Mauch Chunk Trust Company
Community Reinvestment Act
October 21st, 2026

I. Background

The Community Reinvestment Act ("CRA") was enacted in 1977 to encourage financial institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods, consistent with safe and sound lending practices. It extends and clarifies the longstanding expectation that financial institutions will serve the convenience and needs of their communities. The CRA requires federal financial institution regulators to assess the record of each bank in helping to fulfill their obligations to the community and to consider that record in evaluating applications for charters or for approval of mergers, acquisitions and branch mergers.

The policy addresses the following areas:

- Board Responsibility
- Management Responsibility
- Assessment Area
- Efforts to Ascertain and Meet Community Credit Needs
- Designation of CRA Officer
- Public Notice Requirement
- Contents of Public File
- Periodic Reporting
- Description of Bank

II. Board Responsibility

The Board of Directors will be responsible for the following:

- Adopt CRA Policy
- Monitor managements compliance with policy
- Review policy annually

III. Management Responsibility

It is the responsibility of Senior Management to:

- Create and maintain the policy in compliance with regulations
- Review the policy annually with the Board of Directors
- Inform and train staff concerning the policy
- Monitor lending activities to ensure that community credit needs are being met in accordance with this Board policy

- Ensure that credit products are being offered in the bank's assessment area in a manner that is nondiscriminatory.

IV. Assessment Area

The Revised Community Reinvestment Act enacted in 1995, requires the bank to define assessment areas for lending purposes. An assessment area is generally defined to consist of one or more Metropolitan Statistical Areas or a political subdivision, such as counties, cities or towns. In addition, an assessment area should include those geographies in which the bank has its deposit taking ATM's and areas in which a substantial portion of its loans are generated.

The CRA analysis year-end report is presented to and reviewed by the Board annually. The information in this analysis categorizes the bank's lending activity for the prior year into several areas. One of the categories segments the lending activity into the census tracts in which the bank's loans were generated. This section is analyzed to ascertain the amount and percentage of loans originated within the bank's defined assessment areas. The conclusions are then included in the Board report.

The bank has defined its assessment areas to include all census tracts in Carbon County and the following census tracts in Schuylkill County: 2, 3, 25, 26, 27, 28, 29, 30 and 31. From time to time, the bank will consider loans on real estate located outside its primary assessment area.

In addition to not specifically participating in illegal redlining activities, the Bank will also strive to avoid any appearance of redlining with its lending activities spread over the REMA and assessment areas. Moreover, balanced marketing reduces the risk of the practice of both greenlining and redlining in joint compliance with ECOA, Fair Lending, and the Fair Housing Act to ensure nondiscrimination.

V. Efforts to Ascertain and Meet Community Credit Needs

Through the affiliations of its directors, officers and staff with various community organizations and persons, the bank obtains input concerning the credit and non-financial needs of its communities on a continual basis.

The bank offers a full array of financial products to meet the service requirements of the communities it serves. Available products are reviewed on an annual basis and will be added to or revised as deemed necessary by the Board and Management.

The branches are supplied with the bank's underwriting standards and current list of products offered. The underwriting standards contain a detailed explanation of the policy and the steps necessary to apply for a loan with the bank. In addition, the branches maintain a supply of brochures and pamphlets that provide information about obtaining credit from the bank. This information is available free of charge.

VI. Designation of CRA Officer

In addition to the above methods of ascertaining and meeting community needs, the Board appoints a CRA Officer on an annual basis to monitor the bank's overall performance in the CRA process. The CRA Officer, with the support of the Compliance Committee and the SVP, Chief Credit Officer, is responsible for analyzing the bank's lending performance and providing the Board with a report of the analysis. The SVP, Chief Financial Officer shall be the Community Reinvestment Act (CRA) Officer and the SVP, Chief Credit Officer will be the backup Community Reinvestment Act Officer.

VII. Public Notice Requirement

The following Community Reinvestment Act Notice is displayed in the bank's main office:

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC New York Regional Office, 350 Fifth Avenue, Suite 1200, New York, NY 10118-0110 or by calling 917-320-2500 or 800-334-9593. You may send written comments about our performance in helping to meet community credit needs to Louisa Krause – Mauch Chunk Trust Company, PO Box 289, Jim Thorpe, PA 18229 and the FDIC Regional Director. You may also submit comments electronically through the FDIC's Website at *www.fdic.gov/regulations/cra*. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Mauch

Chunk Trust Financial Corporation, a bank holding company. You may request an announcement of applications covered by the CRA filed by bank holding companies from the Community Affairs Officer, Federal Reserve Bank of Philadelphia, Ten Independence Mall, Philadelphia, PA 19106-1574 or by calling 215-574-6000.

Branch offices will have the following notice displayed:

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the FDIC, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) a map showing the assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at the bank's Main Office located at 1111 North Street, Jim Thorpe, PA 18229.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC New York Regional Office, 350 Fifth Avenue, Suite 1200, New York, NY 10118-0110 or by calling 917-320-2500 or 800-334-9593. You may send written comments about our performance in helping to meet community credit needs to Louisa Krause – Mauch Chunk Trust Company, PO Box 289, Jim Thorpe, PA 18229 and the FDIC Regional Director. You may also submit comments electronically through the FDIC's Website at *www.fdic.gov/regulations/cra*. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Mauch Chunk Trust Financial Corporation, a bank holding company. You may request an announcement of applications covered by the CRA filed by bank holding companies from the Community Affairs Officer, Federal Reserve Bank of Philadelphia, Ten Independence Mall, Philadelphia, PA 19106-1574 or by calling 215-574-6000.

VIII. Contents of Public File

Main Office

- All written comments received from the public for the current year and each of the prior two calendar years relating to the bank's CRA performance and in helping to meet community credit needs, and any response to the comments by the bank.
- A copy of the most recent Public Disclosure CRA Performance Evaluation prepared by the FDIC.
- The bank's loan to deposit ratio for each quarter of the prior calendar year.
- A list of the bank's branches with their street addresses and geographies.
- A list of branches opened or closed by the bank during the current year and each of the prior two calendar years, their street addresses and geographies.
- A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered by the bank's branches and descriptions of any material differences in the availability or cost of services among branches.
- A map of each assessment area showing the boundaries of the area and identifying geographies contained within the area, either on the map or in a separate list.
- Written notice that the Bank's HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's website.

Branch Offices

- A copy of the public section of the bank's most recent CRA Performance Evaluation prepared by the FDIC.
- A list of services provided by that branch.

The CRA Public file; which is housed on the MCT Share Point under the document's dropdown (should anyone and any branches inquire), has been updated with the most recent FDIC Public Disclosure CRA performance evaluation from the FDIC examination of July 24, 2023. The same is available on the Bank's website in a clear and conspicuous manner.

IX. Periodic Reporting

The back-up CRA Officer will present the CRA analysis report to the Board on an annual basis. This report enables the Board to review an analysis of the bank's lending activities for the prior calendar year.

X. Description of Bank

Mauch Chunk Trust Company is a community bank established in 1902 and headquartered in Jim Thorpe, PA. The bank is wholly owned by Mauch Chunk Trust Financial Corporation. As of December 31, 2025, total assets were $648.9 million. Total gross loans outstanding were $287.0 million and total deposits were $618.5 million.

Mauch Chunk Trust Company's loan products include commercial, residential and consumer lending. The distribution of the bank's loan portfolio is as follows: Commercial and Commercial Real Estate (69%), Mortgage (22%), Home Equity and Installment (9%). The focus of the strategic plan is to increase the loan to asset ratio with both organic and out of market purchased loans. Gross loans represent 44% of assets as of December 31, 2025. Total out of market loans (including purchased loans) represent 44% of the portfolio at year end.

The bank also offers a wide range of deposit services and products for consumers and businesses, as well as wealth management and investment advisory services. Deposit services include a variety of consumer and business checking and savings accounts, wire services and various methods to access accounts and use services electronically.

There are no financial circumstances or legal impediments, other than the legal lending limits, which would affect the bank's ability to meet the credit needs of the assessment area. The bank received a "Satisfactory "rating on the most recent evaluation of its CRA performance dated July 24, 2023. The summary of ratings included the Lending test, rated "Satisfactory" and the Community Development Test, rated "Satisfactory".

Additional information about branch locations, hours, and loan and deposit products are detailed in the following pages:

Mauch Chunk Trust Company's Branches
Their Street Addresses, Geographic Areas, Automatic Teller Machine Locations and Branch Openings and Closings

Main Office
1111 North Street
Jim Thorpe, PA 18229
Census Tract: 0201.02
(570) 325-BANK
1-877-325-BANK
Opened: 1968
ATM

Lobby		**Drive-Up**	
Mon. - Thurs.	9:00am - 3:00pm	Mon. - Thurs.	9:00am - 4:00pm
Friday	9:00am - 6:00pm	Friday	9:00am - 6:00pm
Saturday	9:00am - 12:00pm	Saturday	9:00am - 12:00pm

Pine Point Plaza Branch
7 Pine Point Drive
Albrightsville, PA 18210
Census Tract: 0201.06
(570) 722- BANK
Opened: August 1988
ATM

Lobby		**Drive-Up**	
Mon. - Thurs.	9:00am - 3:00pm	Mon. - Thurs.	9:00am - 4:00pm
Friday	9:00am - 6:00pm	Friday	9:00am - 6:00pm
Saturday	9:00am - 12:00pm	Saturday	9:00am - 12:00pm

Redner's Warehouse Market
184 Market Street
Nesquehoning, PA 18240
Census Tract: 0203.01
(570) 669-BANK
Opened: January 1997
ATM

Lobby

Monday - Thursday	10:00am - 4:00pm
Friday	10:00am - 6:00pm
Saturday	Closed
Sunday	Closed

Lehighton Branch
735 Blakeslee Blvd. Drive East
Lehighton, PA 18235
Census Tract: 0205.01
(610) 377-BANK
1-877-325-BANK
Opened: June 2006

ATM

Lobby		**Drive-Up**	
Mon. – Thurs.	9:00am - 3:00pm	Mon. – Thurs.	9:00am - 4:00pm
Friday	9:00am - 6:00pm	Friday	9:00am – 6:00pm
Saturday	9:00am – 12:00pm	Saturday	9:00am - 12:00pm

Hometown Branch
226 Claremont Avenue
Tamaqua, PA 18252
Census Tract: 0003.00
(570) 668-5730
1-877-325-BANK
Opened: November 2007

ATM

Lobby		**Drive-Up**	
Mon. – Thurs.	9:00am - 3:00pm	Mon. – Thurs.	9:00am - 4:00pm
Friday	9:00am - 6:00pm	Friday	9:00am – 6:00pm
Saturday	9:00am – 12:00pm	Saturday	9:00am - 12:00pm

West Penn Branch
1331 Clamtown Road
Tamaqua, PA 18252
Census Tract: 0029.00
(570) 386-BANK
1-877-325-BANK
Date Open: December 2013

ATM

Lobby		**Drive-Up**	
Mon. – Thurs.	9:00am - 3:00pm	Mon. – Thurs.	9:00am - 4:00pm
Friday	9:00am - 6:00pm	Friday	9:00am – 6:00pm
Saturday	Closed	Saturday	9:00am - 12:00pm

Orwigsburg Branch
210 East Market Street, Suite 101
Orwigsburg, PA 17961
Census Tract: 0031.00
(272)-309-3005
1-877-325-BANK
Date Open: September 2026

By appointment only:

Lobby	
Mon. – Friday	9:00am - 2:00pm
Saturday	Closed

Closed Branches

The branch located at 1 Susquehanna Street in Jim Thorpe was closed as of December 1st, 2025. There is no impact to the assessment area as the main office is located 1.6 miles from the branch location that was closed. A deposit taking ATM remains at 1 Susquehanna Street.

Non-Branch ATM Locations:

Weatherly Borough
61 West Main Street
Weatherly, PA 18255
(Deposit accepting)

Fast Fill Exxon Convenience Store
24 Blakeslee Boulevard Drive East
Lehighton, PA 18235

Fast Fill Exxon Convenience Store
325 South Best Avenue
Walnutport, PA 18088

Fast Fill Exxon Convenience Store
356 PA-61
Schuylkill Haven, PA 17972

Railroad ATM
1 Susquehanna Street
Jim Thorpe, PA 18229
(Deposit accepting)

Loan Products That Help to Meet Community Credit Needs

Mortgage Loans:

- Fixed Rate mortgages
- Blanket mortgages
- Bridge loans
- Single Close Construction loans
- Finish Line Mortgage
- First time homebuyers (including LMI product)
- For the purchase of single and multi-family homes
- Home improvement loans
- Home equity loans (including LMI product)
- Money Saver Mortgage

Consumer Loans:

- Auto loans (direct)
- CD secured loans
- Motorcycle and ATV loans
- Personal loans

Revolving Credit Loans:

- Home equity lines of credit
- Personal lines of credit

Business Loans:

- Construction loans
- Equipment
- Letters of credit
- Lines of credit

- Machinery
- Real estate
- Loans to small businesses

School District and Local Municipal Government Loans:
- Capital expenditures
- Community development loans through local authorities
- Tax anticipation loans
- Municipal Lease Financing

Other Loans:
- Ambulance service loans
- Church loans
- Volunteer fire company loans

Deposit Products That Help to Meet Community Credit Needs

Checking Accounts:
- Free Checking
- Personal Checking
- Personal Checking Plus
- Select Checking
- Student Digital Banking
- Select Business Checking
- Basic Business Checking
- Budget Business Checking
- Business Interest Checking
- Community Checking
- Community Checking Plus Interest
- Transition Account

Savings Accounts:
- Business Money Market Savings
- Investor's Money Market
- Statement Savings
- IRA Savings Account (Traditional or Roth IRA)
- Power Savings

Certificates of Deposit Accounts:
- Certificate of Deposit
- Jumbo Certificate of Deposit
- Investor's Money Market CD

IRA Certificate of Deposit Accounts:
- Traditional IRA Certificate of Deposit
- ROTH IRA Certificate of Deposit

- Coverdell Education IRA Certificate of Deposit

Additional Services Involving These Accounts

- Automated Clearing House Origination & EFT Transactions
- Auto Debit
- Bank-by-Mail
- Cash Management
- Check Imaging
- Direct Deposit
- Express Phone Banking
- Electronic Bill Pay (Consumer & Business)
- E-Statements
- Foreign Currency Exchange
- IntraFi Product Suite
- Online Banking (Consumer & Business)
- On-site ATM's
- ATM/Debit Cards
- MCT Junior-App to teach kids money management
- Business Debit Cards
- Medallion Signature Guarantee
- Merchant Services
- Mobile Banking (Consumer & Business)
- Money Orders
- Night Deposit available (except the Redner's Store Branch)
- Safe Deposit Boxes available at North St and Pine Point offices
- Safety Pay (overdraft protection)
- Sweep Account Service
- Treasurer Checks
- Wealth Builder Savings Program
- Wire Transfer Services

All branches are full service. All branches offer the same products and services (except where noted above). All bank fees and charges are the same for each branch.

Mauch Chunk Trust Company's Participation in Community Development Activities

Mauch Chunk Trust Company engages in various types of community development activities, based on the needs of the community and takes steps to apply its community development resources strategically to meet those needs.

The Board of Directors also encourages and supports the active involvement of bank officers and employees in local civic and community organizations. It is felt that such involvement helps bank personnel keep in touch with community needs and to personally communicate the types of services available to help all those needs.

Community Service Activities

- The bank has 2 of its 7 branches located in moderate income census tracts (Main Office and Redner's Market) as classified by the FFIEC.
- A Bank-by-Mail service is available to all customers.
- The bank has Saturday morning banking hours at 5 locations.
- The bank has a 24-hour toll-free Express Phone banking line.
- ATMs have been installed at all banking branches.
- The bank offers Online and Mobile banking to all customers.

Complaints

The bank currently has not received any CRA related complaints in the past years. Please see separate policy for complaints.

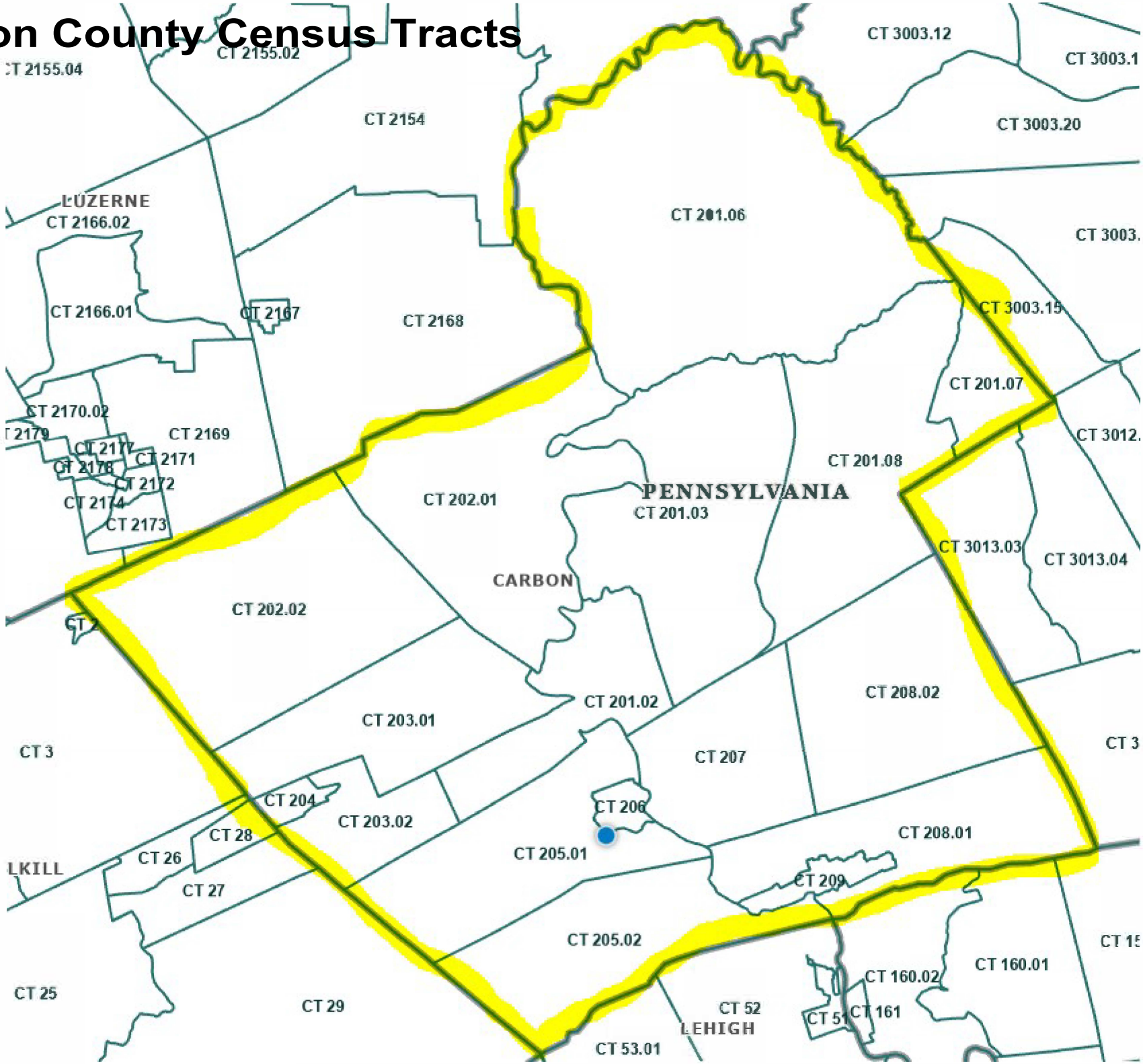
MAUCH CHUNK TRUST COMPANY

HOME MORTGAGE DISCLOSURE NOTICE

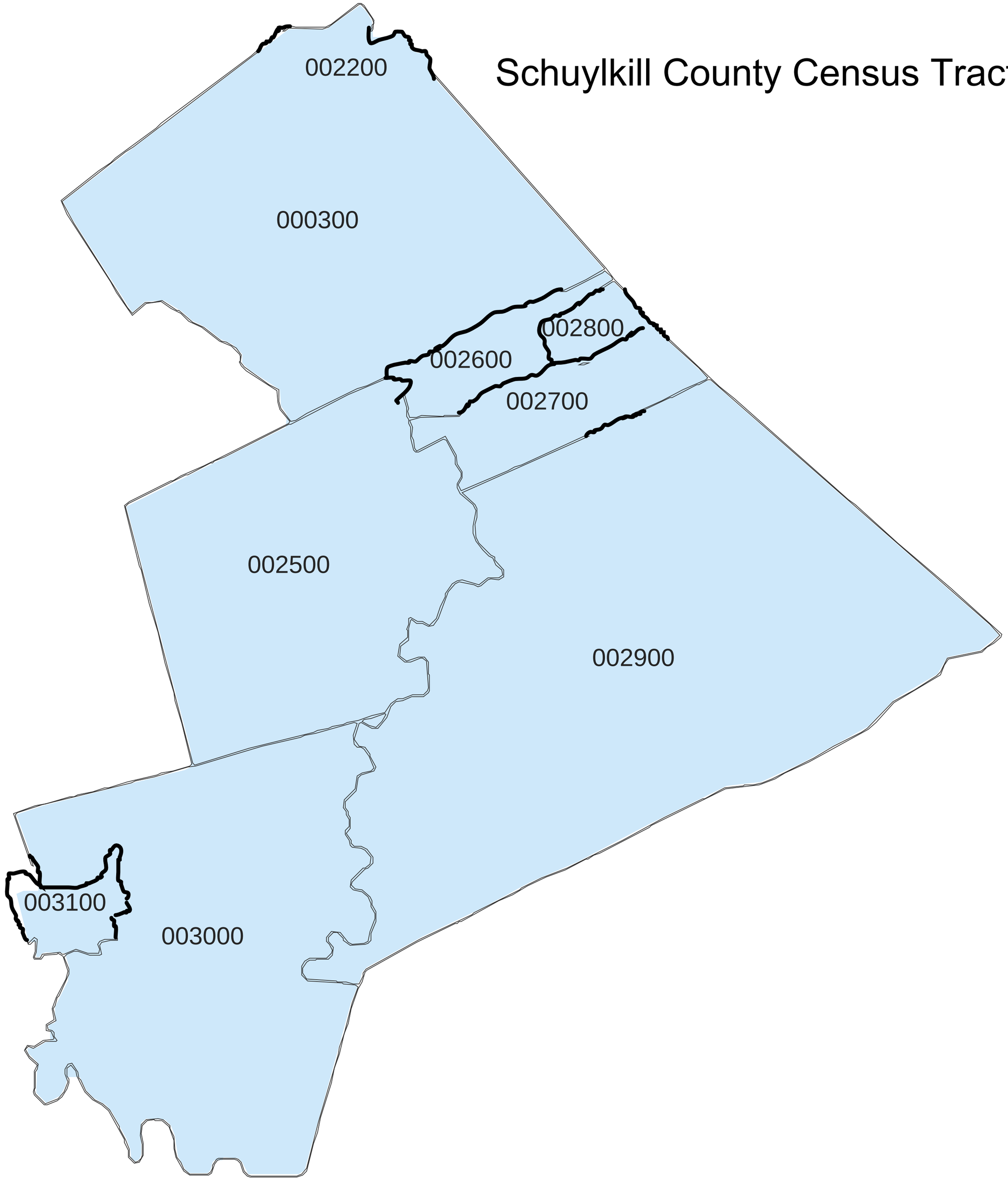
Pursuant to 1003.5(c)-2 Public availability modified LAR

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications: ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinancial.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.

Carbon County Census Tracts



Schuylkill County Census Tracts



Mauch Chunk Trust Company
Loan to Deposit Ratio

March-23		March-24	
Total Loans	$258,398	Total Loans	$265,282
Total Deposits	$530,906	Total Deposits	$604,514
Loan/Deposit Ratio	48.67%	Loan/Deposit Ratio	43.88%

Jun-23		Jun-24	
Total Loans	$259,199	Total Loans	$271,414
Total Deposits	$552,672	Total Deposits	$615,691
Loan/Deposit Ratio	46.90%	Loan/Deposit Ratio	44.08%

Sep-23		Sep-24	
Total Loans	$263,244	Total Loans	$272,282
Total Deposits	$575,049	Total Deposits	$622,801
Loan/Deposit Ratio	45.78%	Loan/Deposit Ratio	43.72%

Dec-23		Dec-24	
Total Loans	$262,899	Total Loans	$271,474
Total Deposits	$569,293	Total Deposits	$604,413
Loan/Deposit Ratio	46.18%	Loan/Deposit Ratio	44.92%

Mauch Chunk Trust Company

Member **FDIC**

Consumer Fee Schedule

Effective June 3, 2025. These fees may not be inclusive of all our fees.

ATM/Debit	Replacement Card (unrelated to fraud)	$10.00	each
	Expedited Replacement Delivery Fee	$70.00	
	MCT ATM Withdrawals	Free	each
	Non-MCT ATM Withdrawals	$2.00	each
	Non-MCT ATM Withdrawals for Personal Checking Plus and Performance Checking Customers	$1.50	each
	Non-MCT ATM Withdrawals for Select Checking and Student Digital Banking Customers	Free	
Payments	*Easy Pay Bill Pay (for Free Checking and Student Digital Banking Customers)*	$5.95	Per month
	Stop Payment *(no fee for Select Checking customers)*	$35.00	each
Overdraft	For overdraft items and overdraft return items of $5.00 or more *(up to 3 items per business day) This fee may apply to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.*	$35.00	Per item
Misc.	Indemnity Bond	$6.00	each
	Inactive Account *(after 182 or more days of inactivity and a checking account balance less than $300.00)*	$11.00	Per month
	Collection Items	$35.00	Per item
	Paper Statement *(Personal Checking customers only)*	$5.00	Per month
	Statement Copy	$2.00	Per statement
	Counter Check	$1.00	Per check
	Foreign Cash Purchase or Redemption	$25.00	Per purchase or redemption

Safe Deposit	Box Drilling	Drilling cost + $20	Per box
	Late Fee	$10.00	Per month
	Lost Key	$20.00	Per key
Legal/Research	Research fee *(min. ½ hour)*	$30.00	Per hour
	Legal Process Charge *(plus attorney's fees)*	$155.00	
	Medallion Signature Guarantee	$5.00	each
	Escheat Fee	$75.00	
Transfers	IRA Transfer *(to another institution)*	$75.00	Per transfer
	Wire Transfer: Domestic Incoming	$20.00	each
	Wire Transfer: Domestic Outgoing	$35.00	each
	Wire Transfer: International Incoming or Outgoing	$50.00	each
	Automatic Overdraft Transfer	$10.00	each
	Manual Telephone Transfers	$10.00	each
	External Transfers: 3-Day standard delivery from other institutions to MCT	Free	each
	External Transfers: Next-Day* delivery from other institutions to MCT * Available only for qualified transactions	Free	each
	External Transfers: 3-Day standard delivery to other institutions	$3.00	each
	External Transfers: Next-Day* delivery to other institutions * Available only for qualified transactions	$10.00	each
Official Checks	Money Order *(fee waived for Personal Checking Plus, Performance and Select Checking Customers)*	$5.00	each
	Treasurer's Check *(fee waived for Select Checking Customers)*	$11.00	each
	Non-customer Check Cashing- drawn on MCT	$10.00	each

Mauch Chunk Trust Company

Member **FDIC**

Consumer Fee Schedule

Effective June 3, 2025. These fees may not be inclusive of all our fees.

Personal Deposit Account Fees: Checking

	Free Checking	Student Digital Banking	Personal Checking	Personal Checking Plus	Select Checking
Minimum to open	$25.00	$10.00	$25.00	$25.00	$25.00
Monthly Service Charge	n/a	$15.00	$8.00	$10.00	$25.00
Minimum balance or actions required to avoid monthly service charge	n/a	The monthly service charge can be avoided when the primary account owner is 14 through 24 years old. When the primary account owner reaches the age of 25, age can no longer be used to avoid the monthly service charge	$200 daily minimum or a $1,000 average in related combined deposit account balances including this checking account or Direct Deposit relationship of at least one direct deposit per month	$500 daily minimum or a $3,000 average in related combined deposit account balances including this checking account	$5,000 daily minimum or a $25,000 average in related combined deposit account balances including this checking account

Personal Deposit Account Fees: Savings

	Statement Savings	Power Savings	Investor's Money Market
Minimum to open	$1.00	$25.00	$5,000.00
Monthly Service Charge	$5.00	$25.00	$25.00
Minimum balance or actions required to avoid monthly service charge	$100 daily minimum or a $500 average in related combined deposit account balances including this savings account	$5,000 daily minimum	$5,000 daily minimum

Member
FDIC

Mauch Chunk Trust Company

Commercial Fee Schedule

Effective February 4, 2025. These fees may not be inclusive of all our fees.

ATM/Debit	Additional Card (over 3)	$10.00	each
	Replacement Card (unrelated to fraud)	$10.00	each
	Expedited Replacement Delivery Fee	$70.00	
	MCT ATM Withdrawals	Free	each
	Non-MCT ATM Withdrawals	$2.00	each
Payments	Bill Pay: Easy Pay for Business (up to 10 *transactions. Each* transaction beyond 10 is $0.50)	$7.95	Per month
	Stop Payment	$35.00	each
Overdraft	For overdraft items and overdraft return items of $5.00 or more *(up to 3 items per business day).* This fee may apply to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.	$35.00	Per item
Misc.	Returned Deposited Item	$15.00	Per item
	Returned Cashed Item	$15.00	Per item
	Indemnity Bond	$6.00	each
	Collection Items	$35.00	Per item
	Inactive Account Fee (After *182 or more days of inactivity and a checking account balance less then $300.00)*	$11.00	Per month
	Night Deposit Bag/Key - Small	$30.00	Per bag
	Night Deposit Bag/Key - Large	$35.00	Per bag
	Paper Statement (Budget Business Checking only)	$5.00	Per month
	Statement Copy	$2.00	Per statement
	Counter Check	$1.00	Per check
	Foreign Cash Purchase or Redemption	$25.00	Per purchase or redemption

Safe Deposit	Box Drilling	Drilling cost + $20.00	Per box
	Late Fee	$10.00	Per month
	Lost Key	$20.00	Per key
Legal/Research	Research fee *(min. ½ hour)*	$30.00	Per hour
	Legal Process Charge (plus attorney's fees)	$155.00	
	Escheat Fee	$75.00	
Transfers	Wire Transfer: Domestic Incoming	$20.00	each
	Wire Transfer: Domestic Outgoing	$35.00	each
	Wire Transfer: International Incoming or Outgoing	$50.00	each
	Automatic Overdraft Transfer	$10.00	each
	Manual Telephone Transfers	$10.00	each
Official Checks	Money Order	$5.00	each
	Treasurer's Check	$11.00	each

Member
FDIC

Mauch Chunk Trust Company

Commercial Fee Schedule

Effective February 4, 2025. These fees may not be inclusive of all our fees.

Commercial Deposit Account Fees: Checking

	Budget Business Checking	Basic Business Checking	Select Business Checking	Business Interest Checking
Minimum to open	$25.00	$25.00	$25.00	$25.00
Monthly Service Charge	$10.00	$8.00	$12.00	$35.00
Minimum balance or actions required to avoid monthly service charge	$500.00 daily minimum or a minimum of 10 Debit Card purchases* completed per monthly statement cycle	$1,000.00 daily minimum or an average daily balance of $5,000.00	$2,000.00 daily minimum	$10,000.00 daily minimum
Cash in Fees	$0.15 per $100.00 deposited above $50,000.00 during each statement cycle	$0.15 per $100.00 deposited above $50,000.00 during each statement cycle	$0.15 per $100.00 deposited above $50,000.00 during each statement cycle	$0.15 per $100.00 deposited above $50,000.00 during each statement cycle

*Debit Card purchases include one-time debit card purchases and recurring debit card transactions. ATM transactions (such as ATM withdrawals and ATM deposits) are not considered Debit Card purchases.

Commercial Deposit Account Fees: Savings

	Statement Savings	Investor's Money Market	Business Money Market
Minimum to open	$1.00	$5,000.00	$5,000.00
Monthly Service Charge	$5.00	$25.00	$25.00
Minimum balance or actions required to avoid monthly service charge	$100 daily minimum or $500 in related combined deposit account balances including this savings account	$5,000.00 daily minimum	$5,000.00 daily minimum

Government & Non-Profit Deposit Account Fees

	Community Checking	Community Checking Plus Interest	Investor's Money Market
Minimum to open	$25.00	$25.00	$5,000.00
Monthly Service Charge	n/a	$12.00	$25.00
Minimum balance or actions required to avoid monthly service charge	n/a	$1,000.00 daily minimum	$5,000.00 daily minimum

PUBLIC DISCLOSURE

July 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mauch Chunk Trust Company
Certificate Number: 02359

1111 North St
Jim Thorpe, Pennsylvania 18229

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

350 Fifth Avenue, Suite 1200
New York, New York 10118

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

TABLE OF CONTENTS

INSTITUTION RATING 1
DESCRIPTION OF INSTITUTION 2
DESCRIPTION OF ASSESSMENT AREAS 3
SCOPE OF EVALUATION 3
CONCLUSIONS ON PERFORMANCE CRITERIA 5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 9
CARBON COUNTY – Full-Scope Review 10
DESCRIPTION OF INSTITUTION'S OPERATIONS IN CARBON COUNTY 10
CONCLUSIONS ON PERFORMANCE CRITERIA IN CARBON COUNTY 14
SCHUYLKILL COUNTY – Full-Scope Review 21
DESCRIPTION OF INSTITUTION'S OPERATIONS IN SCHUYLKILL COUNTY 21
CONCLUSIONS ON PERFORMANCE CRITERIA IN SCHUYLKILL COUNTY 24
APPENDICES 30
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA 30
GLOSSARY 31

INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The majority of loans and other lending-related activities are in the institution's assessment area.
- The geographic distribution reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Background

Mauch Chunk Trust Company (MCT), located in eastern Pennsylvania and headquartered in Jim Thorpe, operates in Carbon and Schuylkill Counties. MCT is a state-chartered financial institution operating under Mauch Chunk Trust Financial Corporation, a one-bank holding company. The bank does not have any affiliates or subsidiaries. MCT received a Satisfactory rating at its previous FDIC Performance Evaluation, dated February 8, 2021, based on Interagency Intermediate Small Institution Examination Procedures.

Operations

MCT operates five full-service branches in Carbon County and two full-service branches in Schuylkill County. In addition, trust and investment services operate from an office in Jim Thorpe. There is an automated teller machine (ATM) at each branch. During the evaluation period, MCT closed two stand-alone ATMs, one located in Carbon County, and one located in Schuylkill County, when the businesses that housed the machines closed. MCT continues to operate two branches with ATMs in these areas, which ensures customers uninterrupted access to banking services. MCT did not open or close any branches or engage in any merger or acquisition activity during the evaluation period.

MCT offers traditional residential, commercial, and consumer loan products, with a primary focus on residential mortgage lending. The bank also offers a variety of consumer and business deposit services, including checking, savings, money market deposit accounts, and certificates of deposit. Alternative retail banking services include online, mobile, and telephone banking.

Ability and Capacity

Bank assets totaled $637.5 million as of June 30, 2023, which included total loans of $259.2 million and total securities of $285.4 million. MCT reported total deposits of $552.7 million. Since the previous evaluation, total assets, loans, and deposits increased by 20.3 percent, 15.3 percent, and 38.2 percent, respectively.

The following table illustrates MCT's loan portfolio composition as of June 30, 2023.

Loan Portfolio Distribution as of 06/30/2023		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	3,231	1.2
Secured by Farmland	2,488	1.0
Secured by 1-4 Family Residential Properties	121,194	46.7
Secured by Multifamily (5 or more) Residential Properties	16,722	6.4
Secured by Nonfarm Nonresidential Properties	52,233	20.2
Total Real Estate Loans	**192,637**	**75.5**
Commercial and Industrial Loans	53,852	20.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	2,244	0.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	5,538	2.1
Lease Financing Receivable (net of unearned income)	1,698	0.7
Less: Unearned Income	0	0.0
Total Loans	**259,200**	**100.0**
Source Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREAS

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. MCT designated two individual assessment areas within Pennsylvania: Carbon County, comprising all tracts in the county that is part of the Allentown-Bethlehem-Easton, PA-NJ Metropolitan Statistical Area (MSA) #10900, and Schuylkill County, including a portion of Schuylkill County that is part of the non-metropolitan statewide area (Non-MSA) of Pennsylvania. The area included within the assessment areas remains the same as that analyzed in the previous evaluation, but effective with 2022 data, census tract categorizations within the assessment areas changed as a result of 2020 U.S. Census Data. Refer to specific assessment area descriptions below for further information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated February 8, 2021, to the current evaluation dated July 24, 2023. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate MCT's CRA performance. These procedures include the Lending Test and Community Development Test. Examiners gave greater weight to performance in the Carbon County assessment area, since a majority of banking activities, loans and deposits, occur within Carbon County. Examiners evaluated MCT's two assessment areas using full-scope examination procedures. Please refer to the Appendices for a complete description of these tests.

Activities Reviewed

MCT's primary loan products are home mortgage and small business loans. Examiners analyzed and presented MCT's home mortgage and small business loan originations and purchases for these loans types for 2021 and 2022. Examiners used data from the bank's annual Home Mortgage Disclosure (HMDA) submissions to analyze home mortgage lending. Since the bank originated and purchased a larger number and dollar amount of HMDA loans during the evaluation period, examiners gave greater weight to home mortgage loans when forming overall conclusions. Examiners also reviewed the bank's small business loans, using bank data, to identify commercial loans meeting the definition of small business loans (i.e. original balances of $1.0 million or less). These loans received less emphasis for the overall rating, as the volume of these loans was less than the volume of home mortgage loans. No other loan types, such as consumer or small farm, represent a major product line or provide material support for conclusions or ratings. These products were not analyzed within the evaluation; however, examiners included small farm loans in the assessment area concentration criterion as a product identified by regulation to consider within the evaluation.

For the Lending Test, examiners reviewed the number and dollar volume of HMDA and small business loans originated or purchased during 2021 and 2022. While the evaluation tables present both the number and dollar volume of loans, examiners emphasized performance by number because number of loans is a better indicator of the number of businesses and individuals served. Tables presenting data for 2021 compare the bank's production to demographic data and peer data, which is the most recent year with available peer data. Tables presenting data for 2022 will compare the bank's production to demographic data.

Examiners used the full universe of originated and purchased HMDA and small business loans during 2021 and 2022. In 2021, the bank originated or purchased 173 HMDA loans totaling $25.3 million compared to 141 small business loans totaling $17.7 million. In 2022, the bank originated or purchased 155 HMDA loans totaling $25.6 million compared to 184 small business loans totaling $20.3 million. Small farm loans, obtained from bank data, include 3 originations totaling $0.4 million in 2021 and 2 originations totaling 0.3 million for 2022.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and services since the previous CRA evaluation, dated February 8, 2021, through the current evaluation date. The tables present the bank's community development activities for each year in the evaluation period.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

MCT demonstrated satisfactory performance under the Lending Test. The bank's reasonable performance in the Loan-to-Deposit (LTD) Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion.

This section of the evaluation presents the bank's overall performance in the two assessment areas, combined (combined assessment area). Separate presentations and evaluations for the Carbon County assessment area and the nonmetropolitan statewide area of Pennsylvania are included in later sections of this evaluation.

Loan-to-Deposit (LTD) Ratio

The net LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. MCT's average net LTD ratio, calculated from Call Report data, averaged 47.4 percent over the past ten calendar quarters from March 31, 2021, to June 30, 2023. The net LTD ratio fluctuated during the evaluation period, ranging from a low of 45.0 percent as of March 31, 2022, and a high of 52.8 as of March 31, 2021.

Examiners compared MCT's average net LTD ratio to that of comparable institutions selected based on geographic location, lending focus, and asset size. While the LTD ratios of other similarly situated institutions are higher, examiners considered factors affecting the bank. During the period, MCT had the highest percentage increase in deposits at 33.1 percent. None of the similarly situated institutions listed below increased deposits more than 7.2 percent. MCT's higher increase in deposits reflects the institution's success in capturing deposits from customers of larger, national banks that closed branches in the assessment area. Given the competition and limited demand for loans in the area, MCT's lending did not increase commensurately to maintain or increase the LTD ratio. While the bank's ratio at the beginning of the period is similar to that of two comparable institutions, MCT deposit growth, along with competition to lend in the area, led to the broader discrepancy. Despite these facts, the bank's LTD ratio was increasing during 2022 and early 2023.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 6/30/2023 ($000s)**	**Average Net LTD Ratio (%)**
Mauch Chunk Trust Company	**637,473**	**47.4**
Jim Thorpe Neighborhood Bank	232,211	57.2
The Neffs National Bank	461,481	58.4
First Northern Bank and Trust	900,536	65.8
Source Reports of Condition and Income 03/31/2021 – 6/30/2023		

Assessment Area Concentration

A majority of loans are in the bank's assessment area. The following table shows the assessment area concentration of home mortgage loan and small business originations and purchases by number and dollar volume. A large purchase of small business loans in 2022 resulted in less than a majority

of small business loans from inside the assessment area in 2022; however, the production from all loan types combined in 2022 resulted in a majority of loans made inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans $(000s)**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Home Mortgage										
2021	139	80.3	34	19.7	173	18,102	71.6	7,179	28.4	25,280
2022	115	74.2	40	25.8	155	16,941	66.3	8,627	33.7	25,568
Subtotal	**254**	**77.4**	**74**	**22.6**	**328**	**35,043**	**68.9**	**15,806**	**31.1**	**50,848**
Small Business										
2021	103	73.1	38	27.0	141	10,414	59.0	7,245	41.0	17,659
2022	59	32.1	125	67.9	184	7,347	36.2	12,972	63.8	20,319
Subtotal	**162**	**49.8**	**163**	**50.2**	**325**	**17,761**	**46.8**	**20,217**	**53.2**	**37,978**
Small Farm										
2021	2	66.7	1	33.3	3	340	85.0	60	15.0	400
2022	1	50.0	1	50.0	2	130	48.1	140	51.9	270
Subtotal	**3**	**60.0**	**2**	**40.0**	**5**	**470**	**70.1**	**200**	**29.9**	**670**
Total	**419**	**63.7**	**239**	**36.3**	**658**	**53,274**	**59.5**	**36,223**	**40.5**	**89,496**
Source Bank Data. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Institution performance in the Geographic Distribution criterion was consistent among the rated areas. The bank's reasonable performance of lending in low- and moderate-income census tracts in the two assessment areas support this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different incomes and businesses of different sizes. Institution performance in the Borrower Profile criterion was consistent among the rated areas. The bank's reasonable performance of lending to low- and moderate-income borrowers and to businesses with gross annual revenues (GARs) of $1.0 million or less in the two assessment areas support this conclusion.

Response to Complaints

MCT has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

MCT's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. MCT's community development performance in the Carbon County assessment area received the greatest weight when assigning an overall rating, as this area accounts for the largest share of the bank's loans, deposits, and branches. The overall conclusions regarding community development activities are consistent with the underlying assessment areas.

Community Development Loans

MCT originated 20 community development loans totaling $7.1 million during the evaluation period. This level of activity represents 1.2 percent of average total assets and 3.0 percent of average total loans during the evaluation period. The bank's community development loans include 16 loans totaling $5.7 million that benefitted the combined assessment area and 5 loans totaling $1.4 million that benefitted the counties immediately surrounding the combined assessment area. The bank received credit for loans made in the broader statewide or regional area, as the institution has been responsive to the community development needs of its assessment areas.

MCT's community development lending activity decreased by number and dollar amount since the previous evaluation. During the previous evaluation period, MCT originated 25 community development loans totaling $7.9 million. While the current evaluation period had a lower activity by number and dollar amount, the performance is considered reasonable for this evaluation when considering that the previous period covered a longer period of time, and that the bank increased performance by number and dollar amount of loans inside the assessment area.

The following table illustrate the bank's community development lending activity by assessment area and purpose. Additional details relating to the bank's loans are contained within the individual assessment area sections.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
Carbon County	10	2,543	0	0	1	2,000	1	32	**11**	**4,575**
Schuylkill County	2	257	1	520	0	0	1	350	**4**	**1,127**
Statewide/Regional Activities	5	1,430	0	0	0	0	0	0	**5**	**1,430**
Total	**17**	**4,230**	**1**	**520**	**1**	**2,000**	**2**	**382**	**20**	**7,132**
Source Bank Records										

Described below are the bank's community development loans that benefit the broader regional area.

- During the evaluation period, MCT originated five loans to different borrowers for a

combined $1.4 million to purchase or refinance multi-unit dwellings. The properties securing these loans contain a total of thirty housing units. The loans support affordable housing by providing a majority of units at a price less than the HUD Fair Market Rental estimates for the area.

Qualified Investments

MCT made qualified investments and donations totaling over $5.4 million during the evaluation period. This total includes five new investments totaling $4.0 million, and 52 qualified donations totaling $0.4 million. Additionally, the bank retained two prior period investments with a book value of $1.0 million. The $5.4 million of investments and donations represent 0.9 percent of average total assets and 1.7 percent of average total securities during the evaluation period. The current level of qualified investments and donations is less than the previous evaluation period amount of $5.7 million, which included $5.2 million in bond investments and $420,494 in donations. However, the amount of new investments during the evaluation period increased compared to the previous period, when a majority of investment was from prior period investments.

The following table illustrates qualified investments by assessment area and purpose. Additional details relating to the bank's donations are contained within the individual assessment area sections.

Qualified Investments by Assessment Area										
Assessment Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Carbon County	3	3,084	20	33	0	0	0	0	**23**	**3,117**
Schuylkill County	0	0	25	267	0	0	0	0	**25**	**267**
Combined assessment area	0	0	7	58	0	0	0	0	**7**	**58**
Total in Assessment Area	**3**	**3,084**	**52**	**358**	**-**	**-**	**-**	**-**	**55**	**3,442**
Statewide/Regional Activities	4	2,003	0	0	0	0	0	0	**4**	**2,003**
Total	**7**	**5,087**	**52**	**358**	**0**	**0**	**0**	**0**	**59**	**5,445**
Source Bank Records										

Described below are the bank's bond investments that benefit the statewide area, including the combined assessment area.

- MCT's bond investments, for approximately $2.0 million, consist of four revenue bonds purchased through the Pennsylvania Housing Finance Agency (PHFA). The PHFA is a state-affiliated agency that provides affordable housing and rental assistance to senior adults, low- and moderate-income families, and people with special housing needs. Funds from the sale of these revenue bonds finance affordable mortgages for low- and moderate-income individuals throughout Pennsylvania, including the bank's combined assessment area.

Community Development Services

During the evaluation period, bank directors, senior officers, and employees provided 26 instances of community development services in the combined assessment area, similar to the 27 services provided during the prior evaluation period.

The following table presents the bank's community development services by assessment area and purpose. For more examples of the bank's community development service activities, refer to the Community Development Services section of the individual assessment areas.

Community Development Services by Assessment Area					
Assessment Area	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
Carbon County	3	10	8	0	**21**
Schuylkill County	0	0	5	0	**5**
Total	**3**	**10**	**13**	**0**	**26**
Source Bank Records					

In addition to services provided directly by employees during the evaluation period, the bank served as a sponsor for several community development organizations that focus on affordable housing in the assessment areas. MCT sponsored two applications on behalf local organizations for the Federal Home Loan Bank (FHLB) Home4Good Program. The Home4Good program provides aid to those who are homeless or at risk of homelessness, by channeling funds to local service organizations.

MCT also offers a free checking account with no monthly maintenance fees. This low-cost deposit account represents a retail banking service that benefits low- or moderate-income individuals in the combined assessment area.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank's overall CRA rating.

CARBON COUNTY – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CARBON COUNTY

The Carbon County assessment area includes all census tracts in Carbon County, which is located in eastern Pennsylvania. MCT operates 5 branch offices within this assessment area. The bank's operations in the assessment area represent 66.4 percent of total in-assessment area lending (by dollar amount), 77.1 percent of total deposits, and 71.4 percent of total branches.

Economic and Demographic Data

The assessment area includes all census tracts within Carbon County, Pennsylvania. For 2021, the assessment area included 12 census tracts reflecting the following income designations according to the 2015 American Community Survey (ACS):

- 1 low-income census tracts,
- 3 moderate-income census tracts,
- 8 middle-income census tracts,
- 0 upper-income census tracts, and
- 0 census tracts with no income designation.

The 2020 United States (U.S.) Census updated demographic data, which went into effect in 2022. The 2020 Census data changed the number and income level of select tracts within the assessment area. For 2022, the same assessment area included 17 census tracts, reflecting the following income designations according to the 2020 Census data:

- 1 low-income tracts,
- 7 moderate-income tracts,
- 9 middle-income tracts,
- 0 upper-income tracts, and
- 0 census tracts with no income designation.

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

Demographic Information of the Carbon County Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	17	5.9	41.2	52.9	0.0	0.0
Population by Geography	64,749	6.4	40.0	53.6	0.0	0.0
Housing Units by Geography	34,817	5.8	36.3	57.8	0.0	0.0
Owner-Occupied Units by Geography	19,893	4.5	40.0	55.5	0.0	0.0
Occupied Rental Units by Geography	6,652	10.2	42.0	47.9	0.0	0.0
Vacant Units by Geography	8,272	5.5	23.1	71.4	0.0	0.0
Businesses by Geography	5,408	4.5	39.6	55.9	0.0	0.0
Farms by Geography	176	0.6	36.9	62.5	0.0	0.0
Family Distribution by Income Level	16,808	25.8	20.6	23.5	30.1	0.0
Household Distribution by Income Level	26,545	29.7	18.7	18.6	33.0	0.0
Median Family Income MSA - 10900 Allentown-Bethlehem-Easton, PA-NJ MSA		$84,676	Median Housing Value			$145,433
			Median Gross Rent			$868
			Families Below Poverty Level			7.3%
Source 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2020 U.S. Census data, there are 34,817 total housing units in the assessment area. Of these, 57.1 percent are owner-occupied, 19.1 percent are occupied rental units, and 23.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As shown above, 44.5 percent of the total owner-occupied housing units are located in low- and moderate-income census tracts. This is an increase from the 2015 ACS data, which reflects only 29.8 percent of total owner-occupied housing units in low- and moderate-income census tracts. This data reflects increased opportunity for lenders to originate home mortgage loans within low- and moderate-income geographies.

Examiners used the FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the income categories for the Carbon County assessment area for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Allentown-Bethlehem-Easton, PA-NJ MSA Median Family Income (10900)				
2021 ($84,900)	<$42,450	$42,450 to <$67,920	$67,920 to <$101,880	≥$101,880
2022 ($94,300)	<$47,150	$47,150 to <$75,440	$75,440 to <$113,160	≥$113,160
Source FFIEC				

The Geographic Distribution criterion for small business lending compares these loans to the distribution of businesses within the assessment area. The Borrower Profile criterion considers the GARs of these businesses. According to 2022 D&B data, there were 5,408 businesses within the assessment area. The GARs of the businesses are as follows:

- 89.2 percent had GARs of $1.0 million or less,
- 2.6 percent had GARs of more than $1.0 million, and
- 8.2 percent had unreported GARs.

Service industries represent the largest percent of businesses at 35.7 percent, followed by non-classifiable establishments at 19.8; retail trade at 11.6; finance, insurance and real estate at 9.0; and construction at 8.6 percent. Within the assessment area, 64.9 percent of businesses have four or fewer employees, and 92.8 percent of businesses operate from a single location. This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area. Further, 44.1 percent of non-farm businesses per 2022 U.S. Census data operate within low- and moderate-income census tracts, suggesting there is opportunity for financial institutions to make loans to small businesses and small farms in these geographies. However, only 26.9 percent of non-farm businesses or 1,250 businesses per 2015 ACS data operate within low- and moderate-income census tracts, suggesting there is limited opportunity for financial institutions to make loans to small businesses in these geographies.

According to PA's Department of Labor & Industry, top employers within the assessment area include Saint Luke's Hospital, Blue Mountain Resort, VR US Holdings, Carbon County, Wal-Mart Associates Inc., Lehigh Valley Hospital Center, Lehighton Area School District, and State Government.

The unemployment data from the Bureau of Labor Statistics for the assessment area reflect slightly higher unemployment numbers for Carbon County compared with U.S. and Pennsylvania data. The trend for all data shows that unemployment rates have declined from the high rates during the COVID-19 pandemic. For Carbon County, the unemployment rate has dropped from a high in January 2021 of 8.3 percent to a current rate of 4.0 percent in May 2023. This data reflects an increased potential for lending during the period.

Competition

There is a moderately competitive market for financial and credit services in the Carbon County assessment area. According to the FDIC Summary of Deposits as of June 30, 2022, six FDIC-insured institutions operated 18 branch offices within Carbon County. Of these institutions, MCT ranked 1st in with a 35.7 percent market share by total deposits.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. Based on 2021 Peer Mortgage Data, 293 lenders originated or purchased 3,325 home mortgage loans. Of these lenders, MCT ranked 6th by number of originations or purchases capturing 3.0 percent of total market share. The most prominent mortgage lenders in the assessment area included Rocket Mortgage; Wells Fargo Bank N.A.; American Neighborhood Mortgage; Pennymac Loan Services LLC; and Keybank N.A.

MCT is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include aggregate data comparisons. The aggregate data, however, reflects the level of demand for small business loans and is, therefore, included for performance context. Aggregate data for 2021 shows that 66 reporting institutions originated or purchased 1,107 small business loans in the assessment area, indicating a high degree of competition for this product. The most prominent small business lenders in the assessment area included American Express National Bank; Keybank N.A.; Synchrony Bank; Capital One Bank (USA), N.A.; and JPMorgan Chase Bank, N.A.

Community Contact

As part of the evaluation process, examiners contact third parties active within the institution's assessment area to identify credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and helps show what credit opportunities are available.

Examiners contacted a representative from a community development organization in Carbon County. This organization assists non-profits by enhancing their skills, advocating for greater resources, and securing funding. The contact stated major sources of employment as government administration, hospital, and tourism businesses. Additionally, the contact noted a number of homeless shelters in Carbon County, and a need for donations. They described Carbon County as a "bedroom community," as the workers in the area do not live there. According to the contact, there has been an influx of homebuyers in the area from outside Carbon County. As a result, housing stock is low and existing options are either unaffordable for those local to the area or of poor quality. As such, there is a need for quality, affordable housing in the area.

For small businesses, the contact stated a need for economic development in Lehighton. Lehighton neighbors Jim Thorpe, a tourist hub, but the former does not receive much tourist traffic. The contact indicated a need to develop greater partnerships between non-profits and financial institutions, as non-profits struggle to self-advocate funding and management guidance needs. The contact opined that financial institutions could better promote non-profit resources.

Lastly, the contact communicated the need for additional financial services in the county. Specifically, they noted few branches and ATMs, as well as a need for financial counseling. Existing branches are spread out in the county and inconvenient for customers to access the branches in-person. However, the local banks have good reputations in the community and they support many of the non-profit organizations in the county that promote community service.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage lending remains the assessment area's primary credit need. Due to the current economic conditions in the assessment area, low- and moderate-income individuals struggle to find dwellings at a price they can afford for purchase or rent. Community development opportunities include affordable housing initiatives and financial literacy education.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CARBON COUNTY

LENDING TEST

MCT demonstrated satisfactory performance under the Lending Test. The bank's reasonable performance in the Geographic Distribution and Borrower Profile criteria support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's dispersion of home mortgage and small business loans supports this conclusion. Home mortgage lending received greater weight, due to volume.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's home mortgage lending data to demographic and aggregate lending data for 2021 and demographic data for 2022.

MCT's originated no loans in the low-income tracts in 2021, falling below aggregate and demographic data. With an increase to two loans in 2022, the bank's lending in the low-income tracts trails the demographic benchmark. Given the relatively low percentage of owner-occupied housing units in the low-income geographies and competition for low volume of lending for home mortgage loans in the area, the bank's performance in the low-income tracts is reasonable.

In 2021, the bank's distribution of home mortgage loans in the moderate-income tracts trailed the aggregate lending levels, but was similar to the demographic data. In 2022, the bank's distribution of home mortgage loans exceeded the demographic data.

The following table illustrates the distribution of loans by census tract income level.

Geographic Distribution of Home Mortgage Loans Assessment Area: Carbon County						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	5.2	1.9	0	0.0	0	0.0
2022	4.5	-	2	2.5	420	3.5
Moderate						
2021	24.6	31.6	24	24.2	3,441	25.6
2022	40.0	-	42	52.5	5,424	45.6
Middle						
2021	70.2	66.5	75	75.8	10,025	74.4
2022	55.5	-	36	45.0	6,049	50.9
Upper						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Totals						
2021	**100.0**	**100.0**	**99**	**100.0**	**13,466**	**100.0**
2022	**100.0**	**-**	**80**	**100.0**	**11,893**	**100.0**
Source 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's small business loan data to demographic data for 2021 and 2022. A decrease in number of originations in 2022 is a result of the 2021 loans originated through the bank's participation in the SBA's Paycheck Protection Program (PPP), a federal loan program developed in response to the COVID-19 pandemic.

As shown in the table below, the bank's percentage of loans in the low-income census tracts is below the demographic benchmark in 2021 and 2022. Demographic data indicates that there were only 206 and 244 non-farm businesses operating in low-income census tracts during 2021 and 2022 respectively. When considering the small number of low-income tracts and competition for small business loans in the area, the bank's performance is considered reasonable.

MCT's percentage of loans in the moderate-income tracts is similar to the percentage of businesses located in those tracts in 2021 and exceeds the demographic data for 2022, which supports the overall rating.

Geographic Distribution of Small Business Loans Assessment Area: Carbon County					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2021	4.4	1	1.7	27	0.4
2022	4.5	1	3.6	100	2.4
Moderate					
2021	22.5	14	24.1	2,025	31.4
2022	39.6	17	60.7	2,298	54.8
Middle					
2021	73.1	43	74.1	4,401	68.2
2022	55.9	10	35.7	1,797	42.8
Upper					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Totals					
2021	**100.0**	**58**	**100.0**	**6,453**	**100.0**
2022	**100.0**	**28**	**100.0**	**4,195**	**100.0**
Source 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%.					

Borrower Profile

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

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data for 2018 and 2019.

The distribution of home mortgage loans to low-income borrowers in 2021 was below the demographic benchmark, but exceeded the aggregate lending performance. The volume of loans originated in 2022 within low-income census tracts declined and is below the demographic data.

The distribution of home mortgage loans to moderate-income borrowers in 2021 is below the demographic benchmark, but similar to the aggregate lending performance. The volume of loans originated in 2022 within moderate-income census tracts increased slightly, and exceeds the demographic data due to the changes resulting from updated 2020 U.S. Census data. The following table illustrates the distribution of loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Carbon County						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	24.9	10.7	13	13.1	1,009	7.5
2022	25.8	-	3	3.8	123	1.0
Moderate						
2021	23.2	19.8	17	17.2	1,582	11.7
2022	20.6	--	19	23.8	1,461	12.3
Middle						
2021	23.4	20.4	21	21.2	2,153	16.0
2022	23.5	-	25	31.3	3,232	27.2
Upper						
2021	28.5	32.5	34	34.3	6,142	45.6
2022	30.1	-	23	28.8	4,324	36.4
Not Available						
2021	0.0	16.7	14	14.1	2,581	19.2
2022	0.0	-	10	12.5	2,753	23.2
Totals						
2021	**100.0**	**100.0**	**99**	**100.0**	**13,466**	**100.0**
2022	**100.0**	**-**	**80**	**100.0**	**11,893**	**100.0**
Source 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

Small Business Loans

The distribution of small business loans to businesses with GARs of $1.0 million or less is reasonable. Examiners compared performance to demographic data. The following table illustrates the distribution of small business loans by the GAR level of the business.

MCT originations for businesses with GAR $1.0 million or less in 2021 is below the demographic percentage of businesses. Impacting the bank's penetration percentages are its PPP loan originations in 2021. Banks were not required to collect GAR information from PPP applicants, resulting in the 27.6 percent of loans with no GAR information and impacting distribution percentages. The percentage of MCT originations for businesses with GAR $1.0 million or less in 2022 is below the demographic comparative percentage of businesses as well. When considering the competition, the bank's performance is considered reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Carbon County					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2021	87.6	27	46.6	3,430	53.2
2022	89.2	20	71.4	2,896	69.0
>$1,000,000					
2021	3.0	15	25.9	2,655	41.1
2022	2.6	8	28.6	1,299	31.0
Revenue Not Available					
2021	9.4	16	27.6	368	5.7
2022	8.2	0	0.0	0	0.0
Totals					
2021	**100.0**	**58**	**100.0**	**6,453**	**100.0**
2022	**100.0**	**28**	**100.0**	**4,195**	**100.0**
Source 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

MCT demonstrated adequate responsiveness to the community development needs of this assessment area through its community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the needs and availability of such opportunities.

Community Development Loans

During the evaluation period, MCT made 12 community development loans totaling $4.6 million in this assessment area. The following table shows the bank's community development lending by activity year and purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2021	5	1,078	0	0	0	0	1	32	**6**	**1,110**
2022	2	452	0	0	1	2,000	0	0	**3**	**2,452**
YTD 2023	3	1,014	0	0	0	0	0	0	**3**	**1,014**
Total	**10**	**2,544**	**0**	**0**	**1**	**2,000**	**1**	**32**	**12**	**4,576**
Source Bank Data										

Below are notable examples of the bank's community development loans in this assessment area.

- In 2021, MCT participated in, and originated loans through, the SBA's PPP. One loan, originated for $31,522, supported a business by retaining low- and moderate-income jobs, which helped stabilize a moderate-income census tract.
- In 2022, the bank originated a commercial loan for $2.0 million for the purchase of a commercial property located in a moderate-income census tract. The loan supports economic development funding to purchase and renovate an existing commercial property that will provide low- and moderate-income jobs and additional space for other ventures.
- In 2021, MCT originated a loan for $304,000 to purchase two apartment buildings, one with ten units and another with six units. A majority of units in each building rented for less than the HUD Fair Market Rental estimate for the area, which supports the affordable housing needs of the assessment area.

Qualified Investments

MCT made 3 investments for $3.1 million and 20 donations totaling approximately $33,000 that benefitted this assessment area. The following table shows the bank's qualified donations by activity year and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	0	0	0	0	0	0	0	0	**0**	**0**
2021	3	3,084	0	0	0	0	0	0	**3**	**3,084**
2022	0	0	0	0	0	0	0	0	**0**	**0**
YTD 2023	0	0	0	0	0	0	0	0	**0**	**0**
Subtotal	**3**	**3,084**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**3,084**
Qualified Grants & Donations	0	0	20	33	0	0	0	0	**20**	**33**
Total	**3**	**3,084**	**20**	**33**	**0**	**0**	**0**	**0**	**23**	**3,117**
Source Bank Data										

Below are notable examples of MCT's qualified investments and donations:

- During the evaluation period, the bank made five donations totaling nearly $31,000 thousand to a non-profit organization that provides food and shelter to homeless individuals. The donations support community services targeted to low- and moderate-income individuals. These donations help meet an assessment area need, as identified by the community contact.
- In 2021, MCT purchased three FHLMC mortgaged-backed securities that support affordable housing in the assessment area. The investments are primarily collateralized by loans to LMI individuals or properties in low- and moderate-income census tracts.

Community Development Services

During the evaluation period, MCT staff provided 18 instances of community development services. The table below illustrates these activities:

Community Development Services					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	#	#	#	#
2021	1	3	2	0	**6**
2022	1	2	3	0	**6**
YTD 2023	1	2	3	0	**6**
Total	**3**	**7**	**8**	**0**	**18**
Source Bank Data					

Below are notable examples of the bank's community development services that benefit the assessment area:

- A bank officer served as Chairman of the Board for the Carbon County Chamber and Economic Development Corporation. The organization promotes economic development by helping small businesses start, relocate, and grow within Carbon County.
- A bank employee served on the Board and provided financial expertise to the Carbon County Action Committee, an organization that provides emergency housing assistance, home repair services, and weatherization assistance to low- and moderate-income individuals in Carbon County.

SCHUYLKILL COUNTY – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SCHUYLKILL COUNTY

The Non-MSA assessment area in Pennsylvania assessment area includes seven tracts in Schuylkill County, which is located in the eastern portion of Pennsylvania. The tracts are contiguous to the primary assessment area of Carbon County. The bank operates two branch offices within this assessment area. MCT's operations in the assessment area represent 33.6 percent of total in-assessment area lending (by dollar amount), 22.9 percent of total deposits, and 28.6 percent of total branches.

Economic and Demographic Data

The assessment area includes seven census tracts within Schuylkill County, Pennsylvania, that are contiguous to Carbon County, Pennsylvania. For 2021, the assessment area included 12 census tracts reflecting the following income designations according to the 2015 American Community Survey (ACS):

- 0 low-income census tracts,
- 3 moderate-income census tracts,
- 2 middle-income census tracts,
- 2 upper-income census tracts, and
- 0 census tracts with no income designation.

The 2020 Census data changed income level of select tracts within the assessment area. For 2022, the same assessment area remained at 7 census tracts, reflecting the following income designations according to the 2020 Census data:

- 0 low-income census tracts,
- 1 moderate-income census tracts,
- 6 middle-income census tracts,
- 0 upper-income census tracts, and
- 0 census tracts with no income designation.

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

Demographic Information of the Schuylkill County Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	24,454	0.0	10.1	89.9	0.0	0.0
Housing Units by Geography	12,048	0.0	10.4	89.6	0.0	0.0
Owner-Occupied Units by Geography	7,871	0.0	7.8	92.2	0.0	0.0
Occupied Rental Units by Geography	2,669	0.0	15.8	84.2	0.0	0.0
Vacant Units by Geography	1,508	0.0	13.8	86.2	0.0	0.0
Businesses by Geography	1,885	0.0	9.0	91.0	0.0	0.0
Farms by Geography	106	0.0	2.8	97.2	0.0	0.0
Family Distribution by Income Level	6,709	21.1	17.8	21.6	39.5	0.0
Household Distribution by Income Level	10,540	26.5	17.4	16.3	39.8	0.0
Median Family Income Non-MSAs - PA		$65,202	Median Housing Value			$109,564
			Median Gross Rent			$702
			Families Below Poverty Level			9.5%
Source 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

There are 12,048 total housing units in the assessment area per 2020 U.S. Census data. Of these, 65.3 percent are owner-occupied, 22.2 percent are occupied rental units, and 12.5 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As shown above, only 7.8 percent of the total owner-occupied housing units are located in moderate-income census tracts. This reflects a decrease from the 2015 ACS data, where 30.7 percent of total owner-occupied housing units were located in moderate-income census tracts. This data reflects a reasonable level of opportunities lenders have to originate home mortgage loans within this income geography in 2021, but limited opportunity in 2022.

Examiners used the FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the income categories for the PA Non-MSA assessment area for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
PA NA Median Family Income (99999)				
2021 ($65,100)	<$32,550	$32,550 to <$52,080	$52,080 to <$78,120	≥$78,120
2022 ($72,900)	<$36,450	$36,450 to <$58,320	$58,320 to <$87,480	≥$87,480
Source FFIEC				

The Geographic Distribution criterion for small business lending compares these loans to the distribution of businesses within the assessment area. The Borrower Profile criterion considers the GARs of these businesses. According to 2022 D&B data, there were 1,885 businesses within the assessment area. The GARs of the businesses are as follows:

- 87.4 percent had GARs of $1.0 million or less,
- 3.4 percent had GARs of more than $1.0 million, and
- 9.2 percent had unreported GARs.

Service industries represent the largest percent of businesses at 35.7 percent, followed by non-classifiable establishments at 19.8; retail trade at 11.6; finance, insurance and real estate at 9.0; and construction at 8.6 percent. Within the assessment area, 64.9 percent of businesses have four or fewer employees, and 92.8 percent of businesses operate from a single location. Although these business demographics suggest demand for, and the opportunity to originate, small business loans in the assessment area, only 9.0 percent of non-farm businesses per 2022 U.S. Census data operate within moderate-income census tracts. Additionally, as reflected in 2021 ACS data, only 29.1 percent of non-farm businesses, or 491, operate in moderate-income census tracts. Overall, these data suggest there is limited opportunity for financial institutions to make loans to small businesses and small farms in these geographies.

According to PA's Department of Labor & Industry, top employers within the assessment area include Wal-Mart Associates Inc., State Government, Sapa Extrusions Inc., Jeld-Wen Inc., Schuylkill Medical Center-South Jackson Street, Cargill Meat Solutions Corporation, Wegmans Food Markets Inc., and Lowe's Home Centers LLC.

The unemployment data from the Bureau of Labor Statistics for the assessment area and related areas reflect slightly higher unemployment numbers for Schuylkill County compared with U.S. and Pennsylvania data. The trend for all data shows that unemployment rates have declined from the high rates during the COVID-19 pandemic. For Schuylkill County, the unemployment rate has dropped from a high in January 2021 of 7.9 percent to a current rate of 4.1 percent in May 2023. This data reflects an increased potential for lending during the period.

Competition

There is a moderately competitive market for financial and credit services in the Schuylkill County assessment area. According to the FDIC Summary of Deposits as of June 30, 2022, there were 12 FDIC-insured institutions operating 38 branch offices within Schuylkill County. Of these institutions, MCT ranked 8th with a 4.4 percent market share by total deposits.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the Schuylkill County assessment area. Based on 2021 Peer Mortgage Data, 129 lenders originated or purchased 732 home mortgage loans. Of these lenders, MCT ranked 3rd by number of originations or purchases capturing 5.5 percent of total market share. The other top most prominent mortgage lenders in the assessment area included Rocket Mortgage; Wells Fargo Bank NA; Pennymac Loan Services LLC; M&T Bank; Caliber Home Loans, Inc.

MCT is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include aggregate data comparisons. The aggregate data, however, reflects the level of demand for small business loans and is, therefore, included for performance context. Aggregate data for 2021 shows that 82 reporting institutions originated or purchased 2,318 small business loans in the assessment area, indicating a high degree of competition for this product. The most prominent small business lenders in the assessment area included American Express National Bank; Synchrony Bank; Mid Penn Bank; M&T Bank; Wells Fargo Bank, N.A.; JPMorgan Chase Bank, N.A.; and Capital One Bank (USA), N.A.

Credit and Community Development Needs and Opportunities

Examiners considered information from the bank management, demographic data, and economic data to identify the credit and community development needs and opportunities for the assessment area. Affordable housing targeted to low- or moderate-income individuals represent a primary credit and community development need. Although the area has community development activities, the opportunities are limited, based on demographics and the low number of census tracts that constitute this assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SCHUYLKILL COUNTY

LENDING TEST

MCT demonstrated reasonable performance under the Lending Test in this assessment area. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria support this conclusion. The Borrower Profile criteria contributed more weight to overall conclusions, as there are no low-income census tracts for 2021 and 2022, and only one moderate-income census tract in 2022, as a result of the 2020 U.S. Census release.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's adequate performance in home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in moderate-income census tracts. With changes to census tract designations in 2022 resulting from the 2020 U.S. Census, there remained only one moderate-income tract in the assessment area. Therefore, data from 2022 did not impact the overall ratings.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners compared the bank's home mortgage lending data to demographic and aggregate lending data for 2021 and demographic data for 2022. MCTs similar lending performance in moderate-income census tracts supports this conclusion.

The following table illustrates the distribution of loans by census tract income level.

Geographic Distribution of Home Mortgage Loans Assessment Area: Schuylkill County						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Moderate						
2021	30.7	27.9	10	25.0	842	18.2
2022	7.8	-	0	0.0	0.0	0.0
Middle						
2021	18.3	18.4	7	17.5	602	13.0
2022	92.2	-	35	100.0	5,048	100.0
Upper						
2021	51.0	53.7	23	57.5	3,192	68.9
2022	0.0	-	0	0.0	0	0.0
Totals						
2021	**100.0**	**100.0**	**40**	**100.0**	**4,636**	**100.0**
2022	**100.0**	**-**	**35**	**100.0**	**5,048**	**100.0**
Source 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the comparison to demographic data. The bank's percentage of lending in moderate-income tracts in 2021 is below the demographic data. When considering the competition in the area for a low volume of loans, the bank's performance is considered reasonable. The bank originated no loans in moderate-income census tracts in 2022. When considering there is only one moderate-income census tract and the level of competition, the performance does not impact the overall rating.

The following table illustrates the distribution of loans and demographic data by census tract income level.

Geographic Distribution of Small Business Loans Assessment Area: Schuylkill County					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Moderate					
2021	29.1	8	17.8	243	6.1
2022	9.0	0	0.0	0	0.0
Middle					
2021	19.7	8	17.8	1,334	33.7
2022	91.0	31	100.0	3,152	100.0
Upper					
2021	51.2	29	64.4	2,384	60.2
2022	0.0	0	0.0	0	0.0
Totals					
2021	**100.0**	**45**	**100.0**	**3,961**	**100.0**
2022	**100.0**	**31**	**100.0**	**3,152**	**100.0**
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's adequate performance of home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data for 2021 and 2022. The distribution of home mortgage loans to low-income borrowers was below area demographics and aggregate data in 2021, and also below the demographic comparison for 2022. Market share data for the assessment area reveals a high level of competition for a low volume of loans. Specifically, 32 lenders originated 54 loans to low-income borrowers. MCT increased originations to low-income borrowers in 2022, but the percentage remained below the demographic comparative. When considering the competition, the banks activity is considered adequate.

The distribution of home mortgage loans to moderate-income borrowers was similar to the demographic benchmark and aggregate data in 2021 and the demographic comparison for 2022. The following table illustrates the distribution of loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Schuylkill County						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	19.9	10.1	1	2.5	27	0.6
2022	21.1	-	4	11.4	154	3.0
Moderate						
2021	19.1	19.0	9	22.5	709	15.3
2022	17.8	-	5	14.3	530	10.5
Middle						
2021	20.0	20.2	9	22.5	802	17.3
2022	21.6	-	13	37.1	1,289	25.5
Upper						
2021	41.0	34.4	17	42.5	2,467	53.2
2022	39.5	-	9	25.7	2,180	43.2
Not Available						
2021	0.0	16.3	4	10.0	631	13.6
2022	0.0	-	4	11.4	895	17.7
Totals						
2021	**100.0**	**100.0**	**40**	**100.0**	**4,636**	**100.0**
2022	**100.0**	**-**	**35**	**100.0**	**5,048**	**100.0**
Source 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

Small Business Loans

The distribution of small business loans to businesses with GARs of $1.0 million or less is reasonable. Examiners focused on the comparison to demographic data. The bank's percentage of loans to businesses with GARs of $1.0 million or less was below the percentage of businesses in that revenue category during 2021. As explained earlier, banks were not required to collect GAR information for PPP loans. These loans impact the distribution percentages. In 2022, the bank increased the number of loans originated to businesses with GARs of $1.0 million or less and performance was similar to the demographic comparative, reflecting adequate performance.

The following table illustrates the distribution of small business loans by the GAR level of the business.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Schuylkill County					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2021	86.0	25	55.6	980	24.7
2022	87.4	28	90.3	2,928	92.9
>$1,000,000					
2021	3.8	14	31.1	2,609	65.9
2022	3.3	3	9.7	224	7.1
Revenue Not Available					
2021	10.2	6	13.3	372	9.4
2022	9.2	0	0.0	0	0.0
Totals					
2021	**100.0**	**45**	**100.0**	**3,961**	**100.0**
2022	**100.0**	**31**	**100.0**	**3,152**	**100.0**
Source 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%.					

COMMUNITY DEVELOPMENT TEST

MCT demonstrated adequate responsiveness to the community development needs of this assessment area, primarily through community development loans and qualified donations. Examiners considered the institution's capacity and the needs and availability of such opportunities.

Community Development Loans

During the evaluation period, MCT made four community development loans totaling $1.1 million that benefitted the Non-MSA assessment area. The following table reflects the bank's community development lending by activity year and purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2021	0	0	0	0	0	0	0	0	**0**	**0**
2022	1	122	1	520	0	0	1	350	**3**	**992**
YTD 2023	1	135	0	0	0	0	0	0	**1**	**135**
Total	**2**	**257**	**1**	**520**	**0**	**0**	**1**	**350**	**4**	**1,127**
Source Bank Data										

Below are notable examples of the bank's community development lending in this assessment area.

- In 2022, the bank originated a refinance loan to a non-profit for $520,000. The organization is located in a moderate-income census tract, and provides essential community services

targeted toward LMI individuals.

- In 2022, MCT originated a $350,000 loan to refinance and improve a nine-unit apartment building located in a moderate-income census tract helping to attract or retain residents in an LMI area.

Qualified Investments

MCT made 24 donations totaling $266,853 that benefitted this assessment area. Although this represents a decrease in activity from the previous evaluation period, examiners considered the shorter timeframe and the limited opportunities within the small assessment area.

The following table shows the bank's qualified donations by activity year and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	0	0	0	0	0	0	0	0	**0**	**0**
2021	0	0	0	0	0	0	0	0	**0**	**0**
2022	0	0	0	0	0	0	0	0	**0**	**0**
YTD 2023	0	0	0	0	0	0	0	0	**0**	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Qualified Grants & Donations	0	0	24	267	0	0	0	0	**24**	**267**
Total	**0**	**0**	**24**	**267**	**0**	**0**	**0**	**0**	**24**	**267**
Source Bank Data										

Below are notable examples of MCT's qualified investments and donations:

- During the evaluation period, MCT donated $250,000 to the Eastern Pennsylvania Scholarship Fund (EPSF) as part of the state's Educational Improvement Tax Credit Program (EITC). Under the EITC, the Commonwealth of Pennsylvania awards tax credits to businesses contributing to eligible approved Scholarship Organizations and/or Educational Improvement Organizations. These scholarships provide need-based tuition assistance for students of low- and moderate-income families. The bank designated two schools in this assessment area to receive the funding.
- During the evaluation period, MCT made 11 separate donations totaling $1,200 to local food pantry and food delivery services that target the needs of LMI individuals. The donations provide needed funding for a necessary community service.

Community Development Services

During the period, two bank employees served on the boards of two local economic development organizations and provided five instances of community development services. The organizations support small businesses operating in the area and working to expand economic opportunities in the assessment area.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

(1) Support affordable housing for low- and moderate-income individuals;
(2) Target community services toward low- and moderate-income individuals;
(3) Promote economic development by financing small businesses or farms; or
(4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

(1) Has as its primary purpose community development; and
(2) Except in the case of a wholesale or limited purpose institution:
  (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

(1) Has as its primary purpose community development;
(2) Is related to the provision of <u>financial</u> services; and
(3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

(1) An unemployment rate of at least 1.5 times the national average;
(2) A poverty rate of 20 percent or more; or
(3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.