

Community Reinvestment Act

Public File

March 31st, 2024

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Forbright Bank

Community Reinvestment Act

2024-2026 Strategic Plan



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I. Introduction

a. Overview

Forbright Bank is a federally insured depository institution that is subject to the Community Reinvestment Act ("CRA"). Congress adopted the CRA in 1977, as a way for depository institutions to meet the credit needs of the communities in which they operate, including low- and moderate-income ("LMI") neighborhoods, in concert with safe and sound operations. Each regulatory agency with CRA oversight was responsible for implementing its own regulations. Forbright Bank, being primarily regulated by the Federal Deposit Insurance Corporation ("FDIC"), is subject to Part 345 – Community Reinvestment. In addition to meeting the credit needs of LMI neighborhoods, the CRA provides that depository institutions should meet the needs of LMI borrowers, small businesses, small farms, and provide specific community development activities, dependent on their asset sizes and business models.

Depository institutions are subject to CRA examination procedures based on their asset sizes. Forbright Bank ("Bank" or "Forbright") is categorized as a large bank under current CRA examination procedures. As a large bank, Forbright is subject to a Lending Test, an Investment Test, and a Service Test. As an option, Part 345 of the FDIC Rules and Regulations provides depository institutions with the ability for banks to be evaluated under the *Examination Procedures for Institutions with Strategic Plans*. Utilizing this option allows Forbright to develop a plan, with community input, detailing how Forbright proposes to meet its CRA obligations. This CRA Strategic Plan ("Plan") is tailored to the needs of the community using direct community input at the development stage. The Plan will be utilized to assess the Bank's CRA performance by the Forbright Bank Board of Directors ("Board") and the FDIC.

b. Forbright Bank Profile

Forbright Bank is committed to decarbonization and playing a central role in accelerating the transition to a sustainable and clean energy economy. As a result, the Bank has a nationwide lending platform in support of this commitment and consumer lending within the assessment area is made on an accommodation basis. This unique business model has resulted in management's decision to be evaluated based on a CRA Strategic Plan.

Formerly known as Congressional Bank when it was founded in 2003, the Bank rebranded to Forbright in January 2022 and began financing sustainable businesses and clean energy projects, taking action to decarbonize the economy. The mission is to enable businesses and consumers to achieve their diverse banking needs in a way that drives more sustainable outcomes for communities and society as a whole.

Headquartered in Chevy Chase, Maryland, Forbright operates four full-service branches, which all include deposit taking automated teller machines ("ATMs"). All locations are within

the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (Washington, D.C. MSA), also known as the "DMV." The Bank also operates a loan production office (LPO) in New York, New York. In June 2023, the Bank established two deposit production offices ("DPO") within the existing assessment area and plans for an additional one later in the year. The opening of the DPOs is part of the Bank's deposit diversification plan which is focused on growing community and consumer deposits. The DPOs will provide a physical presence that increases local visibility and facilitates better customer outreach and service.

The Bank's branch network is primarily utilized to provide banking services to its depositors. As of December 31, 2022, approximately 20% of the Bank's deposits consisted of retail deposits with the remainder generated from wholesale deposit sources. In addition to local branches, in early 2023, the Bank launched its first online, digital-only account offering. The first product launched was a competitive Certificate of Deposit. A full list of products and services offered by the Bank is included in **Appendix A**.

As of December 31, 2022, Forbright had \$6.5 billion in total assets including \$5.1 billion in total loans; \$5.8 billion in total liabilities including \$5.7 billion in total deposits; \$703 million of total equity capital; and 373 full-time employees.¹

The Bank's primary lending focus is commercial loans, including commercial and industrial, commercial real estate, and loans to non-depository financial institutions. As indicated below, the Bank's concentration in commercial loans has grown over the past three years, all of which was through organic growth.

Table 1: Loan Mix²

Dollar Amounts in Thousands	12/31/2022	12/31/2021	12/31/2020
Real Estate Secured by:			
Construction, Land Development and Other Land Loans	391,754	145,551	100,106
1-4 family Properties	107,216	128,685	166,412
Multifamily	85,157	42,020	17,442
Non-Farm Nonresidential	1,303,440	1,034,295	374,029
Farmland	0	0	0
Agricultural Production	0	0	0
Commercial and Industrial	1,352,047	961,554	847,840
Loans to Individuals:			
Other Revolving Credit Plans	28	24	26
Other Consumer	603,011	269,613	29,135
Non-depository Financial Institutions	1,214,750	797,346	0
Total Loans	5,097,888	3,379,088	1,534,990

¹ Forbright's full Report of Income and Condition as of December 31, 2022, is available at <https://cdr.ffiec.gov>

² Schedule RC-C of the Report of Income and Condition



Looking ahead, Forbright plans to continue expanding its capacity in sustainable finance and to launch new products and services to help meet the needs of the local area as well as its sustainability goals in place. Future products may include a deposit product which will enable customers to direct their deposits specifically to support clean energy and decarbonization.

c. Parent Company Profile

Forbright Bank is a wholly owned subsidiary of Forbright, Inc., Chevy Chase, Maryland. The Bank owns subsidiaries, but none that have relevance to the CRA.

d. Mission and Vision

Forbright is committed to supporting the needs of the local community through lending and investments, corporate giving, and participation in community development services. To align with the CRA and sustainability goals, the Bank has core sustainability pillars that keep both goals in the forefront of the work done at the Bank. We use sustainability to refer to our cohesive approach to integrating business practices that consider the environmental and social impacts that affect all of our stakeholders — our investors, customers, partners, employees, and communities. These core sustainability pillars include:

- Driving progress through sustainable finance**
- Integrating sustainable business practices**
- Supporting our communities**

As a mission-driven organization, Forbright holds itself accountable to responsible business practices and a sustainability mindset throughout everyday business practices. This approach is also guided in part by the United Nations Principles for Responsible Banking ("PRB"), in which Forbright became a signatory to in 2021. Through the PRB, the Bank has a responsibility to align its business strategy to society's goals, setting public targets to reduce impacts, encouraging customer sustainability, effectively governing, and providing transparency and accountability.

For example, in 2022, Forbright provided four new loans to fund and build seven new facilities for a local network of rehabilitation, nursing care, independent and assisted living facilities within its assessment area. More than 66% of its residents qualify for Medicaid which directly supports the goal to finance access to quality healthcare and support LMI housing efforts. In addition, the Bank's lending focus is on commercial loans, including sustainable senior housing and health care facilities, commercial real estate, and loans to non-depository financial institutions, and corporate loans to a variety of sectors across the lower and middle market.

Forbright's sustainable business lines, include residential solar and home energy improvement loans, an advisory business that provides credit to businesses supporting decarbonization and resource preservation, and a Commercial Property-Assessed Clean Energy (CPACE) program to help commercial properties improve energy efficiency.

Forbright also finances sustainable lending opportunities as a subset of its other lending verticals and as part of the key sustainability themes.

In 2022, Forbright donated \$30,000 to LISC DC, a community development support organization, to further their sustainable community development efforts. Forbright's Chief Operations Officer, Eartha Morris, joined LISC DC's Local Advisory Committee in 2023. Partnerships with local organizations like LISC DC align with the Bank's mission to support local communities.

In 2023, \$6,000 was donated to Habitat for Humanity to cover the installation of solar panels on a home for a LMI family within the assessment area.

II. CRA Compliance

Forbright has established a Consumer Compliance Management System ("CMS") that aligns with the guidelines provided within the *Uniform Interagency Consumer Compliance Rating System*. The CRA and its implementing regulations are included as part of Forbright's CMS. The following sections highlight key initiatives that support the *Uniform Interagency Consumer Compliance Rating System* and Forbright's efforts to meet regulatory expectations.

a. Board and Management Oversight

The Forbright Bank Board of Directors and management are committed to maintaining a safe and sound CMS while meeting the credit and community development needs of the communities in which the Bank operates. The Bank has implemented a number of management-level committees to assist with the oversight and approval of consumer compliance-related policies, procedures, and change management activities throughout the Bank, including CRA Oversight. The Bank monitors and reports CRA performance through the management committees. Additionally, the Bank conducted a CRA Self-Assessment, *most recently* as of December 31, 2021, to assist with documenting the work performed. Monitoring activities allow for self-identification of CRA and other issues, which initiates a process of corrective action when issues are identified.

The management level committees that include special focus related to the CRA Program, include:

- Compliance Committee
- Sustainability Strategy Committee
- Community Action Committee

The Compliance Committee provides oversight of the Bank's CMS. Management and key stakeholders from various departments and lines of business throughout the Bank meet regularly to discuss the identification and mitigation of Forbright's compliance risk. This

includes specific oversight and review of the Bank's CRA Program and implementing CRA Policy. The Compliance Committee is responsible for the review of risk assessments, training, monitoring, and testing activities, and change management, in addition to other duties. Through the approval and implementation of this CRA Strategic Plan, a working group of the Compliance Committee is being established to assist with monitoring, oversight and accountability towards the goals set forth in this Plan. Key stakeholders will be identified to assist with this oversight.

The Sustainability Strategy Committee provides input in an advisory and steering capacity on the Company's risks, policies, strategies, and programs related to sustainability/ESG matters (including climate risk, corporate social responsibility, corporate culture, and corporate governance) based on insights into other business areas of the Bank and the external market landscape across environmental, social, and governance topics. Further, the Sustainability Strategy Committee annually recommends the corporate giving budget, which includes a portion of designated funds that are allocated for CRA efforts. This budget is approved by the Board.

The Community Action Committee ("CAC") is a chartered sub-committee of the Sustainability Strategy Committee that was established in 2020, with the purpose to promote and sustain a company-wide culture that supports the overall strategic objectives of Forbright Bank in a diverse and equitable manner that is thoughtful of the resulting community impact. Chaired by the Director of Community Impact, the CAC is comprised of leadership at the Bank that works together to ensure that the Bank's CRA and sustainability goals are kept at the forefront in corporate giving and volunteer initiatives. The CAC executes on corporate giving and employee volunteer initiatives in alignment with the Bank's CRA goals. One of the tasks of the CAC is to identify and plan companywide community service events aligned to the needs of the community. Promoting the spirit and intent of the CRA is the common thread of all CAC endeavors.

b. CRA Compliance Program

The Bank has developed an effective CRA Compliance Program. As part of the CMS, the Bank operates under a written Community Reinvestment Act Policy ("Policy") that was last approved by the Board in May 2023. The Policy includes a stated purpose, a policy statement, and related requirements. Roles and responsibilities are provided for the Board and Management, the CRA Officer, the Compliance Committee, and employees. The Policy addresses the Bank's delineated assessment area; performance assessment; data collection, reporting, and disclosure; the CRA Public File; training; monitoring and reporting; and record retention. According to the Policy, the responsibility for CRA training rests with the CRA Officer. CRA training is provided on an annual basis to all employees and the Board.

To assist with the collection, tracking, monitoring, and reporting of the Bank's lending portfolio, specifically CRA and HMDA loans, the Bank utilizes software that can import and

provide useful reporting on important metrics and relevant details to mitigate compliance risk as it relates to the loan portfolio.

The Bank also has established a Complaint Management Program, with oversight by the Compliance Team, which directs the Bank on the collection, tracking, monitoring, and trending of complaints, or statements of dissatisfaction received by the Bank. There have been no CRA related complaints received from consumers or regulators since the last CRA evaluation conducted by the FDIC.

c. CRA Officer

Heather Smith, Senior Vice President, and Director of Consumer Compliance joined Forbright in April of 2022, and serves as the Bank's CRA Officer. In addition to the oversight of the CMS, Ms. Smith is tasked with implementation and coordination of the Bank's CRA Strategic Plan and oversees reporting on Compliance and CRA related activities and metrics to the various committees and the Board on a regular basis.

d. Director of Community Impact

Natalie Chapman, Director of Community Impact joined Forbright in July 2022. This newly created role holds the goal to drive purposeful and impactful partnerships with community organizations through best-in-class engagement across the Bank. Natalie helps develop strategic relationships within the Bank's assessment area and bridge the Bank's sustainability and CRA goals.

III. **CRA Strategic Plan Development**

Management considered several factors in developing this CRA Strategic Plan that includes recent changes to its business plan, product offerings, financial projections, and the competitive environment. Management also utilized a variety of sources to assess demographics, economic conditions, and community needs within the assessment area. This information, along with extensive peer analysis, was considered to develop the CRA Strategic Plan goals for community development lending and investments, grants and donations, and services.

The Bank made considerable efforts to solicit public input on the CRA Strategic Plan. Those efforts included both informal and formal tactics to solicit public input.

a. Public Notice

The Bank is required to formally solicit public comment on its CRA Strategic Plan for at least 30 days by publishing notice in at least one newspaper of general circulation in each assessment area covered by the Plan. As the Bank only operates in one delineated

assessment area, the Bank selected the Washington Post as the newspaper of general circulation. That newspaper is widely circulated throughout the Bank's assessment area.

The notice was published on May 17, 2023, and comments were solicited and considered for 30 days from publication of the notice. Refer to **Appendix B** for the content included in the publication. The Bank did not receive any comments from the public based on this publication.

b. Citizen Participation

Members of the public were invited to provide input on the various facets of the Bank's CRA Strategic Plan. Management met with community leaders concerning small business lending, community services, and other aspects of community development. The information gathered during these discussions assisted in the development of specific goals incorporated into this CRA Strategic Plan.

c. Term and Effective Date of the Plan

The term of the CRA Strategic Plan spans three years with a proposed effective date of April 1, 2024, or the date approved by the FDIC. The fiscal year for measuring Plan goals will span from April 1 to March 31 each Plan year based on the effective date.

d. Capacity and Constraints

As part of the decision process to be evaluated under a CRA Strategic Plan, the Bank considered factors that may significantly impact its ability to provide lending, investments, or services within its assessment area. The Bank does not have any legal constraints that impact the types of activities it can engage in with respect to CRA. However, the Bank's business model and strategy may introduce several limitations, as outlined below.

- Nationwide Lending Platform – the Bank generates loans via a nationwide lending platform that are extended outside of the assessment area. The Retail Branch locations are used to provide deposit services to customers. Any consumer loans generated from the branch network are on an accommodation basis. Since the Bank stopped making residential mortgage applications in August 2022, the Bank does not employ staff to focus on generating retail or residential mortgage loans. Section 345.27 of the FDIC Rules and Regulations provide in part that a bank should address in its plan all three performance categories (lending, investments, and services), and “emphasize lending and lending-related activities.” It continues with: “Nevertheless, a different emphasis, including a focus on one or more performance categories, may be appropriate if responsive to the characteristics and credit needs of its assessment area(s), considering public comment and the bank's capacity and constraints, product offerings, and business strategy.” Given this regulatory flexibility and considering the Bank's business

strategy, the Bank has established performance goals for community development loans and investments on a combined basis.

- Employees – given the Bank's nationwide deposit and lending platform, approximately 46%, or 177 employees (as of January 2023) do not work at a Bank facility within the assessment area. These employees are considered remote employees and either work from home, or at a Forbright location outside of the assessment area. The remaining 54%, or 205 employees (as of January 2023) work either at the headquarters location or one of the full-service retail branches located within the DMV. This impacts the ability of Bank employees to provide community development services within the assessment area. Through the efforts of the Director of Community Impact, Community Action Committee and other initiatives, the Bank is continuously seeking volunteer opportunities that will include all employees and benefit the local market.

- Growth Projection – the Bank's total assets of \$6.5 billion as of December 31, 2022, have increased significantly from \$1.8 billion as of December 31, 2020. The Board approved 2023-2025 Bank Strategic Plan and Budget project more tempered growth over the next three years. Recent asset growth rates cannot be assumed in projecting future CRA activities. The methodology for establishing CRA goals in **Section VII. Plan and Measurable Goals**, accounts for growth by projecting goals in terms of average assets for loans and investments to provide a common unit of measure as the Bank changes over time. Projections for tempered growth were also considered in developing other goals.

IV. Historical CRA Performance

Forbright has undergone three CRA examinations conducted by the FDIC since 2016. The Bank was evaluated as an Intermediate Small Bank ("ISB") in 2016 and 2019, and each CRA examination resulted in an overall CRA rating of Satisfactory. The FDIC is the process of issuing results of a Performance Evaluation as an ISB that commenced on August 9, 2022.

At both previous CRA examinations conducted as of July 8, 2019, and June 20, 2016, the Bank received an overall Satisfactory CRA rating. The Lending Test was rated Satisfactory, and the Community Development Test was rated Satisfactory.

For perspective, the following table summarizes community development loans, investments, and services over the two most recent examinations discussed above. Qualified investments include grants and donations.

Table 2: Community Development Activities by CRA Examination³

³ FDIC Public Disclosures; 2019 and 2016 Public Disclosure under the name Congressional Bank

Date of Examination	Years Covered	Loans (\$000s)	Investments (\$000s) (\$000s)	Services #
7/8/19	2019 (partial)	None	7 for \$16	19
	2018	3 for \$4,876	13 for \$3,184	13
	2017	1 for \$3,100	5 for \$22	14
	2016 (partial)	None	2 for \$6	10
	Prior Period	NA	3 for \$1,733	NA
	Examination Total	4 for \$7,976	30 for \$4,961	56 Services
6/20/16	2016 (partial)	2 for \$1,345	None	6
	2015	1 for \$450	1 for \$1,000	7
	2014	2 for \$850	None	7
	2013 (partial)	1 for \$1,031	2 for \$2,015	6
	Prior Period	NA	1 for \$2,273	NA
	Examination Total	6 for \$3,676	25 for \$5,341⁴	26 Services

Forbright saw a significant increase in the number of community development loans made within the assessment area since the July 8, 2019, examination. Lenders are finding ways to connect with local developers and nonprofits that focus on LMI borrowers and areas, which has helped the Bank to develop a referral network among these organizations. Through this referral network and the dedicated lending staff, the Bank intends to maintain the ability to originate new loans within the assessment area.

As previously mentioned, the Bank hired a Director of Community Impact in 2022. The Bank created this new position in an effort to perform outreach activities and build relationships with area businesses and partner with them on various initiatives, including volunteer opportunities throughout the community.

The Bank seeks Investment opportunities within the assessment area that are typically housing revenue bonds within the DMV that coincide with multi-family opportunities that focus on Affordable Housing. The Bank looks for opportunities as they arise to invest in CRA-related opportunities.

V. Assessment Area

a. Description

The CRA requires a bank to delineate one or more assessment areas in compliance with 12 CFR Part 345 – Community Reinvestment, §345.41.

⁴ Total includes 21 qualifying donations totaling \$53,000

The Bank delineates a single assessment area in the Washington, D.C. metropolitan area, also commonly known as the DMV. The District of Columbia, Maryland, Virginia (DMV) is part of the Washington metropolitan area. The assessment area is comprised of 10 counties, and each county is delineated in its entirety.⁵ According to *OMB Bulletin No. 20-01*, dated March 6, 2020, the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area is comprised of two metropolitan divisions (MDs), as noted in the following table.

Table 3: Assessment Area Delineation by Metropolitan Division⁶

Metropolitan Division	County	Inside Assessment Area
Frederick-Gaithersburg-Rockville, MD MD	Frederick, MD	Yes
	Montgomery, MD	Yes
Washington-Arlington-Alexandria, DC- VA-MD-WV	District of Columbia, DC	Yes
	Calvert, MD	No
	Charles, MD	No
	Prince George's, MD	Yes
	Arlington, VA	Yes
	Clarke, VA	No
	Culpepper, VA	No
	Fairfax, VA	Yes
	Fauquier, VA	No
	Loudoun, VA	Yes
	Madison, VA	No
	Prince William, VA	No
	Rappahannock, VA	No
	Spotsylvania, VA	No
	Stafford, VA	No
	Warren, VA	No
	Alexandria city, VA	Yes
	Fairfax city, VA	Yes
	Falls Church city, VA	Yes
	Fredericksburg city, VA	No
Manassas city, VA	No	
Manassas Park city, VA	No	
Jefferson, WV	No	

The Bank delineates 10 of the 25 counties that comprise the Washington, D.C. MSA as part of its assessment area. The Frederick-Gaithersburg-Rockville, MD Metropolitan Division is delineated in its entirety. The Bank delineates eight of the 23 counties that comprise the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division. The assessment

⁵ Some of the areas comprising the assessment area are county equivalents. Going forward, these will be referred to as counties.

⁶ OMB Bulletin No. 20-01; Bank's CRA Public File

area is appropriately delineated based on the location of the Bank's headquarters office, branches, and deposit-accepting automated teller machines.

b. Demographic Information

The following tables provide demographic information for Forbright's single assessment area within the DMV. This information is based on 2022 census tract designations provided by the United States Census Bureau. The 2022 census tract designations represent the results of Congressional redistricting that coincides with the release of 2020 decennial census data. The 2022 census tract designations resulted in numerous changes across the United States and its territories. Some census tract boundaries changed, some new census tracts were created, and the CRA income designations of some existing census tracts also changed. Based on 2021 census tract designations, there were a total of 1,101 census tracts in the assessment area. Of those 1,101 census tracts, 121 (11.0 percent) were categorized as low-income and 225 (20.4 percent) were categorized as moderate-income. These 2021 data points are discussed for reference relative to the 2022 census tract designations that follow.

Metropolitan Division	County	CRA Income Level					
		Low	Moderate	Middle	Upper	Unknown	Total
Frederick	Frederick, MD	3 4.6%	18 27.7%	36 55.4%	7 10.8%	1 1.5%	65 100%
	Montgomery, MD	15 6.5%	56 24.1%	76 32.8%	85 36.6%	0 0.0%	232 100%
Washington	District of Columbia, DC	48 23.3%	29 14.1%	29 14.1%	92 44.7%	8 3.9%	206 100%
	Prince George's, MD	27 12.6%	94 43.9%	74 34.6%	19 8.9%	0 0.0%	214 100%
	Arlington, VA	2 2.8%	5 7.0%	21 29.6%	38 53.5%	5 7.0%	71 100%
	Fairfax, VA	9 3.3%	35 12.8%	100 36.5%	126 46.0%	4 1.5%	274 100%
	Loudoun, VA	0 0.0%	4 5.3%	23 30.7%	46 61.3%	2 2.7%	75 100%
	Alexandria city, VA	6 12.5%	7 14.6%	13 27.1%	21 43.8%	1 2.1%	48 100%
	Fairfax city, VA	0 0.0%	0 0.0%	2 40.0%	3 60.0%	0 0.0%	5 100%
	Falls Church city, VA	0 0.0%	0 0.0%	0 0.0%	3 100%	0 0.0%	3 100%
TOTAL		110 9.2%	248 20.8%	374 31.3%	440 36.9%	21 1.8%	1,193 100%

⁷ FFIEC Census Reports - 2022 Delineations

As shown in the table above, there are 1,193 census tracts in the assessment area. At the assessment area level, 110 census tracts are categorized as low-income, representing 9.2 percent of all census tracts, and 248 census tracts are categorized as moderate-income, representing 20.8 percent of all census tracts. Collectively, LMI census tracts account for 358 of the total census tracts, representing 30.0 percent of all census tracts.

The counties within the assessment area are diverse with respect to census tract income levels. By both number and percentage, low-income census tracts are most concentrated in District of Columbia, with 48 low-income census tracts accounting for 23.3 percent of all census tracts in that county. By both number and percentage, moderate-income census tracts are most concentrated in Prince George's County, Maryland, with 94 moderate-income census tracts accounting for 43.9 percent of all census tracts in that county. At a combined level, LMI census tracts are most concentrated in Prince George's County, Maryland, with 121 LMI census tracts accounting for 56.5 percent of all census tracts in that county. Conversely, there are no low-income census tracts in Loudoun County, Virginia. There are no low- nor moderate-income census tracts in Fairfax city, Virginia and Falls Church city, Virginia.

According to FFIEC Census Reports from 2022, the assessment area has a total population of 4,998,706 residents. The residents are unevenly distributed among the counties comprising the assessment area, as noted in the table that follows. Similarly, population density varies among the counties comprising the assessment area, as shown in the Population Per Square Mile column.

Table 5: Assessment Area Population and Density⁸

Metropolitan Division	County	Population	Population Per Square Mile (2020)
Frederick	Frederick, MD	271,717	411.3
	Montgomery, MD	1,062,061	2,153.8
Washington	District of Columbia, DC	689,545	11,280.7
	Prince George's, MD	967,201	2,003.9
	Arlington, VA	238,643	9,179.6
	Fairfax, VA	1,150,309	2,941.8
	Loudoun, VA	420,959	816.2
	Alexandria city, VA	159,467	10,677.4
	Fairfax city, VA	24,146	3,869.6
	Falls Church city, VA	14,658	7,164.2
TOTAL		4,998,706	Not Applicable

As shown in the table above, the total population of the assessment area is concentrated within three counties: Montgomery County, MD (21.2 percent of the total population); Prince George's County, MD (19.3 percent); and Fairfax County, VA (23.0 percent). Collectively,

⁸ Population: FFIEC Census Reports - 2022 Delineations; Population Per Square Mile: U.S. Census Bureau QuickFacts

these three counties account for approximately 63.5 percent of the total population of the assessment area. Population density, as measured by the population per square mile, varies widely within the 10 counties comprising the assessment area. These figures range from as little as 411.3 in Frederick County, MD to as much as 11,280.7 in the District of Columbia.

The following table provides select demographics for the assessment area based on 2022 data released by the U.S. Census Bureau.

Table 6: Select Demographic Information for Assessment Area⁹						
Demographic Characteristic	#	Low	Moderate	Middle	Upper	Unknown
Distribution by Geography Income Level:						
Geographies	1,193	110 9.2%	248 20.8%	374 31.3%	440 36.9%	21 1.8%
Population	4,998,706	432,773 8.7%	1,066,236 21.3%	1,612,385 32.3%	1,848,566 37.0%	38,746 0.8%
Family Population	1,134,677	87,956 7.8%	226,211 19.9%	372,239 32.8%	443,431 39.1%	4,840 0.4%
Household Population	1,796,558	160,627 8.9%	370,800 20.6%	591,491 32.9%	661,957 36.8%	11,683 0.7%
Housing Units	1,902,508	173,712 9.1%	396,006 20.8%	622,896 32.7%	696,647 36.6%	13,247 0.7%
Owner-Occu. Housing Units	1,097,940	44,555 4.1%	181,653 16.5%	381,740 34.8%	487,140 44.4%	2,852 0.3%
Renter-Occu. Units	698,618	116,072 16.6%	189,147 27.1%	209,751 30.0%	174,817 25.0%	8,831 1.3%
Vacant Units	105,950	13,085 12.4%	25,206 23.8%	31,405 29.6%	34,690 32.7%	1,564 1.5%
Businesses	619,830	32,851 5.3%	107,231 17.3%	209,502 33.8%	266,527 43.0%	3,719 0.6%
Farms	8,895	394 4.4%	1,478 16.6%	3,266 36.7%	3,737 42.0%	20 0.2%
Family Distribution by Income Level, by Metropolitan Division (MD):						
Frederick MD, MD	328,784	80,890 24.6%	63,468 19.3%	69,204 21.0%	115,402 35.1%	0 0.0%
Washington D.C., MD	805,893	195,236 24.2%	138,691 17.2%	159,814 19.8%	312,152 38.7%	0 0.0%

The assessment area consists of 1,193 census tracts, and the total population is 4,998,706. The assessment area has a total of 1,902,508 housing units. Of the total housing units,

⁹ FFIEC Census Reports - 2022 Delineations

1,097,940 (57.7 percent) are owner-occupied, 698,618 (36.7 percent) are renter occupied units, and 105,950 (5.6 percent) are vacant units.

As shown in the table above, certain demographics vary widely relative to the distribution of census tracts by CRA income levels, as summarized below.

Low-income Census Tracts

Low-income census tracts account for 9.2 percent of the census tracts in the assessment area. There is a similar percentage of residents that live in those low-income census tracts, with the population accounting for 8.7 percent of the assessment area. Likewise, the family population (7.8 percent), household population (8.9 percent), and total housing units (9.1 percent) have similar concentrations in low-income census tracts.

However, there is a large disparity between the number of families located in low-income census tracts (87,956 families) and the relative number of owner-occupied housing units (44,555) in low-income census tracts, resulting in a net shortage of 43,401 owner-occupied housing units. In fact, a majority of total housing units in low-income census tracts (173,712) are renter occupied units (116,072), resulting in a renter occupied unit distribution of 66.8 percent. Owner-occupied housing units (44,555) account for 25.6 percent of total housing units in low-income census tracts. Vacant housing units (13,085) account for 7.5 percent of total housing units in low-income census tracts.

Moderate-income Census Tracts

Moderate-income census tracts account for 20.8 percent of the census tracts in the assessment area. There is a similar percentage of residents that live in those moderate-income census tracts, with the population accounting for 21.3 percent of the assessment area. Likewise, the family population (19.9 percent), household population (20.6 percent), and total housing units (20.8 percent) have similar concentrations in moderate-income census tracts.

There is a disparity between the number of families located in moderate-income census tracts (226,211 families) and the relative number of owner-occupied housing units (181,653) in moderate-income census tracts resulting in a net shortage of 44,558 owner-occupied housing units. A majority of total housing units in moderate-income census tracts (396,006) are renter occupied units (189,147), resulting in a renter occupied unit distribution of 47.8 percent. Owner-occupied housing units (181,653) account for 45.9 percent of total housing units in moderate-income census tracts. Vacant housing units (25,206) account for 6.4 percent of total housing units in moderate-income census tracts.

The shortage of owner-occupied housing units in low- and moderate-income census tracts provides support for the stated goals outlined in **Section VII. Plan and Measurable Goals**. As described below, the measurable goals place emphasis on community development loans,

investments, and services, including those that focus on the affordable housing aspect of these community development activities.

Median Income Level

The following table provides the median family income figures for the two metropolitan divisions that comprise the assessment area. Annual median family income figures are shown for 2022 and the prior two years. Each metropolitan division comprising the assessment area has its own distinct median family income figure.

Table 7: Median Family Income Ranges¹⁰				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Frederick-Gaithersburg-Rockville, MD Metropolitan Division (23224)				
2022 (\$143,900)	<\$71,950	\$71,950 to \$115,120	\$115,120 to <\$172,680	≥\$172,680
2021 (\$129,900)	<\$64,950	\$64,950 to <\$103,920	\$103,920 to <\$155,880	≥\$155,880
2020 (\$124,400)	<\$62,200	\$62,200 to <\$99,520	\$99,520 to <\$149,280	≥\$149,280
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division (47894)				
2022 (\$139,700)	<\$69,850	\$69,850 to <\$111,760	\$111,760 to <\$167,640	≥\$167,640
2021 (\$122,100)	<\$61,050	\$61,050 to <\$97,680	\$97,680 to <\$146,520	≥\$146,520
2020 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440

As shown in the table above, the median family income figures for both metropolitan divisions comprising the assessment area increased from 2020 through 2022. Despite the COVID-19 global pandemic, the 2020 median family income figures increased over 2019 levels of \$123,600 for the Frederick Metropolitan Division and \$114,700 for the Washington, DC Metropolitan Division.

Median Housing Values and Median Gross Rent

Median housing values and median gross rents for the Washington, D.C. MSA are reflected in the table that follows. The data reflect American Community Survey ("ACS") estimates according to the delineations noted in the first column.

Table 8: Median Housing Value and Median Gross Rent for Washington, D.C. MSA¹¹		
ACS Data Source	Median Housing Value (Owner-occupied Units)	Median Gross Rent (Occupied Units Paying Rent)
2021: ACS 5-Year Estimates	\$453,100	\$1,783
2020: ACS 5-Year Estimates	\$436,600	\$1,718
2019: ACS 5-Year Estimates	\$424,000	\$1,690

¹⁰ FFIEC Census Reports - 2022 Delineations

¹¹ ACS 5-Year Estimates for the years noted.

As noted in the table above, both median housing values and median gross rent increased over the three years addressed by ACS results. Between 2019 and 2021, the median housing value increased 6.9 percent. During that same period, the median gross rent increased by 5.5 percent.

The Washington, D.C. MSA faces significant housing affordability issues. For example, the housing affordability ratio provides one measure of affordability. According to publicly available CRA Performance Disclosures, the housing affordability ratio is “calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.”

Using this methodology, the housing affordability ratio is provided for 2019 through 2021 according to ACS estimates.

Table 9: Housing Affordability Ratio for Washington, D.C. MSA¹²

ACS Data Source	Median Household Income	Median Housing Value	Housing Affordability Ratio
2021: ACS 5-Year Estimates	\$110,355	\$453,100	24.4
2020: ACS 5-Year Estimates	\$106,415	\$436,600	24.4
2019: ACS 5-Year Estimates	\$103,751	\$424,000	24.5

As shown in the table above, the assessment area has barriers to housing affordability.

c. Economic Conditions and Characteristics

The following table provides unemployment rates for each county comprising the assessment area. The data are provided by the Bureau of Labor Statistics.

Table 10: Unemployment Rates by Counties Inside Assessment Area¹³

Metropolitan Division	County	2022	2021	2020
Frederick, MD	Frederick, MD	3.0%	4.8%	5.9%
	Montgomery, MD	2.9%	5.5%	6.3%
Washington, D.C. MD	District of Columbia, DC	4.7%	6.6%	8.0%
	Prince George's, MD	3.5%	7.5%	8.2%
	Arlington, VA	2.1%	3.0%	4.5%

¹² ACS 5-Year Estimates for the years noted.

¹³ Bureau of Labor Statistics

	Fairfax, VA	2.5%	3.5%	5.8%
	Loudoun, VA	2.4%	3.1%	5.3%
	Alexandria city, VA	2.4%	3.8%	6.0%
	Fairfax city, VA	2.4%	3.4%	5.6%
	Falls Church city, VA	2.2%	2.6%	3.8%

Unemployment rates in the assessment area were at their highest in 2020 during the widespread impacts of COVID. The unemployment rate decreased in every county in the assessment area between 2020 and 2021, and it also decreased in each county between 2021 and 2022.

The following table provides full-time and part-time employment figures for the assessment area based on the North American Industry Classification System (NAICS). This data reflects 2021 employment patterns from the Bureau of Economic Analysis (BEA). The BEA indicates that some employment data are “not shown to avoid disclosure of confidential information.” As a result, some rows in Table 11 and Table 12 may not total 100 percent.

Table 11: Total Full-time and Part-time Employment by NAICS Industry¹⁴		
Description	Number of Employees	Percent of Employees
Total Employment (Number of Jobs)	3,774,161	100%
By Type		
Wage and Salary Employment	2,903,326	76.9%
Proprietors Employment	870,835	23.1%
By Industry		
Farm Employment	4,744	0.1%
Nonfarm Employment	3,769,417	99.1%
Private vs. Government		
Private Nonfarm Employment	3,078,616	81.6%
Government and Government Enterprises	690,801	18.3%

As shown in the table above, total employment for the assessment area equaled 3,774,161 employed persons. Those employed were primarily wage and salary employment (76.9 percent) relative to proprietor employment (23.1 percent). By industry, a substantial majority of those employed were in nonfarm employment (99.1 percent), with farm employment only representing 0.1 percent of all employees. Most people employed within the assessment area consisted of private nonfarm employment (81.6 percent), with government and government enterprise employees accounting for 18.3 percent of total employed.

¹⁴ Bureau of Economic Analysis

The following table breaks down private nonfarm employment and government and government enterprises employment into the various NAICS industries.

Table 12: Employment by Industry¹⁵		
Description	Number of Employees	Percent of Employees
Private Nonfarm Employment		
Forestry, Fishing, and Related Activities	623	<0.1%
Mining, Quarrying, and Oil and Gas Extraction	1,126	<0.1%
Utilities	5,043	0.1%
Construction	183,332	4.9%
Manufacturing	40,909	1.1%
Wholesale Trade	57,111	1.5%
Retail Trade	249,216	6.6%
Transportation and Warehousing	119,344	3.2%
Information	85,616	2.3%
Finance and Insurance	157,999	4.2%
Real Estate and Rental and Leasing	173,503	4.6%
Professional, Scientific, and Technical Services	640,761	17.0%
Management of Companies and Enterprises	43,629	1.2%
Administrative and Support and Waste Management and Remediation Services	227,824	6.0%
Education Services	119,336	3.2%
Health Care and Social Assistance	317,699	8.4%
Arts, Entertainment, and Recreation	73,444	1.9%
Accommodation and Food Services	203,324	5.4%
Other Services (Except Government and Government Enterprises)	254,263	6.7%
Government and Government Enterprises		
Federal Civilian	373,486	9.9%
Military	54,401	1.4%
State and Local	262,914	7.0%

As noted in the table above, professional, scientific, and technical services accounted for the largest percentage of total employees (17.0 percent). This was followed by federal civilian employees (9.9 percent), healthcare and social assistance (8.4 percent), and state and local government/government enterprise employees (7.0 percent).

Economic Projections

The Federal Open Market Committee met December 13-14, 2022, and the meeting participants submitted projections of the most likely outcomes for the real gross domestic

¹⁵ Bureau of Economic Analysis

product (GDP) growth, the unemployment rate, and inflation for each year from 2022 to 2025. This information was released on December 14, 2022. It is summarized here with a focus on median projections.

Variable	2022	2023	2024	2025
Change in real GDP	0.5%	0.5%	1.6%	1.8%
Unemployment rate	3.7%	4.6%	4.6%	4.5%
Personal consumption expenditures (PCE) inflation	5.6%	3.1%	2.5%	2.1%
Core PCE inflation	4.8%	3.5%	2.5%	2.1%

Historically, the Bank's local economy and performance is highly correlated with these national indicators, particularly given the Bank's nationwide lending platform.

d. Market and Competitive Factors

The Washington, D.C. MSA is a competitive banking environment, as noted by the deposit market share and HMDA aggregate information provided below.

According to the FDIC Deposit Market Share Report from June 30, 2022, there were 70 depository financial institutions within the full Washington, D.C. MSA. Those 70 depository institutions accounted for 1,300 retail offices (main offices and branches) and total deposits of approximately \$297.1 billion. Forbright ranked 12th in deposits with approximately \$5.6 billion in deposits. This accounted for a deposit market share of 1.9 percent.¹⁷ As of June 30, 2021, there were 72 depository institutions with 1,401 retail offices and total deposits of approximately \$357.2 billion. Forbright ranked 20th in deposits with approximately \$1.7 billion in deposits and a deposit market share of 0.5 percent. As of June 30, 2020, there were 72 depository institutions with 1,491 retail offices and total deposits of approximately \$313.5 billion. Forbright ranked 23rd in deposits with approximately \$1.7 billion in deposits and a deposit market share of 0.4 percent.

According to HMDA aggregate data provided by the Consumer Financial Protection Bureau, there were 852 institutions that originated or purchased 356,690 HMDA reportable loans within the Bank's assessment area in 2021. These figures exclude Forbright's 394 HMDA originations within the assessment area in 2021. For 2020 HMDA aggregate, there were 867 institutions that originated or purchased 362,473 HMDA reportable loans within the Bank's assessment area in 2020. These figures exclude Forbright's 410 originations within the assessment area in 2020. For 2019 HMDA aggregate, there were 770 institutions that

¹⁶ FOMC Meeting Statement dated December 14, 2022

¹⁷As referenced in Section I.b. approximately 20% of the Bank's deposits are retail deposits, with the remainder generated from wholesale deposit sources which may distort market share.

originated or purchased 202,175 HMDA reportable loans within the Bank's assessment area in 2020. These figures exclude Forbright's 103 originations within the assessment area in 2019.

Although Forbright exited the secondary market residential mortgage loan market in 2022, HMDA aggregate information still provides useful context on the competitive market in which the Bank operates.

VI. Community Needs

To help identify and understand community development needs, the Bank conducted a community needs assessment, with a focus on LMI individuals. In identifying community needs, the Bank considered the demographic data, discussions with local community organizations, and publications by local governments and community need organizations listed in **Appendix C**. Major findings of the needs assessment are outlined below with many of these needs being exacerbated by inflationary pressures and the sunset of some federal government initiatives that were introduced during the pandemic:

- **Affordable Housing:** Wages are not keeping pace with housing costs with many low-income households paying more than 50% of income towards housing. Rents are increasing considerably and being impacted by housing supply issues. Similarly, homeownership is a particular challenge among minorities and first-time home buyers as housing prices are being driven up by multiple bids on properties due to lower supply coupled with higher mortgage interest rates. Many counties have initiatives underway to develop affordable housing units.
- **Homelessness:** Homelessness is an area that impacts all of the bank's assessment area but is most prevalent in District of Columbia, Fairfax County, Montgomery County, and Prince George's County. Homeless statistics are improving but remain a key area of community need. Risk of eviction and its impact on homelessness is a concern as several moratoria have or will expire that provide limitations for evictions.
- **Hunger:** Food insecurity is a problem across the assessment area with Prince George's, District of Columbia, Alexandria, and Montgomery Counties most impacted with many of the population having severe food insecurity issues.
- **Healthcare:** Lack of access to quality health care to include mental health, which are issues that were further negatively impacted by COVID. This issue is prevalent when considering disparities related to race, ethnicity, gender, income, age, and geography. Comprehensive mental health and wellness support is a particular need within the school environment to serve the younger population.
- **Domestic Violence:** Studies show many women in the area suffer from domestic violence that need assistance to stop the abuse. The LMI population is most impacted and many of which have children.

- **Childcare:** Lack of access to affordable, quality, early childcare. Early childhood education programs need to be made widely available to ensure kindergarten preparedness for all families regardless of income or locations.
- **Education:** Significant achievement gap for African American, Latino, English learning, and low-income youth compared to White and Asian youth. Young people who are behind academically with limited academic support have less motivation to remain in school.
- **Financial Literacy:** Expand financial literacy programs available in schools, career training programs, after school events, and underserved populations.
- **Career Development:** Career development and training programs that provide hands on skill development and school-business partnerships which expose youth to variety of careers through internships and paid employment.
- **Energy Assistance:** Rising energy costs are particularly impacting lower income individuals' ability to pay their energy bills to maintain adequate living conditions.

VII. Plan and Measurable Goals

This section discusses the Bank's strategy for demonstrating CRA performance through the establishment of measurable goals under which the Bank will be assessed. In developing the goals, management considered demographic and economic data, a community needs assessment, the Bank's past performance, peer performance, and the Bank's capacity and constraints previously discussed in **Section III.d**. Goals are established for community development lending and investments, grants and donations, and services, and will be measured on the Bank's performance within its delineated assessment area¹⁸. Since this Plan covers three years, interim annual goals are established for each of these categories based on a fiscal year of April 1 to March 31. The Bank's goal is to obtain an Outstanding rating by substantially meeting the Outstanding goals set in each category, each year. In the event there are circumstances beyond management's control to meet goals for a plan year, the Board will consider other alternatives to demonstrate the Bank's CRA commitment that may include increasing performance in the subsequent year to meet the cumulative plan goals, substantially exceeding goals in other area(s) for the plan year that are within management's control, or in limited circumstances, accepting lower performance levels that are well documented and justified. While this section introduces some examples of CRA activities that may be conducted under each category, the Bank will consider its needs assessment and ongoing contact with local community organizations and governments in

¹⁸ In determining if community development loans, investments, and services are within the Bank's assessment area, the Bank will rely on Section 345.12(h)-6 of the "Interagency Questions and Answers Regarding Community Reinvestment" in making this determination.

determining to whom it will provide community development loans or investments, grants or donations, or service activities in order to meet the Plan goals.

a. Peer Performance

A quantitative approach was used to establish the goals and standards outlined below to allow the success of the Plan to be determined more objectively and to be compared to peer institutions. For purposes of this Plan, peer institutions include banks with a similar lending strategy (i.e., a nationwide lending platform with a lower volume of loans made in its assessment area). The Bank had to rely on peers outside of its assessment area, as local institutions did not engage in such lending strategies. Peer institutions relied upon include Live Oak Banking Company, Tristate Capital Bank, Merrick Bank, BMW Bank, and WebBank. Goals for peer institutions were obtained from their most recent Performance Evaluations. Interim plan goals for the Bank were established by exceeding peer group averages unless further supported herein.

b. Established Goals

Community Development Loans and Investments (Goals #1 and #2)

The Bank recognizes there are distinctions between community development loans and investments. However, in setting goals, the CRA Strategic Plan considers them collectively as either category can contribute to meeting the outlined goals. Such an approach gives the Bank flexibility to ensure it deploys funding to projects that provide the most benefit to the assessment area.

Goals for community development loans and investments are stated as a percentage of prior year average assets. This framework is consistent with the approach used by peer institutions and is appropriate as the size of the commitment will change with the Bank's assets. The peer goals for a Satisfactory rating for new qualified loans and investments ranged from 0.30% to 0.40% of average assets, or an average of 0.35% for four peers, while no goal was established for the other. For an Outstanding rating, peer goals ranged from 0.36% to 0.75% for the four institutions or an average of 0.51%. Using these metrics as a guide, the Bank established a goal for a Satisfactory rating at 0.35% and a goal of 0.50% for an Outstanding rating that are consistent with peer averages.

Cumulative loans and investment are established to capture both new activities plus outstanding balances of prior period activities as further described below in Table 14. The peer cumulative loans and investment goals ranged from 1.00% to 1.75% with an average of 1.24% for a Satisfactory rating and Outstanding ranged from 1.15% to 1.90% with an average of 1.56%. The Bank established a goal of 1.35% to 1.50% for Satisfactory and 1.65% to 1.80% for Outstanding, all of which exceeds the peer average.

The goals below will result in the Bank making a substantial amount of qualified loans and investments. Over the past three years, the Bank originated an average of approximately \$58 million in community development loans per year and has an outstanding balance of prior period investments of \$11 million. Based on the goals below and the Bank's projections for average assets, the Bank's anticipated level of cumulative qualified loans and investments will be well in excess of \$100 million in 2025.

Table 14: Community Development Loans and Investments Goals				
Fiscal Year 4/1 to 3/31	Goal #1 New Loans & Investments/Avg. Assets		Goal #2 Cumulative Loans & Investments/ Avg. Assets	
	Satisfactory	Outstanding	Satisfactory	Outstanding
	2024	0.35%	0.50%	1.35%
2025	0.35%	0.50%	1.45%	1.75%
2026	0.35%	0.50%	1.50%	1.80%

Calculations:

New Loans and Investments - represents the total committed balance at origination for all qualified loans or investments in the current fiscal plan year. A renewal of a loan is considered a new activity.

Cumulative Loans and Investments - derived for New Loans & Investments in the current fiscal plan year, plus the outstanding balance of any qualified investments previously originated during any period, plus the current balance of loans originated during prior years covered within this Strategic Plan term.

Average Assets - calculated by taking the average of line 9 (Total Assets) of Schedule RC-K (Quarterly Averages) of the Report of Income and Condition for the Bank's four quarters in the preceding fiscal plan year.

Community Development Loans and Investments include those activities that provide for affordable housing for LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing small businesses or farms meeting size eligibility requirements defined by regulation; or activities that revitalize or stabilize low-to-moderate income geographies, designated disaster areas, or certain distressed or underserved nonmetropolitan middle income geographies.

Community Development Grants and Donations (Goal #3)

The Bank is committed to making charitable contributions with a primary purpose of community development that supports the institution's assessment area. Goals for grants and donations are established by dollar amount, an approach that is commensurate with peers. Annual goals are established by four of the peers that range from \$29,300 to \$833,000 for Satisfactory and \$32,200 to \$878,000 for Outstanding. The institution representing the

upper end of the range has assets that are more than twice the size of Forbright. Excluding this institution, the upper end of the peer range is \$265,000 and \$290,000 for Satisfactory and Outstanding, respectively, and this does not occur until Year 2 of the peer's plan. The Bank's goals are in alignment with or exceed peers, and over the term of the plan represents over three times the amount of qualified grants and donations the Bank made in the 37 months since its last Performance Evaluation totaling \$255,000. Based on the annual goals outlined below, the Bank will give at least \$780,000 over the three-year period.

Table 15: Annual Grants and Donations (Goal #3)		
Fiscal Year 4/1 to 3/31	Satisfactory	Outstanding
2024	\$240,000	\$270,000
2025	\$260,000	\$290,000
2026	\$280,000	\$310,000

Several potential nonprofit entities have been identified that qualify as investments via charitable contributions. Examples of some entities are listed below and are not intended to represent a commitment to invest in such entities, nor limit the nonprofit entities the Bank can contribute to. Management will continue to evaluate and establish new nonprofit partnerships that will benefit the assessment area.

- Grid Alternatives makes renewable energy technology and job training accessible to underserved communities.
- Junior Achievement of Greater Washington inspires and prepares young people to succeed in the global economy. Junior Achievement is the world's largest organization dedicated to educating students in grades K-12 about financial literacy, work readiness, and entrepreneurship.
- Kids in Need of Distributors (KIND) provides non-perishable food items for children (grades K-8), who are on the farm program, to take home over each weekend of the school year.
- Black Student Fund provides essential advocacy, academic, and retention support to academically motivated African American and other underserved students to facilitate their access, admission, and successful matriculation and graduation from member schools.
- Bethany House is a Christian ministry located in Fairfax County, Virginia, providing short-term housing and life advancement services to women and children escaping domestic violence.
- Women Palante offers bilingual personal finance education and business incubator programs where Latinas can start and grow their businesses while centering on their personal development.
- A Wider Circle provides on-the-ground services for the creation of stable homes, workforce development, and neighborhood revitalization in Montgomery County, Maryland.

Community Development Services (Goal #4)

The community development service goal considers the number of services the Bank will perform. In the 37 months since our last Performance Evaluation, the Bank performed 71 services. Based on the Bank’s assessment, this totaled approximately 621 total community service hours, representing an average of 207 total service hours per year. Peer goals service hours ranged from 180 to 880 hours annually for Satisfactory and 230 to 990 hours for Outstanding. Peer information was not available based on the number of services; however, the Bank has chosen this metric which is consistent with how the FDIC and management has historically measured the Bank’s service performance.

Using peer performance to establish benchmarks for this factor can be challenging given variances in asset size and number of employees. Additionally, as further discussed in **Section III.d. Capacity and Constraints**, the Bank has a considerable number of employees outside of its assessment area that impact the ability to perform community services within the assessment area. These factors were considered in determining the Bank’s community development services goals.

For the established goal, one service is equal to one community service completed by one employee that benefits low- and moderate- income individuals and areas. For example, if 5 employees volunteer at a financial literacy workshop for LMI individuals, the Bank will earn 5 services for the event. Supporting communities through volunteering is foundational to the bank, and the established goal will result in a measurable increase from the Bank’s historical performance.

Fiscal Year 4/1 to 3/31	Satisfactory	Outstanding
2024	40	60
2025	45	65
2026	50	70

Forbriht's dedication to community development services will be related to the provision of financial services. The Bank helps LMI individuals build financial capacity skills through financial literacy training to students in local middle school, high school, and college students. The Bank has partnered with organizations such as Junior Achievement, Black Student Fund, College to Congress, and KIPP DC. The Bank also provides workforce development training for youth and adults in LMI communities.

VIII. Plan Administration

a. Ongoing Review of Performance Goals and Standards



Forbright's Board will ensure adequate resources are available to achieve the goals outlined in this Plan. The Board and/or the appropriate management committee will monitor the Bank's performance periodically throughout the fiscal Plan year to gauge performance against stated goals. To the extent the Bank has a material change in its mission or strategy, the Bank will consult with the Federal Deposit Insurance Corporation to submit an amended CRA Strategic Plan, and as necessary, seek formal public comment.

b. FDIC Request for Approval

The Bank respectfully submits that it has fulfilled the regulatory requirements for CRA strategic plans, including those governing development of the Plan and the involvement of the public in the determination of community needs. As established herein, the Bank's CRA performance context supports the Bank's measurable Plan goals. The Board and management team believe that FDIC approval of the Bank's Strategic Plan is appropriate under the FDIC's criteria for evaluation as outlined in 12 CFR 345.27(g)(3)(i)-(iii).

For the reasons set forth above, the Bank respectfully requests FDIC approval of this Strategic Plan.

c. Election of Alternative Performance Evaluation

The Board and senior management intend to meet or exceed all goals established in the Plan. However, the Bank reserves the right to request to be evaluated under the Large Bank CRA Examination Procedures if it fails to substantially meet the Plan goals for a Satisfactory rating.

d. Bank Contact Information

For information regarding this Strategic Plan, please contact:

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Appendix A - Product and Services Offering (Listing as of May 1, 2023)

SERVICES – PERSONAL

Checking Accounts

- Personal Checking
- Personal NOW Checking

Savings and Time Deposit Accounts

- Statement Savings
- Tired Savings
- Kid's Club Savings
- Certificate of Deposits
- Personal Money Market
- Platinum Money Market
- ICS Money Market
- Individual Retirement Accounts

Credit Cards

- Creditor and Issuer is Elan Financial Services

Personal Services

- Bill Pay
- Debit Card (MasterCard®)
- Safe Deposit Boxes (Rockville Branch Only)
- Zelle
- Online Banking
- Mobile Banking
- Mobile Check Deposit
- Online Account Opening

Additional Personal Services

- Deposit-Taking Automated Teller Machine (ATM)
- E-Statements
- Night Drop Services
- Wire Transfers
- CDARS and ICS



SERVICES – BUSINESS

Checking Accounts

Commercial Checking
Commercial Now Checking
Commercial Analysis Checking

Savings and Time Deposit Accounts

Commercial Statement Savings
Commercial Tiered Savings
Commercial Money Market
Commercial Certificate of Deposit
Commercial ICS Money Market
Commercial Platinum Money Market

Credit Cards

Creditor and Issuer is Elan Financial Services

Community Business Loan and Lines

Commercial Lending
Commercial Line of Credit
Commercial Letters of Credit
Commercial Real Estate Loans
Commercial Construction Loans
Commercial Bridge Loans
Small Business Administration Loans
Business Line of Credit

Specialty Business Lending (Nationwide)

Healthcare Assets-Based Accounts Receivable Revolving Loans
Lender Finance Asset-Based Loans
Healthcare General Bridge-to-HUD Loan

Business Services

Online Banking
Cash Management
Remote Deposit Capture Service
Online Wire Transfer
Mobile Banking
Positive Pay
ACH Origination
CDARS and ICS
Lockbox
Mobile Check Deposit

Additional Business Services

Deposit-Taking Automated Teller Machine (ATM)
E-Statements
Night Drop Services
Wire Transfers
Safe Deposit Boxes (Rockville Branch Only)



Appendix B – Proof of Publication

*Public Notice (Notice)
Community Reinvestment Act Strategic Plan
Public Comments Invited*

Community Reinvestment Act (CRA) regulations require a bank that has developed a CRA Strategic Plan (the “Plan”) to publish Notice of the Plan and solicit formal written public comment for at least a 30-day period. In conformance with this requirement, Forbright Bank hereby provides notice of its intention to submit a CRA Strategic Plan to the Regional Director of the New York office of the Federal Deposit Insurance Corporation (the “FDIC”). Written comments from the public concerning the Plan are encouraged. Individuals may request a copy of Forbright Bank’s CRA Strategic Plan at no charge, by contacting Heather Smith, CRA Officer, by email at hsmith@forbrightbank.com, or by mail at 4445 Willard Ave, Suite 1000, Chevy Chase, Maryland 20815. All written comments regarding the Plan should be directed to Ms. Smith at the address listed. Comments will be accepted until June 16, 2023, following which time the plan will be submitted for approval to the FDIC. Forbright Bank will review all comments and incorporate suggestions to the Plan at its discretion.

Appendix C – Community Needs Assessment References

Needs Assessment 2022 (Fairfax County), Prepared by Department of Management and Budget

2022 Hunger Report by Capital Area Food Bank

Community Needs Assessment December 2020, Prepared by Montgomery County Collaboration Council

DC Financial Literacy Council Core Recommendations and Fiscal Year 2021 Action Plan

Frederick County Human Needs Assessment: Update to the 2018 Report as of June 2022; Prepared by The Community Foundation of Frederick County

Homelessness in Metropolitan Washington – Results and Analysis from the Annual Point-In-Time Count of Persons Experiencing Homelessness; Prepared by the Homeless Services Planning and Coordinating Committee May 11, 2022

Inova 2022 Community Health Needs Assessment – Alexandria

Inova and Loudoun County Health Department – 2019 Community Health Assessment

Loudoun County Unmet Housing Needs Strategic Plan, September 8, 2021, by Loudoun County Board of Supervisors

Montgomery County Housing Needs Assessment, July 2020 by HR&A Advisor Inc. contracted by Montgomery County

Report finds burden of energy costs in DC is most severe in ward 7, 8 by Bridget Redd Morawski, March 23, 2022

Surviving DC: A Research Synthesis of Domestic Violence Survivor's Experiences May 2018; Prepared by DC Coalition Against Domestic Violence

United Way: Energy Assistance DC – Utility Assistance Programs / United Way NCA by Holly Martinez

Appendix D - Assessment Area Map



Metropolitan Division	City/County	State	Census Tracts
Frederick-Gaithersburg-Rockville, MD	Frederick County	MD	All
	Montgomery County	MD	All
Washington-Arlington-Alexandria, DC-VA-MD-WV	Prince George's County	MD	All
	District of Columbia	DC	All
	Arlington County	VA	All
	Alexandria City	VA	All
	Fairfax County	VA	All
	Fairfax City	VA	All
	Falls Church City	VA	All
	Loudon County	VA	All

Appendix E – Census Tracts

Each census tract within the Bank’s delineated assessment area is included in the tables that follow.

Frederick County, MD 2022 Census Tracts - State Code (24), County Code (21)									
7402.00	7501.00	7502.00	7503.00	7505.04	7505.05	7505.06	7505.07	7505.08	7506.00
7507.01	7507.02	7508.01	7508.02	7508.04	7508.05	7510.01	7510.02	7510.03	7510.04
7512.01	7512.02	7512.03	7513.01	7513.02	7516.00	7517.01	7517.02	7518.01	7518.02
7519.02	7519.03	7519.04	7519.05	7519.06	7520.01	7521.01	7521.02	7522.01	7522.02
7522.05	7522.06	7523.01	7523.02	7523.03	7525.01	7525.02	7526.01	7526.02	7526.03
7528.01	7528.02	7529.00	7530.01	7530.02	7651.00	7668.00	7675.00	7676.00	7707.00
7722.00	7735.00	7753.02	7754.00	7756.00					

Montgomery County, MD 2022 Census Tracts - State Code (24), County Code (31)									
7001.01	7001.03	7001.04	7001.05	7002.04	7002.06	7002.07	7002.08	7002.09	7002.10
7003.06	7003.08	7003.09	7003.10	7003.13	7003.14	7003.15	7003.16	7003.17	7003.18
7004.00	7005.00	7006.04	7006.06	7006.08	7006.10	7006.11	7006.13	7006.14	7006.15
7006.16	7006.17	7006.18	7007.06	7007.10	7007.11	7007.13	7007.15	7007.18	7007.20
7007.21	7007.23	7007.24	7007.25	7007.26	7007.27	7007.28	7007.29	7007.30	7007.31
7007.32	7007.33	7008.10	7008.11	7008.12	7008.13	7008.15	7008.18	7008.19	7008.20
7008.22	7008.23	7008.24	7008.26	7008.28	7008.29	7008.30	7008.32	7008.33	7008.34
7008.35	7008.36	7008.37	7008.38	7008.39	7009.01	7009.02	7009.03	7009.04	7009.05
7010.01	7010.02	7010.04	7010.05	7010.06	7010.07	7011.01	7011.02	7012.01	7012.02
7012.05	7012.06	7012.10	7012.11	7012.12	7012.14	7012.15	7012.16	7012.18	7012.19
7012.20	7012.21	7012.22	7012.23	7013.03	7013.04	7013.06	7013.07	7013.08	7013.12
7013.13	7013.14	7013.15	7013.16	7013.17	7014.07	7014.08	7014.09	7014.14	7014.15
7014.17	7014.18	7014.22	7014.23	7014.24	7014.25	7014.26	7014.27	7015.03	7015.05
7015.06	7015.07	7015.08	7015.09	7016.01	7016.02	7017.01	7017.02	7017.03	7017.04
7018.00	7019.00	7020.00	7021.01	7021.02	7022.00	7023.01	7023.02	7024.01	7024.02
7025.01	7025.02	7025.03	7026.02	7026.03	7026.04	7027.00	7028.00	7029.00	7030.00
7031.00	7032.01	7032.02	7032.06	7032.07	7032.08	7032.09	7032.10	7032.13	7032.14
7032.15	7032.16	7032.18	7032.19	7032.20	7032.21	7032.22	7032.23	7033.01	7033.02
7034.01	7034.02	7034.03	7034.04	7035.01	7035.02	7036.01	7036.02	7037.01	7037.02
7038.00	7039.01	7039.02	7040.00	7041.00	7042.00	7043.00	7044.01	7044.03	7044.04
7045.01	7045.02	7045.03	7046.00	7047.00	7048.03	7048.04	7048.05	7048.06	7050.00
7051.00	7052.00	7053.00	7054.00	7055.01	7055.02	7056.01	7056.02	7057.01	7057.02
7058.00	7059.01	7059.02	7059.03	7060.05	7060.07	7060.08	7060.09	7060.10	7060.11
7060.12	7060.13								

District of Columbia, CD 2022 Census Tracts - State Code (11), County Code (1)									
1.01	1.02	2.01	2.02	3.00	4.00	5.01	5.02	6.00	7.02
7.03	7.04	8.02	8.03	8.04	9.02	9.03	9.04	10.02	10.03
10.04	11.00	12.00	13.01	13.03	13.04	14.01	14.02	15.00	16.00
17.02	18.03	18.04	19.01	19.02	20.01	20.02	21.01	21.02	22.01
22.02	23.01	23.02	24.00	25.01	25.03	25.04	26.00	27.02	27.03
27.04	28.01	28.02	29.00	30.00	31.00	32.00	33.01	33.02	34.00
35.00	36.00	37.01	37.02	38.01	38.02	39.01	39.02	40.01	40.02
41.00	42.01	42.02	43.00	44.01	44.02	46.00	47.02	47.03	47.04
48.01	48.02	49.01	49.02	50.01	50.03	50.04	52.02	52.03	53.02
53.03	55.01	55.02	55.03	56.01	56.02	58.01	58.02	59.00	64.00
65.00	66.00	67.00	68.01	68.02	68.04	69.00	70.00	71.00	72.01
72.02	72.03	73.01	73.04	74.01	74.03	74.04	74.06	74.07	74.08
74.09	75.02	75.03	75.04	76.01	76.03	76.04	76.05	77.03	77.07
77.08	77.09	78.03	78.04	78.06	78.07	78.08	78.09	79.01	79.03
80.01	80.02	81.00	82.00	83.01	83.02	84.02	84.10	87.01	87.02
88.02	88.03	88.04	89.03	89.04	90.00	91.02	92.01	92.03	92.04
93.01	93.02	94.00	95.03	95.04	95.05	95.07	95.08	95.09	95.10
95.11	96.01	96.02	96.03	96.04	97.00	98.01	98.02	98.03	98.04
98.07	98.10	98.11	99.01	99.02	99.03	99.04	99.05	99.06	99.07
101.00	102.01	102.02	103.00	104.00	105.00	106.01	106.02	106.03	107.00
108.00	109.00	110.01	110.02	111.00	9800.00				

Prince George's County, MD 2022 Census Tracts - State Code (24), County Code (33)									
8001.02	8001.03	8001.05	8001.06	8001.08	8001.09	8002.03	8002.06	8002.09	8002.10
8002.11	8002.12	8002.13	8002.16	8002.17	8002.18	8004.01	8004.02	8004.03	8004.08
8004.09	8004.10	8004.11	8004.12	8004.13	8005.04	8005.05	8005.07	8005.11	8005.13
8005.14	8005.15	8005.16	8005.17	8005.18	8005.19	8005.20	8005.21	8005.22	8006.05
8006.06	8006.07	8006.08	8006.09	8007.01	8007.04	8007.05	8007.06	8007.07	8008.00
8009.00	8010.03	8010.04	8010.05	8010.06	8011.05	8011.06	8012.07	8012.08	8012.09
8012.10	8012.11	8012.12	8012.13	8012.14	8012.15	8012.16	8012.17	8013.02	8013.05
8013.07	8013.08	8013.09	8013.10	8013.11	8013.12	8013.13	8014.04	8014.05	8014.06
8014.07	8014.08	8014.09	8014.10	8014.11	8015.00	8016.00	8017.01	8017.02	8017.04
8017.07	8017.09	8018.01	8018.02	8018.07	8018.08	8018.09	8019.01	8019.04	8019.05
8019.06	8019.07	8019.08	8020.01	8020.02	8021.03	8021.04	8021.06	8021.07	8022.01
8022.03	8022.04	8023.01	8024.04	8024.05	8024.06	8024.07	8024.08	8025.01	8025.02
8026.00	8027.00	8028.03	8028.04	8028.05	8029.01	8030.01	8030.02	8031.00	8032.00
8033.00	8034.03	8035.08	8035.09	8035.12	8035.13	8035.14	8035.16	8035.19	8035.20
8035.21	8035.24	8035.25	8035.26	8035.27	8035.28	8036.01	8036.02	8036.05	8036.06
8036.07	8036.08	8036.10	8036.12	8036.13	8037.00	8038.01	8038.03	8039.00	8040.01
8040.02	8041.01	8041.02	8042.00	8043.00	8044.00	8046.00	8047.00	8048.01	8048.02
8049.00	8050.00	8051.01	8052.01	8052.02	8055.00	8056.01	8056.02	8057.00	8058.01
8058.02	8059.04	8059.06	8059.07	8059.08	8059.09	8060.00	8061.00	8064.00	8065.01
8066.01	8066.02	8067.06	8067.08	8067.10	8067.11	8067.12	8067.13	8067.14	8068.00
8069.00	8070.00	8071.02	8073.01	8073.04	8073.05	8074.04	8074.05	8074.07	8074.08
8074.09	8074.10	8075.00	9800.00						

Arlington County, VA 2022 Census Tracts - State Code (51), County Code (13)									
1001.00	1002.00	1003.00	1004.00	1005.00	1006.00	1007.00	1008.00	1009.00	1010.00
1011.00	1012.00	1013.00	1014.01	1014.02	1014.05	1014.06	1014.07	1014.08	1014.09
1015.01	1015.02	1015.03	1016.01	1016.02	1016.03	1017.01	1017.03	1017.04	1017.05
1018.01	1018.03	1018.04	1018.05	1019.00	1020.01	1020.02	1020.03	1021.00	1022.00
1023.01	1023.02	1024.00	1025.00	1026.00	1027.01	1027.02	1028.02	1028.03	1028.04
1029.01	1029.03	1029.04	1030.00	1031.00	1032.00	1033.00	1034.01	1034.03	1034.04
1034.05	1035.01	1035.03	1035.04	1035.05	1036.01	1036.02	1037.00	1038.00	9801.00
9802.00									

Fairfax County, VA 2022 Census Tracts - State Code (51), County Code (59)									
4151.00	4152.00	4153.00	4154.01	4154.02	4155.00	4156.00	4157.00	4158.00	4159.00
4160.00	4161.00	4162.00	4163.00	4201.00	4202.01	4202.02	4202.03	4203.00	4204.00
4205.01	4205.02	4205.03	4206.00	4207.00	4208.00	4210.01	4210.02	4211.01	4211.02
4211.03	4212.00	4213.00	4214.00	4215.00	4216.00	4217.01	4217.02	4218.00	4219.00
4220.00	4221.01	4221.02	4222.01	4222.02	4223.01	4223.02	4224.01	4224.02	4224.03
4301.01	4301.02	4302.01	4302.02	4302.03	4304.00	4305.00	4306.00	4307.00	4308.01
4308.02	4309.01	4309.02	4310.01	4310.02	4313.00	4314.00	4315.00	4316.01	4316.02
4318.01	4318.02	4319.00	4320.00	4321.00	4322.01	4322.02	4323.00	4324.01	4324.02
4325.00	4326.00	4327.01	4327.02	4328.00	4401.00	4402.01	4402.02	4403.00	4405.01
4405.03	4405.04	4405.05	4406.00	4407.01	4407.02	4408.00	4501.00	4502.00	4503.00
4504.00	4505.00	4506.01	4506.02	4507.01	4507.02	4508.00	4509.00	4510.00	4511.00
4512.00	4513.00	4514.00	4515.01	4515.02	4516.01	4516.02	4518.00	4519.00	4520.00
4521.01	4521.02	4522.00	4523.01	4523.02	4524.00	4525.01	4525.02	4526.00	4527.00
4528.01	4528.02	4601.00	4602.00	4603.00	4604.00	4605.01	4605.03	4605.04	4606.00
4607.01	4607.02	4608.00	4609.00	4610.00	4611.00	4612.01	4612.02	4615.00	4616.03
4616.04	4616.05	4616.06	4617.00	4618.01	4618.02	4619.01	4619.02	4701.00	4703.00
4704.00	4705.00	4706.00	4707.00	4708.00	4709.00	4710.00	4711.00	4712.01	4712.03
4712.04	4713.01	4713.03	4713.04	4714.01	4714.02	4801.00	4802.01	4802.03	4802.04
4802.05	4803.01	4803.02	4804.01	4804.02	4805.01	4805.02	4805.03	4805.04	4805.05
4808.01	4808.02	4809.01	4809.02	4809.03	4810.00	4811.01	4811.02	4811.03	4811.04
4811.05	4811.06	4812.01	4812.02	4814.00	4815.00	4816.00	4817.01	4817.02	4819.00
4820.01	4820.02	4821.00	4822.01	4822.03	4822.04	4822.05	4822.06	4823.01	4823.02
4823.03	4824.00	4825.02	4825.03	4825.04	4825.05	4825.06	4825.07	4826.01	4826.03
4826.04	4901.01	4901.04	4901.05	4905.01	4905.02	4910.00	4911.01	4911.02	4911.03
4912.01	4912.02	4913.01	4913.02	4913.03	4914.01	4914.02	4914.03	4914.04	4914.05
4915.01	4915.02	4916.01	4916.02	4917.01	4917.03	4917.04	4917.05	4917.06	4917.07
4918.01	4918.02	4918.03	4920.00	4921.00	4922.01	4922.02	4922.03	4923.00	4924.00
4925.00	9801.00	9802.00	9803.00						

Loudoun County, VA 2022 Census Tracts - State Code (51), County Code (107)									
6101.01	6101.02	6102.01	6102.02	6103.00	6104.00	6105.03	6105.04	6105.05	6105.06
6105.07	6106.01	6106.02	6106.03	6106.04	6107.01	6107.02	6107.03	6108.00	6109.00
6110.02	6110.04	6110.05	6110.06	6110.09	6110.10	6110.11	6110.12	6110.13	6110.14
6110.15	6110.16	6110.17	6110.18	6110.19	6110.20	6110.22	6110.23	6110.26	6110.27
6110.28	6110.29	6110.30	6110.31	6110.32	6111.01	6111.02	6112.02	6112.04	6112.05
6112.06	6112.07	6112.08	6112.09	6113.00	6114.00	6115.01	6115.02	6116.01	6116.02
6117.01	6117.02	6118.03	6118.04	6118.05	6118.07	6118.08	6118.09	6118.10	6118.11
6118.12	6118.13	6119.01	6119.02	9801.00					

Alexandria city, VA 2022 Census Tracts - State Code (51), County Code (510)									
2001.02	2001.04	2001.05	2001.06	2001.08	2001.09	2001.10	2001.11	2002.01	2002.02
2003.01	2003.02	2003.04	2003.05	2004.03	2004.04	2004.06	2004.07	2004.08	2004.09
2005.00	2006.00	2007.01	2007.03	2007.04	2007.05	2008.01	2008.02	2009.00	2010.00
2011.00	2012.02	2012.04	2012.05	2012.06	2013.00	2014.00	2015.00	2016.01	2016.02
2018.02	2018.03	2018.04	2018.05	2019.00	2020.01	2020.02	9800.00		

Fairfax city, VA 2022 Census Tracts - State Code (51), County Code (600)									
3001.00	3002.00	3003.00	3004.00	3005.00					

Falls Church city, VA 2022 Census Tracts - State Code (51), County Code (610)									
5001.00	5002.00	5003.00							

WRITTEN COMMENTS

- N/A - None

PUBLIC DISCLOSURE

July 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Congressional Bank
Certificate Number: 57614

7963 Tuckerman Lane
Potomac, Maryland 20854

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

350 Fifth Avenue, Suite 1200
New York, New York 10118

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. Also, the examiners did not identify any evidence of discriminatory or other illegal credit practices.

Congressional Bank's Community Reinvestment Act (CRA) performance of Satisfactory under the Lending Test and Satisfactory under the Community Development Test supports the overall rating. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable.
- The bank made a substantial majority of loans outside its assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration throughout the assessment area.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area 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 assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 20, 2016, to the current evaluation dated July 8, 2019. Examiners used the Interagency Examination Procedures for Intermediate Small Institutions to evaluate Congressional Bank's CRA performance.

The examination procedures include two tests as follows: the Lending Test and the Community Development Test. A bank must achieve at least a satisfactory rating under each test to attain an overall satisfactory rating. This evaluation does not include any lending activity performed by affiliates. The Lending Test considers an institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The Community Development Test considers an institution's performance according to the following criteria.

- The number and dollar amount of community development loans, qualified investments, and community development services.
- The responsiveness of such activities to the community development needs of a bank's assessment area.

Loan Products Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank's record of originating home mortgage loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending during the most recent calendar years. Small farm loans are not included in the evaluation as the bank does not originate these loans.

The bank's lending focus and product mix has remained consistent throughout most of the evaluation period. However, in 2018, the number and dollar volume of HMDA originations declined due to the closing of the residential loan production offices (LPOs). This evaluation considered all home mortgage loans reported on the bank's 2016, 2017, and 2018 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs).

Congressional Bank is not required to collect or report data for small business loans, and it elected not to do so. Examiners gathered the data on all small business loans originated in 2016, 2017, and 2018 for evaluation under the Lending Test. For CRA purposes, a small business loan is defined as a loan included in "loans to small businesses" as defined in the Call Report. These loans are either secured by non-farm, non-residential properties or are classified as commercial

and industrial loans with loan origination amounts of \$1.0 million or less.

For the home mortgage and small business loan reviews, data from January 1, 2016, rather than the previous evaluation date of June 20, 2016, was reviewed as 2016 loan originations were not reviewed at the previous evaluation. The table below further details each loan universe.

Loan Products					
Loan Category	Universe*			Reviewed	
		#	\$(000s)	#	\$(000s)
Home Mortgage					
	2016	3,024	657,082	3,024	657,082
	2017	2,643	569,081	2,643	569,081
	2018	1,450	332,451	1,450	332,451
Small Business					
	2016	35	12,805	35	12,805
	2017	37	15,727	37	15,727
	2018	23	10,691	23	10,691
<i>Source: Bank records; 2016, 2017, and 2018 HMDA data.</i>					

For the Lending Test, examiners review and present the number and dollar of all loan types. However, examiners emphasize performance by number, because it is a better indicator of the number of individuals and businesses served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated June 20, 2016, to this evaluation dated July 8, 2019.

DESCRIPTION OF INSTITUTION

Background

Congressional Bank is a state-chartered bank located in Potomac, Maryland, that serves a portion of the Washington-Arlington-Alexandria, DC-MD-VA-WV Metropolitan Statistical Area (MSA). The bank is a wholly owned subsidiary of Congressional Bancshares, Inc., a one-bank holding company. The bank's previous CRA evaluation, dated June 20, 2016, resulted in a Satisfactory rating.

On February 1, 2018, the bank purchased Alliance Partners, LLC, and operates it as a wholly owned subsidiary. Alliance Partners, LLC is a SEC registered investment advisor. As part of the purchase, the bank also gained three other subsidiaries:

- AP MA Funding LLC – originates and acquires commercial loans for future sale to advisory clients;
- AP PHC LLC – owner of commercial loan participations; and
- AP MA Investor 13-5 LLC – originates and acquires commercial loans for future sale to managed account advisory clients.

Operations

Congressional Bank operates five full-service banking offices, one in Washington, D.C., three in Maryland, and one in Virginia. The Maryland branches are located in Montgomery County in the Cities of Bethesda, Potomac, and Rockville. The Virginia branch is located in Fairfax County in the City of Herndon. Additionally, the bank operates one limited-service administrative office in Maryland.

The bank purchased American Bank on January 1, 2016. In July and September 2016, the bank closed four branch offices: two in Washington, D.C. and two in Maryland. Three of these offices were acquired in the American Bank purchase and were closed due to their close proximity to existing bank branches. One of the offices in Washington, D.C. and one in Maryland were located in moderate-income census tracts. As part of the American Bank purchase, Congressional Bank acquired residential loan production offices (LPOs). During this evaluation period, the bank operated LPOs in Atlanta, Georgia; Columbus, Ohio; Edina, Minnesota; Fishers, Indiana; and Tampa, Florida. The bank closed the offices in Atlanta, Edina, and Fishers in July 2018. The bank closed the Tampa office in May 2019. Bank management explained that the LPOs were closed to achieve a more balanced loan portfolio centered within the assessment area.

The bank offers loan products including commercial, home mortgage, and consumer loans. In terms of mortgage loans, the bank offers fixed- and adjustable-rate conventional, Federal Housing Administration (FHA), and Veterans Administration (VA) home loans on a nationwide basis. The loans are originated using a variety of sources including a sales force, direct mail, and purchased leads. The bank is also a nationwide lender of healthcare loans, asset-based loans, and leveraged loans. The bank provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include

internet and mobile banking, electronic bill payment, and five bank-owned automated teller machines (ATMs).

Ability and Capacity

The bank's assets totaled \$1.1 billion as of March 31, 2019, and included total loans of \$921.4 million and securities totaling \$34.7 million. The bank's loan portfolio is detailed in the following table.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	67,046	7.3
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties (Open-end loans)	12,017	1.3
Secured by 1-4 Family Residential Properties (Closed-end loans)	134,092	14.6
Secured by Multifamily (5 or more) Residential Properties	9,325	1.0
Secured by Non-farm Non-residential Properties	249,988	27.1
Total Real Estate Loans	472,468	51.3
Agricultural Production and Other Loans to Farmers	0	0.0
Commercial and Industrial Loans	418,384	45.4
Consumer Loans	30,575	3.3
Obligations of States and Political Subdivisions in the United States	0	0.0
Other Loans	5	0.0
Gross Loans	921,427	100.0
Less: Unearned Income	(0)	(0.0)
Total Loans and Leases	921,427	100.0
<i>Source: March 31, 2019 Call Report.</i>		

Commercial loans, including commercial real estate and commercial and industrial loans, represent a majority of the loan portfolio. As the bank originates and sells its residential loans on the secondary market, these loans are not reflected in the loan portfolio. There were no financial or legal impediments that affected the bank's ability to meet community credit needs during the evaluation period.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires every bank to define one or more assessment areas within which its CRA performance will be evaluated. Congressional Bank has designated a single assessment area within the Washington-Arlington-Alexandria, DC-MD-VA-WV MSA 47900. The assessment area consists of all 494 census tracts in the Maryland Counties of Prince George's, Frederick, and Montgomery; 428 census tracts in the Virginia Counties of Arlington, Fairfax, and Loudon, as well as the Cities of Falls Church, Alexandria, and Fairfax; and 179 census tracts in Washington, DC. Frederick and Montgomery Counties are located in Metropolitan Division (MD) 43524 (Silver Spring-Frederick-Rockville, MD). Prince George's, Arlington, Fairfax, Loudon, and Alexandria Counties and Falls Church, Alexandria, and Fairfax Cities are located in MD 47894 (Washington-Arlington-Alexandria, DC-VA-MD-WV). MD 43524 and MD 47894 are a part of Washington-Arlington-Alexandria, DC-MD-VA-WV MSA 47900, which is a part of Combined Statistical Area (CSA) 548 Washington-Baltimore-Arlington, DC-MD-VA-WV. All of the interstate branches fall within the same multi-state MSA; therefore, the conclusions formed and ratings assigned are based on a full-scope review of the bank's single assessment area.

Economic and Demographic Data

The assessment area consists of 1,101 census tracts. These tracts reflect the following income designations per the 2015 American Community Survey (ACS) data:

- 122 low-income tracts,
- 229 moderate-income tracts,
- 349 middle-income tracts,
- 387 upper-income tracts, and
- 14 with no income designation.

The assessment area has 1.8 million housing units, of which 56.8 percent are owner-occupied, 36.7 percent are occupied rental units, and 6.5 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. The table on the next page illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,101	11.1	20.8	31.7	35.1	1.3
Population by Geography	4,689,353	10.4	19.6	32.8	36.6	0.6
Housing Units by Geography	1,835,853	10.6	19.7	32.9	36.3	0.5
Owner-Occupied Units by Geography	1,043,510	4.3	15.8	35.2	44.5	0.2
Occupied Rental Units by Geography	673,959	19.3	25.3	29.9	24.5	1.0
Vacant Units by Geography	118,384	16.9	22.4	29.6	30.5	0.6
Businesses by Geography	393,734	5.1	16.9	33.0	44.2	0.8
Family Distribution by Income Level	1,092,850	22.1	16.1	19.6	42.2	0.0
Median Family Income MSA - 43524 Silver Spring-Frederick- Rockville, MD MD		\$112,655	Median Housing Value			\$437,077
Median Family Income MSA - 47894 Washington-Arlington- Alexandria, DC-VA-MD-WV MD		\$106,762	Median Gross Rent			\$1,562
			Families Below Poverty Level			5.8%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2018 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

For CRA evaluations, individuals are categorized as low-, moderate-, middle-, or upper-income based on their respective income level as a percentage of the most current estimated Median Family Income (MFI). The Federal Financial Institutions Examination Council (FFIEC)-estimated MFI is used to analyze home mortgage loans under the Borrower Profile criterion. As provided by the FFIEC, the estimated MFIs for the two Metropolitan Divisions (MDs) within the bank's assessment area are shown in shown in the next table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Silver Spring-Frederick-Rockville, Maryland MD Median Family Income (43524)				
2016 (\$113,000)	<\$56,500	\$56,500 to <\$90,400	\$90,400 to <\$135,600	≥\$135,600
2017 (\$114,200)	<\$57,100	\$57,100 to <\$91,360	\$91,360 to <\$137,040	≥\$137,040
2018 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
Washington-Arlington-Alexandria, DC-VA-MD-WV MD Median Family Income (47894)				
2016 (\$105,700)	<\$52,850	\$52,850 to <\$84,560	\$84,560 to <\$126,840	≥\$126,840
2017 (\$107,600)	<\$53,800	\$53,800 to <\$86,080	\$86,080 to <\$129,120	≥\$129,120
2018 (\$114,900)	<\$57,450	\$57,450 to <\$91,920	\$91,920 to <\$137,880	≥\$137,880
<i>Source: FFIEC</i>				

According to 2018 D&B data, there were 393,734 businesses in the assessment area. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue level (GARs). GARs for these businesses were as follows:

- 84.4 percent had \$1 million or less,
- 6.2 percent had more than \$1 million, and
- 9.4 percent had unknown revenues.

Per D&B data from 2018, service industries represented the largest portion of businesses in the assessment area at 55.1 percent; followed by non-classifiable establishments (10.9 percent); and retail trade (9.3 percent). In addition, 68.4 percent of area businesses have four or fewer employees, and 89.5 percent operate from a single location. Major employers in the MSA include Naval Support Activity Washington (23,511 employees), Joint Base Andrews – Naval Air Facility (17,500 employees), MedStar Health (17,419 employees), Marriott International, Inc. (16,773 employees), and Inova Health System (16,000 employees).

Information from Moody’s *Economy.com, Inc., Précis Metro*, dated May 2019, notes that the MSA had job growth in the first quarter that was twice that in the last quarter of 2018.

Data obtained from the U. S. Bureau of Labor Statistics showed that unemployment rates throughout the assessment area declined during the evaluation period. The unemployment rates for Washington, D.C. were the highest among all rates in the assessment area, and were also above other states and national averages.

Unemployment Rates			
Area	2016	2017	2018
	%	%	%
Frederick County, MD	3.9	3.6	3.5
Montgomery County, MD	3.4	3.3	3.2
Prince George’s County, MD	4.4	4.2	4.1
Arlington County, VA	2.6	2.5	2.0
Fairfax City, VA	3.1	2.9	2.3
Fairfax County, VA	3.3	3.0	2.4
Falls Church City, VA	2.8	2.6	2.1
Loudon County, VA	3.2	3.0	2.5
District of Columbia	6.1	6.1	5.6
Maryland	4.5	4.3	3.9
Virginia	4.1	3.7	3.0
National Average	4.9	4.4	3.9

Source: Bureau of Labor Statistics

Competition

According to the FDIC’s June 2018 Deposit Market Share data, 68 FDIC-insured financial institutions operated 1,273 full-service branches within the assessment area. Of these institutions, Congressional Bank ranked 23rd with a 0.35 percent deposit market share. The

leaders in deposit market share include the following: E*TRADE Bank; Bank of America, N.A.; Capital One, N.A., and Wells Fargo Bank, N.A. These leading institutions collectively accounted for 57.1 percent of the total market share of deposits. The bank also faces competition from credit unions and investment firms, which are not included in the market share data.

There is a relatively high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders serving the assessment area. For 2017, the latest year for which aggregate lending data was available, 702 lenders reported a total of 162,018 originated or purchased residential mortgage loans. Congressional Bank ranked 206th out of this group of lenders, with a market share by number of 0.05 percent and by dollar amount of 0.06 percent. The ten largest home mortgage lenders accounted for 35.4 percent of total market share by number of loans, with the largest lender, Wells Fargo Bank, N.A., having a market share of 9.8 percent with 15,911 loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners contacted two organizations: one focused on economic development in Montgomery County and one focused on affordable housing in Prince George's and Montgomery Counties.

The contact familiar with economic development noted that major changes in Montgomery County relate to geographic disparities and a rising poverty rate. The contact noted that despite the county's poverty rate being significantly lower than the national average, the local poverty rate is increasing. Additionally, there are some incentives and regulatory streamlining to promote development in state designated Enterprise Zones. According to the contact, the areas most in need of redevelopment are located in the eastern and central portions of the county.

The contact familiar with housing also noted that poverty is increasing and that underemployment is prevalent in Montgomery County. There is a shortage of affordable rental housing. The contact stated that there is a general need for deposit and loan products with more flexibility to meet the banking and credit needs of the area's low-income residents.

Credit and Community Development Needs and Opportunities

Based on demographic and economic data, as well as information from the community contacts, primary credit and community development needs of the assessment area include affordable housing and small business loans to help in revitalization efforts within designated redevelopment areas.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Congressional Bank demonstrated satisfactory performance under the Lending Test. The following sections detail the bank’s performance under each Lending Test criterion.

Loan-to-Deposit Ratio

Congressional Bank’s loan-to-deposit ratio is reasonable. The ratio calculated from Call Report data averaged 94.0 percent over the 12 calendar quarters from June 30, 2016, to March 31, 2019. The ratio ranged from a low of 88.4 percent as of December 31, 2017, to a high of 104.36 percent as of March 31, 2019. The ratio fluctuated during the evaluation period but generally increased.

As of March 31, 2016, the bank’s net LTDR ratio of 104.4 percent compared favorably with the nationwide peer group’s ratio of 85.9 percent. Congressional Bank’s peer group consists of all insured commercial banks having assets between \$1 billion and \$3 billion. A further analysis was conducted comparing Congressional Bank’s average net LTDR with that of similarly situated banks based on their asset size and geographic location.

LTDR Comparison		
Bank	Total Assets as of 3/31/2019 (000s)	Average Net LTD Ratio (%)
CFG Community Bank, Lutherville, MD	\$749,591	102.5
Community Bank of the Chesapeake, Waldorf MD	\$1,709,796	99.4
Congressional Bank	\$1,067,875	94.0
FVCbank, Fairfax, VA	\$1,218,969	95.3
Mainstreet Bank, Fairfax, VA	\$969,151	98.2
<i>Source: Reports of Condition and Income 6/30/2016 through 3/31/2019</i>		

Assessment Area Concentration

As shown in the next table, the bank originated a substantial majority of its loans outside the assessment area. The concentration of lending outside the assessment area is driven by the bank’s nationwide mortgage lending operations during a majority of the review period; whereas, a majority of small business loans were inside the assessment area. As previously noted, the bank closed four of its five LPOs in 2018 and 2019 in order to focus its lending efforts in the assessment area. While a substantial majority of loans were outside the assessment area during the evaluation period, for the previously mentioned performance context factors, this conclusion did not adversely affect the overall Lending Test rating.

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										
2016	213	7.0	2,811	93.0	3,024	81,808	12.5	575,274	87.5	657,082
2017	76	2.9	2,567	97.1	2,643	40,410	7.1	528,671	92.9	569,081
2018	80	5.5	1,370	94.5	1,450	63,778	19.2	268,673	80.8	332,451
Subtotal	369	5.2	6,748	94.8	7,117	185,996	11.9	1,372,618	88.1	1,558,614
Small Business										
2016	25	71.4	10	28.5	35	8,202	64.1	4,603	35.9	12,805
2017	21	56.8	16	43.2	37	6,664	42.4	9,063	57.6	15,727
2018	17	73.9	6	26.1	23	7,113	66.5	3,578	33.5	10,691
Subtotal	63	66.3	32	33.7	95	21,979	56.0	17,244	44.0	39,223
Total	432	6.0	6,780	94.0	7,212	207,975	13.0	1,389,862	87.0	1,597,837

Source: 1/1/2016 - 12/31/2018 HMDA and Bank Data

Geographic Distribution

The geographic distribution of loans reflects reasonable penetration in the assessment area. Examiners focused on the percentage of loans by number in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of the home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank's percentage of lending in low-income census tracts in 2016 was in line with demographic and aggregate data. In 2017, the bank's percentage of lending in low-income census tracts exceeded demographic and aggregate data. In 2018, the bank's percentage of lending in low-income census tracts significantly exceeded demographic data.

The bank's percentage of lending in moderate-income census tracts was in line with both demographic and aggregate data for years 2016 and 2017. However, in 2018, the bank's percentage of lending was below the percentage of owner-occupied housing units in moderate-income census tracts. Overall, these comparisons reflect reasonable performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	4.2	4.6	9	4.2	2,437	3.0
2017	4.3	5.4	6	7.9	4,107	10.2
2018	4.3	--	16	20.0	22,618	35.5
Moderate						
2016	18.4	17.3	40	18.8	13,414	16.4
2017	15.8	16.0	11	14.5	2,984	7.4
2018	15.8	--	8	10.0	2,027	3.2
Middle						
2016	36.6	34.4	64	30.0	21,766	26.6
2017	35.2	35.6	21	27.6	6,000	14.8
2018	35.2	--	23	28.8	11,483	18.0
Upper						
2016	40.8	43.8	100	46.9	44,191	54.0
2017	44.5	42.8	38	50.0	27,319	67.6
2018	44.5	--	33	41.3	27,650	43.4
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.2	0.3	0	0.0	0	0.0
2018	0.2	--	0	0.0	0	0.0
Totals						
2016	100.0	100.0	213	100.0	81,808	100.0
2017	100.0	100.0	76	100.0	40,410	100.0
2018	100.0	--	80	100.0	63,778	100.0

Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2018 Bank Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

Small Business Loans

The bank originated one loan in a low-income census tract during the evaluation period. However, this performance is reasonable due to the low percentage of businesses in these census tracts coupled with the limited number of small business loans originated by the bank overall. For 2016 and 2017, the bank's lending in moderate-income census tracts exceeded demographic data, and in 2017 the bank's performance was below demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2016	4.9	0	0.0	0	0.0
2017	5.0	0	0.0	0	0.0
2018	5.1	1	5.9	400	5.6
Moderate					
2016	18.7	6	24.0	2,278	27.8
2017	16.9	2	9.5	979	14.7
2018	16.9	6	35.3	2,940	41.3
Middle					
2016	32.0	9	36.0	2,660	32.4
2017	33.0	10	47.6	3,167	47.5
2018	33.0	5	29.4	1,508	21.2
Upper					
2016	44.1	10	40.0	3,264	39.8
2017	44.3	9	42.9	2,518	37.8
2018	44.2	5	29.4	2,265	31.9
Not Available					
2016	0.4	0	0.0	0	0.0
2017	0.8	0	0.0	0	0.0
2018	0.8	0	0.0	0	0
Totals					
2016	100.0	25	100.0	8,202	100.0
2017	100.0	21	100.0	6,664	100.0
2018	100.0	17	100.0	7,113	100.0
<i>Source: 2016, 2017 & 2018 D&B Data; 1/1/2016 - 12/31/2018 Bank Data; "--" data not available.</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration throughout the assessment area. Reasonable penetration of residential loans to low- and moderate-income borrowers primarily supports this conclusion. Examiners focused on the percentage of loans by number originated to low- and moderate-income borrowers and to businesses with gross annual revenues of \$1 million or less.

Home Mortgage Loans

The bank's percentage of lending to low-income borrowers is below demographic data for each year of the evaluation period; however, the percentage of the bank's lending to low-income borrowers has steadily increased. In 2016, the bank's percentage of lending was below aggregate performance. In 2017, the bank's level of lending was in line with aggregate performance.

In 2016, the bank's level of lending to moderate-income borrowers exceeded demographic data and aggregate performance. In 2017, the bank's performance was lower than demographic data and aggregate performance. In 2018, the bank's performance was in line with demographic data. Overall, these comparisons and trends reflect reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	21.1	6.1	8	3.8	1,985	2.4
2017	22.1	7.3	5	6.6	1,021	2.5
2018	22.1	--	10	12.5	2,113	3.3
Moderate						
2016	16.8	14.8	45	21.1	13,299	16.3
2017	16.1	17.7	10	13.2	2,509	6.2
2018	16.1	--	13	16.3	3,071	4.8
Middle						
2016	20.5	20.2	58	27.2	21,732	26.6
2017	19.6	21.5	9	11.8	2,509	6.2
2018	19.6	--	4	5.0	1,032	1.6
Upper						
2016	41.6	37.5	89	41.8	37,671	46.0
2017	42.2	37.5	36	47.4	22,353	55.3
2018	42.2	--	12	15.0	9,011	14.1
Not Available						
2016	0.0	21.3	13	6.1	7,121	8.7
2017	0.0	16.0	16	21.1	12,018	29.7
2018	0.0	--	41	51.3	48,553	76.1
Totals						
2016	100.0	100.0	213	100.0	81,808	100.0
2017	100.0	100.0	76	100.0	40,410	100.0
2018	100.0	--	80	100.0	63,778	100.0

Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2018 Bank Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0.

Small Business Loans

The bank's performance reflects poor penetration among businesses of different sizes. The following table shows that the bank's performance of lending to businesses with GARs of \$1 million or less for all three years was significantly below the percentage of businesses in this revenue category. In addition, the bank's lending performance decreased during this period.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2016	83.8	11	44.0	4,171	50.8
2017	84.4	7	33.3	2,144	32.2
2018	84.4	4	23.5	2,318	32.6
>\$1,000,000					
2016	6.5	13	52.0	3,838	46.8
2017	6.3	14	66.7	4,520	67.8
2018	6.2	13	76.5	4,795	67.4
Revenue Not Available					
2016	9.6	1	4.0	193	2.4
2017	9.3	0	0.0	0	0.0
2018	9.4	0	0.0	0	0.0
Totals					
2016	100.0	25	100.0	8,202	100.0
2017	100.0	21	100.0	6,664	100.0
2018	100.0	17	100.0	7,113	100.0

Source: 2016, 2017 & 2018 D&B Data; 1/1/2016 - 12/31/2018 Bank Data; "--" data not available.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

Congressional Bank demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

Since the last evaluation, Congressional Bank originated four community development loans totaling \$8 million. This level of activity represents 0.8 percent of total assets and 0.9 percent of

total loans as of March 31, 2019. The following table depicts the bank’s community development lending activity by year and by purpose.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
06/20/2016 - 12/31/2016	0	0	0	0	0	0	0	0	0	0
2017	1	3,100	0	0	0	0	0	0	1	3,100
2018	1	2,000	2	2,876	0	0	0	0	3	4,876
YTD 2019	0	0	0	0	0	0	0	0	0	0
Totals	2	5,100	2	2,876	0	0	0	0	4	7,976

Source: Bank Records

The following points illustrate the bank’s community development loans.

- In 2017, the bank made a \$3.1 million loan secured by five condominium buildings, each in a low-income census tract of Washington, D.C. All 18 condominium units are designated as affordable housing for families with incomes at or below 80 percent of the median family income for the MSA.
- In 2018, the bank made a \$2 million loan secured by 35 units of low-income housing in a middle-income census tract of Fairfax County, Virginia. All 35 units are designated as affordable housing for families at or below 80 percent of the median family income for the MSA.
- In 2018, the bank made two loans to rehabilitation and health centers in Washington, D.C., totaling approximately \$4 million. A majority of individuals served by these facilities are of low-income, as determined by Medicaid eligibility.

Qualified Investments

Congressional Bank made 29 qualified investments and donations totaling nearly \$5.1 million. This total includes 2 new qualified equity investments of approximately \$3.1 million, 3 prior period investments of \$1.7 million, and 25 qualified donations of approximately \$73,000. This dollar amount of equity investments equates to 0.5 percent of total assets and 14.1 percent of securities as of March 31, 2019. The bank’s level of qualified investments and donations address multiple community development purposes within the assessment area, including economic development, affordable housing and community services that target low- and moderate-income individuals or census tracts.

The following table illustrates the bank’s community development investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	1,283	0	0	1	450	0	0	3	1,733
06/20/2016 - 12/31/2016	0	0	2	6	0	0	0	0	2	6
2017	0	0	5	22	0	0	0	0	5	22
2018	3	2,903	9	31	1	250	0	0	13	3,184
YTD 2019	1	2	6	14	0	0	0	0	7	16
Totals	6	4,188	22	73	2	700	0	0	30	4,961

Source: Bank Records.

The following summarizes Congressional Bank’s qualified investment activity during the evaluation period.

- In 2018, the bank invested \$2.9 million in a limited obligation housing revenue bond of the Housing Opportunities Commission of Montgomery County, Maryland. The Commission focuses on affordable housing for low- and moderate-income individuals.
- In 2018, the bank also invested \$250,000 in a SBIC fund that promotes economic development by providing equity capital, debt funding, and other financing for lower middle market small businesses. This investment was made to benefit several small businesses within the bank’s assessment area.

In addition, Congressional Bank donated approximately \$73,000 for qualified community development purposes during the evaluation period. These donations focused primarily on community services for low- and moderate-income individuals in the assessment area.

Community Development Services

Bank management and employees have provided financial expertise and assistance to a broad range of social, civic, and economic development organizations. The organizations provide an array of community development services to low- and moderate-income individuals and within low- and moderate-income census tracts.

Since the previous evaluation, the bank provided 56 community development service activities to 7 organizations. The types of services were responsive to the assessment area’s community development needs. The table on the following page details the bank’s community development services during the evaluation period.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
06/20/2016 - 12/31/2016	2	7	1	0	10
2017	2	11	1	0	14
2018	2	10	1	0	13
YTD 2019	1	17	1	0	19
Totals	7	45	4	0	56

Source: Bank Records.

Examples of the bank’s qualified community development service activities are further detailed below.

- Ten employees provided financial literacy training to underserved children at various schools throughout Montgomery County, Maryland, through a non-profit organization dedicated to educating students in grades K-12 about financial literacy, work readiness, and entrepreneurship.
- An employee serves annually as a mentor through a non-profit organization that provides one-to-one mentoring and college and career readiness programming to 435 low-income students who are enrolled in 19 Washington, D.C. area high schools (including D.C. public and charter schools) and more than 70 colleges and universities across the country.
- An employee serves as the Chairman of the “One Stop Career Centers” Committee for the Montgomery County Maryland Workforce Development Board. The program is designed to help job seekers access employment, education, training, and support services to succeed in the labor market; and, to match employers with the skilled workers they need to compete in the global economy.

Congressional Bank also offers alternative delivery systems attractive to low- and moderate-income individuals, including mobile remote deposit capture and Internet banking. In addition, the bank operates two of its five offices (40 percent) in moderate-income census tracts of the assessment area, demonstrating the availability of banking services to low- and moderate-income individuals.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution’s overall CRA rating.

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.

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;
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

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

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: 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.

BRANCH LOCATIONS

State	Branch Name	Address	Telephone	Hours	MSA Code	State Code	County Code	Census Tract
MD	Bethesda	4801 Montgomery Lane Bethesda, MD 20814	301-654-4902	M-F; 9am - 5pm ET	23224	24	031	7048.04
MD	Potomac	7963 Tuckerman Lane Potomac, MD 20854	301-299-8599	M-F; 9am - 5pm ET	23224	24	031	7012.06
MD	Rockville	1700 Rockville Pike Ste 100 Rockville, MD 20852	301-984-6000	M-F; 9am - 5pm ET	23224	24	031	7009.04
VA	Herndon	150 Elden Street Ste 170 Herndon, VA 20170	703-796-9151	M-F; 9am - 5pm ET	47894	51	059	4808.02

Service Hub Locations Deposit Production Offices

State	Branch Name	Address	Telephone	Hours	MSA Code	State Code	County Code	Census Tract
MD	Chevy Chase	4445 Willard Ave Ste 110 Chevy Chase, MD 20815	301-232-5485	M-F; 9am - 5pm ET	23224	24	031	7055.01
MD	Pike & Rose	11560 Old Georgetown Road North Bethesda, MD 20852	301-564-4396	M-F; 9am - 5pm ET	23224	24	031	7012.16
VA	Tysons Corner	1600 Tysons Boulevard Ste 150 McLean, VA 22102	703-822-5566	M-F; 9am - 3pm ET	47894	51	059	4802.05

Headquarters Office

State	Branch Name	Address	Telephone	Hours	MSA Code	State Code	County Code	Census Tract
MD	Corporate Office	4445 Willard Ave Ste 1000 Chevy Chase, MD 20815	301-299-8810	Office	23224	24	031	7055.01

Loan Production Offices (LPO)

State	Location Name	Address	MSA Code	State Code	County Code	Census Tract
NY	Manhattan	80 Broad Street New York, NY 10004	35614	36	061	0009.00

OPENED AND CLOSED LOCATIONS January 1st, 2022 – March 31st, 2024

Opened Locations

State	Branch Name	Address	MSA Code	State Code	County Code	Census Tract	Date Opened
MD	Chevy Chase Service Hub	4445 Willard Ave Ste 110 Chevy Chase, MD 20815	23224	24	031	7055.01	December 2023
MD	Pike & Rose Service Hub	11560 Old Georgetown Road North Bethesda, MD 20852	23224	24	031	7012.16	May 2023
VA	Tysons Corner Service Hub	1600 Tysons Boulevard Ste 150 McLean, VA 22102	47894	51	059	4802.05	April 2023

Closed Locations

State	Branch Name	Address	MSA Code	State Code	County Code	Census Tract	Date Closed
DC	Washington DC Branch	2101 K Street NW Washington, DC 20037	47894	11	001	0107.00	April 2022
CA	San Diego LPO	4655 Executive Dr San Diego, CA 92121	41740	06	073	0083.39	February 2023

SERVICES – PERSONAL

Checking and Money Market Accounts

- Bright Checking
- Root Checking
- Platinum Money Market

Savings and Time Deposit Accounts

- Bright Savings
- Sprout Savings (minor savings)
- Certificate of Deposit
- Individual Retirement Account – Time Deposit
- Individual Retirement Account – Savings

Credit Cards

- Creditor and Issuer is Elan Financial Services

Personal Services

- Bill Pay
- Debit Card (MasterCard®)
- Safe Deposit Boxes (Bethesda Branch Only)
- Zelle
- Online Banking
- Mobile Banking
- Mobile Check Deposit
- Online Account Opening (CDs only)
- Real Time Payment (RTP) – Receive Only
- CDARs and ICS through Intrafi, LLC

Additional Personal Services

- Deposit-Taking Automated Teller Machine (ATM)
- E-Statements
- Night Drop Services
- Wire Transfers

Services are as of March 31st, 2024.

SERVICES – BUSINESS

Checking Accounts

- Commercial Checking
- Commercial Now Checking
- Maryland Affordable Housing Trust (MAHT)
- Interest on Lawyers Trust Account (IOLTA)
- Commercial Analysis Checking
- Non-Profit Checking
- Non-Profit NOW
- Political Checking
- Commercial Platinum Money Market
- Commercial Money Market

Savings and Time Deposit Accounts

- Commercial Statement Savings
- Commercial Tiered Savings
- Commercial Certificate of Deposit

Credit Cards

- Creditor and Issuer is Elan Financial Services

Lending Products and Services

- Commercial Real Estate Finance
- Corporate Finance
- Healthcare Finance
- Commercial Property Assessed Clean Energy (CPACE) Lending
- HUD Section 232 Insured Loans

Services are as of March 31st, 2024.

SERVICES – BUSINESS (cont'd)

Business Services

- Online Banking
- Cash Management
- Remote Deposit Capture Service
- Online Wire Transfer
- Mobile Banking
- Check Positive Pay
- Reverse Positive Pay
- Payee Positive Pay
- ACH Positive Pay
- ACH Origination
- CDARS and ICS through Intrafi, LLC
- Lockbox (grandfathered)
- Mobile Check Deposit
- Real Time Payment (RPT) Receive Only
- Image Cash Letter (ICL)

Additional Business Services

- Deposit-Taking Automated Teller Machine (ATM)
- E-Statements
- Night Drop Services
- Wire Transfers
- Safe Deposit Boxes (Bethesda Branch Only)

Services are as of March 31st, 2024.

FEE SCHEDULES

Current Fee Schedules are available on Forbright's website at <https://www.forbrightbank.com>.

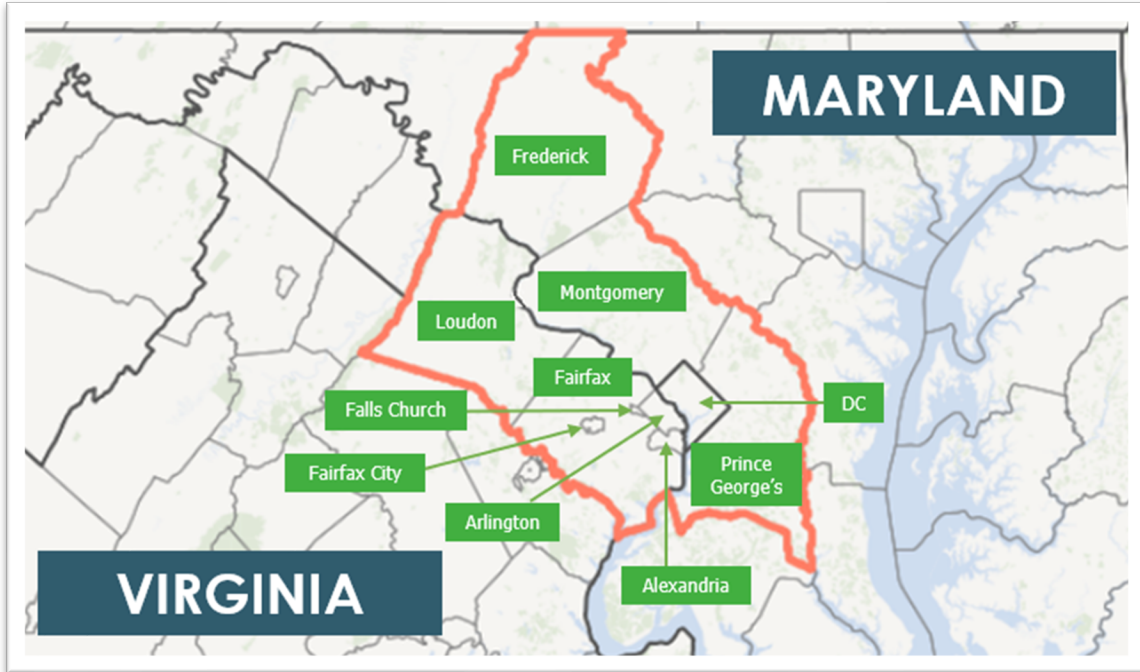
Personal Banking Fee Schedule can be found at:

<https://www.forbrightbank.com/personal-banking/fee-schedule/>

Business Banking Fee Schedule can be found at:

<https://www.forbrightbank.com/personal-banking/fee-schedule/>

ASSESSMENT AREA



The Bank has one assessment area that includes a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area (MSA). Given its large size, the OMB has subdivided the MSA into two smaller Metropolitan Divisions (MDs). The Bank's assessment area includes all of the Frederick-Gaithersburg-Rockville, MD Metropolitan Division and a portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division, as reflected below:

Metropolitan Division	City/County	State	Census Tracts
Frederick-Gaithersburg-Rockville, MD	Frederick County	MD	All
	Montgomery County		
Washington-Arlington-Alexandria, DC-VA-MD-WV	Prince George's County	MD	All
	District of Columbia	DC	All
	Arlington County	VA	All
	Alexandria City		
	Fairfax County		
	Fairfax City		
	Falls Church City		
	Loudon County		

ASSESSMENT AREA – CENSUS TRACTS

Frederick County, MD 2022 Census Tracts - State Code (24), County Code (21)									
7402.00	7501.00	7502.00	7503.00	7505.04	7505.05	7505.06	7505.07	7505.08	7506.00
7507.01	7507.02	7508.01	7508.02	7508.04	7508.05	7510.01	7510.02	7510.03	7510.04
7512.01	7512.02	7512.03	7513.01	7513.02	7516.00	7517.01	7517.02	7518.01	7518.02
7519.02	7519.03	7519.04	7519.05	7519.06	7520.01	7521.01	7521.02	7522.01	7522.02
7522.05	7522.06	7523.01	7523.02	7523.03	7525.01	7525.02	7526.01	7526.02	7526.03
7528.01	7528.02	7529.00	7530.01	7530.02	7651.00	7668.00	7675.00	7676.00	7707.00
7722.00	7735.00	7753.02	7754.00	7756.00					

Montgomery County, MD 2022 Census Tracts - State Code (24), County Code (31)									
7001.01	7001.03	7001.04	7001.05	7002.04	7002.06	7002.07	7002.08	7002.09	7002.10
7003.06	7003.08	7003.09	7003.10	7003.13	7003.14	7003.15	7003.16	7003.17	7003.18
7004.00	7005.00	7006.04	7006.06	7006.08	7006.10	7006.11	7006.13	7006.14	7006.15
7006.16	7006.17	7006.18	7007.06	7007.10	7007.11	7007.13	7007.15	7007.18	7007.20
7007.21	7007.23	7007.24	7007.25	7007.26	7007.27	7007.28	7007.29	7007.30	7007.31
7007.32	7007.33	7008.10	7008.11	7008.12	7008.13	7008.15	7008.18	7008.19	7008.20
7008.22	7008.23	7008.24	7008.26	7008.28	7008.29	7008.30	7008.32	7008.33	7008.34
7008.35	7008.36	7008.37	7008.38	7008.39	7009.01	7009.02	7009.03	7009.04	7009.05
7010.01	7010.02	7010.04	7010.05	7010.06	7010.07	7011.01	7011.02	7012.01	7012.02
7012.05	7012.06	7012.10	7012.11	7012.12	7012.14	7012.15	7012.16	7012.18	7012.19
7012.20	7012.21	7012.22	7012.23	7013.03	7013.04	7013.06	7013.07	7013.08	7013.12
7013.13	7013.14	7013.15	7013.16	7013.17	7014.07	7014.08	7014.09	7014.14	7014.15
7014.17	7014.18	7014.22	7014.23	7014.24	7014.25	7014.26	7014.27	7015.03	7015.05
7015.06	7015.07	7015.08	7015.09	7016.01	7016.02	7017.01	7017.02	7017.03	7017.04
7018.00	7019.00	7020.00	7021.01	7021.02	7022.00	7023.01	7023.02	7024.01	7024.02
7025.01	7025.02	7025.03	7026.02	7026.03	7026.04	7027.00	7028.00	7029.00	7030.00
7031.00	7032.01	7032.02	7032.06	7032.07	7032.08	7032.09	7032.10	7032.13	7032.14
7032.15	7032.16	7032.18	7032.19	7032.20	7032.21	7032.22	7032.23	7033.01	7033.02
7034.01	7034.02	7034.03	7034.04	7035.01	7035.02	7036.01	7036.02	7037.01	7037.02
7038.00	7039.01	7039.02	7040.00	7041.00	7042.00	7043.00	7044.01	7044.03	7044.04
7045.01	7045.02	7045.03	7046.00	7047.00	7048.03	7048.04	7048.05	7048.06	7050.00
7051.00	7052.00	7053.00	7054.00	7055.01	7055.02	7056.01	7056.02	7057.01	7057.02
7058.00	7059.01	7059.02	7059.03	7060.05	7060.07	7060.08	7060.09	7060.10	7060.11
7060.12	7060.13								

ASSESSMENT AREA – CENSUS TRACTS (cont'd)

District of Columbia, CD 2022 Census Tracts - State Code (11), County Code (1)									
1.01	1.02	2.01	2.02	3.00	4.00	5.01	5.02	6.00	7.02
7.03	7.04	8.02	8.03	8.04	9.02	9.03	9.04	10.02	10.03
10.04	11.00	12.00	13.01	13.03	13.04	14.01	14.02	15.00	16.00
17.02	18.03	18.04	19.01	19.02	20.01	20.02	21.01	21.02	22.01
22.02	23.01	23.02	24.00	25.01	25.03	25.04	26.00	27.02	27.03
27.04	28.01	28.02	29.00	30.00	31.00	32.00	33.01	33.02	34.00
35.00	36.00	37.01	37.02	38.01	38.02	39.01	39.02	40.01	40.02
41.00	42.01	42.02	43.00	44.01	44.02	46.00	47.02	47.03	47.04
48.01	48.02	49.01	49.02	50.01	50.03	50.04	52.02	52.03	53.02
53.03	55.01	55.02	55.03	56.01	56.02	58.01	58.02	59.00	64.00
65.00	66.00	67.00	68.01	68.02	68.04	69.00	70.00	71.00	72.01
72.02	72.03	73.01	73.04	74.01	74.03	74.04	74.06	74.07	74.08
74.09	75.02	75.03	75.04	76.01	76.03	76.04	76.05	77.03	77.07
77.08	77.09	78.03	78.04	78.06	78.07	78.08	78.09	79.01	79.03
80.01	80.02	81.00	82.00	83.01	83.02	84.02	84.10	87.01	87.02
88.02	88.03	88.04	89.03	89.04	90.00	91.02	92.01	92.03	92.04
93.01	93.02	94.00	95.03	95.04	95.05	95.07	95.08	95.09	95.10
95.11	96.01	96.02	96.03	96.04	97.00	98.01	98.02	98.03	98.04
98.07	98.10	98.11	99.01	99.02	99.03	99.04	99.05	99.06	99.07
101.00	102.01	102.02	103.00	104.00	105.00	106.01	106.02	106.03	107.00
108.00	109.00	110.01	110.02	111.00	9800.00				

ASSESSMENT AREA – CENSUS TRACTS (cont'd)

Prince George's County, MD 2022 Census Tracts - State Code (24), County Code (33)									
8001.02	8001.03	8001.05	8001.06	8001.08	8001.09	8002.03	8002.06	8002.09	8002.10
8002.11	8002.12	8002.13	8002.16	8002.17	8002.18	8004.01	8004.02	8004.03	8004.08
8004.09	8004.10	8004.11	8004.12	8004.13	8005.04	8005.05	8005.07	8005.11	8005.13
8005.14	8005.15	8005.16	8005.17	8005.18	8005.19	8005.20	8005.21	8005.22	8006.05
8006.06	8006.07	8006.08	8006.09	8007.01	8007.04	8007.05	8007.06	8007.07	8008.00
8009.00	8010.03	8010.04	8010.05	8010.06	8011.05	8011.06	8012.07	8012.08	8012.09
8012.10	8012.11	8012.12	8012.13	8012.14	8012.15	8012.16	8012.17	8013.02	8013.05
8013.07	8013.08	8013.09	8013.10	8013.11	8013.12	8013.13	8014.04	8014.05	8014.06
8014.07	8014.08	8014.09	8014.10	8014.11	8015.00	8016.00	8017.01	8017.02	8017.04
8017.07	8017.09	8018.01	8018.02	8018.07	8018.08	8018.09	8019.01	8019.04	8019.05
8019.06	8019.07	8019.08	8020.01	8020.02	8021.03	8021.04	8021.06	8021.07	8022.01
8022.03	8022.04	8023.01	8024.04	8024.05	8024.06	8024.07	8024.08	8025.01	8025.02
8026.00	8027.00	8028.03	8028.04	8028.05	8029.01	8030.01	8030.02	8031.00	8032.00
8033.00	8034.03	8035.08	8035.09	8035.12	8035.13	8035.14	8035.16	8035.19	8035.20
8035.21	8035.24	8035.25	8035.26	8035.27	8035.28	8036.01	8036.02	8036.05	8036.06
8036.07	8036.08	8036.10	8036.12	8036.13	8037.00	8038.01	8038.03	8039.00	8040.01
8040.02	8041.01	8041.02	8042.00	8043.00	8044.00	8046.00	8047.00	8048.01	8048.02
8049.00	8050.00	8051.01	8052.01	8052.02	8055.00	8056.01	8056.02	8057.00	8058.01
8058.02	8059.04	8059.06	8059.07	8059.08	8059.09	8060.00	8061.00	8064.00	8065.01
8066.01	8066.02	8067.06	8067.08	8067.10	8067.11	8067.12	8067.13	8067.14	8068.00
8069.00	8070.00	8071.02	8073.01	8073.04	8073.05	8074.04	8074.05	8074.07	8074.08
8074.09	8074.10	8075.00	9800.00						

ASSESSMENT AREA – CENSUS TRACTS (cont'd)

Arlington County, VA 2022 Census Tracts - State Code (51), County Code (13)									
1001.00	1002.00	1003.00	1004.00	1005.00	1006.00	1007.00	1008.00	1009.00	1010.00
1011.00	1012.00	1013.00	1014.01	1014.02	1014.05	1014.06	1014.07	1014.08	1014.09
1015.01	1015.02	1015.03	1016.01	1016.02	1016.03	1017.01	1017.03	1017.04	1017.05
1018.01	1018.03	1018.04	1018.05	1019.00	1020.01	1020.02	1020.03	1021.00	1022.00
1023.01	1023.02	1024.00	1025.00	1026.00	1027.01	1027.02	1028.02	1028.03	1028.04
1029.01	1029.03	1029.04	1030.00	1031.00	1032.00	1033.00	1034.01	1034.03	1034.04
1034.05	1035.01	1035.03	1035.04	1035.05	1036.01	1036.02	1037.00	1038.00	9801.00
9802.00									

Fairfax County, VA 2022 Census Tracts - State Code (51), County Code (59)									
4151.00	4152.00	4153.00	4154.01	4154.02	4155.00	4156.00	4157.00	4158.00	4159.00
4160.00	4161.00	4162.00	4163.00	4201.00	4202.01	4202.02	4202.03	4203.00	4204.00
4205.01	4205.02	4205.03	4206.00	4207.00	4208.00	4210.01	4210.02	4211.01	4211.02
4211.03	4212.00	4213.00	4214.00	4215.00	4216.00	4217.01	4217.02	4218.00	4219.00
4220.00	4221.01	4221.02	4222.01	4222.02	4223.01	4223.02	4224.01	4224.02	4224.03
4301.01	4301.02	4302.01	4302.02	4302.03	4304.00	4305.00	4306.00	4307.00	4308.01
4308.02	4309.01	4309.02	4310.01	4310.02	4313.00	4314.00	4315.00	4316.01	4316.02
4318.01	4318.02	4319.00	4320.00	4321.00	4322.01	4322.02	4323.00	4324.01	4324.02
4325.00	4326.00	4327.01	4327.02	4328.00	4401.00	4402.01	4402.02	4403.00	4405.01
4405.03	4405.04	4405.05	4406.00	4407.01	4407.02	4408.00	4501.00	4502.00	4503.00
4504.00	4505.00	4506.01	4506.02	4507.01	4507.02	4508.00	4509.00	4510.00	4511.00
4512.00	4513.00	4514.00	4515.01	4515.02	4516.01	4516.02	4518.00	4519.00	4520.00
4521.01	4521.02	4522.00	4523.01	4523.02	4524.00	4525.01	4525.02	4526.00	4527.00
4528.01	4528.02	4601.00	4602.00	4603.00	4604.00	4605.01	4605.03	4605.04	4606.00
4607.01	4607.02	4608.00	4609.00	4610.00	4611.00	4612.01	4612.02	4615.00	4616.03
4616.04	4616.05	4616.06	4617.00	4618.01	4618.02	4619.01	4619.02	4701.00	4703.00
4704.00	4705.00	4706.00	4707.00	4708.00	4709.00	4710.00	4711.00	4712.01	4712.03
4712.04	4713.01	4713.03	4713.04	4714.01	4714.02	4801.00	4802.01	4802.03	4802.04
4802.05	4803.01	4803.02	4804.01	4804.02	4805.01	4805.02	4805.03	4805.04	4805.05
4808.01	4808.02	4809.01	4809.02	4809.03	4810.00	4811.01	4811.02	4811.03	4811.04
4811.05	4811.06	4812.01	4812.02	4814.00	4815.00	4816.00	4817.01	4817.02	4819.00
4820.01	4820.02	4821.00	4822.01	4822.03	4822.04	4822.05	4822.06	4823.01	4823.02
4823.03	4824.00	4825.02	4825.03	4825.04	4825.05	4825.06	4825.07	4826.01	4826.03
4826.04	4901.01	4901.04	4901.05	4905.01	4905.02	4910.00	4911.01	4911.02	4911.03
4912.01	4912.02	4913.01	4913.02	4913.03	4914.01	4914.02	4914.03	4914.04	4914.05
4915.01	4915.02	4916.01	4916.02	4917.01	4917.03	4917.04	4917.05	4917.06	4917.07
4918.01	4918.02	4918.03	4920.00	4921.00	4922.01	4922.02	4922.03	4923.00	4924.00
4925.00	9801.00	9802.00	9803.00						

ASSESSMENT AREA – CENSUS TRACTS (cont'd)

Loudoun County, VA 2022 Census Tracts - State Code (51), County Code (107)									
6101.01	6101.02	6102.01	6102.02	6103.00	6104.00	6105.03	6105.04	6105.05	6105.06
6105.07	6106.01	6106.02	6106.03	6106.04	6107.01	6107.02	6107.03	6108.00	6109.00
6110.02	6110.04	6110.05	6110.06	6110.09	6110.10	6110.11	6110.12	6110.13	6110.14
6110.15	6110.16	6110.17	6110.18	6110.19	6110.20	6110.22	6110.23	6110.26	6110.27
6110.28	6110.29	6110.30	6110.31	6110.32	6111.01	6111.02	6112.02	6112.04	6112.05
6112.06	6112.07	6112.08	6112.09	6113.00	6114.00	6115.01	6115.02	6116.01	6116.02
6117.01	6117.02	6118.03	6118.04	6118.05	6118.07	6118.08	6118.09	6118.10	6118.11
6118.12	6118.13	6119.01	6119.02	9801.00					

Alexandria city, VA 2022 Census Tracts - State Code (51), County Code (510)									
2001.02	2001.04	2001.05	2001.06	2001.08	2001.09	2001.10	2001.11	2002.01	2002.02
2003.01	2003.02	2003.04	2003.05	2004.03	2004.04	2004.06	2004.07	2004.08	2004.09
2005.00	2006.00	2007.01	2007.03	2007.04	2007.05	2008.01	2008.02	2009.00	2010.00
2011.00	2012.02	2012.04	2012.05	2012.06	2013.00	2014.00	2015.00	2016.01	2016.02
2018.02	2018.03	2018.04	2018.05	2019.00	2020.01	2020.02	9800.00		

Fairfax city, VA 2022 Census Tracts - State Code (51), County Code (600)									
3001.00	3002.00	3003.00	3004.00	3005.00					

Falls Church city, VA 2022 Census Tracts - State Code (51), County Code (610)									
5001.00	5002.00	5003.00							

CRA DISCLOSURE STATEMENT

The Community Reinvestment Act (CRA) requires certain lending institutions to make annual public disclosures of their small business, small farm and community development lending activity. The CRA Aggregate and Disclosure Retrieval system provides access to each lending institution's individual Disclosure Statement as well as the Aggregate Tables covering the lending activity of all institutions subject to CRA for each MSA and non-MSA portion of each state.

To review this information*¹, visit the FFIEC's website at <https://www.ffiec.gov>.

Enter the year and the Respondent ID or Institution Name for the bank you would like to view.

Respondent ID	Institution Name
0000057614	Forbright Bank

¹ Data is not available for Forbright for 2021 as small business was not previously a significant part of the Bank's portfolio. Data for 2023 will be available once the 2023 data is published by the FFIEC.



HMDA DISCLOSURE STATEMENT

Home Mortgage Disclosure Act Notice. The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this Web site.



CONSUMER LOAN STATEMENT

Consumer Lending is not a significant part of Forbright's portfolio, therefore consumer loan information is not provided in the CRA Public File.