



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

January 10, 2022

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cornerstone National Bank & Trust Company  
Charter Number 24114  
One West Northwest Highway  
Palatine, IL 60067

Office of the Comptroller of the Currency  
Downers Grove Field Office  
2001 Butterfield Road, Suite 400  
Downers Grove, IL 60515

**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 Lending Test and Community Development Test ratings are based on Cornerstone National Bank & Trust Company's (Cornerstone or the bank) performance in the state of Illinois. The major factors that support the bank's rating include:

- The bank's average quarterly loan-to-deposit (LTD) ratio is reasonable given its size, its financial condition, and the credit needs of its assessment area (AA).
- The bank originated or purchased a majority of its loans inside its AA.
- The bank's distribution of small loans to businesses across geographies of different income levels is reasonable.
- The bank's distribution of loans to businesses of different sizes is reasonable.
- The bank's combined community development (CD) loans, investments, and services reflect adequate responsiveness to the CD needs in its AA.
- The bank did not receive any Community Reinvestment Act (CRA) related complaints during the review period.

### **Loan-to-Deposit Ratio**

Cornerstone's average quarterly LTD ratio is reasonable given the bank's size, its financial condition, and the credit needs of its AAs. During the nine quarters since our last evaluation (from October 1, 2018, to December 31, 2020), the bank's average quarterly LTD ratio was 82 percent. During the same time period, there were 25 banks (including Cornerstone) with offices in the AA and total assets between \$500 million and \$2 billion. The average quarterly LTD ratio for all 25 banks was 81 percent, with the lowest bank at 55 percent and the highest bank at 114 percent. Cornerstone's average LTD ratio was higher than ten other banks in the group.

### **Lending in Assessment Area**

A majority of Cornerstone's loans are inside its AAs. The bank originated or purchased 57 percent of its total loans inside its AA 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 factors.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018-2020	828	56.1	648	43.9	1,476	230,048	54.2	194,421	45.8	424,469
Small Business										
2018-2020	38	66.6	19	33.3	57	10,542	60.9	6,781	39.1	17,323
Total	<b>866</b>	<b>56.5</b>	<b>667</b>	<b>43.5</b>	<b>1,533</b>	<b>240,590</b>	<b>54.5</b>	<b>201,202</b>	<b>45.5</b>	<b>441,792</b>

*Source: Home mortgage data is from the bank's Home Mortgage Loan Application Register. Small business data is from OCC's sample of loans.  
Note: Due to rounding, totals may not equal 100.0%.*

## Description of Institution

Cornerstone is a full-service intrastate institution headquartered in Palatine, Illinois, and it is a wholly owned subsidiary of Cornerstone Bancorp, Inc., a one-bank holding company also headquartered in Palatine. As of December 31, 2020, the bank had \$889 million in total assets, \$796 million in total deposits, \$612 million in net loans, and \$75 million in tier one capital. In addition to its main office in Palatine, the bank has two other full-service retail branches in Lake Zurich and Crystal Lake, Illinois. All three of these locations also have non-cash accepting ATMs, and Cornerstone is a member of the STARs network, which offers more than 300 surcharge-free ATM locations throughout the Chicagoland area. The bank also has two limited-service (business banking) locations in Naperville and Schaumburg, Illinois, that offer commercial lending and wealth management services. The Schaumburg location was opened in June 2020, since the bank's last CRA evaluation. The bank did not open or close any other locations during the evaluation period.

Cornerstone has one AA, which is entirely within the state of Illinois and consists of 503 contiguous and whole census tracts (CTs). The AA includes all of DuPage County and parts of Cook, Kane, Lake, and McHenry counties, and it does not reflect illegal discrimination or arbitrarily exclude any low- or moderate-income areas. Only one of the 503 CTs is designated low-income, but 49 are designated moderate-income. The AA is located within the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (MSA) and is referred to elsewhere in this report as the "Chicago" AA.

Cornerstone's business strategy is to focus on commercial lending. The bank's loan portfolio as of December 31, 2020, was comprised of 80 percent business loans, 14 percent one-to-four family home mortgage loans, and 6 percent multifamily residential mortgage loans. There are no legal, financial, or other factors impeding the bank's ability to help meet its community's credit needs. The bank received a "Satisfactory" rating under Intermediate Small Bank Community Reinvestment Act (CRA) examination procedures during its last performance evaluation, which was dated November 7, 2018.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated Cornerstone's compliance with the CRA using Intermediate Small Bank examination procedures, which include a Lending Test and a CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities, while the CD Test evaluates the bank's responsiveness to CD needs through qualified lending, investments, and services. We considered both the bank's lending and CD activities from January 1, 2018, through December 31, 2020. No affiliate or subsidiary activity was considered during this review.

Our evaluation focused on Cornerstone's bank's primary lending products of business loans and home mortgage loans. Based on loan origination data supplied by the bank, business loans represented 55 percent of number and 66 percent of the dollar volume of loans originated during the evaluation period. Home mortgage loans represented 39 percent of the number and 31 percent of the dollar volume of loans originated during the same time period. We reviewed a sample of business loans and analyzed Home Mortgage Disclosure Act (HMDA) data for home mortgage loans originated during the evaluation period. For analysis purposes, we compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS), 2020 Dun and Bradstreet Data, and 2020 CRA Aggregate Data.

### **Data Integrity**

We tested the accuracy of the bank's 2018, 2019, and 2020 HMDA data in August 2021, and determined that the data was reliable for use during this CRA examination.

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

Cornerstone has one AA, and we completed a full-scope review of this AA. Refer to the table in Appendix A for more information on the scope of the review.

### **Ratings**

Cornerstone's overall CRA rating is based solely on its performance in the state of Illinois, and the state of Illinois rating is based on the bank's performance under the CRA Intermediate Small Bank Lending Test, the CD Test, and related performance context information from the AAs. Except for the bank's LTD ratio, which is based on its entire loan portfolio, performance under the CRA Intermediate Small Bank Lending Test was based on the bank's lending performance within the AA during the evaluation period. When drawing conclusions related to the Lending Test, we placed more weight on the bank's performance in making small business loans and loans to small businesses, since commercial lending is the bank's primary focus. The bank does not actively market home mortgage loans other than by including information about the product on its website. Furthermore, they are primarily originated to existing commercial or business customers.

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

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

The OCC has not identified that the bank 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 PE.

## 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 bank's average quarterly LTD ratio is reasonable.
- The bank originated or purchased a majority of its loans inside its AA.
- The bank's geographic distribution of small loans to businesses is reasonable.
- The bank's distribution of loans to businesses of different sizes is reasonable.
- The bank's responsiveness to CD needs within its AA is reasonable.

### Description of Institution's Operations in Illinois

Cornerstone's only AA is located in the state of Illinois and includes all of DuPage County and parts of Cook, Kane, Lake, and McHenry counties. The AA consists of 503 CTs, including one low-income CT (0.2 percent), 49 moderate-income CTs (9.7 percent), 188 middle-income CTs (37.4 percent), and 265 upper-income CTs (52.7 percent). Cook, DuPage, and McHenry County CTs are located within the Chicago-Naperville-Evanston Metropolitan Division (MD) 16984. Lake County CTs are located within the Lake County Kenosha County IL-WI MD 29404. Kane County CTs are located within the Elgin IL MD 20994. All three MDs are located in the Chicago-Naperville-Elgin IL-IN-WI MSA 16980

### *Competition*

Competition for deposits within Cornerstone's AA is strong. According to Federal Deposit Insurance Corporation (FDIC) market share information, as of June 30, 2020, the bank's \$774 million in total deposits ranked 45<sup>th</sup> out of 143 institutions, and only represented a 0.2 percent market share. The top five institutions were all large banks and held a combined 62 percent of all deposits.

Analysis of 2020 mortgage market share data shows that the top five home mortgage lenders in the bank's AA originated or purchased 27 percent of all home mortgages. Cornerstone ranked 55<sup>th</sup> out of 356 lenders that had originated or purchased at least 10 home mortgage loans, with a 0.4 percent market share.

The OCC used recent community contacts made in conjunction with other local banks' CRA examinations to determine community needs. The contacts stated that there is a need for small business loans of less than \$100,000, efforts to establish commercial real estate in low- and moderate-income areas, bank assistance with promoting any small businesses, affordable housing, and pre-purchase loan programs.

## Demographics

Table A – Demographic Information of the Assessment Area						
Assessment Area: Chicago						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	503	0.2	9.7	37.4	52.7	0.0
Population by Geography	2,467,288	0.0	10.3	38.3	51.4	0.0
Housing Units by Geography	944,167	0.0	9.9	39.3	50.8	0.0
Owner-Occupied Units by Geography	668,427	0.0	6.8	36.8	56.4	0.0
Occupied Rental Units by Geography	222,561	0.1	18.0	45.6	36.3	0.0
Vacant Units by Geography	53,179	0.1	14.1	44.7	41.1	0.0
Businesses by Geography	214,264	0.1	8.8	34.0	57.1	0.0
Farms by Geography	3,723	0.0	8.8	40.1	51.1	0.0
Family Distribution by Income Level	636,942	15.1	14.7	19.5	50.7	0.0
Household Distribution by Income Level	890,988	17.2	14.0	17.2	51.6	0.0
Median Family Income MD - 16984 Chicago-Naperville-Evanston, IL		\$75,024	Median Housing Value			\$274,579
Median Family Income MD - 20994 Elgin, IL		\$80,899	Median Gross Rent			\$1,161
Median Family Income MD - 29404 Lake County-Kenosha County, IL-WI		\$87,137	Families Below Poverty Level			5.4%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

## Economic Conditions

According to U.S. Bureau of Labor Statistics (BLS) data, the unemployment rate in the counties that the bank operates in (Cook, DuPage, Kane, Lake, and McHenry), the State of Illinois, and the United States all declined from 2018 to 2019. However, in 2020 unemployment rates increased significantly, primarily due to the COVID-19 pandemic. All counties saw increases, with Cook County faring the worst with an 11.1 percent unemployment rate that was worse than both the State of Illinois and national averages.

Year-End Average Annual Unemployment Rates (%)			
Area	2018	2019	2020
Cook County	4.2	4.0	11.1
DuPage County	3.3	3.1	7.9
Kane County	4.9	4.3	9.1
Lake County	4.5	3.9	8.1
McHenry	3.6	3.5	8.3
State of Illinois	4.4	4.0	9.5
National	3.9	3.7	8.1
<i>Source: U.S. Department of Labor Bureau of Labor Statistics. Rates are not seasonally adjusted.</i>			



## **Scope of Evaluation in Illinois**

We performed a full-scope review of Cornerstone's only AA, which is described in Appendix A. Refer to Appendix A for more information.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS**

### **LENDING TEST**

Cornerstone's performance under the Lending Test in the state of Illinois is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, Cornerstone's lending performance in the state of Illinois is satisfactory.

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

Cornerstone exhibits a reasonable geographic distribution of loans in the state, based on its performance originating business loans.

We did not evaluate the distribution of home mortgage loans or small loans to businesses to the AA's only low-income CT, because the analysis would not be meaningful. Only one out of 503 CTs in the AA is designated low-income, and the number of owner-occupied housing units and small businesses in that CT is very small. As a result of the low number of low-income census tracts, and the bank's focus on commercial lending, we placed more weight on the bank's distribution of small loans to businesses.

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

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

Cornerstone's geographic distribution of home mortgages loans within its AA is poor. The bank originated or purchased 2.1 percent of its home mortgage loans in moderate-income CTs, which is significantly below the 6.8 percent of the AA's owner-occupied housing units located in moderate-income CTs, and the 4.5 percent of aggregate home mortgage lending that occurred in moderate-income CTs.

#### ***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 Cornerstone's small loans to businesses.

Cornerstone's geographic distribution of small loans to businesses is excellent. The bank originated or purchased 15.8 percent of its small loans to businesses located in moderate-income CTs, which significantly exceeds both the 8.8 percent of the AA's businesses that are located in moderate-income CTs and the 8.8 percent of aggregate lending that occurred in moderate-income CTs.

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

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

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

Cornerstone exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes.

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

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

Cornerstone's distribution of home mortgage loans to borrowers of different income levels within its AA is poor. The bank originated or purchased 1.3 percent of its home mortgage loans to low-income borrowers, which is significantly below both the 15.1 percent of AA families that are low-income and the 4.0 percent of aggregate home mortgage lending that occurred to low-income borrowers. The bank also originated or purchased 6.2 percent of its home mortgage loans to moderate-income borrowers, which is significantly below both the 14.7 percent of AA families that are moderate-income and the 14.5 percent of aggregate home mortgage lending that occurred to moderate-income borrowers.

#### ***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.

Cornerstone's distribution of loans to businesses of different sizes is reasonable. The bank originated or purchased 36.8 percent of its loans to small businesses (those businesses with \$1 million or less in annual revenue), which is significantly below the 83.5 percentage of businesses in the AA that are small businesses but equal to the 36.8 of aggregate lending that occurred to small businesses.

### **Responses to Complaints**

Cornerstone did not receive any written complaints regarding its performance in helping to meet the credit needs within its AAs during the evaluation period. The OCC has not received any consumer complaints or comments regarding the bank's CRA performance during this evaluation period.

## COMMUNITY DEVELOPMENT TEST

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

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, Cornerstone exhibits adequate responsiveness to community development needs in the state of Illinois through CD loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

Cornerstone's CD loans and qualified investments totaled \$17.8 million, or 21.6 percent of tier 1 capital, as of December 31, 2020. A majority of these dollars provided economic stabilization for low- and moderate- income (LMI) geographies during the COVID-19 pandemic, economic development through financing for small businesses, or affordable housing for LMI families.

### Number and Amount of Community Development Loans

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

Community Development Loans				
	#	% of #	\$(000s)	% of \$
Inside AA	5	55.5	8,506	52.5
Out of AA	4	44.4	7,693	47.5
Total	9	100.0	16,199	100.0

Cornerstone's level of CD lending reflects excellent responsiveness to the credit needs of its AA. During the evaluation period, the bank originated nine CD loans totaling \$16.2 million, or 19.6 percent of tier 1 capital. More than half of these loans (totaling 10.3 percent of tier 1 capital) were made within the AA. The other CD loans were in CTs outside of the AA, but still located within the Chicago-Naperville-Elgin, IL-IN-WI MSA. The \$16.2 million included the following:

- Five loans totaling \$9.3 million that were originated through the Small Business Administration (SBA) guaranteed Paycheck Protection Program (PPP). Three of the five loans were to businesses in moderate-income CTs within the AA. While the two other loans were to businesses outside the AA, the businesses were still within the Chicago-Naperville-Elgin, IL-IN-WI MSA. One business was in a low-income CT in Cook County. The PPP was established under the CARES Act in response to the COVID-19 pandemic. PPP loans helped to stabilize and revitalize LMI geographies by supporting businesses and related jobs during the pandemic.
- Three loans totaling \$4.3 million that were originated through the SBA 504 program. One loan was to a business in Cornerstone's AA. While the other two loans were to businesses outside the AA, they were within the Chicago-Naperville-Elgin, IL-IN-WI MSA. All three loans qualify as economic development through financing of small businesses.

- A \$2.6 million loan originated within the AA to a non-profit organization to purchase real estate to establish a household goods store where all proceeds go directly towards building and rehabilitating affordable housing for LMI individuals.

### Number and Amount of Qualified Investments

The Qualified Investment Table shown below sets forth the information and data used to evaluate Cornerstone's level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of this evaluation's date.

Community Development Investments										
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments **	
	#	\$(000s)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000s)
Chicago	2	1,552	47	87	49	100.0	1,639	100.0	0	0

\* 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.

Cornerstone's level of qualified investments reflects adequate responsiveness to the CD needs of its AA. The bank made 47 qualified donations totaling \$86,967 during this assessment period. A majority of the total dollars in outstanding investments are related to two investments made during a prior assessment period. Total qualified investments represent two percent of tier 1 capital.

- A majority of the donations (24 totaling \$48,012) benefited organizations that provide community services for LMI individuals within Cornerstone's AA. Community services including mental health, food, hospice, and elder care assistance.
- Nineteen donations benefited organizations focused on affordable housing for LMI families. Some of the organizations concentrated on housing for the homeless, domestic violence victims, LMI single mothers and children, and LMI military families and veterans.
- Four donations totaling \$1,100 benefited organizations concentrating on economic development. The two organizations provide technical assistance to small businesses in the AA.

Prior investments both benefitted affordable housing to LMI families within the AA. One was a mortgage-backed security and the other was a mutual fund backed by mortgages.

### Extent to Which the Bank Provides Community Development Services

Cornerstone's level of CD services reflects adequate responsiveness given the bank's size and the CD needs of its AA. Eight bank officers or employees provided qualified CD services to eight different organizations during the evaluation period. Four of the organizations or services were focused on community services for LMI individuals in the AA. The other four organizations concentrated on affordable housing for LMI families. Many of the officers provided leadership by serving on a board of directors or finance committee, or by serving as treasurer. Other officers assisted with fundraising. Qualified service hours totaled 2,687 during the evaluation period.

## Appendix A: Scope of Examination

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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, 2018, to December 31, 2020	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, and community development loans, qualified investments, and community development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<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>		
Chicago-Naperville-Elgin, IL-IN-WI MSA	Full-Scope	Portions of Cook, Lake, Kane, and McHenry counties, all of DuPage County

## Appendix B: Summary of State Ratings

<b>RATINGS: Cornerstone National Bank &amp; Trust Company</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State Rating</b>
Cornerstone National Bank & Trust Company	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:** An individual whose income 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 of the area median income.

**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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$(000s) Bank Loans	% of Bank Total	\$(000s) Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending		
Chicago MSA	828	230,048	100.0	163,011	0.0	0.0	0.0	6.8	2.1	4.5	36.8	22.5	33.2	56.4	75.5	62.3	0.0	0.0	0.0		

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$(000s) Bank Loans	% of Bank Total	\$(000s) Aggregate Lending	% of Families	% of Bank Loans	% of Aggregate Lending	% of Families	% of Bank Loans	% of Aggregate Lending	% of Families	% of Bank Loans	% of Aggregate Lending	% of Families	% of Bank Loans	% of Aggregate Lending	% of Families	% of Bank Loans	% of Aggregate Lending		
Chicago MSA	828	230,048	100.0	163,011	15.1	1.3	4.0	14.7	6.2	14.5	19.5	18.2	21.0	50.7	67.5	48.2	0.0	6.8	12.3		

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																				<b>2018-20</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$(000s) Bank Loans	% of Bank Total	\$(000s) Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending		
Chicago MSA	57	17,060	100.00	96,512	0.1	0.0	0.1	8.8	15.8	8.8	34.0	35.1	35.2	57.1	49.1	55.9	0.0	0.0	0.0		

Sources: 2020 D&B Data and 01/01/2018 - 12/31/2020 bank data.  
 Note: 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>2018-20</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= \$1MM			Businesses with Revenues > \$1MM		Businesses with Revenues Not Available			
	#	\$(000s) Bank Loans	% of Bank Total	\$(000s) Aggregate Lending	% of Businesses	% of Bank Loans	% of Aggregate Lending	% of Businesses	% of Bank Loans	% of Businesses	% of Bank Loans		
Chicago MSA	57	17,060	100.00	96,512	83.5	36.8	36.8	7.2	57.9	11.4	5.3		

Sources: 2020 D&B Data and 01/01/2018 - 12/31/2020 bank data.  
 Note: Due to rounding, totals may not equal 100.0%.