PUBLIC DISCLOSURE

July 28, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

International Finance Bank
Certificate Number: 24823

777 SW 37th Avenue
Miami, Florida 33135

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

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Atlanta, Georgia 30309-3849

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 **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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- A majority of loans are in the institution's assessment areas.

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.

- The distribution of borrowers reflects, given the demographics of the assessment areas, poor penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income).

- The institution has not received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

The institution's community development performance demonstrates excellent responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

DESCRIPTION OF INSTITUTION

International Finance Bank (IFB) is a state-chartered commercial bank headquartered in Miami, Florida. The bank is a wholly owned subsidiary of IFB Bancorp, Inc., Miami, Florida. The bank is part of the Grupo Iberoamericano de Fomento SA, Madrid, Spain, which through common ownership and control, owns affiliated banks in Curacao, Ecuador, Guatemala, Peru, and Venezuela. The bank has two wholly owned subsidiaries: IFB Insurance Services, LLC and IFB Wealth Management LLC. IFB received a Satisfactory CRA rating at the previous FDIC Performance Evaluation, dated September 30, 2021, based on Interagency Intermediate Small Institution Examination Procedures.

IFB currently operates two full-service offices, including its main office in Miami, Florida, and an office in New York City, New York. The bank continues to operate a loan production office (LPO) in a moderate-income census tract in Aventura, Florida. In December 2024, IFB closed its LPO in Tampa, Florida, which was located in a middle-income census tract.

IFB offers a variety of products and services to meet the needs of its communities. Consumer credit products include installment loans, personal lines of credit, and one-to-four family residential mortgages. Commercial credit products include commercial real estate loans, equipment loans, construction loans, and commercial lines of credit. The bank also offers loans through the Small Business Administration, including the 504 and 7(a) loan programs. Deposit products include checking, savings, and money market accounts; certificates of deposit; and individual retirement accounts. Alternative banking services include internet banking, mobile banking (including mobile deposit), and telephone banking.

IFB's assets totaled $1.4 billion as of March 31, 2025. Total loans and total deposits were $1.1 billion and $1.2 billion, respectively. Since the previous evaluation, the loan portfolio composition has remained stable, and the bank's business focus continues to be commercial lending. Loans secured by 1-4 family residential properties declined from 22.2 percent of the bank's loan portfolio at the previous evaluation to 14.4 percent as of March 31, 2025. Conversely, loans secured by multifamily residential properties increased from 8.1 percent to 15.2 percent during the same period. The following table illustrates the composition of the bank's loan portfolio.

Loan Portfolio Distribution as of 3/31/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	23,567	2.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	159,011	14.4
Secured by Multifamily (5 or more) Residential Properties	167,150	15.2
Secured by Nonfarm Nonresidential Properties	358,424	32.5
Total Real Estate Loans	**708,152**	**64.2**
Commercial and Industrial Loans	311,273	28.2
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	64,021	5.8
Other Loans	20,324	1.8
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(317)	(0.0)
Total Loans	**1,103,453**	**100.0**
Source: Report of Condition		

The bank provides for the credit needs of its communities in a manner consistent with its size, financial condition, resources, and local economic conditions. Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the assessment areas' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. IFB operates within two rated areas, which include one assessment area in Florida and one assessment area in New York. The assessment area in Florida includes all of Miami-Dade County, which comprises the entire Miami-Miami Beach-Kendall, FL, (Miami) Metropolitan Division (MD). The assessment area in New York includes all of Bronx, Kings, New York, and Queens counties, which comprise a portion of the New York-Jersey City-White Plains, NY-NJ, (New York) MD. The assessment areas consist of whole census tracts and counties, and do not arbitrarily exclude low- or moderate-income areas. Refer to the rated areas for additional information.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated September 30, 2021, to the current evaluation dated July 28, 2025. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate IFB's CRA performance. As described in the *Appendices*, these procedures include the Lending Test and the Community Development Test. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity performed by affiliates.

Examiners reviewed both assessment areas using full-scope procedures since each is in a separate rated area. Examiners evaluate a bank's lending data, deposit activity, and number of branches to determine which rated area will receive the most weight in assigning the overall rating. As shown in the following table, the Miami MD comprises a significant majority of the loans and deposits. Consequently, examiners gave considerably more weight to the bank's overall performance in the State of Florida.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	**Loans**		**Deposits**		**Branches**	
	$(000s)	**%**	**$(000s)**	**%**	**#**	**%**
Miami MD	77,342	84.8	912,135	91.4	1	50.0
New York MD	13,899	15.2	85,877	8.6	1	50.0
Total	**91,241**	**100.0**	**998,012**	**100.0**	**2**	**100.0**
Source: Bank Records (Small Business Loans Originated 01/01/2022-12/31/2024 and Home Mortgage Loans Originated 01/01/2023-12/31/2024); FDIC Summary of Deposits (06/30/2024)						

Activities Reviewed

IFB's major product line is small business loans, followed by home mortgage loans. In reaching this conclusion, examiners considered the bank's business strategy, as well as the number and dollar volume of loans originated during the evaluation period. Although the bank's primary business focus is small business loans, examiners placed equal weight on small business loans in the overall Lending Test conclusions, as the number of originations for each loan product were similar during the evaluation period. Examiners did not evaluate small farm loans because the bank did not originate farm loans during the evaluation period.

Examiners reviewed and presented each full calendar year of 2022, 2023, and 2024 of small business loan data. The small business loan universe for each year consisted of 22 loans totaling $7.0 million in 2022, 34 loans totaling $8.8 million in 2023, and 22 loans totaling $7.6 million in 2024. Examiners analyzed the entire universe for the Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria. For comparison purposes, D&B business demographic data was used for each year reviewed.

The bank was subject to the data collection and reporting provisions of the Home Mortgage Disclosure Act (HMDA) in 2023 and 2024. Bank management indicated that the data analyzed from 2023 and 2024 were representative of the entire review period. Therefore, examiners analyzed full calendar years of home mortgage loans for these years. Based on bank records, the bank originated or purchased 38 home mortgage loans totaling $25.0 million in 2023 and 36 home mortgage loans totaling $55.6 million in 2024. Examiners analyzed the entire universe of home mortgage loans for each year since the bank collects and reports the data. The 2020 U.S. Census and aggregate lending data provide standards of comparison for the home mortgage loan performance.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. While the tables throughout this evaluation present both the number and dollar volume of loans, examiners emphasized performance by number of loans, as the number of loans is a better indicator of the number of businesses and individuals served.

For the Community Development Test, examiners drew conclusions based on bank data provided for community development loans, qualified investments, and community development services since the previous evaluation dated September 30, 2021.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, IFB demonstrated satisfactory performance under the Lending Test. The reasonable loan-to-deposit ratio, majority of loans in the assessment areas, and reasonable geographic distribution of loans support this conclusion. Conclusions regarding the institution's performance are consistent with the State of Florida but inconsistent with the State of New York. IFB did not receive any CRA-related complaints since the previous evaluation.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The net LTD ratio for the previous 15 quarters averaged 88.2 percent. This ratio is calculated on a net basis, excluding the loan loss reserves and unearned income. The LTD ratio remained relatively stable throughout the evaluation period. Since the previous evaluation, the bank's net LTD ratio has ranged from a low of 82.3 percent on September 30, 2021, to a high of 96.8 percent on March 31, 2023. The following table presents the average net LTD ratio for IFB and comparable institutions based on asset size, geographic location, and lending focus. IFB maintained an average net LTD ratio in excess of or comparable to similarly-situated institutions.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 3/31/2025 ($000s)**	**Average Net LTD Ratio (%)**
International Finance Bank, Miami, FL	**1,360,753**	**88.2**
Intercredit Bank, National Association, Coral Gables, FL	1,210,614	58.3
Pacific National Bank, Miami, FL	1,334,584	79.5
OptimumBank, Fort Lauderdale, FL	977,176	92.6
Source: Reports of Condition 9/30/2021 through 3/31/2025		

Assessment Area Concentration

A majority of loans are in the institution's assessment areas. Refer to the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans $(000s)				Total $(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Home Mortgage										
2023	25	65.8	13	34.2	38	21,232	85.0	3,758	15.0	24,990
2024	29	80.6	7	19.4	36	51,703	93.0	3,864	7.0	55,567
Subtotal	**54**	**73.0**	**20**	**27.0**	**74**	**72,935**	**90.5**	**7,622**	**9.5**	**80,557**
Small Business										
2022	16	72.7	6	27.3	22	5,294	75.4	1,725	24.6	7,019
2023	26	76.5	8	23.5	34	5,930	67.6	2,838	32.4	8,768
2024	19	86.4	3	13.6	22	7,082	93.5	492	6.5	7,574
Subtotal	**61**	**78.2**	**17**	**21.8**	**78**	**18,306**	**78.4**	**5,055**	**21.6**	**23,361**
Total	**115**	**75.7**	**37**	**24.3**	**152**	**91,241**	**87.8**	**12,677**	**12.2**	**103,918**
Source: HMDA Reported Data; Bank Data. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

The geographic distribution of the loans reflects reasonable dispersion throughout the assessment areas. Conclusions regarding the institution's performance are consistent with the State of Florida but inconsistent with the State of New York. As previously noted, examiners placed more weight on the bank's performance in the State of Florida.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, poor penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). Conclusions regarding the institution's performance are consistent with the State of Florida but inconsistent with the State of New York. As previously noted, examiners placed more weight on the bank's performance in the State of Florida.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas. Conclusions regarding the institution's performance are consistent with the State of Florida but inconsistent with the State of New York. Examiners placed more weight on the bank's performance in the State of Florida.

Community Development Loans

IFB originated 30 community development loans totaling $106.1 million in the assessment areas during the evaluation period. This activity accounts for 10.1 percent of average total assets and 12.0 percent of average total loans since the prior evaluation. This activity also represents an increase in community development lending since the previous evaluation and exceeds similarly situated institutions. Though the number of community development loans has decreased since the previous evaluation, the dollar volume has increased significantly.

Overall, the bank's performance demonstrates excellent responsiveness to the assessment areas' opportunities for community development lending. By number, 73.3 percent of the bank's community development lending activities supported revitalization or stabilization, 23.3 percent supported affordable housing, and 3.3 percent supported economic development. The following table reflects the bank's overall community development lending activity by year and purpose. Refer to the rated areas for additional details on community development loans.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
2022	2	3,350	0	0	1	558	7	34,045	10	37,953
2023	4	1,660	0	0	0	0	3	12,400	7	14,060
2024	0	0	0	0	0	0	8	30,895	8	30,895
YTD 2025	1	2,150	0	0	0	0	4	21,050	5	23,200
Total	**7**	**7,160**	**0**	**0**	**1**	**558**	**22**	**98,390**	**30**	**106,108**
Source: Bank Data										

Qualified Investments

During the evaluation period, IFB made 77 qualified investments and donations totaling $13.1 million. This activity represents 1.2 percent of average total assets and 18.2 percent of average total securities since the prior evaluation. This is an increase in the volume of qualified investments since the previous evaluation and is comparable to similarly rated institutions. The bank's qualified investments were responsive to the assessment areas' community development needs. IFB made 39 qualified donations, totaling $2.8 million, benefiting organizations supporting community services for low- and moderate-income individuals, affordable housing, and economic development. The following table reflects the bank's overall qualified investment activity by year and purpose. Refer to the rated areas for additional details on qualified investments.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
Prior Period	13	2,989	0	0	3	749	0	0	16	3,738
2022	4	2,000	0	0	2	499	0	0	6	2,499
2023	0	0	0	0	7	1,749	0	0	7	1,749
2024	0	0	0	0	5	1,248	0	0	5	1,248
YTD 2025	0	0	0	0	4	1,000	0	0	4	1,000
Subtotal	**17**	**4,989**	**0**	**0**	**21**	**5,245**	**0**	**0**	**38**	**10,234**
Qualified Grants & Donations	8	59	30	2,755	1	5	0	0	39	2,819
Total	**25**	**5,048**	**30**	**2,755**	**22**	**5,250**	**0**	**0**	**77**	**13,053**
Source: Bank Data										

Community Development Services

During the evaluation period, IFB's Board members and employees provided 71 community development services to 12 organizations, which is an increase since the previous evaluation. While not innovative, the bank's community development services were responsive to the assessment areas' community development needs. The organizations benefited the rated areas by providing essential community services to low- and moderate-income individuals, affordable housing, and by supporting economic development. The following table illustrates the bank's community development services by year and purpose. Refer to the rated areas for additional details on community development services.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021*	0	9	1	0	10
2022	1	19	1	0	21
2023	3	20	1	0	24
2024	2	7	1	0	10
YTD 2025	2	3	1	0	6
Total	**8**	**58**	**5**	**0**	**71**
*Source: Bank Data. *10/1/21-12/31/21*					

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.

STATE OF FLORIDA – Full-Scope Review

CRA RATING FOR STATE OF FLORIDA: SATISFACTORY

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

IFB operates one of its two full-service branches in the Miami MD assessment area, which includes all of the census tracts within Miami-Dade County. The assessment area remains unchanged from the previous evaluation.

Economic and Demographic Data
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 #**	**N/A* % of #**
Geographies (Census Tracts)	707	4.8	24.9	31.3	34.4	4.7
Population by Geography	2,701,767	4.8	26.1	32.3	34.7	2.1
Housing Units by Geography	1,032,310	4.7	25.8	31.4	36.4	1.8
Owner-Occupied Units by Geography	465,833	2.0	18.3	33.1	45.3	1.3
Occupied Rental Units by Geography	436,367	8.0	36.6	31.5	21.7	2.2
Vacant Units by Geography	130,110	3.0	16.3	24.8	53.2	2.6
Businesses by Geography	665,621	2.1	19.8	27.1	47.8	3.2
Farms by Geography	1,968	1.8	14.5	18.5	62.7	2.5
Family Distribution by Income Level	619,475	23.1	17.3	17.7	42.0	0.0
Household Distribution by Income Level	902,200	25.9	15.1	16.1	42.8	0.0
Median Family Income MD - 33124 Miami-Miami Beach-Kendall, FL MD		$60,666	Median Housing Value			$ 346,191
			Median Gross Rent			$1,408
			Families Below Poverty Level			12.7%
Source: 2020 Census and 2024 D&B Data. (*)The NA category consists of geographies not assigned an income classification. Due to rounding, totals may not equal 100%.						

The *Geographic Distribution* criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The previous table indicates limited owner-occupied home mortgage and small business lending opportunities in low-income census tracts. Further, the poverty level poses a challenge for home mortgage lending to low-income families, as these families likely face difficulty in qualifying for a home mortgage loan.

Examiners used Federal Financial Institutions Examination Council (FFIEC)-updated median family income figures to analyze home mortgage lending under the *Borrower Profile* criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2021 ($61,000)	<$30,500	$30,500 <$48,800	$48,800 <$73,200	≥$73,200
2022 ($68,300)	<$34,150	$34,150 <$54,640	$54,640 <$81,960	≥$81,960
2023 ($74,700)	<$37,350	$37,350 <$59,760	$59,760 <$89,640	≥$89,640
2024 ($79,400)	<$39,700	$39,700 <$63,520	$63,520 <$95,280	≥$95,280
Source: FFIEC				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. According to 2024 D&B data, 56.0 percent of assessment area businesses operated with four or fewer employees, and 97.8 percent operated from a single location.

According to Moody's Analytics, the assessment area's largest industries include professional and business services at 8.9 percent, administrative and support and waste management at 6.4 percent, and finance and insurance at 6.3 percent. Based on information gathered from the Florida Department of Economic Opportunity, the assessment area's major employers include Publix Super Markets, University of Miami, and Jackson Health System.

Data obtained from the U.S. Bureau of Labor Statistics indicates significant changes in the unemployment rate during the evaluation period. As illustrated in the following table, the unemployment rate in the United States, State of Florida, and in Miami-Dade County have declined from 2021 to 2023 but increased in 2024. The assessment area unemployment rate was above both the state and national unemployment rates in 2021 but has remained below the state and national rates since 2022.

Unemployment Rates				
Area	**2021**	**2022**	**2023**	**2024**
	%	%	%	%
Miami-Dade County	5.5	2.7	1.9	2.4
State of Florida	4.7	3.0	3.0	3.4
United States	5.4	3.6	3.6	4.0
Source: Bureau of Labor Statistics				

Competition

The market is competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2024, 55 financial institutions operated 578 branches within the assessment area. Of these institutions, IFB ranked 29th with a deposit market share of 0.5 percent. The financial institutions with the largest deposit market share were Bank of America, NA; JP Morgan Chase Bank, NA; and Wells Fargo Bank, NA, collectively accounting for 35.0 percent of the total deposit market share.

The bank is not required to collect or report its small business loan data and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include a comparison to aggregate data. However, the 2023 aggregate data shows that 166 lenders reported 171,373 small business loans in the assessment area. This indicates a significant level of competition for this product. The three largest lenders were American Express National Bank; JP Morgan Chase Bank, NA; and Bank of America, NA, collectively accounting for 68.0 percent of the total market share.

Significant competition also exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to 2023 peer mortgage data, 626 HMDA-reportable institutions originated or purchased 40,882 residential mortgage loans in the assessment area. By number of loans, IFB ranked 225th with a market share of less than 0.1 percent. The three largest lenders, by number of loans, included United Wholesale Mortgage LLC; Pennymac Loan Services, LLC; and Lakeview Loan Servicing LLC, collectively accounting for 20.3 percent of the total market share.

Community Contact(s)

Examiners rely on contacts with community organizations to gain insight regarding the credit needs and economic conditions of a bank's assessment areas. Individuals interviewed provide information based upon their knowledge and expertise in the housing, business, or economic sectors. During this evaluation, examiners conducted a community contact with a representative of a community development financial institution that provides small-dollar loans to businesses and individuals in Miami-Dade County and reviewed an existing community contact who represented a Miami-area affordable housing organization. One contact noted a need, especially in low- and moderate-income areas, for support of small businesses and affordable housing. Specifically, the contact noted the need for start-up business loans for new entrepreneurs, working capital lines of credit for existing small businesses, and financial counseling and technical assistance. Additionally, the contact reported that there was a need for accessible credit for individuals who may not qualify for traditional bank loans. Another contact reinforced the need for accessible credit and noted the need for financial literacy education to ensure potential borrowers understand how to qualify for loans and how to get out of pre-existing debt. Further, the contact noted that escalating home prices present further challenges to low- and moderate-income individuals in purchasing affordable housing.

Credit and Community Development Needs and Opportunities

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the assessment area. The high number of low- and moderate-income families, at 23.1 percent and 17.3 percent, respectively, indicates a continued need for affordable housing. Further, a need for loans supporting small businesses is evident based on the community contact's statements, as well as the fact that small businesses comprise a significant majority of the assessment area's businesses.

SCOPE OF EVALUATION – FLORIDA

The evaluation of IFB's performance in the State of Florida considered the bank's operations in the Miami MD assessment area. Examiners conducted a full-scope review of the assessment area. Refer to the overall Scope of Evaluation for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

LENDING TEST

Overall, IFB demonstrated satisfactory performance under the Lending Test in the State of Florida. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The distribution of borrowers reflects poor penetration among individuals of different income levels and businesses of different sizes.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The reasonable small business and home mortgage loan performance support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As illustrated in the following table, the percentage of businesses located in low-income geographies is very low; as a result, there are limited lending opportunities in these areas. The bank's lending in moderate-income census tracts was comparable to the percentage of businesses in 2022 and 2023 and lagged the demographic data in 2024. Overall, however, IBF's small business lending performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2022	2.3	0	0.0	0	0.0
2023	2.2	0	0.0	0	0.0
2024	2.1	0	0.0	0	0.0
Moderate					
2022	19.2	3	18.8	633	12.0
2023	19.5	3	16.7	695	13.8
2024	19.8	1	7.7	200	3.5
Middle					
2022	28.2	3	18.8	1,293	24.4
2023	27.3	4	22.2	595	11.8
2024	27.1	3	23.1	1,335	23.1
Upper					
2022	47.1	10	62.5	3,368	63.6
2023	47.8	10	55.6	3,481	69.2
2024	47.8	9	69.2	4,235	73.4
NA					
2022	3.3	0	0.0	0	0.0
2023	3.3	1	5.6	263	5.2
2024	3.2	0	0.0	0	0.0
Total					
2022	**100.0**	**16**	**100.0**	**5,294**	**100.0**
2023	**100.0**	**18**	**100.0**	**5,034**	**100.0**
2024	**100.0**	**13**	**100.0**	**5,770**	**100.0**
Source: 2022-2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As illustrated in the following table, in 2023 and 2024, the bank originated no loans in low-income census tracts; however, lending opportunities in these tracts are limited because of the low percentage of owner-occupied housing units. Home mortgage lending in moderate-income census tracts exceeded the percentage of owner-occupied housing units and outperformed aggregate lending in 2023 and 2024, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner Occupied Housing Units**	**HMDA Aggregate % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	2.0	2.9	0	0.0	0	0.0
2024	2.0	3.0	0	0.0	0	0.0
Moderate						
2023	18.3	15.9	3	25.0	4,289	23.7
2024	18.3	16.6	6	22.2	22,605	52.4
Middle						
2023	33.1	34.0	2	16.7	3,247	17.9
2024	33.1	34.3	2	7.4	608	1.4
Upper						
2023	45.3	45.8	7	58.3	10,580	58.4
2024	45.3	44.8	19	70.4	19,915	46.2
NA						
2023	1.3	1.5	0	0.0	0	0.0
2024	1.3	1.4	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**12**	**100.0**	**18,116**	**100.0**
2024	**100.0**	**100.0**	**27**	**100.0**	**43,128**	**100.0**
Source: 2020 U.S. Census; HMDA Reported Data; 2023, HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.						

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among businesses of different sizes and individuals of different income levels, including low- and moderate-income. The poor small business and home mortgage loan performance support this conclusion.

Small Business Loans

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among businesses of different sizes. As illustrated in the following table, the bank's lending to businesses with gross annual revenues of $1 million dollars or less was below the percentage of the businesses in this revenue category for each year reviewed. However, during the evaluation period, the bank's lending performance has improved.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
≤ $1,000,000					
2022	94.8	6	37.5	2,484	46.9
2023	94.7	7	38.9	1,078	21.4
2024	94.3	8	61.5	2,470	42.8
> $1,000,000					
2022	1.3	8	50.0	2,525	47.7
2023	1.4	3	16.7	1,110	22.1
2024	1.3	5	38.5	3,300	57.2
Revenue Not Available					
2022	4.0	2	12.5	285	5.4
2023	3.9	8	44.4	2,846	56.5
2024	4.4	0	0.0	0	0.0
Total					
2022	**100.0**	**16**	**100.0**	**5,294**	**100.0**
2023	**100.0**	**18**	**100.0**	**5,034**	**100.0**
2024	**100.0**	**13**	**100.0**	**5,770**	**100.0**
Source: 2022-2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.					

Home Mortgage Loans

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels, including low- and moderate-income. As illustrated in the following table, the bank did not originate any loans to low- or moderate-income borrowers in 2023 or 2024. Lending opportunities to low- and moderate-income borrowers may be limited, given the poverty rate, the low median family income levels for low- and moderate-income families, and the high median housing value. These families would not likely qualify for a home loan. Nonetheless, the bank's performance is poor because of the absence of home mortgage loans originated to low- and moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	23.1	1.9	0	0.0	0	0.0
2024	23.1	2.5	0	0.0	0	0.0
Moderate						
2023	17.3	3.0	0	0.0	0	0.0
2024	17.3	3.1	0	0.0	0	0.0
Middle						
2023	17.7	9.9	0	0.0	0	0.0
2024	17.7	10.3	0	0.0	0	0.0
Upper						
2023	42.0	59.7	8	66.7	6,387	35.3
2024	42.0	59.5	22	81.5	20,778	48.2
Income Not Available						
2023	0.0	25.6	4	33.3	11,729	64.7
2024	0.0	24.8	5	18.5	22,350	51.8
Total						
2023	**100.0**	**100.0**	**12**	**100.0**	**18,116**	**100.0**
2024	**100.0**	**100.0**	**27**	**100.0**	**43,128**	**100.0**
Source: 2020 U.S. Census; HMDA Reported Data; HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.						

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates excellent responsiveness to the community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

IFB originated 27 community development loans totaling $89.4 million during the evaluation period in the State of Florida. This amount represents 90.0 percent by number and 84.2 percent by dollar volume of IBF's total community development loans. The bank's community development lending in the State of Florida is significantly higher than the previous evaluation. The community development loans in the State of Florida primarily promote revitalization or stabilization efforts but also benefit affordable housing and economic development, demonstrating the bank's responsiveness to needs in the local community. The following table illustrates community development loans by assessment area and purpose in the State of Florida.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
Miami MD	6	5,010	0	0	1	558	13	56,415	**20**	**61,983**
Statewide Activities	0	0	0	0	0	0	7	27,400	**7**	**27,400**
Total	**6**	**5,010**	**0**	**0**	**1**	**558**	**20**	**83,815**	**27**	**89,383**
Source: Bank Data										

The following are examples of the community development loans in the Miami MD assessment area:

- The bank originated a $7.9 million loan for an apartment building located in a moderate-income census tract which provides revitalization and stabilization of the area.
- The bank originated a $679,000 loan to refinance a qualified, low-income housing apartment building, located in a moderate-income census tract. This loan will provide affordable housing in the area.
- The bank originated a $558,000 Small Business Administration 504 loan to a small business located in a moderate-income census tract. This loan supports economic development in the area by creating jobs.

The following are examples of the bank's community development loans in the broader statewide area of Florida:

- The bank originated a $6.3 million loan for a business that employs low- and moderate-income individuals in a moderate-income area.
- The bank originated a $3.7 million loan to purchase a hotel in a moderate-income area. This loan supported the revitalization and stabilization of a moderate-income area.

Qualified Investments

Since the prior evaluation, IFB made 54 qualified investments totaling $8.4 million in the State of Florida. The investments, including donations, are significantly greater by number and dollar amount, than the previous evaluation. The following table illustrates the qualified investments by assessment area and purpose in the State of Florida.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
Miami MD	14	1,659	20	156	17	4,000	0	0	**51**	**5,815**
Statewide Activities	0	0	3	2,559	0	0	0	0	**3**	**2,559**
Total	**14**	**1,659**	**23**	**2,715**	**17**	**4,000**	**0**	**0**	**54**	**8,374**
Source: Bank Data										

The following are examples of qualified investments that serve the Miami MD assessment area:

- During the evaluation period, IFB made a total of $3.2 million in deposits in eight local minority-owned financial institutions. All institutions were designated through the U.S.

Department of Treasury as minority-owned financial institutions based on ownership interest.

- In 2022, the bank purchased a $400,000 investment in a Freddie Mac Guaranteed Multifamily Structured Pass-Through Certificate that helped finance a loan for a multifamily property where all units are for low-income residents located in a moderate-income census tract. This activity supports affordable housing in the area.
- During the review period, the bank made 4 donations totaling $76,500 to an organization that provides social programs to low- and moderate-income individuals.

The following are the bank's qualified investments in the broader statewide area of Florida:

- The bank made 3 donations totaling $2.6 million to an organization that provides financial assistance to low- and moderate-income students through scholarships.

Community Development Services

Employees provided 70 community development services in the State of Florida since the prior evaluation. The bank's performance is significantly greater than the number of services noted at the previous evaluation. Regarding the community development purpose, 57 services supported organizations that provided essential community services to low- and moderate-income individuals, eight services supported affordable housing, and five services supported organizations that focus on economic development initiatives.

The following are examples of community development services provided during the evaluation period in the Miami MD assessment area:

- Twenty-five bank employees provided financial education to students at schools where the participation in the free and reduced lunch program was greater than 50.0 percent.
- From 2021 to 2024, a bank officer served as Treasurer and Board member of an economic development organization. The organization advanced economic development through the creation and administration of technical assistance programs for minority-owned small businesses, as well as educational programs and scholarships for low- and moderate-income individuals.

STATE OF NEW YORK – Full-Scope Review

CRA RATING FOR NEW YORK: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve
The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

IFB operates one of its two full-service branches in the New York MD assessment area. The assessment area includes all of Bronx, Kings, New York, and Queens counties. The assessment area remains unchanged from the previous evaluation.

Economic and Demographic Data
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 #**	**N/A* % of #**
Geographies (Census Tracts)	2,201	12.8	25.3	31.1	24.3	6.5
Population by Geography	8,308,443	16.3	28.1	28.9	25.4	1.3
Housing Units by Geography	3,338,712	15.2	25.2	27.3	31.0	1.3
Owner-Occupied Units by Geography	933,287	4.0	18.5	36.9	39.8	0.8
Occupied Rental Units by Geography	2,091,244	21.1	28.9	23.7	24.8	1.5
Vacant Units by Geography	314,181	9.1	20.2	23.1	46.0	1.6
Businesses by Geography	1,325,588	10.2	21.3	23.3	40.6	4.6
Farms by Geography	2,405	7.9	16.6	19.5	50.3	5.8
Family Distribution by Income Level	1,779,604	30.6	16.1	16.2	37.1	0.0
Household Distribution by Income Level	3,024,531	31.5	14.2	14.7	39.6	0.0
Median Family Income MD - 35614 New York-Jersey City-White Plains, NY-NJ MD		$85,483	Median Housing Value			$684,398
			Median Gross Rent			$1,587
			Families Below Poverty Level			14.3%
*Source: 2020 U.S. Census and 2024 D&B data. *The NA category consists of geographies not assigned an income classification. Due to rounding, totals may not equal 100%.*						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units and small business loans to the percentage of businesses located in low-, moderate-, middle-, and upper-income census tracts. The previous table indicates limited owner-occupied home mortgage opportunities in low-income census tracts. Further, the poverty level poses a challenge for home mortgage lending to low-income families, as these families likely face difficulty in qualifying for a home mortgage loan.

Examiners used FFIEC-updated median family income figures to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects low-, moderate-, middle-, and upper-income categories in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 ($85,500)	<$42,750	$42,750 < $68,400	$68,400 < $102,600	≥$102,600
2022 ($99,000)	<$49,500	$49,500 < $79,200	$79,200 < $118,800	≥$118,800
2023 ($99,300)	<$49,650	$49,650 < $79,440	$79,440 < $119,160	≥$119,160
2024 ($101,900)	< $50,950	$50,950 < $81,520	$81,520 < $122,280	≥ $122,280
Source: FFIEC				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level. According to 2024 D&B data, 57.4 percent of assessment area businesses operated with four or fewer employees, and 96.1 percent operated out of a single location.

According to Moody's Analytics, the assessment area's largest industries include professional and technical services at 9.2 percent, retail trade at 6.9 percent, and administrative and support services at 5.6 percent. Based on information gathered from Crain's New York Business, the assessment area's major employers include JP Morgan Chase Bank, NA; New York-Presbyterian Healthcare System; and Mount Sinai Health System.

Data obtained from the U.S. Bureau of Labor Statistics indicates significant changes in the unemployment rate during the evaluation period. As illustrated in the following table, the unemployment rate in the United States, New York, and all four counties declined significantly from 2021 to 2022 but remained relatively stable since 2022. All counties' unemployment rates have consistently remained higher than the state and national unemployment rate.

Unemployment Rates				
Area	2021	2022	2023	2024
	%	%	%	%
Bronx County	14.0	7.9	6.7	7.0
Kings County	10.0	5.7	5.1	5.4
New York County	8.2	4.7	4.5	4.9
Queens County	9.8	5.3	4.5	4.7
State of New York	7.1	4.3	4.0	4.3
United States	5.4	3.6	3.6	4.0
Source: Bureau of Labor Statistics				

Competition

The market is highly competitive for financial services. According to FDIC Deposit Market Share data, as of June 30, 2024, 84 financial institutions operated 1,330 branches within the assessment area. Of these institutions, IFB ranked 38th with a deposit market share of 0.3 percent. Collectively accounting for 41.1 percent of the total deposit market share, the three financial institutions with the largest deposit market share were Bank of America, NA; JP Morgan Chase Bank, NA; and Wells Fargo Bank, NA.

The bank is not required to collect or report its small business loan data and has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, the 2023 aggregate data shows that 250 lenders reported 287,520 small business loans in the assessment area. This indicates a significant level of competition for this product. Collectively accounting for 74.7 percent of the total market share, the largest lenders were American Express National Bank; JP Morgan Chase Bank, NA; and Bank of America, NA.

Significant competition also exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. According to 2023 peer mortgage data, 381 HMDA-reportable institutions originated or purchased 48,945 residential mortgage loans in the assessment area. By number of loans, IFB ranked 177th with a market share of less than 0.1 percent. The largest lenders, by number of loans, included JPMorgan Chase Bank, NA; Citibank, NA; and Citizens Bank, NA, collectively accounting for 41.5 percent of the total market share.

Credit and Community Development Needs and Opportunities

Based on demographic information and economic data, examiners identified certain credit and community development needs and opportunities within the assessment area. The high number of low-income families, at 33.5 percent, indicates a continuing need for affordable housing. Further, the need for loans supporting small businesses is evident, as small businesses comprise a significant majority of the assessment area's businesses.

SCOPE OF EVALUATION – NEW YORK

The evaluation of IFB's performance in the State of New York considered the bank's operations in the New York MD assessment area. Examiners conducted a full-scope review of the assessment area. Refer to the overall Scope of Evaluation for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK

LENDING TEST

IFB's Lending Test performance needs improvement in the State of New York. Given the capacity of the institution to lend, its branch location within the New York MD assessment area, and assessment area demands, the bank's low number and dollar volume of loans in the New York MD assessment area reflects poor responsiveness to this assessment area's credit needs. Examiners could not form meaningful conclusions regarding the bank's geographic distribution of loans and distribution of borrowers among businesses of different sizes and individuals of different income levels due to the low volume of small business and home mortgage loans originated in this assessment area.

Geographic Distribution

Given the low volume of small business and home mortgage loans originated in this assessment area, examiners could not form meaningful conclusions regarding the bank's performance.

Small Business Loans
The bank originated no small business loans in the assessment area in 2022; 8 loans totaling $896,000 in 2023; and 6 loans totaling $1.3 million in 2024. The bank originated 1 loan in a low-income census tract and 4 loans in moderate-income census tracts in 2023. The bank originated 3 loans to businesses located in a low-income census tract in 2024.

Home Mortgage Loans
The bank originated 13 home mortgage loans totaling $3.1 million in the assessment area in 2023. In 2024, the bank originated 2 loans totaling $8.6 million. The bank originated 8 loans in moderate-income census tracts in 2023 and 1 loan in a moderate-income census tract in 2024.

Borrower Profile
Given the low volume of home mortgage and small business loans originated in this assessment area, examiners could not form reasonable conclusions regarding the bank's performance.

Small Business Loans
The bank originated no small business loans in the assessment area in 2022; 8 loans totaling $896,000 in 2023; and 6 loans totaling $1.3 million in 2024. The bank originated 7 loans to businesses with gross annual revenues of $1.0 million or less in 2023 and 4 loans to businesses with gross annual revenues of $1.0 million or less in 2024.

Home Mortgage Loans
The bank originated 13 home mortgage loans totaling $3.1 million in the assessment area in 2023. In 2024, the bank originated 2 loans totaling $8.6 million. The bank originated 3 loans to low-income borrowers and 7 loans to moderate-income borrowers in 2023.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans
Since the prior evaluation, IFB originated or purchased 3 community development loans totaling $16.7 million in the assessment area. This represents an increase in the dollar volume of community development loans in this assessment area since the prior evaluation. IFB's current community development lending level represents 13.0 percent by number and 21.2 percent by dollar volume of the total community development loans in the bank's assessment areas. Regarding the community development purpose, 2 loans totaling $14.5 million supported revitalization and stabilization efforts and 1 loan totaling $2.2 million supported affordable housing. An example of a community development loan includes a $10.0 million loan for an apartment building located in a moderate-income census tract. The proceeds of this loan provided stabilization to the area.

Qualified Investments
IFB made 23 qualified investments totaling $4.7 million during the evaluation period in the assessment area. The investments, including donations, are significantly greater by number and dollar amount, than the previous evaluation. Regarding the community development purpose, 11 investments totaling $3.4 million supported affordable housing, 5 investments totaling $1.3 million supported economic development, and 7 investments totaling $41,319 supported community services for low- and moderate-income individuals. During the evaluation period, IFB made a total of $1.3 million in deposits in three local minority-owned financial institutions in the assessment area. All institutions were designated through the U.S. Department of Treasury as minority-owned financial institutions based on ownership interest.

Community Development Services
IFB provided one community development service during the evaluation period in the assessment area. An employee provided financial expertise as a Board member of a community service organization that provides food access, as well as education and health programs, to low-income individuals in the assessment area.

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.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
State of Florida	Satisfactory	Outstanding	Satisfactory
State of New York	Needs to Improve	Satisfactory	Needs to Improve

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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
  (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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.