

COMMUNITY REINVESTMENT ACT (CRA) PUBLIC FILE

1. WRITTEN COMMENTS
2. COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION (September 12, 2022)
3. COMMUNITY REINVESTMENT ACT HISTORY (INCLUDING BANK BRANCHES, ADDRESSES, AND GEOGRAPHIES)
4. COMMUNITY REINVESTMENT ACT STATEMENT (INCLUDING BANK SERVICES)
5. INSTITUTION ASSESSMENT AREA (MAP AND CENSUS TRACT DATA)
6. SMALL BANK REQUIREMENT
-LOAN TO DEPOSIT RATIOS
7. HMDA REPORTABLE BANK REQUIREMENT
-HOME MORTGAGE DISCLOSURE ACT NOTICE

UPDATED AS OF: December 31, 2024 (Comments and Branch Opening/Closing information updated quarterly thereafter).

COMMENTS

2018-2023 -NO COMMENTS

2024 -NO COMMENTS

PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Elizabethton Federal Savings Bank

Charter Number: 704307

112 N Sycamore St
Elizabethton, TN 37643-3326

Office of the Comptroller of the Currency

320 Seven Springs Way
Suite 310
Brentwood, TN 37027

Note: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

OVERALL CRA RATING 1
DESCRIPTION OF INSTITUTION 2
SCOPE OF THE EVALUATION 3
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 3
STATE RATING 5
 STATE OF TENNESSEE 5
APPENDIX A: SCOPE OF EXAMINATION A-2
APPENDIX B: SUMMARY OF MMSA AND STATE RATINGS B-1
APPENDIX C: DEFINITIONS AND COMMON ABBREVIATIONS C-1
APPENDIX D: TABLES OF PERFORMANCE DATA D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

The lending test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on the Outstanding performance in the State of Tennessee. The bank exhibits excellent geographic distribution and reasonable borrower distribution.
- The bank's loan-to-deposit (LTD) ratio is reasonable.
- The bank originated a substantial majority of loans inside its AAs.
- The bank did not receive any Community Reinvestment Act (CRA) or fair lending related complaints during the review period.

Loan-to-Deposit Ratio

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

The bank's quarterly LTD ratio for the previous 12 quarters ending December 31, 2021, averaged 72.01 percent. We compared the bank's LTD ratio to five similarly situated institutions in the assessment area (AA) for the same period. Elizabethton Federal Savings Bank (EFSB or bank) had the third highest quarterly average LTD ratio when compared to similarly situated banks. The average LTD ratio for similarly situated banks was 69.1 percent, with a low LTD ratio of 60.2 percent and a high LTD ratio of 79.4 percent. EFSB's highest LTD ratio was 75.7 percent on December 31, 2019, and the low was 67.3 percent on September 30, 2021. The LTD ratio is calculated on a bank-wide basis.

Lending in Assessment Area

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

The bank originated and purchased 82 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	119	85.6	20	14.4	139	16,894	79.0	4,482	21.0	21,376
2020	144	81.8	32	18.2	176	23,650	79.8	5,995	20.2	29,645

2021	113	79.6	29	20.4	142	28,747	79.9	7,253	20.1	35,999
Subtotal	376	82.3	81	17.7	457	69,291	79.6	17,730	20.4	87,021
Total	376	82.3	81	17.7	457	69,291	79.6	17,730	20.4	87,021
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

The entire population of Home Mortgage Disclosure Act (HMDA) loans originated during the evaluation period were assessed to complete Table D above.

Description of Institution

EFSB is a federally chartered mutual savings association established in 1937 and headquartered in Elizabethton, Tennessee. EFSB is a single-state institution with five locations in northeastern Tennessee and does not have any affiliates or subsidiaries. As of December 31, 2021, the bank had total assets of \$321.5 million. Management ensures each location is generally accessible to all customers. Branches are located throughout Carter, Washington, and Johnson Counties, within Tennessee.

The bank's ATMs accept deposits at all five locations. Customers can also access accounts through online, mobile, and telephone banking. Internet, mobile, and telephone banking services support account transfers, balance inquiries, and transaction history review. Bill payment, check images, and account statements are also accessible through internet and mobile banking. Remote deposit capture is available through mobile banking. There have not been any major changes in the bank's corporate structure, including merger or acquisition activities, since the previous CRA examination dated December 31, 2018, at which time the bank received an "Outstanding" rating. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves.

EFSB's primary business focus is on residential mortgage loans and deposit servicing. Additionally, multi-family loans, construction and development loans, loans secured by farmland, and commercial real estate loans comprise the majority of the remaining loan portfolio. Net loans comprised 42.6 percent of total assets as of December 31, 2021, while total investments comprised 53.2 percent of total assets. Total assets increased 3.9 percent in 2021 and tier 1 capital totaled \$125.9 million at year-end, resulting in a tier 1 leverage ratio of 39.1 percent.

EFSB has two AAs:

- Carter and Washington Counties AA—This AA consists of all of Carter and Washington Counties, which includes 40 CTs
- Johnson County AA—This AA consist of all five CTs within Johnson County, Tennessee

For the purposes of this evaluation, we combined Carter and Washington counties, which represent a portion of the Johnson City metropolitan statistical area (MSA). Although Johnson County is adjacent to Carter County, it is not part of the MSA. Therefore, we evaluated the institution's performance in the Johnson County AA separately as a rural non-MSA. Each AA consists of whole counties with no tracts arbitrarily excluded.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated EFSB using the interagency Small Bank examination procedures. In evaluating the bank's lending performance, we focused on EFSB's primary loan product of residential mortgage lending using loan data from January 1, 2019, through December 31, 2021. We compared the bank's lending performance to aggregate peer data as reported in 2019, 2020, and 2021 HMDA data and demographic data as reported in the 2015 American Community Survey (ACS) and 2020 census. As part of this evaluation period, we tested the accuracy of the bank's HMDA data and found the information to be accurate and reliable. We did not consider EFSB's business or consumer lending products because those products do not have large enough volume to provide meaningful analysis.

We assessed EFSB's quarterly LTD ratio for a period of March 2019 to December 2021, or the 12-quarter period since the previous CRA examination.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on the State of Tennessee.

EFSB has two full-scope AAs in Tennessee. We performed full-scope reviews for both AAs, which considers complete performance context, quantitative, and qualitative actors. We gave equal weight to each AA. Refer to appendix A for a list of all AAs under review.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), "Community Reinvestment Act and Interstate Deposit Production Regulations" or "Community Reinvestment Act," respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

State Rating

State of Tennessee

CRA rating for the State of Tennessee¹: Outstanding

The Lending Test is rated: Outstanding

The major factors that support this rating include:

- The bank's LTD ratio is reasonable, reflecting responsiveness to credit needs in the communities.
- The bank originated and purchased a substantial majority of loans inside its AAs.
- The bank exhibits excellent geographic distribution of loans to low- and moderate-income census tracts.
- The bank exhibits reasonable distribution of loans to individuals of different income levels.
- EFSB did not receive any complaints regarding its CRA performance during the evaluation period.

Description of Institution's Operations in Tennessee

EFSB operates only in Tennessee. The information provided in the "Description of Institution" section of this Performance Evaluation describes the institution's operations in Tennessee.

We contacted one community contact from a local government office in the Carter and Washington Counties AA. The community contact disclosed that the local economy is growing as people are moving to the areas from larger cities. The contact was unaware of any general banking or credits needs in their community. The contact stated that local financial institutions are involved with the community and provide funding where possible. The local financial institutions are sponsors of many local events and clubs.

We contacted one community contact from a local government office in the Johnson County AA. The community contact disclosed that the local market area is doing well overall. The county is rural with less than 20,000 residents. The COVID-19 Pandemic did not have lasting effects on the economy outside of manufacturing companies struggling to find and retain employees. Local financial institutions are dedicated to supporting local businesses and individual borrowers where they can; however, some situations require larger capital outlays than the local banks can supply. In these instances, larger financial institutions are serving the market area even though they do not have a physical presence.

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

Carter and Washington Counties AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Carter and Washington Counties AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	40	0.0	27.5	52.5	17.5	2.5
Population by Geography	182,258	0.0	21.4	54.6	23.0	1.1
Housing Units by Geography	86,260	0.0	23.0	54.9	22.1	0.0
Owner-Occupied Units by Geography	51,725	0.0	18.9	56.6	24.6	0.0
Occupied Rental Units by Geography	24,807	0.0	28.5	51.7	19.8	0.0
Vacant Units by Geography	9,728	0.0	31.3	53.6	15.1	0.0
Businesses by Geography	11,094	0.0	19.3	44.7	35.7	0.3
Farms by Geography	381	0.0	14.7	58.5	26.8	0.0
Family Distribution by Income Level	49,242	21.6	16.6	21.7	40.2	0.0
Household Distribution by Income Level	76,532	25.0	15.4	17.0	42.6	0.0
Median Family Income MSA - 27740 Johnson City, TN MSA		\$50,296	Median Housing Value			\$133,412
			Median Gross Rent			\$645
			Families Below Poverty Level			14.3%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Johnson County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Johnson County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	20.0	80.0	0.0	0.0
Population by Geography	18,017	0.0	27.8	72.2	0.0	0.0
Housing Units by Geography	8,924	0.0	26.7	73.3	0.0	0.0
Owner-Occupied Units by Geography	5,432	0.0	29.8	70.2	0.0	0.0
Occupied Rental Units by Geography	1,577	0.0	23.5	76.5	0.0	0.0
Vacant Units by Geography	1,915	0.0	20.6	79.4	0.0	0.0
Businesses by Geography	889	0.0	20.2	79.8	0.0	0.0
Farms by Geography	45	0.0	26.7	73.3	0.0	0.0

Family Distribution by Income Level	4,715	25.3	19.3	17.8	37.6	0.0
Household Distribution by Income Level	7,009	31.5	17.1	16.9	34.4	0.0
Median Family Income Non-MSAs - TN	\$46,066		Median Housing Value		\$113,230	
			Median Gross Rent		\$496	
			Families Below Poverty Level		20.9%	
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Tennessee

We performed full-scope reviews of each of the bank’s AAs.

- Carter and Washington Counties AA—This AA consists of all of Carter and Washington Counties, which includes 40 CTs. This AA includes a total of 11 moderate-income areas, 21 middle-income areas, seven upper income areas, and one area that has not been assigned an income classification. There are no low-income areas in the AA.
- Johnson County AA—This AA consist of all five CTs within Johnson County, Tennessee. There is one moderate-income area and four middle-income areas in the AA. The middle income CTs in this AA are distressed middle-income nonmetropolitan tracts due to poverty according to the Federal Financial Institutions Examination Council (FFIEC) Summary Census Demographic Information Report for 2021. There are no low or upper-income areas in the AA.

LENDING TEST

The bank’s performance under the Lending Test in Tennessee is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Carter and Washington Counties AA and Johnson County AA is excellent.

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

Refer to Table O in the state of Tennessee section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

Carter-Washington AA

During the review period, the bank's mortgage lending in moderate-income geographies for the Carter and Washington Counties AA was consistent with the percentage of owner-occupied housing units in those geographies. The bank's lending exceeded the aggregate peer comparison for moderate-income geographies. There were no low-income tracts in the Carter and Washington Counties AA during the evaluation period.

Johnson County AA

During the review period, the bank's mortgage lending in moderate-income geographies for the Johnson County AA was consistent with the percentage of owner-occupied units in those geographies. The bank's lending significantly exceeded the aggregate peer comparison for moderate-income geographies. There were no low-income tracts in the Johnson County AA during the evaluation period.

Lending Gap Analysis

No unexplained, conspicuous gaps in lending were identified. We evaluated lending distribution in the full-scope AAs to determine if any unexplained conspicuous gaps existed. We reviewed lending reports detailing the volume of HMDA loans in LMI geographies and did not identify any areas where no HMDA loans were originated.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Tennessee section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Carter-Washington AA

During the review period, home mortgage loans to low-income borrowers in the Carter and Washington Counties AA is significantly below the level of low-income families in the AA. However, lending to low-income borrowers is significantly above the aggregate peer lending levels. Home mortgage loans to moderate-income borrowers are below the level of moderate-income families and the aggregate lending level for Carter and Washington Counties.

As of December 31, 2020, the median family income is \$50,296. This area has 14.3 percent of families below the poverty level, and low-income families make less than \$26,850 per year. Moderate-income families make no more than \$42,960 per year. With the median housing value being \$133,412, there are limited opportunities for low and moderate-income borrowers to obtain affordable housing.

Johnson County AA

During the review period, home mortgage loans to low-income borrowers in the Johnson County were above aggregate peer lending levels. EFSB's lending in the Johnson County AA was below the level of low-income families. Home mortgage loans to moderate-income borrowers are significantly above the aggregate peer lending level and above the level of moderate-income families.

As of December 31, 2020, the median family income was \$46,066 for the AA. This area has 20.9 percent of families below the poverty level, and low-income families make less than \$31,950 per year. Moderate-income families make no more than \$51,120 per year. With the median housing value being \$113,230 there are limited opportunities for low and moderate-income borrowers to obtain affordable housing.

Responses to Complaints

EFSB did not receive any complaints during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/19 to 12/31/21	
Bank Products Reviewed:	Home mortgage loans	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Tennessee		
Carter and Washington Counties AA	Full Scope	This AA consists of all of Carter and Washington Counties, which includes 40 CTs. This AA includes a total of 11 moderate-income areas, 21 middle-income areas, seven upper income areas, and one area that has not been assigned an income classification.
Johnson County AA	Full Scope	This AA consist of all five CTs within Johnson County, Tennessee. There is one moderate-income area and four middle-income areas in the AA. The middle income CTs in this AA are distressed middle-income nonmetropolitan tracts due to poverty according to the Federal Financial Institutions Examination Council (FFIEC) Summary Census Demographic Information Report for 2021.

Appendix B: Summary of MMSA and State Ratings

RATINGS Elizabethton Federal Savings Bank	
Overall Bank:	Lending Test Rating
EFSB	Outstanding
State:	
Tennessee	Outstanding

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-2021		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate			
Carter and Washington Counties AA	324	61,216	86.2	7,917	0.0	0.0	0.0	18.9	19.1	15.2	56.6	56.5	52.9	24.6	24.4	31.9	0.0	0.0	0.0			
Johnson County AA	52	8,075	13.8	441	0.0	0.0	0.0	29.8	28.8	20.6	70.2	71.2	79.4	0.0	0.0	0.0	0.0	0.0	0.0			
Total	376	69,291	100.0	8,358	0.0	0.0	0.0	19.9	20.5	15.4	57.9	58.5	54.3	22.2	21.0	30.2	0.0	0.0	0.0			

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-2021		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers					
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate			
Carter and Washington Counties AA	324	61,216	86.2	7,917	21.6	12.0	6.5	16.6	14.2	17.6	21.7	18.2	20.2	40.2	53.4	39.3	0.0	2.2	16.4			
Johnson County AA	52	8,075	13.8	441	25.3	7.7	4.3	19.3	21.2	14.1	17.8	13.5	17.9	37.6	55.8	47.4	0.0	1.9	16.3			
Total	376	69,291	100.0	8,358	21.9	11.4	6.4	16.8	15.2	17.4	21.3	17.6	20.0	40.0	53.7	39.8	0.0	2.1	16.4			

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

ELIZABETHTON FEDERAL SAVINGS BANK

Elizabethton, TN

Community Reinvestment Act

HISTORY

Elizabethton Federal Savings and Loan was established in 1937 with one office located in the central business district of Elizabethton, Tennessee. Basic to the Association's purpose, the mission statement has been and still is: To provide individuals, businesses and organizations the best possible means to save dollars and thereby creating a loan base to lend those dollars back to the community for residential home purchases, small businesses and other related endeavors.

Our office locations and dates of beginning service are as follows:

- Main Office at 112-114 North Sycamore St in Elizabethton, opened in July, 1937 (Census Tract – 0701.00 and Income Level – Middle Income)
- Branch Office Main St in Mountain City, opened in October, 1972 and relocated to a newly constructed facility at 404 S. Shady St. in Mountain City in August, 2005 (Census Tract – 9563.00 and Income Level – Middle Income – underserved or distressed tract)
- Branch Office at 401 Bemberg Rd in Elizabethton, opened in November, 1975 (Census Tract – 0702.00 and Income Level – Middle Income)
- Branch Office at 304 Sunset Dr in Johnson City, opened in January, 1987 (Census Tract – 0604.00 and Income Level – Upper Income)
- Branch Office at 1190 W. State of Franklin Rd in Johnson City, opened in August, 2002 (Census Tract – 0605.02 and Income Level – Middle Income)

All office locations offer full lending and deposit banking services, including ATMs.

To be more closely related with traditional banking services and to become more competitive in the banking services market, the Association's name was changed in October 1990 from Elizabethton Federal Savings and Loan Association to Elizabethton Federal Savings Bank.

PRODUCTS AND SERVICES

Elizabethton Federal's savings products have been and are currently designed toward the "small" saver. Our regular savings account has a low \$100 minimum opening deposit requirement and our certificate of deposit accounts with maturities of twelve months or greater have a low \$500 minimum opening deposit requirement. The minimum opening deposit requirement on certificate of deposit accounts with maturities in a range of Ninety-One days to six months is only \$2,500. Personal and business checking accounts are attractive to a wide range of consumers. On personal checking accounts, we pay competitive interest rates on any balance with a minimum opening requirement of \$100. No service charges are incurred on the personal checking accounts.

Our loan products are designed to assist a wide range of borrowers. Unique to our residential lending program is that we have no minimum loan amount for the purpose of purchasing a home. The following is a schedule of loan types that are offered:

- A. **Commercial Loans**
 1. Secured loans. Appropriate security can include: first lien on business real estate property or residential real estate, savings accounts and certificates.

2. Multi-Family construction loans, long and short term. Appropriate security can include first liens on units.
3. Land Development loans, long and short term, secured by the real estate and infrastructures.

B. Installment Loans

1. Secured Loans. Security can include: first lien on residential real estate, first lien on second home, savings or certificate accounts, first lien on vacant land, automobiles, watercraft, recreational vehicles, motorcycles, and other motorized vehicles.
2. Unsecured Loans. Personal unsecured term and amortization payment loans.

C. Real Estate Loans (Conventional)

1. First liens on primary residence.
2. Loans to unimproved real estate.
3. Construction financing (interim and permanent).

First mortgage real estate lending is our primary focus. Though we do provide loan assistance for small farm and business purchases, we receive a minimum number of requests for this type of loan.

MARKETING

Product and service marketing is accomplished through several means. The most effective means for our size institution has been "word of mouth" efforts from our current customer base and our own bank officers. We have relied heavily on creating additional loan and deposit business during our banking history through "word of mouth" advertising. This type of referral-based advertising illustrates that we are satisfying the consumer's request according to demand. Having a satisfied customer base creates a very effective enhancement to our marketing efforts. While "word of mouth" advertising continues to be effective, other means of advertising include: newspaper; radio; television; billboards; and other media outlets.

Other marketing approaches that enhance our product and service awareness include referrals from area homebuilders and realtors. Our institution is an active member of the following groups:

- Elizabethton/Carter County Chamber of Commerce
- Johnson City/Washington County Chamber of Commerce
- Mountain City/Johnson County Chamber of Commerce

These are additional outlets that allow us to know the particular needs of the credit seeking community.

Aside from reinforcing our corporate identity, advertising through media outlets are used to describe our loan and saving products and to attract new business. The "Equal Opportunity Lender" logo is used in all of our print advertising.

Fair Housing posters are prominently displayed and copies of our underwriting standards are made available in each of our offices.

OUR DELINEATED COMMUNITY/AREA

While our lending area is primarily in the counties of Northeast Tennessee and the bordering counties in Virginia and North Carolina, Elizabethton Federal's delineated community/area consists of all existing residential and commercial neighborhoods of Carter, Johnson and Washington counties in Tennessee. This geographic restriction allows us to be a very strong

lender relative to our asset size. We have chosen these three counties as our delineated area, in part, due to the diversity of mortgage demand as well as location of our offices. With each county's varying economic factors comes a wide range of residential and commercial credit needs. Our loan programs are evaluated to adjust to varying economic conditions.

All five of our offices are located within this three-county area. A large majority of our deposit business comes from individuals and businesses from this area. We are therefore very familiar with our clientele, which allows us to effectively fulfill the residential mortgage demand. Being a vital part of the financial community for over eighty years and concentrating our lending power in this manner, has helped us to be sensitive to all areas of mortgage demand.

Since our inception, Elizabethton Federal has provided home loans to a wide range of income groups and for a wide range of sale prices. We have never deviated from our policy of having no minimum loan amount for the purpose of purchasing a home. Our overall emphasis is to accommodate the lower to middle income borrowers by not having restrictive underwriting guidelines for lower priced houses.

COMMUNITY INVOLVEMENT

Our Board of Directors has and continues to play an active role in community affairs within our delineated area. Our Directors are: Shirley G. Hughes, Bill Bradley, Jerry W. Cole, Ed Gibbons and Chuck Rich.

Bill Bradley is a Johnson City resident and owner of Bradley Machine Company. He is previous owner of BedInABox. Mr. Bradley is an active member of the Johnson City Kiwanis Club.

Shirley G. Hughes served as Chief Executive Officer for Elizabethton Federal from 1982 - 2018 and as President from 1994 - 2018. Some of the organizations she was involved in include: the Business and Professional Women's Club, past Director of the Elizabethton/Carter County Chamber of Commerce, the Tennessee League of Savings Institutions, past President of the Elizabethton Civitan Club, America's Community Bankers, and the Tennessee Bankers Association. She has served on the Board for Good Samaritan Ministries, Inc and Dawn of Hope..

Teri M Reach is an Elizabethton resident and serves as the President and Chief Executive Officer for Elizabethton Federal from 2018 – Present. Prior to this, she was an attorney with Reach and Reach from 2005-2018. She is involved in the Elizabethton Lions Club.

Ed Gibbons is a Johnson City resident. He is the owner of Watauga Insurance Inc. since 1974, providing protection for thousands of individuals and families throughout our region. Mr. Gibbons is a Board Member of The Johnson City/Washington County Boys and Girls Club. He is also a member of The Johnson City Lions Club.

Chuck Rich is a Johnson City resident. He is the owner and founder of Chuck Rich Properties. He started the business in 1975 as a small family run Rental Company serving the Johnson City, TN community. Since then, the business has grown and it now offers many homes and apartments in the Johnson City and Gray, TN areas.

Our bank officers keep in touch with community related needs by their participation in various organizations.

SUMMARY

Elizabethton Federal Savings Bank has served the credit needs of the low to moderate-income consumers for many years. We have been best able to do so because of our long history of lending in our delineated area.

COMMUNITY REINVESTMENT ACT STATEMENT

**Elizabethton Federal Savings Bank
Elizabethton, TN**

Board Approved: March 21, 2024

Elizabethton Federal Savings Bank continues its commitment to the principals of the Community Reinvestment Act (CRA) and to the banking services for the people of Carter, Johnson and Washington Counties, in Tennessee. The credit needs of the communities provide the foundation for our existence as a Federal Savings Bank.

Facility Based Assessment Area

Elizabethton Federal Savings Bank defines its assessment area to be the Tennessee counties of Carter, Johnson and Washington. The major cities of the three county areas are Elizabethton, Mountain City, and Johnson City, respectively.

Credit Services Offered

Elizabethton Federal Savings Bank makes every effort to provide the credit needs of its facility based assessment area. Currently the bank offers the following types of loans to meet those needs:

- Purchase/Construction Residential Real Estate
- Refinance Residential Real Estate
- Second Mortgage
- Home Improvement
- Home Equity Line of Credit
- Consumer Installment (Auto, Campers, Boats, etc.)
- Consumer Term Notes
- Debt Consolidation
- Small Business
- Small Farm
- Commercial Real Estate
- Share Loans
- Subdivision Development

Deposit Products Offered

Regular Savings Accounts

- Low opening balance requirement
- Interest rate is compounded daily
- Unlimited withdrawal and deposit transactions
- Quarterly statements are provided

Statement Savings Accounts

- Low opening balance requirement
- Interest rate is compounded daily
- Unlimited withdrawal and deposit transactions
- Quarterly statements are provided
- Free bank ATM access and usage

Personal Checking Accounts

- Low opening balance requirement
- No monthly service charges
- Competitive interest rate regardless of account balance
- Free bank ATM access and usage
- Unlimited check writing without additional fees
- Choice of ATM or Debit Card at no cost
- Free online banking, mobile banking, and bill pay available

Student Checking Accounts

- Low minimum opening balance requirement
- No monthly service charges on this account if the account maintains a positive balance
- Free bank ATM access and usage

Small Business Checking Accounts

- Competitive interest rates paid on any balance
- Low opening balance requirement
- Free ATM or Debit Card access and usage
- Night drop service
- Free online banking

Corporate Business Checking Accounts

- Low minimum opening deposit requirement
- Free ATM or Debit Card access and usage
- Night drop service
- Free online banking

Christmas Club Accounts

- Convenient savings method for holiday expenses
- Interest rate is compounded daily
- Low opening deposit requirement
- No restrictions on deposits
- Check is mailed to customer for account balance in November
- Account is renewable each year

Money Market Deposit Accounts

- Higher interest rate than personal checking with some check writing restrictions
- Free unlimited ATM or Debit Card access and usage

Certificates of Deposit

- Competitive interest rates on account terms from 91 days to 5 years
- Interest rates are compounded daily on all accounts
- Automatic term renewal at maturity

Individual Retirement Accounts

- Traditional IRAs, Roth and Educational IRAs
- Interest rates are compounded daily
- Unlimited deposits (subject to IRS regulations) on our 18-month account
- Various account terms available up to 5 years

ON-LINE PRODUCTS

- Online Banking
- Online Bill Pay
- Mobile Banking

CRA Notice

A current copy of the bank's CRA Notice is always posted in the lobby of all of our office locations.

Office Locations

*Main Office: 112-114 N. Sycamore St., Elizabethton, TN 37643

*Mountain City Branch: 404 S. Shady St., Mountain City, TN 37683

*Bemberg Road Branch: 401 Bemberg Rd., Elizabethton, TN 37643

*Sunset Drive Branch: 304 Sunset Dr., Johnson City, TN 37604

*University Branch: 1190 W. State of Franklin Rd, Johnson City, TN 37604

ATM Locations

*Main Office: 112-114 N. Sycamore St., Elizabethton, TN 37643

*Mountain City Branch: 404 S. Shady St., Mountain City, TN 37683

*Bemberg Road Branch: 401 Bemberg Rd., Elizabethton, TN 37643

*Sunset Drive Branch: 304 Sunset Dr., Johnson City, TN 37604

*University Branch: 1190 W. State of Franklin Rd, Johnson City, TN 37604

Office Hours

All Offices are open:

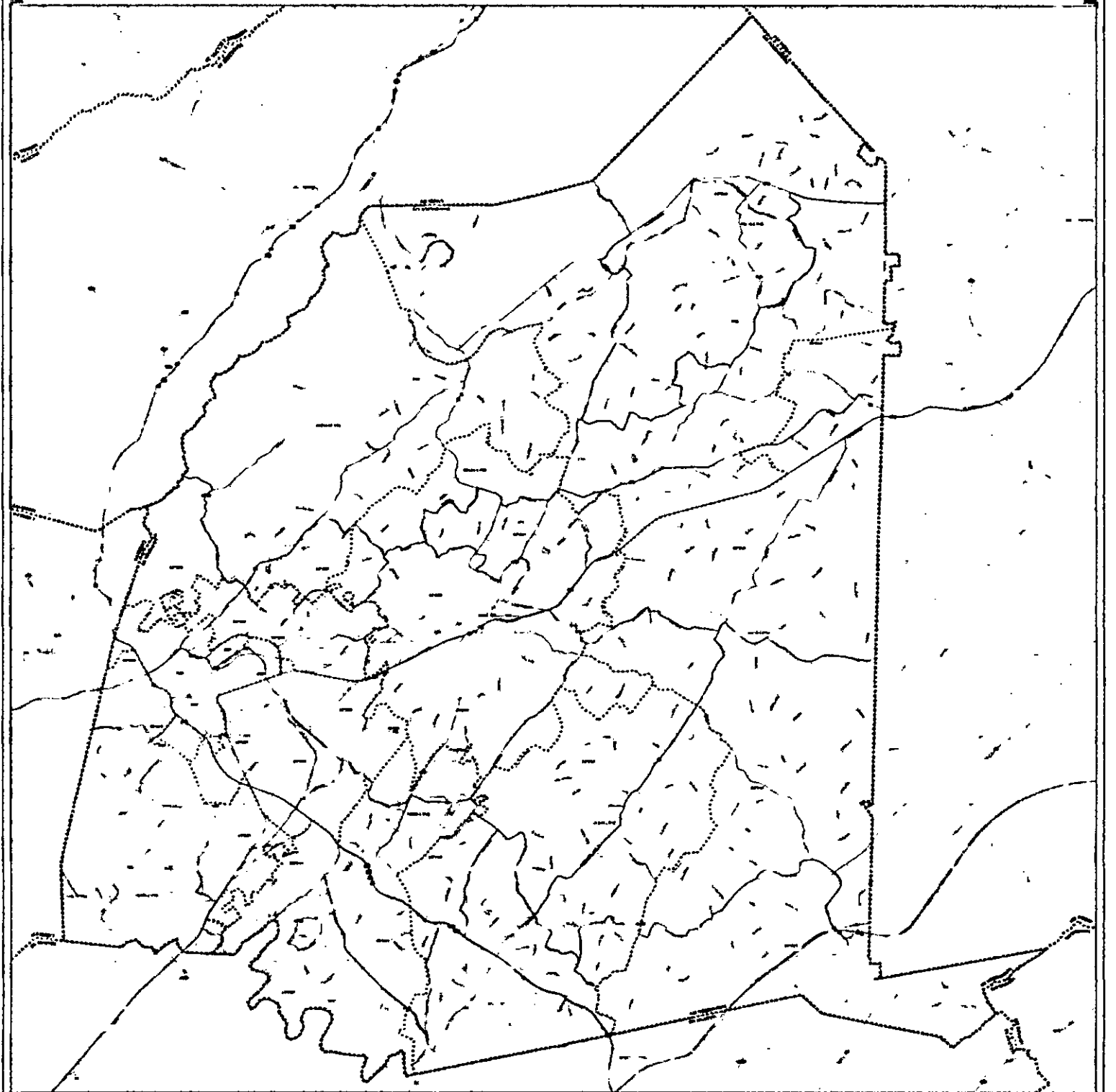
Monday through Thursday from 8:30 am until 4:30 pm.
Friday from 8:30 am until 5:00 pm.

Additional hours for the Bemberg Branch:

Saturday from 8:30 am until 1:00 pm.

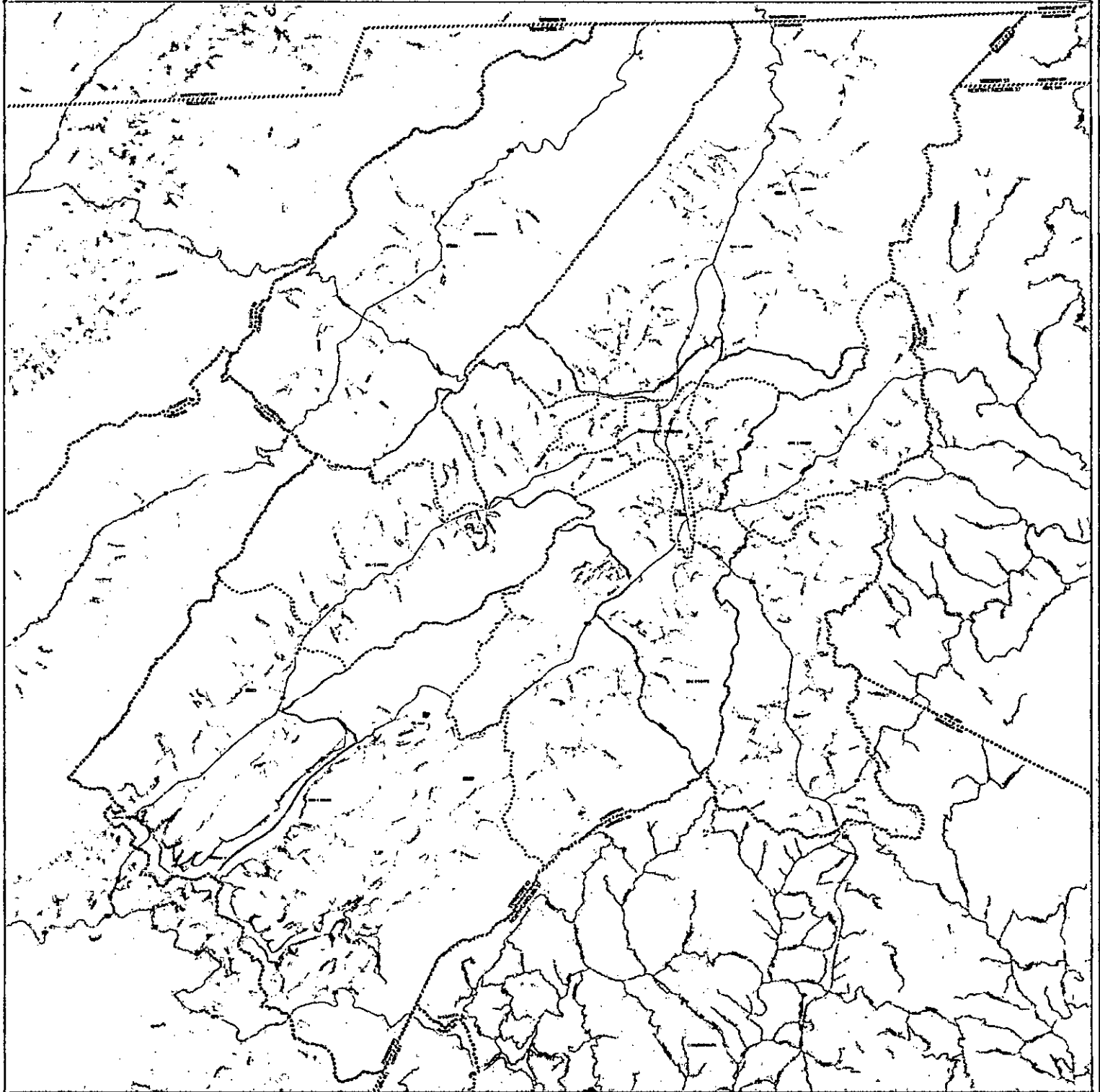
2020 Census - Census Tract Reference Map - Washington County, TN
 Date: 1/1/2020
 File: Washington County, TN
 State: Tennessee
 County: Washington
 District: 1

Legend:
 Precincts
 Census Tracts
 County Boundary
 State Boundary
 Interstate
 Major Road
 Minor Road
 Water
 Unincorporated Area
 Incorporated Area
 City Boundary
 County Seat



2020 CENSUS - CENSUS TRACT REFERENCE MAP - Washington County, TN

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Johnson County, TN



Legend	Scale
<ul style="list-style-type: none">County BoundaryCity BoundaryWaterMajor RoadMinor RoadUnimproved RoadWaterwayInterstateState RouteCounty RoadLocal RoadOther RoadOther	<ul style="list-style-type: none">1 inch = 1 mile1 centimeter = 0.39 inches

Notes:

- This map is based on the 2020 Census of Population and Housing, Census Tracts and Small Areas, Johnson County, Tennessee.
- The boundaries shown on this map are for reference only and do not represent any official jurisdictional boundaries.
- The boundaries shown on this map are for reference only and do not represent any official jurisdictional boundaries.
- The boundaries shown on this map are for reference only and do not represent any official jurisdictional boundaries.

Scale bar: 0 1 2 Miles

North arrow: +

Sheet 1 of 1 (1000) sheets
Total Sheets: 1 Sheet 0, Parcel 1, Sheet 0
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1. Carter County [Elizabethton, Tennessee]
2. Washington County [Johnson City, Tennessee]
3. Johnson County [Mountain City, Tennessee]

Carter County, Tennessee Census Tracts

Tract Code	Tract Income Level
0701.00	Middle
0702.00	Middle
0703.00	Moderate
0704.00	Moderate
0705.00	Middle
0706.00	Middle
0707.00	Middle
0708.00	Middle
0709.00	Middle
0710.00	Middle
0711.00	Middle
0712.00	Moderate
0713.00	Middle
0714.00	Moderate
0715.00	Moderate
0716.00	Moderate
0717.00	Moderate

Washington County, Tennessee Census Tracts

Tract Code	Tract Income Level
0601.00	Moderate
0604.00	Upper
0605.01	Moderate
0605.02	Middle
0606.00	Middle
0607.00	Unknown
0608.00	Middle
0609.00	Moderate
0610.00	Moderate
0611.00	Upper
0612.00	Middle
0613.00	Upper
0614.01	Upper
0614.02	Upper
0615.00	Middle
0616.01	Upper
0616.02	Middle
0617.01	Upper
0617.02	Middle
0618.00	Middle
0619.01	Middle
0619.02	Middle
0620.00	Middle

Johnson County, Tennessee Census Tracts

Tract Code	Tract Income Level
9560.00	Middle [Unserved or Distressed Tract]
9561.00	Middle [Unserved or Distressed Tract]
9562.00	Middle [Unserved or Distressed Tract]
9563.00	Middle [Unserved or Distressed Tract]
9564.00	Moderate
9999.99	Middle

ELIZABETHTON FEDERAL SAVINGS BANK

Mortgage Loan to Deposit Ratios

2015	
Quarter	Ratio
03/31/15	66.21%
06/30/15	66.26%
09/30/15	65.55%
12/31/15	66.35%

2016	
Quarter	Ratio
03/31/16	67.80%
06/30/16	67.40%
09/30/16	67.65%
12/31/16	68.08%

2017	
Quarter	Ratio
03/31/17	67.98%
06/30/17	67.32%
09/30/17	68.67%
12/31/17	67.93%

2018	
Quarter	Ratio
03/31/18	67.09%
06/30/18	68.36%
09/30/18	69.70%
12/31/18	70.96%

2019	
Quarter	Ratio
03/31/19	74.64%
06/30/19	76.11%
09/30/19	76.01%
12/31/19	76.55%

2020	
Quarter	Ratio
03/31/20	76.42%
06/30/20	74.06%
09/30/20	73.43%
12/31/20	72.68%

2021	
Quarter	Ratio
03/31/21	69.94%
06/30/21	69.80%
09/30/21	68.00%
12/31/21	68.53%

2022	
Quarter	Ratio
03/31/22	70.29%
06/30/22	72.67%
09/30/22	74.23%
12/31/22	74.13%

2023	
Quarter	Ratio
03/31/23	75.35%
06/30/23	76.10%
09/30/23	77.96%
12/31/23	82.63%

2024	
Quarter	Ratio
03/31/24	83.01%
06/30/24	84.19%
09/30/24	82.79%
12/31/24	86.24%

Note:

2015-Present: The above ratios were calculated by dividing the total dollar amount of mortgage loans by the total dollar amount of deposits. (OCC Line# RC4.b. / OCC Line# RC13.a.)

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protections Bureau's web site (www.consumerfinance.gov/hmda)
