8	0.7	0.0
Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	35	2,158	3.0	1.4	1.6	0.8	2.0
Middle	949	127,731	81.3	82.4	82.2	81.1	83.0
Upper	184	25,196	15.8	16.2	16.1	18.0	15.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.1	0.0	0.0

Source: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE A-3**  
**DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY REVENUE SIZE OF BUSINESSES AND FARMS**  
**EASTERN NEBRASKA AA**

Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	443	26,589	80.3	59.4	55.7	47.5	87.3
Over \$1MM	83	17,809	15.0	39.8	Not Reported		9.9
Unknown	26	390	4.7	0.9			2.8
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	1071	134,356	91.7	86.6	66.8	80.3	98.4
Over \$1MM	77	19,844	6.6	12.8	Not Reported		1.6
Unknown	20	885	1.7	0.6			0.0

Source: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

B. Eastern Nebraska AA (Full-Scope Review) – 2018 Demographic Table

TABLE B-1 EASTERN NEBRASKA AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	8,133	16.2
Moderate	4	7.0	2,099	4.2	404	19.2	8,816	17.6
Middle	43	75.4	35,685	71.2	2,719	7.6	11,702	23.3
Upper	10	17.5	12,342	24.6	526	4.3	21,475	42.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	57	100.0	50,126	100.0	3,649	7.3	50,126	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,006	2,064	3.8	41.2	2,285	45.6	657	13.1
Middle	61,726	39,352	71.6	63.8	15,471	25.1	6,903	11.2
Upper	19,208	13,519	24.6	70.4	4,672	24.3	1,017	5.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	85,940	54,935	100.0	63.9	22,428	26.1	8,577	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	369	3.7	306	3.5	56	6.2	7	2.5
Middle	7,519	75.1	6,611	74.9	675	74.5	233	83.2
Upper	2,119	21.2	1,904	21.6	175	19.3	40	14.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	10,007	100.0	8,821	100.0	906	100.0	280	100.0
Percentage of Total Businesses:			88.1		9.1		2.8	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	41	1.6	40	1.6	1	2.5	0	0.0
Middle	2,141	82.8	2,105	82.9	33	82.5	3	60.0
Upper	403	15.6	395	15.6	6	15.0	2	40.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2,585	100.0	2,540	100.0	40	100.0	5	100.0
Percentage of Total Farms:			98.3		1.5		0.2	
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								

C. Grand Island MSA AA (Full-Scope Review) – 2017 Demographic and Lending Tables

TABLE C-1 GRAND ISLAND MSA AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,998	18.6
Moderate	4	18.2	5,148	24.0	996	19.3	3,861	18.0
Middle	10	45.5	9,349	43.6	922	9.9	5,118	23.9
Upper	8	36.4	6,956	32.4	248	3.6	8,476	39.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22	100.0	21,453	100.0	2,166	10.1	21,453	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,980	4,074	19.1	51.1	3,410	42.7	496	6.2
Middle	16,041	9,788	46.0	61.0	4,741	29.6	1,512	9.4
Upper	10,707	7,417	34.9	69.3	2,537	23.7	753	7.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	34,728	21,279	100.0	61.3	10,688	30.8	2,761	8.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	671	18.4	596	18.6	69	18.0	6	9.5
Middle	1,756	48.2	1,552	48.5	167	43.6	37	58.7
Upper	1,218	33.4	1,051	32.9	147	38.4	20	31.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,645	100.0	3,199	100.0	383	100.0	63	100.0
Percentage of Total Businesses:			87.8		10.5		1.7	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	13	1.7	12	1.6	1	7.1	0	0.0
Middle	357	46.2	354	46.6	3	21.4	0	0.0
Upper	403	52.1	393	51.8	10	71.4	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	773	100.0	759	100.0	14	100.0	0	0.0
Percentage of Total Farms:			98.2		1.8		0.0	
Source: 2017 FFIEC Census Data 2017 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau; American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								



**TABLE C-2**  
**DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**GRAND ISLAND MSA AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	9	1,109	5.8	7.1	15.1	13.1	18.4
Middle	84	10,681	53.8	68.7	45.1	54.0	48.2
Upper	63	3,760	40.4	24.2	38.2	32.2	33.4
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	1.5	0.6	0.0
Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	1.1	1.3	1.7
Middle	77	7,047	31.2	27.0	40.9	43.2	46.2
Upper	170	19,083	68.8	73.0	58.0	55.4	52.1
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau; American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE C-3**  
**DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY REVENUE SIZE OF BUSINESSES AND FARMS**  
**GRAND ISLAND MSA AA**

Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	138	10,055	88.5	64.7	53.7	49.0	87.8
Over \$1MM	17	5,486	10.9	35.3	Not Reported		10.5
Unknown	1	9	0.6	0.1			1.7
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	225	21,993	91.1	84.2	66.4	78.0	98.2
Over \$1MM	19	3,602	7.7	13.8	Not Reported		1.8
Unknown	3	535	1.2	2.0			0.0

Source: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau; American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

D. Grand Island MSA AA (Full-Scope Review) – 2018 Demographic Table

TABLE D-1 GRAND ISLAND MSA AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,998	18.6
Moderate	4	18.2	5,148	24.0	996	19.3	3,861	18.0
Middle	10	45.5	9,349	43.6	922	9.9	5,118	23.9
Upper	8	36.4	6,956	32.4	248	3.6	8,476	39.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22	100.0	21,453	100.0	2,166	10.1	21,453	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,980	4,074	19.1	51.1	3,410	42.7	496	6.2
Middle	16,041	9,788	46.0	61.0	4,741	29.6	1,512	9.4
Upper	10,707	7,417	34.9	69.3	2,537	23.7	753	7.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	34,728	21,279	100.0	61.3	10,688	30.8	2,761	8.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	797	19.4	717	19.6	73	18.9	7	10.1
Middle	1,967	47.8	1,758	48.1	172	44.6	37	53.6
Upper	1,348	32.8	1,182	32.3	141	36.5	25	36.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	4,112	100.0	3,657	100.0	386	100.0	69	100.0
Percentage of Total Businesses:			88.9		9.4		1.7	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	15	2.0	14	1.9	1	5.9	0	0.0
Middle	338	45.2	332	45.5	6	35.3	0	0.0
Upper	395	52.8	384	52.6	10	58.8	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	748	100.0	730	100.0	17	100.0	1	100.0
Percentage of Total Farms:			97.6		2.3		0.1	
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								

**APPENDIX D**

**ANALYSIS TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREA**

- E. Omaha-Council Bluffs Metropolitan AA (Limited-Scope Review) – 2017 Demographic and Lending Tables
- F. Omaha-Council Bluffs Metropolitan AA (Limited-Scope Review) – 2018 Demographic and Lending Tables

E. Omaha-Council Bluffs Metropolitan AA (Limited-Scope Review) – 2017 Demographic and Lending Tables

TABLE E-1 OMAHA-COUNCIL BLUFFS METROPOLITAN AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	997	14.2
Moderate	0	0.0	0	0.0	0	0.0	1,229	17.6
Middle	6	100.0	7,000	100.0	339	4.8	1,803	25.8
Upper	0	0.0	0	0.0	0	0.0	2,971	42.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	7,000	100.0	339	4.8	7,000	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	11,225	7,880	100.0	70.2	1,876	16.7	1,469	13.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	11,225	7,880	100.0	70.2	1,876	16.7	1,469	13.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,083	100.0	996	100.0	60	100.0	27	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,083	100.0	996	100.0	60	100.0	27	100.0
Percentage of Total Businesses:			92.0		5.5		2.5	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	181	100.0	180	100.0	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	181	100.0	180	100.0	1	100.0	0	0.0
Percentage of Total Farms:			99.4		0.6		0.0	
Source: 2017 FFIEC Census Data 2017 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE E-2**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data		% of Owner- Occupied Units
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	33	3,825	100.0	100.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Purchase Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	10	1,642	100.0	100.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Refinance Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	15	2,060	100.0	100.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Home Improvement Loans							
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	8	123	100.0	100.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0
Multifamily Loans							% of Multifamily Units
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	12.5
Middle	0	0	0.0	0.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE E-3**  
**DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	25	1,769	100.0	100.0	95.4	96.9	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	4.6	3.1	0.0
Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	36	6,782	100.0	100.0	99.2	99.7	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.8	0.3	0.0

Sources: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2016 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE E-4**  
**DISTRIBUTION OF 2017 HOME MORTGAGE LENDING**  
**BY BORROWER INCOME LEVEL**  
**OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Borrower Income Level	Bank Loans				Aggregate HMDA Data		% of Families
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	5	318	15.2	8.3	5.4	2.8	14.2
Moderate	5	433	15.2	11.3	15.1	10.8	17.6
Middle	4	209	12.1	5.5	21.2	19.1	25.8
Upper	12	2,659	36.4	69.5	38.4	49.2	42.4
Unknown	7	206	21.2	5.4	19.9	18.1	0.0
Home Purchase Loans							
Low	1	48	10.0	2.9	4.8	2.6	14.2
Moderate	3	414	30.0	25.2	16.6	11.6	17.6
Middle	2	193	20.0	11.8	21.3	20.0	25.8
Upper	4	987	40.0	60.1	35.2	48.1	42.4
Unknown	0	0	0.0	0.0	22.1	17.8	0.0
Home Refinance Loans							
Low	3	263	20.0	12.8	7.1	3.6	14.2
Moderate	0	0	0.0	0.0	13.0	9.5	17.6
Middle	0	0	0.0	0.0	19.6	16.9	25.8
Upper	7	1,822	46.7	78.7	40.8	50.2	42.4
Unknown	5	175	33.3	8.5	19.6	19.7	0.0
Home Improvement Loans							
Low	1	7	12.5	5.7	4.2	1.7	14.2
Moderate	2	19	25.0	15.4	12.6	10.1	17.6
Middle	2	16	25.0	13.0	26.1	24.0	25.8
Upper	1	50	12.5	40.7	49.6	59.7	42.4
Unknown	2	31	25.0	25.2	7.6	4.5	0.0
Multifamily Loans							
Low	0	0	0.0	0.0	0.0	0.0	14.2
Moderate	0	0	0.0	0.0	0.0	0.0	17.6
Middle	0	0	0.0	0.0	0.0	0.0	25.8
Upper	0	0	0.0	0.0	0.0	0.0	42.4
Unknown	0	0	0.0	0.0	100.0	100.0	0.0

Source: 2017 FFIEC Census Data  
2011 - 2015 U.S. Census Bureau; American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE E-5  
DISTRIBUTION OF 2017 SMALL BUSINESS AND SMALL FARM LENDING  
BY REVENUE SIZE OF BUSINESSES AND FARMS  
OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	18	900	72.0	50.9	58.8	48.3	92.0
Over \$1MM	7	869	28.0	49.1	Not Reported		5.5
Unknown	0	0	0.0	0.0			2.5
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	31	5,666	86.1	83.5	55.3	80.0	99.4
Over \$1MM	5	1,116	13.9	16.5	Not Reported		0.6
Unknown	0	0	0.0	0.0			0.0

Source: 2017 FFIEC Census Data  
2017 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.



F. Omaha-Council Bluffs Metropolitan AA (Limited-Scope Review) – 2018 Demographic and Lending Tables

TABLE F-1 OMAHA-COUNCIL BLUFFS METROPOLITAN AA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families <Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	997	14.2
Moderate	0	0.0	0	0.0	0	0.0	1,229	17.6
Middle	6	100.0	7,000	100.0	339	4.8	1,803	25.8
Upper	0	0.0	0	0.0	0	0.0	2,971	42.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6	100.0	7,000	100.0	339	4.8	7,000	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	11,225	7,880	100.0	70.2	1,876	16.7	1,469	13.1
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	11,225	7,880	100.0	70.2	1,876	16.7	1,469	13.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	1,261	100.0	1,166	100.0	64	100.0	31	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,261	100.0	1,166	100.0	64	100.0	31	100.0
Percentage of Total Businesses:			92.5		5.1		2.5	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	174	100.0	173	100.0	0	0.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	174	100.0	173	100.0	0	0.0	1	100.0
Percentage of Total Farms:			99.4		0.0		0.6	
Source: 2018 FHIC Census Data 2018 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE F-2**  
**DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY INCOME LEVEL OF GEOGRAPHY**  
**OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Census Tract Income Level	Small Business Loans				Aggregate CRA Data		% of Businesses
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	23	1,261	100.0	100.0	96.6	98.8	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	3.4	1.2	0.0
Census Tract Income Level	Small Farm Loans				Aggregate CRA Data		% of Farms
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	0.0	0.0	0.0
Middle	42	4,608	100.0	100.0	100.0	100.0	100.0
Upper	0	0	0.0	0.0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0	0.0	0.0

Source: 2018 FFIEC Census Data  
2018 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE F-3**  
**DISTRIBUTION OF 2018 SMALL BUSINESS AND SMALL FARM LENDING**  
**BY REVENUE SIZE OF BUSINESSES AND FARMS**  
**OMAHA-COUNCIL BLUFFS METROPOLITAN AA**

Business Revenue By Size	Small Business Loans				Aggregate CRA Data		% of Businesses by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	19	365	82.6	28.9	51.4	30.7	92.5
Over \$1MM	4	896	17.4	71.1	Not Reported		5.1
Unknown	0	0	0.0	0.0			2.5
Farm Revenue By Size	Small Farm Loans				Aggregate CRA Data		% of Farms by Revenue
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	41	4,328	97.6	93.9	72.1	82.6	99.4
Over \$1MM	1	280	2.4	6.1	Not Reported		0.0
Unknown	0	0	0.0	0.0			0.6

Source: 2018 FFIEC Census Data  
2018 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey  
NOTE: Percentages may not add up to 100.0 due to rounding.

## APPENDIX E

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

**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, home equity 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 nonrelatives 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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

applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**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 is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated area:** A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan 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). 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage commercial loans.

**Small loan(s) to farm(s):** A loan included in "loans to small farms" as defined in the instructions for preparation of the 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.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

