



PUBLIC DISCLOSURE

August 30, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Community Bank of Bucyrus
Charter Number 703920
119 S. Sandusky Ave.
Bucyrus, OH 44820-2220

Office of the Comptroller of the Currency

Northern Ohio Field Office
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..... 3
Discriminatory or Other Illegal Credit Practices Review..... 5
State Rating..... 6
 State of Ohio..... 6
Lending Test..... 10
Appendix A: Scope of Examination..... A-1
Appendix B: Summary of 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 this rating include:

- The Lending Test rating is based on the state rating and the following overall conclusions.
 - The loan-to-deposit (LTD) ratio is more than reasonable.
 - A majority of the bank’s loans are inside the assessment areas (AAs).
 - The bank exhibits a reasonable geographic distribution of loans in its AAs.
 - The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels.

Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AAs, the bank’s LTD ratio is more than reasonable.

First Federal Community Bank of Bucyrus’ (First Federal or bank) quarterly average LTD ratio over the 16 quarters since the previous CRA evaluation (March 31, 2017 to December 31, 2020) is 108 percent. The ratio ranged from a low of 97.2 percent at December 31, 2020, to a high of 118.6 percent at December 31, 2018. The bank’s quarterly average LTD ratio of 108 percent is more than reasonable when compared to financial institutions of similar size in the bank’s AAs, which includes four financial institutions with total assets less than \$1 billion and bank offices in the AAs. The other four financial institutions have an average LTD ratio of 62.9 percent, with First Federal having the highest quarterly average LTD ratio during the evaluation period. Additionally, there was strong competition from other financial institutions during the evaluation period.

Lending in Assessment Area

A majority of the bank’s loans are inside its AAs.

First Federal originated and purchased 53.4 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

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										
2018	112	55.4	90	44.6	202	13,079	50.1	13,031	49.9	26,110
2019	150	56.6	115	43.4	265	19,002	50.8	18,440	49.2	37,442
2020	205	50.2	203	49.8	408	32,799	47.9	35,657	52.1	68,456
Total	467	53.4	408	46.6	875	64,880	49.1	67,129	50.9	132,009

Source: 01/01/18 – 12/31/20 bank data.

Due to rounding, totals may not equal 100.0%.

Description of Institution

First Federal is a wholly owned subsidiary of Community Investors Bancorp, Inc., a one-bank savings and loan holding company. Both the main office and the holding company are headquartered in Bucyrus, Ohio. As of December 31, 2020, total assets were \$214 million with \$155.5 million in net loans and leases, \$160 million in total deposits, and \$17.5 million in tier 1 capital. There is no merger or acquisition activity that affects the scope of the bank's operations during the evaluation period.

First Federal has six full-service offices in Ohio. Three of the offices, including the main office, are in Bucyrus, Ohio, in Crawford County. The other three branches are in New Washington (Crawford County), Marysville (Union County), and Crestline, Ohio (Crawford County). The Crestline Branch was opened in July 2019. No other branches have been opened or closed since the previous Community Reinvestment Act (CRA) evaluation in 2017. All offices are in middle-income census tracts (CTs), except for the Bucyrus East Branch located at 2020 East Mansfield Street in Bucyrus which is in a moderate-income CT. The bank's branch locations are accessible to the entire community. All branches have an automated teller machine (ATM) to provide 24-hour banking, in addition to one offsite ATM located in Bucyrus. All offices offer drive-up facilities, except for the main office in Bucyrus.

As of the date of this performance evaluation, the First Federal has eight lending centers or loan production offices (LPOs) in Ohio. The bank has LPOs in Grandview, Findlay, Delaware, Bellefontaine, Westerville, Urbana, Sidney, and Mansfield, Ohio. The LPOs are in middle- and upper-income CTs, except for four in moderate-income CTs (Bellefontaine, Findlay, Mansfield, and Sidney). The bank closed the Upper Arlington/Grove City LPO in 2018 (and relocated to Grandview, Ohio), the LPO in Florida in January 2019, and the Plain City, Ohio LPO in March 2021. The Powell, Ohio LPO was relocated to Delaware, Ohio in June 2019. The bank opened the Findlay (relocated to a new building in 2020), Delaware (relocated from Powell), and Westerville LPOs in 2019. Additionally, the bank opened the Mansfield LPO in 2020 and the Urbana and Sidney LPOs in 2021. The Bellefontaine LPO was relocated to its present address in 2021.

First Federal is a single state financial institution with two AAs in the State of Ohio, which is the bank's only rating area. The bank's two AAs include Crawford County and Union County in Ohio. Crawford County is not part of a Metropolitan Statistical Area (MSA). Union County is in the Columbus, OH MSA 18140. The bank's AAs meet the requirements of the CRA regulation and do not arbitrarily exclude any low- and moderate-income (LMI) areas. The AA is described in the "Scope of the Evaluation" and "Description of Institution's Operations in Ohio" sections in this performance evaluation.

As of the December 31, 2020, Consolidated Reports of Condition and Income (Call Report) and Uniform Bank Performance Reports (UBPR), First Federal's total loans equaled \$157.4 million representing 73.6 percent of total assets. The bank offers a variety of traditional products and services through their full-service banking offices to accommodate their customers, including online and mobile banking. There are no substantial differences in the business focus or services offered between the bank's branches.

First Federal's primary business focus is residential real estate lending. The bank's loan portfolio, as of the December 31, 2020, Call Report, is comprised of residential real estate loans (home mortgage loans) of 61.9 percent, commercial/industrial and commercial real estate loans (business loans) of 28.4 percent, consumer loans of 5.5 percent, and farm loans of 4.2 percent. During the evaluation period, the bank sold

approximately \$433.7 million in home mortgage loans to the secondary market. The COVID-19 pandemic in 2020 impacted the national and local economy. As a result, the Small Business Administration's (SBA) Paycheck Protection Program (PPP) provided loans to help businesses keep their workforces employed during the pandemic. The bank was responsive to the SBA's PPP and originated 180 loans totaling \$8.3 million in 2020.

Presently, no legal or financial impediments exist that could restrict or affect First Federal's ability to meet the credit needs of its AAs. The bank's previous CRA evaluation was as of April 10, 2017, and resulted in a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We conducted a CRA performance evaluation to assess the bank's record of meeting the credit needs of its entire community, including LMI areas. We used small bank CRA evaluation procedures to assess the bank's performance under the Lending Test. We analyzed lending activity in full-year increments during the evaluation period, January 1, 2018, to December 31, 2020.

Based on discussions with management and the number and dollar volume of loan origination data supplied by the bank, First Federal's primary lending focus is home mortgage lending. Based on the number of originated and purchased loans during the evaluation period (2018 – 2020), home mortgage loans accounted for 61 percent, business loans accounted for 15 percent, and consumer loans accounted for 24 percent of total loan originations and purchases. Based on the dollar volume of originated and purchased loans during the evaluation period, home mortgage loans accounted for 80 percent, business loans accounted for 10 percent, and consumer loans accounted for 10 percent of total loan originations and purchases. Farm loans represented less than one percent of total loan originations and purchases during the evaluation period.

We evaluated the bank's lending performance based on the primary product, home mortgage lending. While the bank offers other products, such as business, consumer, and farm loans, these products were not a primary lending focus during the evaluation period. As a result, we did not consider these as part of the performance evaluation, as an analysis of this data would not be meaningful.

To evaluate the bank's performance, we used all Home Mortgage Disclosure Act (HMDA) data for years 2018, 2019, and 2020 to analyze the bank's home mortgage loan performance. For each AA, we conducted separate analyses. For analysis purpose, we compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census Data. No affiliate activity was included in this analysis. Refer to the table in appendix A, Scope of the Examination, for more information on the scope of the review.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this performance evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-

scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

First Federal has two AAs in the State of Ohio. The AAs are as follows:

- Crawford County, in its entirety, in a non-MSA (Non-MSA AA); and
- Union County, in its entirety, in the Columbus, OH MSA 18140 (MSA AA).

We completed a full-scope review for each AA. The bank’s AAs remained the same throughout the evaluation period. A community profile for each AA is provided in the “Description of Institution’s Operations in Ohio” in the State of Ohio section of this performance evaluation.

Ratings

The bank’s overall rating is based on the State of Ohio rating.

First Federal operates in the State of Ohio, with all branches in Ohio. The State of Ohio rating is based on performance in both AAs, the Non-MSA AA and the MSA AA. We placed more weight on the Non-MSA AA, as 65.7 percent of the home mortgage loan originations and purchases inside the AA during the evaluation period were in this AA. Additionally, approximately 90.1 percent of the bank’s total deposits were in the Non-MSA AA as of the June 30, 2020, Federal Deposit Insurance Corporation’s (FDIC’s) Deposit Market Share Report. A majority of the bank’s total deposits and lending occurs in the Non-MSA AA. Refer to the “Scope” section under the state section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's 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 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 Ohio

CRA rating for the State of Ohio¹: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans in the state.
- The bank’s distribution of home mortgage loans reflects a reasonable distribution of loans to individuals of different income levels.

Description of Institution’s Operations in Ohio

First Federal has two AAs located in central Ohio that consist of Crawford and Union Counties. Union County is part of the Columbus, OH MSA 18140 and Crawford County is not in an MSA. The CTs within each AA are contiguous, meet the requirements of the CRA, and do not arbitrarily exclude any LMI areas. The AAs have no designated distressed or underserved CTs. Bank management selected the AAs based on its targeted lending territory, the area with the most deposit and lending activity, and office locations.

Non-MSA AA

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	30.8	69.2	0.0	0.0
Population by Geography	42,725	0.0	28.1	71.9	0.0	0.0
Housing Units by Geography	20,052	0.0	28.8	71.2	0.0	0.0
Owner-Occupied Units by Geography	12,208	0.0	23.3	76.7	0.0	0.0
Occupied Rental Units by Geography	5,590	0.0	38.3	61.7	0.0	0.0
Vacant Units by Geography	2,254	0.0	35.4	64.6	0.0	0.0
Businesses by Geography	2,179	0.0	27.0	73.0	0.0	0.0
Farms by Geography	238	0.0	8.0	92.0	0.0	0.0
Family Distribution by Income Level	11,722	23.2	20.0	23.4	33.3	0.0
Household Distribution by Income Level	17,798	25.2	18.9	19.4	36.5	0.0
Median Family Income Non-MSAs - OH		\$55,785	Median Housing Value			\$87,319
			Median Gross Rent			\$625

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.

	Families Below Poverty Level	12.2%
<i>Source: 2015 ACS and 2020 Dun & Bradstreet (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.</i>		

The Non-MSA AA includes Crawford County, Ohio. The bank has five banking offices throughout this AA, including the main office. There are three offices in Bucyrus, one in New Washington, and one in Crestline, Ohio. Additionally, the bank has an ATM at each office and one offsite ATM in Bucyrus. Bucyrus is the county seat and the largest city in Crawford County. According to the 2015 ACS U.S. Census Data, the Non-MSA AA consists of 13 CTs, with four moderate-income and nine middle-income CTs. There were no MSA delineation changes or CT classification changes since the previous CRA evaluation in 2017.

According to the 2015 ACS U.S. Census data, the population of the AA is 42,725, with 28.1 percent of the population living in moderate-income CTs and 71.9 percent living in middle-income CTs. The AA continues to experience a small decline in population, with a 2.4 percent decline from the 2010 U.S. Census (43,784 persons) to the 2015 ACS U.S. Census. The AA includes 11,722 families and 17,798 households. Low-income families represent 23.2 percent and moderate-income families represent 20 percent of total families in the AA. The median housing value in the Non-MSA AA was \$87,319. Based on the weighted average of Census MSA Median Family Income in the Non-MSA of \$55,785 in the table above, low-income families make less than \$27,893 (individual income that is less than 50 percent of the area median family income) and moderate-income families make at least \$27,893 but less than \$44,628 (individual income that is at least 50 percent and less than 80 percent of the area median family income). Overall median housing values are approximately 2.0 to 3.1 times the weighted average of Census MSA median family income of the LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. As of the 2015 ACS U.S. Census, there are 20,052 total housing units in the Non-MSA AA, of which 60.9 percent are owner-occupied, 27.9 percent are rental occupied units, and 11.2 percent are vacant housing units. Approximately 12.2 percent of the families live below the poverty level.

Competition in the AA is strong due to the presence of many regional and community banks. Competitors with significant deposit market share include Park National Bank, CNB Bank, and Peoples Savings and Loan Company. As of the June 30, 2020, FDIC's Deposit Market Share Report, there were eight financial institutions operating 17 banking offices in Crawford County, including First Federal. The June 30, 2020, FDIC deposit market share data shows First Federal's \$135.7 million in total deposits in the AA ranks second in overall deposit market share at 16.3 percent. Approximately 90.1 percent of the bank's total deposits are in the Non-MSA AA.

As stated above, First Federal's primary business focus is home mortgage lending. The bank ranks first out of 115 lenders in the Non-MSA AA in residential home mortgage volume based on the 2020 Peer Mortgage Data and 2015 ACS U.S. Census Data. The bank had a 13.4 percent lending market share as of the 2020 Peer Mortgage Data Report. Top mortgage lenders in the AA include Park National Bank, Huntington National Bank, and Quicken Loans, LLC. During the evaluation period, 65.7 percent of the bank's home mortgage loan originations and purchases inside the AA were in the Non-MSA AA.

The economic conditions in the AA were overall stable during most of the evaluation period. The country's economy suffered from the COVID-19 pandemic in 2020 and many people temporarily lost their jobs as a result. Therefore, unemployment rates were higher in 2020 and 2021. The unemployment

rate for Crawford County was 7.0 percent as of June 2021, which is higher than the state and national rates.

Average Annual Unemployment Rates (not seasonally adjusted)			
	2018	2019	2020
Crawford County	5.2	4.7	9.3
State of Ohio	4.5	4.2	8.2

Source: U.S. Bureau of Labor Statistics.

Unemployment Rates as of June 2021 (not seasonally adjusted)	
Crawford County	7.0
State of Ohio	6.3
United States	6.1

Source: Ohio Department of Job and Family Services/Office of Workforce Development – Bureau of Labor Market Information.

Crawford County is more rural than Union County and does not have the wide array of factories and technology companies as Union County. Major industries in the AA include manufacturing, health services, agriculture, and government. Primary employers in Crawford County include Avita Health System, Imasen Bucyrus Technology, Inc., Timken Co., and Ohio Mutual Insurance Company. The county government and local school systems are also primary employers in the county.

As part of this CRA performance evaluation, we reviewed information provided from an interview with a representative from an affordable housing organization. The contact identified affordable housing as a need in the community, including affordable rental units. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

MSA AA

Demographic Information of the Assessment Area						
Assessment Area: MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	20.0	50.0	30.0	0.0
Population by Geography	53,470	0.0	19.3	52.2	28.5	0.0
Housing Units by Geography	19,815	0.0	22.6	50.1	27.3	0.0
Owner-Occupied Units by Geography	14,277	0.0	18.4	49.7	32.0	0.0
Occupied Rental Units by Geography	4,154	0.0	36.5	50.6	12.9	0.0
Vacant Units by Geography	1,384	0.0	24.7	52.4	22.9	0.0
Businesses by Geography	3,300	0.0	18.1	41.0	40.9	0.0
Farms by Geography	284	0.0	15.8	54.6	29.6	0.0
Family Distribution by Income Level	13,816	16.4	16.5	20.3	46.8	0.0
Household Distribution by Income Level	18,431	18.5	15.9	15.3	50.4	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$70,454	Median Housing Value			\$186,835
			Median Gross Rent			\$749

	Families Below Poverty Level	6.4%
<i>Source: 2015 ACS and 2020 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.</i>		

The MSA AA includes Union County, Ohio, in the Columbus, OH MSA 18140. Union County is one of ten counties in the Columbus MSA. The other nine counties in the Columbus MSA include Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, and Pickaway; these counties are not in the bank's AA. The bank has one branch in Marysville, Ohio in this AA, with onsite ATM access. Marysville is the county seat and the largest city in Union County. According to the 2015 ACS U.S. Census Data, the MSA AA consists of ten CTs, with two moderate-income, five middle-income, and three upper-income CTs. There were no MSA delineation changes or CT classification changes since the previous CRA performance evaluation in 2017.

According to the 2015 ACS U.S. Census data, the population of the AA is 53,470 with 19.3 percent of the population living in moderate-income CTs, 52.2 percent in middle-income CTs, and 28.5 percent in upper-income CTs. The AA includes 13,816 families and 18,431 households. Low-income families represent 16.4 percent and moderate-income families represent 16.5 percent of total families in the AA. The median housing value in the MSA AA was \$186,835. Based on the weighted average of Census MSA Median Family Income in the MSA AA of \$70,454 in the table above, low-income families make less than \$35,227 (individual income that is less than 50 percent of the area median family income) and moderate-income families make at least \$35,227 but less than \$56,363 (individual income that is at least 50 percent and less than 80 percent of the area median family income). Overall median housing values are approximately 3.3 to 5.3 times the weighted average of the 2015 ACS U.S. Census data MSA median family income of the LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. As of the 2015 ACS U.S. Census, there are 19,815 total housing units in the MSA AA, of which 72 percent are owner-occupied, 21.0 percent are rental occupied units, and 7.0 percent are vacant housing units. Approximately 6.4 percent of the families live below the poverty level.

Competition in the AA is strong due to the presence of many regional and community banks. Competitors with significant deposit market share include Richwood Banking Company, Huntington National Bank, and JPMorgan Chase Bank, National Association. These three financial institutions account for approximately 76.2 percent of the total deposits in Union County. As of the June 30, 2020, FDIC's Deposit Market Share Report, there were nine financial institutions operating 12 banking offices in Union County, including First Federal. The June 30, 2020, FDIC deposit market share data shows First Federal's \$14.8 million in total deposits in the AA ranks eighth in overall deposit market share at 1.7 percent. Approximately 9.9 percent of the bank's total deposits are in the MSA AA.

As stated above, the bank's primary business focus is home mortgage lending. First Federal ranks 19th out of 265 lenders in the MSA AA in residential home mortgage volume based on the 2020 Peer Mortgage Data and 2015 ACS U.S. Census Data. First Federal had a 1.3 percent lending market share as of the 2020 Peer Mortgage Data Report. Top mortgage lenders in the AA include Huntington National Bank, Union Savings Bank, and Quicken Loans, LLC. During the evaluation period, 34.3 percent of the bank's home mortgage loan originations and purchases inside the AA were in the MSA AA.

The economic conditions in the AA were overall stable during most of the evaluation period and are stronger than Crawford County. As stated above, the country's economy suffered from the COVID-19 pandemic in 2020 and many people temporarily lost their jobs as a result. Therefore, unemployment rates

were higher in 2020 and 2021. The average annual unemployment rates and the unemployment rate for June 2021 for Union County compare favorably with the state and national rates.

Average Annual Unemployment Rates (not seasonally adjusted)			
	2018	2019	2020
Union County	3.5	3.3	5.8
State of Ohio	4.5	4.2	8.2

Source: U.S. Bureau of Labor Statistics.

Unemployment Rates as of June 2021 (not seasonally adjusted)	
Union County	4.6
State of Ohio	6.3
United States	6.1

Source: Ohio Department of Job and Family Services/Office of Workforce Development – Bureau of Labor Market Information.

Union County has a diversified economic base, including manufacturing, health services, trade, and government. Primary employers in Union County include Honda of America Manufacturing Inc., Scotts Miracle-Gro Co., Nestle, and Parker Hannifin Corporation. The state and county governments and local school systems are also primary employers in the county.

As part of this CRA performance evaluation, we reviewed information provided from an interview with a representative from an affordable housing organization. The contact identified affordable housing and homeownership counseling as needs in the community. In general, local financial institutions are adequately meeting the credit and community development needs of the community.

Scope of Evaluation in Ohio

We performed a full-scope review for each AA. The data in the AAs was analyzed and presented as two AAs for purposes of this performance evaluation. Home mortgage lending is the bank's primary lending product and was evaluated under the Lending Test. We used all HMDA data for 2018, 2019, and 2020 for the home mortgage lending analysis. Refer to the "Scope of the Evaluation" section for more details.

As discussed above, the OCC placed more weight on the Non-MSA AA, as 65.7 percent of the home mortgage loan originations during the evaluation period were in this AA. Additionally, approximately 90.1 percent of First Federal's total deposits were in the Non-MSA AA as of the June 30, 2020, FDIC's Deposit Market Share Report.

LENDING TEST

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

Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Non-MSA AA and MSA AA is good.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table O in the State of Ohio section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

We compared the percentage of home mortgage loans originated or purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on the LMI CTs. We also compared the bank's performance against the percentage of home mortgage loans of other mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank's overall distribution of home mortgage loans among CTs of different income levels throughout the AAs is reasonable.

Non-MSA AA

First Federal's distribution of home mortgage loans among CTs of different income levels in the Non-MSA AA during the evaluation period is reasonable. There are no low-income geographies in this AA. The percentage of home mortgage loans originated or purchased by the bank in moderate-income CTs is below both demographic and aggregate lending data of other HMDA reporters, but is overall reasonable. The bank has one branch in a moderate-income CT in the Non-MSA AA, which is the Bucyrus East Branch on Mansfield Street in Bucyrus, Ohio.

In the lending analysis, we considered other performance context factors, including significant market competition in the AA. Competition in the AA is strong, with large banks, several community banks, and mortgage production offices competing for the same loans. Some lenders offer first-time homebuyer loan products and services to attract such loans. The bank's mortgage lending market share was 13.4 percent as of the 2020 Peer Mortgage Data Report, with First Federal ranking first out of 115 lenders. As of the 2015 ACS U.S. Census data, the median age of housing stock in 2020 was approximately 66 years in the moderate-income CTs. The maintenance costs associated with older housing stock can be a significant obstacle to homeownership, which could result in a reduction of mortgage loan demand. Additionally, within the Non-MSA AA during the evaluation period, 38.3 percent of the renter occupied housing units were in the moderate-income CTs, while 35.4 percent of the vacant housing units were in the moderate-income CTs.

MSA AA

The bank's distribution of home mortgage loans among geographies of different income levels in the MSA AA during the evaluation period is excellent. During the evaluation period, the percentage of home mortgage loans originated or purchased by the bank exceeds both the demographic and aggregate lending data of other HMDA reporters, demonstrating overall excellent performance. There are no low-income CTs in the MSA AA.

Lending Gap Analysis

Overall, we did not identify any unexplained, conspicuous gaps in the lending distribution. We reviewed internal bank reports and maps to identify potential significant gaps in the distribution of loans over the evaluation period.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the State of Ohio 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.

We compared the percentage of home mortgage loans originated or purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level (demographic data), placing emphasis on lending to LMI families. We also compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data), as demonstrated by HMDA aggregate data.

First Federal's overall distribution of home mortgage loans by borrower income level throughout the AAs is reasonable.

Non-MSA AA

First Federal's distribution of home mortgage loans to borrowers of different income levels during the evaluation period is reasonable. The aggregate HMDA data reflects penetration in all income categories. The bank's distribution of home mortgage lending to low-income borrowers is below demographic data but exceeds the aggregate data reported by other HMDA lenders. The bank's distribution of home mortgage lending to moderate-income borrowers exceeds demographic data but is below aggregate data.

We considered other factors in the bank's performance during the review, including the cost of homeownership in the AA as an obstacle of homeownership to LMI borrowers. As stated above, the overall median housing values are 2.0 to 3.1 times the weighted average median family income of LMI families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to LMI families. Additionally, 12.2 percent of the families live below poverty, which is considered substantial. Limited income is a substantial obstacle to credit qualification and serves to reduce the number of loans made to low-income borrowers.

Competition in the AA is strong. As stated above, First Federal ranks first out of 115 lenders in home mortgage lending market share at 13.4 percent, as of the 2020 Peer Mortgage Data Report. The top ten mortgage lenders, including First Federal, in this AA account for over 61 percent of the home mortgage loan originations.

MSA AA

First Federal's distribution of home mortgage loans to borrowers of different income levels during the evaluation period is reasonable. The aggregate HMDA data reflects penetration in all income categories. The bank's distribution of home mortgage lending to low-income borrowers is below demographic data but exceeds the aggregate data reported by other HMDA lenders. The bank's distribution of home mortgage lending to moderate-income borrowers is slightly below demographic data but exceeds aggregate data reported by other HMDA lenders.

Competition in the AA is strong. As stated above, First Federal ranks 19th out of 265 lenders in home mortgage lending market share, as of the 2020 Peer Mortgage Data Report. The top ten mortgage lenders account for about 39 percent of the total market share. The median housing values are 5.3 times the weighted average median family income of low-income families in the AA. This obstacle may result in fewer opportunities to originate mortgage loans to low-income families. Additionally, 6.4 percent of the families live below poverty.

Responses to Complaints

First Federal has not received any complaints about its CRA performance in helping to meet the AAs' credit needs 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:	01/01/18 – 12/31/20	
Bank Products Reviewed:	Home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Ohio		
Non-MSA AA	Full Scope	Crawford County, Ohio (entire county)
MSA AA	Full Scope	Union County, Ohio (entire county) in the Columbus, OH MSA 18140

Appendix B: Summary of State Ratings

RATINGS: FIRST FEDERAL COMMUNITY BANK OF BUCYRUS	
Overall Bank:	Lending Test Rating
First Federal Community Bank of Bucyrus	Satisfactory
State:	
Ohio	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 (MD): 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 (MSA): 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 Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

State of Ohio

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20
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
MSA AA	160	34,982	34.3	5,315	0.0	0.0	0.0	18.4	21.3	14.5	49.7	48.8	33.8	32.0	30.0	51.7	0.0	0.0	0.0
Non-MSA AA	307	29,898	65.7	1,023	0.0	0.0	0.0	23.3	17.6	22.4	76.7	82.4	77.6	0.0	0.0	0.0	0.0	0.0	0.0
Total	467	64,880	100.0	6,338															

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 bank data, 2020 HMDA aggregate data.
Due to rounding, totals may not equal 100.0%.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20
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
MSA AA	160	34,982	34.3	5,315	16.4	3.8	3.6	16.5	16.3	12.0	20.3	26.3	20.8	46.8	49.4	47.3	0.0	4.4	16.3
Non-MSA AA	307	29,898	65.7	1,023	23.2	11.4	7.8	20.0	21.2	23.1	23.4	19.5	22.7	33.3	37.5	30.2	0.0	10.4	16.2
Total	467	64,880	100.0	6,338															

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 bank data, 2020 HMDA aggregate data.
Due to rounding, totals may not equal 100.0%.