



PUBLIC DISCLOSURE

May 2, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Homestead Savings Bank
Charter Number 718109

415 S Superior Street
Albion, MI 49224

Office of the Comptroller of the Currency

200 Public Square Suite 1610
Cleveland, OH 44114-2301

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	2
Discriminatory or Other Illegal Credit Practices Review.....	4
Lending Test	10
State Rating.....	5
State of Michigan.....	5
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The major factors that support the rating include:

- The bank’s loan-to-deposit (LTD) ratio is reasonable.
- During the evaluation period, the bank originated a majority of its home mortgage loans inside of its assessment areas (AAs).
- The distribution of the banks home mortgage loans reflects reasonable distribution among geographies of different income levels.
- The overall distribution of the banks home mortgage loans reflects reasonable distribution among borrowers of different income levels.

Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AAs, the bank’s loan-to-deposit ratio is reasonable.

We evaluated Homestead Savings Bank (Homestead or bank) quarterly loan-to-deposit (LTD) ratio for the periods between January 1, 2018, and December 31, 2021. The bank’s average LTD ratio during this period was 71.44 percent, with quarterly ratios ranging from 57.77 percent to 81.57 percent. In comparison, the average LTD for three peer banks during the same period was between 89.63 percent and 97.24 percent.

Lending in Assessment Area

A majority of the bank’s loans are inside its AAs. The bank originated and purchased 56.2 percent by number and 52.1 percent by dollar amount of its home mortgage loans within the bank’s AAs during the evaluation period.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	57	61.3	36	38.7	93	5,720	57.0	4,308	43.0	10,028
2020	105	57.1	79	42.9	184	13,716	52.3	12,503	47.7	26,219
2021	73	51.8	68	48.2	141	9,128	49.0	9,490	51.0	18,618
Subtotal	235	56.2	183	43.8	418	28,563	52.1	26,301	47.9	54,864

Source: Bank Data
Due to rounding, totals may not equal 100.0%

Description of Institution

Homestead is an intrastate federally chartered mutual institution headquartered in Albion, MI. The bank does not operate under a holding company and does not have any affiliates. As of December 31, 2021, the bank's assets totaled \$83.7 million and tier one capital totaled \$5.2 million or 6.4 percent of total assets. Homestead has three branch offices located in Albion (headquarters), Leslie, and Springport, Michigan. The branches serve portions of Calhoun, Jackson, and Ingham counties.

Homestead's primary loan product is residential real estate loans. From December 31, 2018, to December 31, 2021, the bank's loan portfolio increased by less than one percent to \$48.8 million. As of December 31, 2021, the loan portfolio was comprised of real estate loans (\$29.7 million or 60.1 percent), nonfarm nonresidential properties (\$14.8 million or 30.3 percent), commercial and industrial (\$2.4 million or 4.9 percent), consumer loans (\$985 thousand or 2.0 percent), construction (\$433 thousand or 0.8 percent) and farm (\$375 thousand or 0.8 percent).

The bank offers traditional home loan products, including home mortgage loans, home construction loans, consumer loans, home equity loans, home equity lines of credit (HELOC), and offers commercial loans. Homestead's consumer deposit-related products and services include checking, savings, money market, certificate of deposit, online bill payment, mobile banking, overdraft protection, safe deposit boxes, and ATM services. Business-related deposit products and services include checking and savings accounts and online banking.

There are no legal, financial, or other factors impeding Homestead's ability to help meet the credit needs of the AAs. The bank received a "Satisfactory" rating on their previous CRA performance evaluation dated February 12, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We performed a full-scope CRA review using small bank procedures to determine if the bank is meeting the credit needs of the communities in which it operates. We assessed the bank's lending activities during the evaluation period from January 1, 2019, to December 31, 2021. Based on the bank's internal reports and discussions with senior management, we determined the bank's primary lending focus during the evaluation period was home mortgages. While the bank also offers home improvement, business, farm, and consumer loans, these products are not a primary lending focus of the bank. Therefore, we did not evaluate the bank based on these loan products, as an analysis of this data would not be meaningful.

In addition to HMDA data, we utilized other supporting information while evaluating the bank's CRA performance. Additional supporting information includes 2015 ACS census data, internal bank records, deposit market share data, and information from governmental websites regarding the characteristics and economy of the bank's AAs. We also considered information from community contacts to help assess the needs of the bank's AAs.

Selection of Areas for Full-Scope Review

We performed a full scope review the bank's three AAs, which include portions of Calhoun, Jackson, and Ingham Counties. Refer to *Appendix A, Scope of Examination* for more information.

Ratings

Homestead's overall rating is based on performance within the bank's AAs. We weighed information from the following performance criteria when analyzing the bank's primary lending product: loan-to-deposit ratio, lending within the AA, lending to borrowers of different incomes and the geographic distribution of loans. The most weight was given to the Calhoun AA because this is the bank's primary market base in deposit and lending. Additionally, we gave more weight on lending to borrowers of different incomes due to the lack of low- and moderate-income census tracts (CTs) in two of the AAs.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Michigan

CRA rating for the State of Michigan¹: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank's distribution of home mortgage loans is reasonable among geographies of different income levels.
- The bank's distribution of home mortgage loans reflects a reasonable distribution to borrowers of different income levels.
- The bank did not receive any complaints regarding its performance in helping meet the credit needs within its AAs during the evaluation period.

Description of Institution's Operations in Michigan

Homestead's operations in Michigan consist of three AAs, Calhoun, Jackson, and Ingham. The bank has a total of three branches, one in each AA. The bank did not open or close any branch offices during the evaluation period or engage in acquisition or merger activity. Below is further information on the AAs.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Calhoun AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Homestead Savings Bank Calhoun AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	11.1	22.2	55.6	11.1	0.0
Population by Geography	25,461	8.8	16.6	57.8	16.9	0.0
Housing Units by Geography	10,888	10.6	16.0	57.5	16.0	0.0
Owner-Occupied Units by Geography	7,106	7.5	11.6	60.6	20.4	0.0
Occupied Rental Units by Geography	2,168	20.1	24.1	47.4	8.4	0.0
Vacant Units by Geography	1,614	11.4	24.8	57.2	6.6	0.0
Businesses by Geography	1,132	11.4	15.1	51.7	21.8	0.0
Farms by Geography	146	2.7	2.1	78.8	16.4	0.0
Family Distribution by Income Level	6,456	23.1	17.0	18.7	41.2	0.0
Household Distribution by Income Level	9,274	22.6	17.4	17.1	42.9	0.0
Median Family Income MSA - 12980 Calhoun, MI MSA		\$53,315	Median Housing Value			\$100,395
			Median Gross Rent			\$636
			Families Below Poverty Level			14.0%

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.

The Calhoun County AA is comprised of nine (9) of the 39 CTs located within Calhoun County. The AA is comprised of contiguous geographies and does not arbitrarily exclude any low- or moderate-income areas. Based on 2015 U.S. Census Data, the nine CTs include one low-income CT, two moderate-income CTs, five middle-income CTs and one upper-income CT. The AA does not contain any distressed or underserved CTs.

Homestead's headquarters is located in Calhoun County, which is the bank's primary AA. Based on the June 30, 2020, FDIC Deposit Market Share Report, 74.34 percent of the bank's total deposits are from this AA. Additionally, out of the bank's 235 loans originated during the evaluation period, 156 (66.38 percent) were originated in the Calhoun County AA.

According to the 2015 U.S. Census Data, the population of the AA is 25,461 people, including 6,456 families and 9,274 households. The AA is comprised of 23.1 percent low-income, 17.0 percent moderate-income, 18.7 percent middle-income, and 41.2 percent upper-income families. The majority of owner-occupied housing as well as population is located in middle-income CTs in the AA.

Banking competition within the AA is high. According to the June 30, 2021, Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, there are 10 financial institutions with 24 offices serving Calhoun County. Homestead is ranked 7th in terms of deposit market share in the AA, with 4.05 percent of total deposits. The top five institutions have a market share of 83.6 percent. The largest institutions include The Huntington National Bank, Fifth Third Bank, Comerica Bank, Southern Michigan Bank and Trust and PNC Bank.

Based on 2020 peer aggregate mortgage lending data, Homestead was ranked 2nd with an 8.21 percent market share. Marshall Community Credit Union was ranked first with 20.96 percent market share. There were 118 lenders that originated or purchased home mortgage loans within the AA.

Economic conditions in the AA are generally consistent with the state of Michigan. The unemployment rate in the AA spiked in April 2020 to 23.4 percent and then continued to decline over the rest of the evaluation period. According to the Bureau of Labor Statistics, the unemployment rate in Calhoun County during the evaluation period rose slightly from 4.6 percent in January 2019 to 4.8 percent in December 2021. This is consistent with economic conditions in Michigan, which also saw a spike in unemployment due to the COVID-19 pandemic in 2020 and an improvement since. The unemployment rate in Michigan declined from 4.9 percent to 4.2 percent during the evaluation period. Calhoun County major employers within the AA include Denso Manufacturing, Kellogg Company, Firekeepers Casino, VA Medical Center, Hart, dole, Inouye Federal Center, and Bronson Battle Creek.

As part of the evaluation process, we conducted one community contact within the Calhoun County AA. The community organization focuses on providing affordable housing and social services to low- and moderate-income individuals and families. The organization noted quality, affordable-housing as one of the greatest needs in the AA. The organization needs include general operating support, funds for Financial Empowerment Program staff and resource materials, custodial savings accounts for Head Start children, and volunteers to mentor or tutor GED participants.

Jackson AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Homestead Savings Bank Jackson AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	26,026	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	10,131	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	7,916	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,340	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	875	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,205	0.0	0.0	100.0	0.0	0.0
Farms by Geography	122	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	6,766	16.8	16.0	22.4	44.8	0.0
Household Distribution by Income Level	9,256	17.0	16.3	17.4	49.3	0.0
Median Family Income MSA - 27100 Jackson, MI MSA		\$58,432	Median Housing Value			\$120,367
			Median Gross Rent			\$762
			Families Below Poverty Level			8.4%
<i>Source: 2015 ACS and 2021 D&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>						

The Jackson County AA is comprised of five (5) of the 46 CTs located within Jackson County. The AA is comprised of contiguous geographies and does not arbitrarily exclude any low- or moderate-income areas. Based on 2015 U.S. Census Data, the AA includes no low- or moderate-income CTs, five middle-income CTs, and no upper-income CTs. The AA does not contain any distressed or underserved CTs. The bank has one branch within the AA, located in Springport, MI. Based on the June 30, 2021, FDIC Deposit Market Share Report, 15.62 percent of the bank's total deposits are from this AA.

According to the 2015 U.S. Census Data, the population of the AA is 26,026 people, including 6,766 families and 9,256 households. The AA is comprised of 16.8 percent low-income, 16.0 percent moderate-income, 22.4 percent middle-income, and 44.8 percent upper-income families.

Banking competition within the AA is high. According to the June 30, 2021, FDIC Deposit Market Share Report, there are 12 financial institutions with 33 offices serving Jackson County. Homestead is ranked 12th in terms of deposit market share in the AA, with 0.41 percent of total deposits. Based on 2020 peer aggregate mortgage lending data, there were 150 lenders that originated or purchased home mortgage loans within the AA. Homestead ranked 10th, with a 2.09 percent share of the market. The top five lenders have a market share of 35.36 percent. The top five include Quicken Loans, LLC, County National Bank, Mortgage Incorporated, CP Financial Credit Union, and The Huntington National Bank.

The AA has been experiencing improving economic conditions. The unemployment rate spiked in April 2020 to 22.8 percent and then continued to decline over the rest of the evaluation period. During the evaluation period, the unemployment rate in Jackson County decreased slightly from 4.4 percent in January 2019 to 4.2 percent in December 2021. This is consistent with economic conditions in Michigan, which have been largely impacted by the COVID-19 pandemic in 2020 but continue to improve. Major employers in Jackson County include Allegiance Health, Consumers Energy, Michigan Department of Corrections, Great Lakes Home Health, and local county and city government.

We conducted one community contact that serves the Jackson County AA. The organization's primary focus is providing services and affordable housing to low- and moderate-income individuals and families. Programs include home weatherization, community development, income tax assistance, emergency aid, parent education, elementary success, in addition to other outreach programs. Opportunities for banks are general operating support, housing counseling, utility assistance and emergency services, weatherization, pre-construction, construction lines of credit, Volunteer Income Tax Assistance (VITA), and grants for accessibility modifications for seniors.

Ingham AA

Assessment Area: Homestead Savings Bank Ingham AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	0.0	66.7	33.3	0.0
Population by Geography	11,440	0.0	0.0	64.3	35.7	0.0
Housing Units by Geography	4,426	0.0	0.0	67.2	32.8	0.0
Owner-Occupied Units by Geography	3,552	0.0	0.0	64.2	35.8	0.0
Occupied Rental Units by Geography	477	0.0	0.0	77.4	22.6	0.0

Vacant Units by Geography	397	0.0	0.0	81.9	18.1	0.0
Businesses by Geography	532	0.0	0.0	61.7	38.3	0.0
Farms by Geography	58	0.0	0.0	74.1	25.9	0.0
Family Distribution by Income Level	3,220	15.2	21.6	20.4	42.8	0.0
Household Distribution by Income Level	4,029	12.0	15.9	18.8	53.3	0.0
Median Family Income MSA - 29620 Lansing-East Lansing, MI MSA		\$63,978	Median Housing Value			\$139,235
			Median Gross Rent			\$905
			Families Below Poverty Level			7.1%
<i>Source: 2015 ACS and 2021 D&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>						

The Ingham County AA is comprised of three (3) of the 84 CTs located within Ingham County. The AA is comprised of contiguous geographies and does not arbitrarily exclude any low- or moderate-income CTs. Based on 2015 U.S. Census Data, the AA includes no low-income CTs or moderate-income CTs, two middle-income CTs, and one upper-income CTs. The AA does not contain any distressed or underserved CTs.

During our evaluation period, the bank operated one branch with deposit-taking ATMs within the AA, located in Leslie. Based on the June 30, 2021, FDIC Deposit Market Share Report, 10.03 percent of the bank's total deposits are from this AA.

According to the 2015 U.S. Census Data, the population of the AA is 11,440 people, including 3,220 families and 4,029 households. The AA is comprised of 15.2 percent low-income, 21.6 percent moderate-income, 20.4 percent middle-income, and 42.8 percent upper-income families. The majority of owner-occupied housing as well as population are located in middle-income CTs within the AA.

Banking competition within the AA is high. According to the June 30, 2021, FDIC Deposit Market Share Report, there are 19 financial institutions with 58 offices serving Ingham County. Homestead is ranked 19th in terms of deposit market share in the AA, with 0.10 percent of total deposits. Based on 2020 peer aggregate mortgage lending data, there were 112 lenders that originated or purchased home mortgage loans within the AA. Homestead ranked 11th, with a 2.04 percent share of the market. The top five lenders have a market share of 40.88 percent. The top five include Quicken Loans, LLC, The Dart Bank, Michigan State University Federal Credit Union, Independent Bank, and Union Home Mortgage Corp. Bank.

The AA has been experiencing improving economic conditions. The unemployment rate spiked in April 2020 to 17.5 percent and then continued to decline over the rest of the evaluation period. During the evaluation period, the unemployment rate in Ingham County decreased from 4.2 percent in January 2019 to 3.7 in December 2021. This is consistent with economic conditions in Michigan, which were largely impacted by the COVID-19 pandemic in 2020 but continue to improve. Major employers in the regional area include the state of Michigan, Michigan State University, Sparrow Health System, General Motors, and McLaren Health.

We conducted one community contact that serves Ingham County. The organization's primary focus is providing affordable housing to low-to-moderate income families. The organization's representative

stated that there is an opportunity for banks to provide mortgages and small loans to individuals for home repairs, grants, and volunteer time for construction labor.

Scope of Evaluation in Michigan

This analysis reflects a full-scope review of the bank's three AAs in Michigan. We completed our analysis of Calhoun, Jackson, and Ingham County AAs. To develop our conclusions, we considered the number of home mortgage loans originated and purchased by Homestead during the evaluation period. We also considered any factors affecting the bank's ability to lend in each AA during the evaluation period.

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Calhoun, Ingham, and Jackson AAs is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in geographies of different income levels.

Home Mortgage Loans

Refer to Table O in the state of Michigan section of Appendix D for the facts and data used to evaluate the bank's geographic distribution of home mortgage loans.

Calhoun AA

The bank's distribution of home mortgage loans among geographies of different income levels in the Calhoun AA during the evaluation period is reasonable. The bank's percentage of home mortgage loans in geographies of low-income CTs in the AA was 3.8 percent. This is near the 7.5 percent of owner-occupied housing units in the low-income CTs and above the 2.6 percent aggregate bank lending to low-income CTs. The bank's percentage of home mortgage loans in geographies of moderate-income CTs in the AA was 36.5 percent. This is significantly above the 11.6 percent of owner-occupied housing units in moderate-income CTs and the 11.5 percent aggregate bank lending to low-income CTs.

Jackson AA

A meaningful analysis of the bank's distribution of home mortgage loans among geographies of different income levels in the Jackson AA during the evaluation period was not performed since there were no low- or moderate-income CTs within the AA.

Ingham AA

A meaningful analysis of the bank's distribution of home mortgage loans among geographies of different income levels in the Ingham AA during the evaluation period was not performed since there were no low- or moderate-income CTs within the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels.

Home Mortgage Loans

Refer to Table P in the state of Michigan section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Calhoun AA

The bank's geographic distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Calhoun AA is reasonable. The bank's percentage of home mortgage loans to low-income borrowers was 5.8 percent. This is significantly below the 23.1 percent of low-income families living in the AA, but near the 6.9 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers is 12.2 percent. This is near the 17.0 percent of moderate-income families living in the AA and 13.7 aggregate bank lending.

Jackson AA

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Jackson AA is reasonable. The bank's percentage of home mortgage loans to low-income borrowers was 11.3 percent. This is near the 16.8 percent of low-income families living in the AA and above the 4.6 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers is 7.5 percent. This is below the 16.0 percent of moderate-income families living in the AA and 16.4 aggregate bank lending.

Ingham AA

The bank's distribution of home mortgage loans to borrowers of different income levels during the evaluation period in the Ingham AA is reasonable. The bank's percentage of home mortgage loans to low-income borrowers was 7.7 percent. This is below the 15.2 percent of low-income families living in the AA, but above the 7.2 percent aggregate bank lending. The bank's percentage of home mortgage loans to moderate-income borrowers is excellent with 46.2 percent. This is significantly above the 21.6 percent of moderate-income families living in the AA and 22.3 aggregate bank lending.

Responses to Complaints

The bank has not received any complaints pertaining to the CRA during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Calhoun County	Full-Scope	
Jackson County	Full-Scope	
Ingham County	Full-Scope	
States		
Michigan	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS Homestead Savings Bank	
Overall Bank:	Lending Test Rating
Homestead Savings Bank	Satisfactory
State: Michigan	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Homestead Savings Bank Calhoun AA	156	18,484	66.4	816	7.5	3.8	2.6	11.6	36.5	11.5	60.6	56.4	55.6	20.4	3.2	30.3	0.0	0.0	0.0
Homestead Savings Bank Ingham AA	26	3,029	11.1	636	0.0	0.0	0.0	0.0	0.0	0.0	64.2	92.3	50.8	35.8	7.7	49.2	0.0	0.0	0.0
Homestead Savings Bank Jackson AA	53	7,050	22.6	1,199	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	235	28,563	100.0	2,651	2.9	2.6	0.8	4.4	24.3	3.5	78.1	70.2	74.5	14.7	3.0	21.1	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-21	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Homestead Savings Bank Calhoun AA	156	18,484	66.4	816	23.1	5.8	6.9	17.0	12.2	13.7	18.7	21.2	20.5	41.2	48.1	45.8	0.0	12.8	13.1		
Homestead Savings Bank Ingham AA	26	3,029	12.4	636	15.2	7.7	7.2	21.6	46.2	22.3	20.4	19.2	25.9	42.8	30.8	31.1	0.0	--	13.4		
Homestead Savings Bank Jackson AA	53	7,050	23.8	1,199	16.8	11.3	4.6	16.0	7.5	16.4	22.4	37.7	25.8	44.8	37.7	37.9	0.0	12.0	15.3		
Total	235	28,563	100.0	2,651	19.0	6.8	5.9	17.5	14.9	17.0	20.6	24.7	24.2	43.0	43.8	38.7	0.0	9.8	14.2		

*Source: 2015 ACS Census ; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*