



## **PUBLIC DISCLOSURE**

September 18, 2018

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

Milton Savings Bank  
Charter Number 702007

80 Broadway St  
Milton, PA 17847-1114

Office of the Comptroller of the Currency

1150 Northbrook Drive  
Suite 303  
Trevese, PA 19053

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

**The Lending Test is rated: Satisfactory**

Major factors that support this rating are:

- The quarterly average loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A substantial majority of the bank's loans are originated in its assessment area.
- The bank's distribution of borrowers reflects reasonable penetration among individuals of different income levels given the demographics of the AA during the review period.
- The geographic distribution of loans in the AA reflects a reasonable dispersion and meets the standards for satisfactory performance.
- The bank has had no consumer complaints regarding its community reinvestment performance.

## Definitions and Common Abbreviations

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

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

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

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

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## **Description of Institution**

Milton Savings Bank (MSB) is an intrastate mutual thrift institution founded in 1920. The institution, headquartered in Milton, PA, is located in Northumberland County. MSB is located in a middle-income geography in Milton Borough. Milton Borough is not included in an MSA.

The bank's one office offers an ATM and a drive-up facility. MSB is primarily a mortgage lender. MSB offers a full range of banking services including checking accounts, savings programs, money-market accounts, certificates of deposit, consumer loan programs, and residential mortgages. The institution's public website offers information on banking hours and products and services offered.

As of June 30, 2018, MSB had \$66 million in total assets, \$40.2 million in net loans and \$50.8 million in total deposits. Net loans represent 61 percent of total assets. The bank's primary product is first lien, 1-4 family mortgages, which represent 89 percent of total loans.

MSB's last Public Evaluation (PE) was dated May 6, 2013, and the institution received an outstanding rating. Since the previous PE, MSB has not had any major strategic initiative changes. MSB has not opened or closed any branches since the prior CRA Exam. There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment area (AA).

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We performed a full scope evaluation of MSB using the Small Bank CRA examination procedures, which only includes a lending test. The current evaluation period covered lending activity from January 1, 2015 to December 31, 2017. We used two evaluation periods for the examination. In 2017, the Office of Management and Budget revised the 2010 U.S. Census data. The changes resulted in differences to the MSA/MD, census tract, and income designations. The first evaluation period covers the bank's lending performance from January 1, 2015 to December 31, 2016. To reflect the census changes, the second evaluation period covered lending performance from January 1, 2017 to December 31, 2017. Our lending performance review focused on home mortgage loans. This is the bank's primary loan product representing 89 percent of total loans.



## Data Integrity

MSB is not required to report data under the Home Mortgage Disclosure Act (HMDA). To perform our assessment, we selected a sample of home mortgage loans originated during the evaluation period. We used the sample to determine MSB's percent of loan originations extended to individuals located in MSB's assessment area, lending record to individuals of different income levels, and lending record within low- and moderate-income census tracts.

## Selection of Areas for Full-Scope Review

MSB has one assessment area that includes all or portions of Montour, Union, Northumberland, and Snyder counties. The assessment area includes all of Montour and Union Counties, the northern portion of Northumberland County, where MSB is headquartered, and the northeastern portion of Snyder County. MSB has identified 30 census tracts (CTs) across these four counties. Twelve of the CTs are located in Northumberland County, 10 are located in Union County, four are located in Montour County, and four are located in Snyder County. The AA has not changed since the last PE was published. It continues to meet regulatory requirements and does not arbitrarily exclude any low-or-moderate-income geographies. We performed a full-scope review of the bank's sole AA. Refer to the table in Appendix A for demographic information on the AA.

In 2015-2016, the AA consisted of 30 CTs. Based on the 2010 Census data used for 2015-2016, one (3.3 percent) was a low-income tract, three (10 percent) were moderate-income tracts, 14 (46.7 percent) were middle-income tracts, and nine (30 percent) were upper-income tracts. Three tracts did not have income information available.

The census data change in 2017 altered the income designations of several CTs in the bank's AA. The bank maintained the same 30 CTs in the AA. Based on the 2015 American Community Survey (ACS) Census data effective 2017, there are no low-income tracts, three (10 percent) are moderate-income tracts, 19 (63 percent) are middle-income tracts, and four (13 percent) are upper-income tracts. Four of the tracts did not have income information available.

## Ratings

The bank's overall rating is based on the full scope review of the AA described above. The only applicable performance test is the lending test.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

MSB's performance under the Lending Test is Satisfactory. MSB's quarterly average loan-to-deposit ratio is reasonable. A substantial majority of MSB's home mortgage loans were originated within the bank's AA. MSB's distribution of borrowers reflects reasonable penetration among individuals of different income levels. MSB was found to have reasonable dispersion throughout census tracts of different income levels.

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

MSB's quarterly average net loan-to-deposit ratio is reasonable. The bank's quarterly average net loan-to-deposit ratio over the 24 quarters since the last CRA examination was 80.57 percent. During this period, the ratio ranged from a quarterly low of 75.62 percent to a quarterly high of 89.17 percent. MSB's quarterly average net loan-to-deposit ratio compares favorably to a custom peer group of other Pennsylvania institutions of similar size. The custom peer group consisted of six institutions with asset sizes ranging from \$132 million to \$353 million that had a branch presence in MSB's AA. The quarterly average of these banks over the same 24 quarters was 77.28 percent. The ratios ranged from a quarterly low of 57.34 percent to a quarterly high of 103.18 percent during that period.

## Lending in Assessment Area

A substantial majority of the home mortgage loans originated during the evaluation period were within the bank's AA. Table 1 below shows the comparison of mortgages extended inside and outside of the assessment area:

Loan Type	Number of Loans				Total	Dollars of Loans (in thousands)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	\$
Mortgage Loans 2015 - 2016	17	85.00	3	4.25	20	1,253	83.81	242	16.19	1,495
Mortgage Loans 2017	19	95.00	1	5.00	20	1,137	94.44	67	5.56	1,204
<b>Totals</b>	<b>36</b>	<b>90.00</b>	<b>4</b>	<b>10.00</b>	<b>40</b>	<b>2,390</b>	<b>88.55</b>	<b>309</b>	<b>11.45</b>	<b>2,699</b>

For mortgage loans originated from 2015-2016, management originated 85 percent by number and 83 percent by dollar within the AA. In 2017, management originated 95 percent by number and 94 percent by dollar within the AA.

## Lending to Borrowers of Different Incomes

MSB's distribution of borrowers reflects excellent penetration among individuals of different income levels. The borrower distribution of mortgage loans in 2015-2016 is reflects reasonable penetration among borrowers of different income levels. The borrower distribution of mortgage loans in 2017 is excellent.

Within the AA, housing is difficult for low-income families to afford. Based on the 2010 US Census data the median cost of housing in the AA was \$129,214. The FFIEC adjusted area median family income in 2016 was \$56,291. This means a low-income borrower earned less than \$28,145. In addition, the 2010 Census data shows 11.6 percent of households in the AA are below the poverty level.

In 2017, housing remained difficult to afford for low-income borrowers. According to the 2015 ACS US Census data, the median cost of housing in the AA was \$144,774. The FFIEC adjusted area median family income for 2017 was \$57,727. This means a low-income individual earned less than \$28,863. The 2015 Census data also shows that 11.41 percent of households are below the poverty level.

The distribution of mortgage loans in 2015 and 2016 reflects reasonable penetration to individuals of different income levels. Loans to low-income borrowers were slightly below the percentage of low-income families in the AA. Loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. MSB exceeded the percentage of aggregated peer loans made to LMI groups in 2015 and 2016.

Lending to borrowers of different income levels was excellent in 2017. Loans to low-income borrowers were slightly below the percentage of low-income families in the AA. Loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. MSB significantly exceeded the percentage of aggregated peer loans made to LMI groups in 2017.

Table 2 details the borrowing income distribution for both evaluation periods:

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
2015-2016 Mortgage Loans	15.8%	11.7%	19.6%	11.7%	23.3%	29.4%	42.2%	47.1%
2017 Mortgage Loans	17.5%	10.5%	18.1%	36.8%	21.4%	15.8%	43.3%	36.8%

Source: Loan Sample.

### **Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout census tracts of different income levels. The bank did not make any loans in low- or moderate-income geographies in the 2015-2016 evaluation period. In the 2017 evaluation period, the bank did not make any loans in moderate-income geographies.

For the 2015-2016 evaluation period, the 2010 Census data showed one low-income CT and three moderate-income CTs in the bank's AA. There were 14 middle-income CTs and nine upper-income CTs. In 2015-2016, lending opportunities for MSB in the low-income geography were very limited. Demographic data showed there were only 10 owner occupied housing units in the low-income geography.

For the 2017 evaluation period, the 2015 ACS Census data showed no low-income geographies, three moderate-income CTs, 19 middle-income CTs, and four upper-income CTs. The bank did not originate any loans in moderate-income geographies. Demographic data showed opportunities to lend were limited as there were only 2,090 owner occupied housing units in the moderate-income CTs. Additionally, competition in these CTs is high. Approximately seven other lenders make loans in these geographies, including large national lenders.

Table 3 below shows the distribution of credit with in the assessment area by census tract income level:

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
2015 – 2016 Mortgage Loans	0.32	0.00	8.53	0.00	58.14	88.23	32.95	11.77
2017 Mortgage Loans	0.00	0.00	10.06	0.00	76.39	100.00	13.30	0.00

Source: Loan Sample

### **Responses to Complaints**

The bank has not received any CRA-related consumer complaints since the last CRA examination.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (1/01/2015 to 12/31/2017 Investment and Service Tests and CD Loans: Not Applicable	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Milton Savings Bank (MSB) Milton, PA	Home Mortgage Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
No Affiliates	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Milton AA	Full Scope Review	For the period from January 1, 2015 through December 31, 2016, the data from the 2010 U.S. Census was used in our analysis. For the period from January 1, 2017 through December 31, 2017, data from the 2010 U.S. Census was also used in our analysis but was modified to include 2017 Office of Management and Budget census updates.

## Appendix B: Community Profiles for Full-Scope Areas

### Milton AA 2015 - 2016

Demographic Information for Full Scope Area: Milton Savings and Loan 2015 – 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	3.33	10.00	46.67	30.00	10.00
Population by Geography	137,589	1.40	7.20	54.03	31.23	6.14
Owner-Occupied Housing by Geography	37,727	0.03	5.62	57.95	36.38	0.02
Family Distribution by Income Level	36,285	15.81	19.61	22.35	42.23	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,852	0.98	11.62	63.40	24.00	0.00
Median Family Income		50,325	Median Housing Value		129,214	
FFIEC Adjusted Median Family Income for 2016		56,291	Unemployment Rate		3.01%	
Households Below Poverty Level		12%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2016 FFIEC updated MFI

The weighted average median cost of housing in the AA for 2016 was \$129,214. The FFIEC adjusted median family income for 2010 was \$56,291. The percentage of households below the poverty level in 2016 in the AA was 12 percent. The population for the AA was comprised of 36,285 families. The unemployment rate across the AA was 3.01 percent, which compares favorably to the 8.4 percent unemployment rate for the state of Pennsylvania in 2010. The family income distribution details that 15.81 percent were low-income, 19.61 percent were moderate-income, 22.35 percent were middle-income, and 42.23 percent were upper-income.

According to 2016 Peer Deposit Data, MSB's is ranked 12<sup>th</sup> out of 22 institutions in the AA with a market deposit share of 2.04 percent of total deposits. The primary competitors within their AA are Northumberland National Bank (four offices, 14.21 percent market share), West Milton State Bank (five offices, 11.56 percent market share), Mifflinburg Bank and Trust (five offices, 10.66 percent market share), Service 1<sup>st</sup> Federal Credit Union (one office, 9.99 percent market share), and Manufactures and Traders Trust Company (seven offices, 9.37 percent market share).

Competition in the AA is strong. According to 2016 Peer Mortgage Data, there were 185 mortgage lenders in the AA. Milton's major competitors are: Service 1<sup>st</sup> Federal Credit Union, ranked 1<sup>st</sup> with a 11.63 percent market share; Mifflinburg Bank and Trust Co. ranked 2<sup>nd</sup> with a 7.7 percent market share, and Quicken Loans ranked 3<sup>rd</sup> with a 7.4 percent market share. MSB was not ranked in the AA, as they are not a HMDA reporter.

**Milton AA 2017**

Demographic Information for Full Scope Area: Milton Savings and Loan 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	0.00	10.00	63.33	13.33	13.33
Population by Geography	138,697	0.00	8.46	71.21	12.71	7.62
Owner-Occupied Housing by Geography	37,924	0.00	5.51	79.09	15.25	0.15
Family Distribution by Income Level	35,225	17.15	18.11	21.40	43.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,421	0.00	10.60	78.82	10.26	0.32
Median Family Income		56,327	Median Housing Value		144,774	
FFIEC Adjusted Median Family Income for 2017		57,727	Unemployment Rate		2.91%	
Households Below Poverty Level		11%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The weighted average median cost of housing in 2017 for the AA is \$144,774. The FFIEC adjusted family income for 2017 is \$57,727. The percentage of households below the poverty level in the AA is 11 percent. The population for the AA is comprised of 35,225 families. The unemployment rate across the AA is 2.91 percent, which compares favorably to the 5.3 percent unemployment rate for the state of Pennsylvania in 2015. The family income distribution details that 17.15 percent are low-income, 18.11 percent are moderate-income, 21.40 percent are middle-income, and 43.34 percent are upper-income.

The 2017 Peer Deposit Data shows that MSB is ranked 13<sup>th</sup> out of 23 institutions in the AA with a deposit market share of 1.82 percent of total deposits. MSB's primary competitors are: Northumberland National Bank (four offices, 13.25 percent market share), West Milton State Bank (five offices, 11.44 percent market share), Service 1st Federal Credit Union (one office, 10.38 percent market share), Mifflinburg Bank and Trust (5 offices, 10.06 percent market share), and Manufactures and Traders Trust Company ( seven offices, 8.96 percent market share).

Competition in the AA remained strong in 2017. According to 2017 Peer Mortgage Data, there are 183 mortgage lenders in the AA. Milton's major competitors in 2017 are: Service 1<sup>st</sup> Federal Credit Union, ranked 1<sup>st</sup> with a 10.7 percent market share; Quicken Loans ranked 2<sup>nd</sup> with a 8.4 percent market share and Mifflinburg Bank and Trust Company ranked 3<sup>rd</sup> with a 7 percent market share. Milton Savings Bank was not ranked in the AA, as they are not a HMDA reporter.



***Community Contact***

We made one community contact with a local community group during this examination. The organization's primary purpose is to promote community revitalization by serving as a liaison to local businesses who wish to participate in the community development. The contact expressed the local community is still making progress economically. Per the contact, the perception of the involvement of local banking institutions in the community is mixed. The contact expressed that while several institutions are regularly involved in local community projects, the majority of banks are not perceived as active participants.