



Middletown
Valley Bank®

A Community Heritage Financial, Inc. Company

COMMUNITY REINVESTMENT ACT PUBLIC FILE



GREETINGS TO OUR CUSTOMERS.

WE HAVE IMPORTANT INFORMATION FOR YOU.

As your financial institution, we are involved in a program that directly affects you and our entire community. Please take a few minutes to learn about the **COMMUNITY REINVESTMENT ACT**.

The **Community Reinvestment Act (CRA)** was developed by Congress in 1977 and amended in 1995. It requires financial institutions to help communities meet local financial needs. To you, our customer, that means:

- We provide credit services to fit your needs.
- Make many types of loans available; and
- Ask for your suggestions and comments about our credit policies.

In addition, we work with community groups, local businesses, and all levels of government to improve the area we serve.

We invite you to learn more about CRA by looking at this document. CRA is intended to make a difference - for you and for our community.

Written Public Comments.....	4
CRA Performance Evaluation Public Section.....	5
Office Locations Branch Openings and Closings.....	34
Services.....	37
Assessment Area.....	46
Loan-to-Deposit Ratios.....	49
Miscellaneous Information.....	50
Home Mortgage Disclosure Act Information.....	51

Written Public Comments**2024**

None Received

2023

None Received

2022

None Received

2021

None Received

2020

None Received

2019

None Received

2018

None Received

2017

None Received

PUBLIC DISCLOSURE

January 24, 2023

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**Middletown Valley Bank
Certificate Number: 1401724 West Main Street
Middletown, Maryland 21769Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office350 Fifth Avenue, Suite 1200
New York, New York 10118-0110

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING	7
DESCRIPTION OF INSTITUTION	8
DESCRIPTION OF ASSESSMENT AREA	9
SCOPE OF EVALUATION	15
CONCLUSIONS ON PERFORMANCE CRITERIA.....	16
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	27
APPENDICES.....	28
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA	28
GLOSSARY	29

INSTITUTION RATING

Institution's CRA Rating: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Middletown Valley Bank's ("MVB" or "the Bank") satisfactory performance under the Lending Test and Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

The following criteria support this rating:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The institution made most of its loans inside the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers, given the demographics of the assessment area, reflects reasonable penetration among businesses of different sizes and poor penetration among individuals of different income levels. Overall distribution is reasonable.
- The institution did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Background

MVB is a full-service community bank headquartered in Middletown, Maryland. Community Heritage Financial, Inc.; a publicly traded bank holding company wholly owns MVB, and is also headquartered in Middletown, MD. On March 1, 2022, the ownership of Millennium Financial Group, Inc. ("Mlend"), a residential mortgage origination company, moved from a subsidiary of CHF to a wholly owned subsidiary of MVB. Mlend is the Bank's only subsidiary. The bank received a "Satisfactory" CRA rating at its most recent FDIC Performance Evaluation, dated December 12, 2019, using Interagency Small Institution Examination Procedures.

Operations

MVB operates eight full-service branches in Maryland, with seven in Maryland and one in Pennsylvania. In addition to these full-service locations, MVB operates nine automated teller machines (ATMs), two business development offices, and an administrative operations center. Since the prior evaluation, MVB opened a branch in Waynesboro, Franklin County, Pennsylvania in 2021, a Business Development Office (BDO) in Oakland, Garrett County, Maryland in 2020, and a BDO in Frederick City, Frederick County, Maryland in 2023; which was converted to a branch in October 2024.

MVB offers a variety of loan products, including home mortgage, commercial real estate, and consumer loans, primarily focusing on commercial lending. The bank also offers a variety of deposit services including checking, savings, money market, and certificate of deposit accounts. Alternative banking services include Internet and mobile banking, electronic bill pay, and proprietary automated teller machines ATMs. MVB also offers a Home Ready loan program through Fannie Mae that features reduced loan fees, down payment assistance, and expanded qualifying ratio requirements to low- and moderate-income borrowers.

Ability and Capacity

MVB reported total assets of \$1.09 billion as of December 31, 2023, including total loans of \$832.8 million and securities of \$101 million. Total deposits were \$927.6 million.

MVB grew significantly during the evaluation period. Since September 30, 2019, total assets grew 44.0 percent, where total loans increased 50 percent and total securities increased 37 percent. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and the American Rescue Plan Act of 2021 (American Rescue Plan) economic impact payments to individuals and families contributed to deposit growth, whereas the SBA Paycheck Protection Program (PPP) in 2020 and 2021 supported loan growth. Last, in October 2019 and March 2021, CHF down streamed over \$13 million in capital that supported asset growth in 2020 and 2021.

The following table details the loan portfolio composition as of December 31, 2023.

Loan Portfolio Distribution as of December 31, 2023		
Loan Category	Dollar Amount (\$000s)	Total Loans (%)
Construction, Land Development, and Other Land Loans	89,525,228	11.1
Secured by 1-4 Family Residential Properties	280,523,837	34.7
Secured by Multifamily (5 or more) Residential Properties	21,784,953	2.7
Commercial and Industrial Loans	128,933,413	15.9
Consumer Loans	1,203,039	0.1
Other Loans	287,430,613	35.5
Total Loans	809,401,083	100.0
<i>Source: CHF 2023 Annual Report</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. During this evaluation period, management expanded the CRA assessment area to include all of Frederick and Washington Counties in Maryland. The previous assessment area contained contiguous portions of each county. In addition, management added Franklin County in Pennsylvania as part of its CRA assessment area, in connection with the opening of the Waynesboro, Pennsylvania branch in May 2021. Currently, MVB designates three assessment areas, consisting of two in Maryland and one in Pennsylvania.

The Maryland assessment area includes Frederick and Washington Counties. Frederick, Maryland is within Metropolitan Division (MD) 23224 (Frederick-Gaithersburg-Rockville, MD), which is part of the larger Metropolitan Statistical Area (MSA) 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV). Washington County is within MSA

25180 (Hagerstown-Martinsburg, MD-WV). Both MSAs are part of the larger Combined Statistical Area (CSA) 548 (Washington-Baltimore-Arlington, DC-MD-VA-WV-PA). Examiners analyzed performance in each MSA separately and determined the performance in each area to be consistent; therefore, this evaluation presents the performance analysis for the Maryland assessment area at the CSA level.

The Pennsylvania assessment area consists of Franklin County, which is part of the larger Chambersburg-Waynesboro, PA MSA 16540. Please refer to the individual rated areas for demographic details.

Economic and Demographic Data

The assessment area includes 133 census tracts reflecting the following income designations according to the 2023 American Community Survey (ACS) data:

- 4 low-income tracts,
- 32 moderate-income tracts,
- 79 middle-income tracts, and
- 17 upper-income tracts.
- 1 excluded census tract (Maryland Correctional Institution – Hagerstown)

The following table illustrates select demographic characteristics for the assessment areas.

Assessment Area				
County	Census Tracts		Metropolitan Division	Metropolitan Statistical Area / Micropolitan Statistical Area*
	Included	Total		
Frederick	65	65	Frederick-Gaithersburg-Bethesda, MD #23224	Washington-Arlington-Alexandria, DC- VA-MD-WV #47900
Washington	35*	36	N/A	Hagerstown-Martinsburg, MD-WV #25180
Franklin	33	33	N/A	Chambersburg, PA* #16540

*Census Tract 0110.00 assigned to the Maryland State Corrections Facilities is excluded.

2024 Assessment Area Demographic Information						
Characteristics	AA #	Low % of #	Moderate % of #	Middle % of #	Upper % of #	Unknown* % of #
By Census Tract Category						
Census Tracts	133	3.0	24.1	59.4	12.8	0.8
Population	576,994	1.6	22.9	61.1	13.9	0.5
Housing Units	226,608	2.0	23.6	60.7	12.8	0.8
Owner-Occupied Units	152,784	1.0	17.8	65.7	15.1	0.3
Occupied Rental Units	59,499	4.1	38.2	47.9	7.7	2.1
Vacant Units	14,325	4.0	25.3	60.6	8.9	1.3
Businesses	49,799	5.85	16.75	66.85	10.55	0.0
By Income Category						
Families	149,009	1.4	20.6	62.8	14.7	0.5
Additional Data						
Families Below Poverty Level	5.9	Median Housing Value			331,500	
Businesses (Revenues ≤ \$1M)	55.22	Median Gross Rent			1,333	
Median Family Income						
MD #23224	151,400	MSA #25180			90,700	
MiSA #16540	92,100					

Sources: FFEIC Median Family Income Report / US Census Bureau

*Unknown consists of tracts that have not been assigned an income classification.

The Geographic Distribution criterion for small business lending considers the distribution of businesses by income level within the assessment area. As shown in the table above, 5.85 percent of businesses are in low-income census tracts and 16.75 percent are in moderate-income census tracts. This suggests limited opportunities for lenders to originate small business loans within low-income geographies. The Borrower Profile criterion considers the Gross Annual Revenues (GAR) of small businesses. According to 2023 Dun & Bradstreet (D&B) data, there are 39,304 non-farm businesses operating within the assessment area. GARs of these businesses are as follows.

MD

- 87.6 percent have GARs of \$1.0 million or less,
- 3.8 percent have GARs of more than \$1.0 million, and
- 8.6 percent have unreported GARs.

PA

- 87.1 percent have GARs of \$1.0 million or less,
- 3.6 percent have GARs of more than \$1.0 million, and
- 9.3 percent have unreported GARs.

There are 226,608 total housing units in the assessment area. Of these, 67.4 percent are owner-occupied housing units, 26.3 percent are occupied rental units, and 6.3 percent are vacant. The Geographic Distribution criterion compares home mortgage lending to the distribution of owner-occupied housing units. As shown above, 1.0 percent of the total owner-occupied housing units are in low-income census tracts and 17.8 percent are in moderate-income census tracts. In contrast, 4.1 percent of occupied rental units are in low-income census tracts and 38.2 percent are in moderate-income geographies. This data suggests the limited opportunities lenders must originate home mortgage loans within low-income geographies.

Examiners used the FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The Borrower Profile criterion for home mortgage lending considers the percentage of assessment area low- and moderate-income families. Of the 149,009 families, 1.4 percent are low- and 20.6 percent are moderate-income. This data reflects a need for affordable housing in this area.

The following table illustrates the income categories for the assessment area for 2022, 2023, and 2024.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Frederick-Gaithersburg-Rockville, MD Median Family Income (23224)				
2022 (\$143,900)	<\$71,950	\$71,950 to <\$115,120	\$115,120 to <\$172,680	≥\$172,680
2023 (\$151,400)	<\$75,700	\$75,700 to <\$121,120	\$121,120 to <\$181,680	≥\$181,680
2024 (\$155,880)	<\$77,940	\$77,940 to <\$124,704	\$124,704 to <\$187,056	≥\$187,056
Hagerstown-Martinsburg, MD-WV MSA Median Family Income (25180)				
2022 (\$77,500)	<\$38,750	\$38,750 to <\$62,000	\$62,000 to <\$93,000	≥\$93,000
2023 (\$90,700)	<\$45,350	\$45,350 to <\$72,560	\$72,560 to <\$108,840	≥\$108,840
2024 (\$84,200)	<\$42,100	\$42,100 to <\$67,360	\$67,360 to <\$101,040	≥\$101,040
Chambersburg-Waynesboro, PA MSA Median Family Income (16540)				
2022 (\$85,800)	<\$42,900	\$42,900 to <\$68,640	\$68,640 to <\$102,960	≥\$102,960
2023 (\$92,100)	<\$46,050	\$46,050 to <\$73,680	\$73,680 to <\$110,520	≥\$110,520
2024 (\$92,700)	<\$46,350	\$46,350 to <\$74,160	\$74,160 to <\$111,240	≥\$111,240
<i>Source FFIEC</i>				

The following table summarizes the Bureau of Labor Statistics average annual unemployment rate at the county, statewide, and national level from 2022 through 2024. The unemployment rates at the county, state, and national levels fluctuated high in 2020 since they were impacted by the COVID-19 pandemic. As shown in the following table, county unemployment in the assessment area trended upward following 2023, like the state and national averages; however, are close to pre-pandemic figures.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Frederick County, Maryland	3.1	1.7	3.1
Washington County, Maryland	4.4	2.3	3.4
State – Maryland	3.2	2.1	2.8
Franklin County	2.4	2.9	3.5
State of Pennsylvania	4.5	3.4	3.4
National Average	3.6	3.8	4.4
<i>Source: U.S. Bureau of Labor Statistics</i>			

Competition

The State of Maryland assessment area market is moderately competitive for financial services. According to the most recent FDIC Deposits Market Share Report, 23 institutions operated 99 branches in the assessment area. Of these institutions, MVB ranked fourth with a 9.07 percent deposit market share based on total deposits. The top three institutions, which are all national or regional banks, captured 50.0 percent of the deposit market share.

Competition for small business loans in this assessment area is moderate. MVB is not required to report small business lending data and has elected not to do so; therefore, examiners did not use aggregate lending data for comparison purposes. However, examiners reviewed the most recently available aggregate lending data to gauge the level of competition and demand for small business loans. According to the 2023 Peer Small Business Loan data, 110 lenders in Frederick and Washington Counties originated 9,298 small business loans. The top five small business lenders, all larger national or regional institutions, represented 46.6 percent of the market share.

This assessment area is a highly competitive market for home mortgage loans among banks, credit unions, and non-depository lenders. According to 2023 Peer Mortgage Data, 473 mortgage lenders reported originating or purchasing 32,255 home mortgage loans. Of these institutions, MVB ranked 109th with a 0.1 percent market share, and Mlend ranked 26th with a 1.0 percent market share. The top five mortgage lenders, all large national banks or internet-based home mortgage lenders represented 24.6 percent of the market share.

The competition for financial services is somewhat low in the State of Pennsylvania assessment area. According to the June 30, 2024, FDIC Deposits Market Share report, only nine institutions operated 39 branches in Franklin County, PA. Of these institutions, MVB ranked 6th with a 1.49 percent deposit market share. The top five institutions captured 96.8 percent of the deposit market share.

There is a low level of competition for small business loans in the assessment area. MVB is not required to report small business lending data and has elected not to do so; therefore, examiners did not use aggregate lending data for comparison purposes. However, examiners reviewed the most recently available aggregate lending data to gauge the level of competition and demand for small

business loans within the assessment area. According to the 2023 Peer Small Business Data, 58 lenders originated 2,342 small business loans in the assessment area. The top three small business lenders, all larger institutions, captured 43.9 percent of the market share.

This assessment area is a moderately competitive market for home mortgage loans among banks, credit unions, and non-depository lenders. According to 2023 Peer Mortgage Data, 262 lenders originated or purchased 7,318 home mortgage loans in Franklin County with MVB ranking 58th at a 0.2 percent market share. The top five lenders captured 35.5 percent of the market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and shows what credit and community development opportunities are available.

For this evaluation, examiners contacted an economic development organization that focuses on job growth and community development in Washington County. The contact indicated that a primary community development need is affordable housing, specifically to support a growing workforce. In addition, the contact noted significant demand for small dollar loans to finance start-up businesses that are unable to secure traditional funding. These small businesses may find traditional financing difficult due to credit limitations. According to the contact, local financial institutions are involved in the community. The contact provided several examples of bankers serving on boards of business development organizations and area non-profits.

Examiners reviewed a recent community contact. The organization operates a non-profit focused on business expansion, retention, and development in Franklin County. The contact described the economic climate as strong and growing, noting a strong defense sector and increased warehouse growth to support e-fulfillment. The contact noted an expansion in the housing market in recent years. According to the contact, there is significant demand for entry-level homes for the influx of new residents. The new residents consist primarily of retirees seeking a lower cost of-living and new workers attracted by jobs in e-fulfillment.

Credit and Community Development Needs and Opportunities

Considering the community contact information, bank management input, demographics, and economic data, examiners determined that financing to support affordable housing development programs is a primary credit need, along with community development lending within the assessment area. In addition, small business loan programs represent a significant credit and community development need. Economic and demographic data support an opportunity for small business financing and for an affordable housing need as the community contact identified.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 12, 2019, to the current evaluation dated January 24, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate MVB's CRA performance. These procedures include the Lending Test and the Community Development Test. Please refer to the Appendices for a complete description of each test.

Examiners performed full-scope reviews for both the State of Maryland and State of Pennsylvania assessment areas. The State of Maryland assessment area contributed more weight to overall ratings and conclusions, as most of the loans, branches, and deposits are located within this assessment area.

At the institution's request, examiners considered lending performed by the bank's residential mortgage subsidiary, Mlend, during this review period. The assessment area concentration factor does not consider Mlend loans; however, the geographic distribution and borrower profile analysis includes these loans.

Activities Reviewed

MVB's major product lines, considering its business strategy and the number and dollar volume of loans originated during the evaluation period, are small business and home mortgage loans. No other loan types, such as small farm loans or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, performance does not include these products. Small business loans contributed more weight to overall conclusions due to larger loan volume during the evaluation period when compared to home mortgage lending. Bank records indicate that the lending focus and product mix remained consistent throughout the evaluation period.

Based on asset size, the bank is not required to collect or report small business loan data. However, management opted to collect data pursuant to the data collection requirements of CRA. Examiners used this data to evaluate small business/small farm lending performance. The bank originated 347 small business/small farm loans totaling \$76.4 million in 2022, 255 small business/small farm loans totaling \$25.3 million in 2023, and 263 small business/small farm loans totaling \$15.4 million in 2024.

This evaluation also considered home mortgage loans reported on the 2019, 2020, 2021 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank originated 482 mortgage loans totaling \$209.6 million in 2022, 334 mortgage loans totaling \$88.8 in 2023, and 179 mortgage loans totaling \$62.4 million in 2024. Examiners also considered Mlend's home mortgage loans. These totals include MVB and Mlend mortgage loans combined.

The Lending Test for the State of Maryland assessment area includes the analysis and presentation of all three years of data within the Geographic Distribution and Borrower Profile tables, based on inconsistent yearly performance during the review period. Considering that the bank opened its branch in Franklin County, PA, in May 2021, examiners analyzed and presented 2021 data for the

Geographic Distribution and Borrower Profile performance factors for the State of Pennsylvania assessment area. While this evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans, as the number of loans is a better indicator of the number of individuals and businesses served. For the Community Development Test, management provided data on community development loans, investments, and services.

CONCLUSIONS ON PERFORMANCE CRITERIA

Lending Test

MVB demonstrated satisfactory performance under the Lending Test. This rating is consistent with the most heavily weighted assessment area, the State of Maryland. Performance in the LTD Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion. This section presents the overall performance under the Lending Test.

MVB demonstrated satisfactory performance under the Lending Test for the State of Maryland rated area. Performance under the Geographic Distribution and Borrower Profile criteria support this rating. Examiners placed the most weight on lending performance within this assessment area when arriving at overall conclusions and ratings.

MVB's Lending Test performance in the State of Pennsylvania assessment area is rated "Satisfactory". The bank's performance under the Geographic Distribution and Borrower Profile criteria supports this rating.

Loan-to-Deposit Ratio (LTD)

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, received from the S&P Global, averaged 91 percent. The bank's average LTD ratio is similar to comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Institution	Totals Assets \$(000s)	Average LTD Ratio (%)
Bank of Charles Town	831,444	90
Bank of Clarke County	1,789,371	98
Clear Mountain Bank, Inc.	998,697	85
CNB Bank, Inc.	625,279	88
Farmers and Merchants Bank	798,427	84
F&M Trust Company of Chambersburg	2,038,962	83
First United Bank & Trust	1,844,710	92
Middletown Valley Bank	1,091,076	91
Traditions Bank	858,566	94

Sources: Marketing Department / S&P Global

Assessment Area Concentration

As shown in the following table, the bank originated a majority of home mortgage outside of its assessment area while the small business/small farm loans were inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2022	178	37.20	304	62.8	482	60,492	28.80	149,146	71.2	209,638
2023	113	36.57	221	63.44	334	24,133	27.61	64,678	72.39	88,811
2024	63	41.36	116	58.64	179	21,968	36.33	40,489	63.67	62,457
Subtotal	354	38.38	641	61.62	995	106,593	30.91	254,313	69.09	360,906
Small Business/Small Farm										
2022	277	79.8	70	20.2	347	57,876	75.7	18,546	24.3	76,422
2023	203	79.61	52	20.39	255	18,396	72.66	6,921	27.34	25,317
2024	222	84.41	41	15.59	263	11,910	77.22	3,514	22.78	15,424
Subtotal	702	81.27	163	18.73	865	88,182	75.19	28,981	24.81	117,163

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the various census tract income levels within our assessment area, as shown by the following tables for small business, small farm, and home mortgage lending.

Small Business & Small Farm

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area.

MVB's performance exceeded the percentage of business in middle-income census tracts in 2022, 2023, and 2024. The lending performance in low-income census tracts decreased in 2024; however, it was comparable to previous years.

The lending performance in moderate-income tracts increased in 2024 thus far. In 2024, MVB made 50 loans in moderate-income census tracts. Considering the demographic data and the highly competitive assessment area, the bank's performance is overall reasonable.

In 2024, the bank's performance of lending in the area's low-income tract was below area demographic data. However, this performance is adequate given the low number of businesses located in the low-income census tract, which limits the bank's opportunity to lend in this geography.

The percentage of loans in middle-income census tracts exceeded demographic data in 2024. Overall, the bank's performance is reasonable. This table reflects the distribution of loans by census tract income level.

Geographic Distribution of Small Business Loans & Small Farms (MVB)				
Tract Income Level	#	%	\$(000s)	%
Low				
2022	15	5.58	3,471	6.16
2023	15	6.40	945	5.14
2024	11	5.06	428	3.59
Moderate				
2022	68	25.28	14,508	25.77
2023	48	23.65	4,898	26.63
2024	50	22.63	3,067	25.75
Middle				
2022	138	51.3	29,189	51.84
2023	112	55.17	9,407	51.14
2024	126	56.87	6,816	57.23
Upper				
2022	48	17.84	9,138	16.23
2023	30	14.78	3,146	17.10
2024	34	15.44	1,599	13.43
Not Available				
2022-2024	0	0	0	0
Totals				
2022	269	100	53,306	100
2023	203	100	18,396	100
2024	222	100	11,910	100

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area.

As shown in the following table, MVB's performance in low-income census tracts is below middle and upper-income census tracts. Lending performance seems to be increasing in 2024 after a performance decline in 2023. Lending in moderate-income census tracts exceeded the aggregate and demographic data in 2022.

The geographic distribution of home mortgage loans reflects a higher dispersion in the middle and upper demographics. In 2023, MVB did not make any loans in the area's low-income census tract. However, this performance is acceptable given the nominal percentage of owner-occupied housing units located in this geographic area. The bank's lending in moderate-income tracts is

significantly higher and exceeds demographics and aggregate data in 2022. Overall, the geographic distribution of home mortgage loans reflects reasonable performance.

The following table reflects the distribution of loans by census tract income level.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner - Occupied Housing Units*	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.0	1.3	1	0.55	336	0.51
2023	1.0	1.3	0	0	0	0
2024	1.0	1.6	2	3.57	216	1.12
Moderate						
2022	17.8	19.0	30	16.76	8,845	14.2
2023	17.8	19.0	15	12.8	1,924	8
2024	17.8	21.0	13	20.24	4,658	21.68
Middle						
2022	65.7	63.1	104	58.38	33,965	56.37
2023	65.7	63.1	75	67.1	15,571	64.4
2024	65.7	48.4	39	63.10	14,485	65.86
Upper						
2022	15.1	16.1	43	15.1	17,346	28.93
2023	15.1	16.1	23	20.1	6,638	27.6
2024	15.1	29.0	9	13.10	2,609	11.35
Not Available						
2022-2024	0	0	0	0	0	0
Totals						
2022	100	100	178	100	60,942	100
2023	100	100	113	100	24,133	100
2024	100	100	63	100	21,968	100

Borrower Profile

The distribution of loans reflects reasonable penetration among businesses of different sizes and borrowers of different income levels. The bank's reasonable small business lending performance primarily supports this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. In 2024, lending to businesses with GARs of \$1.0 million or less was significantly above the percentage of businesses at that GAR level. This disparity is no longer depending on the number of PPP loans the bank originated in 2021, for which lenders were not required to collect revenue data.

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The bank's performance of lending to businesses with GARs of \$1.0 million or less is steady demographic data in all three years during the review period.

As previously noted, MVB is not a small business reporter; however, examiners reviewed 2019, 2020, and 2021 aggregate data to gain insight into the level of demand for loans to businesses with GARs of \$1.0 million or less. Aggregate data indicated that only 45.9 percent of loans were to businesses with GARs of \$1 million or less in 2020. As you can see from the table below, we are exceeding those numbers in 2022, 2023, and 2024.

The following table illustrates the distribution of small business loans by revenue category for all small business loans.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2022	53.9*	145*	53.9	31,776	56.4
2023	55.22	111	55.22	9,981	54.26
2024	55.71	122	55.71	5,459	48.13
>\$1,000,000					
2022	39.0*	105*	39.0	18,903	33.6
2023	36.32	73	36.32	5,438	29.56
2024	42.97	94	42.97	5,366	47.31
Revenue Not Available					
2022	7.1	19	7.1	5,627	10
2023	8.46	17	8.46	2,976	16.18
2024	1.37	3	1.37	517	4.56
Totals					
2022	100*	269*	100	56,306	100
2023	100	201	100	18,395	100
2024	100	219	100	11,342	100

*54.87 with 7 small farms

*38.27 with 1 small farm

/

/

/

152 with 7 small farms

106 with 1 small farm

277 with 8 small farms (addition of all small farms in total)

Home Mortgage Loans

The distribution of loans reflects reasonable penetration among individuals of different income levels.

MVB's performance of lending to moderate-income borrowers was consistent with aggregate performance in 2022, 2023, and 2024. For all three years, the bank's lending to moderate-income borrowers was on track with aggregate performance. The bank's performance to low-income borrowers was less than the demographic data in all three years. The significant disparity between aggregate performance and the percentage of low-income families reflects the difficulties that low-income families face qualifying for a home mortgage loan. Specifically, a median family income below \$90,700 (MSA 25180) or \$151,400 (MSA 23224), would likely find it difficult to qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$331,500. Therefore, the opportunity for lending to low-income families is relatively limited.

MVB's trends and comparisons reflect reasonable performance. The distribution of loans reflects reasonable penetration among individuals of different income levels.

The bank's lending to moderate-income borrowers was above aggregate and demographics data in 2022, 2023, and 2024. The table that follows reflects the distribution of home mortgage loans for all three years by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Tract Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.4	8.6	19	10.67	3,506	5.8
2023	1.4	8.6	12	10.62	553	2.29
2024	1.4	8.6	5	7.94	1,116	5.08
Moderate						
2022	20.6	20.3	21	11.8	4,600	7.6
2023	20.6	20.3	23	20.35	2,609	10.81
2024	20.6	20.3	6	9.52	1,171	5.33
Middle						
2022	62.8	22.8	43	24.16	13,417	22.18
2023	62.8	22.8	19	16.81	4,713	19.53
2024	62.8	22.8	12	19.05	2,256	10.27
Upper						
2022	14.7	26.8	77	43.26	32,817	54.25
2023	14.7	26.8	50	44.25	14,354	59.48
2024	14.7	26.8	33	52.38	15,081	68.65
Not Available						
2022	0.5	21.6	18	10.11	6,152	10.17
2023	0.5	21.6	9	7.96	1,904	7.89
2024	0.5	21.6	7	11.11	2,344	10.67
Totals						
2022	100	100	178	100	60,492	100
2023	100	100	113	100	24,133	100
2024	100	100	63	100	21,968	100

Response to Complaints

MVB did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not affect the bank's overall rating.

Community Development Test

MVB demonstrates adequate responsiveness to community development needs in its assessment areas, primarily through community development loans and qualified investments. Examiners considered the institution's capacity and the need and availability of community development opportunities within the assessment areas. This section presents the overall performance under the Community Development Test. Later sections present information specific to each individual assessment area.

MVB demonstrates adequate responsiveness to the community development needs in the State of Maryland assessment area. The adequate volume of community development loans, qualified investments, and community development services supports this conclusion. Examiners considered the institution's capacity and the need and availability of community development opportunities within the State of Maryland assessment area.

MVB demonstrates adequate responsiveness to the community development needs of our assessment areas. The adequate volume of community development loans, qualified investments, and community development services supports this conclusion. Examiners considered the institution's capacity and the need and availability of community development opportunities within the State of Pennsylvania assessment area.

Community Development Loans

MVB originated 28 community development loans totaling over \$11.0 million during the evaluation period (2022, 2023, and 2024). While community development lending benefitted both assessment areas, the bank was particularly responsive to needs in the State of Maryland assessment area. The following table details MVB's community development loans by purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022	5	3,819	2	430	0	0	6	2,247	13	6,496
2023	0	0	5	912	0	0	2	392	7	1,304
2024	2	320	3	1,184	0	0	3	1,773	8	3,277
Total									28	11,077,000
Sources: Bank Data										

Community Development Growth Opportunities

MVB is in the process of conducting our community needs assessment, providing the Bank with opportunities related to community development.

For 2023, employees have volunteered over 3,040 hours in our communities. To date, for 2024, we have contributed approximately 1,700 hours. We have also made many contributions throughout the community. They are as follows:

- Meritus Healthcare Foundation - \$50,000 multi-year commitment in support of Meritus Medical School of Osteopathic Medicine.
- Boys & Girls Club of Frederick County - \$5,000 combined support of Tour de Frederick and Battle of the Bands events.
- Children in Need - \$2,500 contribution in support of Silver Soiree event.
- Brooke's House - \$2,500 contribution to support Valentine's Gala.
- Education Foundation of WCPS - \$1,750 combined support of Donation Drive and ESP Awards.

Qualified Investments

MVB has not made any qualified investments and/or donations since 2022. The following table illustrates qualified investments and donations by year and purpose going back to 2021.

2024

Organization Name	Activity Date	Activity Purpose	Assessment Area	Amount
No Investment Purchases				
			Total	\$0

2023

Organization Name	Activity Date	Activity Purpose	Assessment Area	Amount
No Investment Purchases				
			Total	\$0

2022

Organization Name	Activity Date	Activity Purpose	Assessment Area	Amount
Howard County Housing Revenue Bonds	1/7/2022	Affordable Housing		\$ 1,000,000.00
			Total	\$ 1,000,000.00

2021

Organization Name	Activity Date	Activity Purpose	Assessment Area	Amount
FNMA 30YR UMBS	2/11/21	Affordable Housing	Yes	\$ 2,461,575.00
FNMA BR9673F	5/13/21	Affordable Housing	Yes	\$ 1,497,430.00
FHLMC QC1952F	5/13/21	Affordable Housing	Yes	\$ 1,122,000.00
FNMA BP3503F	5/27/21	Affordable Housing	Yes	\$ 1,255,881.00
MD ST COMM DEV	8/26/21	Affordable Housing	No	\$ 1,000,000.00
FNMA	4/26/21	Affordable Housing	No	\$ 1,000,000.00
MONT COUNTY MD HOUSING	8/17/21	Affordable Housing	No	\$ 1,000,000.00
			Total	\$9,336,886.00

Sources: Vice President/Controller of Middletown Valley Bank

All qualified investments consisted of mortgage-backed securities in which the majority of loans were to LMI borrowers. Below are notable examples of community development donations.

Community Development Services

MVB staff participated in five qualifying community development services during the evaluation period. Services primarily supported affordable housing-related activities and organizations. The following table reflects the bank's community development services by year and purpose.

MVB staff provided 101 instances of financial expertise and/or technical assistance during the evaluation period. The level of community development services exceeded that noted during the October 2024

prior evaluation period by more double. The following table reflects the bank's community development services by year and purpose.

Below are notable examples of the bank's community development services:

Each year during the evaluation period, an Executive Administrative Assistant provided financial expertise while serving on the Fundraising Committee of a nonprofit organization in Frederick County. This organization provides financial assistance to members of the community that face challenges paying for utility bills, groceries, and rent. A majority of those served by this organization are low- or moderate-income individuals.

A Senior Vice President provides financial expertise by serving on the Board, and as a Treasurer, of a Community Housing Development organization. The organization develops affordable housing projects including affordable rental units serving low- and moderate-income individuals and families in this assessment area.

During the evaluation period, a Vice President served on the loan review committee of a local organization in the City of Hagerstown. Services included providing financial expertise by reviewing and making decisions on loan requests for individuals and businesses that do not qualify for traditional loan products. This organization, located in a designated Enterprise Zone, administers a pool of funds and loan programs used to revitalize Hagerstown's downtown area.

Each year during the evaluation period, a VP served on the Board and the Finance and Investment Committees of a Community Development organization providing technical assistance and financing expertise. This organization builds affordable housing projects and communities in Franklin County.

An employee served as a Board member of a local community organization that provide services that support low- and moderate-income students, such as educational youth programs, after school programs, and crisis assistance. The employee provides financial and marketing guidance as a Board member.

Discriminatory or Other Illegal Credit Practices Review

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

APPENDICES**INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA****Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 5) and
- 6) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 7) The number and amount of community development loans;
- 8) The number and amount of qualified investments;
- 9) The extent to which the bank provides community development services; and
- 10) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five-year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified **CDFI** must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (5) Has as its primary purpose community development; and
- (6) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (7) Has as its primary purpose community development;
- (8) Is related to the provision of **financial** services; and
- (9) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (10) An unemployment rate of at least 1.5 times the national average;
- (11) A poverty rate of 20 percent or more; or
- (12) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county, or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA helps SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and

other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Office Locations

Main Office (closed as of 12/1/2023)

24 West Main Street, Middletown, MD 21769
Census Tract #7526.01 - Middle

Middletown Branch

803 East Main Street, Middletown, MD 21769
Lobby Hours: Monday-Thursday 9:00am-5:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm
Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #7526.01 - Middle

Jefferson Branch

3848 Jefferson Pike, Jefferson, MD 21755
Lobby Hours: Monday-Thursday 9:00am-4:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm
Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #7525.01 - Middle

Myersville Branch

3001 Ventrice Court, Myersville, MD 21773
Lobby Hours: Monday-Thursday 9:00am-4:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm
Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #7528.02 - Middle

Boonsboro Branch

6721 Old National Pike, Boonsboro, MD 21713
Lobby Hours: Monday-Thursday 9:00am-4:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm
Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #0114.00 - Upper

Eastern Blvd Branch

1101 Professional Court, Hagerstown, MD 21740
Lobby Hours: Monday-Thursday 9:00am-5:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm
Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #0006.01 - Moderate

Paramount Branch

13418 Marsh Pike, Hagerstown, MD 21742
Lobby Hours: Monday-Thursday 9:00am-4:00pm, Friday 9:00am-6:00pm
Drive Thru Hours: Monday-Friday 8:00am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #0103.00 - Middle

Waynesboro Branch

11337 Buchanan Trail East, Waynesboro, PA 17268
Lobby Hours: Monday-Thursday 9:00am-4:00pm, Friday 9:00am-6:00pm, Saturday 9:00am-12:00pm



Drive Thru Hours: Monday-Friday 8:30am-6:00pm, Saturday 9:00am-12:00pm
Census Tract #0125.01 - Middle

Oakland Business Development Office

19509 Garrett Highway, Suite 6, Oakland, MD 21550.
Hours: Monday-Friday 9:00am-5:00pm
Census Tract #0005.02 - Middle

Crofton Business Development Office

1302 Cronson Boulevard, Suite A, Crofton, MD 21114
Lobby Hours: Monday-Friday 9:00am-5:00pm
Census Tract #7022.05 - Middle

Market Street Branch

9 North Market Street, Frederick, MD 21701
Lobby Hours: Monday-Friday 9:00am-5:00pm
Census Tract #7502.00 - Middle

Branch Openings and Closings

Middletown Valley Bank opened the Frederick Business Development Office in March 2023, which is being converted to the Market Street Branch as of October 12, 2024. The main office closed as of December 1, 2023.

Record of Opening and Closing Branches

Middletown Valley Bank served the Middletown community from one banking location from 1907 until 1979. In June of 1980, the Bank opened a second branch in the Town Center Plaza in Middletown. The branch was renovated in 1986 to include five additional teller windows, two additional drive-up windows, and a new ATM.

The Bank purchased an existing office of Maryland National Bank in Jefferson, MD in late 1986 and opened the Jefferson branch on November 17, 1987. MVB acquired the accounts and assets of the office, which totaled approximately \$9,000,000. Due to the success and growth of the Jefferson branch, the Board of Directors voted to demolish the existing building in 1991 and to erect a new, more efficient building. The new building opened in July of 1992 with seven teller windows, four drive-up windows, and an ATM. The office was remodeled again in 2019 to include four teller windows, four drive-up windows, and a drive-up ATM.

In 1998, the Bank purchased property on Ventrice Court in Myersville to better serve customers in the northern part of the Bank's footprint. The Myersville branch opened on March 1, 1999 with five teller windows, five drive-thru lanes, and an ATM. The interior of the branch was remodeled in 2016 to include four teller windows and three offices.

MVB expanded into Washington County, MD in 2006 with the purchase of land on Old National Pike in Boonsboro. The Boonsboro branch opened in October 2007 with four teller windows, four drive-thru lanes, and a drive-up ATM.

The Bank signed a lease in 2013 to open its first office in Hagerstown, MD. As a result, the Eastern Boulevard branch opened on October 1, 2015, with three teller windows, four drive-up lanes, and a drive-up ATM.

The Bank opened a second branch in Hagerstown on January 22, 2019, after determining another location was needed to better serve its expanding footprint. The Paramount branch is located on Marsh Pike and offers four teller windows, three drive-up lanes, and a drive-up ATM.

To continue building and growing relationships in nearby Franklin County, PA, the Bank opened its first branch outside the state of Maryland. A full-service branch was opened on Buchanan Trail East in Waynesboro, PA on May 12, 2021, offering three teller windows, three drive-up lanes, and a drive-up ATM.

MVB expanded its presence in Frederick County, MD in 2024 with the opening of the Market Street Branch/downtown Frederick on October 1, 2024. The branch offers teller services, account opening services, foreign currency ordering and exchanging, consumer lending and mortgage products, commercial lending, and business cash management.

Middletown Valley Bank actively monitors its customer base to determine whether its locations are sufficient to accommodate the needs of its customers.

Products, Services, and Account-Related Fees***Loans***

Fixed Rate Mortgages
Adjustable-Rate Mortgages
HomeReady Program
USDA (Rural Housing Guaranteed Loan Program)
FHA (Federal Housing Administration)
VA Home Loans
Lot/Land Loans
Construction to Permanent Financing
Consumer Installment Loans
Personal Lines of Credit
Home Equity Lines of Credit
Commercial Real Estate
Commercial Term Loans
Capital Improvement Loans
Business Lines of Credit
Acquisition Loans
Agricultural Loans
Letters of Credit

Consumer Deposit Products, Services, and Account-Related Fees**Everyday Checking**

- Earn 5¢ back per signature-based transaction with an MVB Visa® Debit Card
 - \$20 monthly reward maximum
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle
- Meet one of the following qualifiers and avoid a monthly service fee:
 - Maintain a minimum daily balance of \$100
 - Receive at least one direct deposit per statement cycle
 - Students enjoy a 5-year service fee waiver and are not charged non-MVB ATM fees with proof of current enrollment

Senior Checking

- No minimum daily balance
- Earn 5¢ back per signature-based transaction with an MVB Visa® Debit Card
 - \$20 monthly reward maximum
- One free box of MVB custom checks per year
- Optional paper statements at no charge
- First year free on a 3x10 or smaller safe deposit box
- Reserved for those aged 55 years and over

Hero Checking

- No minimum daily balance
- Earn 5¢ back per signature-based transaction with an MVB Visa® Debit Card
 - \$20 monthly reward maximum
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle
- No surcharge for non-MVB ATMs
- One free box of checks per year
- No charge for money orders/cashier checks when drawn off a Hero Checking Account
- Reserved for those with proof of eligibility: For active Military Service Members or Veterans, current or retired Police Officers, Firefighters, EMS, Nurses, and Teachers

Legacy Interest Checking

- Interest-bearing account
- No transaction limits
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle
- \$2,500 minimum daily balance required to avoid a \$15 monthly service fee

SimpleSpend Account

- A Bank On certified account
- A checkless checking account with no minimum balance requirement
- 4 non-MVB ATM fees waived per statement cycle
- eStatements at no charge or \$2 per paper statement

Personal Savings

- Interest compounded and credited quarterly
- Maintain a minimum daily balance of \$100 and avoid a \$15 service fee
- Online banking and eStatements included. Online banking includes free eStatements, or choose paper statements for \$2 per statement cycle

Youth Savings

- No minimum daily balance or service fee
- Interest compounded and credited quarterly
- Online banking and eStatements included
- A savings account for those under 21 years of age

Personal Money Market

- Annual percentage yield (APY) based on your daily account balance
- Maintain a minimum daily balance of \$1,000 and avoid a \$15 monthly service fee
- Unlimited deposits and 6 electronic withdrawals included per statement cycle
 - Transactions in excess are subject to a \$20 per item charge
 - Checks and electronic withdrawals or transfers count towards the per statement cycle money market transaction limit

- Transactions initiated at an MVB ATM or by a bank associate are unlimited, including in person and by phone
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle

Holiday Club

- Annual percentage yield (APY) based on your daily account balance
- Minimum opening deposit of \$25
- Automatic Funds Transfer into account at no charge

Vacation Club

- Annual percentage yield (APY) based on your daily account balance
- Minimum opening deposit of \$25
- Automatic Funds Transfer into account at no charge

Personal Certificate of Deposit (CD)

- Minimum account balance of \$1,000
- Annual percentage yield (APY) based on your daily account balance
- Multiple account terms are available, starting at 91 days up to 60 months
- Interest can be directly deposited to an MVB checking or savings account, or you can have the interest compounded

Passbook IRA

- Low opening balance requirement
- Annual percentage yield (APY) based on your daily account balance
- Offers the flexibility to start saving whenever you are ready

CD/IRA

- Minimum account balance of \$1,000
- Annual percentage yield (APY) based on your daily account balance
- Multiple account terms are available, starting at 91 days up to 60 months

Business Deposit Products, Services, and Account-Related Fees

Core Business Checking

- No minimum daily balance
- Up to 250 items at no charge per month
 - After the first 250 items, pay only 25¢ for each additional item
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle

Exceptional Business Checking

- \$2,500 minimum daily balance to avoid monthly service fee
- Up to 750 items at no charge per month
 - After the first 750 items, pay only 25¢ for each additional item
- Online banking and eStatements included

- Choose paper statements for \$2 per statement cycle

Commercial Checking

- Customized for your organization, including Cash Management services
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle

Non-Profit Checking

- For non-profit organizations of any size (with proof of eligibility)
- No minimum daily balance requirement
- No monthly transaction limits

Business Savings

- Maintain a minimum daily balance of \$500 and avoid a \$15 service fee
- Interest compounded and credited quarterly
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle

Business Money Market

- Maintain a minimum daily balance of \$2,500 and avoid a \$15 monthly service fee
- Annual percentage yield (APY) is based on your daily account balance
- Unlimited deposits and 6 electronic withdrawals included per statement cycle
 - Checks and electronic withdrawals or transfers count towards the per statement cycle money market transaction limit.
 - Transactions in excess are subject to a \$20 per item charge
 - transactions initiated at a MVB ATM or by a bank associate are unlimited, including in person and by phone
- Online banking and eStatements included
 - Choose paper statements for \$2 per statement cycle

Business Certificate of Deposit (CD)

- Minimum account balance of \$1,000
- Annual percentage yield (APY) is based on your daily account balance
- Multiple account terms are available, starting at 91 days up to 60 months
- Interest can be directly deposited to an MVB checking or savings account, or you can have the interest compounded

Other Products, Services, and Account-Related Fees**Personal and Business Services**

Internet Banking
Mobile Banking
Bill Pay
Bank by Phone
Visa Debit Cards
Visa Credit Cards
Visa Gift Cards
Cash Advances
Night Depository
Safe Deposit Boxes
Money Orders
Coin Processing
Automated Funds Transfers
Wire Transfer of Funds

Personal Only Services

Bank to Bank Transfers
Bill Pay
Bank by Phone
Check Reorder
Card Services
Digital Wallets
eStatements
Financial Pulse
Mobile Banking
Person to Person Payments (Zelle)
Remote Deposit Capture

Business Only Services

Merchant Card Services
Online Cash Management – Commercial Services
Automated Clearing House (ACH) – Commercial Services
Mobile Deposit for Business (mRDC)

Drive Thru Banking

Available at the following branches: Middletown (803 E Main St), Jefferson, Myersville, Boonsboro, Eastern Blvd., Paramount, and Waynesboro.

Main Office (24 W Main St, Middletown) does not offer drive thru banking (Closing 12/1/2023).

Automated Teller Machines (ATMs)

ATMs, including STAR, CIRRUS, and PLUS Networks, are located at the following branches: Middletown (803 E Main St), Jefferson, Myersville, Boonsboro, Eastern Blvd., Paramount, Frederick, and Waynesboro.

The Main Office (24 W Main St, Middletown) does not have an ATM.

The Bank also has ATMs located at the following retail locations: LDS, Inc. (201 S Church St., Middletown, MD) and Myersville Exxon (9629 Myersville Rd., Myersville, MD).

Loan & Deposit Production Office

The Bank has a loan and deposit production offices located at 19509 Garrett Highway, Suite 6, Oakland, MD 21550; and 1302 Cronson Boulevard, Suite A, Crofton, MD 21114

Effective March 1, 2022, Community Heritage Financial reorganized its organizational structure, making Mlend a subsidiary of Middletown Valley Bank (formerly an affiliate of MVB). Future public files will reflect Mlend activities as a subsidiary and not an affiliate.



Fee Schedule

Check Services

- Money Order \$5.00
- Cashiers' Checks \$10.00

Coin Processing

- Customer Coin Processing FREE
- Non-Customer Coin Processing \$5.00

Debit Cards

- Non-MVB ATM Usage Fee \$1.50
- Reissue Card at Branch Fee \$5.00

Foreign Currency

- Foreign Check Processing (per item)
(plus exchange fees) \$5.00
- Foreign Currency Order/Return \$10.00

Deposit Accounts

- Chargeback Fee (Per Item) \$15.00
- Copy of Statement \$2.00
- Money Market Excess Transactions \$20.00
- Overdraft (OD) Sweep Transfer FREE
- Overdraft Fee \$38.00
- Research/Reconciliation (Per Hour)
(minimum charge of \$15.00 if under 1 hour) \$25.00
- Returned Item Fee \$38.00
- Stop Payment \$35.00

Online Banking

- Electronic Statements FREE
- Online Banking Access FREE
- Online Bill Pay FREE

Safe Deposit Box

- Drill Lock \$200.00
- Late Payment (after 30 days) \$10.00
- Replace Key \$25.00

Wire Transfers

- Domestic Incoming \$15.00
- Domestic Outgoing \$25.00
- Foreign Incoming \$20.00
- Foreign Outgoing \$50.00

Additional Services

- Bank Bags (zipper & locking) \$25.00
- Bank Bags (zipper) \$5.00
- Bond Redemptions FREE
- Cash Advance \$2.00+ 1% of Advance
- Counter Checks \$2.00
(sheet of 4)
- Garnishments \$200.00
- Item Copies (per page) \$1.00
- Medallion Guarantee \$10.00
(customers only)
- Non-Customer Check Cashing \$8.00
(\$50.00 and up)



Account Analysis Fee Schedule

ACH Services

• Monthly Access Fee	\$20.00
• Same Day ACH (<i>per batch</i>)	\$20.00

Item Processing

• Checks Paid	\$0.10
• Deposit Items Returned	\$0.10
• Deposits	\$0.25
• Electronic Credits	\$0.10
• Electronic Debits	\$0.10
• In Clearing Checks	\$0.10
• Not On Us Deposits	\$0.10
• On Us Deposits	\$0.10
• Over the Counter Checks	\$0.10
• Over the Counter Withdrawals	\$0.10
• Overdraft Fee	\$38.00
• Returned Checks	\$5.00

Online Banking

• Online Cash Management (OCM) (<i>monthly fee</i>)	\$20.00
--	---------

SmartPay

• Express (<i>monthly fee</i>)	\$50.00
• Biller Direct (<i>set-up fee</i>)	\$250.00
• Biller Direct (<i>monthly fee</i>)	\$175.00
• Item Fee (each transaction counted as item)	\$0.10

Remote Deposit Capture (RDC)

• RDC Fee (<i>monthly fee</i>)	\$40.00
• Single-Feed Scanner Lease (<i>monthly fee</i>)	\$15.00
• Multi-Feed Scanner Lease (<i>monthly fee</i>)	\$25.00
• RDC Deposit	\$0.25
• RDC On Us Deposited Item	\$0.10
• RDC Not On Us Deposited Item	\$0.10

Wire Transfers

• Domestic Incoming	\$15.00
• Domestic Outgoing	\$25.00
• Foreign Incoming	\$20.00
• Foreign Outgoing	\$50.00

Wire Transfers (Self-Service)

• Domestic Incoming	\$15.00
• Domestic Outgoing	\$20.00
• Foreign Incoming	\$20.00
• Foreign Outgoing	\$45.00
• OCM Wire Module	No Charge

Additional Services (*Monthly*)

• Account Analysis Maintenance Fee (<i>per EIN</i>)	\$10.00
• CD Rom Maintenance	\$35.00
• Electronic Data Interchange (EDI) Service	\$25.00
• Insured Cash Sweep (ICS)	\$100.00
• Master Line of Credit (LOC) Sweep	\$150.00
• Positive Pay	\$50.00
• Zero Balance Account (ZBA) Maintenance	\$25.00



OCM Fee Schedule

Customers utilizing Online Cash Management (OCM) services can take advantage of pricing that reflects the use of the *self-service* options available. Should these services be performed by an associate, the standard fee would apply. Any services not listed will follow the standard fee schedule.

ACH Services

• Item Fee (each counted as item)	Priced at Account Level
• Monthly Access Fee	\$20.00
• Same Day ACH (<i>per item w/ \$50 monthly max</i>)	\$5.00

Online Banking

• Online Cash Management (OCM) (<i>monthly fee</i>)	\$20.00
---	---------

SmartPay

• Express (<i>monthly fee</i>)	\$50.00
• Biller Direct (<i>set-up fee</i>)	\$250.00
• Biller Direct (<i>monthly fee</i>)	\$175.00
• Item Fee (each transaction counted as item)	Priced at Account Level

Remote Deposit Capture (RDC)

• RDC Fee (<i>monthly fee</i>)	\$40.00
• Single-Feed Scanner Lease (<i>monthly fee</i>)	\$15.00
• Multi-Feed Scanner Lease (<i>monthly fee</i>)	\$25.00
• Item Fee (each counted as item)	Priced at Account Level

Wire Transfers (Self-Service)

• Domestic Incoming	\$15.00
• Domestic Outgoing	\$20.00
• Foreign Incoming	\$20.00
• Foreign Outgoing	\$45.00
• OCM Wire Module	No Charge

Additional Services

• CD Rom Maintenance	\$35.00
• Electronic Data Interchange (EDI) Service (<i>monthly fee</i>)	\$25.00
• Insured Cash Sweep (ICS)	\$100.00
• Master Line of Credit (LOC) Sweep	\$150.00
• Positive Pay	\$50.00
• Zero Balance Account (ZBA) Maintenance	\$25.00

Community Reinvestment Act Assessment Area

Assessment Area Delineation

Metropolitan Division: 23224
Frederick-Gaithersburg-Rockville, MD

Within Metropolitan Statistical Area: 47900
Washington-Arlington-Alexandria, DC-VA-MD-WV

County Code: 021
Frederick

Census Tracts

7402.00	7508.02	7517.01	7522.02	7530.02
7501.00	7508.04	7517.02	7523.01	7651.00
7502.00	7508.05	7518.01	7523.02	7668.00
7503.00	7510.01	7518.02	7523.03	7675.00
7505.04	7510.02	7519.02	7525.01	7676.00
7505.05	7510.03	7519.03	7525.02	7707.00
7505.06	7510.04	7519.04	7526.01	7722.00
7505.07	7512.01	7519.05	7526.02	7735.00
7505.08	7512.02	7519.06	7526.03	7753.02
7506.00	7512.03	7520.01	7528.01	7754.00
7507.01	7513.01	7521.01	7528.02	7756.00
7507.02	7513.02	7521.02	7529.00	7522.05
7508.07	7516.00	7522.01	7530.01	7522.06

Metropolitan Statistical Area: 25180
Hagerstown-Martinsburg, MD-WV

County Code: 043
Washington

Census Tracts

0001.00	0009.00	0108.02	0114.00
0002.00	0010.01	0108.03	0115.01
0003.01	0010.02	0109.01	0115.02
0003.02	0101.00	0109.02	0116.00
0004.00	0102.00	0111.00	0117.00
0005.00	0103.00	0112.02	
0006.01	0104.01	0112.03	
0006.02	0104.02	0112.04	
0007.00	0106.00	0113.01	
0008.00	0107.00	0113.02	



**Metropolitan Statistical Area: 16540
Chambersburg-Waynesboro, PA**

**County Code: 055
Franklin**

Census Tracts

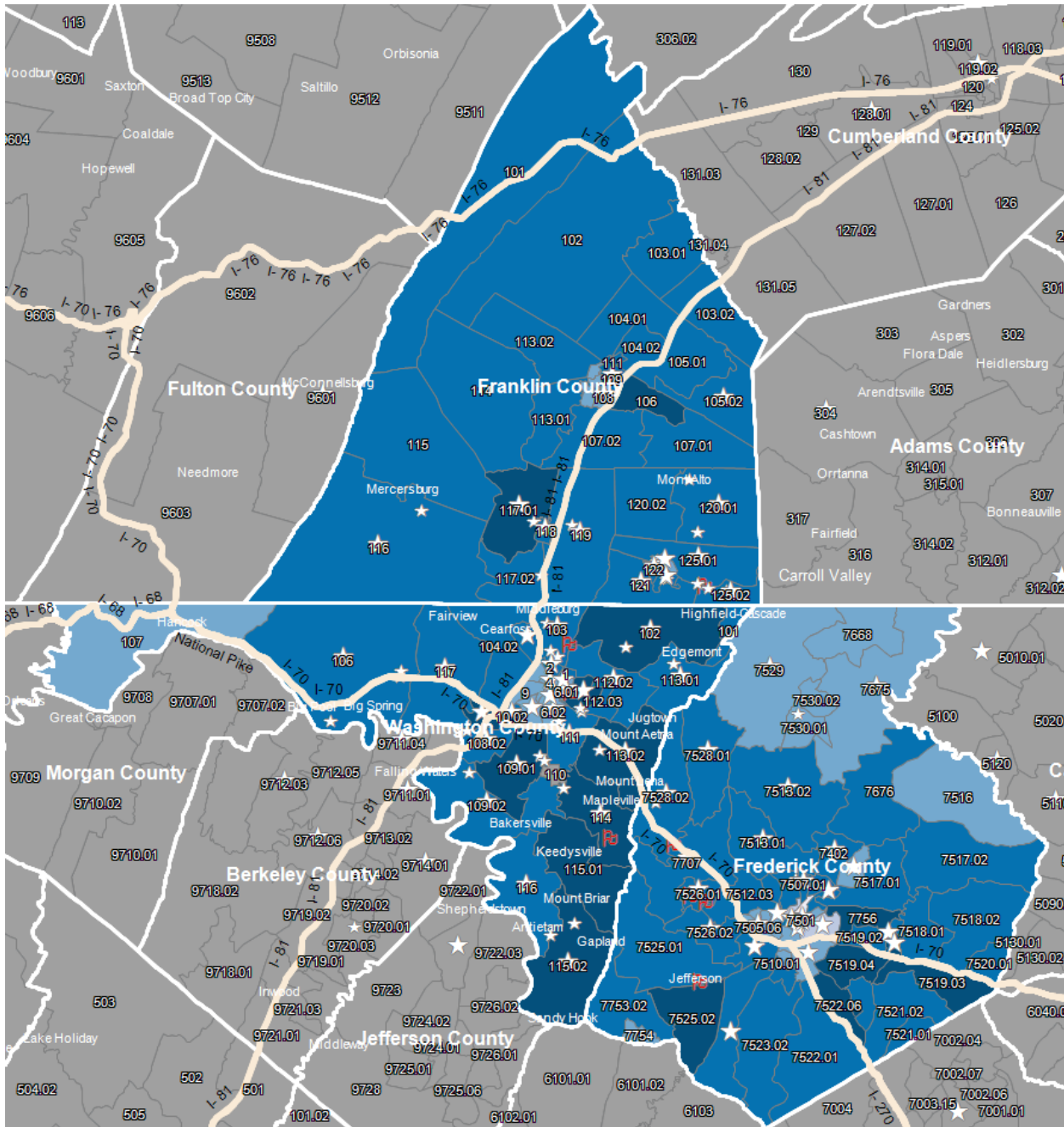
0101.00	0108.00	0117.02
0102.00	0109.00	0118.00
0103.01	0110.00	0119.00
0103.02	0111.00	0120.01
0104.01	0112.00	0120.02
0104.02	0113.01	0121.00
0105.01	0113.02	0122.00
0105.02	0114.00	0123.00
0106.00	0115.00	0124.00
0107.01	0116.00	0125.01
0107.02	0117.01	0125.02

Bank branches are located in the following Metropolitan Statistical Areas and Divisions, specifically in Census Tracts:

7526.01	Middletown Branch
7525.01	Jefferson Branch
7528.02	Myersville Branch
0114.00	Boonsboro Branch
0006.01	Eastern Branch
0103.00	Paramount Branch
0125.02	Waynesboro Branch
7502.00	Market Street Branch

Oakland LPO located in Census Tract 0005.02 falls outside the Bank's assessment area.

**Middletown Valley Bank – 2024 CRA – Assessment Area Income Map
Washington/Frederick/Franklin County**



Historic Loan-to-Deposit Ratio**2019**

1st Quarter: 86.99%
2nd Quarter: 90.62%

3rd Quarter: 94.22%
4th Quarter: 95.35%

2020

1st Quarter: 85.81%
2nd Quarter: 87.25%
3rd Quarter: 93.32%
4th Quarter: 92.06%

2021

1st Quarter: 90.95%
2nd Quarter: 86.95%
3rd Quarter: 81.19%
4th Quarter: 81.97%

2022

1st Quarter: 83.55%
2nd Quarter: 87.19%

3rd Quarter: 90.02%
4th Quarter: 84.08%

2023

1st Quarter: 86.97%
2nd Quarter: 88.61%
3rd Quarter: 84.45%
4th Quarter: 85.05%

2024

1st Quarter: 87.13%
2nd Quarter: 85.01%
3rd Quarter:
4th Quarter:

Miscellaneous Information

About MVB

VISION

Absolutely Exceptional Experiences – Developing lasting relationships while promoting a culture of excellence in every interaction.

MISSION

Advancing Financial Journeys – One conversation, one connection, one community at a time.

CORE VALUES

Accountability

We take ownership of our performance, emphasizing high ethical standards and maintaining a commitment to fiscal responsibility.

Collaboration

We work together toward a common goal by openly sharing ideas and resources.

Community

We promote a giving culture and enrich the areas where we live and work.

Development

We encourage innovative thinking and provide opportunities for success.

Relationships

We value lasting relationships built on trust, respect, and open communication.

Statement of Non-Discrimination

The Board of Directors of Middletown Valley Bank believes in fairness in lending. We make credit available to all people and organizations on a fair and consistent basis, without regard to race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or exercise of legal rights against the Bank.

We believe that all our customers and prospective customers deserve the very best products and services we can give them. We are committed to assuring that our personnel make all potential customers feel welcome, and make all customers feel valued by us.

Every employee of our Bank is responsible for assuring nondiscrimination in his or her own work. Every supervisor is responsible for assuring it in his or her area.

If we detect or have reason to suspect discrimination by an employee of this Bank, we will promptly investigate the matter and act appropriately, which may include reversal of the decisions of individuals involved, as well as the potential for disciplinary action and dismissal.

We believe that this commitment to fairness is not only our obligation as corporate citizens, but it is also fundamental to good business practice.

Equal Housing Opportunity Statement

The Board of Directors of Middletown Valley Bank support the following statement in relation to the Fair Housing Act.

"We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin."

Home Mortgage Disclosure Act Notice (HMDA)

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's website:

www.consumerfinance.gov/hmda

HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's website.