



## PUBLIC DISCLOSURE

October 12, 2017

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PyraMax Bank, FSB  
Charter Number 717954

7001 West Edgerton Avenue  
Greenfield, WI 53220-4480

Office of the Comptroller of the Currency

1200 North Mayfair Road, Suite 200  
Wauwatosa, WI 53226-3282

**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.

## Table of Contents

<b>OVERALL CRA RATING .....</b>	<b>3</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS .....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION.....</b>	<b>10</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>12</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....</b>	<b>13</b>
LENDING TEST .....	13
COMMUNITY DEVELOPMENT TEST.....	16
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>A-1</b>
<b>APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS .....</b>	<b>B-1</b>

## **Overall CRA Rating: This institution is rated Outstanding.**

**The Lending Test is rated: Outstanding.**

**The Community Development Test is rated: Outstanding.**

- The loan-to-deposit ratio is more than reasonable given the bank's size, business strategy, and lending capacity.
- The bank originates a substantial majority of loans inside the bank's assessment area.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels. The distribution of loans reflects reasonable penetration among businesses of different sizes.
- The geographic distribution of residential real estate loans reflects excellent dispersion among geographies. The geographic distribution of business loans reflects excellent dispersion among geographies.
- The bank's community development performance through community development loans, qualified investments, and services demonstrates excellent responsiveness to community development needs in the assessment areas.

## 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

PyraMax Bank, FSB (PyraMax) is a federally chartered savings bank headquartered in Greenfield, Wisconsin. As of June 30, 2017, total assets are approximately \$458 million. The bank has a total loan portfolio of over \$324 million, representing 70.77 percent of total assets. PyraMax is primarily a residential real estate lender. Residential real estate loans makes up 51.97 percent of the total loan portfolio, while the commercial portfolio makes up 46.71 percent of the total loan portfolio. The commercial portfolio is primarily comprised of loans secured by multifamily residential properties at 30.48 percent, followed by nonfarm/nonresidential at 20.93 percent. *Table 1* details the bank's loan portfolio.

<b>Loan Category</b>	<b>Amount (\$000's)</b>	<b>Percent of Total Loans</b>	<b>Percent of Total Assets*</b>
Residential Real Estate	\$168,488	51.97%	36.78%
Commercial	\$151,426	46.71%	33.06%
Consumer	\$2,381	0.73%	0.52%
Agriculture	\$1,892	0.59%	0.41%
Total	\$324,187	100.00%	70.77%

\*Percentage based on total assets of \$458,058,000.

PyraMax's single assessment area (AA) consists of Milwaukee, Ozaukee, and Waukesha Counties and contains census tracts (CTs) within the Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (MSA), or the 33340 MSA. The number of CTs within the bank's AA represents 93.47 percent of the total number of CTs in the 33340 MSA. Given PyraMax's asset size, available resources, and branch locations, the designation for the entire 33340 MSA as the AA would be large for the bank to reasonably serve. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

In addition to the bank's main office, PyraMax operates eight full-service branches. The main office is located in a moderate-income CT in Greenfield, Wisconsin. The bank has one branch located in a low-income CT in the city of Milwaukee, Wisconsin. The West Allis branch is located in a moderate-income CT. Four branches are located in middle-income CTs in the cities of Grafton, Mukwonago, South Milwaukee, and Waukesha, Wisconsin. The remaining two branches are in upper-income CTs in the cities of Franklin and Milwaukee, Wisconsin. Each branch offers the same services, and the hours of operation do not vary significantly among the eight locations. Eight of the nine bank offices are equipped with drive-up facilities. Automated teller machines (ATMs) are located at eight locations, as well as at the Italian Community Center in Milwaukee, which is located in an upper-income CT. Customers may also use the bank's free online banking and mobile banking services to conduct transactions 24 hours a day, seven days a week. On June 1, 2016, the bank opened their newest branch in Grafton, Wisconsin, which is located in a middle-income CT. No branches were closed during the evaluation period.



According to 2010 census data, the AA consists of 401 CTs. Of the total CTs, 86 (21.45 percent) are low-income; 76 (18.95 percent) are moderate-income; 131 (32.67 percent) are middle-income; 107 (26.68 percent) are upper-income; And one CT (0.25 percent) does not have an income designation.

The total population of the AA is 1,424,021. The average median family income is \$71,473, and the FFIEC 2016 updated MSA median family income is \$70,200. The percentage of families below the poverty level is 10.32 percent. Owner-occupied units comprise 56.77 percent of total housing units. Based on 2016 business demographic data, the total number of businesses with reported revenues in the AA is 69,738. Of these businesses, 54,279 (77.83 percent) had gross revenues of \$1 million or less, 6,845 (9.82 percent) had gross revenues of over \$1 million, and 8,614 (12.35 percent) had revenues not reported. The July 2017 unemployment rate for Milwaukee County was 4.4 percent, Ozaukee County was 3.1 percent, and Waukesha County was 3.1 percent. The state unemployment rate at this time was 3.4 percent. Data shows that Milwaukee County sees a higher unemployment rate than the other two counties or the state.

<b>Demographic Data</b>	<b>2010 Census</b>
Population	1,424,021
Total Families	352,503
One-to Four-Family Units	473,142
Multi-family Units	134,106
% Owner-Occupied Units	56.77%
% Occupied Rental Units	35.65%
% Vacant Housing Units	7.58%
FFIEC Updated Median Family Income, 2016	\$70,200

Other financial institutions provide strong competition throughout the bank’s AA. The bank’s competitors include large national banks, multi-state banks, and credit unions. There are 43 other institutions serving the needs of the Milwaukee, Ozaukee, and Waukesha counties. As of June 30, 2017, the bank had over \$383 million in deposits and ranked 21st, with a deposit market share of 0.56 percent.

Milwaukee’s economy has been slow to recover from the downturn. According to June 2017 Moody’s Analytics, “Healthcare along with consumer and professional services and construction will reinvigorate Milwaukee-Waukesha-West Allis by the end of 2017, but manufacturing and finance will do little. Poor demographics, few growth drivers, and high business costs will ensure Milwaukee underperforms in the long run”. Major employers include Aurora Health Care, Inc., Wheaton Franciscan Healthcare, Froedtert and Community Health, Roundy’s Inc., and Kohl’s Department Stores, Inc.

During this evaluation, we reviewed community contact information from a housing counseling agency and a Milwaukee economic development corporation. The housing agency contact noted that the housing market in Milwaukee is improving, there has been an increased number of people seeking homebuyer counseling, and much of the

housing stock in Milwaukee is in need of substantial repair. The economic development corporation contact noted that economic conditions are improving, as indicated by the fact that small business loan requests have been increasing. They also noted that overall, the credit needs of the communities are being met by local financial institutions.

PyraMax offers a range of lending products, investment products, and services that are designed to fit the needs of individuals with different income levels. The bank primarily originates fixed and variable-rate mortgage loans for the purchase, improvement, or refinance of owner-occupied one-to four-family dwellings. In addition to traditional banking products, PyraMax offers residential mortgage loans in cooperation with the Wisconsin Housing and Economic Development Authority (WHEDA). WHEDA works with lenders, developers, and nonprofit organizations to provide low-cost, fixed interest rate mortgages for low- and moderate-income individuals and families so that they may purchase their first home.

There are no known impediments limiting PyraMax's ability to help meet the credit needs of its local community, including those of low- and moderate-income families and low- and moderate-income neighborhoods. The bank was rated Outstanding at the last CRA examination dated July 14, 2014.

## **Scope of the Evaluation**

We evaluated PyraMax's CRA performance under the Intermediate Small Bank examination procedures, which include a lending test and a community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and community development services.

## **Evaluation Period/Products Evaluated**

The evaluation period covers the period since the date of the previous CRA examination, July 14, 2014, through October 16, 2017. The Lending Test evaluated loans originated between January 1, 2015 and December 31, 2016. The Community Development Test covered community development loans, investments, and services during the entire evaluation period.

## **Data Integrity**

PyraMax's primary loan products are residential real estate loans and commercial loans. The bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). Prior to conducting this evaluation, the HMDA data was tested and found to be reliable. Therefore, reported HMDA data was used for both years in our evaluation of residential real estate lending. To evaluate the bank's commercial lending performance, we selected a sample of commercial loans from bank-generated reports. Additionally, we obtained aggregate HMDA peer group data for the lending test.

**Selection of Areas for Full-Scope Review**

The bank has one AA which will be reviewed as full-scope.

**Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews.

## **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 [or any affiliate whose loans have been considered as part of the institution's lending performance] 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**

PyraMax's lending meets the standards for outstanding performance. The loan-to-deposit ratio is more than reasonable given the bank's size, business strategy, and lending capacity. The bank originates a substantial majority of loans inside the bank's AA. The distribution of borrowers reflects excellent penetration among individuals of different income levels and reasonable penetration among businesses of different sizes. The geographic distribution of loans reflects excellent dispersion throughout the AA. The bank received no written complaints concerning its CRA performance during the review period.

### **LENDING TEST**

The Lending Test is rated Outstanding.

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

Given the bank's size, financial condition, and credit needs of the community, PyraMax's loan-to-deposit (LTD) ratio is more than reasonable at 83.82 percent. The LTD calculation is an average of all quarter-end LTD ratios since the last CRA exam.

The bank's ratio ranks eighth in a peer group with 11 other similarly situated financial institutions. The other banks were those located in Milwaukee, Ozaukee, and Waukesha Counties that had average assets between \$127 million and \$869 million. For the 11 other similarly situated banks, quarterly average LTD ratios range from 63.21 percent to 126.43 percent.

PyraMax's asset size, resources, capacity to lend in the competitive environment in which the bank operates, and lending strategy were taken into consideration when determining that the bank's LTD ratio is reasonable.

#### **Lending in Assessment Area**

PyraMax Bank originates a substantial majority of its loans to borrowers inside the AA. The bank granted 1,269 HMDA-reportable loans totaling \$238 million during the review period. We selected a random sample of business loans from bank-generated reports that includes 29 loans totaling \$12 million. Our analysis showed 82.67 percent of loans by number and 81.47 percent by dollar were originated inside of the AA.

<b>Table 3 - Lending in the Assessment Area</b>										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
RE - Home Purchase	414	79.77%	105	20.23%	519	\$82,319	78.98%	\$21,910	21.02%	\$104,229
RE - Home Refinance	581	83.84%	112	16.16%	693	\$107,009	83.61%	\$20,983	16.39%	\$127,992
RE - Home Improvement	52	91.23%	5	8.77%	57	\$5,236	85.67%	\$876	14.33%	\$6,112
Commercial Loans	26	89.66%	3	10.34%	29	\$9,475	78.25%	\$2,633	21.75%	\$12,108
Totals	1073	82.67%	225	17.33%	1298	\$204,039	81.47%	\$46,402	18.53%	\$250,441

Source: 2015-2016 HMDA data and sample of 29 bank records (verified by examiners)

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of borrowers reflects excellent penetration among individuals of different income levels. The distribution of loans reflects reasonable penetration among businesses of different sizes.

The borrower distribution for residential real estate loans within the AA reflects excellent penetration. The bank originated 8.21 percent of mortgage loans to low-income families, which exceeds the aggregate peer data that shows 4.76 percent. The bank originated 14.71 percent of loans to moderate-income families, which exceeds the aggregate peer data that shows 13.21 percent.

<b>Table 4 - Distribution of Residential Mortgage Loans By Borrower Income Level in the Assessment Area (\$000's)</b>							
Borrower Income Level	2015		2016		Review Period 1/1/2015 – 12/31/2016		Aggregate 2016
	#	%	#	%	#	%	% by #
<b>By Number</b>							
Low	45	9.95%	41	6.89%	86	8.21%	4.76%
Moderate	79	17.48%	75	12.61%	154	14.71%	13.21%
Middle	118	26.11%	143	24.03%	261	24.93%	20.06%
Upper	194	42.92%	321	53.95%	515	49.19%	52.53%
Income NA	16	3.54%	15	2.52%	31	2.96%	9.44%
Total	452	100%	595	100%	1047	100%	100%
<b>By \$ Amount</b>							
Low	\$3,334	4.33%	\$3,445	2.93%	\$6,779	3.48%	1.67%
Moderate	\$9,667	12.55%	\$9,198	7.83%	\$18,865	9.70%	6.59%
Middle	\$16,869	21.90%	\$22,991	19.56%	\$39,860	20.49%	13.26%
Upper	\$42,884	55.68%	\$78,463	66.75%	\$121,347	62.37%	57.34%
Income NA	\$4,267	5.54%	\$3,446	2.93%	\$7,713	3.96%	21.14%
Total	\$77,021	100%	\$117,543	100%	\$194,564	100%	100%

Source: 2015 and 2016 HMDA data and 2016 Peer Mortgage Data (Aggregate).

The borrower distribution of business loans within the AA reflects reasonable penetration. Our random sample shows the bank originated 57.69 percent of loans by number and 59.66 percent of loans by dollar to businesses with \$1 million in revenues or less. This is less than the demographics, which show 77.83 percent of the AA's businesses with revenues less than or equal to \$1 million.

Business Revenues (or Sales)	<=\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses	77.83%	9.82%	12.35%	100%
% of Bank Loans in AA by #	57.69%	34.62%	7.69%	100%
% of Bank Loans in AA by \$	59.66%	23.98%	16.36%	100%

*Source: 2015 and 2016 random sample of bank loan files and U.S. Census Demographic Data.*

Additionally, as detailed below, 24 loans, or 92.31 percent of the number and 63.84 percent of the dollar value, were small business loans of \$1 million or less. This reflects excellent borrower distribution of loans to businesses in the AA. This demonstrates PyraMax's willingness to grant small business loans in small loan amounts, which is viewed favorably under CRA.

Loan Size	Number of loans	Percent of Number	Dollar Volume of Loans	% of Dollars
\$100,000 or Less	11	42.31%	\$656,316	6.93%
Greater than \$100,000 up to \$250,000	7	26.92%	\$1,252,995	13.22%
Greater than \$250,000 up to \$500,000	2	7.69%	\$980,000	10.34%
Greater than \$500,000 up to \$1 million	4	15.38%	\$3,160,000	33.35%
Greater than \$1 million	2	7.70%	\$3,425,945	36.16%
Total	26	100%	\$9,475,256	100%

*Source: 2015 and 2016 random sample of bank loan files.*

## **Geographic Distribution of Loans**

The geographic distribution of residential real estate loans reflects excellent dispersion among geographies. The geographic distribution of business loans reflects excellent dispersion among geographies.

During the review period, PyraMax originated 2.29 percent of its loans in low-income geographies and 9.17 percent of loans in moderate-income geographies. Loans originated by PyraMax within low-income CTs are slightly less than the aggregate peer data of 2.66 percent. Loans originated within moderate-income CTs exceed the aggregate peer data of 7.45 percent.

<b>Table 7 - Distribution of Residential Mortgage Loans By Geography Income Level in the Assessment Area (\$000's)</b>							
Geography Income Level	2015		2016		Review Period 1/1/2015– 12/31/2016		Aggregate 2016
	#	%	#	%	#	%	% by #
<b>By Number</b>							
Low	12	2.65%	12	2.02%	24	2.29%	2.66%
Moderate	46	10.18%	50	8.40%	96	9.17%	7.45%
Middle	171	37.83%	210	35.29%	381	36.39%	32.96%
Upper	223	49.34%	323	54.29%	546	52.15%	56.93%
Total	452	100%	595	100%	1,047	100%	100%
<b>By \$ Amount</b>							
Low	\$770	1.00%	\$1,214	1.03%	\$1,984	1.02%	2.10%
Moderate	\$4,995	6.49%	\$4,903	4.17%	\$9,898	5.09%	5.38%
Middle	\$23,785	30.88%	\$32,896	27.99%	\$56,681	29.13%	26.92%
Upper	\$47,471	61.63%	\$78,530	66.81%	\$126,001	64.76%	65.60%
Total	\$77,021	100%	\$117,543	100%	\$194,564	100%	100%

Source: 2015 and 2016 HMDA data and 2016 Peer Mortgage Data (Aggregate).

The geographic distribution of business loans is excellent throughout the bank's AA. PyraMax's percentage of small business loans granted in low-income CTs was 11.54 percent, which exceeds the aggregate peer data of 5.85 percent. The percent of small business loans granted in moderate-income CTs was 19.23 percent, which exceeds the aggregate peer data of 18.41 percent.

<b>Table 8 – Business Loan Activity By Geography Income Level in the Assessment Area (\$000's)</b>			
Type of Census Tract	Number of Loans	Percentage of Loans	2015 Business Aggregate
Low-Income	3	11.54%	5.85%
Moderate-Income	5	19.23%	18.41%
Middle-Income	7	26.92%	38.73%
Upper-Income	11	42.31%	35.53%
Income NA	0	0.00%	1.48
Total	26	100%	100% *

\* 1.48% of 2015 Business Aggregate was reported as NA. Source: 2015 and 2016 HMDA data and 2015 Peer Small Business Data (Aggregate).

## Responses to Complaints

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during this evaluation.

## COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated Outstanding. CD performance through CD loans, qualified investments, and services demonstrates excellent responsiveness to CD needs in the AA.



## **Number and Amount of Community Development Loans**

PyraMax's CD lending record reflects excellent responsiveness to identifying and addressing the credit needs in the bank's AAs.

PyraMax originated or renewed 56 CD loans, totaling \$16.2 million, during the evaluation period in the bank's AA. While not an all-inclusive list, below are examples for CD lending within the bank's AA.

- A line of credit for \$1,250,000 was made to a nonprofit organization that provides community services, such as financial education programs, VITA tax services, weatherization services, and senior housing programs for low-income individuals.
- In 2016, the bank originated 18 loans totaling \$2.2 million to an LLC. These loans funded multi-family housing buildings located in the City of Milwaukee. These buildings provided affordable housing in low-income CTs.
- A working capital line of credit for \$200,000 was made to a nonprofit organization that provides counseling, supportive services, and shelters for homeless youth.
- Two loans, totaling \$181,000, were originated to a nonprofit organization that provides workforce development programs centered on academic advancement and training for low-income, at risk youth. Homes that are built by the youth are sold to households who meet HUD income guidelines.
- A loan for \$100,000 was provided to a statewide economic development corporation whose main focus is providing direct lending, quality business education, and educational resources to women and low-income individuals.

PyraMax also participates in the following loan programs that target or primarily benefit low- and moderate-income individuals:

- The Wisconsin Home and Economic Development Authority (WHEDA) home program is a first-time home buyer program that provides below market interest rates and allows for a lower down payment than conventional mortgage programs. This program benefits primarily low- and moderate- income individuals. Since July 2014, the bank facilitated 44 loans totaling approximately \$4.34 million.

## **Number and Amount of Qualified Investments**

The level of qualified community development investments is excellent, totaling \$2.58 million during the review period.

During the evaluation period, PyraMax made 48 qualifying donations totaling \$165 thousand to organizations that help provide community services to low- and moderate-income individuals and families. The bank's donations also supported economic development activities in the bank's AA.

The bank invested \$2.41 million in a mortgage-backed security pool, which is collateralized by home loans made to low- and moderate-income borrowers inside the bank's AA. The bank invested an additional \$639 thousand in the same pool collateralized by home loans made to low- and moderate-income borrowers in Washington County, which is outside of the bank's AA, but is part of the Milwaukee-Waukesha-West Allis MSA.

The bank administered grants for first-time homebuyers and down payment assistance totaling \$922 thousand. PyraMax worked with local organizations to provide grants under WHEDA, Affordable Housing Program, DownPayment Plus, and City of Milwaukee Homebuyer Assistance.

### **Extent to Which the Bank Provides Community Development Services**

PyraMax demonstrates a reasonable level of community development services through its branches, products, and activities with local organizations that support many activities directly benefiting low- and moderate-income populations. PyraMax provides affordable banking services in its AA. The bank's main office is located in a moderate-income CT. The bank offers a full range of consumer and commercial banking products and services at all of its branches.

PyraMax officers and employees are active in community organizations that provide qualified community development services. A full-time Community Development Manager manages the bank's community development programs and outreach efforts. The Community Development Officer received a recognition award in early 2017 for his work in furthering homeownership for low- and moderate-income buyers. The manager serves as a co-chair of a consortium's education and lending committee.

Two bank employees assisted and educated homeless women on how to write resumes and learn interview skills through a transition housing program located in Milwaukee.

Several bank employees have participated in numerous homebuyer education events and provided financial literacy education. Services included homebuyer education, financial coaching, and consulting.

### **Responsiveness to Community Development Needs**

PyraMax demonstrates excellent responsiveness to CD lending, investment, and service needs in its AA by originating various CD loans, funding qualified investments, and performing CD services.

## 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 a 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): (1/1/15 to 12/31/16) Investment and Service Tests and CD Loans: (7/14/14 to 10/16/17)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
PyraMax Bank, FSB Greenfield, WI	Residential Real Estate, Commercial	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Milwaukee-Waukesha-West Allis, WI MSA (33340)	Full Scope	

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

### Milwaukee-Waukesha-West Allis, WI MSA

Demographic Information for Full Scope Area: PyraMax Milwaukee MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	401	21.45	18.95	32.67	26.68	0.25
Population by Geography	1,424,021	16.01	17.37	32.68	33.94	0.00
Owner-Occupied Housing by Geography	346,670	7.53	14.09	36.21	42.18	0.00
Business by Geography	69,738	9.57	14.48	35.43	40.47	0.05
Farms by Geography	1,369	4.46	8.77	35.94	50.84	0.00
Family Distribution by Income Level	352,503	23.10	16.87	20.25	39.78	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	140,891	27.83	25.05	29.67	17.45	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		68,787 70,200 13%	Median Housing Value Unemployment Rate (2010 US Census)		200,641 4.07%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

PyraMax's single AA consists of Milwaukee, Ozaukee, and Waukesha Counties and contains CTs within the Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (MSA), or the 33340 MSA.

In addition to the bank's main office, PyraMax operates eight full-service branches. The main office is located in a moderate-income CT in Greenfield, Wisconsin. The bank has one branch located in a low-income CT in the city of Milwaukee, Wisconsin. The West Allis branch is located in a moderate-income CT. Four branches are located in middle-income CTs in the cities of Grafton, Mukwonago, South Milwaukee, and Waukesha, Wisconsin. The remaining two branches are in upper-income CTs in the cities of Franklin and Milwaukee, Wisconsin. Each branch offers the same services and, aside from the upper-income CT location in Milwaukee which is closed Saturdays, the hours of operation do not vary significantly among the eight locations. Seven of the nine bank offices are equipped with drive-up facilities. Automated teller machines (ATMs) are located at all eight locations, as well as at the Italian Community Center in Milwaukee, which is located in an upper-income CT.

Other financial institutions provide strong competition throughout the bank's AA. The bank's competitors include large national banks, multi-state banks, and credit unions. There are 43 other institutions serving the needs of the counties. As of June 30, 2017, the bank had over \$383 million in deposits and ranked 21st, with a deposit market share of 0.56 percent.

PyraMax offers a range of lending products, investment products, and services that are designed to fit the needs of individuals with different income levels. The bank primarily originates fixed and variable-rate mortgage loans for the purchase, improvement, or refinance of owner-occupied one-to four-family dwellings. In addition to traditional banking products, PyraMax offers residential mortgage loans in cooperation with the Wisconsin Housing and Economic Development Authority (WHEDA). WHEDA works with lenders, developers, and nonprofit organizations to provide low-cost, fixed interest rate mortgages for low- and moderate-income individuals and families so that they may purchase their first home.