



## **PUBLIC DISCLOSURE**

December 3, 2018

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

The Turbotville National Bank  
Charter Number: 9803

4710 State Rt. 54  
Turbotville, Pennsylvania 17772-0037

Office of the Comptroller of the Currency

1150 Northbrook Drive  
Suite 303  
Trevose, Pennsylvania 19053

**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.**

Major factors that support this rating are:

- The quarterly average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- The majority of the bank's loans were originated in its AA.
- The bank's distribution of borrowers reflects reasonable penetration among individuals of different income levels and farms of different sizes given the demographics of the AA.
- The geographic distribution of loans in the AA reflects reasonable dispersion and meets the standards for satisfactory performance.
- The bank has had no consumer complaints regarding its community reinvestment performance.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 MA/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. 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

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

## Description of Institution

The Turbotville National Bank (TNB) is an intrastate community bank situated in the rural farming community of Turbotville, Northumberland County, Pennsylvania. The bank is a subsidiary of Turbotville National Bancorp, Inc., a one-bank holding company located at the same address. The holding company has no other operating subsidiaries. TNB is a single state one-branch bank chartered in 1910.

The bank's one full service office offers an ATM and a drive-up facility for its customers. TNB is primarily a mortgage lender and provides a full range of banking services, consisting of traditional deposit accounts, consumer and business loan products, checking and saving accounts, residential mortgages, and other banking services. The bank's public website offers information on banking hours, products, and services offered.

As of June 30, 2018, TNB had \$141 million in total assets, \$90 million in net loans and leases, and \$116 million in total deposits. Net loans and leases represent 46 percent of total assets. The bank's primary lending product is 1-4 family home mortgages, which represent 40 percent of total loans and leases. The bank's secondary product is loans to finance farmland, which represent 39 percent of total loans and leases.

TNB's previous Performance Evaluation (PE), dated June 30, 2014, was rated "Satisfactory." Since the previous PE, TNB has not changed any major strategic initiatives. Currently, there are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AA.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We performed a full scope evaluation of TNB using the Small Bank CRA examination procedures, which only includes a Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through lending activities.

The current evaluation period covered lending activity from January 1, 2015 to December 31, 2017. We used two evaluation periods for the examination. The first evaluation period covers the bank's performance from January 1, 2015 to December 31, 2016. In 2017, the Office of Management and Budget changed the 2010 U.S. Census data. The changes resulted in differences to the MSA/MD, census tract, and income designations. To reflect the Census changes, we used a second evaluation period for the bank's performance from January 1, 2017 to December 31, 2017. Our lending performance review focused on home mortgage loans and farmland loans. These are the bank's primary loan products, cumulatively representing 79 percent of total loans and leases.



## **Data Integrity**

TNB is not required to report data under the Home Mortgage Disclosure Act (HMDA). To perform our assessment, we selected a sample of home mortgage loans and farmland loans originated during the evaluation period. We used the sample to determine TNB's percent of loan originations extended to individuals located in TNB's AA, lending record to individuals of different income levels, lending to farms of different revenues, and lending record within low- and moderate-income census tracts (CTs).

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

TNB is headquartered in northern Northumberland County, and has one AA consisting of all of Montour County and the northern portion of Northumberland County. TNB has identified eight CTs across these two counties. Four of the CTs are located in Northumberland County and four are located in Montour County. The AA has not changed since the last PE was published. It continues to meet the regulatory requirements and does not arbitrarily exclude any low-or-moderate-income geographies. We performed a full-scope review of the bank's sole AA. Refer to the Table in Appendix A for demographic information on the AA.

In 2015-2016 the AA consisted of 8 CTs. Based on the 2010 Census data used for 2015-2016, five (62.5 percent) were middle-income tracts and three (37.5 percent) were upper-income tracts. There were no low-income or moderate-income tracts in the AA.

The census data change in 2017 altered the income designations of two CTs in the bank's AA. The bank maintained the same eight CTs in the AA. Based on the 2015 ACS Census data effective 2017, of the eight CTs in TNB's AA, one (12.5 percent) was a moderate-income tract, five (62.5 percent) were middle-income tracts, and two (25 percent) were upper-income tracts. There were no low-income tracts in the AA.

## **Ratings**

The bank's overall rating is based on the full scope review of their single AA described above. The only applicable performance test is the Lending Test.

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

Pursuant to 12 C.F.R. §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 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.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

TNB's performance under the Lending Test is Satisfactory. The quarterly LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The majority of the bank's loans were originated within the AA. The geographic distribution of loans reflects reasonable dispersion throughout the AA. TNB's distribution of borrowers reflects reasonable penetration among individuals of different income levels and farms of different sizes.

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

TNB's quarterly average net LTD ratio is reasonable. The bank's quarterly average net LTD ratio over the 16 quarters since the last CRA examination was 69.29 percent. During this period, the ratio ranged from a quarterly low of 62.82 percent to a quarterly high of 77.41 percent. TNB's quarterly average net LTD ratio compares reasonably to a custom peer group of other Pennsylvania banks of similar size. The custom peer group consisted of seven banks with asset sizes ranging from \$65 million to \$358 million that had a branch presence in TNB's AA. The quarterly average of these banks over the same 16 quarters was 78.94 percent. The ratios ranged from a quarterly low of 62.82 percent to a quarterly high of 103.18 percent during that period.

## Lending in Assessment Area

The majority of the home mortgage loans originated during the evaluation period were inside the bank's AA. Overall, the bank originated 73.8 percent by number and 71.8 percent by dollar within the AA. Table D below shows the comparison of home mortgages and farmland loans extended 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	28	70.0%	12	30.0%	40	\$3,691	79.5%	\$950	20.5%	\$4,641
Farmland	31	77.5%	9	22.5%	40	\$7,697	68.6%	\$3,527	31.4%	\$11,224
Total	59	73.8%	21	26.2%	80	\$11,388	71.8%	\$4,477	28.2%	\$15,865

Source: Evaluation Period: 01/01/2015-12/31/2017 Bank Data

## Lending to Borrowers of Different Incomes and to Farms of Different Sizes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and farms of different sizes.

### Home Mortgage Loans

Based on Tables P1 and P2 in Appendix C, the borrower distribution of the bank's home mortgage loan originations and purchases reflects reasonable penetration. The overall penetration of home mortgage loans to low- and moderate-income borrowers in 2015-2016 is reasonable. The borrower distribution of mortgage loans in 2017 also reflects reasonable penetration.

As shown in Appendix C Table P1, the distribution of home mortgage loans in 2015-2016 reflects reasonable penetration to all income levels. The percentage of loans to low-income borrowers was somewhat below the percentage of low-income families, but exceeded the aggregate distribution of loans made to borrowers in their AA. The distribution of loans to moderate-income borrowers is excellent. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families, and exceeded the aggregate distribution of loans made to moderate-income borrowers in the AA.

As shown in Appendix C Table P2, the penetration of home mortgage loans in 2017 is reasonable. The percentage of loans made to low-income borrowers was below the percentage of low-income families and slightly below the aggregate distribution of loans made to borrowers in the AA. The distribution of loans to moderate-income borrowers was excellent. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families, and exceeded the aggregate distribution of loans made to moderate-income borrowers in the AA.

**Farmland Loans**

Based on Tables T1 and T2 in Appendix C, the distribution of the bank's originations and purchases of small loans to farms for both 2015-2016 and 2017 reflects excellent penetration. In both evaluation periods, the percentage of loans to small farms exceeded the percentage of small farms and exceeded the aggregate distribution of loans made to farms in the AA.

**Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout CTs tracts of different income levels. For the 2015-2016 evaluation period, TNB's AA did not contain any low- or moderate-income CTs. Therefore, a geographical analysis for this period is not meaningful. For the 2017 evaluation period, TNB's AA did not contain any low-income CTs and contained one moderate-income CT.

**Home Mortgage Loans**

Based on Table O2 in Appendix C, the geographic distribution of home mortgage loans reflects reasonable dispersion throughout CTs of different income levels. The bank did not make any loans in moderate-income geographies in the 2017 evaluation period. However, opportunities to make home mortgage loans in the moderate-income tract are limited. The tract contained only 938 owner-occupied units, and there are several large lenders active in this market.

**Farmland Loans**

Based Tables S2 in Appendix C, the geographic distribution of loans to small farms reflect reasonable dispersion throughout CTs of different income levels. For the 2017 evaluation period, the bank originated no farmland loans in moderate-income CTs. However, opportunities to lend were limited as only 4 farms were located in the moderate-income CT.

**Responses to Complaints**

The bank has not received any CRA-related consumer complaints since the last CRA examination.

## 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 metropolitan and nonmetropolitan areas 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>	Lending Test (excludes CD loans): (01/01/15 to 12/31/17) Investment and Service Tests and CD Loans: Not Applicable	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Turbotville National Bank (TNB) Turbotville, PA	Home Mortgage Loans, Farmland Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
No Affiliates	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Turbotville AA	Full Scope Review	For the period from January 1, 2015, through December 31, 2016, the data from the 2010 U.S. Census was used in our analysis. For the period from January 1, 2017, through December 31, 2017, data from the 2010 U.S. Census was also used in our analysis but was modified to include 2017 Office of Management and Budget census updates.

## Appendix B: Community Profiles for Full-Scope Areas

### Turbotville AA 2015 - 2016

Table A - Demographic Information of the Assessment Area 2015-2016						
Assessment Area: Turbotville AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	0.0	62.5	37.5	0.0
Population by Geography	40,149	0.0	0.0	65.1	34.9	0.0
Housing Units by Geography	17,581	0.0	0.0	66.8	33.2	0.0
Owner-Occupied Units by Geography	11,543	0.0	0.0	59.9	40.1	0.0
Occupied Rental Units by Geography	4,681	0.0	0.0	81.7	18.3	0.0
Vacant Units by Geography	1,357	0.0	0.0	73.9	26.1	0.0
Businesses by Geography	2,074	0.0	0.0	59.8	40.2	0.0
Farms by Geography	154	0.0	0.0	53.9	46.1	0.0
Family Distribution by Income Level	11,319	18.5	17.9	23.1	40.5	0.0
Household Distribution by Income Level	16,224	21.1	17.2	18.9	42.8	0.0
Median Family Income		\$53,262	Median Housing Value			\$128,583
FFIEC Adjusted Median Family Income for 2016		\$59,150	Median Gross Rent			\$616
			Families Below Poverty Level			9.0%

*Source: 2010 U.S. Census, 2016 D&B Data, and 2016 FFIEC update MFI*  
*Due to rounding, totals may not equal 100.0*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

The weighted average median cost of housing in the AA for 2016 was \$128,583. The FFIEC adjusted median family income for 2016 was \$59,150. The percentage of families below the poverty level in 2016 in the AA was 9 percent. The population for the AA was comprised of 11,319 families. The unemployment rate across the AA was 3.95 percent, which compares favorably to the 8.4 percent unemployment rate for the state of Pennsylvania in 2010. The family income distribution details that 18.5 percent were low-income, 17.9 percent were moderate income, 23.1 percent were middle-income, and 40.5 percent were upper-income.

According to 2016 Peer Deposit Data, TNB is ranked 3rd out of 15 institutions in the AA with a market deposit share of 12.63 percent of total deposits. The primary competitors within their AA are Service 1<sup>st</sup> Federal Credit Union (one office, 29.03 percent market share) and FNB, National Association (three office, 17.79 percent market share).

Competition in the AA is strong. According to 2016 Peer Mortgage Data, there were 106 mortgage lenders in the AA. TNB's major competitors are: Service 1<sup>st</sup> Federal Credit Union, ranked 1<sup>st</sup> with a 12.63 percent market share; Quicken Loans ranked 2<sup>nd</sup> with a 8.33 percent market share, and FNB Bank, NA ranked 3<sup>rd</sup> with a 7.95 percent market share. TNB was not ranked in the AA, as they are not a HMDA reporter.

The economy is stable. The major employment sectors in Montour County are healthcare and social assistance, manufacturing, and accommodation and food services. The top employers are Geisinger Medical Center, Geisinger System Services, Geisinger Clinic, Geisinger Health Plan, and the state government. The major employment sectors in Northumberland County are healthcare and social assistance, manufacturing, retail trade, and transportation and warehousing. The major employers are Weis Markets, Inc., Knoebels Amusement Resort, the state government, Conagra Foods Co., and Northumberland County.

### Turbotville AA 2017

Table A - Demographic Information of the Assessment Area 2017						
Assessment Area: Turbotville AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	12.5	62.5	25.0	0.0
Population by Geography	40,376	0.0	11.6	64.0	24.4	0.0
Housing Units by Geography	17,766	0.0	13.8	63.4	22.8	0.0
Owner-Occupied Units by Geography	11,792	0.0	8.8	65.2	26.0	0.0
Occupied Rental Units by Geography	4,691	0.0	24.6	60.2	15.2	0.0
Vacant Units by Geography	1,283	0.0	19.9	58.4	21.7	0.0
Businesses by Geography	2,034	0.0	18.2	55.4	26.4	0.0
Farms by Geography	141	0.0	2.8	66.7	30.5	0.0
Family Distribution by Income Level	10,567	17.1	19.2	20.1	43.6	0.0
Household Distribution by Income Level	16,483	21.2	16.8	18.0	44.0	0.0
Median Family Income		\$61,992	Median Housing Value			\$143,552
FFIEC Adjusted Median Family Income for 2017		\$59,950	Median Gross Rent			\$685
			Families Below Poverty Level			8.3%

Source: 2015 ACS Census, 2017 D&B Data, and 2017 FFIEC update MFI  
 Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

The weighted average median cost of housing in 2017 for the AA is \$143,552. The FFIEC adjusted family income for 2017 is \$59,950. The percentage of families below the poverty level in the AA is 8.3 percent. The population for the AA is comprised of 10,567 families. The unemployment rate across the AA is 4.16 percent, which compares favorably to the 5.3 percent unemployment rate for the state of Pennsylvania in 2015. The family income distribution details that 17.1 percent are low-income, 19.2 percent are moderate-income, 20.1 percent are middle-income, and 43.6 percent are upper-income.

The 2017 Peer Deposit Data shows that The Turbotville National Bank is ranked 4th out of 17 institutions in the AA with a deposit market share of 10.37 percent of total deposits. TNB's primary competitors within their AA are Service 1<sup>st</sup> Federal Credit Union (one office, 27.67 percent market share); FNB Bank, National Association (two

offices, 15.13 percent market share); and Members Choice Financial (one office, 12.68 percent market share)

Competition in the AA remained strong in 2017. According to 2017 Peer Mortgage Data, there are 114 mortgage lenders in the AA. TNB's major competitors in 2017 are: Service 1<sup>st</sup> Federal Credit Union, ranked 1<sup>st</sup> with a 13.07 percent market share; FNB Bank, NA ranked 2<sup>nd</sup> with a 8.8 percent market share; and Quicken Loans ranked 3<sup>rd</sup> with a 7.98 percent market share. TNB was not ranked in the AA, as they are not a HMDA reporter.

### **Community Contacts**

We made two community contacts during this examination. The first contact was to a senior farm loan officer in the area. The organization's primary purpose is to provide federal funding to local farms, with a specific focus on Montour County. The contact stated that small farm loans are a credit need and more farm lenders are needed.

The second community contact made during the examination was to a public housing authority in Northumberland County. The organization helps provide rental housing for eligible low-income families, the elderly, and persons with disabilities. The contact stated low-income housing opportunities continue to be a credit need. They indicated a need for low-interest mortgages for first time homebuyers, closing cost assistance, and down payment assistance.



## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs 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 loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. 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. Tables are identified by both letters and numbers, which result from how they are generated in supervisory analytical systems.

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 MA/AA. The table also presents aggregate peer data for the years the data is available.
- 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. Because 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 AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** – Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.

Table O1 : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2015-2016		
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
Turbotville AA	20	2,141	100	792	0.0	0.0	0.0	0.0	0.0	0.0	59.9	45.0	58.8	40.1	55.0	41.2	0.0	0.0	0.0
<b>Total</b>	20	2,141	100	792	0.0	0.0	0.0	0.0	0.0	0.0	59.9	45.0	58.8	40.1	55.0	41.2	0.0	0.0	0.0
<i>Source: 2010 U.S. Census; 01/01/2015 - 01/01/2016 Bank Data, HMDA Aggregate data "--" data not available. Due to rounding, totals may not equal 100.0</i>																			

Table O2 : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2017		
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
Turbotville AA	20	2,424	100	727	0.0	0.0	0.0	8.8	0.0	14.4	65.2	90	53.8	26.0	10	31.8	0.0	0.0	0.0
<b>Total</b>	20	2,424	100	727	0.0	0.0	0.0	8.8	0.0	14.4	65.2	90	53.8	26.0	10	31.8	0.0	0.0	0.0
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																			

<b>Table P1: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2015-2016</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		
Turbotville AA	20	2,141	100	792	18.5	10.0	4.7	17.9	30.0	15.3	23.1	40.0	23.7	40.5	20.0	42.9	0.0	0.0	13.4		
<b>Total</b>	20	2,141	100	792	18.5	10.0	4.7	17.9	30.0	15.3	23.1	40.0	23.7	40.5	20.0	42.9	0.0	0.0	13.4		
<i>Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																					

<b>Table P2: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017</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		
Turbotville AA	20	2,424	100	727	17.1	5.0	5.9	19.2	20.0	14.3	20.1	20.0	24.1	43.6	55.0	43.1	0.0	0.0	12.7		
<b>Total</b>	20	2,424	100	727	17.1	5.0	5.9	19.2	20.0	14.3	20.1	20.0	24.1	43.6	55.0	43.1	0.0	0.0	12.7		
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 HMDA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>																					

**Table S1: Assessment Area Distribution of Loans to Farms by Income Category of the 2015-2016 Geography**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Turbotville AA	20	4,785	100	19	0.0	0.0	0.0	0.0	0.0	0.0	55.1	70	52.6	44.9	30	47.4	0.0	0.0	0.0
<b>Total</b>	20	4,785	100	19	0.0	0.0	0.0	0.0	0.0	0.0	55.1	70	52.6	44.9	30	47.4	0.0	0.0	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2015-2016 Bank Loan Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

**Table S2: Assessment Area Distribution of Loans to Farms by Income Category of the 2017 Geography**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Turbotville AA	16	4,337	100	36	0.0	0.0	0.0	2.8	0.0	0.0	66.7	93.8	72.2	30.5	6.2	27.8	0.0	0.0	0.0
<b>Total</b>	16	4,337	100	36	0.0	0.0	0.0	2.8	0.0	0.0	66.7	93.8	72.2	30.5	6.2	27.8	0.0	0.0	0.0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2015-2016 Bank Loan Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0

Table T1: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues										2015-2016	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Turbotville AA	20	4,785	100	19	96.8	100	42.1	2.6	0.0	0.6	0.0
<b>Total</b>	20	4,785	100	19	96.8	100	42.1	2.6	0.0	0.6	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2015-2016 Bank Loan Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table T2: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues										2017	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Turbotville AA	16	4,337	100	36	96.5	100	55.6	2.8	0.0	0.7	0.0
<b>Total</b>	16	4,337	100	36	96.5	100	55.6	2.8	0.0	0.7	0.0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Loan Data; "--" data not available. Due to rounding, totals may not equal 100.0