



THE SAVINGS CENTER IN MEbane

*and Loan Association*

## **CRA PUBLIC FILE INFORMATION INDEX**

The Community Reinvestment Act (CRA) requires financial institutions to maintain a file assessable to public inspection for the information below. This file is updated annually.

**Community Support Statement**

**Community Reinvestment Act Performance Evaluation**

**Office Locations and Services**

**Assessment Areas**

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**Home Mortgage Disclosure Act Notice**



# Federal Housing Finance Agency Community Support Statement

FHFA Form 060  
OMB Number 2590-0005  
Expires 04/30/2026

FHFA Federal Home Loan Bank (FHLBank) Member ID Number: 5224

Name of FHLBank Member Institution: First Savings and Loan Association

Mailing Address: 206 West Center Street

City: Mebane

Submitter Name: Amy Cannady

Work Email: acannady@firstsavingsmebane.com

State: NC  
Zip Code: 27302

Title: President/CEO

The information in the Community Support Statement (CSS) submitted by the member, as reflected in this document, may be updated, or changed upon FHFA's review of the CSS.

## Part I. Community Reinvestment Act (CRA) Standard:

Most recent CRA rating: Outstanding  
Year of most recent CRA rating: 2025

Part II. First-time Homebuyer Standard: All Federal Home Loan Bank members must complete either Section A or B of this part, except that members with "Outstanding" federal CRA ratings need not complete this part. Members should use data or activities for the previous or current calendar year in completing this part.

A. Complete the following two questions: If your institution did not make, or did not track, mortgage loans to first-time homebuyers, you must complete Section B of this part.

1. Number of mortgage loans made to first-time homebuyers  
N/A
2. Dollar amount of mortgage loans made to first-time homebuyers  
N/A

B. Check as many as applicable:

1. Offer in-house first-time homebuyer program (e.g., underwriting, marketing plans, outreach programs)  
N/A
2. Other in-house lending products that serve first-time homebuyers or low- and moderate-income homebuyers  
N/A
3. Offer flexible underwriting standards for first-time homebuyers  
N/A
4. Participate in nationwide first-time homebuyer programs (e.g., Fannie Mae, Freddie Mac)  
N/A
5. Participate in federal government programs that serve first-time homebuyers (e.g., FHA, VA, USDA RD)  
N/A
6. Participate in state or local government programs targeted to first-time homebuyers (e.g., mortgage revenue bond financing)  
N/A
7. Provide financial support or technical assistance to community organizations that assist first-time homebuyers  
N/A
8. Participate in loan consortia that make loans to first-time homebuyers  
N/A
9. Participate in or support special counseling or homeownership education targeted to first-time homebuyers  
N/A
10. Hold investments or make loans that support first-time homebuyer programs  
N/A
11. Hold mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers  
N/A
12. Use affiliated lenders, credit union service organizations, or other correspondent, brokerage or referral arrangements with specific unaffiliated lenders, that provide mortgage loans to first-time or low- and moderate-income homebuyers  
N/A
13. Participate in the Affordable Housing Program or other targeted community investment/development programs offered by the Federal Home Loan Bank  
N/A
14. Other (attach description of other activities supporting first-time homebuyers; see instructions for Part II)  
N/A
15. None of the above (attach explanation of any mitigating factors; see instructions for Part II)  
N/A

If you checked Question 14 or 15, please explain below. If your explanation will exceed 300 characters, please upload a file containing your explanation and supporting documents:

Supporting documents:

5-19-2025 FSL Mebane - CRA PE -FINAL..pdf

## Part III. Certification:

By submitting this Community Support Statement, I certify that I am a senior official of the above institution, that I am authorized to provide this information to FHFA, and that the information in this Statement and any attachments is accurate to the best of my knowledge.

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.



## **PUBLIC DISCLOSURE**

May 19, 2025

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

First Savings & Loan Association  
Charter Number 705224

206 West Center Street  
Mebane, NC 27302-2443

Office of the Comptroller of the Currency

101 South Tryon Street  
Suite 400  
Charlotte, NC 28281

**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.

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## 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 bank's loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank's loans are inside its assessment area (AA).
- The bank's distribution of loans represents a reasonable distribution among borrowers of different income levels.
- The bank exhibits an excellent geographic distribution of loans in the AA.

### Loan-to-Deposit Ratio

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

We assessed the institution's quarterly loan-to-deposit (LTD) ratios since the preceding CRA evaluation. The bank's quarterly LTD during the past 20 quarters from January 1, 2020, through December 31, 2024, was 73.7 percent, ranging from a quarterly low of 66.1 percent and a quarterly high of 81.3 percent. In comparison, over the same 20 quarters, the quarterly average LTD ratio among similarly sized financial institutions in North Carolina was 86.3 percent, ranging from a quarterly low of 53.3 percent and a quarterly high of 162.9 percent.

### Lending in Assessment Area

A substantial majority of the bank's loans were inside its AA.

The bank originated and purchased 81.0 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table 1: Lending Inside and Outside of the Assessment Area									2021-2023			
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage	51	81.0	12	19.0	63	12,673	80.3	3,108	19.7	15,781		
Total	51	81.0	12	19.0	63	12,673	80.3	3,108	19.7	15,781		

Source: 1/1/2021 - 12/31/2023 Bank Data.  
Due to rounding, totals may not equal 100.0%

## Description of Institution

First Savings and Loan Association (First Savings and Loan) is a single branch, federally chartered, mutual savings association headquartered in Mebane, North Carolina. The intrastate bank offers conventional residential mortgages, construction-to-permanent loans, investor-owned residential real estate loans, and refinances. First Savings and Loan also offers deposit products including certificates of deposits, money market deposit accounts, and passbook savings accounts.

First Savings and Loan operates as a traditional savings association, concentrating on originating home mortgages. As of March 31, 2025, the institution had total assets of \$58.5 million with tier 1 capital totaling \$13.3 million. One to four family residential loans comprised 93.2 percent of the loan mix which is consistent with First Savings and Loan's strategy.

Our review consisted of one AA, Alamance County, North Carolina, which is part of the Burlington Metropolitan Statistical Area (MSA). The MSA consists solely of Alamance County.

The bank did not have any branches or deposit-taking ATMs outside of the state. The bank also extends credit in the counties of Orange, southern and central Caswell, and eastern Guilford.

The bank received an "Outstanding" rating during the prior CRA evaluation dated February 24, 2020. There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs within its AAs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

First Savings & Loan Association was evaluated under the CRA small bank performance standards. The period for the LTD analysis is January 1, 2020, to December 31, 2024. Home mortgages were determined to be the primary loan product for the evaluation period of January 1, 2021, through December 31, 2023. The evaluation period spanned two census periods, 2010 and 2020. Borrower and geographic distribution analyses in 2021 were evaluated using 2010 census data, and performance in 2022 and 2023 was evaluated using 2020 census data. The 2022 and 2023 performance were given greater weight due to higher lending volume.

### 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 AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable 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 North Carolina rating. The state of North Carolina performance is based on the Alamance County, NC AA performance. The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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 North Carolina

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

**The Lending Test is rated:** Outstanding

The major factors that support this rating include:

- The bank's distribution of loans represents a reasonable distribution among borrowers of different income levels.
- The bank exhibits an excellent geographic distribution of loans in the AA.

### Description of Institution's Operations in North Carolina

First Savings and Loan operates as a traditional savings association with a single branch located in the AA. The bank has identified Alamance County, NC as its AA, which is the only county in the Burlington, NC MSA.

The Burlington, NC MSA AA is comprised of 37 census tracts (CTs) in Alamance County. First Savings and Loan operates a single branch located in Mebane, NC. There are no distressed CTs within the AA. In 2021, three CTs were identified as underserved, and First Savings and Loan originated loans in all three CTs. No underserved CTs were identified in 2022 or 2023.

First Savings and Loan faces substantial deposit competition in the Burlington, NC MSA. According to the 2023 Federal Deposit Insurance Corporation (FDIC) summary of deposits, the bank ranked 10<sup>th</sup> out of 13 institutions in the market holding 1.7 percent of the market share. The top three competitors holding 58.0 percent of the deposit market share were Truist Bank (23.5 percent), Wells Fargo Bank, National Association (20.5 percent), and American National Bank and Trust Company (14.1 percent).

The bank faces substantial lending competition in the MSA. According to the 2023 Federal Financial Institutions Examination Council (FFIEC) peer mortgage data, First Savings and Loan ranked 52<sup>nd</sup> out of the top 100 lenders in the AA with 0.3 percent of the lending market share. The top three competitors holding 31.5 percent of market share were State Employees' Credit Union (19.8 percent), Truliant Federal Credit Union (7.9 percent), and DHI Mortgage Company Limited (5.5 percent).

According to the U.S. Bureau of Labor Statistics, the 2023 unemployment rate for the Burlington, NC MSA was equivalent to the statewide unemployment average of 3.5 percent.

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

The overall homeownership rate in the AA was 60.7 percent as of year-end 2023. Current US Census data indicates the median property value in the AA was \$163,800 and the median gross rent was \$790. In 2023 household income for low-income families was less than \$39,400 and ranged between \$39,400 and \$63,040 for moderate-income families.

An affordability analysis was conducted to determine the affordability of housing to low and moderate income (LMI) borrowers in the AA. The cost of housing and its accessibility to LMI families is reflected in the level of homeowners with housing costs that exceed 30.0 percent of their income, which is a standard for benchmark affordability. To illustrate the issue of housing affordability, a low-income borrower making \$39,400 could afford a monthly housing payment of \$985. Assuming a 30-year fixed rate mortgage of 7.0 percent, and the 2020 US Census average home value of \$163,800 with no down payment, the monthly mortgage payment would be \$1,090. This does not include additional expenses related to homeowner's insurance, real estate taxes, or monthly expenses of the borrower.

A community contact from an organization dedicated to providing affordable housing stated that there is a significant need for affordable housing and financial literacy including budgeting, credit improvement, and home ownership. The contact also stated that opportunities for local institutions to assist also include providing construction loans for affordable housing projects and supporting homeownership preparation programs. The community contact shared that some of the local banks are supportive although banks are reducing their physical presence.

The following tables provide information on the demographic composition of the Burlington, NC MSA for 2021 and 2022-2023:

### Burlington, NC MSA

Assessment Area(s) – Burlington, NC MSA 2021						
2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
<b>Geographies (Census Tracts)</b>	36	0.00	25.00	47.22	27.78	0.00
<b>Population by Geography</b>	155,258	0.00	28.91	46.05	25.04	0.00
<b>Housing Units by Geography</b>	67,804	0.00	28.93	45.75	25.32	0.00
<b>Owner-Occupied Housing by Geography</b>	40,273	0.00	22.87	47.84	29.29	0.00
<b>Occupied Rental Units by Geography</b>	21,272	0.00	39.16	41.85	18.99	0.00
<b>Vacant Units by Geography</b>	6,259	0.00	33.14	45.53	21.33	0.00
<b>Businesses by Geography</b>	6,041	0.00	24.09	48.65	27.26	0.00
<b>Farms by Geography</b>	278	0.00	16.55	55.04	28.42	0.00
<b>Family Distribution by Income Level</b>	40,938	21.79	17.80	18.31	42.10	0.00
<b>Household Distribution by Income Level</b>	61,545	23.78	17.16	17.26	41.79	0.00
<b>Unemployment rate (%)</b>	7.86	0.00	11.30	7.36	5.01	0.00
<b>Households Below Poverty Level (%)</b>	17.42	0.00	27.20	14.45	11.87	0.00
<b>Median Family Income (15500 - Burlington, NC MSA)</b>	\$53,234				<b>Median Housing Value</b>	\$138,150
<b>Median Family Income (15500 - Burlington, NC MSA) for 2021</b>	\$68,100				<b>Median Gross Rent</b>	\$749
					<b>Families Below Poverty Level</b>	14.35
FFIEC File - 2010 Census						
2021 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Assessment Area(s) – Burlington, NC MSA 2023								
2022 - 2023								
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #		
Geographies (Census Tracts)	37	5.41	27.03	40.54	27.03	0.00		
Population by Geography	171,415	4.80	26.87	38.52	29.80	0.00		
Housing Units by Geography	71,718	4.89	27.19	39.21	28.71	0.00		
Owner-Occupied Housing by Geography	43,538	2.45	22.45	44.23	30.86	0.00		
Occupied Rental Units by Geography	21,917	9.02	34.80	29.07	27.11	0.00		
Vacant Units by Geography	6,263	7.33	33.50	39.79	19.38	0.00		
Businesses by Geography	6,045	4.40	24.10	41.74	29.76	0.00		
Farms by Geography	255	1.96	16.08	60.39	21.57	0.00		
Family Distribution by Income Level	42,129	22.41	17.89	18.45	41.25	0.00		
Household Distribution by Income Level	65,455	24.12	15.34	18.19	42.35	0.00		
Unemployment rate (%)	5.23	12.14	7.71	4.13	3.59	0.00		
Households Below Poverty Level (%)	14.35	40.39	21.52	9.84	9.78	0.00		
Median Family Income (15500 - Burlington, NC MSA)	\$66,737			Median Housing Value	\$163,800			
Median Family Income (15500 - Burlington, NC MSA) for 2023	\$78,800			Median Gross Rent	\$790			
				Families Below Poverty Level	11.56			
FFIEC File - 2020 Census								
2023 Dun & Bradstreet SBSF Demographics								
Due to rounding, totals may not equal 100.0%								
(*) The NA category consists of geographies that have not been assigned an income classification								

## Scope of Evaluation in North Carolina

The Burlington, NC MSA received a full-scope review.

## LENDING TEST

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

## Conclusions for Burlington, NC MSA Receiving a Full Scope Review

Based on the full-scope review, the bank's performance in the Burlington, NC MSA was excellent.

## Distribution of Loans by Income Level of the Geography

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

### *Home Mortgage Loans*

Refer to Table 7 in the state of North Carolina 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.

## **2021**

The percentage of home mortgage loans in moderate-income geographies was below the percentage of owner-occupied housing units located in those geographies but exceeded peer lending. There were no low-income census tracts within the AA during the evaluation period; therefore, low-income census tracts were not considered in the analysis.

## **2022-2023**

The percentage of home mortgage loans in low-income geographies significantly exceeded the percentage of owner-occupied housing units located in those geographies. The percentage of loans was below peer lending in low-income geographies. The percentage of home mortgage loans in moderate-income geographies significantly exceeded the percentage of owner-occupied housing units located in those geographies and peer lending.

### ***Lending Gap Analysis***

Review of the bank's AA and geographic distribution of home mortgage lending activity did not reveal any unexplained conspicuous gaps.

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

The bank exhibited a reasonable distribution of loans to individuals of different income levels in the state.

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

Refer to Table 8 in the state of North Carolina 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.

## **2021**

The percentage of home mortgage loans was below the percentage of low-income families but exceeded peer lending. Peer lending was also well below the percentage of low-income families. The percentage of home mortgage loans approximated both the percentage of moderate-income families and peer lending.

## **2022-2023**

The percentage of home mortgage loans was well below the percentage of low-income families and peer lending. Peer lending was also substantially below the percentage of low-income families. The percentage of home mortgage loans substantially meets the percentage of moderate-income families and peer lending.

### **Responses to Complaints**

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

## Appendix A: Scope of Examination

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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.”

<b>Time Period Reviewed:</b>	January 1, 2021 to December 31, 2023	
<b>Bank Products Reviewed:</b>	Home Mortgage	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
North Carolina		
Burlington, NC MSA	Full scope	Alamance County

## Appendix B: Summary of State Ratings

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RATINGS	
Overall Bank:	Lending Test Rating
First Savings and Loan Association	Outstanding
MMSA or State:	
North Carolina	Outstanding

## Appendix C: Definitions and Common Abbreviations

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

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

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

**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 CD loans and qualified investments, branch distribution, and CD services).

**Low-Income:** Individual income that is at 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 state/AA.

**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.

**Multistate Metropolitan Statistical Area (MMSA):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

**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 multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

**Unfunded Commitments:** Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

**Table 7. 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 8. 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/AA. The table also presents aggregate peer data for the years the data is available.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography

Assessment Area:		Total Home Mortgage Loans		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
		#	\$	% of Total Number	% of Overall Market	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	
Burlington, NC MSA	173,441	100.0	8,767	--	--	22.9	17.6	17.4	47.8	64.7	50.8	29.3	17.6	31.7	--	--	--	
<b>Total</b>	<b>173,441</b>	<b>100.0</b>	<b>8,767</b>	--	--	<b>22.9</b>	<b>17.6</b>	<b>17.4</b>	<b>47.8</b>	<b>64.7</b>	<b>50.8</b>	<b>29.3</b>	<b>17.6</b>	<b>31.7</b>	--	--	--	

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, --" data not available.  
Due to rounding, totals may not equal 100.0%

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography

Assessment Area:		Total Home Mortgage Loans		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
		#	\$	% of Total Number	% of Overall Market	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	% of Owner-Occupied Housing Units	% of Bank Aggregate Loans	
Burlington, NC MSA	349,232	100.0	10,792	2.5	2.9	3.3	22.5	29.4	22.7	44.2	41.2	44.0	30.9	26.5	30.1	--	--	--
<b>Total</b>	<b>349,232</b>	<b>100.0</b>	<b>10,792</b>	<b>2.5</b>	<b>2.9</b>	<b>3.3</b>	<b>22.5</b>	<b>29.4</b>	<b>22.7</b>	<b>44.2</b>	<b>41.2</b>	<b>44.0</b>	<b>30.9</b>	<b>26.5</b>	<b>30.1</b>	--	--	--

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, --" data not available.  
Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower

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
Burlington, NC MSA 2021	173,441	100.0	8,767	21.8	11.8	6.9	17.8	17.6	18.0	18.3	29.4	22.2	42.1	41.2	37.8	--	--	--	15.1
<b>Total</b>	<b>173,441</b>	<b>100.0</b>	<b>8,767</b>	<b>21.8</b>	<b>11.8</b>	<b>6.9</b>	<b>17.8</b>	<b>17.6</b>	<b>18.0</b>	<b>18.3</b>	<b>29.4</b>	<b>22.2</b>	<b>42.1</b>	<b>41.2</b>	<b>37.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>15.1</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower

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
Burlington, NC MSA 2023	349,232	100.0	10,792	22.4	0.0	7.5	17.9	17.6	19.5	18.5	20.6	24.1	41.3	52.9	36.7	--	--	8.8	12.2
<b>Total</b>	<b>349,232</b>	<b>100.0</b>	<b>10,792</b>	<b>22.4</b>	<b>0.0</b>	<b>7.5</b>	<b>17.9</b>	<b>17.6</b>	<b>19.5</b>	<b>18.5</b>	<b>20.6</b>	<b>24.1</b>	<b>41.3</b>	<b>52.9</b>	<b>36.7</b>	<b>--</b>	<b>--</b>	<b>8.8</b>	<b>12.2</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%<sup>6</sup>

**First Savings offers the following mortgage products:**

- Conventional home loans for purchase and refinance
- Construction Loans
- Construction Speculative Loans
- Investor Owned Rental Real Estate Loans

**First Savings offers the following savings products:**

- Passbook Savings Accounts
- Money Market Savings Accounts
- Certificates of Deposit Accounts
- Individual Retirement Accounts

**Branch Locations:**

First Savings & Loan Association has one location: 206 West Center Street  
Mebane, NC 27302

Mailing address: P.O. Box 390  
Mebane, NC 27302

Census Tract: 0212.07

**Office Hours:**

Monday and Friday 9:00-6:00

Tuesday and Thursday 9:00-4:00

Wednesday 9:00-1:00

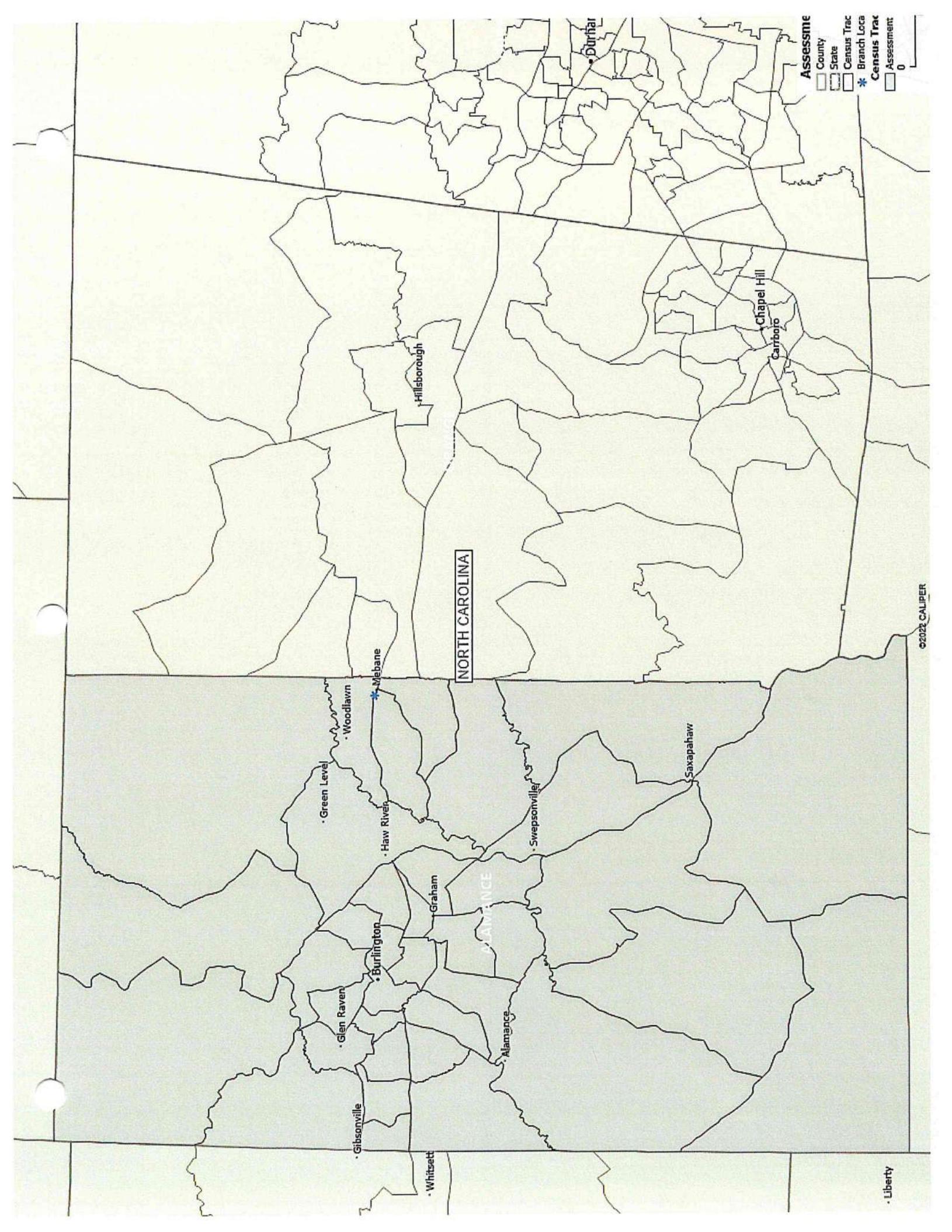
Assessment Areas- First Savings and Loan's Assessment Areas include all of Alamance County and portions of western and central Orange County. This area was determined by the area where the Association has historically originated loans. Alamance County is in the Burlington, NC Metropolitan Statistical Area. Orange County is in the Durham-Chapel Hill, NC Metropolitan Statistical Area.

#### ALAMANCE COUNTY CENSUS TRACTS

Tract Code	Tract Income Level	Distressed or Under-served Tract
0201.00	Middle	No
0202.00	Low	No
0203.01	Moderate	No
0203.02	Moderate	No
0204.00	Moderate	No
0205.01	Middle	No
0205.02	Moderate	No
0206.01	Upper	No
0206.02	Upper	No
0207.01	Middle	No
0207.02	Moderate	No
0208.01	Middle	No
0208.02	Moderate	No
0209.01	Middle	No
0209.02	Upper	No
0210.00	Low	No
0211.01	Moderate	No
0211.02	Moderate	No
0212.01	Middle	No
0212.04	Middle	No
0212.05	Upper	No
0212.06	Middle	No
0212.07	Moderate	No
0213.00	Middle	No
0214.00	Upper	No
0215.00	Middle	No
0216.00	Upper	No
0217.01	Upper	No
0217.02	Upper	No
0217.03	Upper	No
0218.01	Middle	No
0218.02	Middle	No
0218.03	Middle	No
0219.01	Upper	No
0219.02	Middle	No
0220.01	Middle	No
0220.02	Moderate	No

### ORANGE COUNTY CENSUS TRACTS

Tract Code	Tract Income Level	Distressed or Under-served Tract
0108.02	Middle	No
0108.03	Middle	No
0108.04	Moderate	No
0110.01	Upper	No
0110.02	Upper	No
0111.03	Middle	No
0111.04	Moderate	No
0111.05	Middle	No
0111.06	Middle	No
0111.07	Upper	No
0112.04	Upper	No
0112.06	Upper	No
0112.07	Upper	No
0112.08	Upper	No
0112.09	Middle	No
0112.10	Middle	No
0112.11	Upper	No





# **REPORT TO THE BOARD OF DIRECTORS**

## **CRA PERFORMANCE**

### **2025 ANNUAL REPORT**

#### **INTRODUCTION**

**This report is the internal assessment of First Savings and Loan Association's compliance and performance with the Community Reinvestment Act. The period covered is from January 1, 2025, through December 31, 2025. First Savings is subject to a Compliance Examination by the Office of The Comptroller of the Currency regarding CRA performance.**

#### **PURPOSE**

**The purpose of this assessment is to inform the Board of Directors of the Association's performance in relation to CRA and lending trends for future policies and procedures.**

**Prepared by:**

**Ricky N. Smith  
Director**

## ASSESSMENT AREA

First Savings remains the only mutual institution in the assessment area among a diverse banking community including local community banks and larger money center institutions. The Association is one of the few remaining institutions that makes mortgage decisions locally and does not sell its mortgage loans.

The Association's primary assessment area covers all thirty-six census tracts in Alamance County. The Association also extends credit in eastern Orange, southern and central Caswell County, and eastern Guilford County.

## REAL ESTATE ENVIRONMENT

After three years of volatility, mortgage rates found their footing during 2025. The average 30-year fixed rate mortgage began 2025 at its high for the year at 6.91% and ended the year at its lowest at 6.15%. First Savings 30-year fixed rate began the year at 7.50%, reached its high of 7.75% in late January and ended the year at 7.25%. The Federal Reserve made three interest rate cuts in 2025, in September, October, and December, reducing the federal funds rate to a range of 3.5%-3.75% by year-end. These cuts marked a reversal from the previous tightening cycle, bringing rates down significantly from their 2024 peak.

Realtor.com's year-end report stated that the Mebane, real estate market shows signs of stabilizing and remains a competitive environment. Median home prices are around the high \$300,000s to low \$400,000s, a slight dip from previous highs but still strong demand, indicated by quick sale times (around 40-80 days). Inventory is slowly increasing with over one hundred homes for sale by late November 2025, as interest rates stabilized, suggesting a cooling from peak frenzy but remaining favorable for sellers overall showing modest annual growth, averaging 40-84 days to sell, indicating a faster pace than in prior years.

## PERFORMANCE CRITERIA

The Association serves the community by originating and servicing the following types of loans:

- 1) Conventional Home Mortgage Loans for home purchases, refinances and construction-permanent
- 2) Loans for Investor-Owned Rental Real Estate for purchase, construction, and refinance.

## Loan/Deposit Analysis

First Savings remains a residential portfolio lender extending long term fixed rate loans secured by residential real estate, funding these loans with short term deposit accounts. Deposits are accepted only from the Association's assessment area. Faced with continued margin compression due to high interest expense, the Association dropped deposit rates in September. As deposit levels decreased and mortgage loans increasing, the Loan to Deposit Ratio tied a 13 year high of 89%.

**Loan to Deposit Ratio**

<u>Year</u>	<u>Deposits</u>	<u>Mortgage Loan Portfolio</u>	<u>Ratio</u>
2025	\$41,535,898	\$37,071,389	89%
2024	44,257,614	35,771,186	81%
2023	42,501,118	32,825,963	77%
2022	42,434,069	33,051,677	78%
2021	45,841,588	30,816,947	67%

**Distribution of Credit**

The Association continues to originate, service and portfolio 100% of mortgage loans and no low-moderate-income areas are excluded in the extension of credit. Mortgage lending showed modest improvement as interest rates stabilized. Loan originations increased 25% with loan volume showing an 8% improvement. First Savings extended twenty-five mortgage loans with a volume of \$5,210,500.

**Five Year Mortgage Loan History**

<u>Year</u>	<u>Loan Originations</u>	<u>Volume</u>	<u>%Increase/Decrease</u>	<u>Average Loan Amount</u>
2025	25	\$ 5,210,500	+08%	\$208,420
2024	20	4,835,000	-12%	241,750
2023	23	5,471,500	-46%	237,891
2022	42	11,917,900	+88%	283,760
2021	33	6,353,300	-20%	192,520

**LOAN CATEGORIES**

Although Construction-Permanent volume fell for the third straight year after reaching its high in 2022, these loans remained the Association's strongest lending product for the fourth straight year. Of the nine construction loans extended, five were owner-occupied loans while four were construction-spec loans. As the interest rate environment steadied, a resurgence in refinance loans was seen in 2025, increasing 90%. Thirty-nine percent of total loan volume were refinances with eleven loans totaling \$2,048,500. Of this total, nine were owner-occupied loans, one was a minority church refinance and one an IORR refinance. Five of these refinances were extended in Low-Moderate income census tracts.

The ability to underwrite and portfolio mortgage loans allows First Savings latitude in lending decisions. Home financing can be a complicated experience for borrowers with limited financial resources who often have fewer lending options.

First Savings continues to serve the Mebane community and the assessment area by offering loan products and savings accounts. The Association is aware of community development and redevelopment programs within the assessment area and continues to provide credit opportunities to all segments of the community including low- and moderate-income people. The Association is a member of Centrant Community Capital, a division of the North Carolina Bankers Association that provides long term funding for housing projects. The Association has not participated with Centrant.

(%) Represents the percentage of total loan volume.

<u>Loan Type</u>	<u>Refinance</u>	<u>Construction</u>	<u>Purchase</u>
2025	\$2,048,500 (39%)	\$2,662,000 (51%)	\$500,000 (10%)
2024	1,077,000 (22%)	3,295,000 (68%)	463,000 (10%)
2023	1,217,500 (22%)	3,969,000 (73%)	285,000 (5%)
2022	4,855,500 (41%)	6,180,400 (52%)	882,000 (7%)
2021	2,241,000 (35%)	2,133,000 (34%)	1,979,300 (31%)

Average loan Amount

	<u>Refinance</u>	<u>Construction</u>	<u>Purchase</u>
2025	\$171,670	\$310,600	\$166,670
2024	120,000	366,000	232,000
2023	152,190	305,310	245,000
2022	256,633	376,385	244,000
2021	140,060	304,710	197,930

Average Interest Rate

	<u>Refinance</u>	<u>Construction</u>	<u>Purchase</u>
2025	7.85%	7.54%	6.92%
2024	8.30	7.70	7.75
2023	7.01	7.08	4.25
2022	5.45	5.17	5.50
2021	4.93	4.69	5.16

### IORR Lending

Lending volume for the purpose of buying, refinancing rental real estate or construction-spec improved for the second year in a row, reaching a three year high with seven loans extended. Four of these were construction spec loans, one located in a low-income area. Three loans were rental refinance loans with two of them extended in low to moderate income areas.

	<u>Loans Originated</u>	<u>Volume</u>	<u>%of Total Loan Volume</u>
2025	7	\$1,407,500	27%
2024	5	1,167,000	24%
2023	7	935,000	17%
2022	9	1,840,500	15%
2021	6	379,500	6%

### **Lending in Moderate Income Areas**

LMI lending rebounded from 2024, with six loans extended in low to moderate income census tracts, totaling \$748,500, which was 14% of total loan volume. Three of these loans were owner occupied and three were IORR.

<b>Year</b>	<b>Loans Originate</b>	<b>Volume</b>	<b>Percent of Total Volume</b>
2025	7	\$ 748,500	14%
2024	2	87,000	2%
2023	4	445,000	8%
2022	9	2,640,000	22%
2021	5	451,000	7%

The Office of the Comptroller of the Currency performed a CRA Examination in 2025 and the Association received an Outstanding Rating. The report also noted the following information.

First Savings and Loan faces substantial deposit competition in the Burlington, NC MSA. According to the 2023 Federal Deposit Insurance Corporation (FDIC) summary of deposits, the bank ranked 10th out of thirteen institutions in the market holding 1.7 percent of the market share. The top three competitors holding 58.0 percent of the deposit market share were Truist Bank (23.5 percent), Wells Fargo Bank National Association (20.5 percent), and American National Bank and Trust Company (14.1 percent). The bank faces substantial lending competition in the MSA. According to the 2023 Federal Financial Institutions Examination Council (FFIEC) peer mortgage data, First Savings and Loan ranked 52nd out of the top one hundred lenders in the AA with 0.3 percent of the lending market share. The top three competitors holding 31.5 percent market share were State Employees' Credit Union (19.8 percent), Truliant Federal Credit Union (7.9 percent), and DHI Mortgage Company Limited (5.5 percent)

### **Savings Accounts:**

The Association offers passbook accounts that can be opened and maintained for \$25.00, those with low to moderate incomes to establish a savings plan. This minimum is well below other institutions and there are no fees or service charges associated with these accounts.

### **GEOGRAPHIC DISTRIBUTION**

First Savings assessment area includes all thirty-seven census tracts in Alamance County. The following data shows the breakdown of loans originated by census tracts.

#### **ALAMANCE COUNTY**

In 2025, First Savings extended twenty-three of a total twenty-five loans were in Alamance County. The largest concentration of loans was made in tract 209.01 where two construction spec loans and one owner occupied loans were made.

\* Denotes Moderate Income Area

\* Denotes City of Mebane

<u>CENSUS TRACT</u>	<u>LOANS ORIGINATED</u>	<u>LOAN AMOUNT</u>
<b>204.00*</b>	1	<b>61.5k</b>
205.02	1	60k
207.01	1	300k
<b>208.02*</b>	1	<b>135k</b>
209.01	3	655k
209.02	1	110k
<b>210.00*</b>	2	<b>344k</b>
<b>211.01*</b>	1	<b>148k</b>
212.01	1	205k
<b>212.06</b>	2	<b>390k</b>
213.00	1	575k
214.00	1	100k
216.00	1	100k
219.01	1	420k
219.02	1	45k
<b>220.01</b>	1	<b>280k</b>
<b>TOTAL</b>	<b>23</b>	<b>\$4,330,500</b>

#### Credit Extended Outside the Assessment Area

First Savings extended two loans outside the assessment area. A \$530,000 construction-spec loan in Orange County, and a \$350,000 owner-occupied refinance loan in Guilford County.

#### **Loan Distribution by Income Level**

The data below shows the incomes levels of owner-occupied houses are as a percentage of all loans extended. As noted on the chart below, housing affordability is extremely difficult for lower income households. First Savings extension of credit continues to trend towards higher income applicants.

	2025	2024	2023	2022	2021
<b>\$100,000 &amp; ABOVE</b>	<b>50%</b>	<b>52%</b>	<b>64%</b>	<b>65%</b>	<b>34%</b>
75,000 - 99,000	25	24	18	6	13
50,000- 74,000	7	12	16	18	40
25,000 -49,000	12	6	0	13	10
<b>24,000 &amp; BELOW</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL*</b>	<b>100%</b>				

## **REVIEW OF COMPLAINTS/WITHDRAWALS-DENIALS**

First Savings did not receive any complaints regarding CRA performance during the past year. The Association saw a significant increase in loan withdrawals during 2025. There were five withdrawals, two denials and two approved but not accepted. One denial was based on poor credit. The other denial was based on insufficient collateral. Of the five withdrawals, two of these situations were eventually worked out and loans were extended to these borrowers. One borrower decided to wait until their credit improved while another decided to form an LLC before requesting an IORR loan request. The last withdrawn, the customer decided to withdraw the application. Of the approved but not accepted, one customer's offer to purchase fell through and they could not proceed with the loan. The other was an internal refinance and the borrower decided to go with another lender.

	<b>Denials / Withdrawals/</b>	<b>Approved but not accepted</b>
<b>2025</b>	<b>2</b>	<b>5</b>
<b>2024</b>	<b>0</b>	<b>3</b>
<b>2023</b>	<b>0</b>	<b>1</b>
<b>2022</b>	<b>0</b>	<b>12</b>
<b>2021</b>	<b>1</b>	<b>8</b>

## **CONCLUSIONS/RECOMMENDATIONS**

First Savings regulator, the Office of the Comptroller of the Currency, performed a CRA Examination in May of 2025. The Association received an Outstanding CRA Rating, excelling in all areas of the exam.

As interest rates gained stability, loan demand improved slightly in 2025 and has remained steady over the past three years with construction and refinance loans leading the way. After three rate cuts during the year, the Fed hinted that rates may stay the same in the near future. The average 30-year fixed rate mortgage began 2025 at its high for the year at 6.91% and ended the year at its lowest at 6.15%. First Savings 30-year fixed rate began the year at 7.50%, reached its year high of 7.75% in late January and ended the year at 7.25%. Housing demand in the assessment area remains good, but the fast and furious buying frenzy seen just a few years has returned to normal levels.

Construction lending and a resurgence of refinance loans accounted for 90% of total loans. Lending in low/moderate income areas improved with seven loans totaling 748,500 (14% of loan volume) were extended in low to moderate income areas. Three of these loans were owner occupied properties, while three loans were IORR.

First Savings did not receive any written comments or complaints related to CRA performance. There was one loan denial and eight loan withdrawals made during the year.

The Association's performance based on the critical areas of the Small Institution's Assessment demonstrates that the institution is serving the credit needs of all segments of the Assessment Area in an exceptional manner. It is imperative that the Association continue its

commitment to the community as a local thrift. The establishment and implementation of a successful and effective CRA Program should always be an integral component of the institution's lending and saving practices. The Board must continue to play an active role in the direction and focus of the Association's resources and determine how the institution can best serve the community. Based on the Small Institution's Performance Criteria, First Savings continues to serve the credit needs of the community in an exceptional manner consistent with the asset size of the institution and credit competition.

Written comments regarding CRA

January 1, 2025

First Savings has not received any written comments.

### **Loan to Deposit Ratio**

	<b><u>Mortgage Loans</u></b>	<b><u>Deposits</u></b>	<b><u>Loan to Deposit Ratio</u></b>
<b>March 31, 2025</b>	\$36,078,173	\$44,453,311	81%
<b>June 30, 2025</b>	\$36,581,120	\$44,704,924	82%
<b>September 30, 2025</b>	\$36,929,851	\$42,943,968	86%
<b>December 31, 2025</b>	\$37,071,389	\$41,535,898	89%

**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. These data are available online at the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)). HMDA data for many other financial institutions are also available at this Web site.