



## **PUBLIC DISCLOSURE**

October 24, 2022

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Shore FS & LA  
Charter Number: 705740

106 S Division St  
Salisbury, MD 21801-4929

Office of the Comptroller of the Currency

400 7th Street S.W.  
Washington, DC 20219

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

**Table of Contents**

Overall CRA Rating .....1  
Description of Institution .....2  
Scope of the Evaluation .....3  
Discriminatory or Other Illegal Credit Practices Review .....4  
Multistate Metropolitan Statistical Area Rating .....4  
    Salisbury, MD-DE MMSA .....4  
    Community Development .....9  
Appendix A: Scope of Examination ..... A-1  
Appendix B: Summary of MMSA and State Ratings .....B-1  
Appendix C: Definitions and Common Abbreviations .....C-1  
Appendix D: Tables of Performance Data ..... D-1

## **Overall CRA Rating**

**Institution's CRA Rating:** This institution is rated **Outstanding**.

**The Lending Test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on an excellent distribution of loans among borrowers of different income levels, a reasonable distribution of lending in low- and moderate-income (LMI) geographies, a substantial majority of loans originated in the assessment area (AA), and a loan-to-deposit (LTD) ratio that is more than reasonable.
- Performance related to community development (CD) activities had a neutral effect on the bank's overall rating.

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

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

The bank's quarterly net LTD ratio averaged 90 percent over the past 12 calendar quarters from January 1, 2019, to December 31, 2021. The ratio ranged from a quarterly low of 81 percent as of September 30, 2021, to a quarterly high of 98 percent as of June 30, 2019. The ratio is calculated on a bank-wide basis. The quarterly average net LTD ratio for a custom peer group of four similarly situated institutions with assets ranging from \$304.5 million to \$828.9 million and located in the same MSA was 89 percent over the same period. The peer group's ratio ranged from a quarterly low average of 76.2 percent to a quarterly high average of 100.9 percent during that time period.

## **Lending in Assessment Area**

A substantial majority of the bank's loans are inside its AA.

The bank originated and purchased 94.6 percent of its total loans inside the bank's 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 criteria.

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2019	245	95.0	13	5.0	258	26,448	96.7	900	3.3	27,348
2020	252	94.7	14	5.3	266	30,449	94.8	1,658	5.2	32,108
2021	263	94.3	16	5.7	279	34,147	96.1	1,404	3.9	35,551
<b>Subtotal</b>	<b>760</b>	<b>94.6</b>	<b>43</b>	<b>5.4</b>	<b>803</b>	<b>91,045</b>	<b>95.8</b>	<b>3,962</b>	<b>4.2</b>	<b>95,007</b>
<b>Total</b>	<b>760</b>	<b>94.6</b>	<b>43</b>	<b>5.4</b>	<b>803</b>	<b>91,045</b>	<b>95.8</b>	<b>3,962</b>	<b>4.2</b>	<b>95,007</b>
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

This performance was factored positively into the overall analysis of the geographic distribution of lending by income level of geography.

## Description of Institution

First Shore Federal Savings & Loan Association (FSF, First Shore, bank, or institution) founded in 1953, is an interstate federally chartered institution headquartered in in Salisbury, Maryland. The bank does not have any subsidiaries or affiliates.

The bank has not made any changes to its AA since the previous evaluation. The AA encompasses 98 census tracts in the counties of Wicomico, Somerset, and Worcester located on Maryland's Eastern Shore, and Sussex County on Delaware's Eastern Shore. The AA is located within the Salisbury MD-DE multistate metropolitan statistical area (MMSA). The OCC combined all the AA geographies into a single delineated rating area for this evaluation, which will be referred to as the Salisbury MMSA AA. The AA meets the requirements of the CRA and does not arbitrarily exclude any LMI geographies.

The bank's branch network consists of seven offices (including the main office) located throughout Maryland and Delaware. All but one have full-service automated teller machines (ATM) on site. The Ocean Pines branch located in Worcester County, Maryland operates a cash-dispensing-only ATM. During the evaluation period, the bank closed a branch in a middle-income census tract in Worcester County, Maryland. There were no mergers or acquisitions during the evaluation period.

FSF's principal business is retail banking, with a focus on one- to four-family lending as evidenced by the composition of its total assets. As of December 31, 2021, FSF reported total assets of \$349.2 million, total deposits of \$297 million, tier 1 capital of \$51.9 million, and net loans and leases of \$242.2 million. The loan portfolio consisted of approximately 81.9 percent residential real estate mortgages, 3.2 percent commercial loans, and 14.9 percent individual loans. The bank is a portfolio lender and does not sell its loans or the servicing of its loans to the secondary market. The bank offers a variety of lending and deposit products and services, including online and mobile banking. During the evaluation, the bank

offered payment deferrals that provided over \$524,000 in relief to 115 customers during the pandemic. The bank's website, <https://www.firstshorefederal.com>, provides information on banking hours as well as products and services offered.

There are no known legal, financial, or other factors impeding FSF's ability to help meet the credit needs of its AA. The bank received an Outstanding rating in its previous CRA evaluation dated August 19, 2019.

## **Scope of the Evaluation**

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

FSF was evaluated using the Small Bank CRA examination procedures, which only includes a Lending Test. The Lending Test considers the bank's performance pursuant to the following criteria: LTD Ratio Analysis; AA Concentration; Geographic Distribution; Borrower Distribution; and Response to CRA Complaints. Under these procedures evaluating Community Development (CD) activities is optional. At management's request, the OCC evaluated the impact of the bank's responsiveness to CD needs through CD activities. The evaluation included an analysis of home mortgage loans originated from January 1, 2019, through December 31, 2021.

The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. The OCC placed more weight on borrower distribution than geographic distribution based on the percentage of LMI families compared to the percentage of LMI census tracts in the AA.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, 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 bank's overall rating is based on the full-scope review of the AA, which comprises the entirety of the Salisbury MD-DE MSA 41540.

The MMSA rating and state ratings are based on performance in all bank 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 C.F.R. §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 assessment area 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.

## **Multistate Metropolitan Statistical Area Rating**

### **Salisbury MMSA**

**CRA rating for the Salisbury MMSA<sup>1</sup>:** Outstanding.  
**The Lending Test is rated:** Outstanding.

The major factors that support this rating include:

- The bank's LTD ratio is more than reasonable;
- A substantial majority of loan originations are within the bank's AA;
- The geographic distribution of loans represents a reasonable distribution among LMI geographies;
- The borrower distribution of loans represents an excellent distribution to borrowers of different income levels; and
- CD lending had a neutral effect on the bank's rating in the MMSA.

## **Description of Institution's Operations in Salisbury MMSA**

The bank operates seven full-service branches, six deposit taking ATMs, and one cash-dispensing only ATM within the MMSA.

According to the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, there were 24 financial institutions within the bank's AA that operated 136 full-service

---

<sup>1</sup> This rating reflects performance within the MMSA. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

branches. The bank ranked 15<sup>th</sup> with 0.3 percent deposit market share. The top bank within the MMSA in terms of deposits was Discover Bank with 87.2 percent market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the bank's AA. According to the most recent 2021 Peer Mortgage Data, there were 547 HMDA reporters who originated or purchased \$10.1 billion home mortgage loans within the bank's AA. The bank ranked 40<sup>th</sup> with a market share of 0.8 percent. The top five lenders were Rocket Mortgage, Wells Fargo Bank N.A., PennyMac Loan Services LLC, McLean Mortgage Corporation, and NVR Mortgage Finance Inc.; who held a combined market share of 20.5 percent in the AA.

The following table depicts demographic information for the bank's AA:

### Salisbury MMSA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: First Shore AA</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>
Geographies (Census Tracts)	98	1.0	14.3	54.1	25.5	5.1
Population by Geography	385,983	0.8	16.6	60.3	21.1	1.2
Housing Units by Geography	236,295	0.8	11.3	56.1	31.8	0.0
Owner-Occupied Units by Geography	107,113	0.7	9.7	64.5	25.1	0.0
Occupied Rental Units by Geography	40,217	1.5	29.6	53.4	15.5	0.0
Vacant Units by Geography	88,965	0.5	5.1	47.1	47.3	0.0
Businesses by Geography	32,269	0.5	11.9	60.8	26.7	0.1
Farms by Geography	1,623	0.2	11.0	67.5	21.2	0.1
Family Distribution by Income Level	98,206	21.0	17.8	20.8	40.4	0.0
Household Distribution by Income Level	147,330	23.6	16.7	17.9	41.8	0.0
Median Family Income MSA - 41540 Salisbury, MD-DE MSA		\$63,091	Median Housing Value			\$262,148
			Median Gross Rent			\$965
			Families Below Poverty Level			9.8%

Source: 2015 ACS and 2020 D&B Data

Due to rounding, totals may not equal 100.0%

(\* ) The NA category consists of geographies that have not been assigned an income classification.

Demographic Data

Based on 2021 FFIEC adjusted median family income (AMFI) of \$74,100, low-income families make less than \$37,050 and moderate-income families make less than \$59,280. 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. This calculates to a maximum monthly mortgage payment of \$926 for low-income borrowers and \$1,482 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for homes at the MSA median housing value would be \$2,399. Therefore, LMI borrowers would be challenged to afford the median home price in the MSA.

Additionally, there was a limited number of owner-occupied-units available in the bank's LMI census tracts. The population within the low-income census tracts was 3,222; however, there were just 709 owner-occupied units. The population within the moderate-income census tracts was 64,013; however, there were only 10,395 owner-occupied units. The majority of owner-occupied housing was located in middle- and upper-income census tracts. The low inventory of owner-occupied homes in LMI census tracts would limit the opportunities to lend.

Community Contact

The OCC reviewed two community contacts with local nonprofit organizations to identify opportunities and needs in the AA. The first contact was conducted with a private, nonprofit organization that primarily seeks to increase homeownership and improve living conditions in underserved and distressed communities through resident empowerment, community redevelopment, public/private partnership programs, and aggressive intervention in local community housing concerns. The contact stated that the banks can share their expertise with local nonprofit organizations in helping design programs that support small businesses.

The second contact was conducted with a nonprofit organization whose mission is to revitalize downtown Ocean City, Maryland. The contact stated most of the businesses shut down during the off season and a majority of the housing is vacant due to a seasonal economy in summer. The contact identified a need for more affordable housing and small dollar commercial loans.

Economic Data

The local economy is highly reliant on tourism and tourism-related activity. Key sectors of the economy based on percentage of total employment included education and health services, government (federal and local), professional and business services, leisure and hospitality services, retail trade and manufacturing. Major employers in the MSA included Peninsula Regional Medical Center, Beebe Medical Center, Salisbury University, Perdue Farms, Walmart, Inc., and Harrison Group.

Based on data from the September 2021 Moody's Analytics report, Salisbury's recovery from the COVID-19 pandemic in 2020 was nearly complete. About nine out of every ten jobs had been recouped, well ahead of both the state and national recovery. Amid rising demand from tourists and retirees, leisure/hospitality and retail had fully recovered, and healthcare had nearly done so. Beach tourism will continue to support jobs in leisure/hospitality. Salisbury has one of the highest concentrations of leisure/hospitality in the nation and the second highest in the Northeast due to its beaches and central location on the densely populated East Coast. Leisure/hospitality employment has eclipsed pre-pandemic levels, so further growth will stem from business expansions rather than rehiring, as is still the case nationally. Healthcare job growth will easily outpace the U.S. average. Healthcare accounts for an



above-average share of employment because of the large and growing number of residents over. Retirees are attracted to Salisbury's beaches and the absence of sales tax. Rapid growth in the older cohorts, most of whom are newcomers, will support strong healthcare demand over the coming years. Moody's predicted that Salisbury will surpass pre-pandemic employment levels next year. Healthcare will lead the final stages of the recovery, but tourism and manufacturing will lend valuable support. Total employment growth will moderate next year as the economy gets back to normal. Longer term, strong population growth and low business costs will enable Salisbury to slightly outperform the nation.

Strengths for the area continue to be low cost of living, undervalued single-family housing, and a popular tourist destination. Weaknesses in the economy were a heavy reliance on tourism and consumer-facing industries, below-average per capita income, very few high-wage jobs, and shallow concentration of prime-age workers. Healthcare was the strongest industry in the area.

The unemployment rates in Salisbury MSA AA increased significantly during the review period because of the COVID-19 pandemic but those rates have since fallen to 6.6 percent as of December 2021. The highest unemployment spike during the evaluation period appeared in April 2020, when the rate reached 15.5 percent. As of December 2021, the State of Maryland unemployment rate was 5.4 percent. The national unemployment rate was 3.9 percent as of the same date.

## **Scope of Evaluation in Salisbury MMSA**

The OCC conducted a full-scope review of the Salisbury MMSA AA.

The bank has designated the entire counties of Wicomico, Somerset, and Worcester located on Maryland's Eastern Shore, and the entire county of Sussex on Delaware's Eastern Shore as its combined AA. The combined AA consists of contiguous geographies. Despite crossing state boundaries, all of the counties in the bank's designated AA are located in the Salisbury MD-DE MSA 41540. Therefore, the OCC performed a single, full-scope review of the bank's contiguous AA. This is consistent with the agency's approach to simplify and improve interagency consistency to evaluate performance at the same MSA or multisite MSA level, even when a bank has branches and deposit taking ATMs in two or more states within the MMSA.

Refer to appendix A, Scope of Examination, regarding the AA receiving a full-scope review.

## **Lending Test**

The bank's performance under the Lending Test in the Salisbury MMSA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Salisbury MMSA is excellent.

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

The bank exhibits a reasonable geographic distribution of loans in the MMSA.

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

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

The bank did not originate any loans in low-income census tracts. However, opportunities to lend in the low-income census tracts were limited as less than 1.0 percent of owner-occupied housing were located in low-income census tracts. The aggregate performance also reflected very few loans originated in low-income census tracts indicating limited demand and opportunity.

The percentage of home mortgage loans to borrowers in moderate-income census tracts was below the percentage owner-occupied housing units and slightly below the percentage of loans by all lenders in moderate-income census tracts.

According to 2015 ACS census data, the percentage of occupied rental and vacant units were greater than the percentage of owner-occupied housing units in the MMSA. The 2015 ACS data indicated that 60.4 percent of housing units in low-income census tracts were renter-occupied or vacant units, and 61.2 percent of the housing units in moderate-income census tracts were renter-occupied or vacant. The bank’s performance was consistent with the limited opportunities to lend in LMI geographies.

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

OCC examiners reviewed summary reports and AA maps detailing the bank’s lending activity to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

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

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

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

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

In the analysis, the OCC considered the high median housing value, significant market competition, and poverty levels within the AA that constrains affordability of homeownership for LMI people. Market share data extracted from the 2021 HMDA data shows that nationwide banks and mortgage companies dominate the local lending market. The median value of homes in the MSA was nearly eight times the earnings of low-income families and nearly five times the earnings of moderate-income families. Within the AA, 9.8 percent of families were below the poverty level and may find it difficult to qualify for a home loan. Due to these factors, the bank’s percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families. However, the bank’s performance significantly exceeded the percentage of aggregate lending to low-income borrowers.

The percentage of home mortgage loans to moderate-income borrowers was slightly below the percentage of moderate-income families and significantly exceeded the percentage of aggregate lending to moderate-income borrowers.

**Responses to Complaints**

FSF did not receive any complaints regarding its performance in helping to meet the credit needs in the Bank’s AAs during this evaluation period.

**Community Development**

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through qualified investments and CD services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AA. Performance related to CD activities had a neutral effect on the bank’s rating in the MMSA.

**Number and Amount of Qualified Investments**

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Salisbury MMSA AA	0	0	48	68	48	100	68	100	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.*

The bank reported 48 qualified donations totaling approximately \$68,225 made to a variety of nonprofit organizations with primary missions of providing affordable housing and community development services for LMI geographies or individuals in the bank’s AA. These donations were responsive to the identified needs for affordable housing and the COVID-19 pandemic.

The following are examples of CD donations provided in the AA:

- Four grants and donations totaling \$22,000 to a nonprofit organization that helps Eastern Shore residents to obtain educational success by reducing the achievement gap between low and middle income students, attaining financial stability by advancing the economic security of families and individuals in the community, and encouraging good health by improving access to and awareness of local health and wellness services.
- Six donations totaling \$5,100 to a nonprofit organization that helps build, renovate, and provide affordable housing to LMI families.

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

Eight bank employees provided 238 financial and/or technical assistance to seven organizations within the Salisbury MMSA. Bank employees served organizations that promote economic development activities, provide community services to LMI individuals and families, support economic development, and revitalize or stabilize distressed and/or underserved areas. In most cases, bank employees served in leadership roles for the organizations.

The following are examples of CD services provided in the AA:

- A bank officer served as a member of the board of directors and various committees at a nonprofit organization that helps to create, develop, and promote micro-businesses by providing loans, education, and technical assistance to entrepreneurs primarily in economically distressed communities.
- A bank officer served as a member of the advisory board of a nonprofit organization that provides an array of social services, primarily to LMI individuals. The social services include day care programs, medical care, meals, youth recreational activities, counseling services, tutoring, and disaster relief.
- A bank officer served as a member of the board of directors and executive committee of a local nonprofit organization with a vision of increasing homeownership in underserved and distressed communities.

## **Appendix A: Scope of Examination**

---

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

<b>Time Period Reviewed:</b>	January 1, 2019, to December 31, 2021	
<b>Bank Products Reviewed:</b>	Home mortgage loans Qualified investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	NA	NA
<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>MMSA</b>		
Salisbury MD-DE MMSA	Full-scope	Counties of Wicomico, Somerset, and Worcester located in Maryland; and Sussex County in Delaware.

**Appendix B: Summary of MMSA and State Ratings**

---

<b>RATINGS: First Shore FS &amp; LA</b>	
<b>Overall Bank:</b>	<b>Lending Test Rating</b>
First Shore FS & LA	Outstanding
<b>MMSA or State:</b>	
Salisbury MD-DE MMSA	Outstanding

## Appendix C: Definitions and Common Abbreviations

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**Metropolitan Division:** 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

---

### 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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</b>		
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			
First Shore AA	760	91,045	100.0	35,270	0.7	0.0	0.3	9.7	4.2	5.6	64.5	70.0	60.4	25.1	25.8	33.7	0.0	0.0	0.0			
<b>Total</b>	<b>760</b>	<b>91,045</b>	<b>100.0</b>	<b>35,270</b>	<b>0.7</b>	<b>0.0</b>	<b>0.3</b>	<b>9.7</b>	<b>4.2</b>	<b>5.6</b>	<b>64.5</b>	<b>70.0</b>	<b>60.4</b>	<b>25.1</b>	<b>25.8</b>	<b>33.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
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>2019-21</b>		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers					
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate			
First Shore AA	760	91,045	100.0	35,270	21.0	7.9	4.1	17.8	15.9	12.4	20.8	18.7	17.0	40.4	57.0	49.5	0.0	0.5	17.0			
<b>Total</b>	<b>760</b>	<b>91,045</b>	<b>100.0</b>	<b>35,270</b>	<b>21.0</b>	<b>7.9</b>	<b>4.1</b>	<b>17.8</b>	<b>15.9</b>	<b>12.4</b>	<b>20.8</b>	<b>18.7</b>	<b>17.0</b>	<b>40.4</b>	<b>57.0</b>	<b>49.5</b>	<b>0.0</b>	<b>0.5</b>	<b>17.0</b>			

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.  
Due to rounding, totals may not equal 100.0%*