



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

April 1, 2024

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Iroquois Federal Savings and Loan Association  
Charter Number 703870

201 East Cherry Street  
Watseka, IL 60970

Office of the Comptroller of the Currency

3001 Research Road, Suite E2  
Champaign, IL 61822

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

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors that support this rating include:

- The Lending Test rating is based on satisfactory performance in the state of Illinois. Iroquois Federal Savings and Loan Association's (IFSLA or FSA) distribution of loans across geographies of different income levels is reasonable throughout the assessment areas (AAs). IFSLA exhibits a poor distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- The Community Development (CD) Test rating is based on satisfactory performance in the state of Illinois. IFSLA demonstrated excellent responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.
- IFSLA originated or purchased a majority of loans within its AA.
- IFSLA has a reasonable loan-to-deposit (LTD) ratio.
- The FSA did not receive any complaints regarding its CRA performance during the evaluation period.

### Loan-to-Deposit Ratio

Considering IFSLA's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable.

IFSLA's quarterly LTD ratio averaged 80.6 percent over the 12-quarter period ending December 31, 2023. Over this period, the FSA's quarterly LTD ratio ranged from a low of 68.42 percent to a high of 92.35 percent.

We analyzed the quarterly LTD ratios of 30 similarly situated federal and state banks based on a combination of size, location, and lending opportunities. The banks ranged in size from \$500 million to \$1.5 billion, with a combined average quarterly LTD ratio of 73.6 percent over the same evaluation period. The lowest individual quarterly average was 34.9 percent, while the highest individual quarterly average was 105.7 percent. IFSLA ranked tenth amongst the group.

## Lending in Assessment Area

A majority of the bank's loans are inside its assessment area(s) (AAs).

The bank originated 75.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

The table below shows the number and dollar volume of loans originated inside and outside the FSA's AAs. This data is based on the FSA's 2020-2022 reported Home Mortgage Disclosure Act (HMDA) data and random samples of 20 small business loans per year. All loans included in this analysis were made between January 1, 2020, and December 31, 2022.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,163	75.2	383	24.8	1,546	218,611,119	70.4	91,999,475	29.6	310,610,594
Small Business	51	85.0	9	15.0	60	16,317,669	68.6	7,453,873	31.4	23,771,542
Total	1,214	75.6	392	24.4	1,606	234,928,788	70.3	99,453,348	29.7	334,382,136
Source: Evaluation Period: 1/1/2020 - 12/31/2022 IFSLA Data for HMDA (sample for Small Business) Due to rounding, totals may not equal 100.0% Dollar amounts for Small Business loans are multiplied by 1000.										

## Description of Institution

IFSLA is a \$910.8 million intrastate federally chartered savings association headquartered in Watseka, Illinois. The FSA is a wholly owned subsidiary of IF Bancorp, Inc. (IFB), a one-bank holding company also located in Watseka. IFB's stock is traded on the NASDAQ Capital Market under the symbol of "IROQ."

IFSLA is a full-service financial institution offering a variety of banking and mortgage services to individuals and corporate customers. These include home mortgage, commercial, agriculture and consumer loans, checking and savings accounts, certificates of deposit, individual retirement accounts, health savings accounts, telephone, online banking, and mobile banking, wire services, remote deposit capture, etc. The FSA also offers a First Time Homebuyer Program and participates in the Federal Home Loan Bank (FHLB) Down-Payment Plus Affordable Housing Program, as well as the United States Department of Agriculture (USDA) Rural Development loan program. Other flexible loan products such as Federal Housing Administration (FHA) loans and U.S. Department of Veterans Affairs (VA) loans are offered through the wholesale lending market. IFSLA has a division known as Iroquois Financial Services, which offers annuities, life, disability, and health insurance, and investment products through Raymond James Financial Services, Inc. Additionally, the IFSLA offers a full line of property and casualty insurance products through its wholly owned subsidiary, L.C.I. Corporation

IFSLA serves central northeastern Illinois and offers all banking products and services at each of its seven offices. There were no branch office openings or closings during the evaluation period. There are

seven full-service banking offices located in Watseka, Danville, Clifton, Hoopeston, Savoy, Bourbonnais and Champaign, Illinois and one loan production office in Osage Beach, Missouri. Each branch has one cash dispensing automated teller machine (ATM). The loan production office in Osage Beach, Missouri was not included in the FSA's performance evaluation since it is a non-deposit taking office.

For CRA purposes, IFSLA has identified four AAs in the state of Illinois: Iroquois County located in a nonmetropolitan statistical area (Non-MSA); Champaign County located in the Champaign-Urbana MSA #16580; Vermilion County located in the Danville MSA #19180; and Kankakee County located in the Kankakee MSA #28100. We will refer to these AAs as the Iroquois Non-MSA, the Champaign MSA, the Danville MSA, and the Kankakee MSA, respectively, throughout the performance evaluation.

As of December 31, 2022, IFSLA had tier 1 capital of \$85.2 million. Total deposits equaled \$686 million or 75.3 percent of total assets. Gross loans and leases of \$661.5 million represented 72.6 percent of total assets. Loan originations and loan portfolio composition reflect IFSLA's efforts to lend to households and businesses. Based on the number and dollar volume of loan originations in 2020, 2021, and 2022, home mortgage loans and business loans are considered the primary loan products for this evaluation.

The following tables provide a summary of IFSLA's loan originations, and loan portfolio composition during the evaluation period.

<b>Loan Originations</b>				
<b>Loan Category</b>	<b>Number of Loans</b>	<b>Percent of Total Loans by Number</b>	<b>Amount (\$000s)</b>	<b>Percent of Total Loans by Amount</b>
Consumer Loans	868	20.4%	\$17,644	2.0%
Home Mortgage Loans	1,895	44.6%	\$385,849	43.4%
Business Loans	1,351	31.8%	\$436,684	49.1%
Agricultural Loans	139	3.3%	\$49,266	5.5%
<b>Total Loans</b>	<b>4,253</b>	<b>100.00%</b>	<b>\$889,443</b>	<b>100.00%</b>
<i>Source: IFSLA Records January 1, 2020 - December 31, 2022</i>				

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This evaluation addresses IFSLA's CRA performance from January 1, 2020, through December 31, 2022. Examiners assessed this performance using Intermediate Small Bank examination procedures which include a Lending Test and a CD Test. The Lending Test reflects an evaluation of IFSLA's record of meeting the credit needs of the AAs through its lending activities. The CD Test reflects an evaluation of IFSLA's responsiveness to the CD needs of the AAs through loans, qualified investments, and services with a CD purpose.

For the Lending Test, examiners determined that loan data from January 1, 2020, through December 31, 2022, was representative of the evaluation period. Based on discussions with IFSLA management and a review of loan origination data, examiners determined the FSA's primary lending products are home

mortgage loans and business loans. To evaluate lending performance, examiners analyzed all HMDA data submitted for the years of 2020, 2021, and 2022, and selected representative samples of business loans originated or purchased between January 1, 2020, and December 31, 2022. This evaluation period included two census periods. For mortgage lending activity in 2020-2021, the OCC compared the bank's performance to the HMDA aggregate lender data as well as the 2015 American Community Survey (ACS) census data. For mortgage lending activity during 2022, the OCC compared the bank's performance to the aggregate lender data and the 2020 census data, which the FFIEC released in 2022. Our analysis of small business lending in 2020-2022 focused on comparison of the bank's performance with 2021 and 2022 data from Dunn & Bradstreet (D&B) and comparison to aggregate CRA (small business) data.

For the CD Test, the analysis period for CD activities is January 1, 2020, through December 31, 2022.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, the bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The FSA's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

IFSLA operates in a single state, so its overall rating is the same as the rating for the state of Illinois. If performance varied among loan products, results were weighted according to the number of loans originated.

The state of Illinois rating is based on performance in all FSA AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Illinois

**CRA rating for the State of Illinois:** Satisfactory

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- The Lending Test rating is based on satisfactory performance in the state of Illinois. Iroquois Federal Savings and Loan Association's (IFSLA or FSA) distribution of loans across geographies of different income levels is reasonable throughout the assessment areas (AAs). The distribution of loans to individuals of different income levels and businesses of different sizes is reasonable throughout its AAs. IFSLA's distribution of loans across geographies of different income levels is also reasonable throughout its AAs.
- The Community Development (CD) Test rating is based on satisfactory performance in the state of Illinois. IFSLA demonstrated adequate responsiveness to CD needs by engaging in a combination of CD loans, qualified investments, and CD services.
- IFSLA did not receive any complaints regarding its CRA performance during the evaluation period.

### Description of Institution's Operations in Illinois

#### Champaign MSA

The Champaign MSA consisted of 43 CTs in 2021 and 2020. There was eight low-income CT, seven moderate-income CTs, 17 middle-income CTs, nine upper-income, and two unknown CTs in the AA.

The Champaign MSA consisted of 48 CTs in 2022. There were seven low-income CTs, eight moderate-income CTs, ten middle-income CTs eighteen upper-income CTs, and five unknown CTs in the AA. IFSLA had two branch offices located in upper-income CTs in the AA.

#### Competition

Competition for deposits in the Champaign MSA was strong. According to the June 30, 2022, FDIC Deposit Market Share Report, IFSLA's deposits in the AA totaled \$758.4 million, representing 10.53 percent of the FSA's total deposits. IFSLA ranked 17 out of 30 deposit-taking institutions in the AA with a market share of 1.08 percent. The top five institutions for deposit market share in the AA were Busey Bank (39.12 percent), JPMorgan Chase Bank, National Association (16.77 percent), PNC Bank, National Association (7.23 percent), Cibm Bank (3.49 percent), and First Mid Bank & Trust, National Association (2.94 percent).



Competition for loans in 2022 was strong as the bank was rated amongst the top 20 in the Institution Market Share. Based on 2022 aggregate mortgage data, 298 lenders originated or purchased home mortgage loans in the AA. IFSLA ranked seventh out of 298 lenders with 2.90 percent of market share by number of loans originated or purchased. Rounding out the top five lenders were Busey Bank (13.22 percent), Flat Branch Mortgage, Inc. (9.03 percent), Rocket Mortgage (3.45 percent), The Fisher National Bank (3.22 percent), and Hickory Point Bank and Trust (3.14 percent).

### Demographics

The following table provides a summary of demographic information for this AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Champaign-Urbana MSA - 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	48	14.6	16.7	20.8	37.5	10.4
Population by Geography	205,865	13.6	19.8	22.2	37.1	7.3
Housing Units by Geography	93,679	14.8	22.2	23.9	33.4	5.7
Owner-Occupied Units by Geography	44,088	5.0	21.3	28.4	44.7	0.7
Occupied Rental Units by Geography	38,971	23.1	23.6	18.5	24.1	10.7
Vacant Units by Geography	10,620	25.3	20.7	25.1	20.9	8.0
Businesses by Geography	15,573	11.0	18.9	24.5	39.8	5.8
Farms by Geography	768	3.4	9.9	43.6	42.1	1.0
Family Distribution by Income Level	42,618	23.4	16.4	19.8	40.4	0.0
Household Distribution by Income Level	83,059	28.0	14.5	15.6	41.8	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$83,169	Median Housing Value			\$141,762
			Median Gross Rent			\$878
			Families Below Poverty Level			8.8%
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.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Champaign-Urbana MSA – 2020 & 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	43	18.6	16.3	39.5	20.9	4.7
Population by Geography	205,766	14.3	16.8	43.6	20.0	5.4
Housing Units by Geography	88,981	15.1	17.6	46.7	18.7	1.9
Owner-Occupied Units by Geography	43,897	5.5	12.1	57.6	24.7	0.1
Occupied Rental Units by Geography	36,015	25.4	23.1	34.8	12.7	4.0
Vacant Units by Geography	9,069	20.7	22.0	41.6	13.4	2.3
Businesses by Geography	13,446	10.9	18.3	42.0	26.4	2.3
Farms by Geography	715	3.1	6.9	67.0	22.9	0.1
Family Distribution by Income Level	42,424	22.5	16.6	20.4	40.5	0.0
Household Distribution by Income Level	79,912	28.9	14.5	15.2	41.5	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$70,634	Median Housing Value			\$137,528
			Median Gross Rent			\$838
			Families Below Poverty Level			10.6%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

### Family Distribution by Income Level

Based on the data found in the table below, the annual FFIEC adjusted median family income (MFI) increased by approximately 13.84 percent (\$11,100) between 2020 and 2022.

<b>Median Family Income Ranges</b>				
<b>Champaign MSA (16580) FFIEC Adjusted Median Family Income</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$80,200)	\$40,100	\$40,100 to <\$64,160	\$64,160 to <\$96,240	\$96,240
2021 (\$82,600)	\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	\$99,120
2022 (\$91,300)	\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	\$109,560
<i>Source: FFIEC</i>				

According to the 2020 U.S. Census data, there were 42,618 families in the AA in 2022. The distribution of families by income level was 9,991 (23.44 percent) low-income, 6,976 (16.4 percent) moderate-income, 8,433 (19.8 percent) middle-income, and 17,218 (40.4 percent) upper income.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), the unemployment rate for Champaign County improved year-over-year and was below the state of Illinois and the national unemployment rates in 2020 and 2021.

In 2022, the percentages of families in the AA living below poverty level was 8.8 percent. There were 3,362 families residing in the seven low-income CT, 743 (22.10 percent) of which lived below the poverty level. There were 9,753 families residing across the eight moderate-income CTs, 1,324 (13.58 percent) of which lived below the poverty level.

Based on D&B as of June 2022 and 2020 U.S. Census, there were 15,573 businesses located in the Champaign MSA in 2022. Out of these businesses, 1,713 (11.0 percent) were in low-income CTs, 2,947 (18.92 percent) were in moderate-income CT in the AA. Small businesses with gross annual revenues of one million dollars or less made-up 84 percent (13,128) of businesses in the AA.

According to the Data USA website, the largest industries in Champaign County, IL are Educational Services, Health Care and Social Assistance, and Retail Trade. The highest paying industries are Utilities, Professional, Scientific, & Technical Services, and Public Administration.

The five largest employers in the area include the University of Illinois, The Carle Foundation, Parkland College, Provena Covenant Medical Center, and Kirby Foods.

### Housing Characteristics and Home Affordability

The 2020 U.S. Census reported total housing units of 93,679 in the AA in 2022. Of the total number of housing units, 44,088 (47.06 percent) were owner-occupied, 38,971 (41.6 percent) were renter-occupied, and 10,620 (11.34 percent) were vacant. Five percent (2,192) of owner-occupied housing units were in the low-income CT in the AA and 21.3 percent (9,389) of owner-occupied units were in moderate-income CTs. The median age of housing stock in the low-income CT was 36 years and the in moderate-income CTs was 47 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability.

One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower making \$41,300 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$1,033 per month in 2021. A low-income borrower making \$45,650 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$1,141 per month in 2022. This illustrates that low-income borrowers could qualify for a mortgage loan based on the median housing value in the AA, with an estimated payment of \$894 in 2021 and \$916 in 2022. However, they may be challenged when accounting for the additional expenses that come with homeownership, such as down payment, homeowners' insurance, real estate taxes, and maintenance repairs. According to the Data USA website, the median housing value in the AA ranged from \$166,600 in 2020 and \$170,600 in 2022, an increase of 2.4 percent.

### Community Contact

The OCC relied on information provided from a community contact with a community-based development organization in the Champaign MSA, completed during the evaluation period. The community contact from the organization identified affordable housing for LMI individuals as the primary need in the AA. The community contact mentioned that prices on homes across the board have been inflated. The rural population has been struggling primarily due to inflation. In addition, financial literacy needs to be improved as a lot of the population in the county is younger and lack financial responsibility.

### **Iroquois Non-MSA**

The Iroquois Non-MSA consisted of nine census tracts (CTs), encompassing all of Iroquois County. There were no low-income CTs, one moderate-income CT, seven middle-income CTs, and one upper-income CTs in the AA. IFSLA's had two branch offices located in the middle income CTs.

### Competition

Competition for deposits in the Iroquois Non-MSA was moderate. According to the June 30, 2022, FDIC Deposit Market Share Report, IFSLA's deposits in the AA totaled \$758,415 million, representing 30 percent of the FSA's total deposits. IFSLA ranked second out of 12 deposit-taking institutions in the AA with a market share of 19.95 percent. The next four institutions for deposit market share in the AA were, The First Trust and Savings Bank of Watseka, Illinois (26.12 percent), Iroquois Farmers State Bank (12.35 percent), Prospect Bank (8.95 percent), and Federated Bank (7.68 percent).

Competition for loans in 2022 was strong. Based on 2020 U.S. Census aggregate mortgage data, 140 lenders originated or purchased home mortgage loans in the AA. IFSLA ranked first out of 140 lenders with 7.56 percent of market share by number of loans originated or purchased. Rounding out the top five lenders were Rocket Mortgage (6.85 percent), Petefish Skiles & Co Bank (4.28 percent), First Financial Bank (3.71 percent), and Hometown Lenders, Inc (3.42 percent).

Demographics

The following table provides a summary of demographic information for this AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Iroquois County Non MSA – 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	11.1	77.8	11.1	0.0
Population by Geography	27,077	0.0	11.9	77.9	10.2	0.0
Housing Units by Geography	13,514	0.0	15.3	73.4	11.2	0.0
Owner-Occupied Units by Geography	9,041	0.0	11.1	76.9	12.0	0.0
Occupied Rental Units by Geography	2,804	0.0	26.9	68.4	4.7	0.0
Vacant Units by Geography	1,669	0.0	18.6	63.3	18.0	0.0
Businesses by Geography	1,985	0.0	19.5	71.6	8.9	0.0
Farms by Geography	391	0.0	3.8	81.1	15.1	0.0
			Median Gross Rent			\$703
			Families Below Poverty Level			7.5%
Family Distribution by Income Level	7,803	18.0	19.3	23.0	39.7	0.0
Household Distribution by Income Level	11,845	23.7	15.8	18.9	41.6	0.0
Median Family Income Non-MSAs - IL		\$68,958	Median Housing Value			\$106,328
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.						

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Iroquois County Non MSA – 2020 &amp; 2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
			Median Gross Rent			\$620
			Families Below Poverty Level			12.1%
Household Distribution by Income Level	11,829	22.6	16.0	18.1	43.3	0.0
Family Distribution by Income Level	7,986	21.1	18.9	20.0	40.0	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$97,842
Farms by Geography	360	0.0	2.8	56.1	41.1	0.0
Businesses by Geography	1,683	0.0	21.6	48.3	30.1	0.0
Vacant Units by Geography	1,580	0.0	17.3	43.2	39.5	0.0
Occupied Rental Units by Geography	2,815	0.0	20.2	54.0	25.8	0.0
Owner-Occupied Units by Geography	9,014	0.0	13.1	51.7	35.1	0.0
Housing Units by Geography	13,409	0.0	15.1	51.2	33.7	0.0
Population by Geography	29,053	0.0	13.1	52.4	34.5	0.0
Geographies (Census Tracts)	9	0.0	11.1	55.6	33.3	0.0
<i>Source: 2015 ACS and D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Family Distribution by Income Level

Based on the data found in the table below, the annual FFIEC adjusted MFI increased by approximately 16 percent (\$10,300) from 2020 to 2022.

<b>Median Family Income Ranges</b>				
<b>Iroquois Non MSA (99999) FFIEC Adjusted Median Family Income</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960
2021 (\$66,700)	<\$33,350	\$33,350 to <\$53,360	\$53,360 to <\$80,040	≥\$80,040
2022 (\$76,100)	<\$38,050	\$38,050 to <\$60,880	\$60,880 to <\$91,320	≥\$91,320
<i>Source: FFIEC</i>				

In 2022, according to the 2020 U.S. Census, there were 7,803 families in the AA. The distribution of families by income level was 1,405 (18.01 percent) low-income, 1,507 (19.3 percent) moderate-income, 1,796 (23.02 percent) middle-income, and 3,095 (39.7 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for Iroquois county improved year over year, similar to the state of Illinois and National.

In 2022, the percentage of families in the AA living below the poverty level was 7.5 percent. There were 927 families residing in the only moderate-income CT, 75 (8.09 percent) of which lived below the poverty level.

Based on D&B as of June 2022 and 2020 U.S. Census, there were 1,985 businesses located in the Iroquois Non-MSA in 2022. Out of these businesses, 387 (19.50 percent) were in the only moderate-income CT in the AA. Small businesses with gross annual revenues of one million dollars or less made-up 80 percent (1,591) of businesses in the AA.

### *Housing Characteristics and Home Affordability*

The 2020 US Census data reported total housing units of 13,514 in the AA in 2022. Of the total number of housing units, 9,041 (66.90 percent) were owner-occupied, 2,804 (20.75 percent) were renter-occupied, and 1,669 (12.35 percent) were vacant. Approximately 11 percent (1,008) of owner-occupied housing units were in the only moderate-income CT in the AA. The median age of housing stock in the same moderate-income CT was 41 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and in turn, can have a negative impact on home affordability for LMI individuals.

One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower making \$33,350 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$834 per month in 2021. A low-income borrower making \$38,050 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$951 per month. This illustrates that low-income borrowers could qualify for a mortgage loan based on the median housing value in the AA, with an estimated payment of \$600 in 2021 and \$649 in 2022. However, they may be challenged when accounting for the additional expenses that come with homeownership, such as down payment, homeowners' insurance, real estate taxes, and maintenance repairs. According to the Data USA website, the median housing value in the AA ranged from \$107,300 in 2020 and \$120,900 in 2022, an increase of 13 percent.

### *Community Contact*

The OCC relied on information provided from a community contact with a community-based development organization in the Iroquois Non-MSA, completed during the evaluation period. The community contact from the organization identified opportunity for farm lending as the primary need in the AA. They mentioned that farms would need additional financing to make up for the drop in crop prices from prior unprofitable years in conjunction with the pandemic where a lot of processing plants were forced to close.

### **Danville MSA**

The Danville MSA consisted of 24 CTs, encompassing all of Vermilion County in 2021 and 2020. There was one low-income CT, five moderate-income CTs, 10 middle-income CTs, and eight upper-income CTs in the AA.

The Danville MSA consisted of 24 CTs, encompassing all of Vermilion County in 2022. There were three low-income CTs, two moderate-income CTs, 12 middle-income CTs, and six upper-income CTs in the AA. There was one CT that is not rated. IFSLA has two branch offices located in a moderate-income CTs in the AA.

### Competition

Competition for deposits in the Danville MSA was strong. According to the June 30, 2022, FDIC Deposit Market Share Report, IFSLA's deposits in the AA totaled \$758.4 million, representing 54.05 percent of the FSA's total deposits. IFSLA ranked first out of 15 deposit-taking institutions in the AA with a market share of 25.86 percent. The next four institutions for deposit market share in the AA were Old National Bank (23.43 percent), First Financial Bank, NA (17.19 percent), First Farmers Bank & Trust Company (9.26 percent), Longview Bank and Trust (6.00 percent)

Competition for loans in 2022 was strong. Based on 2020 U.S Census aggregate mortgage data, 162 lenders originated or purchased home mortgage loans in the AA. IFSLA ranked second out of 162 lenders with 6.84 percent of market share by number of loans originated or purchased. Rounding out the top five lenders were Catlin Bank (11.7 percent), Rocket Mortgage (5.2 percent), Old National Bank (4.8 percent), and Flat Branch Mortgage, Inc (4.6 percent).

### Demographics

The following table provides a summary of demographic information for this AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Danville MSA - 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Median Family Income MSA - 19180 Danville, IL MSA		\$60,958	Median Housing Value			\$80,259
			Median Gross Rent			\$660
			Families Below Poverty Level			14.7%
Household Distribution by Income Level	31,013	23.5	16.6	17.3	42.5	0.0
Family Distribution by Income Level	19,041	22.7	18.4	18.5	40.4	0.0
Farms by Geography	348	1.4	3.4	46.6	48.6	0.0
Businesses by Geography	4,410	14.8	10.1	47.1	25.3	2.7
Vacant Units by Geography	5,022	14.9	14.0	48.7	19.2	3.2
Occupied Rental Units by Geography	9,049	17.3	13.1	48.5	18.5	2.5
Owner-Occupied Units by Geography	21,964	5.6	6.2	54.4	32.1	1.7
Housing Units by Geography	36,035	9.9	9.0	52.1	26.9	2.1
Population by Geography	74,188	8.9	10.1	51.1	28.1	1.8
Geographies (Census Tracts)	24	12.5	8.3	50.0	25.0	4.2
Source: 2020 U.S. Census and 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.						



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Danville MSA – 2020 and 2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
			Median Gross Rent			\$630
			Families Below Poverty Level			14.2%
Median Family Income MSA - 19180 Danville, IL MSA		\$53,880	Median Housing Value			\$73,747
Household Distribution by Income Level	31,531	23.4	16.2	18.3	42.1	0.0
Family Distribution by Income Level	20,188	21.7	16.8	20.7	40.8	0.0
Farms by Geography	330	0.0	4.2	44.5	51.2	0.0
Businesses by Geography	3,984	3.9	23.2	42.4	30.4	0.0
Vacant Units by Geography	4,562	4.0	28.6	40.0	27.4	0.0
Occupied Rental Units by Geography	9,780	7.0	24.7	46.6	21.7	0.0
Owner-Occupied Units by Geography	21,751	2.8	11.4	49.6	36.2	0.0
Housing Units by Geography	36,093	4.1	17.1	47.6	31.2	0.0
Population by Geography	80,368	4.3	18.6	47.2	29.9	0.0
Geographies (Census Tracts)	24	4.2	20.8	41.7	33.3	0.0
Source: 2015 ACS and 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.						

### Family Distribution by Income Level

Based on the data found in the table below, the annual FFIEC adjusted MFI decreased by approximately \$11,247 from 2020 to 2022.

<b>Median Family Income Ranges</b>				
<b>Danville, IL MSA (19180) FFIEC Adjusted Median Family Income</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$55,600)	<\$27,800	\$27,800 to <\$44,480	\$44,480 to <\$66,720	≥\$66,720
2021 (\$59,300)	< \$29,650	\$29,650 to <\$47,440	\$47,440 to < \$71,160	≥\$71,160
2022 (\$62,500)	<\$31,250	\$31,250 to < \$50,000	\$50,000 to <75,000	≥ \$75,000
Source: FFIEC				

According to the 2020 U.S. Census and D&B Data, there were 19,041 families in the AA in 2022. The distribution of families by income level was 4,324 (22.7 percent) low-income, 3,506 (18.4 percent) moderate-income, 3,519 (18.5 percent) middle-income, and 7,692 (40.4 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for Vermilion County improved year over year, similar to the state of Illinois and national unemployment rates.

According to the 2020 US Census and D&B data, the percentage of families in the AA living below the poverty level in 2022 was 14.7 percent. There were 1,669 families residing in the low-income CTs, 793 (47.51 percent) of which lived below the poverty level. There were 1,490 families residing across the moderate-income CTs, 443 (29.73 percent) of which lived below the poverty level.

Vermillion County is the 7<sup>th</sup> largest county in the state of Illinois and is located in the eastern part of the of Illinois, between the Indiana border and Champaign County. According to the [vermillionadvantage.com](http://vermillionadvantage.com) website, the cost of living in Vermilion County is less than 10 percent than the national average.

According to Britannica, Danville's economy is based on agriculture (especially corn and soybeans) and diversified industry, notably metal products, heavy machinery, food processing, packaging, and heat transfer equipment. Top ten major employers include Vermilion County Public Schools & District 118, Veteran's Affairs Illiana Health Care System, McLane Midwest Company, OSF HealthCare Sacred Heart Medical Center, and AutoZone.

Based on the D&B as of June 2022 and 2020 U.S. Census for the year 2022, there were 4,410 businesses located in the Danville MSA. Of these businesses, 654 (14.83 percent) were in the low-income CT and 444 (10.07 percent) were in moderate-income CTs. Small businesses with gross annual revenues of one million dollars or less made-up 80 percent (3,516) of businesses in the AA.

### Housing Characteristics and Home Affordability

The 2020 U.S. Census and D&B Data in 2022 reported total housing units of 36,035 in the AA. Of the total number of housing units, 21,964 (60.95 percent) were owner-occupied, 9,049 (25.11 percent) were renter-occupied, and 5,022 (13.94 percent) were vacant. 5.6 percent (1,237) of owner-occupied housing units were in the low-income CTs in the AA and approximately 6.2 percent (1,362) of owner-occupied units were in moderate-income CTs. The median age of housing stock in the low-income CTs and moderate-income CTs was 83 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower making \$29,650 per year (or less than 50 percent of FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$741 per month in 2021. A low-income borrower making \$31,250 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$781 per month. This illustrates that low-income borrowers could qualify for a mortgage loan based on the median housing value in the AA, with an estimated payment of \$434 in 2021 and \$438 in 2022. However, they may be challenged when accounting for the additional expenses that come with homeownership, such as down payment, homeowners' insurance, real estate taxes, and maintenance

repairs. According to the Data USA website, the median housing value in the AA ranged from \$80,900 in 2020 to \$81,700 in 2022, an increase of 1 percent.

### Community Contact

The OCC relied on information provided from a community contact with a community-based development organization in the Danville MSA. The community contact from the organization identified affordable housing as the primary need in the AA. There is a shortage of homes available for sale and not many new home constructions to supplement the housing supply.

### **Kankakee MSA**

The Kankakee MSA consisted of 29 CTs in 2021 and 2020. There was six low-income CT, five moderate-income CTs, 11 middle-income CTs, and seven upper-income CTs in the AA.

The Kankakee MSA consisted of 30 CTs in 2022. There was one low-income CT, nine moderate-income CTs, 12 middle-income CTs, and eight upper-income CTs in the AA. IFSLA had one branch office located in an upper-income CT, in the AA.

### Competition

Competition for deposits in the Kankakee MSA was moderate. According to the June 30, 2022, FDIC Deposit Market Share Report, IFSLA's deposits in the AA totaled \$41,103 million, representing 5.42 percent of the FSA's total deposits. IFSLA ranked 11th out of 13 deposit-taking institutions in the AA with a market share of 1.63 percent. The top five institutions for deposit market share in the AA were Midland State Bank (30.03 percent), Municipal Trust and Savings Bank (11.77 percent), Peoples Bank of Kankakee County (11.25 percent), PNC Bank, National Association (11.18 percent), and First Trust Bank of Illinois (10.62 percent).

Competition for loans was strong in 2022. Based on 2022 US Census aggregate mortgage data, 274 lenders originated or purchased home mortgage loans in the AA. IFSLA ranked 37 out of 274 lenders with 0.66 percent of market share by number of loans originated or purchased. Rounding out the top five lenders were Midland States Bank (9.66 percent), Municipal Trust and Savings Bank (5.89 percent), Rocket Mortgage (5.15 percent), Peoples Bank of Kankakee County (3.76 percent), and Hometown Lenders, Inc (3.57 percent).

Demographics

The following tables provides a summary of demographic information for this AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Kankakee MSA – 2022</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Median Family Income MSA - 28100 Kankakee, IL MSA		\$73,857	Median Housing Value			\$145,416
Household Distribution by Income Level	40,297	24.6	15.8	17.9	41.6	0.0
Family Distribution by Income Level	26,494	20.1	17.5	21.2	41.2	0.0
			Median Gross Rent			\$900
			Families Below Poverty Level			9.3%
Farms by Geography	459	0.2	15.3	44.7	39.9	0.0
Businesses by Geography	7,452	2.1	29.3	38.2	30.3	0.0
Vacant Units by Geography	5,329	4.2	36.5	39.2	20.1	0.0
Occupied Rental Units by Geography	13,275	3.7	34.1	40.4	21.9	0.0
Owner-Occupied Units by Geography	27,022	1.0	18.6	45.2	35.1	0.0
Housing Units by Geography	45,626	2.2	25.2	43.1	29.5	0.0
Population by Geography	107,502	1.8	23.5	41.9	32.8	0.0
Geographies (Census Tracts)	30	3.3	30.0	40.0	26.7	0.0
<i>Source: 2020 U.S. Census and D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Kankakee MSA – 2020 and 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	29	20.7	17.2	37.9	24.1	0.0
Population by Geography	112,221	14.4	16.2	42.0	27.4	0.0
Housing Units by Geography	45,184	15.6	14.5	43.7	26.2	0.0
Owner-Occupied Units by Geography	28,306	8.2	13.1	48.1	30.6	0.0
Occupied Rental Units by Geography	12,574	26.4	18.1	36.1	19.4	0.0
Vacant Units by Geography	4,304	32.3	13.7	37.2	16.7	0.0
Businesses by Geography	6,420	16.6	15.4	42.2	25.8	0.0
Farms by Geography	404	6.7	10.1	47.3	35.9	0.0
Family Distribution by Income Level	27,599	22.2	17.4	20.3	40.2	0.0
Household Distribution by Income Level	40,880	23.8	15.6	18.6	41.9	0.0
Median Family Income MSA - 28100 Kankakee, IL MSA		\$63,716	Median Housing Value			\$136,442
			Median Gross Rent			\$824
			Families Below Poverty Level			12.4%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

### Family Distribution by Income Level

Based on the data found in the table below, the annual Federal Financial Institutions Examination Council (FFIEC) adjusted median family income (MFI) increased by approximately 11.37 percent (\$8,700) between 2020 and 2022.

<b>Median Family Income Ranges</b>				
<b>Kankakee MSA (28100) FFIEC Adjusted Median Family Income</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$76,500)	\$38,250	\$38,250 to <\$61,200	\$61,200 to <\$91,800	≥\$91,800
2021 (\$74,500)	\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
2022 (\$85,200)	\$42,600	\$42,600 to >\$68,160	\$68,160 to >\$102,240	≥\$102,240
<i>Source: FFIEC</i>				

According to the 2020 US Census and D&B data, there were \$26,494 families in the AA in 2022. The distribution of families by income level was 5,326 (20.1 percent) low-income, 4,64 (17.5 percent) moderate-income, 5,617 (21.2 percent) middle-income, and 10,905 (41.2 percent) in upper income.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), the unemployment rate for Kankakee County improved year-over-year; and was above the state of Illinois in 2021 and 2022 and above the National rates.

The percentage of families in the AA living below the poverty level in 2022 was 9.3 percent. There were 532 families residing in the only low-income CT, 173 (32.52 percent) of which lived below the poverty level. There were 6,043 families residing across the nine moderate-income CTs, 1,123 (18.58 percent) of which lived below the poverty level.

According to the Data USA website, the economy of Kankakee County, IL employs 50 thousand people. The largest industries in Kankakee County, IL are Health Care & Social Assistance (8,860 people), Manufacturing (7,197 people), and Retail Trade (6,042 people), and the highest paying industries are Utilities (\$105,278), Mining, Quarrying, & Oil & Gas Extraction (\$103,500), and Public Administration (\$63,361).

According to citytowninfo.com, Kankakee is a regional center for agricultural trade such as soybeans, corn, vegetables, and flowers. The city also manufactures a variety of items including pharmaceuticals, chemicals, flooring products, metal products and processed foods. The major sectors for employment in Kankakee are healthcare, education, government, accommodation and food services, manufacturing, social assistance, finance and insurance and construction. The major employers in Kankakee are Riverside Healthcare, Shapiro Developmental Center, Provena St. Mary's Hospital, CIGNA Healthcare, Baker & Taylor Company.

Based on D&B as of June 2022 and 2020 Census data, there were 7,452 businesses located in the Kankakee MSA in 2022. Of these businesses, 160 (2.15 percent) were in the low-income CT and 2,187 (29.35 percent) were in moderate-income CTs. Small businesses with gross annual revenues of one million dollars or less made-up 84.29 percent (6,282) of businesses in the AA.

### Housing Characteristics and Home Affordability

The 2020 U.S. Census and D&B data reported total housing units of 45,626 in the AA in 2022. Of the total number of housing units, 27,022 (59.23 percent) were owner-occupied, 13,275 (29.10 percent) were renter-occupied, and 5,329 (11.68 percent) were vacant. There is one percent (278) of owner-occupied housing units were in the only low-income CT in the AA and approximately 18.64 percent (5,037) of owner-occupied units were in moderate-income CTs. The median age of housing stock in the low-income CT was 63 years and the in moderate-income CTs was 65 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower making \$37,250 per year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$931 per month in 2021. A low-income borrower making \$42,600 per

year (or less than 50 percent of the FFIEC adjusted MFI in the AA) could afford a maximum mortgage payment of \$1,065 per month. This illustrates that low-income borrowers could qualify for a mortgage loan based on the median housing value in the AA, with an estimated payment of \$820 in 2021 and \$849 in 2022. However, this may be challenged when accounting for the additional expenses that come with homeownership, such as down payment, homeowners' insurance, real estate taxes, and maintenance repairs. According to the Data USA website, the median housing value in the AA ranged from \$152,800 in 2020 to \$158,100 in 2022, an increase of 3.47 percent.

### Community Contact

The OCC relied on information provided from a community contact with a community-based development organization in the Kankakee MSA. The contact from the organization identified credit needs for affordable housing as the primary need in the AA. She further stated there are a lot of real estate investment opportunities in the downtown area where banks can provide funding. From her perspective, the local banks are active within the community.

## **Scope of Evaluation in Illinois**

IFSLA has four AAs in the state of Illinois, the Champaign MSA, the Danville MSA, the Iroquois Non-MSA, and the Kankakee MSA. We completed full-scope reviews of all four AAs. However, business loans were not considered for the Kankakee MSA and Iroquois Non-MSA. The FSA had minimal commercial origination activity in both AAs, resulting in sample sizes below the threshold to conduct a meaningful analysis.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF ILLINOIS**

### **LENDING TEST**

IFSLA's performance under the Lending Test in Illinois is rated Satisfactory.

Based on a full-scope review, the bank's performance in the state of Illinois is reasonable.

### **Distribution of Loans by Income Level of the Geography**

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

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

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

### Champaign MSA

IFSLA exhibits excellent geographic distribution of home mortgage loans in the Champaign MSA during the evaluation period.

IFSLA exhibits excellent geographic distribution of home mortgages in the Champaign MSA in 2020 and 2021. The FSA's lending in low-income CTs exceeded the percentage of owner-occupied housing units and aggregate lending. Similarly, the bank exceeded lending in the moderate-income CTs for the percentage of owner-occupied housing units and aggregate lending in the CTs.

IFSLA exhibits excellent geographic distribution of home mortgages in the Champaign MSA in 2022. The FSA's lending in low-income CTs exceeded both the percentage of owner-occupied housing units and the aggregate lending in the CTs. In addition, the FSA's lending in the moderate-income CTs exceeded the percentage of owner-occupied housing units and the aggregate lending in the CTs.

### *Iroquois Non-MSA*

IFSLA exhibits reasonable geographic distribution of home mortgage loans in the Iroquois Non-MSA during the evaluation period.

IFSLA exhibits a poor geographic distribution of home mortgages in the Iroquois Non-MSA in 2020 and 2021. The FSA's lending in moderate-income CTs was below the percentage of owner-occupied housing units and aggregate lending in those CTs. There were no low-income CTs in the AA.

IFSLA exhibits excellent geographic distribution of home mortgages in the Iroquois Non-MSA in 2022. The FSA's lending in moderate-income CTs exceeded the percentage of owner-occupied housing units and aggregate lending in those CTs. There were no low-income CTs in the AA.

### *Danville MSA*

IFSLA exhibits a reasonable geographic distribution of home mortgages in the Danville MSA during the evaluation period.

IFSLA exhibits reasonable geographic distribution of home mortgages in the Danville MSA in 2020 and 2021. The FSA's lending in low income CTs was near to the percentage of owner-occupied housing units and exceeded the aggregate lending in those CTs. Lending in the moderate income CTs was below the percentage of owner-occupied housing units but exceeded the aggregate lending in those CTs.

IFSLA exhibits a reasonable geographic distribution of home mortgages in the Danville MSA in 2022. The FSA's lending in low income CTs was below the percentage of owner-occupied housing units but exceeded the aggregate lending in those CTs. Similarly, the FSA's lending in moderate income CTs was below the percentage of owner-occupied housing units but exceeded the aggregate lending in those CTs.

### *Kankakee MSA*

IFSLA exhibits reasonable geographic distribution of home mortgage loans in the Kankakee MSA during the evaluation period.

IFSLA exhibits a reasonable distribution of home mortgage loans in the Kankakee MSA in 2020 and 2021. Although the bank's lending in the low-income CTs was below the percentage of owner-occupied housing units, it was near to the aggregate lending in those CTs. IFSLA exhibits reasonable lending in the moderate-income CTs and was near to the percentage of owner-occupied housing units and aggregate lending in those CT's.



IFSLA exhibits a poor geographic distribution of home mortgages in the Kankakee MSA in 2022. The bank's lending in the moderate-income CTs was below the percentage of owner-occupied housing units and aggregate lending in those CTs. Although there was no lending in the low-income CTs, the demographic and aggregate data indicates there is limited lending in that AA.

### ***Small Loans to Businesses***

Refer to Table Q in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

#### **Champaign MSA**

IFSLA exhibits poor geographic distribution of small loans to businesses in the Champaign MSA during the evaluation period.

IFSLA exhibits a poor geographic distribution of small loans to businesses within the Champaign MSA in 2020 and 2021. The FSA's lending in the low-income CTs was below both the percentage of businesses and aggregate lending in the CTs. The FSA's lending in moderate-income CTs was significantly below the percentage of businesses and above the aggregate lending in those CTs.

IFSLA exhibits poor geographic distribution of small loans to businesses within the Champaign MSA in 2022. The FSA's lending in the low-income CT was below both the percentage of businesses and aggregate lending in the CT. The FSA's lending in moderate-income CTs was below both the percentage of businesses and the aggregate lending in those CTs.

#### **Danville MSA**

IFSLA exhibits an excellent geographic distribution of small loans to businesses in the Danville MSA during the evaluation period.

IFSLA exhibits a reasonable geographic distribution of small loans to businesses within the Danville MSA in 2020 and 2021. Due to the limited number of businesses within the low-income CTs, more weight is placed on the moderate-income CTs. The FSA's lending in moderate-income CTs was below the percentage of businesses and exceeded the aggregate lending in those CTs. The FSA's lending in the low-income CT was below both the percentage of businesses and aggregate lending in the CT.

IFSLA exhibits an excellent geographic distribution of small loans to businesses within the Danville MSA in 2022. The FSA's lending in the low-income CT exceeded both the percentage of businesses and aggregate lending in the CTs. The FSA's lending in moderate-income CTs was near to the percentage of businesses and exceeded the aggregate lending in those CTs.

### ***Lending Gap Analysis***

The OCC analyzed IFSLA's geographic lending patterns of home mortgage and small loans to businesses by mapping loan originations and purchases throughout the AA. We did not identify any unexplained conspicuous lending gaps.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a poor distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. More weight was applied to home mortgages as that analysis included all four AAs. Additionally, more weight was applied to the Champaign MSA as that is where the majority of home mortgages were originated.

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

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

#### **Champaign MSA**

IFSLA exhibits very poor borrower distribution of home mortgages in the Champaign MSA during the evaluation period.

IFSLA exhibits a very poor borrower distribution of home mortgage loans in the Champaign MSA in 2020 and 2021. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and significantly below the aggregate lending in the AA. The FSA's lending to moderate-income borrowers was significantly below the percentage of moderate-income families in the AA and significantly below the aggregate lending in the AA.

IFSLA exhibits a very poor borrower distribution of home mortgage loans in the Champaign MSA in 2022. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and significantly below the aggregate lending in the AA. The FSA's lending to moderate-income borrowers was significantly below the percentage of moderate-income families and the aggregate lending in the AA.

#### **Iroquois Non-MSA**

IFSLA exhibits reasonable borrower distribution of home mortgages in the Iroquois Non-MSA during the evaluation period.

IFSLA exhibits a reasonable borrower distribution of home mortgage loans in the Iroquois Non-MSA in 2020 and 2021. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and was near to aggregate lending in the AA. The FSA's lending to moderate-income borrowers was near to the percentage of moderate-income families and the aggregate lending in the AA.

In 2022, IFSLA exhibits a reasonable borrower distribution of home mortgage loans in the Iroquois Non-MSA during the evaluation period. The FSA's lending to low-income borrowers was below the percentage of low-income families in the AA and exceeded the aggregate lending in the AA. The FSA's lending to moderate-income borrowers exceeded the percentage of moderate-income families in the AA and the aggregate lending in the AA.

*Danville MSA*

IFSLA exhibits a poor borrower distribution of home mortgage loans in the Danville MSA during the evaluation period.

IFSLA exhibits poor borrower distribution of home mortgage loans in the Danville MSA in 2020 and 2021. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and below the aggregate lending in the AA. The FSA's lending to moderate-income borrowers was below both the percentage of moderate-income families and the aggregate lending in the AA.

IFSLA exhibits poor borrower distribution of home mortgage loans in the Danville MSA in 2022. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and near to the aggregate lending. The FSA's lending to moderate-income borrowers was significantly below the percentage of moderate-income families and the aggregate lending in the AA.

*Kankakee MSA*

IFSLA exhibits reasonable borrower distribution of home mortgages in the Kankakee MSA during the evaluation period.

IFSLA exhibits a reasonable borrower distribution of home mortgage loans in the Kankakee MSA in 2020 and 2021. Although the FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA, it was near to the aggregate. The FSA's lending to moderate-income borrowers exceeded both the percentage of moderate-income families and the aggregate.

IFSLA exhibits poor borrower distribution of home mortgage loans in the Kankakee MSA in 2022. The FSA's lending to low-income borrowers was significantly below the percentage of low-income families in the AA and below the aggregate lending in the AA. The FSA's lending to moderate-income borrowers was significantly below the percentage of moderate-income families in the AA and significantly below the aggregate lending in the AA.

***Small Loans to Businesses***

Refer to Table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

*Champaign MSA*

IFSLA exhibits excellent borrower distribution of small loans to businesses in the Champaign MSA during the evaluation period.

IFSLA exhibits excellent distribution of loans to businesses of different sizes in the Champaign MSA in 2020 and 2021. The FSA's lending exceeded the percentage of small businesses and significantly exceeded the aggregate lending.

IFSLA exhibits excellent distribution of loans to businesses of different sizes in the Champaign MSA in 2022. The FSA's lending exceeded both the percentage of small businesses and the aggregate lending.

**Danville MSA**

IFSLA exhibits reasonable borrower distribution of loans to small businesses in the Danville MSA during the evaluation period.

IFSLA exhibits a reasonable distribution of loans to businesses of different sizes in the Danville MSA in 2020 and 2021. The FSA's lending was below the percentage of small businesses and exceeded the aggregate lending.

IFSLA exhibits a reasonable distribution of loans to businesses of different sizes in the Danville MSA in 2022. The FSA's lending was below the percentage of small businesses and exceeded the aggregate lending.

**Responses to Complaints**

IFSLA did not receive any complaints regarding its CRA performance during the evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the state of Illinois is rated Satisfactory.

Based on a full scope the reviews, the bank exhibits adequate responsiveness to community development needs in Illinois through CD loans, qualified investments, and CD services, as appropriate, considering the FSA's capacity and the need and availability of such opportunities for CD in the FSA's AAs. To provide perspective regarding the relative level of qualified CD loans and qualified investments, we allocated a portion of the FSA's tier 1 capital to each AA based on the percentage of the FSA's deposits located in the respective AA as a means of comparative analysis.

**Number and Amount of Community Development Loans**

The CD Loans Table, shown below, sets forth the information and data used to evaluate the FSA's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans for the evaluation period.

<b>Community Development Loans</b>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
Champaign MSA	28	17.6%	\$7,262	23.3%
Iroquois Non-MSA	23	14.5%	\$6,028	19.4%
Danville MSA	91	57.2%	\$15,374	49.4%
Kankakee MSA	8	5.0%	\$299	1.0%
Outside AA	9	5.7%	\$2,173	7.0%
<b>Total</b>	<b>159</b>	<b>100.0%</b>	<b>\$31,136</b>	<b>100.0%</b>

*Champaign MSA*

IFSLA's level of CD lending provided excellent responsiveness to community credit needs in the Champaign MSA. During the evaluation period, IFSLA originated 28 CD loans totaling \$7.3 million, or 109 percent of allocated tier 1 capital. CD loans consisted of the following:

- Five loans totaling \$563 thousand supported the purchase, refinance, and/or renovation non-HMDA reportable rental properties, providing affordable housing for LMI individuals.
- 18 loans totaling \$5 million were in economic development PPP loans used to assist small businesses within LMI geographies.
- Five loans supported the purchase, refinance, and/or construction of non-HMDA reportable and multi-family rental properties, providing affordable housing for LMI individuals.

*Iroquois Non MSA*

IFSLA's level of CD lending provided excellent responsiveness to community credit needs in the Iroquois Non MSA. During the evaluation period, IFSLA originated 23 CD loans totaling \$6 million, or 23 percent of allocated tier 1 capital. CD loans consisted of the following:

- Three loans totaling \$5.6 million in PPP loans and a RLOC to agencies that provide community services.
- 20 loans totaling \$468 thousand were in economic development PPP loans used to assist small businesses.

*Danville MSA*

IFSLA's level of CD lending provided excellent responsiveness to community credit needs in the Danville MSA. During the evaluation period, IFSLA originated 91 CD loans totaling \$15.4 million, or 34 percent of allocated tier 1 capital. CD loans consisted of the following:

- 15 loans totaling \$1.5 million supported the purchase, refinance, and/or renovation of non-HMDA reportable and multi-family rental properties, providing affordable housing for LMI individuals.
- 12 Loans totaling \$6.5 million in new or renewals of operating lines of credit to agencies that provide community services targeted to LMI individuals and affordable housing.
- 64 loans totaling \$5.1 million were in economic development PPP loans used to assist small businesses.

*Kankakee MSA*

IFSLA's level of CD lending provided adequate responsiveness to community credit needs in the Kankakee MSA. During the evaluation period, IFSLA originated 8 CD loans totaling \$299 thousand or 4.6 percent of allocated tier 1 capital. CD loans consisted of the following:

- Two loans totaling \$173 thousand supported the refinance of non-HMDA reportable rental properties, providing affordable housing for LMI individuals in LMI geographies.

- Six loans totaling \$126 thousand were in economic development PPP loans used to assist small businesses within LMI geographies.

### Statewide/Regional

IFSLA also originated nine CD loans, totaling \$2.2 million, within the state of Illinois, outside of its AAs.

- Six loans totaling \$1.4 million were in economic development PPP loans used to assist small businesses within LMI geographies.
- Two loans totaling to \$160 thousand supported the purchase and renovation of non-HMDA reportable and multi-family rental properties providing affordable housing to LMI individuals.
- One loan totaling \$615 thousand to refinance a multi-family loan to provide affordable housing to LMI individuals.

### **Number and Amount of Qualified Investments**

The Qualified Investments Table, shown below, sets forth the information and data used to evaluate the FSA's level of qualified CD investments for the evaluation period. FSA's level of qualified CD investments for the evaluation period.

<b>Qualified Investments</b>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000's)
Champaign MSA	-	-	30	\$98	30	19.4%	\$98	0.9%	-	-
Iroquois Non MSA	-	-	41	\$160	41	26.5%	\$160	1.5%	-	-
Danville MSA	-	-	55	\$255	55	35.5%	\$255	2.4%	-	-
Kankakee MSA	-	-	18	\$65	18	11.6%	\$65	0.6%	-	-
Outside AA	-	-	11	\$10,043	11	7.1%	\$10,043	94.6%	-	-
<b>Total</b>	-	-	<b>155</b>	<b>\$10,621</b>	<b>155</b>	<b>100.0%</b>	<b>\$10,621</b>	<b>100.0%</b>	-	-

\* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Champaign MSA

IFSLA's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the Champaign MSA. During the evaluation period, IFSLA and its affiliate made 30 grants/donations totaling \$98 thousand, or 1.5 percent of allocated tier 1 capital in the AA. Qualified investments consisted of the following:

- Two donations for a total of \$20,000, to the local United Way to support programs which target LMI families in the areas of education and financial stability.
- Four donations for \$7,500 each to a local Boys and Girls Club which mostly serves LMI youths and families.

- Two donations for a total of \$12,500 to an emergency childcare center providing services to LMI families.
- \$5,000 to a local food pantry supporting LMI families.
- \$1,000 to a local Habitat for Humanity providing affordable housing to LMI families.
- The remaining funds were provided to community service organizations that provide an array of services primarily for LMI individuals and families. Services provided by these organizations included healthcare, counseling for children and families, and educational and social outreach.

### *Iroquois Non MSA*

IFSLA's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the Iroquois Non MSA. During the evaluation period, IFSLA and its affiliate made 41 grants/donations totaling \$160 thousand, or 1 percent of allocated tier 1 capital in the AA. Qualified investments consisted of the following:

- \$10,000 to a local agency providing services for the low to moderate income elderly individuals.
- \$12.5 thousand to a local park and pool foundation serving mostly LMI individuals.
- \$20,000 to a local foundation providing services to local disabled LMI individuals.
- \$18,000 to a local hospital serving mostly LMI individuals.
- \$17,500 to a local foundation providing services to local disabled LMI individuals.
- \$10,000 to a local agency promoting independence to elderly LMI individuals.
- The remaining funds were provided to community service organizations that provide an array of services primarily for LMI individuals and families. Services provided by these organizations included healthcare, counseling for children and families, and educational and social outreach.

### *Danville MSA*

IFSLA's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the Danville MSA. During the evaluation period, IFSLA and its affiliate made 55 grants/donations totaling \$255 thousand, or 1 percent of allocated tier 1 capital in the AA. Qualified investments consisted of the following:

- One donation for \$10,000 and another for \$1,000 to a local daycare that serves mostly LMI families.
- Three donations for a total of \$37,500 to a local foundation that facilitates economic development and job training in the AA.
- \$16.6 thousand to the local United Way to support programs which target LMI families in the areas of education and financial stability.
- \$15,000 to a local youth and family-oriented agencies within a low-income CT.
- Two donations for a total of \$4,000 to a local emergency family shelter.
- \$7,500 to a local agency supporting the nutrition of the elderly in low-income CTs.
- \$5,000 to a local agency to build a resource library for mental health therapist supporting mostly LMI individuals.
- \$7,000 supporting a local agency that provides transportation to LMI individuals.
- \$15,000 to a foundation supporting local charities that support LMI families.
- The remaining funds were provided to community service organizations that provide an array of services primarily for LMI individuals and families. Services provided by these organizations included healthcare, counseling for children and families, and educational and social outreach.

Kankakee MSA

IFSLA's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the Kankakee MSA. During the evaluation period, IFSLA and its affiliate made 18 grants/donations totaling \$65 thousand, or 1 percent of allocated tier 1 capital in the AA. Qualified investments consisted of the following:

- Three donations each for \$10,000 to a local foundation providing education and youth programs to mostly LMI individuals.
- Two donations totaling \$20,000 to a local United Way to support programs which target LMI families in the areas of education and financial stability.
- The remaining funds were provided to community service organizations that provide an array of services primarily for LMI individuals and families, including affordable housing and education. Services provided by these organizations included healthcare, counseling for children and families, and educational and social outreach.

Statewide/Regional

IFSLA made an additional 11 investments, totaling \$10 million, within the regional area, but outside its AAs. Qualified investments consisted of the following:

- \$6.8 million collateralized mortgage-backed security supporting low-income housing with Section 8 HAP contracts in place.
- \$250,000 investment in a minority depository institution.
- \$3 million Fannie Mae Delegated Underwriting and Servicing (DUS) bond purchase supporting an affordable housing project in a moderate-income CT. The remaining funds were provided to community development organizations that provide an array of services primarily for LMI families.

**Extent to Which the Bank Provides Community Development Services**Champaign MSA

IFSLA provided adequate responsiveness through CD services in the Champaign MSA. During the evaluation period, four employees performed 158.5 hours of CD services, supporting 12 organizations. Employees served in a variety of roles providing financial and technical expertise.

Iroquois Non-MSA

IFSLA provided excellent responsiveness through CD services in the Iroquois MSA. During the evaluation period, 13 employees performed 1,219 hours of CD services, supporting 18 organizations. Employees served in a variety of roles providing financial and technical expertise.

Danville MSA

IFSLA provided excellent responsiveness through CD services in the Danville MSA. During the evaluation period, ten employees performed 1,612 hours of CD services, supporting 17 organizations. Employees served in a variety of roles providing financial and technical expertise.

Kankakee MSA



IFSLA provided adequate responsiveness through CD services in the Kankakee MSA. During the evaluation period, two employees performed 135 hours of CD services, supporting six organizations. Employees served in a variety of roles providing financial and technical expertise.

Statewide/Regional

IFSLA contributed 448 community services and economic development hours outside its AAs in. During the evaluation period, two employees served in a variety of roles providing financial and technical expertise supporting five organizations. 16 of these hours were spent in fundraising activities to cover educational scholarships for students who are interested in the banking industry, including students with financial needs. 24 hours consisted of chairing a committee for a group that offers classes to promote CRA activities to bankers. 156 hours were spent training bankers in various areas, including CRA opportunities. 156 hours were spent providing updates and feedback on banking issues, including lending to LMI individuals. The remaining 96 hours were spent serving on the board of a child advocacy center that provides coordinated response, healing, and prevention of child abuse.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	January 1, 2020, to December 31, 2022	
<b>Bank Products Reviewed:</b>	Home Mortgage and Small Business Community Development Loans, Qualified Investments, Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Iroquois Federal Foundation Inc.	Nonprofit established by holding company	Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Illinois</b>		
Danville, IL MSA - 19180	Full-Scope	Vermillion County
Iroquois County (Non-MSA)	Full-Scope	Iroquois County
Champaign-Urbana MSA - 16580	Full-Scope	Champaign County: Census Tracts 0002, 0003.01, 0004.01, 0005, 0007, 0008, 0009.01, 0009.02, 0010, 0011, 0012.01, 0012.03-0012.06, 0013.01, 0013.02, 0014, 0053, 0054.01, 0054.02, 0055, 0056.01, 0056.02, 0057.01, 0057.02, 0058, 0059.01, 0059.02, 0060, 0101, 0102.04, 0103-105, 0106.01, 0106.03, 0106.04, 0107.01, 0107.02, 0108, 0109.01, 0109.02, 0110.01, 0110.02, 0111
Kankakee MSA - 28100	Full- Scope	Kankakee County

## Appendix B: Summary of MMSA and State Ratings

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<b>RATINGS: IROQUOIS FEDERAL SAVINGS ASSOCIATION</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
Iroquois Federal Savings Association	Satisfactory	Satisfactory	Satisfactory
<b>State:</b>			
Illinois	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.



- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Champaign MSA	283	73,435,423	33.2	7,091	5.5	15.5	3.7	12.1	14.1	10.2	57.6	42.0	58.7	24.7	27.9	27.3	0.1	0.4	0.2
Iroquois County Non MSA	148	15,450,711	17.4	612	0.0	0.0	0.0	13.1	5.4	8.3	51.7	56.1	47.1	35.1	38.5	44.6	0.0	0.0	0.0
Danville MSA	344	44,395,535	40.3	1,511	2.8	2.3	0.9	11.4	9.9	3.2	49.6	41.3	50.6	36.2	46.5	45.3	0.0	0.0	0.0
Kankakee MSA	78	10,756,766	9.1	4,310	8.2	2.6	3.7	13.1	10.3	11.6	48.1	38.5	46.4	30.6	48.7	38.4	0.0	0.0	0.0
<b>Total</b>	<b>853</b>	<b>144,038,434</b>	<b>100.0</b>	<b>13,524</b>	<b>5.2</b>	<b>6.3</b>	<b>3.2</b>	<b>12.3</b>	<b>10.6</b>	<b>9.8</b>	<b>52.8</b>	<b>43.8</b>	<b>53.3</b>	<b>29.7</b>	<b>39.2</b>	<b>33.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			
Iroquois Federal Savings & Loan (10000703870) excluded from Aggregate																			

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Champaign MSA	160	53,816,232	51.6	4,288	5.0	13.1	5.3	21.3	30.0	22.8	28.4	19.4	25.7	44.7	33.8	45.0	0.7	3.8	1.2
Iroquois Non MSA	29	3,707,230	9.4	437	0.0	0.0	0.0	11.1	13.8	8.5	76.9	75.9	76.4	12.0	10.3	15.1	0.0	0.0	0.0
Danville MSA	100	12,160,423	32.3	1,214	5.6	4.0	3.0	6.2	6.0	3.2	54.4	54.0	56.0	32.1	34.0	37.2	1.7	2.0	0.6
Kankakee MSA	21	4,888,798	6.8	2,821	1.0	0.0	1.1	18.6	14.3	19.5	45.2	28.6	40.6	35.1	57.1	38.8	0.0	0.0	0.0
Total	310	74,572,684	100.0	8,760	3.6	8.1	3.3	16.4	19.7	18.3	42.7	36.5	37.2	36.5	33.2	40.4	0.6	2.6	0.7
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Champaign MSA	283	73,435,423	33.2	7,244	22.5	1.8	8.9	16.6	6.0	19.8	20.4	4.9	20.7	40.5	21.9	34.4	0.0	65.4	16.2
Iroquois County Non MSA	148	15,450,711	17.4	687	21.1	8.8	8.3	18.9	16.9	20.8	20.0	18.2	20.2	40.0	48.0	31.7	0.0	8.1	18.9
Danville MSA	344	44,395,535	40.3	1,681	21.7	2.9	5.8	16.8	10.2	19.0	20.7	23.3	23.6	40.8	39.5	33.5	0.0	24.1	18.1
Kankakee MSA	78	10,756,766	9.1	4,333	22.2	6.4	7.5	17.4	17.9	17.6	20.3	28.2	23.1	40.2	39.7	32.2	0.0	7.7	19.7
Total	853	144,038,434	100.0	13,945	22.1	3.9	8.0	17.0	10.7	19.0	20.4	16.8	21.8	40.4	35.2	33.5	0.0	33.5	17.7
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Champaign MSA	160	53,816,232	51.6	4,288	23.4	0.6	10.8	16.4	4.4	21.0	19.8	5.0	19.7	40.4	15.6	28.7	0.0	74.4	19.8
Iroquois Non MSA	29	3,707,230	9.4	437	18.0	10.3	8.7	19.3	31.0	25.2	23.0	20.7	26.8	39.7	27.6	23.1	0.0	10.3	16.2
Danville MSA	100	12,160,423	32.3	1,214	22.7	7.0	7.2	18.4	13.0	20.8	18.5	17.0	22.5	40.4	35.0	31.5	0.0	28.0	18.0
Kankakee MSA	21	4,888,798	6.8	2,821	20.1	4.8	11.3	17.5	9.5	20.8	21.2	14.3	23.8	41.2	33.3	26.0	0.0	38.1	18.1
Total	310	74,572,684	100.0	8,760	21.9	3.9	10.4	17.3	10.0	21.1	20.2	11.0	21.7	40.6	24.2	27.9	0.0	51.0	18.8
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

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Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2020-2021
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Champaign MSA	40	48,768	50.0	3,313	10.9	7.5	11.4	18.3	2.5	16.1	42.0	50.0	45.1	26.4	40.0	26.5
Danville MSA	40	16,906	50.0	843	3.9	2.5	3.9	23.2	20.0	18.1	42.4	55.0	40.5	30.4	22.50	37.5
<b>Total</b>	<b>80</b>	<b>65,674</b>	<b>100.0</b>	<b>4,156</b>	<b>9.3</b>	<b>5.0</b>	<b>9.9</b>	<b>19.4</b>	<b>11.3</b>	<b>16.5</b>	<b>42.1</b>	<b>52.5</b>	<b>44.1</b>	<b>27.3</b>	<b>31.3</b>	<b>28.7</b>
Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2022
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Champaign MSA	40	16,856	50.0	2,981	11.0	2.5	11.0	18.9	5.0	17.6	24.5	27.5	24.7	39.8	65.0	43.1
Danville MSA	40	8,807	50.0	720	14.8	22.5	9.9	10.1	10.0	8.8	47.1	32.5	49.6	25.3	35.0	30.6
<b>Total</b>	<b>80</b>	<b>25,663</b>	<b>100.0</b>	<b>3,701</b>	<b>11.8</b>	<b>12.5</b>	<b>10.8</b>	<b>17.0</b>	<b>7.5</b>	<b>15.9</b>	<b>29.5</b>	<b>30.0</b>	<b>29.5</b>	<b>36.6</b>	<b>50.0</b>	<b>40.7</b>
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2020-21</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>	
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>
Champaign MSA	40	48,768	50.0	3,313	81.8	82.5	44.6	4.3	15.0	13.9	2.5
Danville MSA	40	16,906	50.0	843	77.3	65.0	42.9	5.4	32.5	17.3	2.5
<b>Total</b>	<b>80</b>	<b>65,674</b>	<b>100.0</b>	<b>4,156</b>	<b>80.8</b>	<b>73.8</b>	<b>44.3</b>	<b>4.6</b>	<b>23.8</b>	<b>14.6</b>	<b>2.5</b>
Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2022</b>
<b>Assessment Area:</b>	<b>Total Loans to Small Businesses</b>				<b>Businesses with Revenues &lt;= 1MM</b>			<b>Businesses with Revenues &gt; 1MM</b>		<b>Businesses with Revenues Not Available</b>	
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Businesses</b>	<b>% Bank Loans</b>	<b>% Businesses</b>	<b>% Bank Loans</b>
Champaign MSA	40	16,856	50.0	2,981	84.3	85.0	52.7	3.5	15.0	12.2	0.0
Danville MSA	40	8,807	50.0	720	79.7	65.0	52.4	4.7	32.5	15.6	2.5
<b>Total</b>	<b>80</b>	<b>25,663</b>	<b>100.0</b>	<b>3,701</b>	<b>83.3</b>	<b>75.0</b>	<b>52.7</b>	<b>3.8</b>	<b>23.8</b>	<b>12.9</b>	<b>1.3</b>
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.