

PUBLIC DISCLOSURE

November 12, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Green Dot Bank
RSSD # 243375**

**1675 Freedom Boulevard (200 West), Building #1
Provo, Utah, 84604**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the 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

Institution's Community Reinvestment Act (CRA) Rating

Green Dot Bank is rated "OUTSTANDING"

Green Dot Bank's (GDB or bank) CRA performance reflects a record of helping meet the credit needs of its assessment area for the period of January 1, 2021, through December 31, 2023. GDB's approved CRA Strategic Plan (Plan) clearly defines community development service goals, as well as combined lending and investment goals. GDB exceeded its plan goals for a satisfactory rating and substantially achieved its plan goals for an outstanding CRA rating during the review period. The major factors supporting the institution's rating include:

- Outstanding levels of combined small business loans, community development loans, and community development investments and donations that helped to address the need for affordable housing and support for small businesses in the assessment area.
- Outstanding levels of community development services to small businesses and also to nonprofit organizations that provide financial education, technical assistance on financial matters, supportive health services, and housing assistance to low- and moderate-income (LMI) individuals and/or families.
- No complaints were received in the review period relating to its CRA performance.

Additionally, there is no evidence of violations of the substantive provisions of anti-discrimination and fair lending laws and regulations, or of other credit practice rules, laws or regulations identified during the most recent consumer compliance examination conducted on September 25, 2023.

Description of Institution

GDB is a wholly owned subsidiary of Green Dot Corporation (GDC) and operates its only branch bank, locally branded Bonneville Bank, in Provo, Utah, which it acquired on December 8, 2011. GDC is headquartered in Austin, Texas as of December 2021, and now practices a flexible remote working environment and culture for most U.S. based employees. As of December 31, 2023, GDC had total assets of \$4.82 billion.

GDB, through Bonneville Bank, offers consumer products including personal installment loans, auto loans, personal credit lines and overdraft lines of credit as well as traditional checking and savings deposit products. Commercial products include real estate secured term loans, lines of credit, and commercial installment and overdraft lines of credit, as well as small business checking and business checking and savings accounts. The branch maintains an ATM and partners with the MoneyPass network that provides a large network of surcharge free ATMs across the country.

More broadly, GDB offers products and services to consumers that are distributed and organized under three reportable segments, 1) consumer services, 2) business-to-business (B2B) services, and 3) money movement services. The consumer services segment consists of consumer checking accounts, prepaid cards, secured credit cards, and gifts cards that are offered through retail channels and directly through marketing channels. The B2B services segment includes partnerships with consumer and technology

companies that make available GDB's products and services to their consumers, partners, and workforce through integration with GDB's banking platform (Banking-as-a-Service channel). This segment also includes a payroll platform that is offered to corporate enterprises (Employer channel) to facilitate workforce payments. Products and services in this segment include deposit account programs, such as consumer and small business checking accounts and prepaid cards, as well as Simply Paid Disbursements services utilized by partners. Money movement services facilitate the movement of cash on behalf of consumers and businesses, such as money processing services and tax refund processing services. Since 2021, focus is on a consumer deposit account program, GO2bank, a flagship product which offers consumers mobile banking to improve financial health over time. GO2bank offers features such as overdraft protection, high-value rewards, high-interest savings, and opportunities to establish, build, and track credit, regardless of credit history. Though owned by GDB, Bonneville Bank does not service Green Dot or GO2Bank accounts.

Exhibit 1 below depicts the bank's loan portfolio as of December 31, 2023, as noted in the Consolidated Reports of Condition and Income.

EXHIBIT 1 LOANS AND LEASES AS OF DECEMBER 31, 2023		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	45,198	56.5
Consumer Loans & Credit Cards	29,808	37.2
Multi-Family Residential Real Estate	2,361	3.0
Secured by 1-4 Family Residential Real Estate	156	0.2
All Other	2,500	3.1
Total (Gross)	80,023	100.0

As indicated in the bank's CRA Strategic Plan of 2021-2023, the bank's assessment area consists of two contiguous counties, Utah and Juab, of the Provo-Orem, Utah Metropolitan Statistical Area (MSA) and remains unchanged from the prior CRA evaluation in 2021.

GDB was assigned a rating of outstanding at its prior CRA examination by the Federal Reserve Bank of San Francisco using the *Interagency Strategic Plan CRA Examination Procedures*. The bank faces no legal or financial impediments that would prevent it from helping to meet the credit needs of its assessment area consistent with its business strategy, size, financial capacity and local economic conditions.

Scope of Examination

GDB was evaluated under the *Interagency Strategic Plan CRA Examination Procedures*. The strategic plan utilized during the evaluation was approved by the Board of Governors of the Federal Reserve System on November 23, 2020. GDB's Plan outlines measurable goals for achieving both satisfactory and outstanding ratings in two categories: (1) cumulative small business lending, community development lending, and community development investments, and (2) community development services. The goals outlined in the bank's Plan are annualized for each year of the review period. As part of the evaluation, a performance context was developed to identify the credit needs, opportunities, and local market conditions within the assessment area. Three community representatives were contacted during the development of this performance context. The contacts represented organizations working in small business development and affordable housing.

DESCRIPTION OF PROVO-OREM ASSESSMENT AREA

The Provo-Orem assessment area consists of Juab and Utah counties in their entirety and comprises the Provo-Orem, Utah MSA. The area is bordered by Tooele and Salt Lake counties to the north, Wasatch and Duchesne counties to the east, Carbon, Sanpete, and Millard counties to the south, and the state of Nevada to the west of Juab County. As of 2023, the assessment area was home to 732,197 people.¹

The two-county assessment area had 15 Federal Deposit Insurance Corporation-insured commercial institutions operating 86 offices as of June 30, 2023. GDB operated a single branch in the assessment area with total reported deposits of \$3.6 billion, ranking GDB second in the market with 16.51 percent of the deposit market share.²

Exhibit 2 on the following page, presents key demographic and business information used to help develop a performance context for the assessment area.

¹ U.S. Census Bureau, QuickFacts, Population Estimates, July 1, 2023; available from: www.census.gov/quickfacts/.

² Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2023; available from: <https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>.

EXHIBIT 2 2023 PROVO-OREM ASSESSMENT AREA DEMOGRAPHICS ³								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	9	5.7	6,304	4.4	1,851	29.4	26,421	18.5
Moderate	24	15.2	21,980	15.4	2,333	10.6	26,231	18.4
Middle	78	49.4	71,959	50.4	4,494	6.2	33,859	23.7
Upper	43	27.2	42,359	29.7	1,198	2.8	56,150	39.4
Unknown	4	2.5	59	0	26	44.1	0	0
Total AA	158	100.0	142,661	100.0	9,902	6.9	142,661	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	11,022	802	0.7	7.3	9,493	86.1	727	6.6
Moderate	32,315	12,657	10.6	39.2	18,316	56.7	1,342	4.2
Middle	90,955	65,329	54.7	71.8	21,388	23.5	4,238	4.7
Upper	49,314	40,666	34	82.5	6,481	13.1	2,167	4.4
Unknown	295	0	0	0	245	83.1	50	16.9
Total AA	183,901	119,454	100.0	65.0	55,923	30.4	8,524	4.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1,078	4	973	3.9	93	5.6	12	3.4
Moderate	3,947	14.8	3,575	14.5	333	20.1	39	11
Middle	13,956	52.3	12,784	51.8	1,004	60.7	168	47.5
Upper	7,681	28.8	7,326	29.7	220	13.3	135	38.1
Unknown	46	0.2	41	0.2	5	0.3	0	0
Total AA	26,708	100.0	24,699	100.0	1,655	100.0	354	100.0
Percentage of Total Businesses:				92.5		6.2		1.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3	0.9	3	1	0	0	0	0
Moderate	28	8.8	24	7.9	4	28.6	0	0
Middle	201	63	191	62.6	10	71.4	0	0
Upper	87	27.3	87	28.5	0	0	0	0
Unknown	0	0	0	0	0	0	0	0
Total AA	319	100.0	305	100.0	14	100.0	0	.0
Percentage of Total Farms:				95.6		4.4		.0

³ 2023 FFIEC Census Data and 2023 D&B Information.

Economic Conditions

The assessment area economy is anchored by the technology and higher education industries. The technology industry drove economic growth in the area early in the review period. The area ranked in the top 10.0 percent of metro areas nationally in startup formation, which generated jobs in high-wage industries, such as technology, and propelled per capita income higher.⁴ The area draws top technology firms because of its structural advantages that include a deep talent pool, high quality of life score, abundant venture capital, and lower business costs relative to the nation and the West.⁵ In 2021, the area had one of the lowest unemployment rates in the nation.⁶ Economic strength in the area was also evident in the housing sector, where house price appreciation was on par with the state average and new-home construction rates increased.⁷

By late 2022, the area economy showed signs of slowing with a tight labor market and decreases in hourly earnings.⁸ Employment in professional and technical services contracted in 2022. One example of economic tightening was evident in the limited venture capital that made it difficult for startups to acquire capital, resulting in limited spending and cutting costs through hiring freezes or layoffs by startup businesses.⁹ The technology sector continued to see slow growth late in the review period, when total employment in the sector had little change since late 2021.¹⁰

Throughout the review period, higher education helped stabilize the area economy. The two universities in the area, Utah Valley University and Brigham Young University, are important sources of income and together employ more than 20,000 workers.¹¹ Both universities experienced increased enrollment during the review period and have plans for further expansion including building new facilities.¹² The higher education industry in the area helped to offset the downturn in the technology sector during the review period.¹³

Exhibit 3 on the following page, reflects the unemployment rate of GDB's assessment area overall, Juab and Utah counties, as well as the state of Utah. The unemployment rate in the assessment area decreased during the review period from 2.4 percent to 2.1 percent. The unemployment rate in the area was slightly lower than the unemployment rate for the state of Utah, overall.

⁴ Moody's Analytics, Precis Report, Provo-Orem UT November 2021.

⁵ Moody's Analytics, Precis Report, Provo-Orem UT March 2022.

⁶ Moody's Analytics, Precis Report, Provo-Orem UT November 2021.

⁷ Moody's Analytics, Precis Report, Provo-Orem UT November 2021.

⁸ Moody's Analytics, Precis Report, Provo-Orem UT November 2022.

⁹ Moody's Analytics, Precis Report, Provo-Orem UT November 2022.

¹⁰ Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

¹¹ Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

¹² Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

¹³ Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

EXHIBIT 3 UNEMPLOYMENT RATES PROVO-OREM					
Area	2018	2019	2020	2021	2022
Provo Orem Utah MSA	2.7%	2.3%	3.9%	2.4%	2.1%
Juab County, Utah	2.8%	2.4%	3.1%	2.0%	2.0%
Utah County, Utah	2.7%	2.3%	3.9%	2.4%	2.1%
Utah	2.9%	2.5%	4.8%	2.7%	2.3%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Exhibit 4 below depicts the population trends in the assessment area. Leading into the review period, the assessment area saw significant population growth. Between 2015 and 2020, the population grew by 19.4 percent, faster than the statewide rate of 12.7 percent. The assessment area is one of the nation's fastest-growing populations.¹⁴ Pre-pandemic, the area population growth rate was six times the national rate.¹⁵ As of 2020, 98.2 percent of the assessment area population was concentrated in Utah County.

EXHIBIT 4 POPULATION CHANGE PROVO-OREM			
Area	2015 Population	2020 Population	Percent Change
Provo Orem Utah MSA	562,357	671,185	19.4%
Juab County, Utah	10,400	11,786	13.3%
Utah County, Utah	551,957	659,399	19.5%
Utah	2,903,379	3,271,616	12.7%

Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census

Exhibit 5 on the following page, shows the change in median family income for the most recent years available leading into the review period. Between 2015 and 2020 the median family income increased by 13.9 percent in the assessment area. Median family income increased by a higher rate, 20.3 percent, in Juab County, compared to only 13.8 percent in Utah County. The assessment area's rate of change in median family income was slightly higher than the statewide rate of change.

¹⁴ Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

¹⁵ Moody's Analytics, Precis Report, Provo-Orem UT November 2023.

EXHIBIT 5 MEDIAN FAMILY INCOME CHANGE PROVO-OREM			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Provo-Orem Utah MSA	\$73,474	\$83,669	13.9%
Juab County, Utah	\$63,794	\$76,736	20.3%
Utah County, Utah	\$73,745	\$83,938	13.8%
Utah	\$75,188	\$84,590	12.5%

Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

As depicted in Exhibit 6 below, the number of small business loan originated within the assessment area increased steadily since 2017. In the first year of the review period, 2021, the number of small business loans in the assessment area increased by 16.8 percent from the prior year. This was a similar rate to the increase in small business loans statewide in Utah. Lending to small businesses is critical for the support of the local economy given that small businesses represent 92.5 percent of all businesses in the assessment area, as depicted in Exhibit 2 above.

EXHIBIT 6 SMALL BUSINESS LOAN TRENDS PROVO-OREM					
Area	2017	2018	2019	2020	2021
Provo Orem Utah MSA	12,071	12,406	13,853	14,138	16,518
Juab County, Utah	142	143	183	150	256
Utah County, Utah	11,929	12,263	13,670	13,988	16,262
Utah	64,575	61,340	66,853	68,794	79,874

Source: Federal Financial Institutions Examination Council (FFIEC) Community Reinvestment Act Aggregate Data

The cost burden for renters and owners indicates a need for affordable housing in the assessment area, as many renters and owners spent 30 percent or more of their household income on housing costs. The share of cost burdened renters and owners in Utah County is higher than in neighboring Juab County. Overall, the assessment area has a slightly higher share of cost burdened renters than statewide in Utah, and the same share of cost burdened homeowners as there are statewide. Exhibit 7 on the following page, reflects the percentage of cost burdened renters and owners within the assessment area and statewide.

EXHIBIT 7 HOUSING COST BURDEN PROVO-OREM						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Provo Orem Utah MSA	77.7%	37.3%	42.8%	61.5%	37.3%	17.8%
Juab County, Utah	34.7%	4.3%	18.3%	39.6%	22.5%	14.9%
Utah County, Utah	78.5%	37.7%	43.2%	62.3%	37.9%	17.9%
Utah	75.7%	34.6%	40.1%	59.4%	33.5%	17.8%

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

Credit and Community Development Needs

Insight from community contacts in the area was collected to understand credit and community development needs for the assessment area. Perspectives shared were that the area economy is most impacted by inflation, high housing prices, and wages that have not kept pace with rising costs. These economic pressures have in turn hurt small businesses and required businesses to raise prices to offset costs. Accordingly, it was communicated that businesses in the area are in need of business loans. A small business development organization contact advised that lenders could help address small business credit needs by offering small-dollar loans between \$5,000 and \$10,000.

As noted by the community contact, high housing prices in the area have created limited affordable housing options in the area. One community contact representing an organization focused on housing affordability stated there is a need for access to more affordable housing units for low-income households. The contact stated that many low-income households cannot afford housing in certain areas and rely on commuting to work. It was stated that financial institutions could help address this need by offering downpayment and loan assistance products and services such as financial literacy education. Another community contact representing an affordable housing agency also described the housing affordability challenges in the area. The contact referenced new programs such as a downpayment loan from the state for first-time low-income homebuyers that can help address the high cost of housing. The same contact noted there is new state legislation to create new sources of funding for affordable housing development. These opportunities described by the community contacts may help to address some of the credit needs in the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall CRA performance is outstanding, as evaluated under the approved CRA strategic plan covering the review periods of 2021, 2022, and 2023. GDB achieved its goals with regard to its cumulative small business lending, community development loans and investments, expressed as a percentage of average total assets, for each year. The bank achieved outstanding performance in the level of community development services provided by bank employees for each review period.

Combined Lending and Investment Goals

The combined lending and investment activities are expressed in terms of the cumulative small business and community development loans and investments as a percentage of the bank's average assets for each plan year, as opposed to percentages of the bank's total assets at the end of each plan year. As Exhibit 8 below indicates, the bank exceeded the goal for an outstanding performance in all three years covered in the strategic plan.

EXHIBIT 8 ANNUAL SMALL BUSINESS LENDING, COMMUNITY DEVELOPMENT LENDING AND INVESTMENT GOALS						
Plan Year	Goal Percentage of Average Assets	Small Business Loans (\$)	Community Development Loans (\$)	Investments ¹⁶ (\$)	Actual Performance-Cumulative Lending and Investments	Actual Performance (% of Average Assets)
2021	Outstanding: 1.80%	\$1,685,000	\$7,722,999	\$62,272,179	\$71,680,178	2.05%
	Satisfactory: 1.40%					
2022	Outstanding: 1.80%	\$728,000	\$12,623,785	\$72,928,047	\$86,279,832	2.15%
	Satisfactory: 1.40%					
2023	Outstanding: 1.80%	\$1,093,000	\$12,500,000	\$68,470,523	\$82,063,523	2.04%
	Satisfactory: 1.40%					

Community development lending and investment activities, including grants to nonprofit organizations, addressed the need for affordable housing to LMI individuals within the assessment area. Community development loans supported 94 affordable housing units through the renewal of six loans totaling approximately \$7.8 million and three loan commitments totaling \$25 million. The bank also made eight new investments, one municipal bond, and seven mortgage-backed securities (MBS), totaling \$52.5 million. As depicted in the table above, the new and prior period investments help address the needs of the assessment area, which included affordable housing and services to LMI individuals and/or families.

¹⁶ The total amount of each investment made during that year, the total amount of donations made in that year, and the current book value of investments made in prior years.

Examples of the bank's community development loans, investments, and donations include:

- Renewal of three loans totaling approximately \$347,000 to an organization focused on addressing the need for affordable housing.
- Renewal of three loans totaling \$7.5 million to a certified 501(c)(3) organization focused on providing critical crime prevention services, including educational awareness of elder financial exploitation to a local senior housing facility with a majority of LMI residents. The bank purchased an MBS comprised of 15 mortgages to LMI borrowers within the assessment area.
- A total of three loan commitments totaling \$25 million to a certified community development financial institution that facilitates development and preservation of affordable housing and community facilities for LMI individuals and/or families.
- A total of seven new investments in mortgage-backed securities; six MBS's totaling \$32.5 million were secured by 122 mortgages to LMI borrowers, and one MBS for \$15 million, though securitized by 35 Freddie Mac multi-family loans, was designated by the bank for a 608-bed student housing complex with a majority of affordable beds.
- One investment in a municipal bond, totaling \$5 million, to an organization that assists in creating affordable housing opportunities for LMI households in Utah.
- Seven donations, totaling approximately \$184,000, to a 501(c)(3) nonprofit organization that provides counseling on budgeting and financial literacy to LMI clientele, as well as reverse mortgage counseling to eligible seniors.
- Seven donations, totaling approximately \$31,000, to a 501(c)(3) nonprofit organization that tutors LMI clientele to improve reading, arithmetic, and computing skills.
- Two donations, totaling \$25,000, to an organization providing financial literacy initiatives among LMI students in schools with a majority of students who qualify for free or reduced-price meals under the U.S. Department of Agriculture's National School Lunch Program.
- Four donations, totaling \$11,500, to a 501(c)(3) nonprofit organization that provides health services that benefit LMI clientele.
- A donation of \$50,000 to a national nonprofit organization building financial security and opportunity for the financially vulnerable through innovation and partnerships. The donation aided in research that provided insights into the financial needs of gig workers and how employers can implement benefits to reduce the impact of income volatility to support a financially secure workforce.

Service Goals

The bank's overall community development service performance is outstanding. This is the first examination cycle that the bank transitioned from a fixed number of required community development service hours per year to an hours per full-time equivalent employee (FTE) metric. The goals include service hours performing qualifying community development services both within the assessment area and on a national basis. The goals for satisfactory and outstanding performance as set by the bank were 10 hours and 12 hours, respectively. Additionally, the CRA strategic plan stipulates that qualified service hours performed within the primary assessment area must equal or exceed the total number of required service hours multiplied by the percentage of FTE based with the assessment area. Exhibit 9 on the following page, provides information on the bank's performance relative to the hours per FTE metric on a nationwide and primary assessment area basis.

EXHIBIT 9 HOURS PER FULL-TIME EMPLOYEE GOALS							
Plan Year	Bank Established Goals Hours per FTE	Bank Performance Total Qualified Service Hours ¹⁷	# of FTE ¹⁸	Bank Performance Hours per FTE	# of FTE in AA	Required Service Hours in AA multiplied by % FTE in AA ¹⁹	Total Qualified Service Hours Within AA
2021	Satisfactory: 10	324	22	14.72	5.5	Satisfactory: 55	306
	Outstanding: 12					Outstanding: 66	
2022	Satisfactory: 10	786	65	12.09	6.5	Satisfactory: 65	763
	Outstanding: 12					Outstanding: 78	
2023	Satisfactory: 10	1092	90	12.13	7	Satisfactory: 70	1020
	Outstanding: 12					Outstanding: 84	
Total		2,202					2,089

Qualified community development service hours were heavily focused on providing financial services to LMI individuals and/or families. Examples of services provided include:

- A total of 1,771 hours assisting LMI individuals in the preparation of filing federal tax returns, including hours to become a certified tax preparation volunteer.
- 230 hours serving as a board of director and committee member of a nonprofit organization improving literacy and numeracy levels to LMI individuals.
- Approximately 87.5 hours to an organization providing financial literacy initiatives among LMI students in schools with a majority of students who qualify for free or reduced-price meals under the U.S. Department of Agriculture's National School Lunch Program. Several bank employees serve on the board of directors and several employees taught financial literacy classes.
- A total of 72 hours serving on an advocates council and providing financial expertise to a nonprofit organization that supports individuals experiencing homelessness achieve economic independence through career coaching and financial and digital literacy.

Fair Lending or Other Illegal Practices Review

A review of the most recent evaluation of GDB's compliance and consumer protection laws was performed and no evidence of violations were found of the substantive provisions of anti-discrimination and fair lending laws and regulations, or of other credit practice rules, laws, or regulations.

¹⁷ The number of service hours in each year was rounded to the nearest whole number.

¹⁸ The number of full-time equivalent employees on December 31st of the previous year-end Call Report, Schedule RI Memoranda, line 5.

¹⁹ The required service hours are the bank's established hours per FTE goal for a satisfactory or an outstanding performance multiplied by the number of FTEs. Thus, for 2021, the required service hours for satisfactory performance are 220 hours (22 FTEs multiplied by 10 hours per FTE) of which 55 hours (220 hours multiplied by 25 percent, or 5.5 FTEs divided by 22 FTEs) must be performed by FTEs within the assessment area. Similarly, the required service hours for an outstanding performance are 262 hours (22 FTEs multiplied by 12 hours per FTE) of which 66 hours (262 hours multiplied by 25 percent, or 5.5 FTEs divided by 22 FTEs) must be performed within the assessment area.

APPENDIX A

GLOSSARY OF TERMS

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

Full-scope review: Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance under the lending and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

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

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

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

Rated area: A rated area is a state or 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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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