

# **PUBLIC DISCLOSURE**

February 25, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Mainstreet Community Bank of Florida  
Certificate Number: 57598

204 South Woodland Boulevard  
DeLand, Florida 32720

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	10
DELTONA-DAYTONA BEACH-ORMOND BEACH METROPOLITAN STATISTICAL AREA – Full-Scope Review .....	11
OCALA METROPOLITAN STATISTICAL AREA – Full-Scope Review.....	23
ORLANDO-KISSIMMEE-SANFORD METROPLITAN STATISTICAL AREA – Full-Scope Review .....	33
APPENDICES .....	43
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	43
GLOSSARY .....	44

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable.
- The bank originated a majority of its small business and home mortgage loans in the assessment areas.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas given competition.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any Community Reinvestment Act (CRA) related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

## DESCRIPTION OF INSTITUTION

Mainstreet Community Bank of Florida (Mainstreet) is headquartered in DeLand, Florida. The institution is not owned by a holding company, but is affiliated through common ownership (a chain organization) with Northstar Financial Group, Inc., a one-bank holding company based in Bad Axe, Michigan that owns Northstar Bank, also located in Bad Axe, Michigan. Banks in the chain organization are Mainstreet and West Michigan Community Bank, located in Hudsonville, Michigan. Mainstreet does not have any other affiliates or subsidiaries. No acquisitions or mergers took place since the previous evaluation. The bank received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation, dated April 22, 2019, conducted using the Interagency Intermediate Small Institution Examination procedures.

The bank operates eight offices in four counties within the eastern-central portion of the State of Florida. One of the offices, the John Knox Village Office in Orange City, is a limited service office and is only available to residents and employees of a senior living community. The bank opened two offices since the previous evaluation: one in Ocala (Marion County) in September 2019 and one in Longwood (Seminole County) in March 2021. The Ocala office is located in a middle-income census tract and the Longwood office is located in an upper-income census tract.

The bank's primary lending focus remains commercial lending. Commercial loans include loans secured by commercial real estate, equipment, vehicles, accounts receivables, inventory, and Small Business Administration (SBA) 504 loans. In addition, the bank offered loans through the 7(a) Paycheck Protection Program (PPP). The SBA guarantees these loans under the Coronavirus Aid, Relief, and Economic Security Act. The loans serve to retain jobs that would otherwise be lost due to business closures because of the COVID-19 national emergency. In 2020, the bank originated 781 PPP loans totaling \$65.8 million. In 2021, the bank originated 361 PPP loans totaling \$27.7 million.

The bank also offers consumer and home mortgage loans. Consumer loans include unsecured loans and loans secured by automobiles, boats, certificates of deposit, and stocks. Residential loans include lot loans and loans to construct, improve, purchase, or refinance homes. Residential loan products include conventional, Federal Home Administration (FHA), Veterans Administration (VA), and United States Department of Agriculture (USDA) loans. The bank refers FHA and VA residential mortgage products to other lenders through mortgage relationships with secondary market investors. These referrals are not included in the bank's Home Mortgage Disclosure Act (HMDA) data because other lenders make the credit decision. During the evaluation period, the bank referred 10 VA loans and 15 FHA loans totaling \$2.6 million and \$2.5 million, respectively.

Deposit products include checking, savings, and money market deposit accounts, as well as certificates of deposit. The bank offers low-cost, non-interest bearing business and personal checking accounts, which require \$100 to open the account, but have no other minimum balance requirements or monthly service charges. Alternative banking services include automated teller machines (ATMs), internet and mobile banking, and electronic bill pay. The bank has ATMs at each of its offices and at Stetson University in DeLand.

Examiners did not identify any financial or legal impediments that affect the bank's ability to meet the assessment areas' credit needs. As of the December 31, 2021, Consolidated Reports of Condition and Income (Call Report), Mainstreet had total assets of \$769.5 million, with loans totaling \$444.0 million (57.7 percent of total assets), total deposits of \$698.8 million, and total securities of \$195.6 million. As shown in the following table, commercial real estate and commercial and industrial loans represented the largest portion of the loan portfolio at 68.6 percent, followed by one-to-four family residential properties at 18.0 percent.

<b>Loan Portfolio Distribution as of 12/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	44,983	10.1
Secured by Farmland	8,598	1.9
Secured by 1-4 Family Residential Properties	79,713	18.0
Secured by Multifamily (5 or more) Residential Properties	2,503	0.6
Secured by Nonfarm Nonresidential Properties	238,486	53.7
<b>Total Real Estate Loans</b>	<b>374,283</b>	<b>84.3</b>
Agricultural Production and Other Loans to Farmers	74	0.0
Commercial and Industrial Loans	65,999	14.9
Consumer Loans	3,504	0.8
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	92	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>443,952</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. In total, the bank currently has four assessment areas. Since the last evaluation, Mainstreet added two assessment areas to include its two new offices. The first is the Ocala Metropolitan Statistical Area (MSA). The second is in Seminole County. However, the Seminole County assessment area is not included in this evaluation because the bank only recently opened an office and designated the assessment area in March 2021. There has not been sufficient time or activities to evaluate this area. The following table provides details on the assessment areas included in this evaluation.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of Census Tracts</b>	<b># of Offices</b>
Deltona-Daytona Beach-Ormond Beach MSA	Volusia	114	5
Ocala MSA	Marion (partial)	23	1
Orlando-Kissimmee-Sanford MSA	Lake (partial)	5	1
<i>Source: Bank Data and 2015 ACS Census Data</i>			

The evaluation includes separate discussions for each of the three assessment areas reviewed by examiners. Refer to the individual assessment area sections for additional information.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the previous evaluation dated April 22, 2019, to the current evaluation dated February 25, 2022. In evaluating Mainstreet's CRA performance, examiners used the Interagency Intermediate Small Institution CRA Examination Procedures, which consist of two tests: the Lending Test and the Community Development Test. Refer to the Appendices for a detailed description of these tests. Examiners used these procedures to perform full-scope reviews of the bank's CRA performance in three assessment areas.

Examiners evaluate a bank's lending and deposit activity, and number of offices to determine an individual assessment area's contribution to the overall rating. For this evaluation, the most weight was given to the bank's performance in the Deltona-Daytona Beach-Ormond Beach MSA assessment area. Examiners gave the remaining two assessment areas equal weighting, but much less overall than the bank's performance in the Deltona-Daytona Beach-Ormond Beach MSA assessment area. Refer to the following table for additional details.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Deltona-Daytona Beach-Ormond Beach MSA	127,415	78.5	491,728	74.2	5	71.4
Ocala MSA	19,923	12.3	38,465	5.8	1	14.3
Orlando-Kissimmee-Sanford MSA	14,911	9.2	132,956	20.0	1	14.3
<b>Total</b>	<b>162,249</b>	<b>100.0</b>	<b>663,149</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>

*Source: Bank Records; FDIC Summary of Deposits (6/30/21); Branches as of 2/28/2021.*

### Activities Reviewed

The CRA regulation requires a review of a bank's lending performance with respect to home mortgage, small business, and small farm lending, if significant. The Call Report reflects that the bank's agricultural lending is insignificant at 1.9 percent of the outstanding loan portfolio by dollar volume; therefore, examiners did not review small farm loans.

Commercial loans represent 68.6 percent of the outstanding loan portfolio by dollar volume, followed by home mortgage loans at 18.0 percent. However, Mainstreet sells a significant volume of home mortgage loans on the secondary market that are not included in the Call Report data. Specifically, from 2019 through 2021, the bank sold 620 mortgage loans totaling \$132.9 million. Since the bank's primary focus is commercial lending and commercial loans comprise the largest portion of lending by dollar volume outstanding, even when adjusting for residential loans sold, examiners gave more weight to the bank's record of originating small business loans in drawing overall conclusions.

Examiners reviewed samples of small business loans, as defined in the Glossary, for 2019, 2020, and 2021. As shown in the following table, the bank's lending in 2020 and 2021 was significantly

higher than 2019, as a result of the PPP loans. The bank is not subject to CRA small business loan data collection and reporting requirements; therefore, examiners did not compare the bank’s performance to aggregate small business lending data. Instead, examiners compared the bank’s small business lending performance for each year to the applicable Dunn & Bradstreet (D&B) business demographic data. Details on the universe and sample sizes follow:

<b>Small Business Loans Universe and Sample Sizes</b>				
<b>Small Business Loans</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2019	143	28,645	71	15,417
2020	939	96,427	135	13,625
2021	591	74,654	136	19,494
<i>Source: Bank Data</i>				

Lenders are not required to collect gross annual revenue information for PPP loan borrowers. Of the small business loans sampled in 2020, 109 loans totaling \$8.2 million were PPP loans. Due to the large volume of PPP loans and the fact that business revenue information was not collected for these loans, examiners also reviewed a sample of 2021 small business loans. The 2021 sample included 84 PPP loans; however, the bank collected revenue information for 42 (50.0 percent) of these loans.

As mentioned previously, the bank is subject to HMDA data collection and reporting for home mortgage loans. Examiners reviewed the bank’s 2019, 2020, and 2021 HMDA loans. In total, the bank granted 872 HMDA loans totaling \$227.5 million during these three years. Examiners compared the bank’s performance to the respective aggregate HMDA data for 2019 and 2020 activities. Aggregate data for 2021 is not yet available. Examiners also compared the bank’s home mortgage lending performance to applicable demographic data based on the 2015 American Community Survey (ACS) Census.

For the Community Development Test, examiners reviewed the bank’s qualified community development loans, investments, and services since the previous evaluation dated April 22, 2019.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Overall, Mainstreet demonstrated satisfactory performance under the Lending Test. This rating is supported by a reasonable loan-to-deposit ratio; a majority of the loans originated within the assessment areas; an overall reasonable geographic distribution of loans; and a reasonable distribution of loans to individuals of different income levels and businesses of different sizes. Lastly, no CRA-related complaints were received since the previous evaluation.

## **Loan-to-Deposit Ratio**

The bank's net loan-to-deposit ratio (NLTD) is reasonable given the institution's size, financial condition, and assessment area credit needs. The NLTD ratio for the previous 11 quarters averaged 74.5 percent. This ratio is calculated on a net basis, excluding the loan loss reserves and unearned income. Since the previous evaluation, the bank's NLTD ratio ranged from a high of 86.1 percent on June 30, 2019 to a low of 62.6 percent on December 31, 2021. The NLTD ratio steadily declined from June 30, 2019 until September 20, 2021. This trend is in part due to deposits increasing at a faster rate than loans.

The following table presents Mainstreet's average NLTD ratio as well as comparable institutions based on asset size, geographic location, and/or lending focus. Mainstreet maintained an average NLTD ratio that was higher than the comparable banks.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank Name and Location</b>	<b>Total Assets as of 12/31/21 \$(000s)</b>	<b>Average NLTD Ratio (%)</b>
Mainstreet Community Bank of Florida, DeLand, FL	\$769,519	74.5
United Southern Bank, Umatilla, FL	\$847,789	55.5
Citizens Bank of Florida, Oviedo, FL	\$569,224	67.2
Intracoastal Bank, Palm Coast, FL	\$524,706	68.2
<i>Source: Call Reports 6/30/2019 through 12/31/2021</i>		

## **Assessment Area Concentration**

The bank originated a majority of HMDA and small business loans, both by number and dollar volume, within the assessment areas. The following table shows the bank's 2019 through 2021 HMDA lending activities, as well as the samples of small business loans reviewed by examiners for each of these years.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	131	70.4	55	29.6	186	27,982	69.4	12,328	30.6	40,310
2020	249	62.3	151	37.8	400	56,152	51.1	53,804	48.9	109,956
2021	178	62.2	108	37.8	286	42,680	55.3	34,540	44.7	77,220
<b>Total</b>	<b>558</b>	<b>64.0</b>	<b>314</b>	<b>36.0</b>	<b>872</b>	<b>126,814</b>	<b>55.7</b>	<b>100,672</b>	<b>44.3</b>	<b>227,486</b>
Small Business										
2019	51	71.8	20	28.2	71	8,794	57.0	6,623	43.0	15,417
2020	120	88.9	15	11.1	135	11,527	84.6	2,098	15.4	13,625
2021	110	80.9	26	19.1	136	15,114	77.5	4,380	22.5	19,494
<b>Total</b>	<b>281</b>	<b>82.2</b>	<b>61</b>	<b>17.8</b>	<b>342</b>	<b>35,435</b>	<b>73.0</b>	<b>13,101</b>	<b>27.0</b>	<b>48,536</b>
<i>Source: HMDA Data; Bank Data            Due to rounding, totals may not equal 100.0%.</i>										

### **Geographic Distribution**

Overall, the geographic distribution of loans reflects reasonable penetration throughout the assessment areas. The bank’s performance was consistent throughout the assessment areas. Refer to each assessment area for additional details.

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank’s performance was consistent throughout the assessment areas. Refer to each assessment area for additional details.

### **Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

### **COMMUNITY DEVELOPMENT TEST**

The institution demonstrated an adequate responsiveness to the community development needs of its assessment areas. The institution met those needs through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the assessment areas.

**Community Development Loans**

The bank’s community development loans were responsive to the assessment areas’ needs and opportunities for community development lending. Mainstreet originated 217 community development loans totaling \$17.1 million during the evaluation period as detailed in the following table. By number, 94.9 percent supported revitalization or stabilization, and 3.7 percent supported economic development.

The dollar volume of community development loans equates to 2.9 percent of average total assets and 4.2 percent of average total loans as of December 31, 2021. These are higher than the percentages at the last evaluation, which were 0.4 percent and 0.5 percent, respectively. Despite the increase, the bank’s lending in terms of both percentages is lower than similarly situated banks.

Mainstreet significantly increased the number and dollar volume of community development loans since the previous evaluation primarily due to the origination of 203 PPP loans totaling \$12.5 million in low- and moderate-income census tracts within its assessment areas. These particular PPP loans qualify as community development loans; therefore, examiners considered them in the Community Development Test, but excluded them from the Lending Test. Refer to the assessment areas for additional details on community development loans.

<b>Community Development Lending</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>
2019 (Partial)	-	-	-	-	1	349	1	30	<b>2</b>	<b>379</b>
2020	-	-	2	225	5	963	150	9,197	<b>157</b>	<b>10,385</b>
2021	1	224	-	-	2	2,465	55	3,686	<b>58</b>	<b>6,375</b>
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>224</b>	<b>2</b>	<b>225</b>	<b>8</b>	<b>3,777</b>	<b>206</b>	<b>12,913</b>	<b>217</b>	<b>17,139</b>

*Source: Bank Data*

**Qualified Investments**

Mainstreet made 34 qualified investments totaling \$2.5 million during the evaluation period, of which a significant majority benefitted the Deltona-Daytona Beach-Ormond Beach MSA assessment area. The qualified investments demonstrated adequate responsiveness to the assessment areas’ community development needs. The dollar amount of qualified investments equates to 0.3 percent of total assets and 1.3 percent of total securities, as of December 31, 2021. The level of qualified investments to total assets is the same as the prior evaluation. The current percentage of qualified investments to total securities is lower than the prior examination when it was at 2.1 percent. However, the bank’s current level of qualified investments to total securities is higher than similarly situated institutions.

During the evaluation period, the bank continued to hold one investment from a prior period totaling \$401,921, and purchased one new investment totaling \$2.1 million. Further, since the prior evaluation, the bank provided 32 donations totaling \$56,990 to organizations that provide services related to affordable housing, community services, and economic development. The following table illustrates the bank’s qualified investments, by year and purpose. Refer to the assessment areas for additional details on qualified investments.

<b>Qualified Investments</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	402	0	0	0	0	0	0	1	402
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	1	2,055	0	0	0	0	0	0	1	2,055
<b>Subtotal</b>	<b>2</b>	<b>2,457</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2,457</b>
Qualified Grants & Donations	3	1	27	54	2	2	0	0	32	57
<b>Total</b>	<b>5</b>	<b>2,458</b>	<b>27</b>	<b>54</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>2,514</b>
<i>Source: Bank Data</i>										

### **Community Development Services**

Mainstreet’s directors and officers provided 52 community development services to 24 different organizations during the evaluation period. Of the services, 61.5 percent benefitted the Deltona-Daytona Beach-Ormond Beach MSA assessment area, 21.2 percent benefitted the Orlando-Kissimmee-Sanford MSA assessment area, and 17.3 percent benefitted the Ocala MSA assessment area. The number of community development services represents an increase from the prior evaluation, when bank representatives provided 37 community development services. Although not particularly innovative, the bank’s community development services demonstrated adequate responsiveness to the assessment areas’ needs, especially considering the opportunities available to do so as a result of restrictions on in-person events due to the COVID-19 pandemic. The bank’s level of services was in line with similarly situated institutions.

The bank’s representatives predominately served in a qualified leadership capacity for the organizations. The organizations benefitted the assessment areas by providing essential community services to low- and moderate-income individuals, as well as supporting affordable housing and economic development. In addition, bank representatives provided financial expertise as instructors for first-time homebuyer and general financial education classes to low- and moderate-income individuals. The following table illustrates the bank’s overall community development services, by year and purpose. Refer to the assessment areas for additional details on community development services.

<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019	1	12	3	0	<b>16</b>
2020	1	13	2	0	<b>16</b>
2021	5	12	3	0	<b>20</b>
<b>Total</b>	<b>7</b>	<b>37</b>	<b>8</b>	<b>0</b>	<b>52</b>
<i>Source: Bank Data</i>					

Mainstreet also continues to offer alternative delivery systems attractive to low- and moderate-income individuals, including telephone, mobile, and internet banking, as well as ATMs at each branch. Additionally, the bank offers SBA, FHA, and VA loans, which provide more flexible credit terms to small businesses and low- and moderate-income individuals. Further, the bank continues to offer a free checking account.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners reviewed the bank’s compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

**DELTONA-DAYTONA BEACH-ORMOND BEACH METROPOLITAN  
STATISTICAL AREA – Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN DELTONA-  
DAYTONA BEACH-ORMOND BEACH METROPOLITAN STATISTICAL  
AREA**

Since the last evaluation, the bank expanded its assessment area to include all census tracts in Volusia County. This county is part of the Deltona-Daytona Beach-Ormond Beach MSA. The MSA also includes Flagler County, which is not part of the bank’s assessment area. The institution operates five offices in this assessment area.

**Economic and Demographic Data**

This assessment area includes 114 census tracts, which consist of 4 low-, 23 moderate-, 61 middle-, and 25 upper-income census tracts. In addition, there is one census tract with no income classification. The table below outlines select demographic data of this assessment area based on the 2015 ACS Census data and the 2021 D&B data.

<b>Demographic Information of the Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	114	3.5	20.2	53.5	21.9	0.9
Population by Geography	503,719	2.3	18.9	57.5	21.3	0.0
Housing Units by Geography	255,437	2.0	19.4	55.7	22.8	0.0
Owner-Occupied Units by Geography	140,203	0.9	14.2	59.9	25.0	0.0
Occupied Rental Units by Geography	59,977	4.5	30.8	50.9	13.8	0.0
Vacant Units by Geography	55,257	2.3	20.1	50.4	27.2	0.0
Businesses by Geography	84,037	2.6	20.8	52.4	24.2	0.0
Farms by Geography	3,016	1.4	18.0	57.8	22.7	0.0
Family Distribution by Income Level	123,054	19.9	19.2	20.4	40.5	0.0
Household Distribution by Income Level	200,180	23.2	17.6	18.8	40.4	0.0
Median Family Income MSA - 19660 Deltona-Daytona Beach-Ormond Beach, FL MSA		\$52,220	Median Housing Value			\$140,531
			Median Gross Rent			\$938
			Families Below Poverty Level			11.8%
<i>Source: 2015 ACS and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0%. (* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

Examiners used the Federal Financial Institutions Examination Council’s (FFIEC) updated median family income (MFI) figures to analyze the home mortgage lending under the Borrower Profile

criterion. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories for the MSA. As shown below, during this timeframe, the maximum MFI for low-income families ranged from \$29,750 to \$33,200, which is low, when considering the median housing value of \$140,531 in 2015. Further, 11.8 percent of families have incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. Lastly, home prices increased significantly in 2021 as people moved into Florida. An article dated June 25, 2021, in The Palm Beach Post entitled “No matter what region in Florida, it’s getting harder to find that magical \$250,000 house” stated that, in Volusia County, the median sale price was \$280,000.

<b>Median Family Income Ranges for Deltona-Daytona Beach-Ormond Beach MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$59,500)	<\$29,750	\$29,750 to <\$47,600	\$47,600 to <\$71,400	≥\$71,400
2020 (\$65,000)	<\$32,500	\$32,500 to <\$52,000	\$52,000 to <\$78,000	≥\$78,000
2021 (\$66,400)	<\$33,200	\$33,200 to <\$53,120	\$53,120 to <\$79,680	≥\$79,680

*Source: FFIEC*

As shown in the table below, the unemployment rates for the county increased from 2019 to 2020 and then declined by December 2021. The unemployment rate in 2019 was higher than the state rate. In 2020 and December 2021, the unemployment rates were lower than the national rates.

<b>Area</b>	<b>Unemployment Rates</b>		
	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Volusia County	3.6	7.6	3.8
Florida	3.2	8.2	3.2
National Average	3.7	8.1	3.9

*Source: Federal Reserve Economic Data*

In terms of businesses and the economy, the 2021 D&B data shows the top industries in the assessment area were services, non-classifiable establishments, and retail trade. Floridabusiness.org states the top five employers are Volusia County Schools (7,997 employees), AdventHealth System (6,448 employees), Halifax Hospital System (4,000 employees), Publix Supermarkets (3,795 employees) and the County of Volusia (3,305 employees).

Moody's Economy.com, Inc., Précis Metro dated August 2020 notes the MSA is in a recovery, due to the above average number of COVID-19 cases per capita and the MSA’s reliance on tourism, combined with its elevated share of elderly residents. In terms of tourism, “Orlando International Airport, the closest major airport that serves the MSA, reported that domestic passenger travel was down 52% year-to-date compared with last year while international passenger traffic was down 67%.” The report noted “...more than one-quarter of its population is age 65 or older, a higher share than that of either the state or the nation.” This magnifies the health concerns with COVID-19. In terms of housing, the “July report from the Daytona Beach Area Association of Realtors indicates home sales in the metro area were up significantly, with total sales 15.8% higher than

year-ago levels. Record low mortgage rates and very limited housing supply are accelerating single-family house price growth.”

Moody's Economy.com, Inc., Précis Metro dated August 2021 notes that the MSA's economy is still in recovery. However, “seven of every eight jobs lost during the pandemic have been recouped, nearly twice the share for the state and the region.” In terms of housing, the report notes that a low supply of homes is hampering sales. “The Case-Schiller single-family price index for the MSA has outgrown that of the U.S. in every month of the first half of 2021.” Also, “the number of residents increased by 1.5% in 2020, ranking it ahead of the Florida average and in the top decile nationally.”

### **Competition**

There is a high level of competition for deposits in the assessment area. In addition to competing with large national and regional banks, Mainstreet competes with local banks, credit unions, and finance companies. As of June 30, 2021, 19 FDIC-insured institutions operated 111 offices within the assessment area. The top five banks by deposit market share were Wells Fargo Bank, National Association (N.A.); Truist Bank; Bank of America, N.A.; TD Bank, N.A.; and JPMorgan Chase Bank, N.A. Collectively, these five banks accounted for 70.4 percent of the deposit market share. Mainstreet ranked 7<sup>th</sup> in total deposits with a market share of 4.2 percent.

In addition, there is a high level of competition for home mortgage loans in the assessment area. In 2020, 688 lenders reported the origination and purchase of 31,056 loans. The top five institutions (by number of loans) were Quicken Loans, Limited Liability Company (LLC); Freedom Mortgage Corporation; Wells Fargo Bank, N.A.; FBC Mortgage, LLC; and PennyMac Loan Services, LLC. Collectively, these leading institutions accounted for 23.7 percent of the total market share by number of loans originated. Mainstreet ranked 42<sup>nd</sup> with a market share of 0.6 percent.

### **Community Contact**

Examiners rely on contacts with community organizations to gain insight regarding the credit needs and economic conditions of a bank's assessment area. Individuals interviewed provide information based upon their knowledge and expertise in the housing, business, or economic sectors. During this evaluation, examiners conducted a community contact with an organization that serves the assessment area's businesses. The contact noted that Volusia County has a limited inventory of buildings, which limits new businesses entering the market and constrains existing businesses from expanding beyond their footprint. The contact noted there is a need for small business financial literacy workshops, financing for small business start-ups that have business plans, financing of small business real estate projects, and creative teaching of financial literacy and entrepreneurship for students.

### **Credit and Community Development Needs and Opportunities**

Based on the community contact and demographic and economic data, some conclusions regarding the credit needs of the assessment area can be derived. First, the high percentage of low- and moderate-income families at 39.1 percent and the poverty rate indicate needs for financial literacy

and affordable housing. However, it is doubtful that many of these families would qualify for typical home loans. Thus, government-guaranteed home loan programs with more flexible underwriting criteria may be needed. Additionally, small business loans are needed, since a significant percentage of businesses have gross annual revenues of \$1.0 million or less at 93.1 percent. Specifically, the contact stated that there is a credit need for financing small business start-ups that have business plans and small business real estate projects.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN DELTONA-DAYTONA BEACH-ORMOND BEACH METROPOLITAN STATISTICAL AREA**

### **LENDING TEST**

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes.

#### **Geographic Distribution**

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

##### *Small Business Loans*

The geographic distribution of small business loans is reasonable. As shown in the following table, the bank made no loans in low-income census tracts, which is below the percentage of businesses in these tracts of 2.6 percent. However, for all years, the bank's percentage of lending in moderate-income census tracts exceeded demographic data. In 2019 and 2021, the bank's percentage of lending in moderate-income census tracts significantly exceeded the percentage of businesses in these tracts.

<b>Geographic Distribution of Small Business Loans in the Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2019	2.6	0	0.0	0	0.0
2020	2.6	0	0.0	0	0.0
2021	2.6	0	0.0	0	0.0
<b>Moderate</b>					
2019	20.9	12	29.3	1,830	33.8
2020	21.0	22	22.9	1,800	21.7
2021	20.8	27	31.8	3,242	27.3
<b>Middle</b>					
2019	52.5	21	51.2	2,874	53.2
2020	52.3	56	58.3	4,538	54.8
2021	52.4	37	43.5	5,885	49.6
<b>Upper</b>					
2019	24.0	8	19.5	703	13.0
2020	24.1	18	18.8	1,949	23.5
2021	24.2	21	24.7	2,738	23.1
<b>Not Available</b>					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
2021	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>5,407</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>96</b>	<b>100.0</b>	<b>8,287</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>11,865</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### *Home Mortgage Loans*

Overall, the geographic distribution of the bank's home mortgage loans is reasonable. The bank made no loans in low-income census tracts. This performance is reasonable as less than 1.0 percent of owner-occupied housing units are located in these census tracts. In addition, aggregate data shows little demand. In 2019 and 2020, all HMDA lenders combined made only 0.4 percent and 0.3 percent of their loans, respectively, in low-income census tracts.

Overall, the bank's level of lending in moderate-income census tracts was reasonable based on 2019 and 2021 lending. However, for all years, the bank's percentage of loans in moderate-income census tracts was below the percentage of owner-occupied housing units in these tracts and aggregate data for

2019 and 2020. Bank management stated the bank’s performance was below aggregate as the bank has one office in eastern Volusia County where 74.0 percent of the moderate-income tracts are located. Performance in 2020 was poor as the bank’s percentage of loans was well-below demographic and aggregate data. Bank management did not know why the bank’s performance declined four percentage points from 2019 to 2020, whereas aggregate lenders had only a one percent decline. However, the bank’s level of lending in moderate-income census tracts improved significantly in 2021. Overall, examiners considered the performance reasonable when factoring all years together.

<b>Geographic Distribution of Home Mortgage Loans in Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	0.9	0.4	0	0.0	0	0.0
2020	0.9	0.3	0	0.0	0	0.0
2021	0.9	--	0	0.0	0	0.0
<b>Moderate</b>						
2019	14.2	11.5	12	9.7	2,678	10.3
2020	14.2	10.5	11	5.5	1,822	4.2
2021	14.2	--	16	11.3	3,907	12.1
<b>Middle</b>						
2019	59.9	57.8	77	62.1	15,588	60.0
2020	59.9	56.5	140	70.0	30,456	69.9
2021	59.9	--	99	69.7	22,235	68.8
<b>Upper</b>						
2019	25.0	30.3	35	28.2	7,719	29.7
2020	25.0	32.7	49	24.5	11,285	25.9
2021	25.0	--	27	19.0	6,166	19.1
<b>Not Available</b>						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>124</b>	<b>100.0</b>	<b>25,985</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>200</b>	<b>100.0</b>	<b>43,563</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>142</b>	<b>100.0</b>	<b>32,308</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

## **Borrower Profile**

Overall, the borrower profile distribution reflects a reasonable penetration among businesses of different sizes and individuals of different income levels.

### *Small Business Loans*

The distribution of borrowers reflects a reasonable penetration among business customers of different sizes. As illustrated in the following table, in 2019, the bank originated 75.6 percent of their small business loans to businesses with revenues of \$1.0 million or less, based on the examiners' sample of loans. In 2020 and 2021, the bank's percentage of loans to businesses with revenues of \$1.0 million or less fell well-below demographic data because of the large number of SBA PPP loans where revenue information was not available. Excluding these loans, the bank's performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category in the Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2019	91.1	31	75.6	3,689	68.2
2020	91.6	10	10.4	1,534	18.5
2021	93.1	28	32.9	2,430	20.5
<b>&gt;\$1,000,000</b>					
2019	2.9	10	24.4	1,718	31.8
2020	2.6	5	5.2	953	11.5
2021	1.9	31	36.5	7,326	61.7
<b>Revenue Not Available</b>					
2019	6.0	0	0.0	0	0.0
2020	5.8	81	84.4	5,800	70.0
2021	5.0	26	30.6	2,109	17.8
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>5,407</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>96</b>	<b>100.0</b>	<b>8,287</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>11,865</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

However, in 2020 and 2021, the bank originated a majority of their SBA PPP loans in the sample, for which revenue data was not collected, in small loan amounts. As illustrated in the following table, the volume of small-sized loans demonstrates the bank's willingness to meet small business credit needs.

<b>Distribution of PPP Loans by Loan Size in the Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>					
<b>Loan Size</b>		<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;\$100,000</b>					
	2020	62	77.5	1,850	31.9
	2021	18	78.3	546	33.4
<b>\$100,000 - \$249,000</b>					
	2020	13	16.3	2,025	35.0
	2021	4	17.4	632	38.7
<b>\$250,000 - \$1,000,000</b>					
	2020	5	6.2	1,916	33.1
	2021	1	4.3	456	27.9
<b>Total</b>					
	<b>2020</b>	<b>80</b>	<b>100.0</b>	<b>5,791</b>	<b>100.0</b>
	<b>2021</b>	<b>23</b>	<b>100.0</b>	<b>1,634</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 Bank Data.</i>					

### *Home Mortgage Loans*

Overall, the bank's lending to borrowers of different income levels represents a reasonable penetration in this assessment area. As shown in the following table, in both 2019 and 2020, the bank's lending to low-income borrowers was below demographic data, but slightly above aggregate data. The bank's percentage of lending to low-income borrowers declined in 2021. This may be due to the increase in home prices and limited housing stock available. For all years, opportunities to lend to low-income borrowers may be limited given the poverty rate, median family income, and median housing value. These families would generally not qualify for a home loan.

The bank's level of lending to moderate-income borrowers was below both demographic and aggregate lending levels in 2019 and 2020. The level of the bank's lending was poor in 2019 but increased to a reasonable level in 2020 and 2021.

<b>Distribution of Home Mortgage Loans by Borrower Income Level in Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	19.9	4.5	6	4.8	281	1.1
2020	19.9	4.5	11	5.5	1,162	2.7
2021	19.9	--	5	3.5	508	1.6
<b>Moderate</b>						
2019	19.2	15.8	9	7.3	967	3.7
2020	19.2	16.0	22	11.0	2,766	6.4
2021	19.2	--	18	12.7	2,957	9.1
<b>Middle</b>						
2019	20.4	22.7	25	20.2	4,068	15.7
2020	20.4	21.2	39	19.5	6,776	15.6
2021	20.4	--	22	15.4	4,015	12.4
<b>Upper</b>						
2019	40.5	40.9	81	65.3	20,015	77.0
2020	40.5	38.3	117	58.5	31,011	71.2
2021	40.5	--	85	59.9	21,938	67.9
<b>Not Available</b>						
2019	0.0	16.1	3	2.4	654	2.5
2020	0.0	20.0	11	5.5	1,848	4.2
2021	0.0	--	12	8.5	2,890	8.9
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>124</b>	<b>100.0</b>	<b>25,985</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>200</b>	<b>100.0</b>	<b>43,563</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>142</b>	<b>100.0</b>	<b>32,308</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

## **COMMUNITY DEVELOPMENT TEST**

Mainstreet's community development performance demonstrates adequate responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

## **Community Development Loans**

By number of loans, the bank originated 79.3 percent of its community development loans in this assessment area. The following table depicts the bank’s lending by year and community development purpose

<b>Community Development Lending - Deltona-Daytona Beach-Ormond Beach MSA Assessment Area</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>
2019 (Partial)	-	-	-	-	1	349	1	30	<b>2</b>	<b>379</b>
2020	-	-	1	100	4	340	116	7,447	<b>121</b>	<b>7,887</b>
2021	1	224	-	-	2	2,465	46	3,002	<b>49</b>	<b>5,691</b>
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>224</b>	<b>1</b>	<b>100</b>	<b>7</b>	<b>3,154</b>	<b>163</b>	<b>10,479</b>	<b>172</b>	<b>13,957</b>
<i>Source: Bank Data</i>										

The following are examples of the bank’s community development loans in the assessment area.

- In 2021, the bank originated an SBA 504 loan for \$2.5 million. This loan resulted in the creation of 20 full-time and 25 part-time jobs in the assessment area.
- In 2020, the bank originated a loan to a business to purchase a multifamily property. Monthly rents are substantially less than the fair market rents published by the U.S. Department of Housing and Urban Development (HUD) for Volusia County, making it affordable housing for low- and moderate-income individuals and families.
- In 2020 and 2021, the bank originated 160 PPP loans totaling \$10.1 million in moderate-income census tracts.

## **Qualified Investments**

Mainstreet made 22 qualified investments and grants totaling \$2.5 million in the assessment area during the evaluation period. This level of qualified investments is consistent with the number at the prior examination, and higher by dollar volume, when the bank made 21 qualified investments totaling \$1.1 million. During the evaluation period, the bank continued to hold one investment from a prior period with a current book value of \$401,921, and made one new investment totaling \$2.1 million. Further, since the prior evaluation, the bank provided 20 donations totaling \$14,910 to organizations that provide services related to affordable housing, community services, and economic development. The following table illustrates the bank’s qualified investments, by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	402	0	0	0	0	0	0	1	402
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	1	2,055	0	0	0	0	0	0	1	2,055
<b>Subtotal</b>	<b>2</b>	<b>2,457</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2,457</b>
Qualified Grants & Donations	1	<1	17	13	2	2	0	0	20	15
<b>Total</b>	<b>3</b>	<b>2,457</b>	<b>17</b>	<b>13</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>2,472</b>
<i>Source: Bank Data</i>										

The following are notable examples of qualified investments made or retained during the evaluation period.

- In 2021, the bank purchased a Fannie Mae mortgage-backed security totaling \$2.1 million. The bank also retained one prior period investment consisting of a Fannie Mae mortgage-backed security with a current book value of \$401,921. A majority of the loans were extended to low- and moderate-income borrowers in low- and moderate-income census tracts of Volusia County.
- In 2020 and 2021, the bank donated a total of \$3,500 to a non-profit organization that provides essential services to low- and moderate-income individuals, including a food bank and food pantry, emergency and transitional housing, and rent and utility payment assistance.
- In 2019, the bank donated \$1,000 to a non-profit organization that partners with the SBA to provide free technical assistance to small businesses throughout Volusia County.

### **Community Development Services**

Mainstreet representatives provided 32 community development services during the evaluation period to 16 different organizations that benefit the assessment area by providing essential community services to low- and moderate-income individuals, as well as supporting affordable housing and economic development. A majority of the qualified services were a result of bank directors or officers serving in leadership positions in the community development organizations. The following table illustrates the bank's community development services, by year and purpose.

<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019	0	9	3	0	<b>12</b>
2020	0	6	2	0	<b>8</b>
2021	3	7	2	0	<b>12</b>
<b>Total</b>	<b>3</b>	<b>22</b>	<b>7</b>	<b>0</b>	<b>32</b>
<i>Source: Bank Data</i>					

The following are notable examples of community development service activities during the evaluation period.

- In 2021, a bank officer served on the Board of a non-profit organization that provides quality affordable housing to low-income individuals throughout Volusia County. In addition, the bank officer participated in the county’s 2021 affordable housing summit and served on a county-level affordable housing committee.
- In 2019 and 2020, a bank officer served on the Board and Finance Committee of a non-profit organization that provides essential community services to low- and moderate-income individuals, including a food bank and food pantry, emergency and transitional housing, and rent and utility payment assistance.
- In 2020 and 2021, a bank officer served as Co-Chair of a city-appointed economic development committee whose mission is to create and retain job opportunities and investments throughout the City of DeLand.

In addition, Mainstreet operates its main office and two additional branches and ATMs in moderate-income census tracts in the assessment area. The branches and ATMs increase the availability of banking services to low- and moderate-income individuals.

## OCALA METROPOLITAN STATISTICAL AREA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN OCALA METROPOLITAN STATISTICAL AREA

Since the last evaluation, the bank opened an office in Ocala in September 2019 and created an assessment area that includes a portion of Marion County. This county comprises the Ocala MSA.

#### Economic and Demographic Data

This assessment area includes 23 census tracts, which consist of 2 low-, 6 moderate-, 8 middle-, and 7 upper-income census tracts. The table below outlines select demographic data of this assessment area based on the 2015 ACS Census data and the 2021 D&B data.

<b>Demographic Information of the Ocala MSA Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	23	8.7	26.1	34.8	30.4	0.0
Population by Geography	113,467	6.7	21.5	40.2	31.6	0.0
Housing Units by Geography	52,357	6.2	22.4	41.3	30.1	0.0
Owner-Occupied Units by Geography	27,516	2.3	17.7	43.0	37.0	0.0
Occupied Rental Units by Geography	15,870	11.4	30.7	37.1	20.8	0.0
Vacant Units by Geography	8,971	9.0	22.2	43.4	25.4	0.0
Businesses by Geography	23,957	3.7	18.9	46.5	30.9	0.0
Farms by Geography	886	3.3	18.4	47.2	31.2	0.0
Family Distribution by Income Level	26,781	21.2	17.0	19.3	42.6	0.0
Household Distribution by Income Level	43,386	23.8	16.8	16.8	42.5	0.0
Median Family Income MSA - 36100 Ocala, FL MSA		\$48,128	Median Housing Value			\$121,865
			Median Gross Rent			\$785
			Families Below Poverty Level			15.8%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Examiners used the FFIEC updated MFI figures to analyze the home mortgage lending under the Borrower Profile criterion. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories for the MSA. As shown below, from 2019 to 2021, the maximum MFI for low-income families ranged from \$25,100 to \$27,800, which is low, when considering the median housing value of \$121,865 per the 2015 ACS data. In addition, 15.8 percent of families have incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans. Furthermore, an article dated June 25, 2021, in The Palm Beach Post entitled “No matter what region in Florida, it’s getting harder to find that magical \$250,000 house” stated

that Marion County’s median home price was \$225,000. The article also mentioned that the president of the Ocala Marion County Association of Realtors noted inventory is down 63.0 percent compared to this time last year.

<b>Median Family Income Ranges for the Ocala MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$50,200)	<\$25,100	\$25,100 to <\$40,160	\$40,160 to <\$60,240	≥\$60,240
2020 (\$55,000)	<\$27,500	\$27,500 to <\$44,000	\$44,000 to <\$66,000	≥\$66,000
2021 (\$55,600)	<\$27,800	\$27,800 to <\$44,480	\$44,480 to <\$66,720	≥\$66,720

*Source: FFIEC*

As shown in the following table, the unemployment rates for the county increased from 2019 to 2020 and then declined by December 2021. The unemployment rate in 2019 was higher than the state and national rates. In 2020 and December 2021, the unemployment rates were lower than, or nearly equated to, the national rates.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Marion County	4.0	7.0	4.0
Florida	3.2	8.2	3.2
National Average	3.7	8.1	3.9

*Source: Federal Reserve Economic Data*

In terms of businesses and the economy, the 2021 D&B data shows the top industries in the assessment area were services, non-classifiable establishments, and retail trade. The Ocala Metro Chamber & Economic Partnership notes the top three private employers are Orlando Health System (2,712 employees), AdventHealth Ocala (2,648 employees), and Walmart (2,583 employees).

Moody's Economy.com, Inc., Précis Metro dated August 2020 notes that although the MSA’s economy is still in recovery, the MSA has recovered 70.0 percent of the shutdown related job losses. In terms of housing, the report notes, “despite more home completions, demand is outstripping supply with house price appreciation firmly above the state and national averages.” Moody's Economy.com, Inc., Précis Metro dated August 2021 notes that the MSA is still in recovery mainly due to the Delta variant and the MSA’s low vaccination rate, which contributed to higher COVID-19 hospitalizations.

### **Competition**

There is a high level of competition for deposits in Marion County. In addition to competing with large national and regional banks, Mainstreet competes with local banks, credit unions, and finance companies. As of June 30, 2021, 19 FDIC-insured institutions operated 64 offices within Marion County. The top five banks by deposit market share were Truist Bank; Bank of America, N.A.; Wells Fargo Bank, N.A.; Regions Bank; and BBVA USA. Collectively, these five banks accounted

for 73.0 percent of the deposit market share. Mainstreet ranked 17<sup>th</sup> in total deposits, with a market share of 0.5 percent.

In addition, there is a high level of competition for home mortgage loans in the assessment area. In 2020, 369 lenders reported the origination or purchase of 5,001 loans. The top five institutions (by number of loans) were Quicken Loans, LLC; Wells Fargo Bank, N.A.; PennyMac Loan Services, LLC; and Hamilton Loans, Inc. Collectively, these leading institutions accounted for 23.7 percent of the total market share by number of loans originated. Mainstreet ranked 40<sup>th</sup> with a market share of 0.7 percent.

### **Credit and Community Development Needs and Opportunities**

Based on demographic and economic data, some conclusions regarding the credit needs of the assessment area can be derived. First, the high percentage of low- and moderate-income families at 38.2 percent and the poverty rate of 15.8 percent indicate a need for financial literacy and affordable housing. However, it is doubtful that many of these families would qualify for typical home loans. Thus, government-guaranteed home loan programs with more flexible underwriting criteria may be needed. Additionally, small business loans are needed, since a significant percentage of businesses have gross annual revenues of \$1.0 million or less at 89.8 percent.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN OCALA METROPOLITAN STATISTICAL AREA**

### **LENDING TEST**

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes.

### **Geographic Distribution**

Overall, the geographic distribution of loans is reasonable given competition and the bank's entry into the market months before the COVID-19 pandemic hit.

#### *Small Business Loans*

Overall, the geographic distribution of small business loans is reasonable given competition and the bank's recent entry into the market. Of the small business loans sampled in this assessment area, there were too few loans to analyze in 2019 due to the opening of the office in this assessment area in September 2019. The bank's 2020 lending in low- and moderate-income census tracts is reasonable. The bank's lending percentages in both low- and moderate-income census tracts are much higher than the percentage of businesses in these tracts; however, the percentages are impacted by the overall low number of loans. The bank's level of lending in low- and moderate-income census tracts declined from 2020 to 2021. The bank made no loans in the low-income census tracts in 2021; however, this

performance is reasonable given the low percentage of businesses in these census tracts and overall low number of sampled loans in this assessment area.

<b>Geographic Distribution of Small Business Loans in Ocala MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2019	3.7	0	0.0	0	0.0
2020	3.6	1	11.1	28	2.3
2021	3.7	0	0.0	0	0.0
<b>Moderate</b>					
2019	18.4	0	0.0	0	0.0
2020	18.5	3	33.3	259	20.8
2021	18.9	1	7.7	3	0.2
<b>Middle</b>					
2019	47.9	3	75.0	894	77.1
2020	47.6	3	33.3	101	8.1
2021	46.5	12	92.3	1,776	99.8
<b>Upper</b>					
2019	30.0	1	25.0	266	22.9
2020	30.3	2	22.3	857	68.8
2021	30.9	0	0.0	0	0.0
<b>Not Available</b>					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
2021	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,160</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>1,245</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>1,779</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### *Home Mortgage Loans*

The bank originated no home mortgage loans in this assessment area in 2019. This performance is reasonable, as the branch did not open until September 2019. The bank originated no loans in low-income census tracts in 2020 and 2021. However, this performance is also reasonable given competition and the small percentage of owner-occupied housing units in these tracts. In addition, 2020 aggregate lending shows little demand in these areas as only 0.7 percent of loans by all reporting lenders were granted in these tracts.

The bank's percentage of lending in moderate-income census tracts was higher than demographic and aggregate lending in 2020, but then declined and was lower than demographic data in 2021.

<b>Geographic Distribution of Home Mortgage Loans in the Ocala MSA Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	2.3	0.4	0	0.0	0	0.0
2020	2.3	0.7	0	0.0	0	0.0
2021	2.3	--	0	0.0	0	0.0
<b>Moderate</b>						
2019	17.7	13.0	0	0.0	0	0.0
2020	17.7	11.1	6	18.2	1,024	11.9
2021	17.7	--	2	7.7	268	3.8
<b>Middle</b>						
2019	43.0	45.9	0	0.0	0	0.0
2020	43.0	45.2	9	27.3	2,113	24.6
2021	43.0	--	11	42.3	2,985	41.7
<b>Upper</b>						
2019	37.0	40.7	0	0.0	0	0.0
2020	37.0	43.1	18	54.5	5,446	63.4
2021	37.0	--	13	50.0	3,903	54.5
<b>Not Available</b>						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>8,583</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>7,156</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

Overall, the borrower profile distribution reflects a reasonable penetration among businesses of different sizes and individuals of different income levels.

*Small Business Loans*

Of the small business loans sampled in this assessment area, there were too few loans to analyze in 2019. In 2020 and 2021, the bank’s percentage of loans to businesses with revenues of \$1.0 million or less fell well-below demographic data because of the number of PPP loans where revenue information was not required to be collected. However, in 2021, the bank still originated a majority of small business loans with revenues collected to businesses with revenues of \$1.0 million or less.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category in the Ocala MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2019	86.4	2	50.0	366	31.6
2020	87.5	1	11.1	843	67.8
2021	89.8	6	46.1	1,029	57.9
<b>&gt;\$1,000,000</b>					
2019	4.7	2	50.0	794	68.4
2020	4.2	3	33.3	273	21.9
2021	3.2	3	23.1	415	23.3
<b>Revenue Not Available</b>					
2019	8.8	0	0.0	0	0.0
2020	8.3	5	55.6	129	10.3
2021	7.0	4	30.8	335	18.8
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>1,160</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>1,245</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>1,779</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

In 2020, the bank originated five PPP loans where revenue was not collected. All the loans were in amounts of less than \$100,000. In 2021, all four SBA PPP loans in the sample for which revenue data was not collected were originated in amounts of less than \$250,000. As illustrated in the following table, the volume of small-sized loans further demonstrates the bank’s willingness to meet small business credit needs.

<b>Distribution of PPP Loans by Loan Size in the Ocala MSA Assessment Area</b>					
<b>Loan Size</b>		<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;\$100,000</b>					
	2020	5	100.0	129	100.0
	2021	2	50.0	86	25.7
<b>\$100,000 - \$249,000</b>					
	2020	0	0.0	0	0.0
	2021	2	50.0	249	74.3
<b>\$250,000 - \$1,000,000</b>					
	2020	0	0.0	0	0.0
	2021	0	0.0	0	0.0
<b>Total</b>					
	<b>2020</b>	<b>5</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>
	<b>2021</b>	<b>4</b>	<b>100.0</b>	<b>335</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 Bank Data.</i>					

### *Home Mortgage Loans*

The bank originated no home mortgage loans in this assessment area in 2019. This performance is reasonable, as the branch in this assessment area did not open until September 2019. The bank's percentage of lending to low-income borrowers in 2020 and 2021 is well-below demographic data and below aggregate data in 2020. However, opportunities to lend to low-income borrowers may be limited given the high poverty rate at 15.8 percent, median family income of less than \$27,200 and median housing value at \$121,865 in 2015. These families would generally not qualify for a home loan. Furthermore, as mentioned previously, median home prices have risen since 2015 due to demand.

The bank's percentage of lending to moderate-income borrowers is well-below demographic data and below aggregate data. The bank's performance is reasonable at this time due to the newness of the bank's office coupled with competition and the rise in home prices.

Distribution of Home Mortgage Loans by Borrower Income Level in the Ocala MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	21.2	3.1	0	0.0	0	0.0
2020	21.2	3.0	0	0.0	0	0.0
2021	21.2	--	1	3.8	48	0.7
Moderate						
2019	17.0	12.8	0	0.0	0	0.0
2020	17.0	11.1	2	6.1	207	2.4
2021	17.0	--	1	3.8	100	1.4
Middle						
2019	19.3	21.0	0	0.0	0	0.0
2020	19.3	19.1	4	12.1	577	6.7
2021	19.3	--	2	7.7	460	6.4
Upper						
2019	42.6	45.9	0	0.0	0	0.0
2020	42.6	46.9	25	75.8	7,258	84.6
2021	42.6	--	22	84.6	6,548	91.5
Not Available						
2019	0.0	17.2	0	0.0	0	0.0
2020	0.0	19.8	2	6.1	540	6.3
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>8,583</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>7,155</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

## COMMUNITY DEVELOPMENT TEST

Mainstreet's community development performance demonstrates adequate responsiveness to community development needs in the assessment area through community development loans, and community development services, considering the bank's entry into the market in September 2019 and the need and availability of such opportunities for community development in the assessment area.

**Community Development Loans**

By number of loans, the bank originated 6.4 percent of its community development loans in this assessment area. All of the loans were PPP loans with two loans originated in low-income census tracts and the remainder in moderate-income census tracts.

<b>Community Development Lending – Ocala MSA Assessment Area</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>
2019 (Partial)	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	13	736	13	736
2021	-	-	-	-	-	-	1	25	1	25
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	<b>14</b>	<b>761</b>	<b>14</b>	<b>761</b>

*Source: Bank Data*

**Qualified Investments**

Mainstreet did not make any qualified investments in the assessment area during the evaluation period.

**Community Development Services**

Mainstreet representatives provided nine community development services during the evaluation period to five different organizations that benefit the assessment area by providing essential community services to low- and moderate-income individuals as well as supporting affordable housing and economic development. Three bank officers held five leadership positions in community development organizations during the evaluation period. The following table illustrates the bank’s community development services, by year and purpose.

<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019	0	1	0	0	1
2020	0	4	0	0	4
2021	1	2	1	0	4
<b>Total</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>9</b>

*Source: Bank Data*

The following are notable examples of community development services during the evaluation period.

- In 2021, a bank officer served as a director of a county-level community redevelopment area board, whose mission is to further economic development opportunities as well as to promote investment and reinvestment within Marion County.
- From 2019 to 2021, a bank officer served on the Board of Directors of a non-profit community foundation that functions as a conduit between donors and charitable organizations to ensure the organizations have sufficient funds to provide essential community services to low- and moderate-income individuals.
- In 2020, two bank officers led a first-time homebuyer seminar for low- and moderate-income individuals at the bank's Ocala office. Topics discussed during the seminar included qualifying for a mortgage, down payment options, and budgeting and credit best practices.

In addition, Mainstreet operates its branch and ATM in a Florida Qualified Opportunity Zone.

**ORLANDO-KISSIMMEE-SANFORD METROPLITAN STATISTICAL AREA  
– Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN ORLANDO-KISSIMMEE-SANFORD METROPLITAN STATISTICAL AREA**

The bank continues to operate one office in Clermont. The assessment area includes five census tracts out of the 56 census tracts in Lake County. This county is part of the Orlando-Kissimmee-Sanford MSA. The MSA also includes Osceola, Orange, and Seminole Counties, which are not part of the bank’s assessment area.

**Economic and Demographic Data**

This assessment area includes five census tracts, which consist of one moderate-, one middle-, and three upper-income census tracts. The table below outlines select demographic data of this assessment area based on the 2015 ACS Census data and the 2021 D&B data.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	5	0.0	20.0	20.0	60.0	0.0
Population by Geography	57,605	0.0	12.9	18.3	68.7	0.0
Housing Units by Geography	21,838	0.0	14.0	17.7	68.4	0.0
Owner-Occupied Units by Geography	14,577	0.0	9.2	16.6	74.3	0.0
Occupied Rental Units by Geography	4,786	0.0	29.8	21.5	48.7	0.0
Vacant Units by Geography	2,475	0.0	11.6	16.8	71.7	0.0
Businesses by Geography	9,395	0.0	17.3	15.5	67.2	0.0
Farms by Geography	217	0.0	13.8	23.5	62.7	0.0
Family Distribution by Income Level	15,398	16.9	17.0	18.0	48.1	0.0
Household Distribution by Income Level	19,363	17.5	13.8	18.3	50.3	0.0
Median Family Income MSA - 36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value			\$165,178
			Median Gross Rent			\$1,138
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0%. (* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

Examiners used the FFIEC updated MFI figures to analyze the home mortgage lending under the Borrower Profile criterion. The following table reflects the low-, moderate-, middle-, and upper-income MFI categories for the MSA. As shown below, during this timeframe, the maximum MFI for low-income families ranged from \$32,550 to \$35,400, which is low, when considering the

median housing value of \$165,178. Further, 9.6 percent of families have incomes below the federal poverty level. These families will likely face difficulty in qualifying for home mortgage loans.

<b>Median Family Income Ranges for the Orlando-Kissimmee-Sanford MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$65,100)	<\$32,550	\$32,550 to <\$52,080	\$52,080 to <\$78,120	≥\$78,120
2020 (\$68,100)	<\$34,050	\$34,050 to <\$54,480	\$54,480 to <\$81,720	≥\$81,720
2021 (\$70,800)	<\$35,400	\$35,400 to <\$56,640	\$56,640 to <\$84,960	≥\$84,960
<i>Source: FFIEC</i>				

As shown in the table below, the unemployment rates for the county increased from 2019 to 2020 and then declined by December 2021. The unemployment rates in 2019 and December 2021 were higher than the state rates. In 2020, the rate was higher than the state and national rates.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Lake County	3.4	8.9	3.8
Florida	3.2	8.2	3.2
National Average	3.7	8.1	3.9
<i>Source: Federal Reserve Economic Data</i>			

In terms of businesses and the economy, the 2021 D&B data shows the top industries in the assessment area were services, non-classifiable establishments, and retail trade. ElevateLake.com states the top four employers in the County with 1,000 or more employees are Publix Supermarkets, AdventHealth Waterman, University of Florida Health Leesburg Hospital, and Orlando Health South Lake Hospital.

Moody's Economy.com, Inc., Précis Metro dated August 2021 notes that the MSA's economy is still in recovery. The report notes that the "large tourism sector is improving like most other parts of the economy, but only half of jobs lost in the spring of 2020 have been recovered because of the lingering impact of the pandemic." "Further, more recent OpenTable and Google mobility data through early September indicate that in returning to pre-pandemic levels, the MSA remains further behind than both Florida and the U.S."

## **Competition**

There is a high level of competition for deposits in Lake County. In addition to competing with large national and regional banks, Mainstreet competes with local banks, credit unions, and finance companies. As of June 30, 2021, 17 FDIC-insured institutions operated 76 offices within Lake County. The top five banks by deposit market share were Truist Bank; Bank of America, N.A.; Wells Fargo Bank, N.A.; United Southern Bank; and Citizens First Bank. Collectively, these five banks accounted for 74.6 percent of the deposit market share. Mainstreet ranked 12<sup>th</sup> in total deposits with a market share of 1.4 percent.

In addition, there is a high level of competition for home mortgage loans in the assessment area. In 2020, 381 lenders reported the origination or purchase of 5,924 loans. The top five institutions (by number of loans) were Quicken Loans, LLC; Wells Fargo Bank, N.A.; Freedom Mortgage Corporation; PennyMac Loan Services, LLC; and Closing Mark Home Loans. Collectively, these leading institutions accounted for 23.5 percent of the total market share by number of loans originated. Mainstreet ranked 68<sup>th</sup> with a market share of 0.3 percent.

### **Community Contact**

Examiners rely on contacts with community organizations to gain insight regarding the credit needs and economic conditions of a bank's assessment area. A contact with an organization that serves the assessment area's businesses noted that economic conditions are improving and Kroger and Amazon helped by bringing 600 and 200 new jobs to the county, respectively, in 2021. The contact noted small business owners and potential owners need working capital, start-up funding, and financial counseling.

### **Credit and Community Development Needs and Opportunities**

Based on the community contact and demographic and economic data, some conclusions regarding the credit needs of the assessment area can be derived. First, the high percentage of low- and moderate-income families at 33.9 percent indicate a need for financial literacy and affordable housing. Additionally, small business loans are needed, given a significant percentage of businesses have gross annual revenues of \$1.0 million or less at 93.9 percent. Lastly, per the community contact, start-up funding and financial counseling are needed for small business owners.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN ORLANDO-KISSIMMEE-SANFORD METROPLITAN STATISTICAL AREA**

### **LENDING TEST**

Overall, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes.

### **Geographic Distribution**

Overall, the geographic distribution of loans is reasonable due to the larger weighting of small business loans. Small business lending reflects a reasonable dispersion within the moderate-income census tract and home mortgage lending reflects an excellent dispersion. There are no low-income census tracts within this assessment area,

*Small Business Loans*

The bank’s geographic distribution of small business loans is reasonable. For 2019 and 2020, the bank’s level of lending in the moderate-income census tract was in line with demographic data. For 2021, the bank’s level of lending in the moderate-income census tract significantly exceeded demographic data.

<b>Geographic Distribution of Small Business Loans in the Orlando-Kissimmee-Sanford MSA Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
2021	0.0	0	0.0	0	0.0
<b>Moderate</b>					
2019	17.9	1	16.7	196	8.8
2020	18.3	3	20.0	393	19.7
2021	17.3	3	25.0	164	11.2
<b>Middle</b>					
2019	15.8	1	16.7	607	27.3
2020	15.7	3	20.0	301	15.1
2021	15.5	1	8.3	822	55.9
<b>Upper</b>					
2019	66.3	4	66.7	1,424	63.9
2020	66.0	9	60.0	1,301	65.2
2021	67.2	8	66.7	484	32.9
<b>Not Available</b>					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
2021	0.0	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>2,227</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,995</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>1,470</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

*Home Mortgage Loans*

The geographic distribution of loans is excellent. For all years, the bank’s level of lending in the moderate-income census tract was higher than demographic data, and the 2019 and 2020 activities were higher than the aggregate data. Furthermore, the number of loans made in the moderate-income census tract increased over the evaluation period.

Geographic Distribution of Home Mortgage Loans in Orlando-Kissimmee-Sanford MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Moderate						
2019	9.2	7.6	1	14.3	110	5.5
2020	9.2	6.9	2	12.5	647	16.1
2021	9.2	--	6	60.0	1,876	58.3
Middle						
2019	16.6	19.4	0	0.0	0	0.0
2020	16.6	20.5	3	18.8	619	15.5
2021	16.6	--	1	10.0	352	10.9
Upper						
2019	74.3	73.1	6	85.7	1,887	94.5
2020	74.3	72.6	11	68.8	2,740	68.4
2021	74.3	--	3	30.0	988	30.7
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1,997</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>4,006</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>3,216</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

## **Borrower Profile**

Overall, the borrower profile distribution reflects a reasonable penetration among businesses of different sizes and individuals of different income levels.

### *Small Business Loans*

Overall, the distribution of loans to business of different sizes is reasonable. In 2019 and 2020, the bank originated a majority of the small business loans, where revenue information was collected, to businesses with revenues of \$1.0 million or less. In 2020 and 2021, the bank's percentage of loans

to businesses with revenues of \$1.0 million or less was well-below demographic data because of the number of PPP loans where revenue information was not collected.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category in the Orlando-Kissimmee-Sanford MSA Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2019	92.6	4	66.7	2,091	93.9
2020	93.1	0	0.0	0	0.0
2021	93.9	3	25.0	153	10.4
<b>&gt;\$1,000,000</b>					
2019	1.6	2	33.3	136	6.1
2020	1.5	1	6.7	300	15.0
2021	1.2	2	16.7	922	62.7
<b>Revenue Not Available</b>					
2019	5.8	0	0.0	0	0.0
2020	5.4	14	93.3	1,695	85.0
2021	4.9	7	58.3	395	26.9
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>2,227</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,995</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>1,470</b>	<b>100.0</b>
<i>Source: 2019, 2020 &amp; 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

In 2020, the bank originated 14 PPP loans where revenue information was not collected. In 2021, the bank originated seven PPP loans where revenue was not collected. As illustrated in the following table, the volume of small-sized loans further demonstrates the bank’s willingness to meet small business credit needs.

<b>Distribution of PPP Loans by Loan Size in the Orlando-Kissimmee-Sanford MSA Assessment Area</b>					
<b>Loan Size</b>		<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;\$100,000</b>					
	2020	9	64.3	163	9.6
	2021	6	85.7	276	69.9
<b>\$100,000 - \$249,000</b>					
	2020	2	14.3	289	17.1
	2021	1	14.3	119	30.1
<b>\$250,000 - \$1,000,000</b>					
	2020	3	21.4	1,243	73.3
	2021	0	0.0	0	0.0
<b>Total</b>					
	<b>2020</b>	<b>14</b>	<b>100.0</b>	<b>1,695</b>	<b>100.0</b>
	<b>2021</b>	<b>7</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 Bank Data.</i>					

### *Home Mortgage Loans*

The bank's lending to borrowers of different income levels is reasonable. The bank granted only one loan to a low-income borrower during the entire evaluation period. However, examiners considered this reasonable primarily because opportunities to lend to low-income borrowers may be limited given the poverty rate of 9.6 percent, median family income of less than \$35,400 and median housing value at \$165,178 in 2015. These families would generally not qualify for a home loan. The 2019 and 2020 aggregate data illustrates this issue; approximately 2.0 percent of loans granted by all HMDA-reporting lenders were to low-income borrowers in these two years.

The bank did not grant any loans to moderate-income borrowers in either 2019 or 2021. However, the bank's 2020 activities exceeded the demographic and aggregate data. Taken together, performance is reasonable.

<b>Distribution of Home Mortgage Loans by Borrower Income Level in the Orlando-Kissimmee-Sanford MSA Assessment Area</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	16.9	2.0	0	0.0	0	0.0
2020	16.9	1.9	1	6.3	65	1.6
2021	16.9	--	0	0.0	0	0.0
<b>Moderate</b>						
2019	17.0	11.6	0	0.0	0	0.0
2020	17.0	11.1	4	25.0	752	18.8
2021	17.0	--	0	0.0	0	0.0
<b>Middle</b>						
2019	18.0	22.8	1	14.3	110	5.5
2020	18.0	20.6	2	12.5	504	12.6
2021	18.0	--	1	10.0	303	9.4
<b>Upper</b>						
2019	48.1	47.3	6	85.7	1,887	94.5
2020	48.1	47.0	5	31.3	1,790	44.7
2021	48.1	--	4	40.0	1,421	44.2
<b>Not Available</b>						
2019	0.0	16.2	0	0.0	0	0.0
2020	0.0	19.4	4	25.0	895	22.3
2021	0.0	--	5	50.0	1,492	46.4
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1,997</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>4,006</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>3,216</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

## **COMMUNITY DEVELOPMENT TEST**

Mainstreet's community development performance demonstrates adequate responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

**Community Development Loans**

By number of loans, the bank originated 14.3 percent of its community development loans in this assessment area. In 2020, the bank originated a \$125,000 loan to a non-profit organization that provides services to the homeless and a \$623,000 SBA 504 loan to a business within the assessment area. The remainder of the loans were PPP loans originated in the moderate-income census tract within the assessment area. Please refer to the following table for details.

<b>Community Development Lending - Orlando-Kissimmee-Sanford MSA Assessment Area</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>	<b>#</b>	<b>\$ (000)</b>
2019 (Partial)	-	-	-	-	-	-	-	-	-	-
2020	-	-	1	125	1	623	21	1,014	23	1,762
2021	-	-	-	-	-	-	8	659	8	659
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1</b>	<b>125</b>	<b>1</b>	<b>623</b>	<b>29</b>	<b>1,673</b>	<b>31</b>	<b>2,421</b>

*Source: Bank Data*

**Qualified Investments**

Mainstreet made 12 qualified donations with values totaling \$42,080 in the assessment area during the evaluation period. This level of qualified donations is higher than the volume at the prior examination, when the bank made three qualified investments totaling \$9,000. All 12 donations were in-kind donations, where the bank provided meeting space within its branch office free of charge to community development organizations. The following table illustrates the bank’s qualified investments, by year and purpose.

<b>Qualified Investments</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Qualified Grants & Donations	2	1	10	41	0	0	0	0	12	42
<b>Total</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>42</b>

*Source: Bank Data*

**Community Development Services**

Mainstreet representatives provided 11 community development services during the evaluation period to three different organizations that benefit the assessment area by providing essential community services to low- and moderate-income individuals and supporting affordable housing. During the evaluation period, one bank director held one leadership position and one bank officer held two leadership positions in community development organizations. The following table illustrates the bank’s community development services, by year and purpose.

<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019	1	2	0	0	<b>3</b>
2020	1	3	0	0	<b>4</b>
2021	1	3	0	0	<b>4</b>
<b>Total</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>11</b>
<i>Source: Bank Data</i>					

The following are notable examples of community development service activities during the evaluation period.

- From 2019 to 2021, a bank officer served on the Board of Directors of a non-profit organization that provides affordable housing to low-income individuals and families. The organization operates three affordable housing complexes containing over 100 units as well as two large homes for the area’s individuals facing poverty or homelessness.
- From 2019 to 2021, a bank director served as president of a non-profit organization that raises and distributes funds for organizations in the community that provide essential community services to low- and moderate-income individuals, including affordable housing, food pantries, and disaster relief services.
- In 2020 and 2021, a bank officer led a financial literacy class for tenants of a non-profit organization’s affordable housing complex. Topics included basic banking, credit, and budgeting information.

## APPENDICES

### INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g. geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g. innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 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.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** 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 are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.