

## **PUBLIC DISCLOSURE**

June 21, 2022

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

OneUnited Bank  
Certificate Number: 23966

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Boston, Massachusetts 02110

Division of Banks  
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Boston, Massachusetts 02118

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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 a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) 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 AA credit needs.

The bank made a majority of its home mortgage loans inside its AAs and a majority of its consumer loans outside its AAs. Based on the greater weight applied to home mortgage lending, this criterion is considered reasonable.

The geographic distribution of loans reflects reasonable dispersion throughout the AAs.

The distribution of borrowers reflects reasonable penetration of home mortgage and consumer loans among individuals of different income levels.

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development (CD) Test is rated Satisfactory.**

The institution's CD performance demonstrates adequate responsiveness to CD needs in its AA through CD loans, qualified investments, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

### **Discriminatory or Other Illegal Credit Practices Review**

A violation of Section 5 of the Federal Trade Commission (FTC) Act, which prohibits UDAP, was cited at the examination. The bank's overall CRA performance rating remained a Satisfactory because the Section 5 FTC was specific to one lending product.

## DESCRIPTION OF INSTITUTION

OneUnited Bank (OUB) is a minority-owned, full service commercial bank headquartered in Boston, Massachusetts. OUB operates in Suffolk County in Massachusetts, Los Angeles County in California, and Miami-Dade County in Florida. OUB is a certified Community Development Financial Institution (CDFI). OUB does not have any affiliates or subsidiaries relevant to the CRA Evaluation. The institution received a Satisfactory CRA Rating at its previous FDIC Performance Evaluation dated September 30, 2019, based on Interagency Intermediate Small Institution Examination Procedures. OUB has not engaged in any merger or acquisition activity since the previous Performance Evaluation.

OUB operates six full-service branch offices in Massachusetts, California, and Florida. Three branches are in Massachusetts, two are in California, and one is in Florida. On February 28, 2022, OUB relocated its Compton, California branch. The new location is less than two miles from the original location and is located in a moderate-income census tract (CT). The bank did not close any branches during the evaluation period.

OUB offers a variety of personal and business banking products that includes deposits and loans. On the lending side, the bank offers residential single-family (1 to 4), multi-family loans, and commercial real estate loans. The bank also offers the Unity Visa secured credit card, a loan product intended to help customers rebuild or strengthen their credit. The product includes a financial education component. On the deposit side, the bank offers personal and business checking, savings, and time certificate of deposit accounts. Alternative banking services include internet online banking with bill pay, mobile banking, mobile remote capture, night depository, and bank-operated ATMs. In addition, the bank participates in the MoneyPass network, which provides bank customers with access to over 30,000 ATMs nationwide.

OUB's assets totaled \$657.5 million according to the March 31, 2022 Report of Condition and Income (Call Report). This includes total loans of \$467.9 million, total securities of \$103.4 million, and total deposits of \$484.1 million. The following table illustrates the composition of the bank's loan portfolio.

**NONPUBLIC//FDIC BUSINESS**

<b>Loan Portfolio Distribution as of 3/31/2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	0	0.0
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	14,698	3.1
Secured by Multifamily (5 or more) Residential Properties	447,146	95.6
Secured by Nonfarm Nonresidential Properties	3,646	0.8
<b>Total Real Estate Loans</b>	<b>465,490</b>	<b>99.5</b>
Commercial and Industrial Loans	25	0.0
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	2,424	0.5
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
<b>Total Loans</b>	<b>467,939</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet the credit needs of its AAs.

**DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. OUB designated three AAs comprised of three counties in the states of California, Massachusetts, and Florida. No AA changes occurred since the previous PE. Listed below is a brief description of each AA.

- Los Angeles AA comprises the entirety of Los Angeles County. This county comprises the Los Angeles-Long Beach-Glendale, California Metropolitan Division (MD) #31084, which is in turn part of the Los Angeles-Long Beach-Anaheim, California Metropolitan Statistical Area (MSA) #31080.
- Suffolk AA comprises the entirety of Suffolk County. This county comprises part of the Boston, Massachusetts MD #14454, which is in turn part of the Boston-Cambridge-Newton, MA-NH MSA #14460.
- Miami-Dade AA comprises the entirety of Miami-Dade County. This county comprises the Miami-Miami Beach-Kendall, Florida MD #33124, which is in turn part of the Miami-Ft. Lauderdale-Pompano Beach, Florida MSA #33100.

The AAs comply with all of the technical requirements of the CRA regulation by containing whole geographies, not arbitrarily excluding any LMI areas, and not extending beyond an MSA Boundary. The bank selected these geographies based on the location of the bank's offices and the expectation of attracting and retaining a customer base within these geographies.

The following table details the bank's AA composition and branches.

<b>AA Composition and Branches</b>				
<b>AA</b>	<b>MSA or MD</b>	<b>MSA or MD #</b>	<b>Counties</b>	<b>Branches</b>
Los Angeles	Los Angeles-Long Beach-Glendale, California	31084	Los Angeles	2
Boston	Boston, Massachusetts	14454	Suffolk	3
Miami	Miami-Miami Beach-Kendall, Florida	33124	Miami-Dade	1
<b>Total</b>				<b>6</b>
<i>Source: Bank Records</i>				

Refer to the individual states and AAs for additional information.

## **SCOPE OF EVALUATION**

### **General Information**

Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate OUB's CRA performance. This evaluation covers the period from the previous evaluation dated September 30, 2019 to the current evaluation dated June 21, 2022. Examiners relied on records provided by the institution, public financial and loan information, demographic data, community contacts, and reported loan information.

OUB has three AAs that include one in Southern California (Los Angeles County), one in Eastern Massachusetts (Suffolk County), and one in Southern Florida (Miami-Dade County). Examiners used full scope procedures to review the bank's CRA performance, assigning separate ratings for each state. Examiners gave greater weight to loan and CD activities in the Los Angeles AA in the state of California, as it contains more deposit and lending activity than the other AAs.

### **Activities Reviewed**

Examiners determined through a review of loan origination reports and discussions with bank management that the bank's major product lines are home mortgage and consumer loans. This conclusion is supported by the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. The bank did not originate small business, small farm, or any other loan types that represent a major product line. Home mortgage loans are analyzed and presented separately by property type, multi-family, and 1 to 4 family residential.

Examiners analyzed the universe of home mortgage and Unity Visa secured consumer credit card loans originated in the period January 1, 2019, through December 31, 2021. During the review period, OUB originated or purchased 194 home mortgage loans totaling \$252.3 million and 6,571 consumer loans totaling \$3.2 million. Based on the bank's business strategy and volume of originations during the review period, home mortgage loans, specifically multi-family

residential loans, are given more weight, followed by 1 to 4 family residential loans and consumer loans in the state of California. For the states of Massachusetts and Florida, more weight is given to 1 to 4 family home mortgage loans, followed by consumer loans and multi-family residential loans. While multi-family loans are offered in all AAs, the bank places a greater focus on that loan type in the Los Angeles AA.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and consumer credit card loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans under the geographic and borrower profile criterion as they are a better indicator of the number of individuals served. The bank's multi-family home mortgage lending performance is compared to aggregate data and percentage of multi-family housing units. The bank's 1 to 4 family home mortgage lending performance is compared to aggregate data, percentage of families (borrower profile), and percentage of owner-occupied housing units (geographic distribution). The bank's consumer lending performance is compared to percentage of households. It is noted that multi-family mortgage loan data will not be analyzed under the Borrower Profile criterion since revenue information is not collected and reported.

For the CD Test, bank management provided data on CD loans, qualified investments, and CD services since the prior CRA Evaluation dated September 30, 2019. The evaluation of the bank's CD activities is limited to those loans, investments, and services for which management could demonstrate compliance with the CRA eligibility requirements. The evaluation of qualified investments includes prior-period investments remaining on the bank's books as of the evaluation date. Examiners compared the bank's current performance against its previous CRA Performance Evaluation (PE), noting any differences as appropriate.

Based on OUB's market area, asset size, and lending focus, examiners could not find any similarly situated institutions.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

OUB demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance primarily support this conclusion.

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

The LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. The institution's LTD ratio, calculated from Call Report data, averaged 106.2 percent over the past 11 calendar quarters from September 30, 2019 to March 31, 2022. The ratio ranged from a low of 88.7 percent as of March 31, 2021 to a high of 138.6 percent as of September 30, 2019. Fluctuations in the ratio were primarily due to an increase in deposits of \$118.8 million or approximately a 32.5 percent increase over the evaluation period. The deposit increases in 2020 and 2021 are attributed to two factors: depositors had a strong interest to participate in a minority-owned financial institution in response to social unrest in 2020, and a number of bank customers received

stimulus payments during these quarters and deposits and savings increased. Net loans increased 5.2 percent with a deposit increase of 0.4 percent over the evaluation period.

### **Assessment Area Concentration**

A majority of OUB's home mortgage loans by both number and dollar volume were extended to borrowers inside of the bank's AA, while a substantial majority of consumer loans by both number and dollar volume were originated outside of the AA. The bank's performance is similar to its performance at the previous evaluation. Examiners attributed more weight to the bank's home mortgage lending performance, as it was the bank's primary loan product offered within the AAs during the review period.

#### **Home Mortgage Loans**

The bank originated or purchased a majority of multi-family mortgages, by number and dollar volume, inside the AAs. Multi-family mortgage lending, by number, within the AAs averaged 71.4 percent.

The bank originated or purchased a majority of single-family mortgages, by number and dollar volume, inside the AAs. Single family mortgage lending, by number, within the AAs averaged 76.0 percent.

#### **Consumer Loans**

OUB originated a substantial majority of consumer loans by number and dollar volume outside the combined AA. The bank considers its credit card product to be a national loan product and primarily advertises and processes credit applications through its internet website. While by number of loans it represents a substantial majority of the bank's lending, by dollar volume it represents a minor percentage.

The following table illustrates home mortgage and consumer loans inside and outside the combined AA during the evaluation period.



**NONPUBLIC//FDIC BUSINESS**

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
<b>Multifamily</b>										
2019	26	54.2	22	45.8	48	41,744	52.8	37,279	47.2	79,024
2020	3	75.0	1	25.0	4	3,225	40.4	4,750	59.6	7,975
2021	56	83.5	11	16.5	67	113,804	80.4	27,753	19.6	141,557
<b>Subtotal</b>	<b>85</b>	<b>71.4</b>	<b>34</b>	<b>28.6</b>	<b>119</b>	<b>158,774</b>	<b>69.5</b>	<b>69,782</b>	<b>30.5</b>	<b>228,556</b>
<b>One to Four Family</b>										
2019	10	100.0	0	0.0	10	2,517	100.0	0	0.0	2,517
2020	36	78.3	10	21.7	46	11,855	78.8	3,184	21.2	15,038
2021	11	57.9	8	42.1	19	2,995	48.2	3,213	51.8	6,208
<b>Subtotal</b>	<b>57</b>	<b>76.0</b>	<b>18</b>	<b>24.0</b>	<b>75</b>	<b>17,366</b>	<b>73.1</b>	<b>6,397</b>	<b>26.9</b>	<b>23,764</b>
<b>Consumer</b>										
2019	160	9.0	1,619	91.0	1,779	80	10.9	651	89.1	731
2020	358	10.7	3,002	89.3	3,360	187	11.3	1472	88.7	1,659
2021	149	10.4	1,283	89.6	1,432	101	12.1	731	87.9	832
<b>Subtotal</b>	<b>667</b>	<b>10.2</b>	<b>5,904</b>	<b>89.8</b>	<b>6,571</b>	<b>368</b>	<b>11.4</b>	<b>2854</b>	<b>88.6</b>	<b>3,222</b>
<b>Total</b>	<b>809</b>	<b>12.0</b>	<b>5,956</b>	<b>88.0</b>	<b>6,765</b>	<b>176,508</b>	<b>69.1</b>	<b>79,033</b>	<b>30.9</b>	<b>255,541</b>

*Source: Bank Data*

**Geographic Distribution**

Overall, OUB’s geographic distribution of loans reflects reasonable dispersion throughout the AAs. The bank’s performance was strongest in the Los Angeles AA with a lower volume in the Suffolk and Miami-Dade AAs. The bank’s percentage of lending in LMI CTs generally exceeded demographic and aggregate data. Examiners focused on the percentage of loans located in LMI CTs. Refer to each respective full-scope analysis for further details.

**Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels in the AAs. The bank’s reasonable performance in home mortgage and consumer lending supports this conclusion. Examiners focused on the percentage by number of loans to loans to LMI borrowers. Performance was generally consistent across AAs. Refer to each respective full-scope analysis for further details.

**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**

OUB's demonstrated adequate responsiveness to the CD needs of its AAs through CD loans, qualified investments, and CD services. This conclusion is primarily supported by adequate performance in California, Massachusetts, and Florida. Although the bank actively uses all three CD activity types, the substantial amount of CD loans was the primary driver for the overall conclusion. This performance demonstrates leadership in responding to CD lending opportunities.

**Community Development Loans**

OUB originated 150 CD Loans totaling \$158.1 million during the evaluation period. This demonstrates a significant increase from the previous evaluation where the institution originated 40 CD loans totaling \$46.2 million. The bank’s CD lending activity includes 62 SBA PPP Loans totaling approximately \$1.3 million originated in 2020. This activity level represents 24.2 percent of average total assets and 35.5 percent of average total loans. The bank also originated 88 affordable housing loans totaling approximately \$156.8 million, which helped meet the important need of affordable housing.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
California	67	121,099	0	0	0	0	9	141	76	121,240
Massachusetts	1	750	0	0	0	0	1	233	2	983
Florida	1	6,435	0	0	0	0	5	74	6	6,509
Nationwide Activities	19	28,513	0	0	0	0	47	865	66	29,378
<b>Total</b>	<b>88</b>	<b>156,797</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>1,313</b>	<b>150</b>	<b>158,110</b>

*Source: Bank Data*

Examiners determined that OUB met the CD needs of its AAs and subsequently considered CD loans located outside of the AAs. Nationwide activities consist of multi-family affordable housing and SBA PPP Loans. Notable examples of nationwide CD loans include:

- In 2019, OUB originated a \$700,000 real estate secured loan to finance the purchase of an existing 8-unit multi-family apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.
- In 2019, OUB originated a \$787,500 real estate secured loan to finance the purchase of an existing 8-unit multi-family apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.
- In 2021, OUB originated a \$2.4 million real estate secured loan to finance the purchase of an existing 8-unit multi-family apartment building in a low-income CT. All units rent below fair market rents and would likely benefit LMI individuals.

Refer to the CD loan section of each full-scope AA for specific details of CD lending activity during the review period.

**Qualified Investments**

OUB made 47 qualified equity investments and donations totaling approximately \$2.9 million during the evaluation period. This represents an increase from the \$1.9 million in equity investments and donations noted at the prior evaluation. The equity investments for the current evaluation support affordable housing, community services, economic development, and revitalize or stabilize activities within the bank’s AAs. OUB's total qualified equity investments and donations represent 0.4 percent of average total assets and 2.5 percent of average total securities. This level of performance exceeds the previous evaluation where qualified equity investments and donations represented 0.3 percent of average total assets and 1.4 percent of average total securities. The following table illustrates qualified equity investments by rated area.

<b>Qualified Investments by Rated Area</b>										
<b>Rated Area</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>
California	1	1	7	1,381	1	0	0	0	9	1,382
Massachusetts	0	0	0	0	7	81	7	32	14	113
Florida	0	0	3	247	13	64	1	25	17	336
Nationwide Activities	0	0	7	1,062	0	0	0	0	7	1,062
<b>Total</b>	<b>1</b>	<b>1</b>	<b>17</b>	<b>2,690</b>	<b>21</b>	<b>145</b>	<b>8</b>	<b>57</b>	<b>47</b>	<b>2,893</b>

*Source: Bank Data*

Examiners determined that OUB met the CD needs of its AAs and subsequently considered CD investments located outside of its AAs. Nationwide activities are comprised of certificates of deposit with CDFIs or MDIs. Notable examples of nationwide CD investments include:

- In 2020, OUB made a \$113,000 equity investment in a nationwide CDFI that promotes economic development. This CDFI’s mission is creating and protecting ownership and economic opportunity for people of color, women, rural residents and low-wealth families and communities.
- In 2021, OUB made a \$245,000 equity investment in an MDI that promotes economic development. This MDI’s vision is to foster opportunities in under-served communities.

Refer to the CD investment section of each full-scope AA for specific details of CD investment and donation activity during the review period.

**Community Development Services**

During the evaluation period, employees and Board of Directors members provided 751 hours of financial expertise or technical assistance to different community organizations or programs. CD service hours decreased when compared to the 968 hours noted at the prior evaluation; however,

examiners note the difficulty in participating in face-to-face CD service activities because of COVID-19. The following table illustrates the CD service hours by rated area:

<b>Community Development Services by Rated Area</b>					
<b>Rated Area</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>
California	0	65	60	0	125
Massachusetts	10	152	0	0	162
Florida	60	295	109	0	464
<b>Total</b>	<b>70</b>	<b>512</b>	<b>169</b>	<b>0</b>	<b>751</b>
<i>Source: Bank Data</i>					

Refer to individual AA sections for additional information, notable examples, and for a breakdown of CD services by year and purpose.

**DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

A violation of Section 5 of the Federal Trade Commission Act (FTC), which prohibits UDAP, was cited at the examination. The bank’s overall CRA performance rating remained a Satisfactory because the Section 5 FTC was specific to one lending product. Management committed to enhance its compliance management system.

**CALIFORNIA**

**CRA RATING FOR CALIFORNIA: Satisfactory**

**CRA RATING FOR CALIFORNIA FROM THE DIVISION: High Satisfactory**

**FDIC RATINGS:**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Outstanding**

**DIVISION OF BANKS RATINGS:**

**The Lending Test is rated: High Satisfactory**

**The Community Development Test is rated: Outstanding**

While both agencies agreed on the bank’s overall performance, Part 345 of FDIC Rules and Regulations does not provide for a High Satisfactory overall rating.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN CALIFORNIA**

The Los Angeles AA comprises the entirety of Los Angeles County. This county comprises the Los Angeles-Long Beach-Glendale, California Metropolitan Division (MD) #31084, which is in turn part of the Los Angeles-Long Beach-Anaheim, California (MSA) #31080.

**NONPUBLIC//FDIC BUSINESS**

<b>Description of Assessment Areas</b>		
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>
Los Angeles	Los Angeles	2,346

*Source: Bank Records*

**Economic and Demographic Data**

According to the 2015 ACS data, the Los Angeles AA contains 2,346 CTs reflecting the following income designations:

- 221 low-income tracts,
- 674 moderate-income tracts,
- 583 middle-income tracts,
- 817 upper-income tracts, and
- 51 tracts without an income designation.

<b>Demographic Information of the Los Angeles 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)	2,346	9.4	28.7	24.9	34.8	2.2
Population by Geography	10,038,388	8.6	29.3	26.3	35.1	0.8
Housing Units by Geography	3,476,718	7.8	26.3	24.8	40.6	0.5
Owner-Occupied Units by Geography	1,499,879	2.4	17.2	26.6	53.7	0.1
Occupied Rental Units by Geography	1,763,190	12.2	34.2	23.6	29.2	0.9
Vacant Units by Geography	213,649	8.7	25.4	22.8	42.2	1.0
Businesses by Geography	1,150,937	4.7	19.2	21.2	52.6	2.3
Farms by Geography	10,514	3.0	17.3	24.2	54.3	1.2
Family Distribution by Income Level	2,186,485	24.5	16.3	16.7	42.4	0.0
Household Distribution by Income Level	3,263,069	25.9	15.4	15.8	43.0	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$62,703	Median Housing Value			\$495,540
			Median Gross Rent			\$1,292
			Families Below Poverty Level			14.3%

*Source: 2015 ACS and 2021 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.

According to 2021 D&B data, there were 1,150,937 businesses in the AA. Gross Annual Revenues (GAR) reported for these businesses are as follows:

- 90.9 percent have \$1.0 million or less,
- 3.6 percent have more than \$1.0 million, and
- 5.5 percent have unknown revenues.

The service industry represents the AA's largest portion of businesses at 38.5 percent; followed by retail trade at 11.1 percent; and finance, insurance, and real estate at 9.9 percent. Additionally, 62.1 percent of area businesses have four or fewer employees with 94.0 percent operating from a single location.

The following table shows FFIEC-estimated 2021 median family incomes in the Los Angeles AA.

<b>Median Family Income Ranges</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>
<b>Los Angeles-Long Beach-Glendale, CA Median Family Income (31084)</b>				
2019 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2020 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760
2021 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000
<i>Source: FFIEC</i>				

Examiners obtained the following economic information from Moody's Analytics as of May 2022.

According to the Moody’s Analytics report, Los Angeles County’s economy is struggling even compared with the state, itself an underperformer. The labor market has recouped a below-average share of jobs. However, benchmark employment revisions show that job growth has been stronger than original estimates indicated. Leisure/hospitality, healthcare, and information are leading gains. The unemployment rate is moving in the right direction even as the labor force edges up. Transportation/warehousing job growth will decelerate in the coming year but remain vital to Los Angeles’ economy. The entertainment industry outlook is improving. Benchmark revisions reveal that instead of struggling last year, industry payrolls staged an impressive rebound. Employment is now just above pre-pandemic levels. Despite soaring prices, housing will contribute little to the broader recovery. House prices continue to climb even as the U.S. pace moderates. Like much of the country, sales surged in 2021 amid rock-bottom interest rates, but unlike much of the country, the uptick in demand has not stoked a meaningful increase in residential construction. Economic strengths include a strong healthcare base and a growing tech presence provide well-paying jobs; global links through entertainment, tourism, and fashion; and deep San Pedro Harbor enables Los Angeles to handle megaships that other ports cannot. Economic Weaknesses include high costs hindering net migration gains and being prone to disasters, including drought, wildfires and earthquakes. The top three employers by number of employees are Cedars-Sinai Medical Center, Los Angeles International Airport-LAX, and University of California Los Angeles.

**Competition**

OUB operates in a highly competitive market that includes a number of large national and regional financial institutions within the Los Angeles AA. According to the June 30, 2021

Deposit Market Share Report, the AA had 99 financial institutions with \$590.4 billion in deposits operating 1,634 branches. The top four institutions control approximately 52.2 percent of the Los Angeles AA's deposit market share with \$308.4 billion in deposits. OUB is ranked 55<sup>th</sup> with a deposit market share of less than 0.1 percent.

OUB operates in a competitive market for home mortgage loans in its Los Angeles AA. Based on 2020 aggregate data, 870 lenders originated and purchased 451,398 loans for \$238.8 billion. Large nationwide banks and mortgage lenders rank at the top of the mortgage lender market share, and included JP Morgan Chase NA, Wells Fargo Bank NA, United Wholesale Mortgage LLC, and Quicken Loans. The top four lenders originated or purchased approximately 25.4 percent and 25.9 percent of home mortgage loans by number and dollar, respectively. OUB ranks 455<sup>th</sup> with a nominal market share.

### **Community Contact(s)**

Examiners reviewed two recent community contacts during this evaluation. The first community contact is a local nonprofit counseling agency that provides foreclosure prevention, first time homebuyer, and credit counseling services. The second contact was with a local small business development corporation that provides one-on-one business consulting as well as training and workshops to strengthen business knowledge. The nonprofit counseling agency stated there is a strong need for credit counseling, small dollar consumer loans, and affordable housing loans. The organization noted there is very limited housing stock in the Los Angeles area. In addition, the contact stated that there is a disparity for non-English speaking individuals to move up from low-wage jobs. The small business development contact stated that there are many job opportunities, especially for the skilled labor force; however, the challenge is a lack of affordable housing for low-, moderate-, and middle-income people. The contact stated there continues to be a need for small business loans, especially for micro businesses and start-ups.

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

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing represents a primary credit need due to low supply and increased costs for both home purchases and rentals. This is supported, in large part, by a low housing affordability index, increased home prices, limited inventory, and very low vacancy rates. Renters with rent costs of 30 percent or greater is approximately 29 percent overall with 54.7 percent and 41.3 percent of low- and moderate-income households, respectively, paying that higher percentage of their income for housing. Further, overall AA vacant units represent 5.9 percent of total housing units. There is also a demand for small business loans representing another primary AA credit need. The significant percentage of businesses with revenues of \$1.0 million or less and those with four or fewer employees helps support this conclusion. There is also a need for credit counseling for both individuals and small businesses, as indicated by the community contacts.

## SCOPE OF EVALUATION - CALIFORNIA

Refer to the overall Scope of Evaluation for a description of products reviewed, data sources, product weighting, and AA weighting.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN CALIFORNIA

#### LENDING TEST

OUB demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile primarily support this conclusion.

#### **Geographic Distribution**

The bank's geographic distribution of home mortgage and consumer loans reflects good dispersion throughout the AA. Examiners focused on the percentage by number of loans in LMI CTs. This conclusion was supported by an excellent volume of home mortgage and consumer loans within the LMI geographies of the AA.

#### ***Home Mortgage***

The bank's geographic distribution of home mortgage lending reflects good penetration throughout the AA. This conclusion is primarily supported by the good distribution of multi-family mortgage loans and good distribution of 1 to 4 family residential mortgage loans. While both the bank's multi-family and 1 to 4 family residential lending support this conclusion, more weight is placed on multi-family lending as this is the bank's primary loan product in this AA.

#### **Multi-Family Mortgage Loans**

The bank's geographic distribution of multi-family mortgage lending reflects good dispersion throughout the AA. Bank performance exceeded the demographic of multi-family housing in low- and moderate-income CTs. Refer to the following table for details.



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<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Los Angeles Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Multifamily Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	12.6	13.8	5	19.2	5,198	12.5
2020	12.6	14.8	0	0.0	0	0.0
2021	12.6	--	12	21.8	26,106	24.3
<b>Moderate</b>						
2019	30.7	36.5	12	46.2	20,664	49.5
2020	30.7	34.6	2	100.0	2,475	100.0
2021	30.7	--	32	58.2	54,196	50.5
<b>Middle</b>						
2019	21.8	21.9	5	19.2	8,862	21.2
2020	21.8	22.2	0	0.0	0	0.0
2021	21.8	--	5	9.1	10,100	9.4
<b>Upper</b>						
2019	33.5	26.5	4	15.4	7,020	16.8
2020	33.5	25.3	0	0.0	0	0.0
2021	33.5	--	6	10.9	16,968	15.8
<b>Not Available</b>						
2019	1.4	1.3	0	0.0	0	0.0
2020	1.4	3.1	0	0.0	0	0.0
2021	1.4	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>41,744</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2,475</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>55</b>	<b>100.0</b>	<b>107,369</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.*

The bank’s 2019 lending exceeded both aggregate lending as well as the demographic of multifamily housing units in LMI CTs. Specifically, the bank’s lending in low-income CT’s exceeded aggregate lending by 6 percentage points. Lending in moderate-income CTs exceeded aggregate by 10 percentage points.

The bank originated no 2020 multifamily loans in low-income CTs. The bank only originated two multifamily loans in moderate-income CTs in 2020; as this represents 100 percent of the bank’s multifamily lending, this greatly exceeds the percentage represented by aggregate lending. Overall, the bank’s LMI multi-family lending performance reflects very favorably on the bank.

The bank’s 2021 lending rebounded strongly from 2020 and remained far above comparable demographics. Loans originated in low-income CTs exceeded one fifth of all multifamily originations, and loans in moderate-income tracts exceed half of all multifamily originations. This trend supports good performance.

### 1 to 4 Unit Residential Mortgage Loans

The bank's geographic distribution of home mortgage loans reflects good dispersion in this AA. When comparing the bank's performance to aggregate data, the bank's low lending volume limits the statistical performance results.

In 2019, OUB originated or purchased five 1 to 4 family mortgage loans in the AA, of which two loans were in moderate-income CT's (40.0 percent) and no loans were originated in low-income CTs. Aggregate lending performance shows that 2.6 percent and 17.1 percent of loans were made in LMI CTs, respectively. The demographic of owner-occupied housing exhibited similar percentages in low- and moderate income CTs (2.4 and 17.2 percent, respectively). The aggregate and demographic reflect limited opportunities of owner-occupied housing in low-income CTs. The low lending volume minimizes the significance of the percentages providing limited material support for conclusions.

The bank's 2020 1 to 4 family lending shows similar results with 27 loans originated or purchased. Of these 27 loans, three are in low-income CT's (11.1 percent) and eleven are in moderate-income CT's (40.7 percent). Aggregate lending performance shows that 2.0 percent and 14.7 percent of loans were made in LMI CTs, respectively. Lending performance in LMI CT's is approximately 9 percentage points and 25 percentage points greater than aggregate. As the most recent year with aggregate data, this supports good performance.

The bank's 2021 performance returned to 2019 volumes, with seven loans originated in the AA. While no loans were originated in low-income CTs, five of the bank's seven loans were originated in moderate-income CTs, supporting the bank's focus on low- and moderate-income CT lending.

### *Consumer Loans*

The bank's geographic distribution of consumer lending reflects excellent penetration. The bank's consumer lending in LMI CTs supports this conclusion. See the following table for details.

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<b>Geographic Distribution of Consumer Loans</b>					
<b>Los Angeles Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
2019	7.7	21	16.7	9,139	18.0
2020	7.7	31	12.2	16,750	12.1
2021	7.7	15	14.3	8,100	12.5
<b>Moderate</b>					
2019	26.4	49	38.9	17,950	35.3
2020	26.4	95	37.4	49,300	35.5
2021	26.4	40	38.1	22,525	34.7
<b>Middle</b>					
2019	24.9	37	29.4	16,559	32.6
2020	24.9	63	24.8	28,150	20.3
2021	24.9	27	25.7	19,859	30.6
<b>Upper</b>					
2019	40.5	17	13.5	5,900	11.6
2020	40.5	60	23.6	42,350	30.5
2021	40.5	23	21.9	14,500	22.3
<b>Not Available</b>					
2019	0.5	2	1.6	1,250	2.5
2020	0.5	5	2.0	2,350	1.7
2021	0.5	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>0.0</b>	<b>126</b>	<b>100.0</b>	<b>50,798</b>	<b>100.0</b>
<b>2020</b>	<b>0.0</b>	<b>254</b>	<b>100.0</b>	<b>138,900</b>	<b>100.0</b>
<b>2021</b>	<b>0.0</b>	<b>105</b>	<b>100.0</b>	<b>64,984</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0*

The bank’s 2019 lending exceeded demographic data in both LMI CTs. The number of loans originated in LMI CTs is 9.0 percentage points and 12.5 percentage points greater than the percentage of households, respectively. This reflects favorably on the bank’s consumer lending performance in LMI CTs.

The bank’s 2020 lending increased over 100 percent from 2019 lending. As a result, the number of consumer loan originations increased in both LMI CTs by approximately 50 percent and 94 percent, respectively. Lending by percentage of loans in LMI CT’s was similar to 2019 lending performance, remaining above demographic data by 4.5 percentage points and 11 percentage points, respectively. Overall, lending trends reflect favorably on the bank’s consumer lending performance in LMI CTs.

The bank’s 2021 lending fell to 105 consumer loans within the AA. The bank’s lending continued to exceed the percentage of households in low- and moderate-income CTs and reflects excellent performance.

**Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels. An adequate level of home mortgage and a strong level of consumer loans to LMI individuals in this AA primarily support this conclusion. Examiners placed greater weight on home mortgage loans.

***Home Mortgage Loans***

The bank's distribution of 1 to 4 family residential mortgage loans exhibits reasonable penetration among individuals of different income levels. Examiners focused on the bank's loans to LMI borrowers. When compared to aggregate data, the bank's statistical performance was limited by the low lending volume.

In 2019, the bank made five 1 to 4 family residential mortgage loans, of which one loan (20.0 percent) was originated to a moderate-income borrower and no loans to low-income borrowers. Aggregate performance to LMI borrowers was low at 2.1 percent of loans originated to low-income families and 5.9 percent originated to moderate-income borrowers.

In 2020, the bank made 27 1 to 4 family residential mortgage loans. One loan was originated to a low-income borrower (3.7 percent), and two loans were originated to moderate-income borrowers (7.4 percent). In both cases the bank was comparable to aggregate performance. While this reflects positively on the bank's performance, the low volume of loans minimizes the significance of the percentages providing limited material support for conclusions. The bank made one of its seven loans to low-income borrowers in 2021, which accounted for 14.3 percent of originations. No loans were originated with moderate-income borrowers.

The AA is considered a high-cost area; therefore, the bank's performance among middle-income borrowers was also considered in the analysis. The bank exceeded the aggregate and demographic performance levels in both 2019 and 2020 for middle-income families with 2 and 5 loans made in 2019 and 2020 representing 40.0 percent and 18.5 percent of loans made, respectively. These loans exceed aggregate performance at 13.7 percent and 15.4 percent, respectively. This additional information reflects favorably on the bank's performance.

While the bank's lending to low-income borrowers is far below the percentage of families, it is understandable given the average 2021 purchase credit extended for 1 to 4 families at \$675,770. A family making less than \$40,000 would have difficulty qualifying for most homes in the AA, as reflected by the aggregate lending trends. The high percentage of families that live below poverty (14.3 percent) in the AA further reflects challenges in home mortgage lending to low-income borrowers.

***Consumer Loans***

OUB's consumer lending shows excellent penetration among individuals of different income levels. Examiners compared the bank's activity to the percentage of households by income level. The following table shows the distribution of consumer loans by borrower income level.

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<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Los Angeles Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
2019	25.9	46	36.5	17,048	33.6
2020	25.9	88	34.6	34,700	25.0
2021	25.9	36	34.3	15,325	23.6
<b>Moderate</b>					
2019	15.4	42	33.3	17,200	33.9
2020	15.4	86	33.8	36,100	26.0
2021	15.4	35	33.3	18,750	28.9
<b>Middle</b>					
2019	15.8	11	8.7	4,550	8.9
2020	15.8	48	18.9	34,400	24.8
2021	15.8	22	21.0	23,459	36.1
<b>Upper</b>					
2019	43.0	27	21.4	12,000	23.6
2020	43.0	32	12.6	33,700	24.2
2021	43.0	12	11.4	7,450	11.4
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>126</b>	<b>100.0</b>	<b>50,798</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>254</b>	<b>100.0</b>	<b>138,900</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>105</b>	<b>100.0</b>	<b>64,984</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0*

In 2019, the bank’s lending to LMI borrowers exceeded the percentage of households by 10.6 percentage points and 17.9 percentage points, respectively. These percentages reflect very favorably on the bank’s lending performance.

In 2020, the number of consumer loan originations increased by over 100.0 percent. The bank’s lending to LMI borrowers exceeded the percentage of households by approximately 8.7 percentage points and 18.4 percentage points, respectively.

In 2021, the consumer loan originations declined to 2019 levels. Despite this change, the LMI borrowers again exceeded the percentage of households by 8.4 percentage points and 17.9 percentage points. The overall number, dollar, and percentage of consumer lending demonstrates the bank’s efforts to extend credit in this AA, especially to LMI borrowers, reflecting very favorably on performance.

**COMMUNITY DEVELOPMENT TEST**

OUB’s CD performance demonstrates excellent responsiveness to CD needs in the Los Angeles AA, primarily through CD loans and supplemented by qualified investments and CD services.

**Community Development Loans**

During the evaluation period, OUB originated 76 community development loans totaling approximately \$121.2 million benefiting the Los Angeles AA. The bank's CD lending activity includes nine SBA PPP Loans totaling approximately \$141,000 originated in 2020. The bank's volume of CD loans reflects an increase of 90.0 percent and 163.0 percent by number and dollar volume since the prior evaluation, where the bank originated 40 loans for \$46.1 million. The following table shows the number and dollar volume of CD loans originated in the Los Angeles AA by year and purpose.

<b>Community Development Lending</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>
9/30/19 – 12/31/19	5	6,134	0	0	0	0	0	0	5	6,134
2020	1	1,100	0	0	0	0	9	141	10	1,241
2021	48	92,000	0	0	0	0	0	0	48	92,000
YTD 2022	13	21,865	0	0	0	0	0	0	13	21,865
<b>Total</b>	<b>67</b>	<b>121,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>141</b>	<b>76</b>	<b>121,240</b>

*Source: Bank Data*

The following CD loans are notable examples of the bank's efforts in the Los Angeles AA:

- In 2019, OUB originated a \$960,000 real estate secured loan to finance the purchase of an existing 10-unit multi-family apartment building in a low-income CT. All units rent below fair market rents and would likely benefit LMI individuals.
- In 2020, OUB originated a \$1.1 million real estate secured loan to finance the purchase of an existing 6-unit multi-family apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.
- In 2021, OUB originated a \$5.8 million real estate secured loan to finance the purchase of an existing 28-unit multi-family apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.

**Qualified Investments**

OUB made nine qualified equity investments and donations totaling approximately \$1.4 million within the Los Angeles AA during the review period, including three donation totaling \$4,000. This represents a decrease by number of donations and an increase by number of investments as the bank only made one CRA qualified investment during the prior evaluation. By dollar volume, the bank increased its performance by 408.0 percent since the prior evaluation when the bank made or held approximately \$272,000 in qualified equity investments and donations. The bank made two donations in 2019 for \$850 and one donation in 2021 for \$2,500. The bank did not make any donations in 2020 or in YTD 2022. The donations provided include organizations

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serving affordable housing and community services. The following table shows the number and dollar volume of CD investments in the Los Angeles AA 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
9/30/19 – 12/31/19	0	0	1	240	0	0	0	0	1	240
2020	0	0	1	240	0	0	0	0	1	240
2021	0	0	2	413	0	0	0	0	2	413
YTD 2022	0	0	2	485	0	0	0	0	2	485
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1,378</b>
Qualified Grants & Donations	1	1	1	3	1	0	0	0	3	4
<b>Total</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>1,381</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1,382</b>
<i>Source: Bank Data</i>										

The following are notable examples of the bank's qualified investments/donations made in the Los Angeles AA:

- In 2019, OUB made a \$240,000 equity investment in an MDI that promotes economic development. This MDI provides economic opportunities and, for small business owners and their underserved communities, as a source of financing and financial education.
- In 2021, OUB provided a donation totaling \$3,000 to a non-profit whose primary mission is to provide food to needy individuals and expand programs on academic development for needy youth.
- In 2022, OUB made a \$240,000 equity investment in an MDI that promotes economic development. This MDI provides economic opportunities for small business owners and their underserved communities as a source of financing and financial education.

**Community Development Services**

During the evaluation period, employees provided 38 instances of financial expertise or technical assistance to several organizations for a total of 125 hours of CD service activities within the AA. The volume of CD instances has slightly increased and hours have slightly decreased since the prior evaluation where the bank provided 34 instances and 150 hours of CD services in the AA. The following table presents qualified CD service activities by year and CD purpose.

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<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>
	#	#	#	#	#
9/30/2019 – 12/31/19	0	5	0	0	5
2020	0	23	24	0	47
2021	0	26	24	0	50
YTD 2022	0	11	12	0	23
<b>Total</b>	<b>0</b>	<b>65</b>	<b>60</b>	<b>0</b>	<b>125</b>

*Source: Bank Data*

The following are notable examples of CD services provided in the Los Angeles AA:

- Since the previous evaluation, a bank officer has served on the loan review committee of a small business development corporation that offers programs designed to help small businesses including financial literacy, educational services, loans, and consulting services for underserved LMI communities.
- Since the previous evaluation, one bank officer has contributed financial oversight and expertise to a charter school that serves LMI communities where the majority of the children receive free lunch. The employee serves on the board of the organization.

In addition, OUB operates one branch in a moderate-income CT. This branch location demonstrates the availability of banking services to LMI individuals.

**MASSACHUSETTS**

**CRA RATING FOR MASSACHUSETTS: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN MASSACHUSETTS**

The Suffolk AA comprises the entirety of Suffolk County. This county comprises part of the Boston, Massachusetts MD #14454, which is in turn part of the Boston-Cambridge-Newton, MA-NH MSA #14460.

<b>Description of Assessment Areas</b>		
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>
Suffolk	Suffolk	204

*Source: Bank Records*



**Economic and Demographic Data**

According to the 2015 ACS data, Suffolk AA contains 204 CTs reflecting the following income designations:

- 47 low-income tracts,
- 64 moderate-income tracts,
- 45 middle-income tracts,
- 35 upper-income tracts, and
- 13 tracts without an income designation.

<b>Demographic Information of the Massachusetts 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)	204	23.0	31.4	22.1	17.2	6.4
Population by Geography	758,919	22.2	38.0	23.8	14.9	1.1
Housing Units by Geography	321,386	19.4	36.0	24.1	19.2	1.3
Owner-Occupied Units by Geography	105,671	9.8	33.6	32.6	23.0	1.0
Occupied Rental Units by Geography	191,001	24.6	37.4	20.1	16.6	1.3
Vacant Units by Geography	24,714	20.6	35.4	19.0	23.3	1.7
Businesses by Geography	83,746	13.3	24.0	16.9	44.0	1.8
Farms by Geography	572	10.1	29.9	27.3	31.5	1.2
Family Distribution by Income Level	147,054	38.1	17.6	15.9	28.4	0.0
Household Distribution by Income Level	296,672	35.9	14.9	15.1	34.1	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$406,607
			Median Gross Rent			\$1,312
			Families Below Poverty Level			16.3%
<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>						

According to 2021 D&B data, there were 83,746 businesses in the AA. GARs reported for these businesses are as follows:

- 85.0 percent have \$1.0 million or less,
- 5.7 percent have more than \$1.0 million, and
- 9.3 percent have unknown revenues.

The service industry represents the AA's largest portion of businesses at 38.6 percent; followed by finance, insurance, and real estate at 15.4 percent; and retail trade at 10.4 percent. Additionally, 59.4 percent of area businesses have four or fewer employees with 89.4 percent operating from a single location.

The following table shows FFIEC-estimated median family incomes in the Suffolk AA.

**NONPUBLIC//FDIC BUSINESS**

<b>Median Family Income Ranges</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>
<b>Boston, MA Median Family Income (14454)</b>				
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
2020 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
<i>Source: FFIEC</i>				

Examiners obtained the following economic information from Moody's Analytics as of May 2022.

According to the Moody's Analytics report, Boston is narrowing its gap with the Northeast and U.S. Employment in April was more than three percent below its pre-pandemic peak, which is a larger deficit than that of the region and nation. Fortunately, employment gains bested those of the Northeast and U.S. in recent months thanks to strength in technology-heavy professional/business services and further recovery in leisure/hospitality, healthcare, and personal services. The unemployment rate is falling, but unlike nationally, it is more than 1 percentage point above where it was before the pandemic. Multifamily housing, which makes up most of Boston's housing market, is in tight supply as the rental vacancy rate is very low and gains in multifamily building have been less than nationally. Economic strengths include the business capital of New England, access to skilled labor force and venture capital for emerging companies, dynamic high technology and biomedical research industries, and labor market stability due to education/healthcare. Economic weaknesses include high business and living costs and high exposure to cyclical finance and technology. The top three employers by number of employees are Mass General Brigham, University of Massachusetts, and Stop & Shop Supermarket Company.

**Competition**

OUB operates in a highly competitive market that includes a number of large national and regional financial institutions within the Suffolk AA. According to the June 30, 2021 Deposit Market Share Report, the AA had 43 financial institutions with \$330.6 billion in deposits operating 235 branches. The top four institutions control approximately 87.7 percent of the Suffolk AA's deposit market share with \$290.1 billion in deposits. OUB is ranked 32<sup>nd</sup> with a deposit market share of less than 0.1 percent.

OUB operates in a competitive market for home mortgage loans in its Suffolk AA. Based on 2020 aggregate data, 456 lenders originated and purchased 30,351 loans for \$17.3 billion. Large nationwide banks and mortgage lenders rank at the top of the mortgage lender market share and include Citizens Bank NA, Leader Bank NA, First Republic Bank, and Guaranteed Rate, Incorporated. The top four lenders originated or purchased approximately 18.5 percent of the loans by number and 17.2 percent by dollar. OUB shares a rank of 267<sup>th</sup> with a nominal percentage of market share.

### **Community Contact(s)**

Examiners reviewed two recent community contacts in the bank's AA. One contact represented a small business development organization and the other was an affordable housing organization. Both contacts indicated that the unemployment rates have been high since COVID-19 hit, and while it was slowly recovering, the unemployment rate has had a big effect on small businesses and affordable housing. The small business development contact mentioned how business costs have not decreased at all, making it more difficult for new businesses to open. The affordable housing organization indicated that the housing supply has continued to be low which has created a higher need for affordable housing and the price has been driven up due to the lack of housing supply. Both contacts indicated they would like to see local financial institutions participate more within the organization with financial assistance.

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

Considering the information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need for the AA. Another determination is that the AA needs more bank participation, specifically for small business financing through grants and loans. Furthermore, affordable housing represents a primary CD need for the AA.

## **SCOPE OF EVALUATION – MASSACHUSETTS**

Refer to the overall Scope of Evaluation for a description of products reviewed, data sources, product weighting, and AA weighting.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN MASSACHUSETTS**

### **LENDING TEST**

OUB demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile primarily support this conclusion. The bank originated one multifamily loan in the AA, as a result this lending product was not weighed heavily within the criteria.

### **Geographic Distribution**

The bank's geographic distribution of home mortgage and consumer loans reflects reasonable dispersion throughout the AA. Examiners focused on the percentage by number of loans in LMI CTs. This conclusion is supported by an adequate volume of home mortgage and consumer loans within the LMI geographies of the AA.

### ***Home Mortgage***

The bank's geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. This conclusion is primarily supported by the reasonable distribution of 1 – 4 family residential mortgage loans and adequate distribution of multifamily loans. Examiners

placed more weight on the bank's 1 – 4 family residential mortgage performance.

#### Multi-Family Mortgage Loans

The bank originated one multifamily loan between the years of 2019 and 2021. As the one loan was originated in a moderate-income CT and represents improvement since the prior evaluation; however, this performance is poor, as the low loan volume limits conclusions derived from the analysis.

#### 1 to 4 Unit Residential Mortgage Loans

The bank's geographic distribution of home mortgage lending reflects reasonable dispersion in this AA. When comparing the bank's performance to aggregate data, the bank's low lending volume limits the statistical performance results.

OUB made two loans for \$355,000 in 2019, both of which were originated in moderate-income CTs. There were no originations in low-income CTs, which contained approximately 11.3 percent of owner-occupied housing and had a similar percentage of aggregate home mortgage originations. However, the bank's performance in moderate-income CTs at 100.0 percent exceeds aggregate data by 67.2 percentage points.

In 2020, the bank originated or purchased four loans for \$1.3 million, two of which were in moderate-income CTs, totaling \$783,000. The bank again originated no loans in low-income CTs, which is below the 11.3 percent demographic and the 10.6 percent aggregate performances. Lending in moderate-income CTs increased by both number and dollar amount. The bank's performance at 50.0 percent of loans continues to exceed aggregate performance at 31.7 percent.

The bank originated another two loans in 2021, one loan in a low-income CT for \$308,000 and one loan in a moderate-income CT for \$341,000. Performance in LMI CTs exceeded demographic and aggregate performance.

The bank's performance by percentage of loans in LMI CTs reflects favorably on home mortgage lending in LMI areas; however, the overall low volume of loans minimizes the significance of the percentages and helps to explain the reasonable conclusion.

#### *Consumer Loans*

The bank's geographic distribution of consumer lending reflects excellent penetration. The bank's consumer lending in LMI CTs supports this conclusion. See the following table for details.

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<b>Geographic Distribution of Consumer Loans</b>					
<b>Suffolk Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
2019	19.3	6	50.0	2,500	61.0
2020	19.3	21	51.2	9,560	57.2
2021	19.3	6	60.0	3,800	39.0
<b>Moderate</b>					
2019	36.1	5	41.7	1,300	31.7
2020	36.1	12	29.3	3,650	21.8
2021	36.1	1	10.0	250	25.6
<b>Middle</b>					
2019	24.5	1	8.3	300	7.3
2020	24.5	7	17.1	3,000	18.0
2021	24.5	2	20.0	5,400	55.4
<b>Upper</b>					
2019	18.8	0	0.0	0	0.0
2020	18.8	1	2.4	500	3.0
2021	18.8	1	10.0	300	3.0
<b>Not Available</b>					
2019	1.2	0	0.0	0	0.0
2020	1.2	0	0.0	0	0.0
2021	1.2	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>4,100</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>16,710</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>9,750</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0*

The bank’s 2019 lending exceeded demographic data in both LMI CTs. The number of loans originated in LMI CTs is 30.7 percentage points and 5.6 percentage points greater than the percentage of households, respectively. This reflects favorably on the bank’s consumer lending performance in LMI CTs.

The bank’s 2020 lending increased by three times compared to 2019 lending, which resulted partly from an increase in the profile of minority-owned institutions, as well as support for secured credit through stimulus funds. As a result, the number of consumer loan originations increased in both LMI CTs more than doubled. Lending by percentage of loans in low-income CT’s was similar to 2019 lending performance remaining above demographic data by 31.9 percentage points. While the number of loans in moderate-income CTs increased, the percentage fell to 29.3 percent, lower than the demographic of households in moderate-income CTs (36.1 percent). Overall, lending trends reflect favorably on the bank’s consumer lending performance in LMI CTs.

The bank’s 2021 lending fell to 10 consumer loans within the AA. The bank’s lending continued to exceed the percentage of households in low -income CTs, while only one loan was originated in a moderate-income CT.

Overall, the very strong performance in low-income CTs supports the overall conclusion of excellent in the AA.

### **Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels. This conclusion is primarily supported by an adequate level of home mortgage and consumer loans to LMI individuals in this AA. Examiners placed greater weight on home mortgage loans.

#### ***Home Mortgage Loans***

OUB's distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Examiners compared the bank's activity to aggregate performance and the percentage of families by income level.

OUB made two 1 to 4 family mortgage loans in 2019 with no loans to low- and one loan to a moderate-income borrower. Aggregate data shows a very low percentage of loans made to low-income borrowers at 3.5 percent, while the percentage of families is 38.7 percent. The bank's performance in moderate-income CTs at 50.0 percent exceeded the percentage of families at 17.8 percent and greatly exceeded aggregate data by 35.8 percentage points. While this performance reflects favorably on the bank, the extremely low volume of loans to moderate-income borrowers minimizes the performance.

In 2020, OUB made four 1 to 4 family home mortgage loans, none of which were to a low-income borrower. Similar to 2019 lending, aggregate data shows that only 2.9 percent of home mortgage loans were originated to low-income borrowers. Lending to moderate-income borrowers increased to two loans representing 50.0 percent of total home mortgage lending in the AA. This compares favorably to both aggregate performance and the percentage of families at 14.9 percent and 17.8 percent, respectively. Specifically, the bank's lending exceeded both metrics by approximately 32.2 and 35.1 percentage points, respectively. Again, the extremely low volume of loans minimizes the bank's lending performance to moderate-income borrowers.

OUB made two 1 to 4 family mortgage loans in 2021 with no loans to low- and one loan to a moderate-income borrower. The bank's performance in moderate-income CTs at 50.0 percent exceeded the percentage of families at 17.8 percent. While this performance reflects favorably on the bank, the extremely low volume of loans to moderate-income borrowers minimizes the performance.

The bank's home mortgage lending is far below the low-income family demographic. Examiners recognize that the AA has a high poverty rate at 16.8 percent. The average amount of credit needed to purchase a 1 – 4 family home in 2021 was approximately \$607,135 in the AA, out of reach for many low-income families. This is further supported by aggregate lending performance with less than 4 percent of home mortgage loans originated to low-income borrowers. These facts help mitigate the bank's lack of lending to low-income borrowers.

*Consumer Loans*

OUB's consumer lending shows excellent penetration among individuals of different income levels. Examiners compared the bank's activity to the percentage of households by income level. The following table shows the distribution of consumer loans by borrower income level for 2019, 2020, and 2021.

<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Suffolk Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
2019	35.9	10	83.3	3,600	87.8
2020	35.9	29	70.7	10,200	61.0
2021	35.9	7	70.0	3,450	35.4
<b>Moderate</b>					
2019	14.9	2	16.7	500	12.2
2020	14.9	9	22.0	5,010	30.0
2021	14.9	0	0.0	0	0.0
<b>Middle</b>					
2019	15.1	0	0.0	0	0.0
2020	15.1	1	2.4	1,000	6.0
2021	15.1	3	30	6,300	64.6
<b>Upper</b>					
2019	34.1	0	0.0	0	0.0
2020	34.1	2	4.9	500	3.0
2021	34.1	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>4,100</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>16,710</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>9,750</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data.  
Due to rounding, totals may not equal 100.0*

As shown in the above table, the bank originated all of its consumer loans to LMI borrowers in 2019. Lending to low-income borrowers was well above the percentage of households by number of loans. Consumer loan originations to moderate-income borrowers was similar to the percentage of households. This performance reflects positively on the bank.

Lending to low-income borrowers in 2020 was similar to 2019. The table shows an increase in the number of consumer loans originated to low-income borrowers. Specifically, the bank's originations almost doubled the number of consumer loans to low-income borrowers. Consumer lending to moderate-income borrowers shows that the bank's performance exceeded the percentage of households by approximately 7.1 percentage points. This reflects positively on the bank's performance.

In 2021, the number of loans decreased to levels similar to 2019. While the bank originated no loans to moderate-income borrowers, the majority of loans were originated among low-income borrowers, at 70.0 percent. This represents a greater percentage than the demographic of low- and moderate-income households combined.

**COMMUNITY DEVELOPMENT TEST**

OUB's CD performance demonstrates adequate responsiveness to community development needs in the Suffolk AA, primarily through CD loans and supplemented by qualified investments and CD services.

**Community Development Loans**

During the evaluation period, OUB originated two community development loan totaling \$983,000 benefiting the Suffolk AA. The bank’s CD lending activity includes one SBA PPP Loan totaling approximately \$233,000 originated in 2020. The bank's volume of CD loans reflects an increase since the previous evaluation, where the bank did not originate any CD loans in the AA. The bank has faced challenges in originating CD loans in the Suffolk AA largely due to competition from larger financial institutions in the AA, which offer better rates and terms.

<b>Community Development Lending</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>
9/30/19 – 12/31/19	0	0	0	0	0	0	0	0	0	0
2020	1	750	0	0	0	0	1	233	1	983
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>233</b>	<b>2</b>	<b>983</b>

*Source: Bank Data*

The following CD loan is a notable example of the bank’s efforts in the Suffolk AA:

- In 2020, OUB originated a \$750,000 real estate secured loan to finance the purchase of an existing 6-unit multi-family apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.

**Qualified Investments**

OUB does not maintain any CRA qualified equity investments in the Suffolk AA. The bank made 14 qualified AA donations totaling \$113,000 during the review period, of which two for \$5,500 were made in 2019, three for \$3,300 in 2020, and nine for \$104,000 in 2021. The bank did not make any donations year to date in 2022. While the bank made fewer donations by number since the prior evaluation, it increased the dollar volume of donations, respectively, from the previous evaluation, where the bank made 48 qualified donations for \$74,672.



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<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
9/30/19 – 12/31/19	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
YTD 2022	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	0	0	0	0	7	81	7	32	14	113
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>81</b>	<b>7</b>	<b>32</b>	<b>14</b>	<b>113</b>

*Source: Bank Data*

The following qualified donations are notable examples of the bank's efforts in the Suffolk AA:

- In 2019, OUB donated \$5,000 to a non-profit organization that provides workforce development programs for LMI individuals in the AA.
- In 2020, OUB donated \$2,000 to a non-profit organization providing services to LMI at-risk youth. Funds will assist in providing community services including financial education.
- In 2021, OUB donated \$75,000 to a non-profit organization that provides workforce development programs for LMI individuals in the AA.

**Community Development Services**

During the evaluation period, employees provided 44 instances of financial expertise or technical assistance to several organizations for a total of 162 hours of CD service activities within the AA. While the volume of CD instances increased 63 percent since the prior evaluation, where the bank provided 27 instances, the hours decreased 60 percent since the prior evaluation, when the bank provided 402 hours of CD services in the AA. The following table presents qualified CD service activities by year and CD purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
9/30/2019 – 12/31/19	6	43	0	0	49
2020	4	29	0	0	33
2021	0	51	0	0	51
YTD 2022	0	29	0	0	29
<b>Total</b>	<b>10</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>162</b>
<i>Source: Bank Data</i>					

The following CD services are notable examples of the bank's efforts in the Suffolk AA:

- In all years since the previous evaluation, the bank President provided technical assistance to a small business organization that supports minority-owned small businesses. She served as the organization's Treasurer and Board Chairman.
- In 2019 and 2020, a bank officer provided financial education targeted to LMI individuals and families in the Suffolk AA. Topics included homebuyer workshops, Money Talks seminars, and Gift of Money-Understanding Financial Education.

In addition, OUB operates one branch in a low-income CT and one in moderate-income CT. These branch locations demonstrate the availability of banking services to LMI individuals.

## FLORIDA

### CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN FLORIDA

Miami-Dade AA comprises the entirety of Miami-Dade County. This county comprises the Miami-Miami Beach-Kendall, Florida MD #33124, which is in turn part of the Miami-Ft. Lauderdale-Pompano Beach, Florida MSA #33100.

Description of Assessment Areas		
Assessment Area	Counties in Assessment Area	# of CTs
Miami	Miami-Dade	519
<i>Source: Bank Records</i>		

**Economic and Demographic Data**

According to the 2015 ACS data, Miami-Dade AA contains 519 CTs reflecting the following income designations:

- 30 low-income tracts,
- 144 moderate-income tracts,
- 150 middle-income tracts,
- 177 upper-income tracts, and
- 18 tracts without an income designation.

<b>Demographic Information of the Miami-Dade 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)	519	5.8	27.7	28.9	34.1	3.5
Population by Geography	2,639,042	5.5	29.7	30.9	33.2	0.7
Housing Units by Geography	998,833	5.3	27.5	29.3	37.2	0.6
Owner-Occupied Units by Geography	452,826	2.0	21.4	31.9	44.4	0.2
Occupied Rental Units by Geography	389,327	9.6	37.8	28.2	23.5	0.8
Vacant Units by Geography	156,680	4.3	19.4	24.6	50.4	1.3
Businesses by Geography	791,580	3.1	20.8	26.3	47.5	2.3
Farms by Geography	7,895	3.9	23.7	27.1	44.5	0.8
Family Distribution by Income Level	572,388	24.0	16.6	16.9	42.5	0.0
Household Distribution by Income Level	842,153	26.1	15.1	15.9	42.9	0.0
Median Family Income MSA - 33124 Miami-Miami Beach- Kendall, FL		\$49,264	Median Housing Value			\$244,010
			Median Gross Rent			\$1,155
			Families Below Poverty Level			16.9%
<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>						

According to 2021 D&B data, there were 791,580 businesses in the AA. GARs reported for these businesses are as follows:

- 94.7 percent have \$1.0 million or less,
- 1.8 percent have more than \$1.0 million, and
- 3.5 percent have unknown revenues.

**NONPUBLIC//FDIC BUSINESS**

The service industry represents the AA's largest portion of businesses at 29.5 percent; followed by finance, insurance, and real estate at 10.8 percent; and retail trade at 7.5 percent. Additionally, 55.1 percent of area businesses have four or fewer employees with 97.3 percent operating from a single location.

The following table shows FFIEC-estimated median family incomes in the Miami-Dade AA.

<b>Median Family Income Ranges</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>
<b>Miami-Miami Beach-Kendall, FL Median Family Income (33124)</b>				
2019 (\$54,900)	<\$27,450	\$27,450 to <\$43,920	\$43,920 to <\$65,880	≥\$65,880
2020 (\$59,100)	<\$29,550	\$29,550 to <\$47,280	\$47,280 to <\$70,920	≥\$70,920
2021 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
<i>Source: FFIEC</i>				

Examiners obtained the following economic information from Moody's Analytics as of May 2022.

According to the Moody's Analytics report, Miami-Dade's recovery is forging ahead. Steady job growth during the past few months has left metro division payrolls barely shy of their pre-recession high. Although Miami's recovery has been slower than most other Florida metro areas, it is slightly ahead of the national average. The metro division has been adding jobs in a broad range of industries, with particularly strong growth in leisure/hospitality and logistics. Public sector hiring has underperformed, however, and growth in white-collar services has not been quite as strong as elsewhere in the state. Despite Miami's below-average labor force gains, the unemployment rate is the furthest above its pre-recession level among all Florida metro areas. House prices have soared, but this has done little to stoke residential construction. Economic strengths include its strong ties to Latin America, luxury status that attracts international capital, the world's busiest cruise port, and a well-developed shipping and distribution infrastructure. Economic weaknesses include high household debt burden, congested roads and airport, and an industrial structure that leaves the economy susceptible to business cycle downturns. The top three employers by number of employees are Publix Super Markets, Baptist Health South Florida, and American Airlines.

**Competition**

OUB operates in a highly competitive market that includes a number of large national and regional financial institutions within the Miami-Dade AA. According to the June 30, 2021 Deposit Market Share Report, the AA had 55 financial institutions with \$179.2 billion in deposits operating 614 branches. The top four institutions control approximately 46.6 percent of the Miami-Dade AA's deposit market share with \$83.6 billion in deposits. OUB is ranked 52<sup>nd</sup> with a deposit market share of less than 0.1 percent.

OUB operates in a competitive market for home mortgage loans in its Miami-Dade AA. Based on 2020 aggregate data, 828 lenders originated and purchased 139,447 loans for \$47.7 billion. Large nationwide banks and mortgage lenders rank at the top of the market share for mortgage lenders and included Wells Fargo Bank NA, United Wholesale Mortgage LLC, Caliber Home Loans, and Quicken Loans. The top four lenders originated or purchased 20.8 percent of the loans by number and 18.2 percent by dollar. OUB ranks 312th with a nominal market share.

### **Community Contact**

Examiners contacted a community contact during this evaluation. The contact is an affordable housing organization that collaborates with various organizations and municipalities to ensure the availability of affordable housing for low- and moderate-income individuals in Miami-Dade County. The organization performs a significant amount of research and develops policy recommendations aimed at creating new affordable housing and keeping people in their current homes. The contact noted a significant need for the development of additional multifamily and single-family affordable housing due to Miami's high cost of living, which continues to rise.

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

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the AA. The high number of low- and moderate-income families, at 24.0 percent and 16.6 percent, respectively, indicates a continuing need for affordable housing. The community contact further supported the need for additional affordable housing in Miami-Dade County. Additionally, the median age of housing stock in low- and moderate-income census tracts, at 53 years and 52 years, respectively, indicates a significant need for home improvement loans.

## **SCOPE OF EVALUATION – FLORIDA**

Refer to the overall Scope of Evaluation for a description of products reviewed, data sources, product weighting, and AA weighting.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA**

### **LENDING TEST**

OUB demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile primarily support this conclusion.

### **Geographic Distribution**

The bank's geographic distribution of home mortgage and consumer loans reflects reasonable dispersion throughout the AA. Examiners focused on the percentage by number of loans in LMI CTs. This conclusion was supported by home mortgage and consumer loans within the LMI geographies of the AA.

### *Home Mortgage*

The bank's geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. This conclusion is primarily supported by the reasonable distribution of 1 – 4 family residential mortgage loans and a poor distribution of multifamily loans. Examiners placed more weight on the bank's 1 – 4 family residential mortgage performance.

### Multifamily Mortgage Loans

The bank's geographic distribution of multifamily mortgage lending reflects poor dispersion throughout the AA. The bank made one multifamily loan during the evaluation period. Originated in 2021, this \$6.4 million loan was originated in a moderate-income CT. While this exhibits a focus on lending in LMI areas, the low volume limits conclusions derived from the statistical analysis.

### 1 to 4 Family Residential Mortgage Loans

The bank's geographic distribution of 1 to 4 family residential mortgage lending reflects reasonable dispersion throughout the AA. The bank made ten loans during the evaluation period. When comparing the bank's performance to aggregate data, the bank's low lending volume limits the statistical performance results.

The bank made one loan in a low-income CT and one loan in a moderate-income CT in 2019. The performance in low-income CTs exceeds the demographic of owner-occupied housing units at 2.0 percent and the aggregate lending percentage at 1.7 percent. The loan in the moderate-income CT exceeded aggregate lending by nearly 14.8 percent and the percentage of owner-occupied housing by approximately 11.9 percent.

In 2020, the bank made one loan in a low-income CT. No loans were originated in moderate-income CTs. The lending in low-income CTs compares favorably to the minimal percentage of owner-occupied housing units at 2.0 percent and further supported by a low level of aggregate lending at 1.6 percent.

The bank originated no loans in LMI CTs in 2021. The bank originated two loans in the AA, both in upper-income CTs. However, the bank received applications from eight consumers, four of which were in moderate-income CTs. While the bank was not able to make originations, this activity exhibits effort to lend in LMI CTs.

### *Consumer Loans*

The bank's geographic distribution of consumer lending reflects good dispersion. The bank's consumer loan originations in LMI CTs support this conclusion. See the following table for details.

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<b>Geographic Distribution of Consumer Loans</b>					
<b>Miami-Dade Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
2019	5.5	2	9.1	5,250	20.8
2020	5.5	6	9.5	2,850	9.2
2021	5.5	3	8.8	1,625	6.0
<b>Moderate</b>					
2019	29.0	9	40.9	16,400	65.1
2020	29.0	25	39.7	10,250	33.1
2021	29.0	20	58.8	19,650	72.6
<b>Middle</b>					
2019	30.2	8	36.4	2,700	10.7
2020	30.2	23	36.5	14,400	46.5
2021	30.2	6	17.6	1,750	6.5
<b>Upper</b>					
2019	34.8	3	13.6	850	3.4
2020	34.8	9	14.3	3,500	11.3
2021	34.8	5	14.7	4,050	14.9
<b>Not Available</b>					
2019	0.5	0	0.0	0	0.0
2020	0.5	0	0.0	0	0.0
2021	0.5	0	0.0	0	0.0
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>25,200</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>63</b>	<b>100.0</b>	<b>31,000</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>27,075</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0</i>					

The bank’s 2019 consumer lending exceeded the percentage of households in both LMI CTs. Specifically, the bank’s lending in low-income CTs exceeded the percentage of households by 3.6 percent and the bank’s lending in moderate-income CTs exceeded the percentage of households by 11.9 percent.

The bank’s 2020 consumer lending increased almost threefold. As a result, the number of consumer loan originations increased in LMI CTs. Lending in low-income CTs was approximately 4.0 percentage points above the percentage of low-income households. The number of consumer loans originated in moderate-income CTs increased by more than 100.0 percent. The percentage of loans compared to the percentage of households continued to exceed the percentage of households by approximately 10.7 percentage points. This reflects favorably on the bank’s performance.

While the bank’s 2021 lending decreased from 2020 levels to 34 loans, the bank continued its good performance. The bank’s performance in low-income CTs remained above the demographic by approximately 3.3 percentage points. The bank’s performance in moderate income CTs improved dramatically to 58.8 percent of all originations, above the demographic by 29.8 percent.

Overall, this demonstrates the bank has maintained a good dispersion of consumer loans, especially in LMI CTs in this AA during the review period.

### **Borrower Profile**

The distribution of loans reflects reasonable penetration among individuals of different income levels. This conclusion is primarily supported by an adequate level of home mortgage and consumer loans to LMI individuals in this AA. Examiners placed greater weight on home mortgage loans.

#### ***Home Mortgage Loans***

OUB's distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Examiners compared the bank's activity to aggregate performance and the percentage of families by income level.

OUB made three 1 to 4 family mortgage loans in 2019 with no loans to LMI borrowers. Aggregate data shows a very low percentage of loans made to low-income borrowers at 1.9 percent, while the percentage of families is 24.0 percent. The percentage of moderate-income families was 16.6 percent while the aggregate was far lower at 4.9 percent.

In 2020, OUB made five 1 to 4 family home mortgage loans, none of which were to a low-income borrower. Aggregate data shows that only 0.9 percent of home mortgage loans were originated to low-income borrowers. Lending to moderate-income borrowers increased to two loans, representing 40.0 percent of total home mortgage lending in the AA. This compares favorably to both aggregate performance and the percentage of moderate-income families at 5.0 percent and 16.6 percent, respectively. Specifically, the bank's lending exceeded both aggregate and demographic performance by approximately 35.0 and 23.4 percentage points, respectively. The low volume of loans minimizes the bank's lending performance to moderate-income borrowers. The bank originated no loans to LMI borrowers in 2021.

The bank's home mortgage lending is far below the low-income family demographic. Examiners recognize that the AA has a high poverty rate at 16.9 percent. The average amount of credit needed to purchase a 1 – 4 family home in 2021 was approximately \$379,853, an amount out of reach for many low-income families, especially those that live below the poverty line. Aggregate lending performance further supports this analysis, with fewer than 2 percent of home mortgage loans originated to low-income borrowers. These facts help mitigate the bank's lack of lending to low-income borrowers.

#### ***Consumer Loans***

OUB's consumer lending shows reasonable penetration among individuals of different income levels. Examiners compared the bank's activity to the percentage of households by income level. The following table shows the distribution of consumer loans by borrower income level.



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<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Miami-Dade Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Households</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2019	26.1	5	22.7	1,300	17.5
2020	26.1	12	19.1	5,000	16.1
2021	26.1	8	23.5	12,750	47.1
<b>Moderate</b>					
2019	15.1	4	18.2	10,750	36.0
2020	15.1	21	33.3	8,000	25.8
2021	15.1	8	23.5	2,950	10.9
<b>Middle</b>					
2019	15.9	7	31.8	10,600	29.4
2020	15.9	15	23.8	5,950	19.2
2021	15.9	13	38.3	7,275	26.9
<b>Upper</b>					
2019	42.9	6	27.2	2,550	17.0
2020	42.9	15	23.8	12,050	38.9
2021	42.9	5	14.7	4,100	15.1
<b>Totals</b>					
<b>2019</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>25,200</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>63</b>	<b>100.0</b>	<b>31,000</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>27,075</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0</i>					

As shown in the above table, the bank originated a slightly lower percentage of consumer loans to low-income borrowers compared to the demographic of low-income households in 2019. Consumer loan originations to moderate-income borrowers slightly above the percentage of households. For these reasons performance in 2019 is reasonable.

Lending to low-income borrowers in 2020 fell further below the percentage of households, by 7.0 percentage points. However, the table shows an increase in the number of consumer loans originated to low-income borrowers. Consumer lending to moderate-income borrowers shows that the bank’s performance exceeded the percentage of households by approximately 18.2 percentage points. Overall, the majority of consumer loans were originated to LMI borrowers in 2020.

Consumer lending volume in 2021 fell from 2020 levels, but remained above 2019 levels. The bank’s percentage of loans to low-income borrowers was below the demographic of low-income households by 2.6 percentage points. Conversely the bank’s percentage of loans to moderate-

income borrowers was above the demographic of moderate-income households by 8.4 percentage points.

**COMMUNITY DEVELOPMENT TEST**

OUB's CD performance demonstrates adequate responsiveness to community development needs in the Miami-Dade AA, primarily through CD loans and supplemented by qualified investments and CD services.

**Community Development Loans**

During the evaluation period, OUB originated six community development loan totaling approximately \$6.5 million benefiting the Miami-Dade AA. This is positive as the main community development need in the Miami-Dade AA is affordable housing. The bank’s CD lending activity includes five SBA PPP Loans totaling approximately \$74,000 originated in 2020. This reflects an increase since the prior evaluation, where OUB did not originate or purchase any CD loans within the AA. The following table shows the bank's community development lending by purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
9/30/19 – 12/31/19	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	5	74	5	74
2021	1	6,435	0	0	0	0	0	0	1	6,435
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>6,435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>74</b>	<b>6</b>	<b>6,509</b>

*Source: Bank Data*

The following CD loan is a notable example of the bank's efforts in the Miami-Dade AA:

- In 2021, OUB originated a \$6.4 million real estate-secured loan to finance the purchase of an existing 60-unit multifamily apartment building in a moderate-income CT. All units rent below fair market rents and would likely benefit LMI individuals.

**Qualified Investments**

During the evaluation period, OUB made 14 equity investments and donations totaling \$328,000 within the Miami-Dade AA. The bank maintains a certificate of deposit for \$245,000 in a minority-owned financial institution in Doral, Florida. OUB made 13 donations totaling \$83,000 during the review period, of which three for \$29,000 were in 2019, three for \$12,000 were in 2020, and seven for \$41,500 in 2021. No donations were made year to date in 2022. While the bank made fewer donations by number since the prior evaluation, the dollar amount is approximately the same.

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<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
9/30/19 – 12/31/19	0	0	0	0	0	0	0	0	0	0
2020	0	0	1	245	0	0	0	0	1	245
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>245</b>
Qualified Grants & Donations	0	0	1	1	11	57	1	25	13	83
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>246</b>	<b>11</b>	<b>57</b>	<b>1</b>	<b>25</b>	<b>14</b>	<b>328</b>

*Source: Bank Data*

The following qualified investments and donations are notable examples of the bank's efforts in the Miami-Dade AA:

- During the review period, OUB donated \$30,000 to an economic development organization. Funds will support primarily minority, LMI communities and provide workshops, training and seminars for small businesses with revenue of less than \$1 million.
- During the review period, OUB donated \$15,000 to an economic development organization. Funds will support technical assistance workshops targeted to start-ups and new businesses. Workshops include financial education, marketing and public relations, information technology, and other activities.

**Community Development Services**

During the evaluation period, employees provided 64 instances of financial expertise or technical assistance to several organizations for a total of 464 hours of CD service activities within the AA. The volume of CD instances and hours increased 57 percent and 12 percent since the previous evaluation, respectively, when the bank provided 41 instances and 416 hours of CD services in the AA. The following table presents qualified CD service activities by year and CD 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>
9/30/2019 – 12/31/19	6	3	2	0	<b>11</b>
2020	54	119	18	0	<b>191</b>
2021	0	119	75	0	<b>194</b>
YTD 2022	0	54	14	0	<b>68</b>
<b>Total</b>	<b>60</b>	<b>295</b>	<b>109</b>	<b>0</b>	<b>464</b>

*Source: Bank Data*

The following CD services are notable examples of the bank's efforts in the Miami-Dade AA:

- In all years since the previous evaluation, the bank's President served on the board of a non-profit organization created to revitalize Miami-Dade County's 79th Street area and, through economic development, expand benefits and opportunities targeted to LMI individuals and families.
- In all years since the previous evaluation, three bank officers provided financial education training and services, and employment opportunities targeted to LMI individuals and families in the Miami-Dade AA. The intent of this local government initiative is to strengthen the economic development of the community by educating and providing employment to unemployed residents, including free check cashing services every other week to the programs' participants.

In addition, the bank operates one branch in a moderate-income CT. This branch location demonstrates the availability of banking services to LMI individuals.

## APPENDIX A

### **DIVISION OF BANKS – FAIR LENDING POLICIES AND PROCEDURES**

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted. The bank has a good record relative to its fair lending policies and procedures.

### **MINORITY APPLICATION FLOW**

The bank's HMDA Loan Application Register (LAR) for 2020 and 2021 were reviewed to determine if the application flow from the different racial groups within the bank's Suffolk AA was reflective of the AA's demographics.

According to the 2015 ACS Census Data, the bank's Suffolk AA contained a total population of 758,919 individuals, of which 53.6 percent are minorities. The minority population represented is 20.0 percent Black/African American, 8.5 percent Asian, 0.2 percent American Indian, 21.3 percent Hispanic or Latino, and 3.6 percent other.

The bank's level of lending in 2020 and 2021 was compared with that of the 2020 and 2021 aggregate's lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's AA.

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<b>MINORITY APPLICATION FLOW</b>						
<b>RACE</b>	<b>Bank 2020 HMDA</b>		<b>2020 Aggregate Data</b>	<b>Bank 2021 HMDA</b>		<b>2021 Aggregate Data</b>
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>
American Indian/ Alaska Native	0	0.0	0.2	0	0.0	0.2
Asian	0	0.0	7.9	0	0.0	8.5
Black/ African American	6	40.0	8.0	3	50.0	10.0
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0	0.2
2 or more Minority	0	0.0	0.2	0	0.0	0.3
Joint Race (White/Minority)	0	0.0	1.9	0	0.0	1.8
<b>Total Racial Minority</b>	<b>6</b>	<b>40.0</b>	<b>18.4</b>	<b>3</b>	<b>50.0</b>	<b>21.0</b>
White	5	33.3	54.5	1	16.7	50.1
Race Not Available	4	26.7	27.1	2	33.3	28.9
<b>Total</b>	<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	1	6.7	7.8	1	16.7	8.6
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.2	0	0.0	1.3
<b>Total Ethnic Minority</b>	<b>1</b>	<b>6.7</b>	<b>9.0</b>	<b>1</b>	<b>16.7</b>	<b>9.9</b>
Not Hispanic or Latino	11	73.3	63.9	3	50.0	62.4
Ethnicity Not Available	3	20.0	27.1	2	33.3	27.7
<b>Total</b>	<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>

*Source: ACS Census 2015, HMDA Aggregate Data 2020 and 2021, HMDA LAR Data 2020 and 2021*

In 2020, the bank received 15 HMDA reportable loan applications within its Suffolk AA. Of these applications, six or 40.0 percent were received from minority applicants, one or 16.7 percent of which resulted in originations. The aggregate received 18.4 percent of its applications from minority consumers, of which 56.3 percent of which were originated. For the same period, the bank received one or 6.7 percent of all applications from ethnic groups of Hispanic origin within its Suffolk AA, of which the bank did not originate any loans. This was compared to an aggregate ethnic minority application rate of 9.0 percent with a 52.9 percent origination rate.

In 2021, the bank received six HMDA reportable loan applications within its Suffolk AA. Of these applications, three or 50.0 percent were received from minority applicants, of which two or 66.7 percent resulted in originations. The aggregate received 21.0 percent of its applications from minority consumers, of which 57.8 percent of which were originated. For the same period, the bank received one or 16.7 percent of all applications from ethnic groups of Hispanic origin within its Suffolk AA, of which the bank did not originate any loans. This was compared to an aggregate ethnic minority application rate of 9.9 percent with a 56.9 percent origination rate.

The bank's lending in 2020 and 2021 reflect a reasonable racial minority application flow. The bank's lending performance in majority-minority CTs and affirmative advertising efforts support this performance. Considering the demographic composition of the AA and comparisons to aggregate data, the bank's minority application flow is adequate.

**SUMMARY OF RATINGS FOR RATED AREAS**

<b>Rated Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>	<b>Rating</b>
<b>California</b>			
FDIC	Satisfactory	Outstanding	Satisfactory
Division of Banks	High Satisfactory	Outstanding	High Satisfactory
<b>Massachusetts</b>			
FDIC	Satisfactory	Satisfactory	Satisfactory
Division of Banks	Satisfactory	Satisfactory	Satisfactory
<b>Florida</b>			
FDIC	Satisfactory	Satisfactory	Satisfactory
Division of Banks	Satisfactory	Satisfactory	Satisfactory

## 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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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.