

## Blue Grass Federal – CRA Public File

This information may be shared electronically as a pdf or printed free of charge.

Any questions related to CRA can be directed to the following contact:

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859-987-2951

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### CRA Public File Contents

- Public Comments
- Branches Opened, Closed or Relocated
- Loan to Deposit Ratios
- Branches (addresses and geographies)
- List of Services (hours of operation, Loan and deposit products, transaction fees)
- Assessment Area Maps and Geography List
- Most Recent CRA Performance Evaluation

**Effective Date: April 2026**

## Public Comments

2026 YTD – Blue Grass Federal has not received any public CRA Comments or Complaints

2025 – Blue Grass Federal did not receive any public CRA Comments or Complaints

2024 – Blue Grass Federal did not receive any public CRA Comments or Complaints

## There were no Branches Opened or Closed for the following years:

2026 YTD

2025

2024

<b>Blue Grass Federal Loan to Deposit Ratios</b>			
<b>2025 Q1</b>	<b>2025 Q2</b>	<b>2025 Q3</b>	<b>2025 Q4</b>
109.52%	113.89%	107.54%	102.43%
<b>2024 Q1</b>	<b>2024 Q2</b>	<b>2024 Q3</b>	<b>2024 Q4</b>
111.33%	118.17%	115.55%	112.08%

## Blue Grass Federal Bank Branch

Blue Grass Federal  
600 High St  
Paris, KY 40361  
859-987-2951

### Hours:

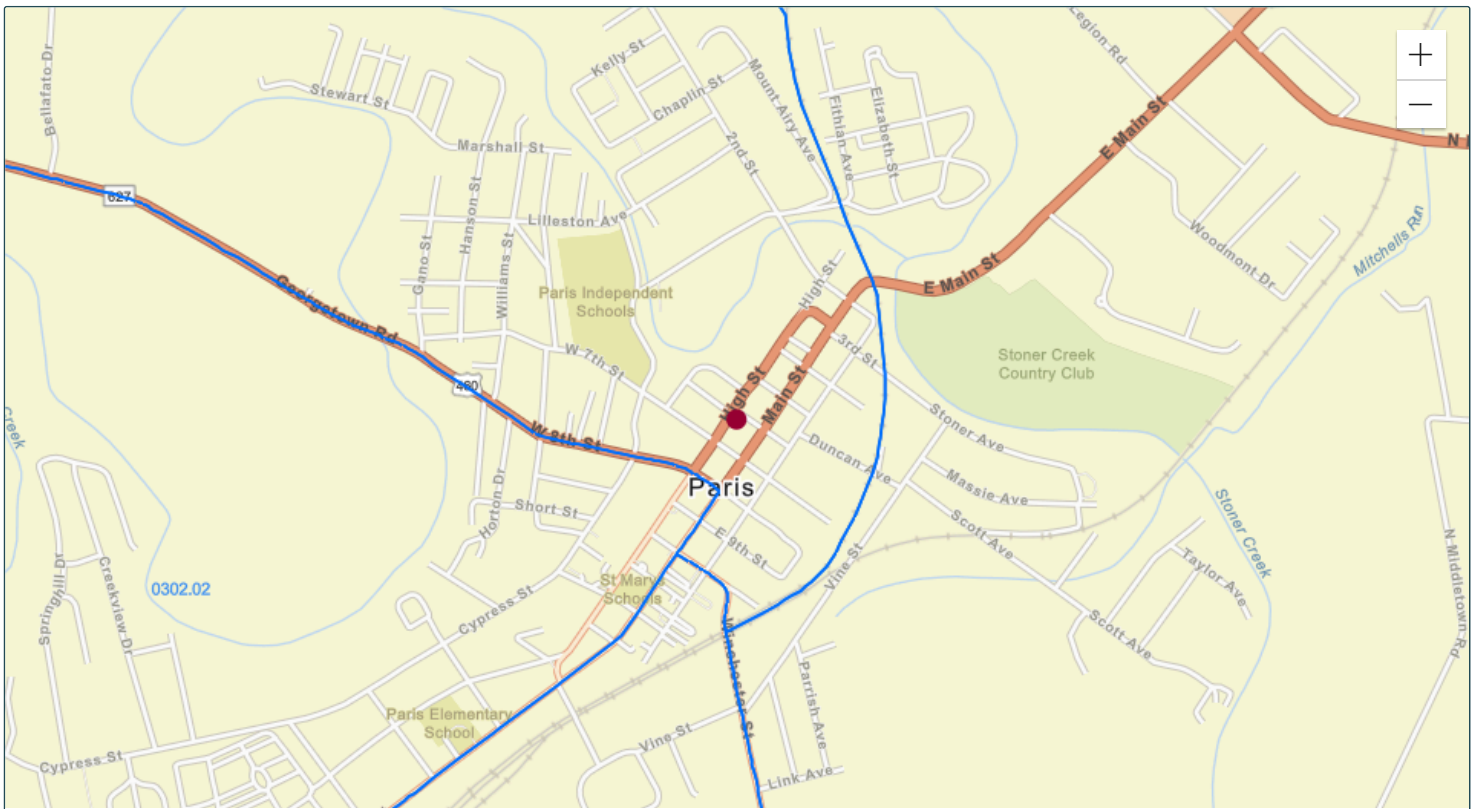
#### *Lobby Hours*

Monday	9:00am – 5:00 pm
Tuesday	9:00am – 5:00 pm
Wednesday	9:00am – 5:00 pm
Thursday	9:00am – 5:00 pm
Friday	9:00am – 5:00 pm
Saturday	Closed
Sunday	Closed

#### *Drive-Up Teller*

Monday	9:00am – 5:00 pm
Tuesday	9:00am – 5:00 pm
Wednesday	9:00am – 5:00 pm
Thursday	9:00am – 5:00 pm
Friday	9:00am – 6:00 pm
Saturday	Closed
Sunday	Closed

***ATM Available 24 Hours at this location***



Esri Community Maps Contributors, Commonwealth of Kentucky, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS,... Powered by Esri

● Matched Address: 600 High St, Paris, Kentucky, 40361  
MSA: 30460 - LEXINGTON-FAYETTE, KY || State: 21 - KENTUCKY || County: 017 - BOURBON COUNTY || Tract Code: 0301.01

● Selected Tract  
MSA: || State: || County: || Tract Code:



2025 FFIEC Geocode Census Report

Matched Address: 600 High St, Paris, Kentucky, 40361  
 MSA: 30460 - LEXINGTON-FAYETTE, KY  
 State: 21 - KENTUCKY  
 County: 017 - BOURBON COUNTY  
 Tract Code: 0301.01

Summary Census Demographic Information

Tract Income Level	Moderate
Underserved or Distressed Tract	No
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$102,400
2025 Estimated Tract Median Family Income	\$54,794
2020 Tract Median Family Income	\$42,246
Tract Median Family Income %	53.51
Tract Population	2175
Tract Minority %	34.21
Tract Minority Population	744
Owner-Occupied Units	419
1- to 4- Family Units	1006

Census Population Information

Tract Population	2175
Tract Minority %	34.21
Number of Families	475
Number of Households	835
Non-Hispanic White Population	1431
Tract Minority Population	744
American Indian Population	3
Asian/Hawaiian/Pacific Islander Population	2
Black Population	393
Hispanic Population	212
Other/Two or More Races Population	134

Census Income Information

Tract Income Level	Moderate
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$78,944
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$102,400
% below Poverty Line	13.94
Tract Median Family Income %	53.51
2020 Tract Median Family Income	\$42,246
2025 Estimated Tract Median Family Income	\$54,794
2020 Tract Median Household Income	\$38,250

Census Housing Information

Total Housing Units	1088
1- to 4- Family Units	1006
Median House Age (Years)	67
Owner-Occupied Units	419
Renter Occupied Units	416
Owner Occupied 1- to 4- Family Units	419
Inside Principal City?	NO
Vacant Units	253

## Service Accessibility

Channel	Availability
In-Branch Teller Services 600 High St. Paris, KY 40361 p. 859-987-2951 f. 859-987-6391	<ul style="list-style-type: none"> <li>• Up to 40 hours per week accessibility</li> <li>• 24 Hour Night Drop</li> <li>• Bank by Mail</li> <li>• ATM 24 hours, 7 days a week accessibility</li> <li>• Deposit Account Balance</li> <li>• Cash Withdrawals (no deposit capability)</li> <li>• No Charge for Service</li> </ul>
Telephone Banking 800-436-5120	<ul style="list-style-type: none"> <li>• 24 hour, 7 days a week accessibility</li> <li>• Account Information-deposit &amp; loan accounts</li> <li>• Funds transfer between internal accounts</li> <li>• No Charge for Service</li> </ul>
Internet Banking www.bluegrassfederal.bank	<ul style="list-style-type: none"> <li>• 24 hour, 7 days a week accessibility</li> <li>• Account information-deposit &amp; loan accounts</li> <li>• Funds transfer between internal accounts</li> <li>• Funds transfer for linked external accounts</li> <li>• Bill Payment</li> <li>• Check Images</li> <li>• Contains bank information including product and service descriptions, bank news, bank history, and contact-us capabilities including Chat Feature</li> <li>• No Charge for Service</li> </ul>

## Available Loan and Deposit Products

Loan Services	Deposit Services
First & Second Mortgages Home Equity Loans & Lines of Credit Home Improvement Loans Construction & Construction to Permanent Loans Personal Secured & Unsecured Loans Automobile Loans	Regular Checking Accounts Interest-bearing Checking Accounts Statement Savings Uplift Savings Money Markets Certificates of Deposit

# Fee Schedule



SERVICE DESCRIPTION	PER UNIT FEE
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## ATM/Debit Card

### ATM/Debit Card Transaction Fees

If you are a Blue Grass Federal Mastercard Card holder: Cirrus ATM or Mastercard Fee is \$1.50 per transaction; including inquiries. There are no fees to use a Blue Grass Federal ATM. There is no fee to use a MoneyPass ATM. Foreign Transaction Fees: Mastercard imposes fees if you use your Mastercard card in a foreign country, including transactions initiated in the United States with an entity located in a foreign country. The cross-border assessment fee is 0.9% of the transaction amount. A currency conversion assessment may be charged by Mastercard for the conversion of the currency of the merchant's country to the currency of the card holder's address. This fee would be calculated as 0.2% of the transaction amount.

Transactions include without limitation cash advances, ATM withdrawals and purchases of goods.

ATM Surcharge (non-customer)	\$2.50
Debit Card Replacement	\$5.00

## Checking Account

Account Reconciliation	\$15/ 1/2 hour
Check Cashing (non-customer)	\$5.00
Check Copy	\$3.00
Check Reject Fee (per item, alien media)	\$1.00
Counter Checks	\$0.50
Non-sufficient funds (NSF) or Overdraft (OD) per item*	\$25.00
Stop Payment	\$10.00
Sustained Overdraft (per day, after 7 business days)	\$5.00

## Savings Account

Dormancy Fee (per month, for statement accounts, after 12 mos. inactivity)	\$5.00
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### Excessive Transaction Fee (per item)

(Assessed when more than 6 pre-authorized, telephone, ACH, check, POS or internet transfers occur from a savings or money market per month.) (Excludes Uplift Savings)

	\$3.00/each
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## Wire Transfer

Wire Transfer Incoming (domestic or foreign)	\$10.00
Wire Transfer Outgoing (within USA)	\$20.00

SERVICE DESCRIPTION	PER UNIT FEE
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## Miscellaneous

Account History	\$3.00/month
Check Collection	\$15.00 <i>(plus any fees incurred by Blue Grass Federal)</i>
Child Support (manual payment)	\$5.00
Deposit Verification	\$10.00
Duplicate Statement Fee (1098 or 1099)	\$5.00
Early Closeout (statement savings or checking/ within 6 months)	\$50.00
Escheat Fee (checking or savings after 36 months inactivity)	\$50.00
Fax Services (per page)	\$1.00
Legal Process (e.g. IRS, levy, garnishment)	\$50.00
Notary Fee	\$1.50
Official Check	\$3.00
Official Check Stop Payment	\$10.00
Photocopy (per page)	\$0.25
Redeposit of a Deposit Item	\$5.00
Research	\$15.00 1/2 hr
Return Deposit Item	\$10.00
Statement Copy (per page)	\$5.00
Undeliverable Mail (per statement, after two items returned)	\$5.00

# Business Checking Account Services

## Fee Schedule



SERVICE DESCRIPTION	PER UNIT FEE
<b>Business Interest Checking Account</b>	
Monthly fee if daily balance is below \$1,500	\$7.00
Negative collected balance	Prime + 3%
<b>Commercial Checking Account</b>	
Account maintenance	\$15.00/mo.
ACH transactions	\$0.10
Analysis, per account	\$5.00
Deposits and credits	\$0.55
Item deposited	\$0.10
Checks paid	\$0.17
Negative collected balance	Prime + 3%
<b>ACH Origination</b>	
ACH set up	\$75.00
ACH monthly fee	\$30.00/mo.
ACH origination	\$0.10/item
ACH return items	\$10.00
<b>Remote Deposit Capture</b>	
Remote deposit service set up	\$50.00
Remote deposit (2 year contract)	\$35.00/mo.
Remote deposit (no contract)	\$25.00/mo. + \$.07/item
Remote deposit capture per additional remote deposit capture per account (3 included)	\$5.00/mo.

SERVICE DESCRIPTION	PER UNIT FEE
<b>Wire Transfer</b>	
Wire incoming	\$10.00
Wire outgoing	\$20.00
Wire incoming foreign	\$40.00
Wire outgoing foreign	\$40.00
<b>Vault Services &amp; Cash Deposit</b>	
Per \$ 100.00 deposit*	\$0.08
<b>Miscellaneous</b>	
Returned deposit item (redeposit)	\$5.00
Returned deposit item	\$10.00
Stop payment	\$10.00
Non-sufficient funds (NSF)/overdraft	\$25.00

\* Commercial Checking product only  
REV. 12/2023 EFFECTIVE 12/2023



2025 FFIEC Census Report - Summary Census Overview Information

MSA/MD: 30460 - LEXINGTON-FAYETTE, KY

State: KENTUCKY

County: 017 - BOURBON COUNTY

All Tracts: 8



State Abbr	County Name	Tract code	Tract Income Level	Tract Median Family Income %	Distressed or Underserved Tract	2025 FFIEC Est. MSA/MD/non-MSA/MD Median Family Income	2020 Tract Median Family Income	Tract Population	Minority Population	Tract Minority %	Owner Occupied Units	1- to 4- Family Units
KY	BOURBON COUNTY	0301.01	2 - Moderate	53.51	No	\$102,400	\$42,246	2175	744	34.21	419	1006
KY	BOURBON COUNTY	0301.02	2 - Moderate	61.35	No	\$102,400	\$48,433	1726	231	13.38	401	768
KY	BOURBON COUNTY	0302.01	3 - Middle	105.78	No	\$102,400	\$83,508	4348	926	21.30	1089	1613
KY	BOURBON COUNTY	0302.02	1 - Low	47.94	No	\$102,400	\$37,849	1949	473	24.27	362	962
KY	BOURBON COUNTY	0303.00	3 - Middle	107.11	No	\$102,400	\$84,563	3170	487	15.36	794	1274
KY	BOURBON COUNTY	0304.00	3 - Middle	115.28	No	\$102,400	\$91,007	2443	213	8.72	762	987
KY	BOURBON COUNTY	0305.00	2 - Moderate	55.33	No	\$102,400	\$43,681	2331	203	8.71	685	1039
KY	BOURBON COUNTY	0306.00	2 - Moderate	55.48	No	\$102,400	\$43,804	2110	205	9.72	517	1019
KY	BOURBON COUNTY	9999.99	2 - Moderate	79.44	No	\$102,400	\$62,715	20252	3482	17.19	5029	8668



## **PUBLIC DISCLOSURE**

May 13, 2024

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

Blue Grass Federal Savings and Loan Association  
706361

600 High Street  
Paris, KY 40361-1811

Office of the Comptroller of the Currency

200 Public Square Suite 1620  
Cleveland, OH 44114-2301

**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.**

The major factors that support this rating include:

- The Lending Test rating is based on the reasonable geographic distribution of home mortgage loans and a reasonable distribution of home mortgage loans among borrowers of different incomes, and a reasonable loan-to-deposit (LTD) ratio.

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

Considering the bank's size, financial condition, and credit needs of the assessment area (AA), the bank's loan-to-deposit ratio is reasonable.

Blue Grass's LTD ratio is calculated on a bank-wide basis and meets the standard for satisfactory performance. The Office of the Comptroller of the Currency (OCC) evaluated the bank's quarterly LTD ratios for the period between January 1, 2020, to December 31, 2022. The bank's average LTD ratio during the evaluation period was 97.80 percent, with quarterly ratios ranging from 91.17 percent in the first quarter of 2020 to 103.83 percent in the fourth quarter of 2022. There were no other similarly situated financial institutions in the AA.

### **Lending in Assessment Area**

A majority of the bank's loans are outside its AA.

The bank originated and purchased 38.5 percent of its total loans inside the bank's AAs during the evaluation period. Additionally, the bank originated 45.9 percent of total loans by dollar amount inside the AA during the evaluation period. The bank has limited facilities, with only one branch in the Bourbon AA, and makes loans in the surrounding counties. The bank reported that customers in surrounding counties have preferred to work with community banks over larger banks, which has resulted in additional lending activity for the bank. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

<b>Table D - Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	14	40.0	21	60.0	35	1,955	52.2	1,794	47.8	3,749
2021	12	34.3	23	65.7	35	2,448	39.6	3,738	60.4	6,186
2022	14	41.2	20	58.8	34	1,682	50.7	1,638	49.3	3,320
<b>Total</b>	<b>40</b>	<b>38.5</b>	<b>64</b>	<b>61.5</b>	<b>104</b>	<b>6,085</b>	<b>45.9</b>	<b>7,170</b>	<b>54.1</b>	<b>13,255</b>
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Blue Grass Federal Savings and Loan Association (Blue Grass) is an intrastate bank headquartered in Paris, Kentucky. It is a wholly owned subsidiary of First Mutual Holding Co. (FMHC), a five-bank holding company. The mutual thrift holding company based in Lakewood, OH, acquired Blue Grass in February 2020. As of December 31, 2022, the bank's assets totaled \$45.9 million and tier one capital totaled 8.8 million, or 19.1 percent of total assets. The bank has one full-service branch located in Bourbon County. The bank did not open or close any branches during the evaluation period. The bank has one ATM at the branch which does not accept deposits. Management designated all of Bourbon County as their AA. The AA comprises 8 contiguous census tracts (CTs) and is part of the Lexington-Fayette Metropolitan Statistical Area (MSA). The AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

The bank's primary loan products are residential real estate loans. The bank's loan portfolio increased 54.3 percent from \$23.7 million as of December 31, 2019, to \$36.5 million as of December 31, 2022. As of December 31, 2022, the loan portfolio was comprised of residential real estate loans (\$26.0 million or 71.0 percent), non-farm or non-residential loans (\$3.2 million or 8.8 percent), commercial and industrial loans (\$3.1 million or 8.5 percent), construction loans (\$1.5 million or 4.0 percent), farmland (\$1.2 million or 3.3 percent), multifamily loans (\$1.1 million or 3.0 percent), and consumer loans (\$525 thousand or 1.4 percent).

Blue Grass offers traditional home loan products, including home mortgage loans, home equity, commercial and construction loans. The bank's consumer deposit-related products and services include checking, savings, and certificates of deposit, debit cards, online banking, mobile banking. Business products include checking and savings.

Based on Federal Deposit Insurance Corporation (FDIC) Deposit Market Share reports from June 30, 2019, and June 30, 2022, deposits at the bank increased from \$25.4 million to \$33.5 million during that time period.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the AA. The bank received a "Satisfactory" rating on their previous CRA performance evaluation dated, January 6, 2020.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The OCC evaluated the bank using small bank performance criteria, which includes a lending test. The lending test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period for the lending test is January 1, 2020, through December 31, 2022.

Based on the bank's internal reports and discussions with management, examiners determined that the bank's primary lending product during the evaluation period was home mortgages loans. Examiners used other supporting information during the performance evaluation, including the 2015 American Community Survey (ACS) data, 2020 U.S. Census data, internal bank records, deposit market share data, and information from governmental websites regarding the characteristics and economy of the bank's AA. The bank's 2022 performance is evaluated separately utilizing 2020 U.S. Census data which reflects updated population and housing demographic information, as well as changes to the number and income designations of some CTs. Examiners also considered information from community contacts to help assess the needs of the bank's AA.

### Selection of Areas for Full-Scope Review

Examiners performed a full-scope review of the Bourbon AA, part of the Lexington-Fayette, KY MSA. The AA includes the entire county of Bourbon and does not arbitrarily exclude any low- or moderate-income CTs.

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

Examiners weighed information from the following performance criteria when analyzing the bank's primary lending products: LTD ratio, lending within the AA, lending to borrowers of different incomes and the geographic distribution of loans. Refer to the "Scope" paragraph within the "State" section of this document for details regarding how the areas were weighted in arriving at the respective ratings.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

Pursuant to 12 CFR 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 AA 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 Bureau of Consumer Financial Protection, 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.

## State Rating

### State of Kentucky

**CRA rating for the State of Kentucky<sup>1</sup>:** Satisfactory

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

The major factors that support this rating include:

- The bank's distribution of home mortgage loans to borrowers of different income levels is reasonable.
- The bank's geographic distribution of home mortgage loans of different sizes is reasonable.
- A reasonable loan-to-deposit (LTD) ratio.

### Description of Institution's Operations in Kentucky

Blue Grass operated one full-service branch within the AA, and the office is in a moderate-income CT. The branch offers drive-thru services, and has one ATM which does not take deposits. The bank did not open or close any branches during the evaluation period.

The AA complies with regulatory requirements. Based on 2015 ACS, the AA had six CTs consisting of two moderate-income CTs, and four middle-income CTs. There were no low- or upper-income CTs in the AA. The AA changed according to the 2020 U.S. Census data resulting in eight CTs. The change was due to one middle-income CT moving to a moderate-income CT and two CTs being divided into two more CTs. The updated AA resulted in one new low-income CT, four moderate-income CTs, and three middle-income CTs.

There is moderate banking competition within the AA. According to the June 30, 2022, FDIC Deposit Market Share Report, there are four financial institutions with six offices serving the Bourbon AA. Blue Grass is ranked last in terms of deposit market share in the AA, with 6.85 percent of total deposits. The other institutions in the June 2022 report had a combined market share of 93.15 percent. Banks in the AA include Traditional Bank, Inc., Stock Yard Bank and Trust, and Fifth Third Bank, N.A.

The largest cities in the AA are Paris, Millersburg, and North Middletown. Prominent industries include health care and social assistance, manufacturing, and retail trade. Major employers include Central Motor Wheel of America, Avantor Performance Materials, Pizza Wholesale of Lexington Inc., Southeastern Kentucky Rehabilitation Industries Inc., and EnovaPremier of Kentucky LLC. As of December 31, 2022, the unemployment rate in Bourbon County was 3.0 percent, which was below the state unemployment rate of 3.6 percent.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Examiners considered information obtained from two community contacts within the AA to gain an understanding of the community development needs and business retention and expansion of the AA. The community organization's focus is on affordable housing and businesses for low- and moderate-income individuals. They identified the following needs in the bank's AA: affordable housing options, small business lending, working capital, and workforce development. They also noted the need for funding for down-payment assistance, alternative credit products to assist LMI borrowers, programs to assist with any short falls during homeownership, awareness of redlining and low appraisal values in LMI areas, financial needs for start-up businesses, assist with connecting to alternate business lending products, and bank employee involvement in organization initiatives.

## Bourbon AA

2020-2021

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Bourbon County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	6	0.0	33.3	66.7	0.0	0.0
Population by Geography	20,013	0.0	31.7	68.3	0.0	0.0
Housing Units by Geography	8,990	0.0	34.2	65.8	0.0	0.0
Owner-Occupied Units by Geography	4,866	0.0	31.7	68.3	0.0	0.0
Occupied Rental Units by Geography	3,001	0.0	33.7	66.3	0.0	0.0
Vacant Units by Geography	1,123	0.0	46.2	53.8	0.0	0.0
Businesses by Geography	1,556	0.0	35.9	64.1	0.0	0.0
Farms by Geography	278	0.0	23.7	76.3	0.0	0.0
Family Distribution by Income Level	5,281	29.0	18.6	19.7	32.6	0.0
Household Distribution by Income Level	7,867	29.2	16.5	18.3	36.0	0.0
Median Family Income MSA - 30460 Lexington-Fayette, KY MSA		\$66,800	Median Housing Value			\$147,223
			Median Gross Rent			\$709
			Families Below Poverty Level			12.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.</i>						

2022

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Bourbon County</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	8	12.5	50.0	37.5	0.0	0.0
Population by Geography	20,252	9.6	41.2	49.2	0.0	0.0
Housing Units by Geography	9,085	11.2	44.7	44.1	0.0	0.0
Owner-Occupied Units by Geography	5,029	7.2	40.2	52.6	0.0	0.0
Occupied Rental Units by Geography	2,961	17.4	48.3	34.4	0.0	0.0
Vacant Units by Geography	1,095	12.7	55.5	31.8	0.0	0.0
Businesses by Geography	1,778	9.1	41.5	49.4	0.0	0.0
Farms by Geography	299	2.3	41.5	56.2	0.0	0.0
Family Distribution by Income Level	5,173	29.7	19.1	20.5	30.7	0.0
Household Distribution by Income Level	7,990	29.4	21.6	14.0	34.9	0.0
Median Family Income MSA - 30460 Lexington-Fayette, KY MSA		\$78,944	Median Housing Value			\$160,346
			Median Gross Rent			\$730
			Families Below Poverty Level			9.7%
<i>Source: 2020 U.S. Census and 2022 D&amp;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>						

## Scope of Evaluation in Kentucky

This analysis reflects a full-scope review of the Bourbon AA. Examiners considered the number of home mortgage loans originated or purchased by the bank from January 1, 2020, through December 31, 2022. Examiners also considered any factors affecting the bank's ability to lend in its AA during the evaluation period, such as demographic and market share information.

## **LENDING TEST**

The bank's performance under the Lending Test in Kentucky is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the Bourbon AA is good.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the State.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Kentucky section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

#### 2020-2021

Blue Grass's distribution of home mortgage loans among geographies of different income levels in the Bourbon AA is reasonable. There were no low-income CTs with this AA during the evaluation period. The bank's percentage of home mortgage loans among moderate-income CTs in the AA was 34.6 percent. This is above the 31.7 percent of the AA's owner-occupied housing units in moderate-income geographies and the 29.2 percent of aggregate bank lending.

#### 2022

Examiners did not perform an analysis for the Bourbon AA since there was not a sufficient number of loans to perform an adequate analysis.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Kentucky section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### 2020-2021

Blue Grass's distribution of home mortgage loans to borrowers of different income levels in the Bourbon AA is reasonable. The bank's percentage of home mortgage loans to low-income borrowers was 11.5 percent. This is below the 29.0 percent of low-income families living in the AA, but above the 10.4 percent aggregate bank lending level. The bank's percentage of home mortgage loans to moderate-income borrowers is 19.2 percent. It is above the 18.6 percent of moderate-income families living in the AA, but below the 22.3 percent aggregate bank lending level.

2022

Examiners did not perform an analysis for the Bourbon AA since there was not a sufficient number of loans to perform an adequate analysis.

**Responses to Complaints**

Blue Grass did not receive any complaints during the evaluation period that would affect its CRA rating.

## 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 MSAs and non-MSAs 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>	01/01/2020 to 12/31/2022	
<b>Bank Products Reviewed:</b>	Home mortgage	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable	Not Applicable	No affiliate products reviewed.
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
Bourbon AA	Full-Scope	Bourbon County
<b>States</b>	Full-Scope	
Kentucky		



## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** 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; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**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-Scope 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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/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. The median is the point at which half of the families have income above, and half below, a range of incomes. 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, and half below, a range of incomes.

**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.

**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.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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 1 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.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2020-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Bourbon County	26	9,935	100	761	0.0	0.0	0.0	31.7	34.6	29.2	68.3	65.4	70.8	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>26</b>	<b>9,935</b>	<b>100</b>	<b>761</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>31.7</b>	<b>34.6</b>	<b>29.2</b>	<b>68.3</b>	<b>65.4</b>	<b>70.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2020-21</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Bourbon County	26	9,935	100	761	29.0	11.5	10.4	18.6	19.2	22.3	19.7	19.2	20.6	32.6	50.0	27.9	0.0	0.0	18.8	
<b>Total</b>	<b>26</b>	<b>9,935</b>	<b>100</b>	<b>761</b>	<b>29.0</b>	<b>11.5</b>	<b>10.4</b>	<b>18.6</b>	<b>19.2</b>	<b>22.3</b>	<b>19.7</b>	<b>19.2</b>	<b>20.6</b>	<b>32.6</b>	<b>50.0</b>	<b>27.9</b>	<b>0.0</b>	<b>0.0</b>	<b>18.8</b>	

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.