



## PUBLIC DISCLOSURE

March 22, 2021

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Universal Bank  
Charter Number 705801

3455 Nogales Street  
2nd Floor  
West Covina, CA 91792

Office of the Comptroller of the Currency

Los Angeles Field Office  
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Glendale, CA 91203

**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

STATE RATING ..... 5

    STATE OF CALIFORNIA..... 5

COMMUNITY DEVELOPMENT TEST ..... 8

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 community development test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on the bank's excellent record of performance in meeting credit needs of its assessment area (AA).
  - The bank's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and business strategy.
  - The bank originated a majority of its loans within its AA.
  - The geographic distribution of loans reflects excellent distribution in low- and moderate-income areas.
- The Community Development (CD) Test rating is based on an aggregate assessment of qualified CD loans, investments, and services. The bank's CD activities demonstrate an excellent responsiveness to identified needs within the AA during the evaluation period.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio (LTD ratio) is more than reasonable.

The OCC evaluated the bank's quarterly average LTD ratio for the 13 quarters since the prior examination through December 31, 2020. During this period, the bank's LTD ratio averaged 96.7 percent. This ratio ranged from a quarterly low of 87.1 percent to a quarterly high of 111.3 percent. This compares reasonably to five other banks of similar asset size and lending focus within the AA. The average LTD ratio of the peer banks was 103.1 percent over the same period. The peer average ranged from a quarterly low of 85.2 percent to a quarterly high of 126.9 percent. The bank's average LTD ratio was slightly lower than the peer average over the review period but remained at a more than reasonable level.

### Lending in Assessment Area

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

The bank originated or purchased 71.6 percent of the number of loans and 73.1 percent of the dollar volume of total loans inside the 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. See Table D below for details. The concentration of loans inside the AA had a positive impact on the bank's lending performance.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	18	81.8	4	18.2	22	20,628	76.5	6,330	23.5	26,958
2019	21	72.4	8	27.6	29	35,707	83.5	7,075	16.5	42,782
2020	24	64.9	13	35.1	37	33,333	63.0	19,537	37.0	52,870
<b>Total</b>	<b>63</b>	<b>71.6</b>	<b>25</b>	<b>28.4</b>	<b>88</b>	<b>89,668</b>	<b>73.1</b>	<b>32,942</b>	<b>26.9</b>	<b>122,610</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Universal Bank (UB) is an intrastate full-service community bank headquartered in the city of West Covina, California. The bank was originally chartered as Universal Savings and Loan Association in 1954. In 1992, it became a Federal Savings Bank named Universal Bank F.S.B. In 1996, the bank name changed to Universal Bank. UB is a minority owned financial institution and a wholly-owned subsidiary of Universal Financial, Inc., a one-bank holding company also headquartered in West Covina. The bank was not involved in any merger or acquisition activity during the evaluation period.

The bank operates five full-service branches in Los Angeles County, which the bank has selected as its AA. Los Angeles County comprises the Los Angeles-Long Beach-Glendale Metropolitan Division (MD), which is part of the larger Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA). The main branch in West Covina is located in an upper-income census tract. UB also operates branches in Eagle Rock, Rosemead, Monterey Park and Arcadia, all in middle-income census tracts. In July 2019, the Monterey Park branch relocated from a moderate-income tract to an adjacent middle-income tract after losing its lease. The relocation was 0.5 miles and the branch remained accessible to existing customers.

UB engages in traditional lending products, but the substantial majority of loan originations are centered in multifamily residential real estate mortgages. Other commercial and industrial loan products are available, but do not compose a significant portion of loan originations. The bank does not offer consumer lending products.

In addition to loan products, UB offers traditional banking services. Each branch has an automated teller machine (ATM) and the Eagle Rock Branch offers drive-up teller access during normal banking hours. All branches are open for business Monday through Thursday from 10:00 AM to 3:00 PM and Friday 10:00 AM to 4:00 PM. Due to the COVID-19 pandemic, the bank temporarily reduced physical access to consumers and closed branches on Saturday. UB offers a variety of alternative banking services including telephone banking, on-line banking, bill payment, business remote deposit capture (RDC), Zelle money transfer service and direct deposit. All branches except West Covina offer night depository service.

As of December 31, 2020, UB reported total assets of \$424 million, total loans of \$306 million, total deposits of \$312 million, and total equity capital of \$61 million. Net loans represent approximately 72 percent of total assets. Refer to the table below for a summary of the loan portfolio by major loan types.

<b>Universal Bank Outstanding Balances by Major Product Type as of December 31, 2020</b>		
<b>Loan Category</b>	<b>(\$000's)</b>	<b>Portfolio Percent</b>
Multifamily Residential RE	206,704	67.6%
Commercial RE	62,383	20.4%
1-4 Family Residential RE	15,557	5.1%
Commercial & Industrial	1,826	0.6%
Consumer	0	0.0%
Other – Mobile Home Parks	19,297	6.3%
<b>Total</b>	<b>305,767</b>	<b>100.0%</b>

There are no legal, financial, or other factors impeding the ability of the bank to meet the credit needs of the communities it serves in Los Angeles County. UB received a “Satisfactory” rating under the intermediate small bank evaluation procedures at the January 22, 2018 Community Reinvestment Act (CRA) Examination.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the CRA performance of UB using intermediate small bank examination procedures. The OCC performed a full-scope assessment of CRA performance in the bank’s one identified assessment area of Los Angeles County.

The evaluation period for the lending test was January 1, 2018 through December 31, 2020. Multifamily mortgage loans constituted the substantial majority of the bank’s originations during this period. As the bank’s primary lending product, the distribution of mortgage loans received full weight during our analysis. Our review focused on the geographic distribution of the bank’s mortgage loans by income level of the geography. As most borrowers were entities other than individuals or families, income was not required to be reported. Therefore, an analysis of mortgage loan distribution by income level of the borrower would not be meaningful and was not included in the scope of this review.

For the Community Development (CD) test, examiners evaluated the bank’s CD loans, investments, and services from January 1, 2017 through December 31, 2020. Our analysis of qualifying CD activities during 2020 included those performed in response to the significant impact the COVID-19 pandemic has had on economies across the United States.

## **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 a blend of the state ratings, and where applicable, multistate ratings.

Universal Bank has only one AA. Therefore, all weighting for the evaluation was placed on the Los Angeles County AA.

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of California

**CRA rating for the State of California<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Outstanding

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

The major factors that support this rating include:

- The geographic distribution of loans by income level of the geography reflects excellent distribution in low- and moderate-income areas.
- UB's aggregate CD activities reflect an excellent responsiveness to identified community credit needs.

### Description of Institution's Operations in California

#### Los Angeles County AA

The bank has designated Los Angeles County as its AA. Los Angeles County comprises the Los Angeles-Long Beach-Glendale Metropolitan Division (MD) and is part of the larger Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA). Los Angeles County consists of 2,346 census tracts (CTs) surrounding the bank's five full-service branches located in West Covina, Monterey Park, Eagle Rock, Arcadia, and Rosemead. Of the 2,346 CTs, 221 are low-income, 674 are moderate-income, 583 are middle-income, and 817 are upper-income. In addition, there are 51 CTs that do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

The Los Angeles County AA is the bank's primary market with 100 percent of the bank's deposits. Competition from larger financial institutions in the AA is strong. As of June 30, 2020, the Federal Deposit Insurance Corporation (FDIC) Market Share report included 98 financial institutions with a combined 1,698 branches competing for over \$522 billion in deposits. UB ranked 62<sup>nd</sup> with \$292.6 million of deposits, representing only 0.06 percent of the market share in the AA. The largest competitors include Bank of America, National Association (NA); Wells Fargo Bank, NA; and JPMorgan Chase Bank, NA, with a combined 43 percent of the deposit market in the AA. During the evaluation period, the bank's primary loan originations were multifamily residential real estate loans (71.1 percent) and to a lesser extent commercial real estate loans (26.80 percent). Other commercial loans and 1-4 family loans comprised only 2.1 percent of loan originations.

Los Angeles County has a diverse economic base and an estimated population of over 10 million, making it one of most populous counties in the United States. The largest non-government employers include Kaiser Permanente, Walt Disney Company and NBC Universal. With a median housing value over \$495 thousand and median rent of \$1,292, there is a shortage of affordable housing. There are a large number of homeless people with over 66 thousand individuals experiencing homelessness on any given

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

night. The AA has an estimated deficit of over 700,000 homes that are affordable to LMI households. In addition, there are 14.4 percent of families living below the poverty line in the AA.

Los Angeles County was especially sensitive to the impact of COVID-19. Over 93 percent of all Los Angeles businesses are small businesses with less than 20 employees. At the end of 2019, unemployment was 4.4 percent and the gross county product was over \$700 billion. By September of 2020, the COVID-19 pandemic devastated the Los Angeles economy resulting in a loss of 9.8 percent of its jobs. The food services industry was particularly hard-hit with a loss of over 104,000 jobs. While there has been some improvement in area unemployment, over 500,000 job remain unrecovered.

### **Community Contacts**

Examiners reviewed information obtained from three recent community contacts, demographic information from Table A below, and other economic data. The community contacts included a local housing organization, a Community Development Corporation (CDC), and a community service organization. In addition, examiners obtained information from a CDC supporting small businesses. The contacts identified affordable housing and access to capital for vital neighborhood businesses as critical needs in the AA. Some opportunities to address the needs include:

- Affordable rental housing or home mortgage loans for LMI individuals
- Grants for non-profits that provide services to LMI individuals and families
- Financial education for LMI individuals and affordable credit products
- Micro loans for small businesses with favorable terms
- Start-up loans for customers who cannot meet outside income criteria due to COVID-19

The table below provides demographic data for the Los Angeles County AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Los Angeles County-2020</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)	2,346	9.4	28.7	24.9	34.8	2.2
Population by Geography	10,038,388	8.6	29.3	26.3	35.1	0.8
Housing Units by Geography	3,476,718	7.8	26.3	24.8	40.6	0.5
Owner-Occupied Units by Geography	1,499,879	2.4	17.2	26.6	53.7	0.1
Occupied Rental Units by Geography	1,763,190	12.2	34.2	23.6	29.2	0.9
Vacant Units by Geography	213,649	8.7	25.4	22.8	42.2	1.0
Businesses by Geography	941,441	4.6	18.9	21.2	52.8	2.4
Farms by Geography	8,629	2.7	17.6	24.9	53.6	1.1
Family Distribution by Income Level	2,186,485	24.5	16.3	16.7	42.4	0.0
Household Distribution by Income Level	3,263,069	25.9	15.4	15.8	43.0	0.0
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$62,703	Median Housing Value			\$495,540
			Median Gross Rent			\$1,292
			Families Below Poverty Level			14.3%

*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

## **Scope of Evaluation in California**

This CRA evaluation determines the bank's record of meeting community credit needs in the Los Angeles County AA. The OCC used a combination of bank and examiner generated loan and demographic reports to assess CRA performance. In addition, the OCC used information about the community and the bank's performance obtained during meetings with members of local community organizations. Examiners also considered the origination of a majority of loans inside the AA and the significant amount of market competition when evaluating overall performance.

The evaluation period for the lending test was January 1, 2018 through December 31, 2020. The analysis focused on the distribution of mortgage loans as the bank's primary lending product. The bank was not required to report income information on multifamily housing loans for the Home Mortgage Disclosure Act (HMDA) data purposes. Therefore, an income distribution analysis would not be meaningful and was not included in the scope of this review. Examiners placed all weight on the bank's distribution by income level of the geography. Examiners compared the bank's distribution to demographic information as well as aggregate performance ratios which provided a comparison to peer banks.

The evaluation period for the CD service test was January 1, 2017 through December 31, 2020. The OCC considered all qualified activities with an emphasis on those that addressed specific community needs or were particularly responsive to the COVID-19 pandemic.

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

### **LENDING TEST**

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

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

Based on a full-scope review, the bank's lending performance in the state of California is excellent.

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

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

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

Refer to Table O in the state of California 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.

UB's distribution of mortgage loans with the AA shows excellent distribution in both low- and moderate-income geographies. During 2018-2020, the bank originated 63 mortgage loans inside the AA. Of those loans, 25.4 percent were located in low-income CTs. This distribution is significantly above the demographic owner-occupied housing of 2.4 percent and the aggregate lending of 2.8 percent. The bank's

distribution of loans in moderate-income tracts is also significantly above the demographic and peer percentages. The bank originated 39.7 percent of its loans in moderate-income tracts compared to the demographic 17.2 percent and aggregate 17.5 percent.

The bank's distribution in low- and moderate-income areas also compares favorably to demographic information on multifamily housing units. The bank's 25.4 percent is significantly above the 12.6 percent of multifamily housing units in low-income tracts. The bank's 39.7 percent is also significantly above the 30.7 percent of multifamily housing units in moderate-income tracts. Combined, the bank originated 65.1 percent of loans in LMI CTs. Using both demographic comparators, UB's geographic distribution of mortgage loans reflects excellent performance in low- and moderate-income areas.

### **Responses to Complaints**

The bank did not receive any CRA related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the Community Development Test in the state of California is rated Outstanding.

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

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

During the evaluation period, UB's aggregate new CD loans, investments, and donations inside the AA totaled over \$47 million. We qualified an additional \$11.5 million in the larger state or regional area. Most of the volume was attributed to originations of qualified CD multifamily property mortgages and investments in minority and women-owned depository institutions (MWDI). In addition, employees provided an aggregate 493 service hours to qualified organizations with a focus on financial education and services for LMI individuals and families. The bank's qualified CD services during 2020 reflected responsiveness to community needs during the COVID-19 pandemic.

## Number and Amount of Community Development Loans

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

<i>Community Development Loans 2017-2020</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Los Angeles County AA	50	86.2	42,241	85.8
Regional or Statewide:				
	8	13.8	7,001	14.2

During the evaluation period, the bank made 50 qualified CD loans inside the AA totaling \$42.2 million. A majority of qualified loans were mortgages on multifamily buildings with affordable rents for LMI families, which reflects excellent responsiveness to a primary community need for affordable housing.

Additional CD loan examples include:

- An economic development loan to support LMI job retention
- A loan providing revitalization in response to the COVID-19 pandemic
- A CD loan to a nonprofit which provides services for LMI individuals

With the bank's responsiveness to needs within the AA, examiners also considered statewide or regional activities that had a purpose, mandate, or function for community development. The bank originated eight CD loans in the regional or statewide area for affordable housing and community support services. Examples include a loan to a nonprofit providing LMI individuals with substance abuse treatment and recovery support services, and a loan to a community organization providing medical, behavior, and dental services to LMI individuals.

## Number and Amount of Qualified Investments

<i>Qualified Investments and Donations 2017-2020</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Los Angeles County AA	4	996	30	3,770	34	65.4	4,766	51.5	0	0
Regional or Statewide:										
	9	2,241	9	2,241	18	34.6	4,482	48.5	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.

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

UB demonstrated excellent responsiveness to CD investment opportunities in the AA. During the evaluation period, the bank made 30 investments and donations totaling \$3.7 million to qualified community development organizations in the AA. There were also four qualified prior period investments totaling \$996 thousand. A majority of the dollar volume consisted of certificates of deposit with minority or women-owned depository institutions (MWDIs) or community development financial intermediaries (CDFI's). The bank's \$32,498 in qualified donations to local CD organizations supported the following:

- Providing underserved and LMI families with legal and emotional support services
- Financial education for local students and families
- Providing food and necessities to homeless or near-homeless individuals, with greatly increased financial support needed during the COVID-19 pandemic

With the bank's responsiveness to needs within the AA, we considered statewide or regional activities that had a purpose, mandate, or function for community development. All qualified regional or statewide investments were certificates of deposit with MDWIs or CDFIs.

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

The bank's level of CD services reflects adequate responsiveness to identified needs within the AA. UB's qualified CD activities resulted in access to credit or services for LMI individuals or LMI geographies. During the four-year evaluation period, UB employees provided 493 hours to seven CD organizations. Highlights of qualified CD service activity provided by bank staff include the following:

- UB facilitated a Federal Home Loan Bank (FHLB) grant in the amount of \$37,500 to a qualified CD organization that provides food and services for LMI individuals, families in crisis, and unhoused individuals. This grant was responsive to community needs as it provided additional funding to purchase emergency food supplies due to the COVID-19 pandemic.
- An employee showed leadership using their financial expertise by serving as a Board member for a CD organization with programs that provide counseling and educational services to LMI women.
- UB participated in financial literacy and education programs for young adults on managing income, establishing a budget, opening a savings account, and understanding compounding interest.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	1/01/2017 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Mortgage loans Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>California</b>		
Los Angeles County	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS UNIVERSAL BANK			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Universal Bank	Outstanding	Outstanding	Outstanding
MMSA or State:			
California	Outstanding	Outstanding	Outstanding

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

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% 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	
Los Angeles County MD	63	89,668	100.0	274,726	2.4	25.4	2.8	17.2	39.7	17.5	26.6	17.5	25.9	53.7	17.5	53.7	0.1	0.0	0.1	
<b>Total</b>	<b>63</b>	<b>89,668</b>	<b>100.0</b>	<b>274,726</b>	<b>2.4</b>	<b>25.4</b>	<b>2.8</b>	<b>17.2</b>	<b>39.7</b>	<b>17.5</b>	<b>26.6</b>	<b>17.5</b>	<b>25.9</b>	<b>53.7</b>	<b>17.5</b>	<b>53.7</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*