



# Community Reinvestment Act

## Public File

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## Public Comments

Village Bank has not received any public comments regarding CRA for the period 1/1/2022 – 12/31/2023.

## CRA Performance Evaluation

### PUBLIC DISCLOSURE

June 9, 2021

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Village Bank  
Certificate Number: 33761

3350 Bridge Street  
Saint Francis, Minnesota 55070

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

### INSTITUTION RATING

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

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

Village Bank's Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of small business loans reviewed were located inside the assessment area; however, a majority of home mortgage loans were originated outside the assessment area, by number and dollar volume.
- The geographic distribution of small business and home mortgage lending reflects poor dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## **DESCRIPTION OF INSTITUTION**

Village Bank is chartered in Saint Francis, Minnesota and is controlled by Village Bancshares, Inc., a one-bank holding company. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated September 14, 2015, which was based on Interagency Small Institution Examination Procedures.

Village Bank operates its main office in Saint Francis, Minnesota and operates three full-service branches located in the cities of Ramsey, Blaine, and East Bethel, Minnesota. A loan processing center is also located in Saint Francis, Minnesota.

The bank offers various loan products including commercial, residential real estate, and consumer loans. Commercial lending is the bank's primary business focus. The bank also offers loans through the Small Business Administration (SBA). The bank participated in the Paycheck Protection Program (PPP), administered by the SBA, by originating 799 loans totaling \$60.3 million from August 10, 2020, to April 29, 2021.

Village Bank provides a variety of deposit services including checking, savings, individual retirement accounts, and certificates of deposit. In addition to traditional banking services, customers have access to four bank-owned ATMs; online banking, including electronic bill pay, funds transfer, and periodic statements; telephone banking; and mobile banking, including mobile deposit.

As of March 31, 2021, assets totaled approximately \$420,129,000, loans totaled \$273,782,000, and deposits totaled \$386,211,000.

<b>Loan Portfolio Distribution as of 3/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	10,062	3.7
Secured by Farmland	829	0.3
Secured by 1-4 Family Residential Properties	32,989	12.1
Secured by Multifamily (5 or more) Residential Properties	9,903	3.6
Secured by Nonfarm Nonresidential Properties	120,063	43.9
<b>Total Real Estate Loans</b>	<b>173,846</b>	<b>63.6</b>
Commercial and Industrial Loans	93,487	34.1
Agricultural Loans	492	0.2
Consumer Loans	2,051	0.7
Other Loans	3,898	1.4
Less: Unearned Income	8	0.0
<b>Total Loans</b>	<b>273,782</b>	<b>100.0</b>
<i>Source: Report of Condition</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Village Bank designated a single assessment area, which consists of all of Anoka County and six census tracts (1303.01, 1303.02, 1304.00, 1305.01, 1305.02 and 1306.00) in the southern portion of Isanti County. The assessment area is part of the Minneapolis-St Paul-Bloomington MN-WI Metropolitan Statistical Area and has not changed since the previous evaluation.

### **Economic and Demographic Data**

According to 2015 American Community Survey (ACS) data, the assessment area is comprised of 27 moderate-income, 49 middle-income, and 13 upper-income census tracts. Village Bank's main office, Ramsey, and East Bethel branches are located in middle-income census tracts. The Blaine branch is located in a moderate-income census tract. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	89	0.0	30.3	55.1	14.6	0.0
Population by Geography	370,042	0.0	26.1	57.8	16.0	0.0
Housing Units by Geography	141,371	0.0	28.6	57.2	14.2	0.0
Owner-Occupied Units by Geography	108,773	0.0	23.1	60.2	16.6	0.0
Occupied Rental Units by Geography	27,202	0.0	49.7	44.0	6.3	0.0
Vacant Units by Geography	5,396	0.0	32.0	62.5	5.5	0.0
Businesses by Geography	30,295	0.0	24.4	59.2	16.4	0.0
Farms by Geography	867	0.0	14.1	71.2	14.8	0.0
Family Distribution by Income Level	97,513	19.2	19.8	24.7	36.3	0.0
Household Distribution by Income Level	135,975	20.1	17.5	20.9	41.6	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MSA		\$84,589	Median Housing Value			\$192,112
			Median Gross Rent			\$981
			Families Below Poverty Level			5.3%
Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (* ) The NA category consists of geographies that have not been assigned an income classification.						

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Minneapolis-St. Paul-Bloomington, MN-WI MSA Median Family Income (33460)</b>				
2020 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
<i>Source: FFIEC</i>				

## Competition

Village Bank operates in a competitive market for credit products and financial services. According to Consolidated Reports of Condition and Income (Reports of Condition) data filed by financial institutions, there are 29 financial institutions operating 69 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. Village Bank is ranked 6th with 4.5 percent of the deposit market share. Management indicated the bank has faced extreme competition for both loans and deposits from other financial institutions within the assessment area.

Village Bank is not required to collect or report small business CRA loan data and has elected not to do so. Therefore, examiners did not compare the bank's small business

lending performance to aggregate CRA data within this evaluation. However, the aggregate CRA data provides an indication of the level of demand for small business loans and the level of competition within the assessment area. According to 2019 aggregate CRA data (most recent available), 85 CRA data reporters collectively reported 7,318 small business loans within assessment area. The top 4 lenders by number represented 62.8 percent of the market share. These figures do not include a high number of loans originated by smaller institutions that are not required to report small business lending data, but operate within the assessment area. The overall volume of small business lending reflects a highly competitive market.

Village Bank also faces significant competition for home mortgage loans from a multitude of financial institutions and mortgage companies within the assessment area. Village Bank is not required to report mortgage data; therefore, examiners did not compare the bank's home mortgage lending performance to aggregate data within this evaluation. However, aggregate lending data provides information on the level of competition and demand for home mortgage loans. According to 2019 HMDA aggregate lending data (most recent available), 405 HMDA-reporting entities originated or purchased 20,792 home mortgage loans within the assessment area. The top 2 lenders represented 20.3 percent of the market share within the assessment area. These figures do not include a high number of loans originated by smaller institutions that are not required to report home mortgage lending data but that operate within the assessment area. The overall volume of home mortgage lending reflects a highly competitive market.

### **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether financial institutions are responsive to these needs. It also shows what credit opportunities are available.

For the current evaluation, examiners interviewed a representative of an organization that serves the assessment area and a representative of an economic development organization familiar with the assessment area. Both contacts indicated that there is uncertainties for local businesses due to the COVID-19 pandemic, which has been challenging. Many businesses have slowed down expanding their business compared to previous years, and those businesses that are trying to expand are having a hard time finding skilled workers. One contact stated that Anoka County has experienced an extreme shortage in workforce. The contact noted that the current Anoka County unemployment rate is at 4.1 percent, compared to 4.4 percent in May 2021 and 9.6 percent this time last year (2020). The long-term average is 4.3 percent. While there are opportunities for business expansion across Anoka County, construction prices and lead-time in obtaining materials have limited options for growth. Restaurants and retail businesses are starting to see a comeback. Industrial and Logistics has continued to rise. One contact identified small business loans, especially those to startups, as the greatest credit need in the area. Another contact stated there is a credit need to support businesses recovering financially from the pandemic; who are transitioning from "survival mode" into more normal

operations. Additionally, the contact stated there is a need to assist in the financing of commercial and industrial expansions.

Both contacts stated that housing prices have gone up considerably in the last two years, and communities continue to see a rise in interest from housing developers based on current market conditions. Single- and multi-family developments and senior care facilities are on the rise, due to lack of current inventory. While there are homes in the area for purchase, an affordable housing shortage exists in the area as the majority of homes are out of the price range for lower-income families. Furthermore, a contact noted it is difficult for lower-income families to qualify for home mortgage loans in the area.

Overall, the contacts indicated that banks are meeting the credit needs of the area. According to management and the community contacts, opportunities exist for originating commercial and residential loans in the assessment area.

### **Credit Needs**

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that commercial loans, including small business loans, represent the primary credit need of the assessment area; followed by home mortgage loans.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated September 14, 2015, to the current evaluation dated June 9, 2021. Examiners used Interagency Small Institution Examination Procedures to evaluate Village Bank's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria Appendix.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are small business loans followed by home mortgage loans. This conclusion considered discussions with management regarding the bank's business strategy, review of bank records of the number and dollar volume of loans originated during the evaluation period, and a review of the Reports of Condition data. Small business lending received more weight when deriving overall conclusions. This is consistent with management's stated business focus and volume of loans originated. Examiners did not review small farm or consumer installment lending activities because they each represent a small portion of the loan portfolio, are not a business focus of the institution, and provide no material support for conclusions.

Discussions with bank management indicate that the bank's lending focus in 2020 was generally consistent with the rest of the evaluation period. Therefore, examiners reviewed

all small business and home mortgage loans originated or renewed in 2020. D&B data for 2020 provided a standard of comparison for the bank's small business lending performance. The 2015 ACS data provided a standard of comparison for home mortgage lending.

Examiners reviewed the entire universe of small business and home mortgage loans to evaluate the Assessment Area Concentration criterion. To evaluate the Geographic Distribution criterion, examiners reviewed the entire universe of small business and home mortgage loans originated or renewed inside the assessment area. Furthermore, to evaluate the Borrower Profile criterion, examiners reviewed a sample of small business loans and the entire universe of home mortgage loans originated or renewed inside the assessment area. The following table provides information on the number and dollar volume of loans reviewed.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
<b>Small Business</b>	698	84,186	458	55,362
<b>Home Mortgage</b>	65	24,055	27	4,632
<i>Source: 2020 Bank Records</i>				

While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of businesses and individuals served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Village Bank demonstrated satisfactory performance under the Lending Test. The bank's performance under the under the Loan-to-Deposit Ratio, Assessment Area Concentration, and Borrower Profile criteria supports this conclusion.

#### **Loan-to-Deposit Ratio**

The average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's net loan-to-deposit ratio, calculated from Reports of Condition data, averaged 84.1 percent over the past 23 calendar quarters, from September 30, 2015, to March 31, 2021. The ratio ranged from a low of 67.4 percent as of December 31, 2020, to a high of 92.9 percent as of June 30, 2017. The net loan-to-deposit ratio decreased in 2019 and 2020, which management attributed a decrease in lending and an influx of deposits due to uncertainties surrounding the global pandemic. Examiners confirmed deposits have increased by approximately 37.8 percent from December 31, 2019, to December 31, 2020. Overall, the bank's average net loan-to-deposit ratio is comparable to similarly situated institutions, as illustrated in the following



table. Examiners selected similarly situated institutions based on their asset size, geographic location, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 3/31/21 \$(000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>Village Bank Saint Francis, Minnesota</b>	<b>420,219</b>	<b>84.1</b>
21 <sup>st</sup> Century Bank Loretto, Minnesota	628,339	93.2
First Bank of Elk River Elk River, Minnesota	388,794	73.7
First Resource Bank Lino Lakes, Minnesota	313,957	88.0
Northeast Bank Minneapolis, Minnesota	711,777	99.2
<i>Source: Reports of Condition 9/30/2015 through 3/31/2021</i>		

## Assessment Area Concentration

Village Bank originated a majority of small business loans within its assessment area as shown in the following table. The table also shows that a majority of home mortgage loans were originated outside the assessment area. The overall number and dollar volume of lending is located inside the assessment area, which was driven by the significant volume of small business loans when compared to home mortgage loans. Further, Village Bank's lending focus is commercial lending, and small business lending carried more weight when deriving overall conclusions.

<b>Lending Inside and Outside of the Assessment Area</b>										
	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
<b>Loan Category</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Small Business	458	65.6	240	34.4	698	55,362	65.8	28,824	34.2	84,186
Home Mortgage	27	41.5	38	58.5	65	4,632	19.3	19,423	80.7	24,055
<i>Source: 1/1/2020-12/31/20 Bank Data</i>										

## Geographic Distribution

Overall, the geographic distribution of loans reflects poor dispersion throughout the assessment area. The bank's poor distribution of small business and home mortgage loans located in moderate-income census tracts supports this conclusion. Examiners focused on the percentage of loans in moderate income census tracts.

### **Small Business Loans**

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. The bank's lending in moderate-income census tracts lags demographic data, as illustrated in the table below. Small business lending was determined to be a credit need in the assessment area, continues to be a primary focus of the bank, and has recently increased. Village Bank originated PPP loans to small businesses inside the assessment area, but did not substantially lend to small businesses in the moderate-income census tracts in its assessment area. According to 2020 D&B data, there are 7,403 small businesses located in these moderate-income census tracts, which indicates that lending opportunities exist. Based on these factors, the bank's performance is poor.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	24.4	50	10.9	7,711	13.9
Middle	59.2	329	71.8	39,349	71.1
Upper	16.4	79	17.3	8,302	15.0
<b>Total</b>	<b>100.0</b>	<b>458</b>	<b>100.0</b>	<b>55,362</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data, Bank Data</i>					

### **Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. Specifically, the bank's home mortgage loans in the moderate-income census tract lags the demographic data. Comparatively, 23.1 percent of the assessment area's owner-occupied housing units are located in moderate-income census tracts. According to the community contact and management, there is increased competition for home mortgage loans throughout the assessment area. While aggregate data confirms competition, it also confirms there are opportunities to lend in this area. According to 2019 (most recent available) aggregate data, 258 lenders originated or purchased 4,504 home loans within the moderate-income census tracts. Given these factors, the bank's performance is considered poor.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	23.1	3	11.1	737	15.9
Middle	60.2	15	55.6	2,342	50.6
Upper	16.7	9	33.3	1,553	33.5
<b>Total</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>4,632</b>	<b>100.0</b>
<i>Source: 2015 ACS, Bank Data</i>					

## Borrower Profile

The bank's lending performance demonstrates reasonable penetration among businesses of different revenue sizes and individuals of different income levels. The bank's reasonable small business and home mortgage lending performance supports this conclusion. Examiners focused on the percentage of lending to businesses with gross annual revenues of \$1 million or less and the percentage of home mortgage loans to low- and moderate-income borrowers.

### Small Business Loans

The distribution of sampled small business loans reflects reasonable penetration to businesses with gross annual revenues of \$1 million or less. Although, Village Bank's lending performance to businesses with gross annual revenues of \$1 million or less lags demographic data, it is noteworthy that the bank's performance in the Revenue Not Available category exceeds the demographic data by nearly 16 percent. Examiner's further review revealed that all 39 loans in that category were PPP loans. To better understand the composition of Village Bank's PPP lending, examiners conducted a supplemental analysis of PPP loans using loan size as a proxy. Even though loan size is not a substitute for borrower revenue, it can demonstrate the bank's willingness to meet small business credit needs within its assessment area. Village Bank originated 250 PPP loans in its assessment area, of which approximately 75.7 percent were originated in amounts of \$100,000 or less. Additionally, the bank originated approximately 16.4 percent of PPP loans in the assessment area in amounts between \$100,000 and less than \$250,000. Given that over 90 percent of the bank's PPP loans in the assessment area were originated in an amount of \$250,000 or less, the supplemental analysis supports the bank's willingness to meet small business credit needs and reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	89.5	82	46.6	5,484	28.8
>1,000,000	4.2	55	31.2	10,902	57.4
Revenue Not Available	6.3	39	22.2	2,616	13.8
<b>Total</b>	<b>100.0</b>	<b>176</b>	<b>100.0</b>	<b>19,002</b>	<b>100.0</b>
<i>Source: 2020 D&amp;B Data, 2020 Bank Data.</i>					

### Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low and moderate-income borrowers, is reasonable. As shown in the following table, lending among low-and moderate-income borrowers slightly lags demographic data. As stated previously, there's a significant level of competition for home mortgage loans in the assessment area. The community contact stated, and management confirmed, that it's

difficult for low-income families to find housing in the assessment area as there is limited availability of affordable housing. Additionally, home mortgage lending is not the primary business focus of the bank. Considering these factors, the bank's lending performance is reasonable.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	19.2	3	11.1	272	5.9
Moderate	19.8	3	11.1	179	3.9
Middle	24.7	7	25.9	1,799	38.8
Upper	36.3	14	51.9	2,382	51.4
Income Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>4,632</b>	<b>100.0</b>
<i>Source: 2015 ACS Census, 2020 Bank Data.</i>					

### **Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

### **APPENDICES**

#### **SMALL BANK PERFORMANCE CRITERIA**

##### **Lending Test**

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

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);

- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## **GLOSSARY**

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

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

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities

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

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

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

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not

complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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

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

## **BRANCH LOCATIONS**

3350 Bridge Street NW  
St Francis, MN 55070  
Phone (763) 753-3007  
Fax (763) 753-6002  
Census tract 501.08: Middle Income Level

9298 Central Avenue NE  
Blaine, MN 55434  
Phone (763) 780-2100  
Fax (763) 780-3500  
Census tract 508.10: Middle Income Level

7125 Riverdale Drive (Hwy 10)  
Ramsey, MN 55303  
Phone (763) 398-8000  
Fax (763) 398-8001



Census tract 502.28: Middle Income Level

18770 Highway 65 NE  
East Bethel, MN 55011

Phone (763) 398-8050

Fax (763) 398-8051

Census tract 501.10: Middle Income Level

## Branches Opened or Closed

Village Bank has not opened nor closed any Branches in the period of 1/1/2022-12/31/2023.

## Retail Banking Services

### Personal Banking

1. Deposit Products
  - a. [Checking](#)
    - i. [Click here to reorder checks online](#)
  - b. [Savings/Money Market](#)
  - c. [Certificates of Deposit](#)
  - d. [Health Savings Accounts](#)
  - e. [Individual Retirement Accounts](#)
2. Online Services
  - a. [Online Banking](#)
  - b. [Bill Pay](#)
  - c. [Mobile Banking](#)
    - i. [Mobile Card Control – Learn More](#)
  - d. [eStatements](#)
  - e. [Zelle](#)
3. Financial Services
  - a. [Convenience Products](#)
  - b. [ID TheftSmartTM](#)
    - i. [Federal Trade Commission Resources](#)
  - c. [Investments](#)
    - i. [Meet Our Team](#)
  - d. [Calculators](#)
    - i. [Mortgage Calculators](#)

- ii. [Savings Bond Calculator](#)
- iii. [Stock Quotes](#)
- iv. [Currency Converter](#)

## **Business Banking**

- 1. Deposit Products
  - a. [Business Checking](#)
  - b. [Business Savings](#)
- 2. Online Services
  - a. [Online Banking](#)
  - b. [Bill Pay](#)
  - c. [Mobile Banking](#)
    - i. [Click to see how it works!](#)
  - d. [eStatements](#)
  - e. [Treasury Management](#)
- 3. Financial Services
  - a. [Calculators](#)
    - i. [Mortgage Calculators](#)
    - ii. [Savings Bond Calculator](#)
    - iii. [Stock Quotes](#)
    - iv. [Currency Converter](#)
  - b. [Investments](#)
    - i. [Click here for more information!](#)

## **Loan Services**

- 1. Personal Loans
  - a. [Auto Loans](#)
  - b. [Recreational Loans](#)
  - c. [Personal Lines of Credit](#)
  - d. [Home Equity Loans](#)
  - e. [Barndominium/Shouse Loans](#)
- 2. Business Loans
  - a. [Real Estate Loans](#)
  - b. [Construction](#)
  - c. [Lines of Credit](#)
  - d. [Term Loans](#)
  - e. [SBA Financing](#)

- i. [Let's Get Started!](#)
  - ii. [SBA Loan Options](#)
  - iii. [FAQs](#)
  - iv. [Meet Our Experts](#)
- f. [Meet Our Experts](#)

### 3. Loan Resources

- a. [Consumer Loan Application](#)
- b. [Personal Finance Statement](#)

### Lobby Hours

Monday – Friday 9:00 am – 5:00 pm - All Locations

Saturday & Sunday CLOSED - All Locations

### Drive Up Hours

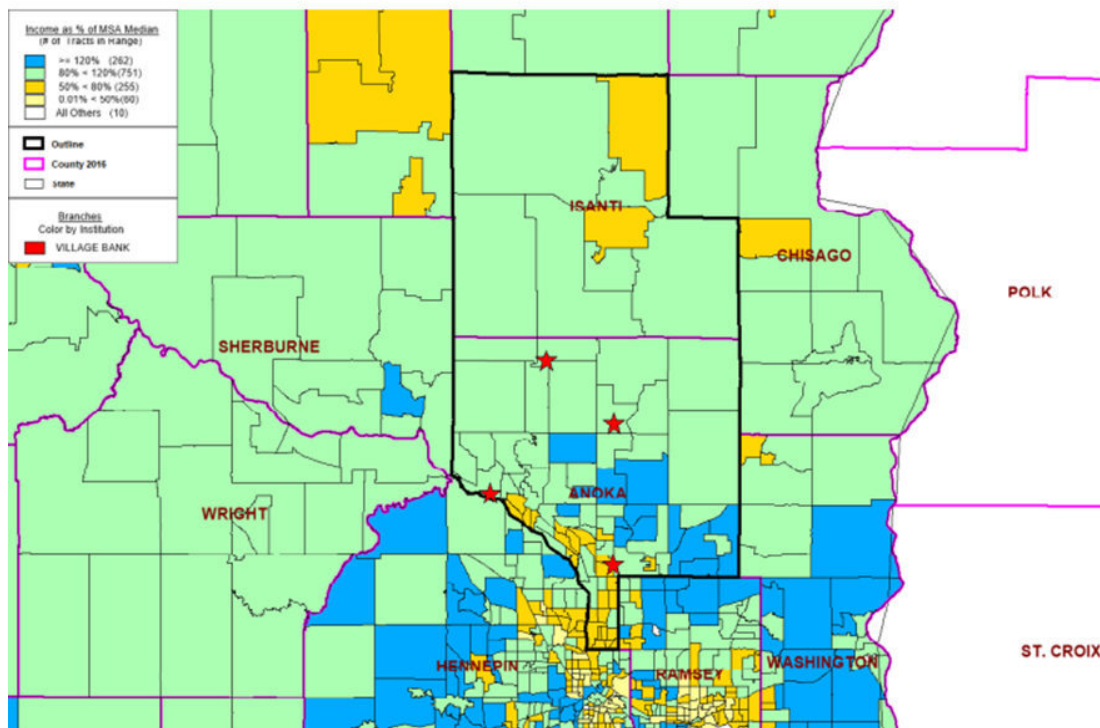
Monday – Thursday 9:00 am – 5:00 – All Locations

Friday 9:00 am – 5:30 – All Locations

Saturday & Sunday - All Locations

## Map of Assessment Area

Village Bank, Saint Francis, MN - Cert #33761 - Median Family Income Map of Assessment Area (October 2021)



## Census Tracts

Anoka County Census Tracts						
State	MSA	County	Census Tract	Minority Tract	Tract Income Catg	Percent Median
27	33460	3	501.07	<10%	80%-120%	91.97
27	33460	3	501.08	<10%	80%-120%	86.45
27	33460	3	501.09	<10%	80%-120%	118.35
27	33460	3	501.1	<10%	80%-120%	108.78
27	33460	3	501.11	<10%	80%-120%	117.80
27	33460	3	501.14	<10%	80%-120%	114.28
27	33460	3	501.15	10% - <20%	80%-120%	113.39
27	33460	3	501.16	<10%	80%-120%	113.34
27	33460	3	502.08	<10%	80%-120%	110.25
27	33460	3	502.1	<10%	80%-120%	100.33
27	33460	3	502.15	<10%	>120%	130.69
27	33460	3	502.16	<10%	>120%	132.75
27	33460	3	502.17	<10%	>120%	127.41
27	33460	3	502.18	<10%	80%-120%	115.76
27	33460	3	502.19	10% - <20%	80%-120%	118.17
27	33460	3	502.2	10% - <20%	80%-120%	115.84
27	33460	3	502.21	<10%	80%-120%	116.50
27	33460	3	502.22	10% - <20%	>120%	128.02
27	33460	3	502.23	<10%	80%-120%	118.66
27	33460	3	502.24	<10%	80%-120%	109.16
27	33460	3	502.25	<10%	80%-120%	118.60
27	33460	3	502.26	<10%	80%-120%	119.59
27	33460	3	502.27	10% - <20%	80%-120%	112.51
27	33460	3	502.28	10% - <20%	80%-120%	104.15
27	33460	3	502.29	20% - <50%	>120%	120.81
27	33460	3	502.3	<10%	>120%	144.37
27	33460	3	502.32	<10%	80%-120%	118.86
27	33460	3	502.33	<10%	80%-120%	117.76
27	33460	3	502.34	10% - <20%	80%-120%	103.39
27	33460	3	502.35	<10%	80%-120%	95.26
27	33460	3	502.36	<10%	>120%	144.76
27	33460	3	502.37	<10%	>120%	133.60
27	33460	3	504.01	10% - <20%	50%-80%	78.45
27	33460	3	504.02	10% - <20%	50%-80%	69.91
27	33460	3	505.01	20% - <50%	50%-80%	58.88
27	33460	3	505.04	10% - <20%	50%-80%	73.78
27	33460	3	505.05	10% - <20%	80%-120%	80.83
27	33460	3	506.02	20% - <50%	50%-80%	73.37
27	33460	3	506.05	10% - <20%	80%-120%	88.72
27	33460	3	506.06	10% - <20%	50%-80%	66.50
27	33460	3	506.07	10% - <20%	50%-80%	70.25
27	33460	3	506.08	20% - <50%	50%-80%	78.26
27	33460	3	506.09	<10%	80%-120%	98.43
27	33460	3	506.1	10% - <20%	80%-120%	81.83
27	33460	3	507.02	10% - <20%	80%-120%	81.60
27	33460	3	507.04	10% - <20%	50%-80%	78.01
27	33460	3	507.06	20% - <50%	50%-80%	68.45
27	33460	3	507.07	10% - <20%	>120%	136.10
27	33460	3	507.09	10% - <20%	80%-120%	98.96
27	33460	3	507.1	10% - <20%	80%-120%	88.99
27	33460	3	507.11	10% - <20%	80%-120%	108.28



27	33460	3	507.12	10% - <20%	80%-120%	87.26
27	33460	3	508.05	10% - <20%	80%-120%	99.54
27	33460	3	508.06	20% - <50%	80%-120%	95.68
27	33460	3	508.07	20% - <50%	50%-80%	75.31
27	33460	3	508.08	<10%	80%-120%	80.27
27	33460	3	508.09	20% - <50%	80%-120%	88.18
27	33460	3	508.1	10% - <20%	50%-80%	75.48
27	33460	3	508.11	10% - <20%	50%-80%	77.49
27	33460	3	508.13	20% - <50%	80%-120%	107.06
27	33460	3	508.16	10% - <20%	80%-120%	118.89
27	33460	3	508.18	10% - <20%	>120%	144.25
27	33460	3	508.19	20% - <50%	>120%	166.56
27	33460	3	508.2	<10%	>120%	124.79
27	33460	3	508.21	20% - <50%	>120%	123.47
27	33460	3	509.01	10% - <20%	50%-80%	71.74
27	33460	3	509.02	10% - <20%	80%-120%	96.54
27	33460	3	510.01	20% - <50%	50%-80%	76.92
27	33460	3	510.02	20% - <50%	80%-120%	86.25
27	33460	3	511.01	10% - <20%	80%-120%	82.95
27	33460	3	511.02	20% - <50%	50%-80%	65.59
27	33460	3	511.03	20% - <50%	50%-80%	76.66
27	33460	3	512.01	20% - <50%	50%-80%	55.91
27	33460	3	512.02	20% - <50%	50%-80%	77.24
27	33460	3	512.03	20% - <50%	80%-120%	99.01
27	33460	3	512.06	20% - <50%	50%-80%	77.26
27	33460	3	513.02	20% - <50%	50%-80%	78.32
27	33460	3	513.04	20% - <50%	50%-80%	53.11
27	33460	3	513.05	20% - <50%	50%-80%	52.10
27	33460	3	514	20% - <50%	50%-80%	60.68
27	33460	3	515.01	20% - <50%	50%-80%	59.93
27	33460	3	515.02	20% - <50%	50%-80%	77.83
27	33460	3	516	<10%	80%-120%	100.02

Isanti County Census Tracts						
State	MSA	County	Census Tract	Minority Tract	Tract Income Catg	Percent Median
27	33460	59	1301	<10%	80%-120%	83.76
27	33460	59	1302	<10%	50%-80%	74.19
27	33460	59	1303.01	<10%	50%-80%	79.11
27	33460	59	1303.02	<10%	80%-120%	85.06
27	33460	59	1304	<10%	80%-120%	95.26
27	33460	59	1305.01	<10%	80%-120%	81.67
27	33460	59	1305.02	<10%	80%-120%	84.81
27	33460	59	1306	<10%	80%-120%	91.56

## CRA Disclosure Statement

The Community Reinvestment Act Disclosure Statement may be obtained on the FFIEC's website at: <https://www.ffiec.gov>

## HMDA Disclosure Statement

The HMDA Disclosure Statement may be obtained on the Consumer Financial Protection Bureau's (CFPB's) website at:

<https://www.consumerfinance.gov/hmda>

## Loan to Deposit Ratio

Village Bank					
Loan to Deposit Ratios					
FMS 3211-086					
		<u>12/31/2023</u>	<u>9/30/2023</u>	<u>6/30/2023</u>	<u>3/31/2023</u>
Loans		\$265,627	\$256,766	\$245,325	\$247,575
Deposits		\$386,400	\$381,067	\$375,056	\$376,495
Loans to Deposits Ratio		68.744%	67.381%	65.410%	65.758%