

PUBLIC DISCLOSURE

May 15, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Jersey Shore State Bank
Certificate Number: 14359

300 Market Street
Williamsport, Pennsylvania 17701

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, NY 10118

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.

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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment areas' credit needs.
- The bank originated a majority of home mortgage, small business, and small farm loans in the assessment areas.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation, therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

DESCRIPTION OF INSTITUTION

Jersey Shore State Bank (JSSB) is headquartered in Williamsport, Pennsylvania (PA), in northcentral PA. Penns Woods Bancorp, Inc., a multi-bank holding company located in Williamsport, owns JSSB as well as Luzerne Bank. JSSB has a subsidiary, the M Group (doing business as The Comprehensive Financial Group), which offers insurance and securities brokerage services. JSSB received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 11, 2020, based on Interagency Intermediate Small Institution Examination Procedures.

JSSB operates 16 full-service branches within the following six counties: Lycoming, Centre, Montour, Blair, Clinton, and Union. Since the previous examination, the bank closed the sole mortgage loan production office in Mansfield, PA, Tioga County. The bank opened two branches since the prior Performance Evaluation. The bank opened the Bellefonte Branch in a middle-

income census tract in Bellefonte, PA located in Centre County in 2021, and the Altoona Branch in a middle-income census tract in Altoona, PA located in Blair County in 2020. JSSB closed three branches within the State College, PA Metropolitan Statistical Area (MSA) including the Spring Mills Branch, the Snow Shoe Branch, and the State College branch. All three branches were located in middle-income census tracts. Finally, no merger or acquisition activities have occurred since the last evaluation.

JSSB continues to offer loan products including home mortgage, commercial, agricultural, and consumer loans. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. The bank also offers investment advisory and trust services. Alternative banking services include internet and mobile banking, electronic bill pay, and automated teller machines.

Assets totaled \$1.5 billion as of March 31, 2023, and included total loans of \$1.2 billion and total investments of \$156.8 million. Total deposits as of March 31, 2023 were \$1.2 billion. The following table illustrates the bank's loan portfolio.

Loan Portfolio Distribution as of 3/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	39,620	3.2
Secured by Farmland	8,829	0.7
Secured by 1-4 Family Residential Properties	518,193	42.1
Secured by Multifamily (5 or more) Residential Properties	94,726	7.7
Secured by Nonfarm Nonresidential Properties	258,445	21.0
Total Real Estate Loans	919,813	74.7
Commercial and Industrial Loans	79,589	6.4
Agricultural Production and Other Loans to Farmers	399	<0.1
Consumer Loans	156,191	12.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	76,190	6.2
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	1,232,182	100.0
<i>Source: Reports of Condition and Income</i>		

JSSB is primarily a real estate lender with 74.7 percent of the loan portfolio secured by real estate. Loans secured by 1-4 family residential properties represent the largest loan category at 42.1 percent of all loans, indicating that home mortgage loans are the bank's major product line.

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

JSSB designated five assessment areas in eight counties located within four MSAs and portions located in Non-MSAs. The CRA Performance Evaluation references the five assessment areas as the combined assessment area. The following table best illustrates the combined assessment area.

Description of Assessment Areas				
Assessment Area	Counties in Assessment Area	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census	# of Branches
Williamsport MSA	Lycoming	29	32	8
Non-MSA	Clinton, Clearfield, Northumberland, and Union	63	66	3
Altoona MSA	Blair	34	38	1
State College MSA	Centre	31	41	3
Bloomsburg-Berwick MSA	Montour	4	4	1
Totals		161	181	16
<i>Source: Bank Records, 2015 and 2020 U.S. Census data</i>				

The bank's assessment area changed since the prior evaluation. As a result of the branch opening in November 2020, management expanded into the Altoona MSA. Additionally the bank expanded the Non-MSA assessment area to include full counties. Please see the individual assessment areas for additional information. The following sections discuss demographic and economic information for the combined assessment area.

According to the 2015 American Community Survey (ACS) Data, the combined assessment area includes 161 census tracts. These tracts reflected the following income designations:

- 7 low-income tracts,
- 23 moderate-income tracts,
- 108 middle-income tracts,
- 16 upper-income tracts, and
- 7 census tracts with no income designation.

According to 2020 U.S. Census Data, the combined assessment area includes 181 census tracts. These tracts reflect the following income designations:

- 4 low-income tracts,
- 28 moderate-income tracts,
- 110 middle-income tracts,
- 31 upper-income tracts, and

- 8 census tracts with no income designation.

An emergency declaration (EM-3441) and a major disaster declaration (DR-4506), both related to the COVID-19 pandemic, affected the entire assessment area as of March 2020, continuing through the current evaluation. Examiners provide more details concerning the economic impacts of the COVID-19 pandemic within the respective assessment area sections.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 11, 2020 to the current evaluation dated May 15, 2023. Examiners used Interagency Intermediate Small Institution CRA Examination Procedures to evaluate the bank's CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity performed by affiliates.

Examiners reviewed the bank's performance in five assessment areas, all within PA. Examiners performed a full-scope review of three assessment areas. Examiners chose the Williamsport MSA and Non-MSA assessment areas for full-scope reviews as these areas account for a large volume of lending, deposits, and branches. In addition, examiners chose the Altoona MSA assessment area for full-scope review due to the opening of its first branch in the assessment area in November 2020 and the relatively strong volume of small business loan lending. Examiners performed limited-scope reviews of the Bloomsburg-Berwick MSA and State College MSA assessment areas. The bank's performance in the Williamsport MSA assessment area contributed more weight to overall conclusions, as the bank's operations in this assessment area account for a majority of the institution's loans, deposits, and branches as detailed in the table below.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Williamsport MSA	331,533	42.5	593,028	51.2	8	50.0
Non-MSA	185,718	23.7	252,715	21.8	3	18.8
Altoona MSA	56,057	7.2	4,558	0.4	1	6.2
State College MSA	185,718	23.7	252,715	21.8	3	18.8
Bloomsburg-Berwick MSA	22,978	2.9	55,055	4.8	1	6.2
Total	782,004	100.0	1,158,071	100.0	16	100.0
<i>Source: Bank Records; FDIC Summary of Deposits (06/30/22)</i> <i>Due to rounding, totals may not equal 100.0%</i>						

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The volume of home mortgage loans exceeded that of small business loans during the review period. Therefore, examiners gave home mortgage lending more weight in overall conclusions. The bank's small farm lending was minimal, and is

only presented in the assessment area concentration analysis, along with home mortgage and small business lending. No other loan types, such as consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

Examiners reviewed home mortgage loans reported on the bank's 2020, 2021, and 2022 Home Mortgage Disclosure Act (HMDA) loan application registers (LARs). While JSSB is not required to collect or report small business data due its asset size, the bank maintained information that allowed examiners to evaluate all small business loans originated in 2020, 2021, and 2022. JSSB reported 1,880 home mortgage loans totaling \$247.4 million in 2020, 1,776 home mortgage loans totaling \$266.3 million in 2021, and 1,851 home mortgage loans totaling \$261.0 million in 2022. JSSB originated 286 small business loans totaling \$28.5 million in 2020, 380 small business loans totaling \$55.9 million in 2021, and 410 small business loans totaling \$57.8 million in 2022. Furthermore, JSSB originated 8 small farm loans totaling \$1.1 million in 2020, 9 small farm loans totaling \$1.1 million in 2021, and 12 small farm loans totaling \$2.0 million in 2022. The product mix remained consistent during the evaluation period and 2020 loan data did not influence trends that materially affect conclusions. Therefore, except for the assessment area concentration tables, the CRA evaluation presents only 2021 and 2022 loan data.

For the bank's 2021 performance under the geographic distribution and borrower profile criteria, examiners compared the bank's home mortgage lending to aggregate data and the U.S. Census Bureau's 2015 ACS data. Examiners compared the bank's 2022 home mortgage lending performance to 2020 U.S. Census Bureau data. For 2021 and 2022 small business lending performance under the geographic distribution and borrower profile criteria, examiners compared the bank's performance to Dun & Bradstreet (D&B) demographic data. Examiners did not compare the bank's small business loan performance to aggregate data, as JSSB did not report small business loan information. Although this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number because the number of loans is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

JSSB demonstrated reasonable performance under the Lending Test. The bank's performance in each category supports this conclusion. Refer to the individual assessment area sections for detailed information on the bank's Lending Test performance.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas. The LTD ratio, calculated from Call Report data, averaged 94.8 percent over the past 12 calendar quarters from June 30, 2020, to March 31, 2023. The ratio ranged from a low of 89.2 percent as of September 30, 2021, to a high of 106.2 percent as of December 31, 2022. The bank's LTD ratio remained relatively steady throughout the review period until increasing in the most recent four quarters.

JSSB continues to maintain an LTD ratio higher than those of similarly situated institutions, as

shown in the following table. Examiners selected the similarly situated institutions based on asset size, geographic location, and loan portfolio composition.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2023 (\$000s)	Average Net LTD Ratio (%)
Jersey Shore State Bank	1,501,864	94.8
Muncy Bank and Trust Company	650,365	84.9
First Columbia Bank and Trust Company	951,296	72.1
First Keystone Community Bank	1,308,680	75.3
Kish Bank	1,375,658	90.9
<i>Source: Reports of Condition and Income 6/30/2020 - 3/31/2023</i>		

Assessment Area Concentration

JSSB originated a majority of loans of its home mortgage, small business, and small farm loans, by number and volume, within its assessment area. See the following table for more detailed information on the bank's lending activity.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2020	1,594	84.8	286	15.2	1,880	204,205	82.5	43,244	17.5	247,449
2021	1,560	87.8	216	12.2	1,776	220,464	82.8	45,790	17.2	266,254
2022	1,646	88.9	205	11.1	1,851	224,914	86.2	36,064	13.8	260,978
Subtotal	4,800	87.2	707	12.8	5,507	649,583	83.9	125,098	16.1	774,681
Small Business										
2020	256	89.5	30	10.5	286	24,901	87.4	3,577	12.6	28,478
2021	333	87.6	47	12.4	380	50,299	90.0	5,571	10.0	55,870
2022	354	86.3	56	13.7	410	51,288	88.8	6,494	11.2	57,782
Subtotal	943	87.6	133	12.4	1,076	126,488	89.0	15,642	11.0	142,130
Small Farm										
2020	7	87.5	1	12.5	8	1,048	98.2	20	1.8	1,068
2021	8	88.9	1	11.1	9	1,036	90.4	110	9.6	1,146
2022	11	91.7	1	8.3	12	1,631	83.6	320	16.4	1,951
Subtotal	26	89.7	3	10.3	29	3,715	89.2	450	10.8	4,165
Total	5,769	87.3	843	12.7	6,612	779,786	84.7	141,190	15.3	920,976
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution reflects excellent dispersion throughout the assessment areas. The bank's excellent performance of home mortgage lending in the Williamsport MSA and Altoona MSA assessment areas primarily supports this conclusion. JSSB's performance in the Williamsport MSA assessment area carried the most weight in arriving at the overall conclusion. The bank's performance in the Non-MSA assessment area is below the overall performance. Refer to the individual assessment area sections for detailed analysis of the bank's Lending Test performance.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's reasonable performance of home mortgage lending and small business lending in the Williamsport MSA, Non-MSA, and Altoona MSA assessment areas primarily supports this conclusion. Again, JSSB's performance in the Williamsport MSA assessment area carried the most weight in arriving at the overall conclusion. Refer to the individual assessment area sections for detailed analysis of the bank's Lending Test performance.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

JSSB's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of community development opportunities within the assessment area.

Community Development Loans

JSSB originated 63 community development loans totaling \$11.0 million during the review period. Total community development loans represented 0.8 percent of average total assets and 1.1 percent of average total loans. This is a significant increase in the number and dollar volume of community development loans since the previous CRA evaluation, where JSSB originated 24 community development loans totaling approximately \$5.4 million and total community development loans represented 0.5 percent of average total assets and 0.5 percent of average total loans. Since JSSB was responsive to community development needs and opportunities within its assessment area, examiners considered four multi-family loans that supported affordable housing and benefited the broader statewide and regional area. The multi-family loans totaled approximately \$255,000 and the majority of units had rents below county fair market rents. JSSB demonstrated adequate responsiveness to the community development needs through loans originated in the assessment area and broader statewide area.

The following table illustrates the bank's community development loans by assessment area and community development purpose. Additional details by year are contained within the sections for the individual assessment areas.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Williamsport MSA	14	3,841	0	0	0	0	20	1,520	34	5,361
Non-MSA	3	558	0	0	0	0	10	1,848	13	2,406
Altoona MSA	2	498	0	0	0	0	0	0	2	498
State College MSA	6	2,287	0	0	0	0	1	6	7	2,293
Bloomsburg-Berwick MSA	0	0	0	0	1	7	2	216	3	223
Statewide Activities	4	255	0	0	0	0	0	0	4	255
Total	29	7,439	0	0	1	7	33	3,590	63	11,036
Source: Bank Data										

Qualified Investments

JSSB made 118 qualified investments totaling approximately \$25.4 million during the evaluation period. This total includes 58 donations totaling approximately \$153,000 and 60 new equity investments totaling approximately \$25.2 million. The dollar amount of qualified investments equates to 1.9 percent of average total assets and 18.2 percent of average total securities. This is a significant increase from the previous evaluation where qualified investments equated to 0.3 percent of average total assets and 4.0 percent of average total securities. The following table illustrates the bank's qualified investments and donations by assessment area and purpose. Additional details and specific examples are contained with the sections for the individual assessment areas.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Williamsport MSA	4	347	26	90	0	0	0	0	30	437
Non-MSA	1	277	5	4	0	0	0	0	6	281
Altoona MSA	0	0	13	2,206	0	0	0	0	13	2,206
State College MSA	2	197	14	34	0	0	0	0	16	231
Bloomsburg-Berwick MSA	0	0	1	3	0	0	0	0	1	3
Statewide Activities	2	2,084	38	14,698	8	3,673	1	140	49	20,595
Regional Activities	0	0	3	1,670	0	0	0	0	3	1,670
Total	9	2,905	100	18,705	8	3,673	1	140	118	25,423
Source: Bank Data										

As indicated within the previous table, since JSSB was responsive to community development needs and opportunities within its assessment area, examiners considered 52 qualified investments that benefited the broader statewide and regional area. The following are notable examples of the bank's qualified investments in these broader regional and statewide areas:

- During the evaluation period, JSSB purchased 24 school district municipal bonds totaling approximately \$9.9 million. These bonds support school districts where more than 50.0

percent of the students qualify for free or reduced-priced lunch. These investments support community development services targeting low- and moderate-income individuals within school districts.

- During the evaluation period, JSSB purchased two bonds from the PA Housing Finance Agency (PHFA) totaling approximately \$2.1 million. The proceeds of these bonds support affordable housing by providing funds with which to purchase mortgage loans for single family residences for low- and moderate-income individuals and families.
- During the evaluation period, JSSB purchased two municipal bonds totaling approximately \$0.9 million from counties within the broader regional area. These bonds support community services by providing funds for such areas as public work projects, refuse disposal projects, and equipment for police departments in counties comprised of over 50.0 percent of low- and moderate-income census tracts.

Community Development Services

During the evaluation period, JSSB provided 50 instances (2,497 hours) of financial expertise, primarily through Board of Director or committee involvement with community development-related organizations throughout the combined assessment. This is a decrease from the previous CRA evaluation, where community development services totaled 89 instances. While this is a decrease in total instances from the previous evaluation, examiners acknowledge the impact of the COVID-19 pandemic on the ability for the bank to provide financial education, and for many community development organizations to conduct services.

During the review period, one bank employee served as an Advisory Lending Committee member of the PHFA, which serves multiple assessment areas. The PHFA works to provide affordable homeownership and rental apartment options for older adults, low- and moderate-income families, and people with special housing needs. In addition, the PHFA offers programs such as homeownership counseling, foreclosure prevention, and community revitalization.

The following table illustrates the bank's community development services by assessment area and community development purpose. Additional details by year are contained within the sections for the individual assessment areas.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Williamsport MSA	11	17	3	0	31
Non-MSA	0	2	0	0	2
Altoona MSA	0	2	0	0	2
State College MSA	0	6	6	0	12
Bloomsburg-Berwick MSA	0	0	0	0	0
Statewide Activities	3	0	0	0	3
Total	14	27	9	0	50
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

WILLIAMSPORT MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WILLIAMSPORT MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area includes Lycoming County, which comprises the Williamsport MSA. The bank operates eight branches in the Williamsport MSA assessment area, one more than the previous CRA evaluation. The bank’s operations in the Williamsport MSA assessment area, represented 42.5 percent of total in-area lending, 51.2 percent of total deposits, and 50.0 percent of total branches. The Williamsport MSA assessment area includes 32 census tracts. There were no designated disaster areas that impacted the Williamsport MSA assessment area during the review period. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tract;
- 1 moderate-income tract;
- 23 middle-income tracts;
- 6 upper-income tracts; and
- 1 census tract with no income designation

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 29 to 32. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from two to one and a decrease in moderate-income census tracts from four to one.

The following table illustrates select demographic characteristics of the Williamsport MSA assessment area.

Demographic Information of the Assessment Area						
Williamsport MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	3.1	3.1	71.9	18.8	3.1
Population by Geography	114,188	3.4	5.0	71.8	17.7	2.0
Housing Units by Geography	53,533	4.4	5.2	73.0	16.5	0.8
Owner-Occupied Units by Geography	31,653	0.9	2.0	78.5	18.4	0.2
Occupied Rental Units by Geography	14,507	12.7	10.5	59.6	15.6	1.6
Vacant Units by Geography	7,373	3.0	8.6	76.1	10.3	2.0
Businesses by Geography	11,134	3.6	3.7	73.9	17.7	1.1
Farms by Geography	457	0.7	0.9	83.2	14.7	0.7
Family Distribution by Income Level	30,030	19.5	18.1	21.8	40.7	0.0
Household Distribution by Income Level	46,160	23.4	16.1	19.5	41.0	0.0
Median Family Income MSA - 48700 Williamsport, PA MSA		\$66,824	Median Housing Value			\$157,880
			Median Gross Rent			\$806
			Families Below Poverty Level			9.3%
Source: 2020 U.S. Census and 2022 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.						

There are 53,533 housing units. Of these, 59.1 percent are owner-occupied, 27.1 percent are occupied rental units, and 13.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 0.2 percent of owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Williamsport MSA Median Family Income (48700)				
2021 (\$72,300)	<\$36,150	\$36,150 to <\$57,840	\$57,840 to <\$86,760	≥\$86,760
2022 (\$77,900)	<\$38,950	\$38,950 to <\$62,320	\$62,320 to <\$93,480	≥\$93,480
Source FFIEC				

According to 2022 D&B data, there were 11,134 businesses. The following are the gross annual revenues (GARs) for these businesses.

- 86.4 percent have \$1.0 million or less;

- 3.6 percent have more than \$1.0 million; and,
- 10.0 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.3 percent; followed by retail trade (12.5 percent); finance, insurance, and real estate (10.1 percent); and construction (6.7 percent). In addition, 64.0 percent of area businesses have four or fewer employees, and 90.5 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U.S. Bureau of Labor Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates in Williamsport MSA			
Area	2020	2021	2022
	%	%	%
Lycoming County, PA	8.3	5.0	4.0
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 12 financial institutions operating 45 branches within the assessment area. Of these institutions, JSSB ranked first with a 19.6 percent deposit market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 194 lenders reported 4,391 residential mortgage loans originated or purchased totaling \$689.9 million in the assessment area. JSSB ranked first out of this group of lenders, with a market share of 17.1 percent. Rocket Mortgage ranked second with a 9.0 percent market share and The Muncy Bank and Trust Company ranked third with an 8.8 percent market share.

There is a moderate level of competition for small business loans. In 2021, 73 lenders reported 2,021 small business loans originated or purchased. JSSB is not a small business loan reporter. The three most prominent small business lenders (The Muncy Bank and Trust Company, American Express National Bank, and Synchrony Bank) accounted for 41.3 percent of total market share.

Community Contacts

As part of the evaluation process, examiners contact third parties within the assessment area to gain insight on local economic conditions, credit needs, area challenges, and opportunities. This information can help determine if banks in the area are responsive to the needs of the community and can determine what credit and community development opportunities are available.

Examiners conducted a community contact with a local area economic authority, which focuses on advocacy and support to the Williamsport MSA area. The contact cited a continued need for affordable housing, which they express emphasis in expanding the development to target those nearer the moderate-income sector. The contact stated that often affordable housing aims to serve the immediate bottom of income scales, leaving many at the moderate-income level unqualified for those programs while remaining priced out of middle- and upper-income housing.

The contact cites a lack of infrastructure development as a barrier to development of these affordable housing projects. Municipalities cannot fully meet the affordable housing demand due to population decline and retention. The contact notes this despite a strong local economy from small businesses and larger industries competing to fill labor shortages by offering better income and benefits. The contact sees the need for financial institutions to work with local governments in obtaining favorable financing and seeking grant monies as a way to get housing projects started.

Another opportunity for area financial institutions is for small business startups. The contact's intimate knowledge of small businesses at the beginning stage attests to the lack of engagement by area institutions. The contact would like to see greater involvement by local lenders that have strong knowledge of the market and maintain the ongoing strength of the local economy.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic data, the bank's Williamsport MSA assessment area has specific credit and community development needs. Demand for affordable housing that targets both low- and more so moderate-income individuals and families exists. This demand couples with the need for expanded infrastructure financing. Finally, there exists a demand for small business lending aimed at startups and entrepreneurial ventures.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WILLIAMSPORT MSA ASSESSMENT AREA

LENDING TEST

JSSB's Lending Test performance in the Williamsport MSA assessment area is reasonable. The bank's Geographic Distribution and Borrower Profile performance primarily supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Williamsport MSA assessment area. The bank's excellent performance of home mortgage lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Williamsport MSA assessment area. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the bank's home mortgage lending in low-income census tracts exceeded demographic and aggregate data in 2021. The bank's level of lending activity in low-income census tracts increased in 2022 and continued to exceed demographic data. In 2021, the bank's home mortgage lending in moderate-income census tracts was comparable to both demographic and aggregate data. The bank's level of lending activity in moderate-income census tracts decreased in 2022; however, the number of moderate-income census tracts decreased and the bank's performance exceeded demographic data. In addition, JSSB ranked first in originating loans in both low- and moderate-income census tracts in 2021, capturing 29.2 percent and 17.9 percent of market share respectively, further supporting the bank's excellent performance.

Geographic Distribution of Home Mortgage Loans Williamsport MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	1.4	1.5	19	2.5	2,539	2.7
2022	0.9	--	23	2.8	2,800	2.7
Moderate						
2021	7.2	8.0	57	7.6	6,485	6.9
2022	2.0	--	24	2.9	2,837	2.7
Middle						
2021	84.3	82.9	629	83.6	70,973	75.6
2022	78.5	--	593	72.9	73,392	71.0
Upper						
2021	7.0	7.5	47	6.3	13,939	14.8
2022	18.4	--	173	21.3	24,108	23.3
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.3	--	1	0.1	172	0.2
Totals						
2021	100.0	100.0	752	100.0	93,936	100.0
2022	100.0	--	814	100.0	103,310	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Williamsport MSA assessment area. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, JSSB's small business lending performance in low-income census tracts trailed demographic data in 2021. The bank's level of lending activity remained the same in 2022 and was equal to demographic data. The bank's performance in moderate-income census tracts was significantly below demographic data in 2021. The bank's performance in moderate-income census tracts was again below demographic data in 2022. In addition, although the bank is not a CRA reporter, the 2021 aggregate performance in low-income census tracts was 3.6 percent, while moderate-income census tracts was 13.7 percent. This indicates the bank's performance was reasonable.

Geographic Distribution of Small Business Loans						
Williamsport MSA Assessment Area						
Tract Income Level		% of Businesses	#	%	\$(000s)	%
Low						
	2021	5.0	4	4.1	950	7.2
	2022	3.6	4	3.6	1,314	9.6
Moderate						
	2021	16.2	5	5.1	1,397	10.6
	2022	3.7	2	1.8	119	0.9
Middle						
	2021	71.6	84	85.7	10,316	78.6
	2022	73.9	86	76.8	9,058	66.2
Upper						
	2021	7.2	5	5.1	468	3.6
	2022	17.7	20	17.9	3,190	23.3
Not Available						
	2021	0.0	0	0.0	0	0.0
	2022	1.1	0	0.0	0	0.0
Totals						
	2021	100.0	98	100.0	13,131	100.0
	2022	100.0	112	100.0	13,681	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the Williamsport MSA assessment area. The bank's reasonable performance of home mortgage and small business loans supports this conclusion.

Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners compared the bank's home mortgage lending to demographic and aggregate data.

As the following table illustrates, the distribution of home mortgage loans to low-income borrowers trailed both demographic and aggregate data in 2021. The bank's level of lending activity to low-income borrowers decreased in 2022. Although the bank's level of lending to low-income borrowers is below demographic data, a low-income family in the assessment area, with an income less than \$36,150 in 2021 and \$38,950 in 2022, would likely not qualify for a mortgage loan under conventional underwriting standards, especially considering the median housing value of \$135,328 in 2021 and \$157,880 in 2022. In 2021, the distribution of home mortgage loans to moderate-income borrowers was comparable to demographic and aggregate data. The bank's level of lending to moderate-income borrowers increased in 2022 and exceeded demographic data. Although the data does not show consistent performance above aggregate or demographic data or increasing trends to both low- and moderate-income borrowers, JSSB ranked first in originating loans to both low- and moderate-income borrowers in 2021 further supporting the bank's reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level Williamsport MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.0	7.9	54	7.2	4,119	4.4
2022	19.5	--	54	6.6	4,132	4.0
Moderate						
2021	18.7	19.0	137	18.2	12,682	13.5
2022	18.1	--	172	21.1	15,216	14.7
Middle						
2021	22.1	23.6	203	27.0	20,810	22.2
2022	21.8	--	208	25.6	22,045	21.3
Upper						
2021	39.2	32.8	266	35.4	34,714	37.0
2022	40.7	--	291	35.7	41,597	40.3
Not Available						
2021	0.0	16.7	92	12.2	21,611	23.0
2022	0.0	--	89	10.9	20,320	19.7
Totals						
2021	100.0	100.0	752	100.0	93,936	100.0
2022	100.0	--	814	100.0	103,310	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, in 2021, the bank's performance of lending to businesses with GARs less than or equal to \$1.0 million was below demographic data. The bank's level of lending increased in 2022, but was still below demographic data.

In 2020, the bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Since the PPP does not require lenders to collect business revenue information, in 2021 a portion of the small business loans did not report revenues. When excluding loans with unknown revenues in 2021, the bank originated 56 of 73 small business loans, or 76.7 percent, to businesses with GARs of \$1.0 million or less, approaching the demographic percentage of businesses with GARs of \$1 million or less. In addition, although the bank is not a CRA reporter, aggregate performance in 2021 was 46.5 percent, which is below both the bank's performance and demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category Williamsport MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	84.7	56	57.1	9,372	71.4
2022	86.4	74	66.1	7,972	58.3
>\$1,000,000					
2021	4.2	17	17.3	2,826	21.5
2022	3.6	25	22.3	3,815	27.9
Revenue Not Available					
2021	11.0	25	25.5	933	7.1
2022	10.0	13	11.6	1,893	13.8
Totals					
2021	100.0	98	100.0	13,131	100.0
2022	100.0	112	100.0	13,681	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

JSSB demonstrated adequate responsiveness to the community development needs of the Williamsport MSA assessment area through community development loans, qualified investments, and community development services.

Community Development Loans

As the following details, JSSB originated 34 community development loans totaling \$5.4 million within the Williamsport MSA assessment area during the review period. This is a significant increase since the previous CRA evaluation, where JSSB originated 17 community development loans totaling \$2.9 million in this assessment area.

Community Development Lending Williamsport MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
5/12/2020 – 12/31/2020	2	934	0	0	0	0	5	354	7	1,288
2021	3	920	0	0	0	0	15	1,166	18	2,086
2022	8	1,795	0	0	0	0	0	0	8	1,795
1/1/2023-5/15/2023	1	192	0	0	0	0	0	0	1	192
Total	14	3,841	0	0	0	0	20	1,520	34	5,361
Source: Bank Data										

Notable community development loans include the following:

- In 2020 and 2021, the bank originated 18 PPP loans totaling approximately \$1.2 million to businesses located in low- or moderate-income census tracts. These loans revitalize or stabilize these census tracts by supporting businesses struggling during the COVID-19 pandemic.
- During the review period, the bank originated 14 multi-family loans totaling approximately \$3.8 million within the assessment area. The vast majority of units had rents below county fair market rents and supports affordable housing for low- and moderate-income families.

Qualified Investments

During the evaluation period, JSSB made 30 qualified investments totaling approximately \$435,027 in the Williamsport MSA assessment area. This includes 29 donations totaling approximately \$96,000 and 1 new equity investment totaling approximately \$340,547. This is a decrease from the previous evaluation where JSSB had 48 qualified investment totaling approximately \$767,436, which included 47 donations totaling approximately \$208,100.

The following table illustrates JSSB's qualified investments in the Williamsport MSA assessment area by year and purpose.

Qualified Investments Williamsport MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
5/12/2020-12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	341	0	0	0	0	0	0	1	341
1/1/2023-5/15/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	1	341	0	0	0	0	0	0	1	341
Qualified Grants & Donations	3	6	26	90	0	0	0	0	29	96
Total	4	347	26	90	0	0	0	0	30	437
<i>Source: Bank Data</i>										

The following are notable examples of the bank's qualified investments in the Williamsport MSA assessment area.

- In 2022, JSSB made one new qualified investment in the amount of \$340,000 to the Community Capital Management Inc., (CCM) Community Impact Bond Fund that focuses on affordable housing in the Williamsport MSA assessment area.
- During the evaluation period, JSSB donated \$51,000 to the New Love Center Food Pantry, which provides food support to low- and moderate-income individuals in Lycoming County.

These donations qualify as community development under the community services category.

- During the evaluation period, JSSB donated \$6,000 to Habitat for Humanity, which builds and renovates homes for low- and moderate-income individuals in Lycoming County. This donations qualify as community development under the affordable housing category.

Community Development Services

JSSB provided 31 community development services (1,616 hours) that specifically benefitted the Williamsport MSA assessment area as the following details. This is a decrease from the previous CRA evaluation, where JSSB provided 47 community development services.

Community Development Services Williamsport MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
5/12/2020 – 12/31/2020	4	7	1	0	12
2021	4	5	1	0	10
2022	3	5	1	0	9
1/1/2023-5/15/2023	0	0	0	0	0
Total	11	17	3	0	31
<i>Source: Bank Data</i>					

The following are notable examples of the bank's community development services in the Williamsport MSA assessment area.

- A bank employee served as a Board member for the Greater Lycoming Habitat for Humanity, which provides affordable housing to low- and moderate-income individuals.
- Two bank employees served as Board members for the Salvation Army of Williamsport, which provides financial literacy programs, emergency disaster services, and food and shelter assistance to the low- and moderate-income community.
- Through a partnership with Everfi, JSSB provided online financial education to Lycoming Valley Intermediate School and Williamsport Area High School, where the majority of students receive free or reduced price lunches.

NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area consists of all 66 census tracts within Clinton, Clearfield, Northumberland, and Union Counties. These counties are not part of an MSA; therefore, examiners designated this area as the Non-MSA assessment area. The bank operates three branches in the Non-MSA assessment area, which is the same as the prior CRA evaluation. Additionally, JSSB expanded the Non-MSA assessment area to include full counties. The bank’s operations in the Non-MSA assessment area represent 23.7 percent of total in-assessment area lending, 21.8 percent of total deposits, and 18.8 percent of total branches.

In 2020, there were 19 distressed census tracts in Northumberland County due to unemployment.

The Non-MSA assessment area includes 66 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tract;
- 11 moderate-income tracts;
- 43 middle-income tracts;
- 8 upper-income tracts; and,
- 3 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 63 to 66. Furthermore, U.S. Census changes showed an increase in moderate-income census tracts from 8 to 11.

The following table illustrates select demographic characteristics of the Non-MSA assessment area.

Demographic Information of the Assessment Area						
Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	66	1.5	16.7	65.2	12.1	4.5
Population by Geography	252,340	0.7	12.5	69.2	15.9	1.8
Housing Units by Geography	121,530	0.9	16.0	69.4	13.7	0.0
Owner-Occupied Units by Geography	73,240	0.2	11.9	71.0	16.9	0.0
Occupied Rental Units by Geography	27,332	2.8	20.1	71.7	5.4	0.0
Vacant Units by Geography	20,958	0.6	25.3	60.7	13.4	0.0
Businesses by Geography	19,264	1.6	12.4	69.6	16.2	0.1
Farms by Geography	925	0.2	5.8	74.3	19.6	0.1
Family Distribution by Income Level	64,858	19.8	18.9	21.8	39.5	0.0
Household Distribution by Income Level	100,572	24.5	16.5	18.1	40.9	0.0
Median Family Income Non-MSAs - PA		\$65,202	Median Housing Value			\$125,688
			Median Gross Rent			\$713
			Families Below Poverty Level			9.2%
Source: 2020 U.S. Census and 2022 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.						

There are 121,530 housing units. Of these, 60.3 percent are owner-occupied, 22.5 percent are occupied rental units, and 17.2 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are no owner-occupied housing units in census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Non-MSA Median Family Income (99999)				
2021 (\$65,100)	<\$32,550	\$32,550 to <\$52,080	\$52,080 to <\$78,120	≥\$78,120
2022 (\$72,900)	<\$36,450	\$36,450 to <\$58,320	\$58,320 to <\$87,480	≥\$87,480
Source: FFIEC				

According to 2022 D&B data, there were 19,264 businesses. The following are the GARs for these businesses.

- 85.8 percent have \$1.0 million or less.

- 3.6 percent have more than \$1.0 million.
- 10.6 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.5 percent, followed by non-classifiable establishments (16.6 percent), and retail trade (13.4 percent). In addition, 65.3 percent of area businesses have four or fewer employees, and 90.2 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. Union County's unemployment rate has been below three percent since September 2022. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates in Non-MSA Assessment Area			
Area	2020	2021	2022
	%	%	%
Clearfield County, PA	8.5	5.5	4.9
Clinton County, PA	8.6	5.4	4.6
Northumberland County, PA	8.5	5.2	4.3
Union County, PA	6.1	3.4	2.8
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 25 financial institutions operating 79 branches within the assessment area. Of these institutions, JSSB ranked eleventh with a 3.8 percent deposit market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 267 lenders reported 6,983 residential mortgage loans originated or purchased. JSSB ranked third out of this group of lenders, with a market share of 6.2 percent. Rocket Mortgage ranked first capturing 10.7 percent of total market share and CNB Bank ranked second capturing 6.5 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 88 lenders reported 3,953 small business loans originated or purchased. JSSB is not a small business loan reporter. The three most prominent small business lenders (American Express National Bank, Synchrony Bank, and JP Morgan Chase Bank, N.A.) accounted for 32.9 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA ASSESSMENT AREA

LENDING TEST

JSSB's Lending Test performance in the Non-MSA assessment area is reasonable. The bank's Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Non-MSA assessment area. The bank's reasonable distribution of home mortgage and small business loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Non-MSA assessment area. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the bank's home mortgage lending in low-income census tracts exceeded demographic and aggregate data in 2021. The bank's level of lending activity in low-income census tracts remained stable in 2022 and continued to exceed demographic data. In 2021, the bank's home mortgage lending in moderate-income census tracts was below demographic data, but comparable to aggregate data. The bank's level of lending activity in moderate-income census tracts increased in 2022; however, the performance was still below demographic data.

Geographic Distribution of Home Mortgage Loans Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.3	0.3	4	0.9	905	1.8
2022	0.2	--	4	0.9	1,179	2.2
Moderate						
2021	8.6	6.8	28	6.5	2,538	5.2
2022	11.9	--	36	7.9	2,723	5.1
Middle						
2021	87.3	86.1	383	88.5	40,672	82.9
2022	71.0	--	343	75.4	37,060	69.3
Upper						
2021	3.7	6.7	17	3.9	4,800	9.8
2022	16.9	--	72	15.8	12,519	23.4
Not Available						
2021	0.1	0.0	1	0.2	150	0.3
2022	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	433	100.0	49,063	100.0
2022	100.0	--	455	100.0	53,481	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Non-MSA assessment area. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, JSSB's small business lending performance in low-income census tracts exceeded demographic data in 2021. The bank's level of lending activity remained the same in 2022 and continued to exceed demographic data. The bank's performance in moderate-income census tracts was below demographic data in 2021. The bank's performance in moderate-income census tracts was again below demographic data in 2022.

Geographic Distribution of Small Business Loans					
Non-MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	1.6	3	3.3	750	7.3
2022	1.6	3	3.7	383	4.0
Moderate					
2021	10.3	5	5.5	290	2.8
2022	12.4	4	4.9	314	3.3
Middle					
2021	83.4	80	87.9	9,179	89.5
2022	69.6	64	79.0	6,017	62.5
Upper					
2021	4.5	3	3.3	38	0.4
2022	16.2	10	12.3	2,916	30.3
Not Available					
2021	0.2	0	0.0	0	0.0
2022	0.1	0	0.0	0	0.0
Totals					
2021	100.0	91	100.0	10,257	100.0
2022	100.0	81	100.0	9,630	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects excellent penetration among different income levels and businesses of different sizes in the Non-MSA assessment area. The bank's excellent performance of home mortgage loans primarily supports this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. Examiners compared the bank's home mortgage lending to demographic and aggregate data.

As the following table illustrates, the distribution of home mortgage loans to low-income borrowers exceeded aggregate data in 2021, deposit trailing demographic data. The bank's level of lending activity to low-income borrowers decreased in 2022. Although the bank's level of lending to low-income borrowers is below demographic data, a low-income family in the assessment area, with an income less than \$32,550 in 2021 and \$36,450 in 2022, would likely not qualify for a mortgage loan under conventional underwriting standards, especially considering the median housing value of \$106,799 in 2021 and \$125,688 in 2022. In 2021, the distribution of home mortgage loans to

moderate-income borrowers exceeded demographic and aggregate data. The bank's level of lending to moderate-income borrowers decreased in 2022, but continued to exceed demographic data. In addition, JSSB ranked second in originating loans to both low- and moderate-income borrowers in 2021, capturing 11.5 percent and 8.6 percent of market share respectively, further supporting the bank's excellent performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.8	6.3	50	11.5	3,032	6.2
2022	19.8	--	50	11.0	3,656	6.8
Moderate						
2021	19.0	18.0	106	24.5	9,249	18.9
2022	18.9	--	108	23.7	8,901	16.6
Middle						
2021	22.1	22.3	106	24.5	11,121	22.7
2022	21.8	--	104	22.9	11,195	20.9
Upper						
2021	39.1	38.2	143	33.0	21,339	43.5
2022	39.5	--	149	32.7	24,030	44.9
Not Available						
2021	0.0	15.3	28	6.5	4,323	8.8
2022	0.0	--	44	9.7	5,700	10.7
Totals						
2021	100.0	100.0	433	100.0	49,063	100.0
2022	100.0	--	455	100.0	53,481	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, in 2021, the bank's performance of lending to businesses with GARs less than or equal to \$1.0 million was below demographic data. The bank's level of lending increased in 2022, but was still below demographic data.

Since the PPP does not require lenders to collect business revenue information, in 2021 a portion of the small business loans did not report revenues. When excluding loans with unknown revenues in 2021, the bank originated 36 of 66 small business loans, or 54.5 percent, to businesses with GARs

of \$1.0 million or less, approaching the demographic percentage of businesses with GARs of \$1 million or less. In addition, although the bank is not a CRA reporter, the aggregate performance of 52.4 percent in 2021 is well below demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Non-MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	84.2	36	39.6	2,618	25.5
2022	85.8	45	55.6	4,611	47.9
>\$1,000,000					
2021	4.2	30	33.0	5,251	51.2
2022	3.6	25	30.9	4,228	43.9
Revenue Not Available					
2021	11.6	25	27.5	2,388	23.3
2022	10.6	11	13.6	791	8.2
Totals					
2021	100.0	91	100.0	10,257	100.0
2022	100.0	81	100.0	9,630	100.0
<i>Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

JSSB demonstrated adequate responsiveness to the community development needs of the Non-MSA assessment area through community development loans, qualified investments, and community development services.

Community Development Loans

As the following details, JSSB originated 13 community development loans totaling approximately \$2.4 million within the Non-MSA assessment area during the review period. This is a significant increase since the previous CRA evaluation, where JSSB originated three community development loans totaling approximately \$1.1 million in this assessment area.

Community Development Lending Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
5/12/2020 – 12/31/2020	1	292	0	0	0	0	3	745	4	1,037
2021	0	0	0	0	0	0	7	1,103	7	1,103
2022	2	266	0	0	0	0	0	0	2	266
1/1/2023-5/15/2023	0	0	0	0	0	0	0	0	0	0
Total	3	558	0	0	0	0	10	1,848	13	2,406
<i>Source: Bank Data</i>										

Notable community development loans include the following:

- In 2020 and 2021, the bank originated eight PPP loans totaling approximately \$1.6 million to businesses located in low- or moderate-income census tracts. These loans revitalize or stabilize these census tracts by supporting businesses struggling during the COVID-19 pandemic.
- During the review period, the bank originated three multi-family loans totaling \$558,000 within the assessment area. The vast majority of units had rents below county fair market rents and supports affordable housing for low- and moderate-income families.
- In 2021, the bank originated a commercial line of credit totaling \$175,000 for the purchase of farm equipment in order to rent the equipment to local farmers. The business is located within a designated distressed census tract and falls under the revitalize or stabilize category for community development.

Qualified Investments

During the evaluation period, JSSB made six qualified investments totaling approximately \$281,000 in the Non-MSA assessment area. This includes five donations totaling \$4,000 and one new equity investment totaling \$277,000. This is a decrease from the previous evaluation where JSSB had 12 qualified investment totaling approximately \$1.1 million, which included 11 donations totaling approximately \$900,000.

The following table illustrates JSSB's qualified investments in the Non-MSA assessment area by year and purpose.

Qualified Investments Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
5/12/2020-12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	1	277	0	0	0	0	0	0	1	277
2022	0	0	0	0	0	0	0	0	0	0
1/1/2023-5/15/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	1	277	0	0	0	0	0	0	1	277
Qualified Grants & Donations	0	0	5	4	0	0	0	0	5	4
Total	1	277	5	4	0	0	0	0	6	281
<i>Source: Bank Data</i>										

The following are notable examples of the bank's qualified investments in the Non-MSA assessment area.

- In 2021, JSSB made one new qualified investment totaling \$277,000 to the CCM Community Impact Bond Fund that focuses on affordable housing in Clinton County.

During the evaluation period, JSSB donated \$4,000 to various organizations that provide food support to low- and moderate-income individuals in counties located in the Non-MSA assessment area. These donations qualify as community development under the community services category.

Community Development Services

JSSB provided two community development services (62 hours) that specifically benefitted the Non-MSA assessment area. For example, through a partnership with Everfi, JSSB provided online financial education to Bucktail High School, where the majority of students receive free or reduced price lunches. This is a decrease from the previous CRA evaluation, where JSSB provided seven community development services.

ALTOONA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ALTOONA MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area includes all census tracts within Blair County, which comprises the Altoona MSA. This assessment area is new since the prior evaluation. The bank operates one branch in the Altoona MSA assessment area, opened in November 2020. The bank’s operations in the Altoona MSA assessment area represent 7.2 percent of total in-assessment area lending, 0.4 percent of total deposits, and 6.2 percent of total branches. There were no designated disaster areas that impacted the Altoona MSA assessment area.

The Altoona MSA assessment area includes 38 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tract;
- 8 moderate-income tracts;
- 22 middle-income tracts; and
- 7 upper-income tracts

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 34 to 38. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from three to one and an increase in moderate-income census tracts from four to eight.

The following table illustrates select demographic characteristics of the Altoona MSA assessment area.

Demographic Information of the Assessment Area						
Altoona MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	2.6	21.1	57.9	18.4	0.0
Population by Geography	122,822	1.9	20.1	58.0	20.0	0.0
Housing Units by Geography	56,960	1.9	20.7	57.4	20.0	0.0
Owner-Occupied Units by Geography	36,288	1.5	15.5	61.3	21.7	0.0
Occupied Rental Units by Geography	15,359	3.1	32.2	49.1	15.6	0.0
Vacant Units by Geography	5,313	1.1	23.4	54.5	21.0	0.0
Businesses by Geography	10,872	1.9	21.1	58.5	18.5	0.0
Farms by Geography	318	0.0	8.8	75.8	15.4	0.0
Family Distribution by Income Level	32,357	20.1	18.7	21.3	39.8	0.0
Household Distribution by Income Level	51,647	23.5	17.1	16.8	42.6	0.0
Median Family Income MSA - 11020 Altoona, PA MSA		\$67,495	Median Housing Value			\$128,133
			Median Gross Rent			\$750
			Families Below Poverty Level			9.8%
Source: 2020 U.S. Census and 2022 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.						

There are 56,960 housing units. Of these, 63.7 percent are owner-occupied, 27.0 percent are occupied rental units, and 9.3 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are no owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
PA Non-MSA Median Family Income (99999)				
2021 (\$70,100)	<\$35,050	\$35,050 to <\$56,080	\$56,080 to <\$84,120	≥\$84,120
2022 (\$72,400)	<\$36,200	\$36,200 to <\$57,920	\$57,920 to <\$86,880	≥\$86,880
<i>Source: FFIEC</i>				

According to 2022 D&B data, there were 10,872 businesses. The following are the GARs for these businesses.

- 85.3 percent have \$1.0 million or less.

- 4.4 percent have more than \$1.0 million.
- 10.3 percent have unknown revenues.

Service industries represent the largest portion of businesses at 37.4 percent; followed by non-classifiable establishments (18.5 percent); and retail trade (13.6 percent). In addition, 61.7 percent of area businesses have four or fewer employees, and 89.4 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U.S. Bureau of Labor Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates in Altoona MSA			
Area	2020	2021	2022
	%	%	%
Blair County, PA	7.7	3.9	4.1
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source: Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 15 financial institutions operating 47 branches within the Altoona MSA assessment area. Of these institutions, JSSB ranked 14th with a 0.1 percent deposit market share.

There is a low level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 182 lenders reported a total of 4,205 residential mortgage loans originated or purchased. JSSB ranked 21st out of this group of lenders, with a market share of 1.2 percent. The three most prominent home mortgage lenders (Reliance Savings Bank, ARC Home LLC, and Rocket Mortgage) accounted for 24.2 percent of total market share.

There is a low level of competition for small business loans. In 2021, 74 lenders reported a total of 2,139 small business loans originated or purchased. JSSB is not a small business loan reporter. The three most prominent small business lenders (First National Bank of PA, American Express National Bank, and M&T Bank) accounted for 33.5 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ALTOONA MSA ASSESSMENT AREA

LENDING TEST

JSSB's Lending Test performance in the Altoona MSA assessment area is reasonable. The bank's Geographic Distribution and Borrower Profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the Altoona MSA assessment area. The bank's excellent distribution of home mortgage loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Altoona MSA assessment area. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the bank's home mortgage lending in low-income census tracts exceeded demographic and aggregate data in 2021. In 2022, the number of low-income census tracts in the Altoona MSA assessment area decreased from three to one and the bank did not originate any loans in the lone low-income census tract in 2022. In 2021, the bank's home mortgage lending in moderate-income census tracts exceeded demographic and aggregate data. The bank's level of lending activity in moderate-income census tracts increased in 2022, but was below demographic data due to the number of moderate-income census tracts increasing from four in 2021 to eight in 2022. In addition, JSSB ranked 6th in originating loans in low-income census tracts and 12th in moderate-income census tracts in 2021, capturing 5.1 percent and 2.6 percent of market share respectively. This exceeds the bank's overall performance in the Altoona MSA assessment area where the bank ranked 18th out of 174 lenders reporting loan originations and captured 1.3 percent of market share. This performance further supports the bank's excellent performance.

Geographic Distribution of Home Mortgage Loans Altoona MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	3.1	2.2	4	7.8	2,559	16.3
2022	1.5	--	0	0.0	0	0.0
Moderate						
2021	9.0	8.1	8	15.7	1,096	7.0
2022	15.5	--	11	14.5	2,909	19.1
Middle						
2021	77.6	76.0	28	54.9	10,447	66.7
2022	61.3	--	42	55.3	9,022	59.2
Upper						
2021	10.2	13.8	11	21.6	1,560	10.0
2022	21.7	--	23	30.3	3,320	21.8
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	51	100.0	15,663	100.0
2022	100.0	--	76	100.0	15,251	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Altoona MSA assessment area. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, JSSB's small business lending performance in low-income census tracts was below demographic data in 2021. The bank did not originate a small business loan in the one low-income census tract in 2022. The bank's performance in moderate-income census tracts was above demographic data in 2021. While the bank's performance in moderate-income census tracts increased in 2022, the bank's performance was below demographic data.

Geographic Distribution of Small Business Loans Altoona MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	7.3	3	6.1	859	7.2
2022	1.9	0	0.0	0	0.0
Moderate					
2021	8.7	5	10.2	1,005	8.4
2022	21.1	10	16.7	1,544	15.2
Middle					
2021	76.1	33	67.3	8,782	73.7
2022	58.5	41	68.3	7,460	73.3
Upper					
2021	7.9	8	16.3	1,264	10.6
2022	18.5	9	15.0	1,170	11.5
Not Available					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Totals					
2021	100.0	49	100.0	11,910	100.0
2022	100.0	60	100.0	10,174	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among different income levels and businesses of different sizes in the Altoona MSA assessment area. The bank's reasonable performance of home mortgage and small business loans supports this conclusion. Examiners focused on the number of home mortgage loans to low- and moderate-income borrowers and the number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners compared the bank's home mortgage lending to demographic and aggregate data.

As the following table illustrates, the bank originated one loan to low-income borrowers in 2021 trailing demographic and aggregate data. The bank's level of lending activity to low-income borrowers increased in 2022, but was still below demographic data. Although the bank's level of lending to low-income borrowers is below demographic data, a low-income family in the assessment area, with an income less than \$35,050 in 2021 and \$36,200 in 2022, would likely not qualify for a mortgage loan under conventional underwriting standards, especially considering the median housing value of \$115,798 in 2021 and \$128,133 in 2022. In 2021, the distribution of home

mortgage loans to moderate-income borrowers was below demographic and aggregate data. The bank's level of lending to moderate-income borrowers increased in 2022 and was comparable to demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Altoona MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.9	9.9	1	2.0	62	0.4
2022	20.1	--	10	13.2	1,036	6.8
Moderate						
2021	18.7	20.1	9	17.6	1,224	7.8
2022	18.7	--	14	18.4	1,033	6.8
Middle						
2021	21.9	21.3	9	17.6	809	5.2
2022	21.3	--	12	15.8	1,336	8.8
Upper						
2021	39.5	32.7	10	19.6	3,303	21.1
2022	39.8	--	26	34.2	3,588	23.5
Not Available						
2021	0.0	16.0	22	43.1	10,265	65.5
2022	0.0	--	14	18.4	8,259	54.2
Totals						
2021	100.0	100.0	51	100.0	15,663	100.0
2022	100.0	--	76	100.0	15,251	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank's small business lending to demographic data.

As shown in the following table, in 2021, the bank's performance of lending to businesses with GARs less than or equal to \$1.0 million was below demographic data. The bank's level of lending decreased in 2022 and was still below demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category Altoona MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	83.7	36	73.5	7,187	60.3
2022	85.3	31	51.7	5,557	54.6
>\$1,000,000					
2021	5.0	11	22.4	4,190	35.2
2022	4.4	26	43.3	3,956	38.9
Revenue Not Available					
2021	11.2	2	4.1	532	4.5
2022	10.3	3	5.0	661	6.5
Totals					
2021	100.0	49	100.0	11,910	100.0
2022	100.0	60	100.0	10,174	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

JSSB demonstrated adequate responsiveness to the community development needs of the Altoona MSA assessment area through community development loans, qualified investments, and community development services.

Community Development Loans

In 2021, JSSB originated two community development loans totaling \$498,000 within the Altoona MSA assessment area. Both were multi-family loans where the majority of unit rents were below county fair market rents and support affordable housing for low- and moderate-income families.

Qualified Investments

During the evaluation period, JSSB made 13 qualified investments totaling approximately \$2.2 million in the Altoona MSA assessment area. This includes eight donations totaling \$15,000 and five new equity investment totaling \$2.2 million.

The following table illustrates JSSB's qualified investments in the Altoona MSA assessment area by year and purpose.

Qualified Investments Altoona MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
5/12/2020-12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	2	850	0	0	0	0	2	850
2022	0	0	3	1,341	0	0	0	0	3	1,341
1/1/2023-5/15/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	5	2,191	0	0	0	0	5	2,191
Qualified Grants & Donations	0	0	8	15	0	0	0	0	8	15
Total	0	0	13	2,206	0	0	0	0	13	2,206
<i>Source: Bank Data</i>										

The following are notable examples of the bank's qualified investments in the Altoona MSA assessment area.

- During the evaluation period, JSSB purchased five school district municipal bonds totaling approximately \$2.2 million. These bonds support the Altoona Area School District where more than 50.0 percent of the students qualify for free or reduced-priced lunch. These investments support community development services targeting low- and moderate-income individuals within the school district.
- During the evaluation period, JSSB donated \$5,500 to various organizations that provide food support to low- and moderate-income individuals in counties located in the Altoona MSA assessment area. These donations qualify as community development under the community services category.

Community Development Services

JSSB provided two community development services (84 hours) that specifically benefitted the Altoona MSA assessment area. For example, one bank employee served as the Treasurer of the United Way of Blair County, which provides programs throughout the community related to financial stability, pre-school and after school support, and supplemental health services.

STATE COLLEGE MSA ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN STATE COLLEGE MSA ASSESSMENT AREA

This assessment area includes Centre County in its entirety, which comprises the State College MSA. The bank operates three branch offices within this assessment area. There have been no changes to this assessment area during the review period. The bank’s operations in the State College MSA assessment area represent 27.3 percent of total in-assessment area lending, 21.8 percent of total deposits, and 18.8 percent of total branches.

Economic and Demographic Data

There are 41 census tracts within the State College MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tract,
- 8 moderate-income tracts,
- 19 middle-income tracts,
- 9 upper-income tracts, and
- 4 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 31 to 41. Furthermore, U.S. Census changes showed an increase in moderate-income census tracts from six to eight. The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
State College MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	2.4	19.5	46.3	22.0	9.8
Population by Geography	158,172	3.6	14.7	49.2	20.8	11.6
Housing Units by Geography	67,062	0.2	17.5	56.2	21.7	4.4
Owner-Occupied Units by Geography	37,083	0.0	16.8	59.9	23.2	0.1
Occupied Rental Units by Geography	22,297	0.5	17.3	51.4	19.9	10.8
Vacant Units by Geography	7,682	0.6	21.8	52.4	19.2	6.0
Businesses by Geography	14,273	1.0	16.5	48.2	26.8	7.4
Farms by Geography	543	0.2	17.3	62.2	20.1	0.2
Family Distribution by Income Level	33,317	18.2	19.0	23.2	39.5	0.0
Household Distribution by Income Level	59,380	25.9	15.0	17.0	42.1	0.0
Median Family Income MSA - 44300 State College, PA MSA		\$90,415	Median Housing Value			\$252,762
			Median Gross Rent			\$1,017
			Families Below Poverty Level			4.6%
Source: 2020 U.S. Census and 2022 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.						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, the total number of census tracts increased from 31 to 41. Furthermore, U.S. Census changes included an increase in moderate-income census tracts from six to eight.

The following table illustrates the FFIEC-updated median family income levels for the State College MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
State College MSA Median Family Income (44300)				
2021 (\$87,900)	<\$43,950	\$43,950 to <\$70,320	\$70,320 to <\$105,480	≥\$105,480
2022 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
Source: FFIEC				

The bank's State College MSA assessment area is a moderately competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 16 financial institutions that operated 45 full-service branches within the bank's State College MSA assessment area. Of these institutions, JSSB ranked eighth with a 5.3 percent deposit market share.

There is a moderately low level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 262 lenders reported 5,658 home mortgage loans originated or purchased. JSSB ranked sixth out of this group of lenders, with a market share of 5.0 percent by number of loans. The three most prominent mortgage lenders in the assessment area, CBNA, Wells Fargo Bank, N.A., and Northwest Bank accounted for 20.1 percent of the market share.

There is a low level of competition for small business loans within the bank's assessment area. In 2021, 72 lenders reported 2,688 small business loans originated or purchased. Due to asset size, JSSB was not required to report small business loans. The three most prominent small business lenders in the assessment area, American Express National Bank, First National Bank of PA, and Kish Bank accounted for 36.3 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE COLLEGE MSA ASSESSMENT AREA

LENDING TEST

The institution's lending performance in the State College MSA assessment area is consistent with the institution's lending performance overall.

The following tables illustrate demographic and lending data for Geographic Distribution and Borrower Profile, upon which examiners based the Lending Test conclusion for this assessment area.

Geographic Distribution

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans State College MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
Moderate						
2021	16.0	15.7	50	17.6	16,589	29.8
2022	16.8	--	72	28.8	15,160	33.9
Middle						
2021	51.7	46.1	185	65.1	28,889	51.8
2022	59.9	--	156	62.4	26,025	58.2
Upper						
2021	31.5	36.9	49	17.3	10,263	18.4
2022	23.2	--	22	8.8	3,558	8.0
Not Available						
2021	0.8	1.4	0	0.0	0	0.0
2022	0.1	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	284	100.0	55,741	100.0
2022	100.0	--	250	100.0	44,743	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

Geographic Distribution of Small Business Loans State College MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	1.6	0	0.0	0	0.0
2022	1.0	0	0.0	0	0.0
Moderate					
2021	18.3	11	13.4	2,308	18.0
2022	16.5	17	17.5	2,852	16.9
Middle					
2021	38.5	52	63.4	7,919	61.9
2022	48.2	57	58.8	8,991	53.4
Upper					
2021	31.9	19	23.2	2,575	20.1
2022	26.8	21	21.6	3,669	21.8
Not Available					
2021	9.6	0	0.0	0	0.0
2022	7.4	2	2.1	1,320	7.8
Totals					
2021	100.0	82	100.0	12,802	100.0
2022	100.0	97	100.0	16,833	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
State College MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.6	7.1	36	12.7	3,773	6.8
2022	18.2	--	30	12.0	3,092	6.9
Moderate						
2021	18.5	17.2	73	25.7	9,740	17.5
2022	19.0	--	55	22.0	8,373	18.7
Middle						
2021	21.5	23.8	79	27.8	12,277	22.0
2022	23.2	--	76	30.4	12,496	27.9
Upper						
2021	40.3	40.2	62	21.8	12,555	22.5
2022	39.5	--	53	21.2	9,041	20.2
Not Available						
2021	0.0	11.7	34	12.0	17,395	31.2
2022	0.0	--	36	14.4	11,741	26.2
Totals						
2021	100.0	100.0	284	100.0	55,741	100.0
2022	100.0	--	250	100.0	44,743	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category State College MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	85.1	36	43.9	5,184	40.5
2022	86.8	51	52.6	9,022	53.6
>\$1,000,000					
2021	3.9	24	29.3	5,650	44.1
2022	3.3	41	42.3	6,925	41.1
Revenue Not Available					
2021	11.0	22	26.8	1,968	15.4
2022	10.0	5	5.2	885	5.3
Totals					
2021	100.0	82	100.0	12,802	100.0
2022	100.0	97	100.0	16,833	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

The institution's community development performance in the State College MSA assessment area is consistent with the institution's community development performance overall.

Community Development Loans

During the review period, JSSB originated seven community development loans totaling approximately \$2.3 million within the State College MSA assessment area. Six loans totaling approximately \$2.3 million were multi-family loans where the majority of unit rents were below county fair market rents and support affordable housing for low- and moderate-income families.

Qualified Investments

During the review period, JSSB made one new qualified investment in the amount of \$196,000 to the CCM Community Impact Bond Fund that focuses on affordable housing in the State College MSA assessment area. In addition, the bank made 15 donations totaling \$35,000 in the assessment area mainly focusing on groups that provide community services to low- and moderate-income individuals and families.

Community Development Services

JSSB provided 12 community development services (670 hours) that specifically benefitted the State College MSA assessment area. For example, two bank employees served as Board members of community development organizations, including Centre Care, Skills of Central PA, Inc., and YMCA of Centre County. Both of these organizations provide services to low- and moderate-

income individuals and families. This is a decrease from the previous CRA evaluation, where JSSB provided 28 community development services.

BLOOMSBURG-BERWICK MSA ASSESSMENT AREA– Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN BLOOMSBURG-BERWICK MSA ASSESSMENT AREA

This assessment area includes Montour County in its entirety, which comprises a portion of the Bloomsburg-Berwick MSA. The bank operates one branch office within this assessment area. There have been no changes to this assessment area during the exam period. The bank’s operations in the Bloomsburg-Berwick MSA assessment area represent 2.9 percent of total in-assessment area lending, 4.8 percent of total deposits, and 6.2 percent of total branches.

Economic and Demographic Data

There are four census tracts within the Bloomsburg-Berwick MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 0 low-income tracts,
- 0 moderate-income tracts,
- 3 middle-income tracts, and
- 1 upper-income tract.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Although, the number of total census tracts remained the same, changes showed a decrease in moderate-income census tracts from one to zero.

The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Bloomsburg-Berwick MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	75.0	25.0	0.0
Population by Geography	18,136	0.0	0.0	69.1	30.9	0.0
Housing Units by Geography	8,223	0.0	0.0	71.9	28.1	0.0
Owner-Occupied Units by Geography	5,156	0.0	0.0	61.7	38.3	0.0
Occupied Rental Units by Geography	2,319	0.0	0.0	91.6	8.4	0.0
Vacant Units by Geography	748	0.0	0.0	81.0	19.0	0.0
Businesses by Geography	1,530	0.0	0.0	69.6	30.4	0.0
Farms by Geography	95	0.0	0.0	46.3	53.7	0.0
Family Distribution by Income Level	4,742	17.1	16.6	22.1	44.2	0.0
Household Distribution by Income Level	7,475	23.3	15.6	14.1	47.0	0.0
Median Family Income MSA - 14100 Bloomsburg-Berwick, PA MSA		\$70,725	Median Housing Value			\$191,701
			Median Gross Rent			\$751
			Families Below Poverty Level			7.4%
Source: 2020 U.S. Census and 2022 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.						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, there were no changes in the number of census tracts; however, U.S. Census changes included a decrease in moderate-income census tracts from one to zero.

The following table illustrates the FFIEC-updated median family income levels for the Bloomsburg-Berwick MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Bloomsburg-Berwick MSA Median Family Income (14100)				
2021 (\$76,500)	<\$38,250	\$38,250 to <\$61,200	\$61,200 to <\$91,800	≥\$91,800
2022 (\$79,600)	<\$39,800	\$39,800 to <\$63,680	\$63,680 to <\$95,520	≥\$95,520
Source: FFIEC				

The bank's Bloomsburg-Berwick MSA assessment area has a low level of competition in the market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were six financial institutions that operated 7 full-service branches within the bank's Bloomsburg-Berwick MSA assessment area. Of these institutions, JSSB ranked second with a 16.1 percent deposit market share.

There is a low level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 120 lenders reported 617 home mortgage loans originated or purchased. JSSB ranked fourth out of this group of lenders, with a market share of 6.5 percent by number of loans. The three most prominent mortgage lenders in the assessment area, First Columbia Bank and Trust Company, Rocket Mortgage, and Fulton Bank, N.A. accounted for 32.6 percent of the market share.

There is also a low level of competition for small business loans within the bank's assessment area. In 2021, 33 lenders reported 245 small business loans originated or purchased. Due to asset size, JSSB was not required to report small business loans. The three most prominent small business lenders in the assessment area, American Express National Bank, Synchrony Bank, and US Bank, N.A. accounted for 45.3 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN BLOOMSBURG-BERWICK MSA ASSESSMENT AREA

LENDING TEST

The institution's lending performance in the Bloomsburg-Berwick MSA assessment area is consistent with the institution's lending performance overall.

The following tables illustrate demographic and lending data for Geographic Distribution and Borrower Profile, upon which examiners based the Lending Test conclusion for this assessment area.

Geographic Distribution

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Bloomsburg-Berwick MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
Moderate						
2021	19.4	30.1	18	45.0	2,159	35.6
2022	0.0	--	0	0.0	0	0.0
Middle						
2021	23.3	11.7	6	15.0	825	13.6
2022	61.7	--	46	90.2	6,969	85.7
Upper						
2021	57.3	58.2	16	40.0	3,077	50.8
2022	38.3	--	5	9.8	1,161	14.3
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	40	100.0	6,061	100.0
2022	100.0	--	51	100.0	8,130	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

Geographic Distribution of Small Business Loans Bloomsburg-Berwick MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Moderate					
2021	33.3	4	30.8	274	12.5
2022	0.0	0	0.0	0	0.0
Middle					
2021	12.6	0	0.0	0	0.0
2022	69.6	4	100.0	971	100.0
Upper					
2021	54.2	9	69.2	1,925	87.5
2022	30.4	0	0.0	0	0.0
Not Available					
2021	0.0	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Totals					
2021	100.0	13	100.0	2,199	100.0
2022	100.0	4	100.0	971	100.0
<i>Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available.</i> <i>Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level Bloomsburg-Berwick MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	14.5	7.8	1	2.5	105	1.7
2022	17.1	--	4	7.8	258	3.2
Moderate						
2021	17.8	16.4	7	17.5	754	12.4
2022	16.6	--	3	5.9	226	2.8
Middle						
2021	21.3	19.6	8	20.0	996	16.4
2022	22.1	--	5	9.8	805	9.9
Upper						
2021	46.4	40.4	11	27.5	1,721	28.4
2022	44.2	--	14	27.5	2,754	33.9
Not Available						
2021	0.0	15.9	13	32.5	2,485	41.0
2022	0.0	--	25	49.0	4,087	50.3
Totals						
2021	100.0	100.0	40	100.0	6,061	100.0
2022	100.0	--	51	100.0	8,130	100.0
Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category Bloomsburg-Berwick MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2021	83.7	9	69.2	1,379	62.7
2022	85.5	2	50.0	589	60.7
>\$1,000,000					
2021	3.6	2	15.4	670	30.5
2022	3.1	1	25.0	300	30.9
Revenue Not Available					
2021	12.7	2	15.4	150	6.8
2022	11.4	1	25.0	82	8.4
Totals					
2021	100.0	13	100.0	2,199	100.0
2022	100.0	4	100.0	971	100.0
Source: 2021 & 2022 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

COMMUNITY DEVELOPMENT TEST

The institution's community development performance in the Bloomsburg-Berwick MSA assessment area is consistent with the institution's community development performance overall.

Community Development Loans

During the review period, JSSB originated three community development loans totaling approximately \$223,000 within the Bloomsburg-Berwick MSA assessment area. Two loans totaling \$216,000 went to businesses located within moderate-income census tracts and fall into the revitalize or stabilize category.

Qualified Investments

During the review period, JSSB made one donation for \$2,500 to a foundation that provided community services to low- and moderate-income families and individuals impacted by the COVID-19 pandemic within Montour County.

Community Development Services

JSSB did not provide any community development services that specifically benefit the Bloomsburg-Berwick MSA.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.