FIRST RESOURCE BANK

COMMUNITY REINVESTMENT ACT

PUBLIC FILE

Updated November 1, 2026

FIRST RESOURCE BANK
CRA PUBLIC FILE

LOAN TO DEPOSIT RATIOS

The following loan-to-deposit ratios are for each quarter of 2025

DATE OF QUARTER	LOAN TO DEPOSIT RATIOS
MARCH 31, 2025	104.4%
JUNE 30, 2025	103.2%
SEPTEMBER 30, 2025	103.0%
DECEMBER 31, 2025	92.2%

FIRST RESOURCE BANK
CRA PUBLIC FILE

WRITTEN PUBLIC COMMENTS

The Community Reinvestment Act requires us to include in our public file, written comments from the public relating to our CRA performance, and our responses to these comments for the current and preceding two calendar years.

First Resource Bank opened its doors in May 2005. To date we have received no comments regarding our CRA performance.

FIRST RESOURCE BANK
CRA PUBLIC FILE

CRA PUBLIC PERFORMANCE EVALUATION

The Community Reinvestment Act requires us to place our most recent CRA Performance Evaluation in our Public File.

Please see the First Resource Bank's CRA Performance Evaluation Report attached.

FIRST RESOURCE BANK
CRA PUBLIC FILE

HMDA DISCLOSURE STATEMENT

First Resource Bank opened its doors in May 2005. The Bank became a HMDA reporting bank in 2006 and will submit the HMDA data to the Consumer Financial Protection Bureau no later than March 1, 2026, after which time HMDA will be made available online via the Consumer Financial Protection Bureau's Web site at www.consumerfinance.gov/hmda.

FIRST RESOURCE BANK
CRA PUBLIC FILE

LIST OF OUR OFFICES AND HOURS OF OPERATIONS
BRANCHES OPENED

NAME OF BRANCH	HOURS	DATE OPEN	CENSUS TRACT
Exton Office 800 North Pottstown Pike Exton PA 19341 Telephone 610-363-9400 Fax 610-561-6039	Monday- Thursday 9AM- 5PM Friday 9AM- 6PM Saturday 9AM- 12PM	August 2014	MD 33874 3044.04
West Chester Office 844 Paoli Pike West Chester PA 19380 Telephone 610-235-4700		April 2015	MD 33874 3027.02
Wayne Office 321 W. Lancaster Avenue Wayne PA 19087 Telephone 610-710-4100		October 2019	MD 37964 4098.03

www.firstresourcebank.com
For a complete list of the geographies we serve see the section entitled "Assessment Area & Map."

BRANCHES CLOSED

The Community Reinvestment Act requires us to list our branches closed in the current year and each of the prior two calendar years. First Resource Bank has not closed a branch office in the current year or either of the prior two calendar years.

FIRST RESOURCE BANK
CRA PUBLIC FILE
LIST OF OUR SERVICES AND FEES

CREDIT SERVICES

First Resource Bank makes a wide range of credit services available within the communities we serve. These services are offered on a non-discriminatory basis to the consumers, business owners, government/municipal entities and/or community-based organizations. The specific terms, interest rates, fees and conditions are subject to change as deemed necessary due to the needs of the customer base and the economic environment. The following credit services are offered.

CONSUMER LOANS

Both secured and unsecured loans to individuals for personal, family or household purposes such as:

- Revolving Personal Lines of Credit
- Home Equity Second Mortgages
- Home Improvement Loans
- Overdraft Protection
- Other Personal, Family or Household Loans

COMMERCIAL OR BUSINESS LOANS

Secured and unsecured business loans for individuals, partnerships and corporations, including manufacturers, wholesalers, retailers, service industries, farmers and others. Loan types are as follows:

- Term and Working Capital Loans
- Real Estate Loans
- Construction Loans
- Business / Farm Equipment Loans
- Small Business Loans
- U.S. Small Business Administration Loans

REAL ESTATE LOANS

Secured loans to individuals and businesses to construct, improve or purchase real property and improvements. This includes loans such as:

- Residential Mortgages for purchase or refinance of both owner occupied and investment properties, for one to four dwelling units
- Construction Mortgages to Individuals
- Residential Swing Loans

COMMUNITY LOANS

Loans to governmental or quasi-governmental entities, such as:

- Loans to municipal authorities and school districts
- Loans to community-based organizations, including non-profit agencies that provide social services to the community
- Loans to churches and other community-based organizations

DEPOSIT SERVICES

PERSONAL DEPOSIT PRODUCTS

- Free Checking
- Free Checking with Interest
- Diamond Club Checking
- Personal Money Market
- Certificates of Deposit
- Individual Retirement Accounts
- CDARS – Certificate of Deposit Account Registry Service
- ICS – Insured Cash Sweep
- DDM – Demand Deposit Marketplace

BUSINESS DEPOSIT PRODUCTS

- Basic Business Checking
- Business Interest Checking
- Non-Profit Checking
- IOLTA Checking
- Business Money Market
- Non-Profit Money Market
- Public Funds Money Market
- Escrow Management
- Lockbox Services
- Autobooks
- Certificates of Deposit
- CDARS – Certificate of Deposit Account Registry Service
- ICS – Insured Cash Sweep
- DDM – Demand Deposit Marketplace

GENERAL BANKING SERVICES

- In-Person Banking
- Telephone Banking
- Bank-by-Mail
- Instant Issue Visa Debit Card
- Drive-Up ATM at each branch location
- 55,000 Allpoint Surcharge-Free ATMs
- STAR Network 24 Hour Access
- Plus Network Access
- Personal and Business Credit Cards (via TCM Bank)
- Digital Banking
- Digital Bill Pay
- Secure Digital Message Center
- Online Data Aggregation
- Online Personal Finance Manager
- Bank-to-Bank Online Transfers
- Person-to-Person Payments
- Mobile Banking
- Mobile Check Deposit (Consumer and Business)
- Text Banking Alerts
- E-Statements and Paper Statements
- Stop Payments
- Cashier's Checks
- Safe Deposit Boxes
- Night Depository
- Free Coin Counting (Customers Only)
- Foreign Currency Exchange
- Domestic and Foreign Wire Transfers
- Direct Deposit
- Automatic Transfers
- Faster Payments (Receive Only)
- Rapid Transfers
- Tap-to-Pay Payment Acceptance (Business Only)
- U.S. Savings Bond Redemption
- Government Check Cashing (Customers Only)
- Notary Services (Customers Only)
- Medallion Signature Guarantee (Customers Only)
- Remote Deposit Capture (FRED)
- Cash Management
- Positive Pay
- Merchant Services for MasterCard and Visa

First Resource Bank

Fee Schedule

The following fees may be assessed against your account. The following transaction limitations, if any, may apply to your account.

Nonsufficient funds (paid item or returned item)	$40.00*
Account research and reconciliation (per hour, min 1 hour)	$25.00
Cashier's check	$10.00
Returned deposited item / Chargeback item	$10.00
Stop payments (each)	$20.00
Outgoing domestic wire transfer	$18.00
Outgoing foreign wire transfer	$45.00
Safe deposit box rental	See banker for details**
Safe deposit box drilling	At cost, minimum of $400.00
Safe deposit box key replacement	At cost, minimum of $35.00
Foreign currency purchase or redemption	$15.00
Dormant (per month)	$5.00
Escheatment	$100.00
Levy / Writ	$150.00 plus expenses
Money market excess transaction (per item)	$15.00
Positive pay return item	$40.00***
Rapid Transfers	Third party service fees apply for this optional service and established by the service provider, which are subject to change without notice.

Fees are subject to change.

**The categories of transaction for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal or other electronic means.*

*** Safe deposit boxes and their contents are not FDIC insured.*

**** Non-fraudulent items only.*

COMB_FEE_FREE_SCHED-REV: 2/26

Member FDIC EQUAL HOUSING LENDER

FIRST RESOURCE BANK

CRA PUBLIC FILE

DESCRIPTION OF CRA ASSESSMENT AREA

First Resource Bank's CRA assessment area lies within the Metropolitan Division (MD) of Montgomery County/ Chester County 33874 and Philadelphia County 37964 (Delaware County). A Metropolitan Division is a sub-division of a larger Metropolitan Statistical Areas (MSAs) containing a single core with a population of at least 2.5 million. The MD is located within the larger Philadelphia-Camden-Wilmington, PA-NJ-DE MSA 37980. The MD of 33874 and 37964 have a median family income of $148,300 and $89,900 respectively. This information is based on the FFIEC estimate using the 2025 American Community Survey (ACS).

The assessment area includes all of Chester, Montgomery and Delaware counties:

- Chester County has 124 census tracts. These census tracts within the Bank's assessment area are further described as: 6 or 4.8% low-income tracts, 21 or 16.9% moderate-income tracts, 50 or 40.3% middle-income tracts, 45 or 36.3% upper-income and 2 or 1.7% unknown tract.
- Montgomery County has 219 census tracts: 9 or 4.1% low-income tracts, 41 or 18.7% moderate-income tracts, 108 or 49.3% middle-income tracts, 56 or 25.6% upper-income and 5 or 2.3% unknown tract.
- Delaware County has 152 census tracts: 4 or 2.6% low-income tracts, 19 or 12.5% moderate-income tracts, 31 or 20.4% middle-income tracts, 93 or 61.2% upper-income and 5 or 3.3% unknown tract.

The Bank's main office is located in Chester County in Uwchlan Township and lies within tract 3044.06 an upper-income tract.

The census tracts within the Bank's assessment area were classified in accordance with the U.S. Census Bureau requirements.

DESCRIPTION OF ASSESSMENT AREA – Chester, Montgomery & Delaware Counties

Chester County

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3001.01	Upper
33874	Chester	3001.03	Middle
33874	Chester	3001.04	Upper
33874	Chester	3001.06	Upper
33874	Chester	3001.07	Upper
33874	Chester	3001.08	Upper
33874	Chester	3001.09	Upper
33874	Chester	3002.01	Upper
33874	Chester	3002.02	Upper
33874	Chester	3003.01	Upper
33874	Chester	3003.02	Upper
33874	Chester	3003.03	Middle
33874	Chester	3004.00	Middle
33874	Chester	3005.01	Upper
33874	Chester	3005.02	Middle
33874	Chester	3006.00	Middle
33874	Chester	3007.00	Middle
33874	Chester	3008.00	Moderate
33874	Chester	3009.00	Moderate
33874	Chester	3010.01	Upper
33874	Chester	3010.02	Middle
33874	Chester	3011.00	Moderate
33874	Chester	3013.00	Middle
33874	Chester	3014.01	Low
33874	Chester	3014.02	Middle
33874	Chester	3015.00	Upper
33874	Chester	3016.00	Middle
33874	Chester	3017.00	Upper
33874	Chester	3018.00	Upper
33874	Chester	3019.00	Upper
33874	Chester	3020.00	Upper
33874	Chester	3021.02	Middle
33874	Chester	3021.03	Middle
33874	Chester	3021.04	Middle
33874	Chester	3022.03	Middle
33874	Chester	3022.04	Upper
33874	Chester	3022.05	Upper
33874	Chester	3022.06	Middle
33874	Chester	3022.07	Unknown
33874	Chester	3023.00	Middle
33874	Chester	3024.00	Moderate
33874	Chester	3025.00	Middle
33874	Chester	3026.00	Moderate
33874	Chester	3027.02	Middle
33874	Chester	3027.03	Upper
33874	Chester	3027.04	Upper
33874	Chester	3027.05	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3027.06	Upper
33874	Chester	3028.02	Upper
33874	Chester	3028.03	Middle
33874	Chester	3028.04	Upper
33874	Chester	3028.06	Moderate
33874	Chester	3028.07	Middle
33874	Chester	3029.01	Middle
33874	Chester	3029.02	Upper
33874	Chester	3030.00	Upper
33874	Chester	3031.00	Upper
33874	Chester	3033.01	Middle
33874	Chester	3033.02	Upper
33874	Chester	3034.01	Moderate
33874	Chester	3034.02	Moderate
33874	Chester	3035.01	Middle
33874	Chester	3035.02	Upper
33874	Chester	3038.01	Middle
33874	Chester	3038.03	Middle
33874	Chester	3038.04	Upper
33874	Chester	3039.01	Upper
33874	Chester	3039.02	Upper
33874	Chester	3040.00	Upper
33874	Chester	3041.01	Moderate
33874	Chester	3041.02	Middle
33874	Chester	3042.01	Middle
33874	Chester	3043.00	Upper
33874	Chester	3044.03	Middle
33874	Chester	3044.04	Middle
33874	Chester	3044.05	Upper
33874	Chester	3044.06	Upper
33874	Chester	3045.02	Upper
33874	Chester	3045.03	Upper
33874	Chester	3045.04	Upper
33874	Chester	3046.00	Middle
33874	Chester	3049.00	Moderate
33874	Chester	3050.00	Moderate
33874	Chester	3051.01	Middle
33874	Chester	3051.02	Middle
33874	Chester	3053.00	Moderate
33874	Chester	3054.00	Low
33874	Chester	3055.00	Low
33874	Chester	3056.00	Low
33874	Chester	3057.00	Moderate
33874	Chester	3060.00	Middle
33874	Chester	3063.00	Moderate
33874	Chester	3065.01	Upper
33874	Chester	3065.03	Moderate
33874	Chester	3065.04	Upper
33874	Chester	3066.00	Upper
33874	Chester	3067.00	Upper
33874	Chester	3068.00	Middle
33874	Chester	3069.00	Upper
33874	Chester	3070.00	Middle
33874	Chester	3071.00	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3072.00	Moderate
33874	Chester	3073.00	Middle
33874	Chester	3074.00	Moderate
33874	Chester	3077.00	Moderate
33874	Chester	3078.00	Middle
33874	Chester	3079.00	Middle
33874	Chester	3080.00	Low
33874	Chester	3081.01	Middle
33874	Chester	3081.02	Middle
33874	Chester	3082.00	Moderate
33874	Chester	3110.00	Middle
33874	Chester	3111.00	Middle
33874	Chester	3112.00	Middle
33874	Chester	3113.00	Upper
33874	Chester	3114.01	Moderate
33874	Chester	3114.03	Middle
33874	Chester	3114.04	Middle
33874	Chester	3115.00	Middle
33874	Chester	3116.00	Low
33874	Chester	3117.01	Middle
33874	Chester	3117.02	Middle
33874	Chester	3118.00	Moderate
33874	Chester	9800.00	Unknown
Total Tracts		**124**	

Montgomery County

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2001.03	Middle
33874	Montgomery	2001.04	Middle
33874	Montgomery	2001.05	Middle
33874	Montgomery	2001.06	Middle
33874	Montgomery	2002.00	Middle
33874	Montgomery	2003.01	Moderate
33874	Montgomery	2003.05	Middle
33874	Montgomery	2003.06	Middle
33874	Montgomery	2003.07	Moderate
33874	Montgomery	2003.08	Middle
33874	Montgomery	2003.09	Middle
33874	Montgomery	2003.10	Upper
33874	Montgomery	2004.01	Middle
33874	Montgomery	2004.02	Middle
33874	Montgomery	2005.01	Middle
33874	Montgomery	2005.02	Low
33874	Montgomery	2005.05	Upper
33874	Montgomery	2005.06	Middle
33874	Montgomery	2005.07	Middle
33874	Montgomery	2006.02	Middle
33874	Montgomery	2006.03	Middle
33874	Montgomery	2006.05	Upper
33874	Montgomery	2006.06	Middle
33874	Montgomery	2006.07	Upper
33874	Montgomery	2007.03	Middle
33874	Montgomery	2007.04	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2007.07	Middle
33874	Montgomery	2007.08	Middle
33874	Montgomery	2008.00	Moderate
33874	Montgomery	2009.01	Moderate
33874	Montgomery	2009.02	Moderate
33874	Montgomery	2009.03	Moderate
33874	Montgomery	2009.06	Middle
33874	Montgomery	2009.07	Middle
33874	Montgomery	2009.08	Moderate
33874	Montgomery	2010.03	Middle
33874	Montgomery	2010.04	Middle
33874	Montgomery	2010.05	Upper
33874	Montgomery	2010.06	Upper
33874	Montgomery	2011.00	Middle
33874	Montgomery	2012.01	Upper
33874	Montgomery	2012.03	Upper
33874	Montgomery	2012.04	Moderate
33874	Montgomery	2013.01	Moderate
33874	Montgomery	2013.02	Moderate
33874	Montgomery	2014.04	Upper
33874	Montgomery	2014.06	Middle
33874	Montgomery	2014.07	Middle
33874	Montgomery	2014.08	Upper
33874	Montgomery	2014.09	Upper
33874	Montgomery	2014.10	Middle
33874	Montgomery	2014.11	Upper
33874	Montgomery	2015.01	Middle
33874	Montgomery	2015.02	Upper
33874	Montgomery	2016.03	Moderate
33874	Montgomery	2016.04	Middle
33874	Montgomery	2016.05	Middle
33874	Montgomery	2016.06	Moderate
33874	Montgomery	2016.07	Middle
33874	Montgomery	2016.08	Middle
33874	Montgomery	2017.03	Middle
33874	Montgomery	2017.04	Moderate
33874	Montgomery	2017.05	Middle
33874	Montgomery	2017.06	Middle
33874	Montgomery	2018.00	Middle
33874	Montgomery	2019.01	Upper
33874	Montgomery	2019.02	Middle
33874	Montgomery	2020.00	Middle
33874	Montgomery	2021.00	Middle
33874	Montgomery	2022.01	Middle
33874	Montgomery	2022.02	Middle
33874	Montgomery	2023.01	Upper
33874	Montgomery	2023.02	Middle
33874	Montgomery	2024.01	Low
33874	Montgomery	2024.02	Middle
33874	Montgomery	2025.00	Middle
33874	Montgomery	2026.02	Upper
33874	Montgomery	2026.03	Middle
33874	Montgomery	2026.04	Upper
33874	Montgomery	2030.00	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2031.03	Upper
33874	Montgomery	2031.04	Upper
33874	Montgomery	2031.05	Upper
33874	Montgomery	2031.06	Middle
33874	Montgomery	2032.03	Middle
33874	Montgomery	2032.04	Upper
33874	Montgomery	2032.05	Upper
33874	Montgomery	2032.07	Upper
33874	Montgomery	2032.08	Upper
33874	Montgomery	2033.02	Middle
33874	Montgomery	2033.03	Middle
33874	Montgomery	2033.04	Middle
33874	Montgomery	2034.01	Moderate
33874	Montgomery	2034.02	Middle
33874	Montgomery	2034.03	Moderate
33874	Montgomery	2035.00	Moderate
33874	Montgomery	2036.01	Unknown
33874	Montgomery	2036.02	Moderate
33874	Montgomery	2037.01	Moderate
33874	Montgomery	2038.01	Low
33874	Montgomery	2038.03	Moderate
33874	Montgomery	2038.04	Low
33874	Montgomery	2039.01	Low
33874	Montgomery	2039.02	Moderate
33874	Montgomery	2040.02	Middle
33874	Montgomery	2040.07	Moderate
33874	Montgomery	2040.08	Middle
33874	Montgomery	2040.09	Upper
33874	Montgomery	2040.10	Upper
33874	Montgomery	2041.01	Middle
33874	Montgomery	2041.03	Upper
33874	Montgomery	2041.04	Middle
33874	Montgomery	2042.00	Upper
33874	Montgomery	2043.00	Middle
33874	Montgomery	2044.00	Upper
33874	Montgomery	2045.00	Upper
33874	Montgomery	2046.00	Upper
33874	Montgomery	2047.01	Upper
33874	Montgomery	2047.02	Middle
33874	Montgomery	2048.00	Upper
33874	Montgomery	2049.00	Upper
33874	Montgomery	2050.00	Middle
33874	Montgomery	2051.00	Upper
33874	Montgomery	2052.00	Upper
33874	Montgomery	2053.00	Moderate
33874	Montgomery	2054.01	Upper
33874	Montgomery	2054.02	Upper
33874	Montgomery	2055.01	Upper
33874	Montgomery	2055.02	Upper
33874	Montgomery	2055.03	Upper
33874	Montgomery	2056.00	Upper
33874	Montgomery	2057.00	Moderate
33874	Montgomery	2058.05	Middle
33874	Montgomery	2058.06	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2058.07	Middle
33874	Montgomery	2058.08	Middle
33874	Montgomery	2058.09	Middle
33874	Montgomery	2058.10	Middle
33874	Montgomery	2058.11	Upper
33874	Montgomery	2059.03	Upper
33874	Montgomery	2059.04	Upper
33874	Montgomery	2059.05	Middle
33874	Montgomery	2059.06	Middle
33874	Montgomery	2060.04	Middle
33874	Montgomery	2060.05	Middle
33874	Montgomery	2060.06	Middle
33874	Montgomery	2060.07	Middle
33874	Montgomery	2061.04	Middle
33874	Montgomery	2061.05	Upper
33874	Montgomery	2061.06	Middle
33874	Montgomery	2061.07	Middle
33874	Montgomery	2061.08	Upper
33874	Montgomery	2062.01	Moderate
33874	Montgomery	2062.02	Moderate
33874	Montgomery	2063.00	Upper
33874	Montgomery	2064.00	Middle
33874	Montgomery	2065.01	Upper
33874	Montgomery	2065.02	Middle
33874	Montgomery	2066.00	Moderate
33874	Montgomery	2067.03	Upper
33874	Montgomery	2067.04	Upper
33874	Montgomery	2068.01	Upper
33874	Montgomery	2068.02	Middle
33874	Montgomery	2069.01	Middle
33874	Montgomery	2069.04	Moderate
33874	Montgomery	2069.05	Middle
33874	Montgomery	2069.06	Middle
33874	Montgomery	2070.01	Upper
33874	Montgomery	2070.03	Upper
33874	Montgomery	2070.04	Middle
33874	Montgomery	2071.01	Middle
33874	Montgomery	2071.03	Middle
33874	Montgomery	2071.04	Moderate
33874	Montgomery	2072.01	Moderate
33874	Montgomery	2072.02	Moderate
33874	Montgomery	2073.00	Moderate
33874	Montgomery	2074.00	Middle
33874	Montgomery	2075.00	Middle
33874	Montgomery	2076.00	Middle
33874	Montgomery	2078.00	Middle
33874	Montgomery	2079.00	Middle
33874	Montgomery	2080.00	Middle
33874	Montgomery	2081.00	Moderate
33874	Montgomery	2082.01	Middle
33874	Montgomery	2082.03	Middle
33874	Montgomery	2082.04	Middle
33874	Montgomery	2083.01	Middle
33874	Montgomery	2083.03	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2083.04	Middle
33874	Montgomery	2084.00	Middle
33874	Montgomery	2085.00	Middle
33874	Montgomery	2086.01	Middle
33874	Montgomery	2086.03	Middle
33874	Montgomery	2086.04	Moderate
33874	Montgomery	2087.02	Middle
33874	Montgomery	2087.03	Moderate
33874	Montgomery	2087.04	Moderate
33874	Montgomery	2088.01	Low
33874	Montgomery	2088.02	Low
33874	Montgomery	2089.01	Low
33874	Montgomery	2089.03	Low
33874	Montgomery	2089.04	Moderate
33874	Montgomery	2089.05	Moderate
33874	Montgomery	2089.06	Moderate
33874	Montgomery	2090.00	Moderate
33874	Montgomery	2091.00	Middle
33874	Montgomery	2092.01	Moderate
33874	Montgomery	2092.02	Moderate
33874	Montgomery	2101.00	Middle
33874	Montgomery	2102.00	Middle
33874	Montgomery	2103.00	Middle
33874	Montgomery	2104.00	Middle
33874	Montgomery	2105.00	Upper
33874	Montgomery	2106.00	Middle
33874	Montgomery	2107.00	Upper
33874	Montgomery	9800.00	Unknown
33874	Montgomery	9801.00	Unknown
33874	Montgomery	9802.00	Unknown
33874	Montgomery	9803.00	Unknown
Total Tracts		**219**	

Delaware County

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4003.01	Moderate
37964	Delaware	4003.02	Moderate
37964	Delaware	4004.01	Middle
37964	Delaware	4004.02	Moderate
37964	Delaware	4005.00	Moderate
37964	Delaware	4006.00	Middle
37964	Delaware	4007.00	Middle
37964	Delaware	4008.01	Moderate
37964	Delaware	4008.02	Upper
37964	Delaware	4009.00	Upper
37964	Delaware	4010.00	Upper
37964	Delaware	4011.01	Middle
37964	Delaware	4011.03	Upper
37964	Delaware	4011.04	Upper
37964	Delaware	4012.00	Upper
37964	Delaware	4013.02	Upper
37964	Delaware	4013.03	Middle
37964	Delaware	4014.01	Upper

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4014.02	Moderate
37964	Delaware	4015.02	Middle
37964	Delaware	4015.03	Middle
37964	Delaware	4016.00	Upper
37964	Delaware	4017.00	Middle
37964	Delaware	4018.00	Middle
37964	Delaware	4019.00	Upper
37964	Delaware	4020.00	Middle
37964	Delaware	4021.00	Middle
37964	Delaware	4022.00	Middle
37964	Delaware	4023.00	Middle
37964	Delaware	4024.00	Unknown
37964	Delaware	4025.00	Middle
37964	Delaware	4026.00	Middle
37964	Delaware	4027.00	Middle
37964	Delaware	4028.00	Middle
37964	Delaware	4029.00	Moderate
37964	Delaware	4030.01	Upper
37964	Delaware	4030.02	Middle
37964	Delaware	4031.01	Middle
37964	Delaware	4031.03	Middle
37964	Delaware	4031.04	Middle
37964	Delaware	4032.00	Upper
37964	Delaware	4033.00	Middle
37964	Delaware	4034.01	Middle
37964	Delaware	4034.02	Middle
37964	Delaware	4035.01	Middle
37964	Delaware	4035.02	Upper
37964	Delaware	4036.01	Upper
37964	Delaware	4036.02	Upper
37964	Delaware	4037.01	Upper
37964	Delaware	4037.02	Moderate
37964	Delaware	4038.00	Middle
37964	Delaware	4039.01	Upper
37964	Delaware	4039.02	Upper
37964	Delaware	4040.03	Middle
37964	Delaware	4040.04	Upper
37964	Delaware	4041.01	Upper
37964	Delaware	4041.02	Middle
37964	Delaware	4041.03	Upper
37964	Delaware	4043.00	Moderate
37964	Delaware	4044.00	Upper
37964	Delaware	4045.00	Moderate
37964	Delaware	4046.00	Middle
37964	Delaware	4047.00	Moderate
37964	Delaware	4048.00	Low
37964	Delaware	4049.00	Moderate
37964	Delaware	4050.00	Middle
37964	Delaware	4051.00	Moderate
37964	Delaware	4052.00	Low
37964	Delaware	4053.00	Moderate
37964	Delaware	4054.00	Low
37964	Delaware	4061.00	Upper
37964	Delaware	4062.01	Upper

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4062.02	Upper
37964	Delaware	4063.00	Moderate
37964	Delaware	4064.01	Moderate
37964	Delaware	4064.02	Moderate
37964	Delaware	4065.00	Upper
37964	Delaware	4066.00	Moderate
37964	Delaware	4067.00	Middle
37964	Delaware	4068.01	Upper
37964	Delaware	4068.02	Upper
37964	Delaware	4068.04	Upper
37964	Delaware	4068.05	Upper
37964	Delaware	4069.02	Upper
37964	Delaware	4069.03	Upper
37964	Delaware	4069.04	Upper
37964	Delaware	4070.00	Upper
37964	Delaware	4071.01	Upper
37964	Delaware	4071.02	Upper
37964	Delaware	4072.01	Upper
37964	Delaware	4072.02	Upper
37964	Delaware	4074.01	Upper
37964	Delaware	4074.04	Upper
37964	Delaware	4075.01	Upper
37964	Delaware	4075.02	Upper
37964	Delaware	4076.00	Upper
37964	Delaware	4077.00	Upper
37964	Delaware	4078.01	Upper
37964	Delaware	4078.02	Upper
37964	Delaware	4078.03	Upper
37964	Delaware	4078.04	Upper
37964	Delaware	4078.05	Upper
37964	Delaware	4078.06	Upper
37964	Delaware	4079.01	Upper
37964	Delaware	4079.02	Upper
37964	Delaware	4079.03	Upper
37964	Delaware	4080.01	Upper
37964	Delaware	4080.02	Upper
37964	Delaware	4081.01	Upper
37964	Delaware	4081.02	Upper
37964	Delaware	4081.03	Upper
37964	Delaware	4083.00	Upper
37964	Delaware	4084.00	Upper
37964	Delaware	4085.00	Upper
37964	Delaware	4086.00	Upper
37964	Delaware	4087.00	Upper
37964	Delaware	4088.00	Upper
37964	Delaware	4089.00	Upper
37964	Delaware	4090.00	Upper
37964	Delaware	4091.00	Upper
37964	Delaware	4092.00	Upper
37964	Delaware	4093.00	Upper
37964	Delaware	4094.00	Upper
37964	Delaware	4095.00	Upper
37964	Delaware	4096.01	Upper
37964	Delaware	4096.02	Upper

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4097.01	Upper
37964	Delaware	4098.03	Upper
37964	Delaware	4098.04	Upper
37964	Delaware	4099.02	Upper
37964	Delaware	4099.03	Upper
37964	Delaware	4099.04	Upper
37964	Delaware	4100.00	Upper
37964	Delaware	4101.01	Upper
37964	Delaware	4101.02	Upper
37964	Delaware	4102.00	Upper
37964	Delaware	4103.03	Upper
37964	Delaware	4103.04	Upper
37964	Delaware	4103.05	Upper
37964	Delaware	4103.06	Upper
37964	Delaware	4104.01	Upper
37964	Delaware	4104.02	Upper
37964	Delaware	4104.03	Upper
37964	Delaware	4105.00	Moderate
37964	Delaware	4106.01	Upper
37964	Delaware	4106.02	Upper
37964	Delaware	4107.00	Low
37964	Delaware	4108.00	Upper
37964	Delaware	9800.00	Unknown
37964	Delaware	9801.00	Unknown
37964	Delaware	9802.00	Unknown
37964	Delaware	9803.00	Unknown
Total Tracts		**152**	

Municipalities within Chester County, PA

dvrpc



Berks

Montgomery

Lancaster

Delaware

Chester

New Castle

Gloucester

Cecil

NORTH COVENTRY
EAST COVENTRY
SOUTH COVENTRY
WARWICK
Spring City
EAST VINCENT
Elverson
EAST NANTMEAL
WEST VINCENT
EAST PIKELAND
Phoenixville
WEST NANTMEAL
SCHUYLKILL
Honey Brook
HONEY BROOK
WALLACE
UPPER UWCHLAN
WEST PIKELAND
CHARLESTOWN
TREDYFFRIN
WEST BRANDYWINE
UWCHLAN
EAST WHITELAND
EAST BRANDYWINE
Malvern
EASTTOWN
WEST CALN
EAST CALN
WEST WHITELAND
Downingtown
CALN
WILLISTOWN
EAST GOSHEN
WEST SADSBURY
SADSBURY
VALLEY
Coatesville
WEST GOSHEN
South Coatesville
EAST BRADFORD
Parkesburg
Modena
WEST BRADFORD
West Chester
Atglen
EAST FALLOWFIELD
WESTTOWN
HIGHLAND
NEWLIN
THORNBURY
WEST FALLOWFIELD
POCOPSON
BIRMINGHAM
WEST MARLBOROUGH
EAST MARLBOROUGH
LONDONDERRY
PENNSBURY
UPPER OXFORD
LONDON GROVE
Kennett Square
KENNETT
PENN
West Grove
Avondale
NEW GARDEN
LOWER OXFORD
Oxford
NEW LONDON
EAST NOTTINGHAM
FRANKLIN
LONDON BRITAIN
WEST NOTTINGHAM
ELK
PA
DE
MD
NJ

N
0 3 6
Miles

Municipalities within Delaware County, PA

dvrpc



Montgomery

Chester

Philadelphia

Gloucester

New Castle

RADNOR

NEWTOWN

HAVERFORD

MARPLE

Millbourne

UPPER DARBY

East Lansdowne

Lansdowne

Yeadon

Clifton Heights

Aldan

Darby

Collingdale

Colwyn

DARBY

Sharon Hill

Glenolden

DARBY

Folcroft

Prospect Park

Norwood

Ridley Park

RIDLEY

EDGMONT

UPPER PROVIDENCE

SPRINGFIELD

Media

THORNBURY

MIDDLETOWN

NETHER PROVIDENCE

Morton

Swarthmore

Rutledge

Rose Valley

Chester Heights

CONCORD

CHADDS FORD

ASTON

Brookhaven

Parkside

Upland

CHESTER

Chester

Eddystone

TINICUM

PA

NJ

PA

DE

BETHEL

UPPER CHICHESTER

LOWER CHICHESTER

Trainer

Marcus Hook

N

0 1 2

Miles

Municipalities within Montgomery County, PA

dvrpc



Lehigh
Berks
Bucks
Chester
Delaware
Philadelphia
Burlington
Camden
PA
NJ

UPPER HANOVER
East Greenville
Pennsburg
Red Hill
MARLBOROUGH
DOUGLASS
Green Lane
SALFORD
Telford
Souderton
NEW HANOVER
UPPER FREDERICK
FRANCONIA
UPPER SALFORD
UPPER POTTSGROVE
WEST POTTSGROVE
LOWER FREDERICK
Hatfield
HATFIELD
LOWER POTTSGROVE
Schwenksville
LOWER SALFORD
Pottstown
TOWAMENCIN
Lansdale
MONTGOMERY
LIMERICK
PERKIOMEN
SKIPPACK
UPPER GWYNEDD
North Wales
Trappe
HORSHAM
Royersford
Collegeville
WORCESTER
LOWER GWYNEDD
UPPER PROVIDENCE
Hatboro
LOWER PROVIDENCE
EAST NORRITON
WHITPAIN
Ambler
UPPER DUBLIN
UPPER MORELAND
Bryn Athyn
WEST NORRITON
LOWER MORELAND
Norristown
PLYMOUTH
ABINGTON
Bridgeport
WHITEMARSH
SPRINGFIELD
Jenkintown
UPPER MERION
CHELTENHAM
Rockledge
Conshohocken
West Conshohocken
LOWER MERION
Narberth

N
0 3 6
Miles

PUBLIC DISCLOSURE

October 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Resource Bank
Certificate Number: 57967

800 N. Pottstown Pike
Exton, Pennsylvania 19341

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

350 Fifth Avenue, Suite 1200
New York, NY 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

An institution in this group has 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 (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment area.
- The geographic distribution of loans reflects excellent 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.
- The bank did not receive any CRA-related complaints since the previous performance evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Background

First Resource Bank (First Resource) is headquartered in Exton, Pennsylvania (PA). The bank is a wholly owned subsidiary of First Resource Bancorp Inc., a recently formed holding company established in May 2022, also headquartered in Exton, PA. First Resource has no subsidiaries. The institution received an overall CRA rating of "Satisfactory" at the previous FDIC Performance Evaluation, dated November 8, 2021, based on Interagency Intermediate Small Institution Examination Procedures.

Operations

First Resource operates three full-service branches in Chester and Delaware Counties within PA. First Resource offers a variety of residential, non-residential consumer, and commercial loan products to consumer and commercial customers. Consumer deposit products include checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include digital banking, electronic bill pay, and mobile deposits. The bank operates automated teller machines (ATM) at each branch location.

Ability and Capacity

As of September 30, 2024, First Resource reported approximately $651.7 million in total assets, including total loans of $583.2 million and total securities of approximately $16.8 million. Deposits totaled $548.4 million. Since the prior evaluation, total assets, loans, and deposits experienced annualized growth rates of 13.4 percent, 18.7 percent, and 12.2 percent, respectively. There were no material changes in the bank's loan portfolio composition since the prior evaluation.

The following table illustrates the bank's loan portfolio composition.

Loan Portfolio Distribution as of September 30, 2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	53,255	9.1
Secured by Farmland	1,637	0.3
Secured by 1-4 Family Residential Properties	187,598	32.2
Secured by Multifamily (5 or more) Residential Properties	81,576	14.0
Secured by Nonfarm Nonresidential Properties	215,453	36.9
Total Real Estate Loans	**539,519**	**92.5**
Commercial and Industrial Loans	43,208	7.4
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	522	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**583,249**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act (CRA) requires financial institutions to define one or more assessment areas within which its CRA performance will be evaluated. The bank did not change its assessment area since the prior evaluation. First Resource designated a single assessment area including the entirety of Delaware County, Chester County, and Montgomery County, totaling 495 census tracts. Montgomery County and Chester County are located in the Montgomery County-Bucks County-Chester County, PA Metropolitan Division (MD) #33874. Delaware County is located in the Philadelphia, PA MD #37964. Both MDs are a part of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (MSA) #37980. Examiners analyzed bank performance at the MSA level.

Economic and Demographic Data

For 2021, First Resource's assessment area included 471 census tracts reflecting the following income designations according to the 2015 American Community Survey (ACS):

- 18 low-income tracts,
- 86 moderate-income tracts,
- 176 middle-income tracts,
- 188 upper-income tracts, and
- 3 tracts with no income designation.

The results of the 2020 U.S. Census resulted in updated demographic data, which went into effect in 2022. The 2020 U.S. Census data changed the number and income level of select tracts within the assessment area. For 2022 and 2023, First Resource's assessment area includes 495 census tracts in Montgomery, Chester, and Delaware Counties. The tracts reflect the following income designations according to 2020 U.S. Census Data:

- 19 low-income tracts,
- 81 moderate-income tracts,
- 189 middle-income tracts,
- 194 upper-income tracts,
- 12 tracts with no income designation.

Examiners used 2015 ACS data to evaluate the bank's 2021 performance and 2020 U.S. Census data to evaluate the bank's 2022 and 2023 performance. The following table illustrates select demographic characteristics of the assessment area, reflecting the most recent data available.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	495	3.8	16.4	38.2	39.2	2.4
Population by Geography	1,967,796	3.3	14.8	39.4	41.7	0.8
Housing Units by Geography	762,650	3.6	15.9	39.8	40.2	0.4
Owner-Occupied Units by Geography	517,622	1.8	12.0	40.4	45.6	0.2
Occupied Rental Units by Geography	203,573	7.5	24.8	39.2	27.8	0.5
Vacant Units by Geography	41,455	7.6	21.6	35.8	33.9	1.1
Businesses by Geography	308,180	2.2	11.8	39.4	45.9	0.8
Farms by Geography	6,974	2.2	13.4	43.6	40.4	0.3
Family Distribution by Income Level	495,087	17.4	16.4	19.7	46.5	0.0
Household Distribution by Income Level	721,195	21.4	15.4	17.1	46.2	0.0
Median Family Income MSA - 33874 Montgomery County-Bucks County-Chester County, PA		$117,345	Median Housing Value			$325,659
Median Family Income MSA - 37964 Philadelphia, PA		$68,458	Median Gross Rent			$1,307
			Families Below Poverty Level			4.7%

Source: 2020 U.S. Census and 2023 D&B Data
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification.

There are 762,650 housing units in the assessment area. Of these, 67.9 percent are owner-occupied, 26.7 percent are occupied rental units, and 5.4 percent are vacant. The Geographic Distribution criterion compares First Resource's home mortgage lending activities to the distribution of owner-occupied housing units. As shown above, only 1.8 percent of the assessment area's owner-occupied housing units are located in low-income census tracts, and 12.0 percent are located in moderate-

income tracts. This distribution reflects limited opportunities to originate home mortgage loans in low- and moderate-income census tracts in the assessment area.

Examiners used 2021, 2022, and 2023 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the median family income ranges for the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Montgomery County-Bucks County- Chester County, PA MSA Median Family Income (33874)				
2021 ($116,300)	<$58,150	$58,150 to <$93,040	$93,040 to <$139,560	≥$139,560
2022 ($131,400)	<$65,700	$65,700 to <$105,120	$105,120 to <$157,680	≥$157,680
2023 ($142,100)	<$71,050	$71,050 to <$113,680	$113,680 to <$170,520	≥$170,520
Philadelphia, PA MD Median Family Income (37964)				
2021 ($67,500)	<$33,750	$33,750 to <$54,000	$54,000 to <$81,000	≥$81,000
2022 ($75,000)	<$37,500	$37,500 to <$60,000	$60,000 to <$90,000	≥$90,000
2023 ($83,100)	<$41,550	$41,550 to <$66,480	$66,480 to <$99,720	≥$99,720
Source: FFIEC				

The Geographic Distribution criterion for small business lending compares First Resource's small business loans to the distribution of businesses within the assessment area. The Borrower Profile criterion considers the gross annual revenues (GARs) of these businesses. According to 2023 D&B data, there were 308,180 businesses within the assessment area. These businesses had the following GAR characteristics:

- 91.5 percent had GARs of $1.0 million or less;
- 3.1 percent had GARs of more than $1.0 million; and
- 5.4 percent had unreported GARs.

Service industries represented the largest share of total businesses in the assessment area at 39.6 percent, followed by non-classifiable establishments (21.2 percent), finance, insurance and real estate (12.7 percent), and retail trade (8.9 percent). Most businesses had four or fewer employees (66.2 percent), and a substantial majority operated from a single location (94.2 percent). This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area.

According to PA's Department of Labor & Industry, top employers in the assessment area differ at the county level. The top employers in Delaware County are Villanova University and The Boeing Company. The top employers in Chester County are The Vanguard Group Inc and The Chester County Hospital. The top employers in Montgomery County are Merck Sharp & Dohme Corporation and Abington Memorial Hospital.

Data obtained from the U.S. Bureau of Labor and Statistics indicates that unemployment rates in the assessment area and in the state of PA decreased over the evaluation period. The following table

presents the annual unemployment rates for both counties in the assessment area, as well as the state and national averages, since 2021. As noted, the data reflects an overall decrease in unemployment rates during the review period for each county in the assessment area, the state, and at the national level.

Unemployment Rates			
Area	**2021**	**2022**	**2023**
	%	**%**	**%**
Montgomery County	2.8	2.5	2.4
Chester County	2.5	2.3	2.1
Delaware County	3.5	3.0	2.7
State of Pennsylvania	3.7	3.3	2.9
National Average	4.1	3.6	3.7
Source: Bureau of Labor Statistics			

Competition

First Resource operates in a competitive market for financial services. According to the FDIC Summary of Deposits as of June 30, 2024, 47 institutions operated 496 branches within the bank's assessment area. Of these institutions, First Resource ranked 18th with a 0.8 percent market share based on total deposit amount.

There is a significant degree of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. Based on 2023 Peer Mortgage Data, 614 lenders originated or purchased 43,817 home mortgage loans. First Resource ranked 78th out of this group of lenders with a market share of 0.2 percent by number of loans originated or purchased. The five largest lenders by number of loans accounted for 22.0 percent of the total market share. These lenders include CNB Bank, Pennymac Financial Services, Citadel Federal Credit Union, Rocket Mortgage, and PNC Bank.

First Resource is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include aggregate data comparisons. The aggregate data, however, reflects the level of demand for small business loans and is included for performance context. Aggregate data for 2022 shows that 165 reporting institutions originated or purchased 55,433 small business loans in the assessment area, indicating a high degree of competition for this product. The most prominent small business lenders in the assessment area were large, national banks including American Express, J.P Morgan Chase Bank, Capital One, and Citibank.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows the types of credit and community development opportunities available.

Examiners completed a community contact with an economic development authority based in Delaware County. The contact identified small business financing, affordable housing homeownership in low- and moderate-income communities, and physical branch presence as credit and community development needs in the City of Chester, a low- and moderate-income area within Delaware County. The contact identified both the City of Chester and neighboring riverfront communities as areas presenting credit and community development opportunities in the assessment area. Finally, the contact indicated that community development organizations are willing to work with local financial institutions, and that competition is not a limiting factor within the City of Chester.

In addition to conducting a community contact in Delaware County, examiners reviewed community contacts completed in both Chester and Montgomery County within the past year. Both contacts also identified affordable housing as a primary need in the assessment area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing programs for low- and moderate-income first-time homebuyers and small business financing for developers in metropolitan areas present the primary credit needs of the assessment area. Additionally, community service efforts, affordable housing investments, and physical branching presence represent the primary community development needs of the assessment area.

Examiners determined that the assessment area presents credit and community development opportunities in low- and moderate-income communities. Demographic data reflects a high volume of small business lending opportunities, and the community contacts indicate affordable housing lending and investments opportunities across all three counties in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior CRA evaluation dated November 8, 2021, to the current evaluation dated October 29, 2024. Examiners used the FFIEC Interagency Intermediate Small Institution Examination Procedures to evaluate First Resource's CRA performance. These procedures include the Lending Test and the Community Development Test. Refer to the Appendices for a complete description of these tests.

Activities Reviewed

Examiners determined that First Resource's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, as well as the number and dollar amount of loans originated during the evaluation period. When arriving at overall conclusions, examiners gave equal weight to home mortgage loans and small business loans, considering the comparable number and dollar volume of loans originated. Examiners considered

the impact of the large number of investor-purpose loan originations during the analysis of the borrower profile criterion for home mortgage loans.

The bank originated one small farm loan worth $352,328 during the review period. The volume of small farm loans, both by number of loans and dollar amount, was insignificant to the bank's overall rating. Therefore, small farm loans were not considered in the analysis. No other loan types, such as consumer loans, represented a major product line.

This evaluation considered all home mortgage loans reported on the bank's 2021, 2022, and 2023 Home Mortgage Disclosure Act (HMDA) loan application registers (LARs). The bank originated 147 home mortgage loans totaling $64.2 million in 2021, 160 home mortgage loans totaling $80.5 million in 2022, and 103 home mortgage loans totaling $46.6 million in 2023. Examiners compared the bank's home mortgage lending data to aggregate peer mortgage data for 2021, 2022, and 2023. Aggregate data consists of all banks subject to HMDA data collection requirements that reported loans in First Resource's assessment area. Examiners also compared the bank's home mortgage lending performance to demographic data, including comparisons to the 2015 American Community Survey (ACS) data for 2021, and the 2020 U.S. Census data for 2022 and 2023.

Based on asset size, First Resource is not required to collect or report its small business loans pursuant to CRA. Examiners identified a universe of 125 small business loans originated in 2022 and 96 small business loans originated in 2023 included on the bank's internal commercial loan report. Examiners evaluated a random sample of 47 small business loans totaling $9.7 million originated in 2022 and 41 small business loans totaling $10.0 million in 2023. Examiners compared the small business loan data to D&B demographic data for each year.

While the evaluation tables present both the number and dollar volume of loans, examiners emphasized performance by number of loans, as it is a better indicator of the number of individuals served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated November 8, 2021, through the current evaluation date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Resource demonstrated a reasonable performance under the Lending Test. Excellent performance in the Geographic Distribution and reasonable performance in the Borrower Profile criteria primarily support this rating.

Loan-to-Deposit (LTD) Ratio

The bank's LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. First Resource's LTD Ratio, calculated from Call Report data, averaged 103.1 percent over the past 12 calendar quarters from December 31, 2021, to September 30, 2024. The ratio fluctuated during the evaluation period, ranging from a low of 96.2 percent as of December 31, 2021, to a high of 106.3 percent as of March 31, 2024. Examiners compared First Resource's LTD ratio to that of similarly-situated institutions based on asset size, geographic location, and primary lending focus. First Resource's average LTD ratio exceeded those of similarly-situated institutions, as displayed in the following table.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 09/30/2024 ($000s)**	**Average Net LTD Ratio (%)**
First Resource Bank	**$651,662**	**103.1**
Phoenixville Federal Bank and Trust	$653,190	88.5
Presence Bank	$448,854	99.8
Harleysville Bank	$863,350	86.2
Source: Reports of Condition and Income 12/31/2021- 09/30/2024		

Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans, by number and dollar volume, within the assessment area. The bank has experienced a decline in the percentage of mortgage lending in the assessment area, a trend continuing since the prior evaluation. For each year, every home mortgage loan originated outside of the assessment area was an investor property loan. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	$	%	$	%	$
Home Mortgage										
2021	125	85.0	22	15.0	147	54,166,000	84.3	10,066,400	15.7	64,232,400
2022	130	81.3	30	18.8	160	69,428,221	86.2	11,101,400	13.8	80,529,621
2023	76	73.8	27	26.2	103	37,106,210	79.7	9,478,942	20.3	46,585,152
Subtotal	**331**	**80.7**	**79**	**19.3**	**410**	**160,700,431**	**84.0**	**30,646,742**	**16.0**	**191,347,173**
Small Business										
2022	42	89.4	5	10.6	47	8,259,000	85.6	1,395,000	14.5	9,654,000
2023	33	80.5	8	19.5	41	7,697,000	77.3	2,262,000	22.7	9,959,000
Subtotal	**75**	**85.2**	**13**	**14.8**	**88**	**15,956,000**	**81.4**	**3,657,000**	**18.6**	**19,613,000**
Total	**406**	**81.5**	**92**	**18.5**	**498**	**176,656,431**	**83.7**	**34,303,742**	**16.3**	**210,960,173**

Source: Bank Data. Due to rounding, totals may not equal 100.0%
Dollar amounts for Small Business, Small Farm and Consumer loans are multiplied by 1000.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Examiners focused on the number of loans in low- and moderate-income census tracts. The excellent performance of home mortgage lending primarily supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. The Geographic Distribution of Home Mortgage Loans table compares the bank's lending performance to the percent of owner-occupied housing units in the assessment area. As shown in the table, First Resource's dispersion of home mortgage loans in low- and moderate-income census tracts exceeded demographic and aggregate data in 2021, 2022, and 2023. However, the percentage of occupied rental units by geography provides a more reasonable comparison, considering the majority of First Resource's home mortgage loans are investor-purpose rental units. As such, examiners also analyzed the opportunity to provide investor-purpose home mortgage loans within low- and moderate-income tracts.

In 2021, 8.5 percent of occupied rental units were in low-income census tracts and 24.7 percent were in moderate-income census tracts. For both 2022 and 2023, 7.5 percent of occupied rental units were in low-income census tracts and 24.8 percent were in moderate-income census tracts. First Resource exceeded the demographic percentage of occupied rental units in low- and moderate-income census tracts in all years, demonstrating a strong responsiveness to occupied rental housing needs, and by extension, affordable housing needs in low- and moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	1.3	1.3	16	12.8	6,787	12.5
2022	1.8	2.2	28	21.5	13,029	18.8
2023	1.8	2.3	15	19.7	6,438	17.4
Moderate						
2021	12.4	11.2	39	31.2	17,160	31.7
2022	12.0	13.2	45	34.6	22,957	33.1
2023	12.0	13.9	27	35.5	10,953	29.5
Middle						
2021	39.6	40.0	38	30.4	14,172	26.2
2022	40.4	40.0	32	24.6	12,754	18.4
2023	40.4	40.5	24	31.6	8,994	24.2
Upper						
2021	46.7	47.5	32	25.6	16,048	29.6
2022	45.6	44.3	25	19.2	20,688	29.8
2023	45.6	43.0	8	10.5	10,346	27.9
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.2	0.2	0	0.0	0	0.0
2023	0.2	0.3	2	2.6	375	1.0
Totals						
2021	**100.0**	**100.0**	**125**	**100.0**	**54,166**	**100.0**
2022	**100.0**	**100.0**	**130**	**100.0**	**69,428**	**100.0**
2023	**100.0**	**100.0**	**76**	**100.0**	**37,106**	**100.0**
Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank's performance in low-income tracts exceeded demographic data in both 2022 and 2023. While the bank's small business lending within moderate-income tracts trailed demographic data in 2022, the percentage of loans originated within moderate-income census tracts increased and exceeded demographic data in 2023. These factors support reasonable performance.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2022	2.1	3	7.1	385	4.7
2023	2.2	3	9.1	379	4.9
Moderate					
2022	11.7	2	4.8	150	1.8
2023	11.8	5	15.2	1,338	17.4
Middle					
2022	39.4	17	40.5	3,992	48.3
2023	39.4	13	39.4	2,510	32.6
Upper					
2022	46.0	20	47.6	3,732	45.2
2023	45.9	12	36.4	3,470	45.1
Not Available					
2022	0.8	0	0.0	0	0.0
2023	0.8	0	0.0	0	0.0
Totals					
2022	**100.0**	**42**	**100.0**	**8,259**	**100.0**
2023	**100.0**	**33**	**100.0**	**7,697**	**100.0**
Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's reasonable performance for both home mortgage and small business loan products supports this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with gross annual revenues (GARs) of $1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. This conclusion considers First Resource's business strategy and assessment area demographics. First Resource's home mortgage lending is primarily to real estate investors for the purpose of acquisition, rehabilitation, and/or refinance of residential one-to-four family and multifamily properties for rental or resale. Considering this strategy, individual income analysis is limited because a majority of borrowers were not required to report income.

Lending to low-income borrowers matched or exceeded aggregate performance in 2021, 2022, and 2023, and trailed demographic data during the same time period. A low-income family in the assessment area, with income below $58,150 in 2021, below $65,700 in 2022, and below $71,050 in 2023, would likely not qualify for a home mortgage loan under conventional underwriting standards considering the median housing value of $325,659. Therefore, the opportunities for lending to low-income families are limited. These factors help explain the difference between the bank's performance in comparison to the demographic percentage of families at this income level.

The bank trailed aggregate and demographic data among moderate-income borrowers in 2021, 2022, and 2023. During the review period, the bank originated the majority of its home mortgage loans to borrowers that did not report income, resulting in the bank's performance also trailing aggregate data among middle- and upper-income borrowers. These factors, with particular emphasis on business strategy context, support a reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	17.6	6.8	12	9.6	3,010	5.6
2022	17.4	8.5	11	8.5	2,043	2.9
2023	17.4	8.1	13	17.1	2,358	6.4
Moderate						
2021	16.0	16.6	5	4.0	1,827	3.4
2022	16.4	18.4	0	0.0	0	0.0
2023	16.4	17.8	1	1.3	504	1.4
Middle						
2021	20.1	21.4	8	6.4	2,239	4.1
2022	19.7	21.9	3	2.3	1,828	2.6
2023	19.7	22.5	1	1.3	13	0.0
Upper						
2021	46.3	40.8	16	12.8	11,382	21.0
2022	46.5	38.4	7	5.4	6,899	9.9
2023	46.5	37.6	9	11.8	13,065	35.2
Not Available						
2021	0.0	14.4	84	67.2	35,709	65.9
2022	0.0	12.8	109	83.8	58,658	84.5
2023	0.0	14.0	52	68.4	21,166	57.0
Totals						
2021	**100.0**	**100.0**	**125**	**100.0**	**54,166**	**100.0**
2022	**100.0**	**100.0**	**130**	**100.0**	**69,428**	**100.0**
2023	**100.0**	**100.0**	**76**	**100.0**	**37,106**	**100.0**
Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes.

Bank performance trailed demographic data in 2022 and 2023. First Resource is not required to report small business loan data and does not elect to do so. Therefore, this evaluation does not present bank performance compared to aggregate data in the tables. However, aggregate data for 2022 indicates that reporting institutions originated 49.3 percent of loans to businesses with GAR less than or equal to $1.0 million. First Resource's 2022 performance exceeds the reported aggregate data. In addition, an analysis by loan size shows that 54 of the 75 sampled loans were in

amounts less than $250,000, which indicates that the bank is responsive to the needs of small business in the assessment area. These factors support reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2022	91.2	24	57.1	3,741	45.3
2023	91.5	16	48.5	3,977	51.7
>$1,000,000					
2022	3.2	18	42.9	4,518	54.7
2023	3.1	17	51.5	3,720	48.3
Revenue Not Available					
2022	5.6	0	0.0	0	0.0
2023	5.4	0	0.0	0	0.0
Totals					
2022	**100.0**	**42**	**100.0**	**8,259**	**100.0**
2023	**100.0**	**33**	**100.0**	**7,697**	**100.0**
Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%*					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test Rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrated adequate responsiveness to community development needs in its assessment area 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 institution's assessment area.

Community Development Loans

First Resource originated or participated in six community development loans and two legal commitments totaling approximately $5.2 million during the evaluation period. This level of activity represents 0.8 percent of average total assets and 0.9 percent of average total loans since the prior evaluation period. Of this total, six loans, one full legal commitment, and a partial portion of the other legal commitment benefited the assessment area, totaling $5.0 million. Five loans and two legal commitments totaling approximately $4.7 million supported affordable housing in the assessment area. These loans and legal commitments demonstrate the bank's responsiveness to the affordable housing needs identified by the community contact.

At the previous evaluation, the bank made three community development loans totaling approximately $12.2 million. The elevated dollar volume of community development loans at the prior evaluation reflects the bank's participation in the SBA's Paycheck Protection Program (PPP) during the COVID -19 pandemic, as many PPP loans received consideration under the Community Development Test. The PPP ended in May 2021. The bank's level of non-PPP community development lending increased by number and dollar volume since the previous evaluation.

The following table illustrates the bank's community development lending activity by year and purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2021	0	0	0	0	0	0	0	0	**0**	**0**
2022	2	513	0	0	0	0	0	0	**2**	**513**
2023	2	1,460	0	0	0	0	0	0	**2**	**1,460**
YTD 2024	3	2,723	1	459	0	0	0	0	**4**	**3,182**
Total	**7**	**4,695**	**1**	**459**	**0**	**0**	**0**	**0**	**8**	**5,154**
Source: Bank Data										

Below are notable examples of the bank's community development loans.

- In 2023, the bank originated a $1.2 million multifamily loan that funded the purchase and renovation of a 16-unit apartment complex located in a low-income census tract in Chester County. The borrower charges below fair market rent for all 16 units. This loan supports affordable housing in the assessment area, a credit need identified by the community contact.
- In 2024, the bank originated a $459,000 loan in which the proceeds supported working capital, machinery, inventory, and soft costs for a Prescribed Pediatric Extended Care center that primarily provides community services targeted to low- and moderate-income individuals in Montgomery County.
- In 2023, the bank legally committed $250,000 to the Community Lenders Community Development Corporation (CLCDC), which promotes affordable housing projects. During the review period, the bank's commitment resulted in $179,413 worth of CLCDC loans, $68,155 of which benefited affordable housing projects in the assessment area. The remaining portion benefitted the broader regional area. In 2024, FRB committed to another CLCDC loan, worth $250,000, but to date, no loans have been originated.

Qualified Investments

First Resource made 102 qualified investments totaling $826,000. This total includes one investment totaling $500,000 and 101 donations of $326,000 to 30 organizations. This dollar amount of qualified investments equates to 0.1 percent of average total assets and 4.9 percent of average total securities since the prior evaluation. Of the 102 qualified investments, one donation

totaling $5,000 benefited the broader regional area outside the assessment area. The number and dollar amount of qualified investments increased significantly since the prior evaluation, at which time the bank reported 35 qualified donations totaling $120,000 during the evaluation period.

Of the total dollar amount of First Resource's qualified investments and donations, 99.5 percent had a primary purpose of affordable housing or community services in the bank's assessment area. These investments demonstrate the bank's responsiveness to local community development needs, as identified by the community contact. The following table illustrates the bank's community development investments and donations 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	0	0	0	0	0	0	0	0	**0**	**0**
2021	0	0	0	0	0	0	0	0	**0**	**0**
2022	0	0	0	0	0	0	0	0	**0**	**0**
2023	0	0	0	0	0	0	0	0	**0**	**0**
2024 (YTD)	1	500	0	0	0	0	0	0	**1**	**500**
Subtotal	**1**	**500**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**500**
Qualified Grants & Donations	10	18	88	304	3	4	0	0	**101**	**326**
Total	**11**	**518**	**88**	**304**	**3**	**4**	**0**	**0**	**102**	**826**
Source: Bank Data										

Below are notable examples of First Resource's qualified investments and donations.

- In 2024, the bank invested $500,000 into a multifamily Freddie Mac mortgage-backed security supporting 32 housing units set aside for low- and moderate-income borrowers in a low-income census tract in Chester County. This investment helps meet affordable housing needs in the bank's assessment area.
- During the review period, the bank made 33 donations totaling $265,000 through the Pennsylvania Educational Improvement Tax Credit Program (EITC). These donations benefitted numerous educational and youth organizations serving families in low- and moderate-income communities in the assessment area, meeting a community services need identified by the community contact.
- During the review period, the bank made annual donations to the Chester County Economic Development Council totaling $3,500. The donations contributed to SBA 504 lending to businesses, supporting workforce development, entrepreneurship, and business coaching services through small business development centers. The donations contributed to economic development in the assessment area.

Community Development Services

Numerous officers and employees, while representing the bank, served community organizations and nonprofit groups that support community development efforts within the assessment area and

broader statewide area. During the evaluation period, First Resource's staff provided 2,812 hours of financial expertise and technical assistance to 13 different community development-related organizations. At the prior evaluation, First Resource's provided 12 instances of community development services to nine different community development-related organizations. Examiners cannot compare hours to instances, but an increase in community development organizations served indicates an overall increase in community development services activity. The following table illustrates the bank's community development service hours by year and purpose.

Community Development Service Hours					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2021	0	0	0	0	**0**
2022	532	393	0	0	**925**
2023	532	452	2	3	**989**
YTD 2024	172	197	6	523	**898**
Total	**1,236**	**1,042**	**8**	**526**	**2,812**
Source: Bank Data					

Below are notable examples of the bank's community development services.

- A bank employee served on the board of the Redevelopment Authority of the City of Coatesville, providing 520 hours of financial expertise during the review period. The employee helped facilitate commercial, industrial, and residential development in the City, attracting new businesses and residents, meeting revitalization and stabilization needs in the assessment area.
- In 2024, a bank employee provided 160 hours of financial expertise by serving on the board of a 501(c)3 nonprofit organization that sponsors and develops affordable housing programs for low- and moderate-income individuals in Chester and Montgomery County.
- During the review period, a bank employee provided 112 hours of financial expertise by serving as Treasurer of the Board and Chair of the Finance Committee of a Domestic Violence center in Chester County. This activity meets community services in the assessment area.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank's overall CRA rating.

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.