

PUBLIC DISCLOSURE

May 19, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Savings Bank
Certificate Number: 28841

4801 W Belmont Ave
Chicago, Illinois 60641

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

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

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

The Lending Test is rated Outstanding.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a substantial majority of its home mortgage loans in the AA.
- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of loans to borrowers reflects excellent penetration among 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.

The Community Development Test is rated Outstanding.

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

DESCRIPTION OF INSTITUTION

CSB operates from its main full-service office and a limited-service drive-thru facility in Chicago, Illinois. Both locations are in the northwest side of Chicago, within the Cicero-Belmont neighborhood in Cook County. The main office is in a moderate-income census tract and the drive-thru facility is in a middle-income census tract. The institution received an Outstanding rating at its previous FDIC Performance Evaluation, dated August 29, 2022, based on the Interagency Intermediate Small Bank (ISB) CRA Examination Procedures.

CSB continues to primarily offer home mortgage lending products, including fixed-rate mortgage loans, home equity loans, home equity lines of credit, and multi-family residential loans. The bank does not participate in secondary market lending, and all loans remain in CSB's portfolio. CSB also offers a nominal level of consumer and commercial real estate loans. Historically, savings institutions focused on residential real-estate financing, and CSB continues to maintain that focus as illustrated throughout this evaluation.

The bank provides a variety of deposit services including checking, savings, money market deposit accounts, certificates of deposit, and individual retirement accounts (IRA). Alternative banking services include internet and mobile banking, electronic bill pay, and deposit-taking automated teller machines. The limited-service drive-thru facility operates extended hours to further enhance accessibility to customers. In addition, the bank has bilingual staff that can speak Spanish, Polish, Tagalog, and Arabic. The bank has not opened or closed any branches, nor has it participated in any mergers or acquisitions since the previous evaluation.

According to the Call Report dated March 31, 2025, CSB reported \$408.2 million in total assets, \$228.1 million in total loans, \$361.1 million in total deposits, and \$137.6 million in investments. One-to-four family residential mortgage loans represented 61.3 percent of the total loan portfolio, while multi-family loans represented 26.7 percent. Total assets decreased 8.3 percent, while total loans increased 2.1 percent since the previous CRA evaluation. The following table illustrates the loan portfolio composition.

Loan Portfolio Distribution as of 03/31/2025		
Loan Category	\$(000s)	%
Secured by 1-4 Family Residential Properties	139,792	61.3
Secured by Multifamily (5 or more) Residential Properties	60,987	26.7
Secured by Nonfarm Nonresidential Properties	28,012	12.3
Total Real Estate Loans	228,791	100.3
Consumer Loans	38	0.0
Other Loans	31	0.0
Less: Unearned Income	(720)	0.3
Total Loans	228,140	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs to evaluate its CRA performance. CSB designated Cook County, Illinois as its AA, which is located within the Chicago-Naperville-Schaumburg, Illinois Metropolitan Division (Chicago MD). The AA is comprised of contiguous census tracts and has not changed since the previous evaluation.

The bank's AA conforms to the CRA regulation as it does not arbitrarily exclude any LMI census tracts, does not reflect illegal discrimination, and otherwise meets the requirements of the CRA regulation. The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The AA includes all 1,332 census tracts in Cook County. Based on the 2020 U.S. Census Data, the census tracts reflect the following income designations: 225 low-income tracts, 351 moderate-income tracts, 369 middle-income tracts, 371 upper-income tracts, and 16 tracts where income data was not available. The following table shows select demographic information about the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,332	16.9	26.4	27.7	27.9	1.2
Population by Geography	5,275,541	13.4	26.8	30.4	28.8	0.5
Housing Units by Geography	2,198,489	13.3	25.4	29.7	30.9	0.6
Owner-Occupied Units by Geography	1,139,938	7.3	22.8	34.7	34.9	0.3
Occupied Rental Units by Geography	851,536	18.8	28.5	25.1	26.6	1.0
Vacant Units by Geography	207,015	24.0	26.9	21.4	26.8	0.9
Businesses by Geography	677,065	7.8	20.1	28.6	42.8	0.7
Farms by Geography	6,136	8.1	21.8	31.4	38.3	0.4
Family Distribution by Income Level	1,183,425	27.3	16.9	18.1	37.7	0.0
Household Distribution by Income Level	1,991,474	28.8	15.7	16.4	39.2	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL		\$92,622	Median Housing Value			\$287,457
			Median Gross Rent			\$1,230
			Families Below Poverty Level			10.1%
Source: 2020 U.S. Census and 2024 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.						

Housing units in the AA consist of 51.9 percent owner-occupied, 38.7 percent occupied rental units, and 9.4 percent vacant. Demographic data reveals lower levels of owner-occupied housing units located in LMI census tracts within the AA (30.1 percent). This indicates that area financial institutions will likely face challenges in originating owner-occupied home mortgages in these tracts. Conversely, the AA contains a higher level of rental units (47.3 percent) in LMI census tracts, indicates that there is opportunity to originate non-owner-occupied residential loans in these

geographies. The bank's performance under the Geographic Distribution criterion compares home mortgage loans to the percentage of owner-occupied housing units, occupied rental housing units, and multi-family housing units located within geographies by income level and to Home Mortgage Disclosure Act (HMDA) aggregate lending.

The median housing value of \$287,457 presents potential challenges for LMI individuals in qualifying for mortgages, as the median family income level is \$92,622. The LMI families account for 27.3 percent and 16.9 percent of the families in the AA, respectively, or 44.2 percent combined, with 10.1 percent of families below the poverty level. The owner-occupancy demographic coupled with the contrast between median family income levels and median housing values highlight some challenges that home mortgage lenders may face in providing financing to families on the lower end of the income spectrum. The bank's performance under the Borrower Profile criterion compares home mortgage loans to the percentage of families by income level.

Examiners used the 2023-2024 FFIEC-updated median family income levels to analyze home mortgage loans in the borrow profile section. The following table illustrates low-, moderate-, middle-, and upper-income categories for the AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Chicago-Naperville-Evanston, IL Median Family Income (16984)				
2023 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
Chicago-Naperville-Schaumburg, IL Median Family Income (16984)				
2024 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates unemployment rates in the AA and statewide improved slightly in 2023 but increased in 2024. The following table outlines the unemployment rates throughout the evaluation period.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Cook County, Illinois	5.0	4.4	5.4
Illinois	4.6	4.5	5.0
National Average	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics</i>			

Competition

CSB faces a high level of competition in the AA. According to the FDIC Deposit Market Share data as of June 30, 2024, 99 financial institutions operated 1,140 full-service offices throughout Cook County. CSB ranked 55th with 0.1 percent of the deposit market share. The three highest-ranked institutions are large national banks that have a combined deposit market share of 51.0 percent.

A high level of competition for home mortgage loans exists among several banks, credit unions, and non-depository mortgage lenders in the AA. Aggregate HMDA lending data for 2023, the most recent data available, reflects 83,589 residential mortgage loans originated or purchased by 724 lenders. The top ten home mortgage lenders, made up of large regional and nationwide lenders, accounted for 40.0 percent of the total market share. CSB, a local community lender, ranked 157th with a market share of less than 0.1 percent.

Community Contacts

As part of the evaluation process, examiners contact third parties active within the AA to assist in identifying credit needs and opportunities within the AA. This information helps assess whether local financial institutions are responsive to those needs. For this evaluation, examiners reviewed recent community contact interviews with representatives from two housing organizations. One contact noted there is an extremely limited inventory of affordable housing, and credit needs exist for the construction of small housing developments, rehabilitation projects, as well as more funding for mortgage down payment assistance programs. The second contact identified credit needs for undocumented households, affordable housing for LMI-income families, and for non-profit affordable housing developers to build and operate housing at reduced rents.

Credit and Community Development Needs and Opportunities

Considering the information from community contacts and demographic data, examiners determined that affordable housing is a significant credit need in the AA.

The AA provides numerous opportunities for involvement in community development activities. The Chicago metropolitan area contains empowerment zones and tax increment financing districts designated by local or state government entities for revitalization, stabilization or economic development. These areas are established to stimulate economic activities that include job preservation, job creation, business development, and residential development. Additionally, the State of Illinois and local community organizations sponsor various programs to support affordable housing and economic development.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the previous evaluation dated August 29, 2022, to the current evaluation dated May 19, 2025. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate CSB's CRA performance. These procedures include the Lending Test and the Community Development Test as outlined in the appendix. Financial institutions must achieve a rating of "Satisfactory" under each test to obtain an overall "Satisfactory" rating.

Activities Reviewed

Examiners reviewed CSB's record of originating home mortgage loans as this loan category represents the largest percentage of the bank's lending. No other loan types, such as small business, small farm or consumer loans, represent a significant portion of lending or a focus for CSB.

This evaluation considers all home mortgage loans reported as originated and purchased on the bank's 2023 and 2024 HMDA Loan Application Registers. The bank reported 63 home mortgage loans totaling \$20.2 million in 2023 and 87 home mortgage loans totaling \$27.9 in 2024. CSB's home mortgage lending includes owner occupied, as well as non-owner occupied, one-to-four family residential loans and multifamily loans. Therefore, examiners discuss the bank's home mortgage performance by specific loan type. Based on activity levels, owner-occupied 1-4 family products provide greater weight to examiner conclusions. The 2020 U.S. Census data and 2023 HMDA aggregate data provided a standard of comparison for the bank's home mortgage lending performance. Examiners focused more on the comparison to aggregate HMDA data, when available, as it provides a better assessment of demand and represents all loans extended by all lenders in the AA subject to HMDA data reporting requirements. While examiners considered both the number and dollar volume of loans, discussion of performance is limited to loans by number, as performance by dollar volume led to similar conclusions.

For the Community Development Test, examiners reviewed community development loans, qualified investments, and community development services provided by the bank since the prior CRA evaluation dated August 29, 2022.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

CSB demonstrated outstanding performance under the Lending Test. The bank's performance within the AA concentration, geographic distribution and borrower profile criterion primarily support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. As shown in the following table, the bank maintained an average LTD ratio of 60.5 percent over the previous eleven quarters, from September 30, 2022, through March 31, 2025. The ratio has increased steadily over this timeframe, from a low of 59.6 percent on December 31, 2022, to a high of 62.6 percent on March 31, 2025. Examiners evaluated CSB's LTD ratio by comparing it to three similarly-situated institutions (SSIs). These were selected based on comparable asset size, geographic location, assessment areas served, and lending focus. These SSIs are comprised of other savings institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/2025 (\$000s)	Average Net LTD Ratio (%)
Community Savings Bank	408,191	60.5
Similarly-Situated Institution #1	466,804	53.0
Similarly-Situated Institution #2	810,368	57.6
Similarly-Situated Institution #3	857,235	80.2
<i>Source: Reports of Condition and Income 09/30/2022 – 03/31/2025</i>		

AA Concentration

CSB originated a substantial majority of home mortgage loans within its AA. Refer to the following table for additional information.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2023	58	92.1	5	7.9	63	18,462	91.6	1,701	8.4	20,163
2024	73	83.9	14	16.1	87	24,417	87.6	3,449	12.4	27,866
Subtotal	131	87.3	19	12.7	150	42,879	89.3	5,150	10.7	48,029
Total	131	87.3	19	12.7	150	42,879	89.3	5,150	10.7	48,029
Source: Bank Data. Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the bank's AA. For this criterion, examiners focused on loans originated in LMI census tracts in the AA.

As previously mentioned, a large percentage of CSB's home mortgage loans are made to real estate investors for financing non-owner occupied 1-4 family and multi-family housing units. Of the total loans originated in 2023 and 2024 within the AA, approximately 55.7 percent were owner-occupied 1-4 family housing loans, 23.7 percent were non-owner occupied 1-4 family loans, and 20.6 percent were multi-family loans. Considering the percentage of originated non-owner occupied 1-4 family and multi-family housing units, examiners analyzed these products separately.

Owner-Occupied 1-4 Home Mortgage Loans

The distribution of owner-occupied home mortgage loans reflects excellent dispersion throughout the AA. Examiner measured performance against aggregate HMDA data and the percentage of owner-occupied housing units (demographic) and focused on lending penetrations in LMI census tracts. The following table reflects the distribution of home mortgage loans by census tract income level.

Geographic Distribution of Owner Occupied 1-4 Family Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	7.3	7.3	1	3.4	22	0.5
2024	7.3	--	3	6.8	700	7.4
Moderate						
2023	22.8	21.4	9	31.0	1,057	23.7
2024	22.8	--	13	29.5	2,301	24.4
Middle						
2023	34.7	33.7	11	37.9	1,780	40.0
2024	34.7	--	16	36.4	3,308	35.0
Upper						
2023	34.9	37.2	8	27.6	1,593	35.8
2024	34.9	--	12	27.3	3,140	33.2
Not Available						
2023	0.3	0.3	0	0.0	0	0.0
2024	0.3	--	0	0.0	0	0.0
Totals						
2023	100.0	100.0	29	100.0	4,452	100.0
2024	100.0	--	44	100.0	9,448	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

CSB's 2023 performance in low-income census tracts trails the aggregate and demographic data; however, performance increased in 2024 and is similar to the demographic data. As previously mentioned, The aggregate data includes all loans extended by all lenders in the AA subject to HMDA data reporting requirements. This data includes lending by large national banks with large mortgage loan operations, as well as government-insured loans such as Federal Housing Administration (FHA), the U.S. Department of Veteran's Affairs (VA), and the United States Department of Agriculture Rural Development (USDA) loans. CSB offers conventional mortgage loans from a single location, and does not originate government-insured loans, therefore examiners also compared CSB's 2023 performance to the 2023 HMDA performance of the three SSIs previously noted. CSB's performance in low-income census tracts significantly exceeded the 2023 performance of the SSIs that averaged 1.4 percent in low-income census tracts.

CSB's performance in moderate-income census tracts significantly exceeded the aggregate and demographic data in 2023 and demographic data in 2024. CSB's 2023 performance also significantly exceeded the performance of the SSIs that averaged 11.5 percent in moderate-income census tracts. Given the strong performance in LMI census tracts, the geographic distribution of owner-occupied 1-4 family home mortgage loans is excellent.

Non-Owner-Occupied 1-4 Family Home Mortgage Loans

The geographic distribution of non-owner-occupied home mortgage loans reflects reasonable dispersion throughout the AA. Examiners measured performance against aggregate HMDA data and the percentage of occupied rental housing units (demographic), focusing on lending in LMI census tracts. The following table reflects the distribution of home mortgage loans by census tract income level.

Geographic Distribution of Non-Owner- Occupied 1- 4 Family Home Mortgage Loans						
Tract Income Level	% of Occupied Rental Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	18.8	18.3	7	38.9	1,745	25.9
2024	18.8	--	6	46.2	1,379	35.8
Moderate						
2023	28.5	32.1	3	16.7	1,348	20.0
2024	28.5	--	2	15.4	380	9.9
Middle						
2023	25.1	26.2	3	16.7	830	12.3
2024	25.1	--	3	23.1	967	25.1
Upper						
2023	26.7	22.9	5	27.8	2,803	41.7
2024	26.7	--	2	15.4	1,125	29.2
Not Available						
2023	0.9	0.4	0	0.0	0	0.0
2024	0.9	--	0	0.0	0	0.0
Totals						
2023	100.0	100.0	18	100.0	6,726	100.0
2024	100.0	--	13	100.0	3,851	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

CSB's performance in low-income census tracts significantly exceeds the aggregate data in 2023, and the demographic data in both years. CSB's 2023 performance also significantly exceeded the SSIs, which averaged 25 percent in low-income census tracts.

CSB's performance in moderate-income tracts trails the aggregate in 2023, as well as the SSIs performance which averaged 21.4 percent. CSB's performance decreased in 2024 and trails the demographic data. While CSB's performance in moderate-income census tracts is weaker, when considering the strong performance in low-income tracts, the overall performance of non-owner-occupied home mortgage loans is reasonable.

Multi-Family Home Mortgage Loans

The geographic distribution of multi-family home mortgage loans reflects excellent dispersion throughout the AA. Examiners measured performance against aggregate HMDA data and the percentage of multi-family housing units (demographic), focusing on lending penetrations in LMI census tracts. The following table reflects the distribution of home mortgage loans by census tract income level.

Geographic Distribution of Multi-Family Home Mortgage Loans						
Tract Income Level	% of Multi-Family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	11.3	20.6	1	9.1	472	6.5
2024	11.3	--	5	31.3	3,975	35.8
Moderate						
2023	21.6	30.0	6	54.5	3,915	53.7
2024	21.6	--	6	37.5	4,178	37.6
Middle						
2023	26.3	24.9	2	18.2	1,420	19.5
2024	26.3	--	4	25.0	2,430	21.9
Upper						
2023	39.8	23.2	1	9.1	77	1.1
2024	39.8	--	1	6.3	535	4.8
Not Available						
2023	1.0	1.3	1	9.1	1,400	19.2
2024	1.0	--	0	0.0	0	0.0
Totals						
2023	100.0	100.0	11	100.0	7,284	100.0
2024	100.0	--	16	100.0	11,118	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

The bank's performance in low-income tracts trailed aggregate data in 2023, as well as the SSIs performance that averaged 18.9 percent. However, CSB's performance increased in 2024 and significantly exceeds demographic data.

CSB's performance in moderate-income tracts significantly exceeds aggregate data in 2023, and demographic data for both years. The bank's overall performance in LMI census tracts supports excellent geographic distribution of multi-family loans.

Borrower Profile

The distribution of borrowers reflects excellent penetration among individuals of different income levels, including LMI borrowers. Home mortgage loans for non-owner-occupied residential properties are typically sought by applicants or business entities where income is not available and, therefore, is not considered in this evaluation. Consequently, examiners assessed the performance under this criterion solely on the distribution of owner-occupied home mortgage loans by borrower income level and measured it against aggregate lending and the percentage of families (demographic data) within the AA. The following table reflects the distribution of owner-occupied home mortgage loans by borrower income level.

Distribution of Owner Occupied 1-4 Family Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	27.3	9.8	5	17.2	275	6.2
2024	27.3	--	7	15.9	528	5.6
Moderate						
2023	16.9	24.4	5	17.2	614	13.8
2024	16.9	--	12	27.3	2,267	24.0
Middle						
2023	18.1	22.0	10	34.5	1,797	40.4
2024	18.1	--	13	29.5	2,775	29.4
Upper						
2023	37.7	29.6	8	27.6	1,711	38.4
2024	37.7	--	12	27.3	3,879	41.1
Not Available						
2023	0.0	14.2	1	3.4	55	1.2
2024	0.0	--	0	0.0	0	0.0
Totals						
2023	100.0	100.0	29	100.0	4,452	100.0
2024	100.0	--	44	100.0	9,448	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available Due to rounding, totals may not equal 100.0%</i>						

CSB's lending to low-income borrowers significantly exceeds aggregate performance in 2023. Although the bank's performance trails the demographic data for both years, the demographic includes 10.1 percent of families who have incomes below the poverty level, and as such, would likely face difficulties in qualifying for traditional mortgage loans in the amounts necessary. As previously stated, when available, examiners focused more on the comparison to aggregate HMDA performance data.

CSB's lending to moderate-income borrowers trails aggregate performance in 2023, and SSIs average performance of 19.6 percent. CSB's performance increased in 2024 and exceeds the demographic data.

In concluding the bank's lending performance was excellent, examiners also considered the bank's participation in various specialized lending programs that facilitate home mortgage and consumer loans for LMI borrowers. Although the home mortgage loans originated under these programs are included in the data shown in the previous table, it is worthwhile to note these programs as they indicate the bank actively looks to originate loans to LMI-income borrowers, despite limited product offerings. The following programs further supports excellent performance under this criterion:

Community Home Ownership Program (CHOP)

The CHOP program offers individuals that earn no more than 100.0 percent of the Chicago MD median family income the ability to obtain a purchase mortgage loan with a down payment of as little as 5 percent. The bank offers a 30-year fixed rate mortgage at a competitive rate and no points. The CHOP program finances single family and two-unit buildings located in the AA and offers the opportunity for homeownership to LMI individuals seeking to buy a home. The bank made one loan in the amount of \$300,000 during the review period.

Community Home Improvement Program (CHIP)

The CHIP program helps homeowners acquire financing to repair, maintain, and improve their primary residence. The bank offers five-year fixed rate mortgages at a competitive rate and no points. The program is for owner-occupied single family and two-unit buildings located within the AA. Maximum household income must not exceed 100.0 percent of the Chicago MD median family income. The bank did not make any CHIP mortgages during the review period.

Down Payment Plus

The bank continues to participate in the Federal Home Loan Bank's Down Payment Plus Program. The program provides down payment and closing cost assistance for LMI homebuyers in the form of a forgivable grant paid on behalf of the borrower at the time of financing. The homebuyer must contribute at least \$1,000 to the purchase of the home, participate in pre-purchase homebuyer counseling, and live in the home as the primary residence. CSB assists the borrower in obtaining the grant by facilitating the application process. During the review period, two borrowers participated in the program.

Small-Dollar Loan Program

CSB offers a small-dollar loan program through its passbook loan product that allows customers to deposit funds into a deposit account at the bank and borrow up to 90 percent of the available funds for a maximum term of three years. Management designed this loan program for individuals to repair their credit through positive repayment reporting to a national credit bureau. The interest rate on the loan is fixed at four percent above the interest rate on the deposit account. The bank originated 7 loans totaling \$53,960 under this program to individuals living within LMI tracts in the AA during the review period.

Loan Modification Programs

CSB offers three internally developed loan modification programs: the standard loan modification, an initial hardship loan modification, and a permanent hardship loan modification. These programs benefit LMI borrowers by assisting borrowers who are experiencing financial hardship and further demonstrate the bank's responsiveness to the credit needs of its AA.

- The standard loan modification is available to borrowers who are current on their mortgage payment and want to reduce their rate or refinance their original loan. CSB provides the modification regardless of the property value and keeps the same term of the loan. The cost of the greater of \$500 or one point of the loan amount benefits borrowers who may not be able to afford the costs associated with a traditional refinance yet want to take advantage of lower interest rates. During the review period, CSB made 5 standard loan modifications totaling \$1.8 million during the review period.
- The initial hardship loan modification is available to borrowers who are experiencing economic hardships due to loss of income, unemployment, illness, or other types of financial setbacks. Qualifying individuals can receive the hardship modification at no cost. The bank made 10 initial hardship loan modifications totaling \$1.3 million during the review period, of which three loans totaling \$482,000 were located in LMI census tracts within the AA.
- The permanent hardship loan modification is available at the end of the initial hardship modification period. This modification provides the borrower with a permanent modification at the lower of the current rate or the rate provided at the time of the initial hardship modification. The term of the modification is equal to the existing term of the loan unless the borrower requests and qualifies for a shorter term. CSB did not make any permanent hardship loan modifications during the review period.

As previously mentioned, affordable housing and downpayment assistance programs represent needs as identified by community contacts. The availability of these loan products demonstrates willingness and responsiveness to meet credit needs of the community.

Response to Complaints

CSB did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test.

COMMUNITY DEVELOPMENT TEST

CSB's community development performance demonstrates excellent responsiveness to community development needs in its AA through community development loans, qualified investments, and community development services, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AA. Examiners also compared the bank's community development activities to those of the three SSIs. The three SSIs were rated Satisfactory under the Community Development Test.

Community Development Loans

CSB originated 61 community development loans totaling \$30.1 million within its AA during the review period. This level of activity represents 7.1 percent of average assets and 13.5 percent of average net loans. The dollar amount and percentage of qualified loans increased since the previous CRA evaluation.

Examiners compared CSB's community development lending to the performance of the three SSIs. CSB's performance significantly exceeded the SSIs which averaged 1.3 percent of average assets with a range of 0.5 to 1.9 percent. Additionally, SSIs performance was 2.7 percent of average net loans with a range of 1.0 to 3.6 percent.

The following table illustrates the bank's community development lending during the review period.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2022	6	2,690	0	0	0	0	0	0	6	2,690
2023	20	9,234	0	0	0	0	3	825	23	10,059
2024	25	13,041	0	0	0	0	0	0	25	13,041
YTD 2025	7	4,309	0	0	0	0	0	0	7	4,309
Total	58	29,274	0	0	0	0	3	825	61	30,099

Source: Bank Data

A significant majority of the bank's CD loans supported affordable housing which was indicated as a primary community development need by a recent community contact. The loans created or maintained 422 affordable housing units in the AA during the evaluation period. These loans demonstrate the bank's responsiveness to the credit and community development needs of the AA.

Qualified Investments

CSB made \$4.6 million in qualified investments and donations during the evaluation period. The dollar amount of qualified investments represented 3.0 percent of the bank's average securities and 10 percent of the average equity capital. The level of community development investments is consistent with the bank's performance at the previous CRA evaluation.

Examiners compared CSB's community development investment performance to that of the SSIs. CSB's performance compares favorably to the SSIs which ranged from 2.2 percent to 14 percent in average securities. CSB's performance exceeded performance of two SSIs. From an average equity capital perspective, SSIs ranged from 4.2 percent to 28.6 percent. Again, CSB's performance exceeded performance of two SSIs.

The following table provides additional details regarding the bank's qualified investment and donation activity.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	4	1,427	0	0	2	500	0	0	6	1,927
2022	0	0	0	0	1	250	0	0	1	250
2023	0	0	0	0	5	825	0	0	5	825
2024	0	0	0	0	6	1,075	0	0	6	1,075
YTD 2025	0	0	0	0	3	470	0	0	3	470
Subtotal	4	1,427	0	0	17	3,120	0	0	21	4,547
Qualified Grants & Donations	1	1	67	101	0	0	0	0	68	102
Total	5	1,428	67	101	17	3,120	0	0	89	4,649
<i>Source: Bank Data</i>										

Notable examples of CSB's qualified investments include:

- The bank maintained investments in four loan pools through a community development organization that provides housing services and home mortgage loans targeted to LMI individuals and neighborhoods. The investments have a current balance totaling approximately \$1.4 million as of the evaluation date.
- The purchase or renewal of 15 certificates of deposits totaling \$2.6 million throughout the evaluation period from 10 community development financial institutions and low-income credit unions that support economic development. The investments have a current balance totaling approximately \$1.6 million as of the evaluation date.

Community Development Services

During the evaluation period, bank employees provided 33 instances of community development services, which is an increase from the level of services provided at the previous CRA evaluation. This level of community development services is comparable with the three SSIs, which ranged from 8-66 services provided.

Examiners also considered the number of branch locations, number of employees, and the qualitative impact of the community development services when comparing CSB's level of community development services to SSI's.

The following table details community development services by year and type.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	2	3	0	0	5
2023	2	6	2	0	10
2024	2	7	2	0	11
YTD 2025	2	3	2	0	7
Total	8	19	6	0	33
<i>Source: Bank Data</i>					

Notable examples of community development services include:

- Bank employees participate in the Community Savings Bank Homebuyer's Seminar focusing on financial education for purchasing a home (available in English and Spanish).
- The bank's Communication Manager assisted a local community organization with a grant application. The organization was awarded the grant that facilitated bringing two new women-owned businesses to the LMI community.
- The bank hosted a small business safety seminar in collaboration with a local chamber of commerce in an LMI area. Bank personnel presented various fraud topics that provided information to navigate emerging trends experienced by small businesses within the AA.
- A Bank's Chief Lending Officer is a long-term board member of a housing organization that provides home mortgage loans with a primary mission to stabilize and revitalize LMI communities throughout the greater Chicagoland area. The Officer provides significant expertise, time, and resources within the community development organization that has a large impact within the community.
- CSB is a stockholder and member of the Federal Home Loan Bank of Chicago and originates loans under the Down Payment Plus Affordable Housing Program. The bank's contributions support these affordable housing programs within the AA.

The bank's main office is in a moderate-income census tract, which enhances the availability of banking services to LMI individuals residing in and around the tract.

Additionally, the bank offers retail services that have enhanced their ability to meet the needs of LMI individuals. These services are summarized below:

- *First Time-Home Buyers Certificate of Deposit Account:* This program was developed to allow first time homebuyers to make deposits at any time, up to \$12,000 per calendar year, into a five-year, high-yield certificate of deposit with the anticipation of purchasing a home for the first time. The bank waives any early withdrawal penalties when the withdrawal is utilized for the purchase of the first home. Additionally, the bank will provide the borrower with a grant equal to 1.0 percent of the cumulative amounts deposited into the account. The

bank had no participants in the program during the evaluation period.

- CSB offers low cost, low balance deposit accounts and IRAs. The bank also offers a youth savings account that focuses on youth savings education. During the evaluation period, the bank opened 14 youth savings accounts, and 13 IRAs to individuals living within LMI census tracts in the AA.
- The bank participates in the Directo a Mexico Program operated by the Federal Reserve. This program allows for a low transfer fee and a more favorable exchange rate, regardless of the amount transferred. This program helps increase access to financial services for LMI individuals.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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