



## **PUBLIC DISCLOSURE**

April 20, 2017

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

Lincoln Federal Savings Bank of Nebraska  
Charter Number 703896

1101 N St  
Lincoln, NE 68508-2128

Office of the Comptroller of the Currency  
13710 FNB Parkway, Suite 110  
Omaha, NE 68154-5298

**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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## General Information and Overall CRA Rating

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Lincoln Federal Savings Bank of Nebraska (Lincoln FSB) issued by the OCC, the institution's supervisory agency, for the evaluation period starting January 1, 2015 and ending April 20, 2017. The agency rates the performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 195.

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

- Lincoln FSB's loan-to-deposit (LTD) ratio is more than reasonable when considering the bank's size, financial condition, and the credit needs of its assessment areas (AAs).
- Management originates and purchases a substantial majority of its loans to customers located inside the bank's AAs.
- The income distribution of mortgage loans to families of different income levels reflects reasonable distribution of AA demographics.
- The geographic distribution of mortgage loans reflects reasonable distribution among census tracts (CTs) of different income levels.

### **Scope of Examination**

We evaluated Lincoln FSB using Small Bank examination procedures. The institution's overall rating is based on the Lending Test, which evaluates a bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period for the Lending Test is January 1, 2015 to December 31, 2016. The Lending Test evaluated home mortgage loans, as that was determined to be the primary product in each AA. We used data from Lincoln FSB's Home Mortgage Disclosure Act (HMDA) register from January 1, 2015 to December 31, 2016 in our analysis.

Lincoln FSB operates in eight AAs. For purposes of this examination, we combined individual AAs into the following four AAs based on location and demographic composition: Lancaster County AA, Douglas-Washington County AA, Adams County AA, and Rural Nebraska AA. Refer to the Description of Assessment Areas section below for additional information.

Lincoln FSB's CRA rating is primarily based on the bank's performance in the Lancaster County AA and Rural Nebraska AA. We completed full scope reviews of these AAs because they represent a majority of the institution's branch locations, deposit volume as of June 30, 2016, and loan volume originated during the evaluation period.

## **Description of Institution**

Lincoln FSB is a federally chartered intrastate stock savings institution headquartered in Lincoln, Nebraska. As of December 31, 2016, the institution had total assets of \$323 million and tier one capital of \$38 million. Lincoln FSB is a wholly-owned subsidiary of Lincoln Federal Bancorp, Inc., which is owned by Lincoln Federal Bancorp Mutual Holding Company.

Lincoln FSB operates 14 branches in Nebraska. Six branches, including Lincoln FSB's main branch, are located in Lincoln, Nebraska. One branch is located in each of the following towns: Omaha, Blair, Hastings, Holdrege, McCook, North Platte, Benkelman, and Fremont. Lincoln FSB does not operate any automatic teller machines. No branches were opened or closed during the evaluation period, and no merger or acquisition activity occurred during the evaluation period.

Lincoln FSB's primary business focus is consistent with that of a traditional stock savings institution. Lincoln FSB offers a variety of consumer, commercial, and construction lending products; however, its focus continues to be residential real estate loans. As of December 31, 2016, residential real estate loans totaled \$144 million and represented 377 percent of total capital. In addition to lending products, the bank also offers a wide range of retail deposit products, including free checking and savings accounts.

There are no known legal, financial, or other impediments limiting Lincoln FSB's ability to meet the credit needs of its AAs. Lincoln FSB received a Satisfactory rating in its last performance evaluation dated August 5, 2013.

## **Description of Assessment Areas**

Lincoln FSB's AAs meet the requirements of the regulation and do not arbitrarily exclude LMI geographies. As stated above, we combined Lincoln FSB's AAs into four AAs for purposes of this examination.

## Lancaster County AA

The Lancaster County AA includes all of Lancaster County in Nebraska. Lincoln FSB operates six branches in Lancaster County. This AA represents Lincoln FSB's major market and includes the bank's main branch, which is the location of Lincoln FSB's senior management team. Lincoln FSB reported \$64 million in deposits in the Lancaster County AA as of June 30, 2016. This represents 31 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2016, Lincoln FSB ranked 15<sup>th</sup> in market share in the AA with a market share of 0.89 percent.

The Lancaster County AA included 74 CTs in 2016. Ten CTs are low-income, 15 are moderate-income, 23 are middle-income, and 23 are upper-income. The income level of three CTs is unknown. The Lancaster County AA had a population of 285,407 in 2016. The population included 69 thousand families and 112 thousand households. Of the families, 19 percent were low-income, 18 percent were moderate-income, 23 percent were middle-income, and 40 percent were upper-income. The FFIEC updated weighted-average median family income was \$70,400 in 2016. Of the households, 24 percent were low-income, 17 percent were moderate-income, 19 percent were middle-income, and 40 percent were upper-income. Thirteen percent of households lived below the poverty level. The weighted-average of median household income was \$66,851 in 2016.

There were 119 thousand housing units in the Lancaster County AA in 2016. Fifty-eight percent of the housing units are owner-occupied and 36 percent are renter-occupied. The median age of housing units in the AA is 42 years and the weighted-average of median housing cost is \$147 thousand. The weighted-average of monthly gross rent is \$668.

The Lancaster County AA included nearly 19 thousand businesses in 2016. Ninety-six percent of businesses are non-farm businesses and 70 percent employ fewer than five people. Eighty-one percent of businesses reported gross annual revenue (GAR) of less than \$1 million in 2016.

The economy in the Lancaster County AA was stable during the evaluation period. Lincoln is the capital of Nebraska and the county seat of Lancaster County. Primary employers include government entities, the education sector, and healthcare industries. According to the Bureau of Labor Statistics, the unemployment rate in the Lincoln, NE Metropolitan Statistical Area (MSA) as of December 2016 was 2.9 percent. This is below the statewide unemployment rate of 3.3 percent and the national unemployment rate of 4.7 percent in December 2016.

Competition in the Lancaster AA is strong. As of June 30, 2016, there were 26 financial institutions operating 126 branches in Lancaster County. Competition includes branches from large national banks, regional institutions, and locally-owned institutions.

We conducted one community contact in the Lancaster County AA in conjunction with this examination. The contact is the Executive Director for an affordable housing agency in the AA. The contact indicated that credit needs in the AA include home loans and affordable housing initiatives.

### Rural Nebraska AA

The Rural Nebraska AA includes all of Dodge, Dundy, Lincoln, Phelps, and Red Willow counties in Nebraska. Lincoln FSB operates five branches in the AA. One branch is located in each of the following towns: Fremont, Benkelman, North Platte, Holdrege, and McCook. Lincoln Fed reported \$72 million in deposits in the Rural Nebraska AA as of June 30, 2016. This represents 35 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2016, Lincoln FSB ranked 14<sup>th</sup> in market share in the AA with a market share of 2.32 percent.

The Rural Nebraska AA included 24 CTs in 2016. Twenty CTs are middle-income and four are upper-income. The Rural Nebraska AA had a population of 95,230 in 2016. The population included 26 thousand families and 39 thousand households. Of the families, 18 percent were low-income, 18 percent were moderate-income, 22 percent were middle-income, and 42 percent were upper-income. The weighted-average median family income was \$58,064 in 2016. Of the households, 22 percent were low-income, 17 percent were moderate-income, 18 percent were middle-income, and 43 percent were upper-income. Eleven percent of households lived below the poverty level. The weighted-average of median household income was \$44,435 in 2016.

There were 27 thousand housing units in the Rural Nebraska AA in 2016. Sixty-two percent of the housing units are owner-occupied and 28 percent are renter-occupied. The median age of housing units in the AA is 56 years and the weighted-average of median housing cost is \$104 thousand. The weighted-average of monthly gross rent is \$572.

The Rural Nebraska AA included nearly eight thousand businesses in 2016. Eighty-five percent of businesses are non-farm businesses and 73 percent employ fewer than five people. Eighty-one percent of businesses reported GAR of less than \$1 million in 2016.

The economy in the Rural Nebraska AA was stable during the evaluation period. Primary employers include the healthcare sector, public school systems, and the agriculture industry. According to the Nebraska Bureau of Labor, unemployment rates as of December 2016 ranged from a low of 2.3 percent in Dundy County to a high of 3.2

percent in Dodge and Lincoln counties. This compares favorably to the statewide unemployment rate of 3.3 percent and the national unemployment rate of 4.7 percent in December 2016.

Competition in the Rural Nebraska AA is moderate. As of June 30, 2016, there were 31 financial institutions operating 69 branches in the AA. Competition primarily includes branches from regional and locally-owned institutions; however, there are also branches of large national banks present in the AA.

We completed one community contact in the Rural Nebraska AA in conjunction with this examination. The contact is the Executive Director of a community development (CD) organization in the AA. The contact indicated that credit needs in the AA include home loans.

#### Douglas-Washington County AA

The Douglas-Washington County AA includes all of Douglas and Washington counties in Nebraska. This area is included in the Omaha-Council Bluffs NE-IA Multistate MSA. We did not rate this area separately because management's operations are limited to the Nebraska portion of the Multistate MSA.

Lincoln FSB operates two branches in the AA, one in Omaha and one in Blair. Lincoln FSB reported \$38 million in deposits in the Douglas-Washington County AA as of June 30, 2016. This represents 19 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2016, Lincoln FSB ranked 29<sup>th</sup> in market share in the AA with a market share of 0.15 percent.

The Douglas-Washington County AA included 161 CTs in 2016. Twenty-eight CTs are low-income, 34 are moderate-income, 54 are middle-income, and 44 are upper-income. The income level of one CT is unknown. The Douglas-Washington County AA had a population of 537,344 in 2016. The population included 129 thousand families and 206 thousand households. Of the families, 22 percent were low-income, 17 percent were moderate-income, 18 percent were middle-income, and 43 percent were upper-income. The FFIEC updated weighted-average median family income was \$72,300 in 2016. Of the households, 26 percent were low-income, 17 percent were moderate-income, 18 percent were middle-income, and 39 percent were upper-income. Twelve percent of households lived below the poverty level. The weighted-average of median household income was \$57,024 in 2016.

There were 134 thousand housing units in the Douglas-Washington County AA in 2016. Sixty percent of the housing units are owner-occupied and 32 percent are renter-occupied. The median age of housing units in the AA is 47 years and the weighted-average of median housing cost is \$148 thousand. The weighted-average of monthly gross rent is \$729.

The Douglas-Washington County AA included 36 thousand businesses in 2016. Ninety-seven percent of businesses are non-farm businesses and 69 percent employ fewer than five people. Eighty percent of businesses reported GAR of less than \$1 million in 2016.

The economy in the Douglas-Washington County AA was stable during the evaluation period. Omaha is the largest city in Nebraska and serves as a major business center in the state. Primary employers include the U.S. military, the healthcare sector, and the public school system. According to the Bureau of Labor Statistics, the unemployment rate in the Omaha-Council Bluffs NE-IA Multistate MSA as of December 2016 was 3.4 percent. This is near the statewide unemployment rate of 3.3 percent and below the national unemployment rate of 4.7 percent in December 2016.

Competition in the Douglas-Washington County AA is strong. As of June 30, 2016, there were 37 financial institutions operating 193 branches in Douglas and Washington counties. Competition includes branches from large national banks, regional institutions, and locally-owned institutions.

We reviewed one recent community contact in the Douglas-Washington County AA in conjunction with this examination. The contact is the Executive Director of an economic development corporation in the AA. The contact indicated that credit needs in the AA include home loans and small business loans.

### Adams County AA

The Adams County AA includes all of Adams County in Nebraska. Lincoln FSB operates one branch in Hastings in this AA. Lincoln FSB reported \$30 million in deposits in the Adams County AA as of June 30, 2016. This represents 15 percent of the bank's total deposits as of that date. According to FDIC market share information as of June 30, 2016, Lincoln FSB ranked ninth in market share in the AA with a market share of 2.86 percent.

The Adams County AA included nine CTs in 2016. Three CTs are moderate-income, four are middle-income, and two are upper-income. The Adams County AA had a population of 31,364 in 2016. The population included eight thousand families and 12 thousand households. Of the families, 19 percent were low-income, 17 percent were moderate-income, 22 percent were middle-income, and 42 percent were upper-income. The weighted-average of median family income was \$56,428 in 2016. Of the households, 23 percent were low-income, 15 percent were moderate-income, 18 percent were middle-income, and 44 percent were upper-income. Thirteen percent of households lived below the poverty level. The weighted-average of median household income was \$45,985 in 2016.

There were nine thousand housing units in the Adams County AA in 2016. Sixty-five percent of the housing units are owner-occupied and 27 percent are renter-occupied. The median age of housing units in the AA is 56 years and the weighted-average of median housing cost is \$93 thousand. The weighted-average of monthly gross rent is \$562.

The Adams County AA included two thousand businesses in 2016. Eighty-six percent of businesses are non-farm businesses and 72 percent employ fewer than five people. Seventy-nine percent of businesses reported GAR of less than \$1 million in 2016.

The economy in the Adams County AA was stable during the evaluation period. Primary employers in the AA include a healthcare system, several manufacturing companies, the public school system, and the agriculture industry. According to the Bureau of Labor Statistics, the unemployment rate in the Adams County AA as of December 2016 was 3.4 percent. This is near the statewide unemployment rate of 3.3 percent and below the national unemployment rate of 4.7 percent in December 2016.

Competition in the Adams County AA is moderate. As of June 30, 2016, there were 11 financial institutions operating 18 branches in Adams County. Competition includes branches from large national banks, regional institutions, and locally-owned institutions.

## **Conclusions With Respect to Performance Tests**

### **Lending Test**

Lincoln FSB's performance under the Lending Test is satisfactory.

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

Lincoln FSB's LTD ratio is more than reasonable given its size, financial condition, and the AA's credit needs. Lincoln FSB's average quarterly LTD ratio was 92 percent for the 15 quarters from June 30, 2013 to December 31, 2016. The ratio ranged from a quarterly low of 81 percent to a quarterly high of 102 percent.

Lincoln FSB's average LTD ratio is higher than the average LTD ratio of other banks of similar size and strategy operating in the same AAs. The average quarterly LTD ratio for competitor banks was 83 percent for the 15 quarters from June 30, 2013 to December 31, 2016. The ratio ranged from an average quarterly low of 72 percent to an average quarterly high of 93 percent.

### **Lending in Assessment Area**

Lincoln FSB originates and purchases a substantial majority of its loans to customers inside its AAs. During the evaluation period, 91 percent of FSB's loans by number and dollar were originated to borrowers located in the bank's AAs.



Table 1 details lending within the bank’s AAs by number and dollar amount of loans.

<b>Table 1 - Lending Inside and Outside Lincoln FSB’s AAs</b>										
Loan Type	Number of Loans					Dollars of Loans (in 000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Total	2,195	91	213	9	100%	358,505	91	35,459	9	100%

Source: 2015-2016 HMDA data

**Lending to Borrowers of Different Incomes**

The distribution of mortgage loans to families of different income levels reflects reasonable distribution of AA demographics.

Performance in the Lancaster County AA

The distribution of mortgage loans reflects reasonable distribution among borrowers of different income levels. Twenty percent of families in the AA are considered low-income. Eleven percent of home purchase loans, three percent of home improvement loans, and six percent of home refinance loans were made to low-income families in the AA during the evaluation period. Eighteen percent of families in the AA are considered moderate-income. Twenty-four percent of home purchase loans, 28 percent of home improvement loans, and 13 percent of home refinance loans were made to moderate-income families in the AA during the evaluation period.

In aggregate, Lincoln FSB originated 29 percent of its home mortgage loans to LMI families in the AA during the evaluation period. This compares reasonably to the aggregate demographic comparator of 38 percent.

Table 2 includes the data used to evaluate the borrower distribution of the bank’s mortgage loans in the Lancaster County AA.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans in Lancaster County AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	20	11	18	24	23	24	39	38
Home Improvement	20	3	18	28	23	27	39	42
Home Refinance	20	6	18	13	23	23	39	49

Source: 2010 U.S. Census data, 2015-2016 HMDA data

Performance in the Rural Nebraska AA

The distribution of mortgage loans reflects excellent distribution among borrowers of different income levels. Eighteen percent of families in the AA are considered low-income. Thirteen percent of home purchase loans and five percent of home refinance loans were made to low-income families in the AA during the evaluation period. Eighteen percent of AA families are considered moderate-income. Thirty-three percent of home purchase loans, 38 percent of home improvement loans, and 14 percent of home refinance loans were made to moderate-income families in the AA during the evaluation period.

In aggregate, Lincoln FSB originated 41 percent of its home mortgage loans to LMI families in the AA during the evaluation period. This exceeds the aggregate demographic comparator of 36 percent.

Table 3 includes the data used to evaluate the borrower distribution of the bank’s mortgage loans in the Rural Nebraska AA.

<b>Table 3 - Borrower Distribution of Residential Real Estate Loans in Rural Nebraska AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	18	13	18	33	22	38	42	16
Home Improvement	18	0	18	38	22	25	42	37
Home Refinance	18	5	18	14	22	24	42	57

Source: 2010 Census data, 2015-2016 HMDA data

Performance in the Douglas-Washington County AA

The distribution of mortgage loans reflects reasonable distribution among borrowers of different income levels. Twenty-two percent of AA families are considered low-income. Three percent of home purchase loans, 22 percent of home improvement loans, and seven percent of home purchase loans were made to low-income families in the AA during the evaluation period. Seventeen percent of families in the AA are considered moderate-income. Twenty-five percent of home purchase loans, 11 percent of home improvement loans, and four percent of home refinance loans were made to moderate-income families in the AA during the evaluation period.

Table 4 includes the data used to evaluate the borrower distribution of the bank’s mortgage loans in the Douglas-Washington County AA.

**Table 4 - Borrower Distribution of Residential Real Estate Loans in Douglas-Washington County AA**

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	22	3	17	25	22	17	39	52
Home Improvement	22	22	17	11	22	11	39	44
Home Refinance	22	7	17	4	22	21	39	46

Source: 2010 U.S. Census data, 2015-2016 HMDA data

Performance in the Adams County AA

The distribution of mortgage loans reflects excellent distribution among borrowers of different income levels. Nineteen percent of AA families are considered low-income. Twenty-nine percent of home purchase loans were made to low-income families in the AA during the evaluation period. Seventeen percent of AA are considered moderate-income. Thirty-six percent of home purchase loans were made to moderate-income families in the AA during the evaluation period.

Table 5 includes the data used to evaluate the borrower distribution of the bank’s mortgage loans in the Adams County AA.

**Table 5 - Borrower Distribution of Residential Real Estate Loans in Adams County AA**

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19	29	17	36	22	21	42	14
Home Improvement	19	0	17	0	22	0	42	0
Home Refinance	19	0	17	0	22	0	42	100

Source: 2010 Census data, 2015-2016 HMDA data

**Geographic Distribution of Loans**

The distribution of mortgage loans to CTs of different income levels reflects reasonable distribution of AA demographics.

Performance in the Lancaster County AA

The distribution of mortgage loans to CTs of different income levels reflects reasonable distribution of AA demographics. Five percent of owner-occupied housing is located in low-income CTs. Four percent of home purchase loans, one percent of home improvement loans, and four percent of home refinance loans were originated to

borrowers in low-income CTs during the evaluation period. Fourteen percent of owner-occupied housing is located in moderate-income CTs. Ten percent of home purchase loans, 10 percent of home improvement loans, and seven percent of home refinance loans were originated to borrowers in moderate-income CTs during the evaluation period.

Table 6 includes the data used to evaluate the geographic distribution of the bank’s mortgage loans in the Lancaster County AA.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	5	4	14	10	41	39	40	47
Home Improvement	5	1	14	10	41	34	40	55
Home Refinance	5	4	14	7	41	35	40	54

*Source: 2010 Census data, 2015-2016 HMDA data*

Performance in the Rural Nebraska AA

We did not perform a geographic distribution of loans in the Rural Nebraska AA. There are no LMI CTs in the AA, therefore an analysis would not be meaningful.

Performance in the Douglas-Washington County AA

The distribution of mortgage loans to CTs of different income levels reflects reasonable distribution of AA demographics. Eight percent of owner-occupied housing is located in low-income CTs. Three percent of home purchase loans and three percent of home refinance loans were originated to borrowers in low-income CTs during the evaluation period. Eighteen percent of owner-occupied housing is located in moderate-income CTs. Fifteen percent of home purchase loans, 11 percent of home improvement loans, and 15 percent of home refinance loans were originated to borrowers in moderate-income CTs during the evaluation period.

Table 7 includes the data used to evaluate the geographic distribution of the bank’s mortgage loans in the Douglas-Washington County AA.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	8	3	18	15	39	42	35	40
Home Improvement	8	0	18	11	39	44	35	45
Refinancing	8	3	18	15	39	42	35	40

Source: 2010 Census data, 2015-2016 HMDA data

**Performance in the Adams County AA**

The distribution of mortgage loans to CTs of different income levels reflects excellent distribution of AA demographics. Fourteen percent of owner-occupied housing is located in moderate-income CTs. Twenty-one percent of home purchase loans were originated to borrowers in moderate-income CTs during the evaluation period.

Table 8 includes the data used to evaluate the geographic distribution of the bank’s mortgage loans in the Adams County AA.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0	0	14	21	62	79	24	0
Home Improvement	0	0	14	0	62	0	24	0
Refinancing	0	0	14	0	62	0	24	100

Source: 2010 Census data, 2015-2016 HMDA data

**Responses to Complaints**

Neither the bank nor the OCC received any complaints regarding Lincoln FSB’s CRA performance during the evaluation period.

**Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) and 195.28(c), in determining a national bank’s (bank) or federal savings association’s (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA or in any AA by an affiliate whose loans have been considered as part of the bank or FSA’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 (HUD), and the Consumer Financial Protection Bureau (CFPB).

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

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