



PUBLIC DISCLOSURE

December 19, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Time Federal Savings Bank
Charter Number 703235

675 E. Broadway Avenue
Medford, WI 54451-1750

Office of the Comptroller of the Currency

1200 North Mayfair Road, Suite 200
Wauwatosa, WI 53226-3282

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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The Lending Test is rated Satisfactory.

The Community Development Test is rated Satisfactory.

The major factors supporting this institutions rating include:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the community.
- A majority of loan originations are made within the institution's assessment areas (AAs).
- The borrower distribution reflects reasonable dispersion throughout the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The institution's community development performance through community development loans, qualified investments, and retail services demonstrates adequate responsiveness to community development needs in the AAs.

Scope of Examination

We evaluated Time Federal Savings Bank's (Time Federal) Community Reinvestment Act (CRA) performance under the Intermediate Small Bank Lending and Community Development tests. In evaluating the institution's lending performance, we reviewed data for Time Federal's primary loan product, which is home mortgage loans.

The evaluation period covers the period since the date of the previous CRA examination, October 22, 2012, to December 19, 2016. The Lending Test evaluated loans originated between January 1, 2014 and December 31, 2015. The Community Development Test covered community development loans, investments, and services during the entire evaluation period. Prior to conducting this evaluation, we tested the accuracy of Time Federal's Home Mortgage Disclosure Act (HMDA) data for 2014 and 2015. We found the data to be accurate; therefore, we used all reported HMDA data for both years in our evaluation of home mortgage lending. Additionally, we obtained aggregate HMDA peer group data for the Lending Test. We reviewed the institution's community development loans, investments, and services based on information provided by the institution. We only considered those that met the regulatory definition of community development in the Community Development Test.

Description of Institution

Time Federal is a federally chartered mutual savings institution whose main office is located in Medford, Wisconsin. As of September 30, 2016, assets totaled approximately \$613 million. Time Federal operates five branches in Wisconsin located in Phillips, Marshfield, Owen, Eau Claire, and Wausau. The Medford, Phillips, Marshfield, Eau Claire, and Owen offices have

walk-in and drive-up facilities. The Medford and Wausau offices also have automated teller machines (ATMs).

The institution offers traditional community bank products and services and is primarily a residential real estate lender. As of September 30, 2016, Time Federal has a total loan portfolio of \$373 million, representing 61 percent of total assets. By dollar volume, the loan portfolio consists primarily of residential real estate loans (99 percent) and business loans (1 percent).

Table 1 - Time Federal's Investment in Loans (9/30/2016 Call Report)			
Loan Category	Amount (\$000's)	Percent of Total Loans	Percent of Total Assets
Residential Mortgage	\$369,488	99.01%	60.24%
Nonresidential Mortgage	728	0.20%	0.12%
Commercial Nonmortgage	290	0.08%	0.05%
Consumer	1,481	0.40%	0.24%
Other	1,158	0.31%	0.19%
Total	\$373,145	100.00%	60.84%

There are no legal or financial constraints limiting the institution's ability to meet community credit needs. Time Federal Savings Bank received a "satisfactory" rating at the last CRA examination dated October 22, 2012.

Description of Assessment Area(s)

Time Federal has designated two areas in the State of Wisconsin as its AAs. We selected both AAs for full scope reviews. One area consists of the Wausau Metropolitan Statistical Area (MSA), which is made up of the entire county of Marathon. The second area consists of Clark, Price, Taylor, and Wood counties, which are not in an MSA. Since the majority of lending and deposit activity occurs in the non-MSA AA, it received more weight in our analysis. The bank transitioned the Eau Claire LPO into a full service branch in October 2016. For this evaluation, we will not include the Eau Claire AA in our review. Not enough time has passed for the bank to fully transition the branch and begin taking deposits and making loans. The Eau Claire AA will be considered at the next CRA evaluation. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low or moderate-income areas.

Other financial institutions provide strong competition throughout the institution's two AAs. Thirty-three other institutions serve the five counties in which Time Federal operates. As of June 30, 2016, the institution had a deposit market share of 8.03 percent, ranking fourth in the area.

Wausau MSA

Twenty-seven census tracts (CTs) comprise this AA: none are low-income, six (22.22 percent) are moderate-income, 19 (70.37 percent) are middle-income, and two (7.41 percent) are upper-income. Marathon County has a population of 134,063 based on 2010 census data. The average

median family income is \$65,599, and the updated 2015 FFIEC estimated median family income is \$63,300. The percentage of area households that have incomes below the poverty level is 8.16 percent. Owner-occupied units comprise 69.80 percent of total housing units. Marathon County’s annual unemployment rate slightly decreased to 3.7 percent in December 2015 from 3.9 percent in December 2014. The unemployment rate is less than the state average of 4.2 percent in December 2015.

Table 2 - Demographic Data (Based on 2010 U.S. Census Data*)	
Demographic Data	2010 Census
Population	134,063
Total Families	36,328
1-4 Family Units	49,146
Multi-family Units	5,714
% Owner-Occupied Units	69.80%
% Rental-Occupied Units	22.64%
% Vacant Housing Units	7.56%
FFIEC Updated MSA Median Family Income	\$63,300

Major employers in Marathon County include Aspirus Wausau Hospital, St. Clare Hospital, Footlocker/Eastbay Inc., and Kolbe & Kolbe Millwork Co. Inc. The economy is further supported by traditional manufacturing and the healthcare industry.

Non-MSA

Thirty-seven CTs comprise this AA: none are low-income, two (5.40 percent) are moderate-income, 33 (89.20 percent) are middle-income, and two (5.40 percent) are upper-income. This AA has a population of 144,287 based on 2010 census data. The average median family income is \$55,913, and the updated 2015 FFIEC estimated median family income is \$61,500. The percentage of area households that have incomes below the poverty level is 10.75 percent. Owner-occupied units comprise 68.16 percent of total housing units. The December 2015 unemployment rate for Clark County was 4.3 percent, Price County was 4.7 percent, Taylor County was 4.8 percent, and Wood County was 5.0 percent. The unemployment rates for each of these counties exceeded the state average of 4.2 percent.

Table 3 - Demographic Data (Based on 2010 U.S. Census Data*)	
Demographic Data	2010 Census
Population	144,287
Total Families	40,588
1-4 Family Units	58,969
Multi-family Units	5,125
% Owner-Occupied Units	68.16%
% Rental-Occupied Units	19.47%
% Vacant Housing Units	12.37%
FFIEC Updated MSA Median Family Income	\$61,500

According to the FFIEC 2016 list of middle-income non-metropolitan distressed and underserved geographies, five out of the six CTs of Price County are designated as distressed and underserved due to their remote location paired with population loss. In 2015, these CTs were also designated distressed and underserved.

Major employers in this AA include Weathershield Windows, Nestle Pizza, Marathon Cheese, and Memorial Health Center. The area economy is further supported by traditional manufacturing, dairy product wholesalers, and healthcare.

During this evaluation, we contacted a representative from a local community development organization. Overall, the representative indicated that local financial institutions are satisfactorily meeting credit needs within the community.

Conclusions with Respect to Performance Tests

LENDING TEST

Time Federal's performance under the Lending Test is rated Satisfactory.

Loan-to-Deposit Ratio

Time Federal's loan-to-deposit (LTD) ratio is reasonable given the institution's size and financial condition, as well as the credit needs of the AAs. Time Federal's quarterly LTD ratio averaged 75.09 percent since the last CRA examination. The peer group consists of banks with assets ranging from \$29 million to \$388 million. The average loan-to-deposit ratio for the 20 other banks located in the assessment areas over the same time period ranged from 54.49 percent to 99.09 percent.

Lending in Assessment Area

Time Federal originates a majority of its loans to borrowers within its AAs. The institution granted 1,018 HMDA loans totaling \$122 million during the review period.

Table 4 shows the number and dollar amount of mortgage loans originated inside and outside the institution's AA. During the review period, 79.08 percent by number and 75.96 percent by dollar volume were made to individuals located within Time Federal's AAs.

Table 4 - Lending in the Assessment Area (Dollars in thousands)					
Period By Year	In Assessment Area		Outside Assessment Area		Total HMDA Loans
	#	%	#	%	#
2014	354	78.32%	98	21.68%	452
2015	451	79.68%	115	20.32%	566
Total	805	79.08%	213	20.92%	1,018
	\$ Amt	%	\$ Amt	%	\$ Amt
2014	37,960	74.63%	12,907	25.37%	50,867
2015	54,726	76.92%	16,423	23.08%	71,149
Total	\$92,686	75.96%	\$29,330	24.04%	\$122,016

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. The institution originated a small number of loans without collecting income information; we were unable to determine if these loans were made to low- or moderate-income borrowers. These loans are reported in the following tables as “Income NA.”

Wausau MSA

Table 5 shows the institution’s distribution of loans by number and dollar among borrowers of different income levels for the years 2014 and 2015 in the Wausau MSA. The results were compared to the 2015 HMDA aggregate data for lenders making loans in this MSA. By number, Time Federal originated 6.61 percent of its loans to low-income borrowers and 19.01 percent to moderate-income borrowers. The bank’s lending slightly exceeds the aggregate data for low-income borrowers and exceeds the aggregate data for moderate-income borrowers.

Table 5 - Distribution of Residential Mortgage Loans By Borrower Income Level in the Assessment Area (Dollars in thousands)							
Borrower Income Level	2014		2015		Review Period 1/1/2014 – 12/31/2015		Aggregate 2015
	#	%	#	%	#	%	% by #
By Number							
Low	10	6.25%	14	6.90%	24	6.61%	6.03%
Moderate	36	22.50%	33	16.26%	69	19.01%	15.08%
Middle	36	22.50%	37	18.23%	73	20.11%	20.26%
Upper	74	46.25%	107	52.71%	181	49.86%	48.00%
Income NA	4	2.50%	12	5.90%	16	4.41%	10.63%
Total	160	100.0%	203	100.00%	363	100.0%	100.00%
By \$ Amount	\$	%	\$	%	\$	%	% by \$
Low	\$628	3.52%	\$799	2.99%	\$1,427	3.20%	2.47%
Moderate	2,808	15.74%	2,672	9.98%	5,480	12.29%	8.72%
Middle	4,052	22.71%	4,102	15.33%	8,154	18.28%	14.57%
Upper	9,684	54.29%	17,024	63.61%	26,708	59.88%	55.09%
Income NA	667	3.74	2,165	8.09%	2,832	6.35%	19.15%
Total	\$17,839	100.0%	\$26,762	100.0%	\$44,601	100.0%	100.0%

Non-MSA

Table 6 shows the institution’s distribution of loans by number and dollar among borrowers of different income levels for the years 2014 and 2015 in the non-MSA AA. The results were compared to the 2015 HMDA aggregate data for lenders making loans in this area. By number, the institution originated 9.95 percent of its loans to low-income borrowers and 20.59 percent to moderate-income borrowers. The bank’s lending slightly exceeds the aggregate data for low- to moderate-income (LMI) borrowers.

Table 6 - Distribution of Residential Mortgage Loans							
By Borrower Income Level in the Assessment Area (Dollars in thousands)							
Borrower Income Level	2014		2015		Review Period		Aggregate
	#	%	#	%	1/1/2014 – 12/31/2015		2015
By Number	#	%	#	%	#	%	% by #
Low	19	9.79%	25	10.08%	44	9.95%	8.44%
Moderate	38	19.59%	53	21.37%	91	20.59%	20.50%
Middle	48	24.74%	49	19.76%	97	21.95%	21.62%
Upper	86	44.33%	118	47.58%	204	46.15%	41.95%
Income NA	3	1.55%	3	1.21%	6	1.36%	7.49%
Total	194	100.0%	248	100.0%	442	100.0%	100.0%
By \$ Amount	\$	%	\$	%	\$	%	% by \$
Low	\$1,335	6.63%	\$1,565	5.60%	\$2,900	6.03%	3.25%
Moderate	3,329	16.54%	5,011	17.92%	8,340	17.34%	11.21%
Middle	4,443	22.08%	4,807	17.19%	9,250	19.24%	15.09%
Upper	10,608	52.72%	16,272	58.19%	26,880	55.90%	48.36%
Income NA	406	2.03%	309	1.10%	715	1.49%	22.09%
Total	\$20,121	100.0%	\$27,964	100.0%	\$48,085	100.0%	100.0%

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. In 2014 and 2015, the institution exceeded aggregate data in both AAs for originations in moderate income geographies. There are no low income CTs in this area.

Wausau MSA

Table 7 shows the institution’s distribution of loans by geography income level of the Wausau MSA. The results were compared to the 2015 HMDA aggregate data for lenders making loans in this MSA. By number, the institution originated 13.50 percent of its loans in moderate-income CTs. The bank’s lending exceeds the aggregate data. There are no low-income CTs in this area.

**Table 7 – Distribution of Residential Mortgage Loans
By Geography Income Level in the Assessment Area
(Dollars in thousands)**

Geography Income Level	2014		2015		Review Period 1/1/2014– 12/31/2015		Aggregate 2015
	#	%	#	%	#	%	% by #
By Number							
Moderate	26	16.25%	23	11.33%	49	13.50%	12.33%
Middle	115	71.88%	156	76.85%	271	74.65%	74.03%
Upper	19	11.87%	24	11.82%	43	11.85%	13.64%
Total	160	100.0%	203	100.0%	363	100.0%	100.0%
By \$ Amount	\$	%	\$	%	\$	%	% by \$
Moderate	2,093	11.73%	2,036	7.61%	4,129	9.26%	12.32%
Middle	13,017	72.97%	20,176	75.39%	33,193	74.42%	72.39%
Upper	2,729	15.30%	4,550	17.00%	7,279	16.32%	15.29%
Total	\$17,839	100.0%	\$26,762	100.0%	\$44,601	100.0%	100.0%

Non-MSA

Table 8 shows Time Federal’s distribution of loans by geography income level of the non-MSA. The results were compared to the 2015 HMDA aggregate data for lenders making loans in this MSA. By number, the institution originated 2.71 percent of its loans in moderate-income CTs. The bank’s lending exceeded the aggregate data. There are no low-income CTs in this area.

**Table 8 – Distribution of Residential Mortgage Loans
By Geography Income Level in the Assessment Area
(Dollars in thousands)**

Geography Income Level	2014		2015		Review Period 1/1/2014– 12/31/2015		Aggregate 2015
	#	%	#	%	#	%	% by #
By Number							
Moderate	9	4.64%	3	1.21%	12	2.71%	1.55%
Middle	170	87.63%	229	92.34%	399	90.28%	92.51%
Upper	15	7.73%	16	6.45%	31	7.01%	5.94%
Total	194	100.0%	248	100.0%	442	100.0%	100.0%
By \$ Amount	\$	%	\$	%	\$	%	% by \$
Moderate	873	4.34%	252	0.90%	1,125	2.34%	1.91%
Middle	16,896	83.97%	25,563	91.41%	42,459	88.30%	88.17%
Upper	2,352	11.69%	2,149	7.69%	4,501	9.36%	9.92%
Total	\$20,121	100.0%	\$27,964	100.0%	\$48,085	100.0%	100.0%

Responses to Complaints

Time Federal Savings Bank has not received any CRA-related complaints since the last examination.

COMMUNITY DEVELOPMENT TEST

Time Federal’s performance under the community development test is rated Satisfactory. Community development performance through community development loans, qualified

investments, and services demonstrates adequate responsiveness to community development needs in the AAs.

Number and Amount of Community Development Loans

Time Federal has an adequate level of community development lending. The institution originated one loan in the non-MSA AA and one loan outside of the bank's AA. Both loans totaled \$547,500 in community development lending.

Time Federal originated one community development loan to the municipal of Price County for \$250,000. This county was designated as distressed and underserved according to the FFIEC in 2016. The funds provided infrastructure to the area, which included upgrades to the County Court House.

One loan totaling \$297,500 was made to Kindhearted LLC to build a senior citizen community center located in Lincoln County (4.3 miles north of their MSA AA). According to the facility's owner, approximately 65 percent of Kindhearted clients qualify for low-income assistance. The facility's close proximity to Marathon County and service to LMI individuals qualifies the loan as community development.

Number and Amount of Qualified Investments

Time Federal provides an adequate level of community development investments.

The institution purchased one bond from a municipality located in a distressed and underserved nonmetropolitan middle income geography during the evaluation period for \$305,000. The bond funded water and sewer system improvements, which serves community residents, including LMI individuals. Time Federal also purchased three bonds totaling \$1 million from distressed or underserved areas outside of their AAs. These investments provided funding for essential community needs, including the revitalization of schools and improvements to water and sewer lines.

The institution's qualified investments included donations totaling \$149,766. Of these donations, \$55,050 went to local food pantries and \$70,500 was used to sponsor financial education courses. Donations to food pantries directly benefit LMI individuals; donations also provided social services for LMI individuals; sponsoring free financial education courses also qualifies as a community development investment.

Time Federal has worked with the Federal Home Loan Bank of Chicago to facilitate various programs that benefit LMI members of their local community. The FHLB's Down Payment Plus program provides grants of up to \$6,000 to LMI individuals. These subsidies may be used for down payment and closing cost assistance, homebuyer counseling costs, and/or eligible rehabilitation costs associated with the purchase of a home. The institution has facilitated \$54,000 of DPP grants in their MSA AA and \$60,000 in their non-MSA AA since 2015.

In addition to the DPP program, Time Federal also facilitated a \$168,000 grant from the FHLB to a Medford affordable housing organization. Funds from this grant were used to renovate a 22-unit affordable housing complex.

Extent to Which the Bank Provides Community Development Services

Time Federal provides an adequate level of community development services. Retail and lending services are accessible to individuals of different income levels. Time Federal's Wausau branch is located within one mile of three separate moderate-income CTs. The institution's Phillips branch is located in a distressed and underserved county.

During the evaluation period, Time Federal employees provided financial expertise to various community development organizations. These organizations address AA needs for affordable housing, economic development, and social services to LMI individuals.

A vice president at Time Federal served as a board member of the executive committee of a local Economic Development Corporation. As a member of the board, the employee assisted in the development and implementation of the organization's strategic initiatives to promote economic growth in the area. This employee also served on an economic committee focused on the development of a community located in a moderate income CT.

A vice president at the institution served as a board member for a nonprofit organization that provides housing for LMI families in Wausau, Wisconsin.

Numerous other employees provided financial expertise and education to local organizations. Two employees serve as board members on a revolving loan fund for the Medford area. The loan fund is a source of funding for commercial and industrial projects that promote economic growth, recruitment, expansion, and retention of business and industry. A branch manager serves on a community development board, which focuses on urban renewal programs, housing projects, job creation, and related endeavors to improve the community's quality of life. Two loan officers volunteered at an area financial wellness conference, providing education on strategies to make home-buying possible for LMI individuals.

Responsiveness to Community Development Needs

Given available opportunities, the institution's performance in meeting community development needs reflects adequate responsiveness to the needs of its communities.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 195.28(c), in determining a Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA, or in any AA by an affiliate whose loans have been considered as part of the FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.