FAIR HOUSING CENTER of CENTRAL INDIANA

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EQUAL HOUSING

August 3, 2026

Office of the Comptroller of the Currency (OCC)
Chief National Bank Examiner (CNBE)
Compliance and Operational Risk Division
400 7th Street, SW
Washington, DC 20219

Via email CRAComments@occ.treas.gov

RE: First Federal Savings Bank 2026 CRA Exam

To Whom It May Concern:

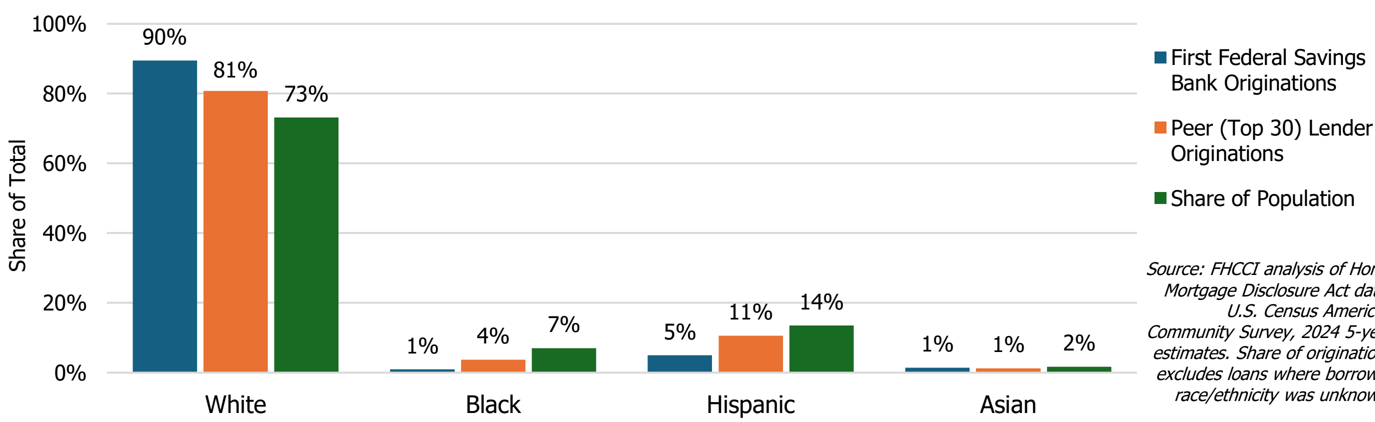
My name is Amy Nelson, Executive Director at the Fair Housing Center of Central Indiana (FHCCI). The FHCCI is a private, nonprofit organization whose mission is to facilitate open housing for all people by ensuring the availability of affordable and accessible housing; promoting housing choice and homeownership; advocating for an inclusive housing market; working toward stable and equitable communities; and eradicating discrimination within Central Indiana, the State of Indiana, and nationally.

The FHCCI recently became aware of a pending Community Reinvestment Act (CRA) exam for First Federal Savings Bank ("First Federal"). As part of our work, we analyze mortgage lenders' fair lending performances across Indiana. First Federal stands out for its subpar lending to borrowers of color and low-to-moderate income communities in the five north-central Indiana counties where it is most active (Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph counties, referred to hereafter as "north-central Indiana").

The CRA requires mortgage lenders like First Federal to provide credit throughout the markets that they serve, ensuring that disadvantaged communities, who have been historically excluded from mortgage lending, have access to credit. It has been a key tool to increase access to homeownership for Black, Hispanic, and low-to-moderate income communities and persons. Access to homeownership, in turn, provides critical housing stability as well as wealth-building opportunities for families seeking to climb the economic ladder.

First Federal is the eighth biggest lender in north-central Indiana, receiving about 800-900 mortgage applications in each of the last three years and originating about 600-800 mortgages a year. However, relative to its size, First Federal originates far fewer loans to Black, Hispanic, and low-to-moderate income borrowers than its peers. In this letter, we highlight our concerns with First Federal's inadequate mortgage lending to these communities. We urge the Office of the Comptroller of the Currency (OCC) to hold First Federal accountable in their CRA exam for failing to address these lending disparities.

CHART 1: First Federal Savings Bank Share of Mortgage Originations by Race, Compared to Peer Lenders and Population (Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2023-2025)



Source: FHCCI analysis of Home Mortgage Disclosure Act data; U.S. Census American Community Survey, 2024 5-year estimates. Share of originations excludes loans where borrower race/ethnicity was unknown.

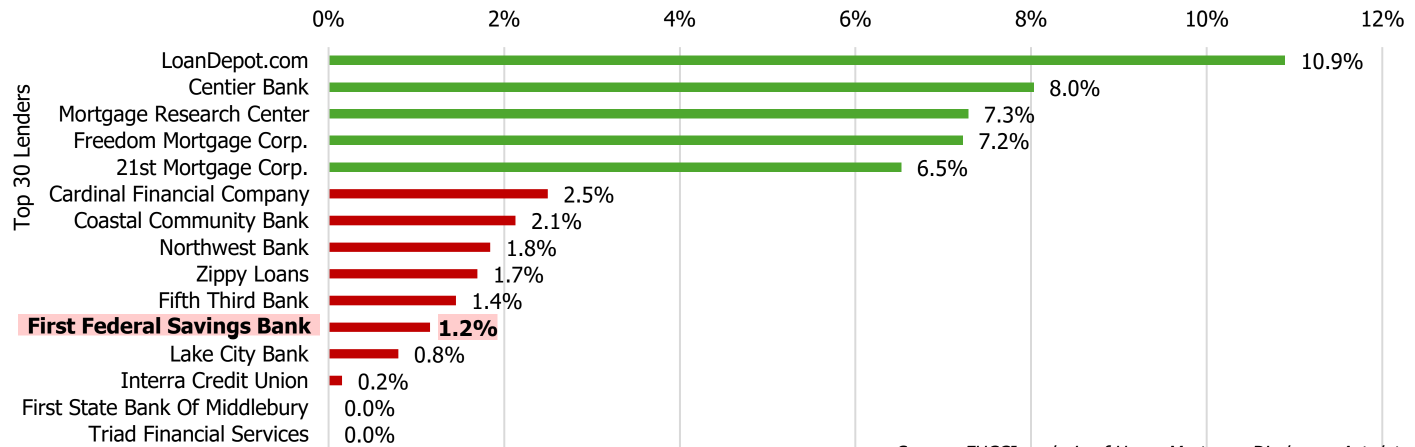
Originations: Between 2023-2025, First Federal originated over 2,000 mortgage loans across the five north-central Indiana counties. Of the mortgage loans where the borrower's race was identified, only 1% (20 loans) went to Black borrowers. For comparison, we look at the distribution of mortgages originated by First Federal's peer lenders, the Top 30 mortgage lenders in north-central Indiana. These peers collectively originated 4% of their mortgage loans to Black borrowers. This is much closer to the share of Black residents among the population of north-central Indiana, which is 7% (Chart 1), albeit still not on par with where lending should be.

First Federal also lagged behind its peers in originating mortgage loans to Hispanic borrowers. While only 5% of First Federal's mortgage loans went to Hispanic borrowers, its peers originated 11% collectively of their mortgage loans to Hispanic borrowers. For context, the Hispanic population of the five north-central Indiana counties is 14%.

In 2025, First Federal ranked fifth-from-last for its share of originations to Black borrowers in north-central Indiana. While First Federal only originated 1.2% of its mortgage loans to Black borrowers, several of its peers originated upwards of 6% of their mortgages to Black borrowers (Chart 2).

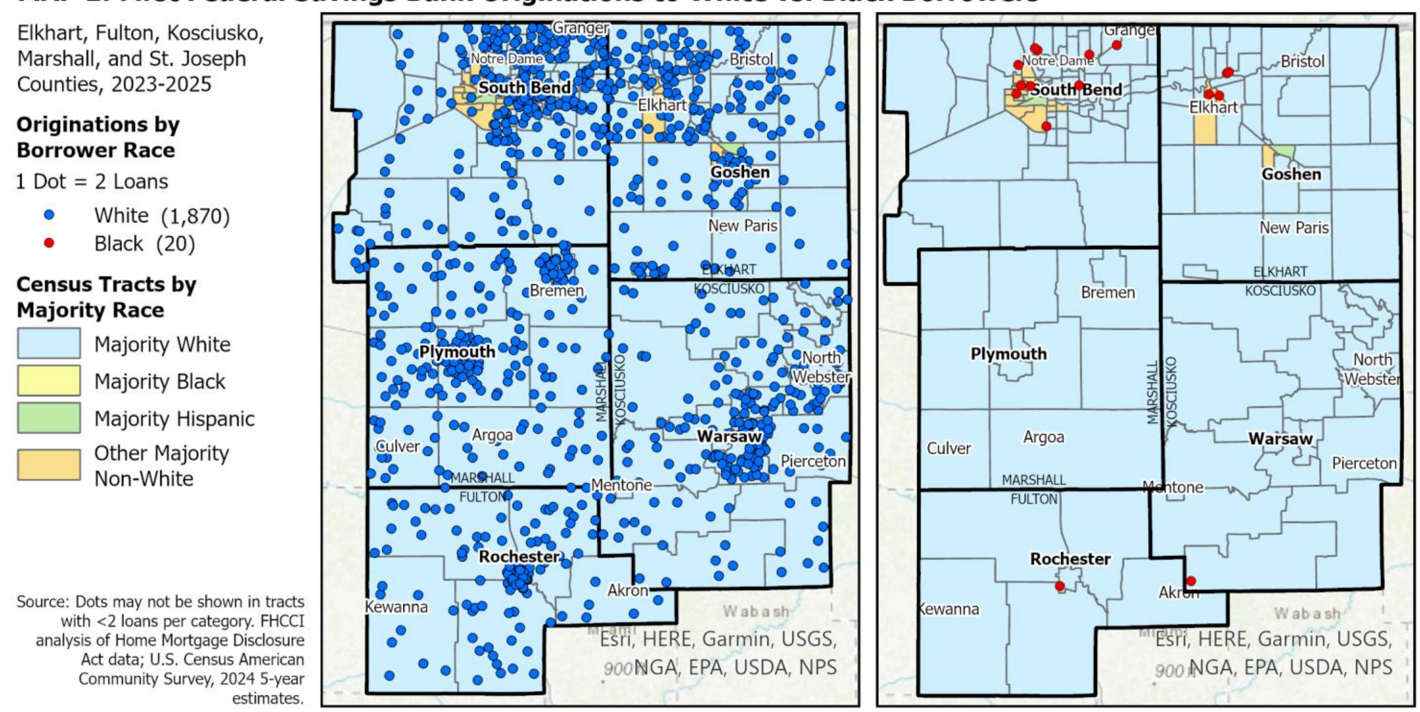
CHART 2: Top 5 and Bottom 10 Mortgage Lenders for Share of Originations from Black Borrowers

Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2025



Source: FHCCI analysis of Home Mortgage Disclosure Act data.

MAP 1: First Federal Savings Bank Originations to White vs. Black Borrowers



Source: Dots may not be shown in tracts with <2 loans per category. FHCCI analysis of Home Mortgage Disclosure Act data; U.S. Census American Community Survey, 2024 5-year estimates.

Map 1 shows the location of mortgage loans originated by First Federal to white and Black borrowers from 2023-2025, versus the racial make-up of the neighborhoods where those loans were made. Again, the number of First Federal's mortgage loans to Black borrowers is dwarfed by the number of loans it makes to white borrowers. It is worth noting that only 2% of First Federal's mortgage lending in north-central Indiana (46 loans) were made in majority non-white census tracts. Even then, more than half of those loans went to white borrowers.

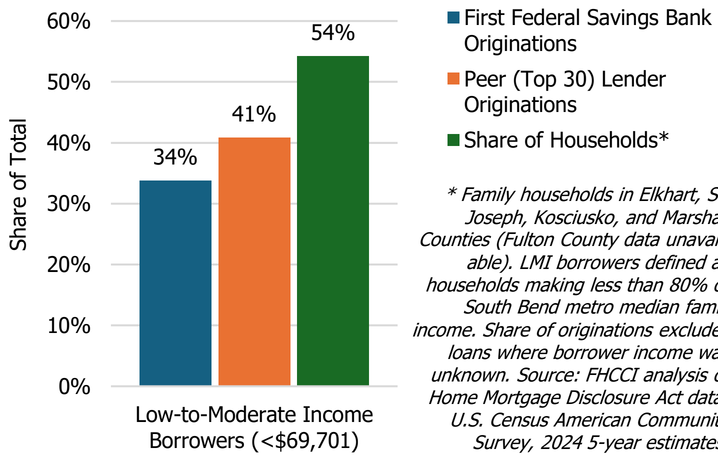
First Federal's track record of subpar lending to Black and Hispanic borrowers has been a persistent problem. In each year since 2018, First Federal has originated no more than 1.2% of their mortgage loans to Black borrowers. In the same years, the Top 30 lenders originated about 3-4% of their mortgage loans to Black borrowers, at least twice the level of lending to Black borrowers as First Federal. First Federal has also fallen behind its peers in share of originations to Hispanic borrowers by at least three percentage points each year since 2022 (Table 1).

When a lender like First Federal fails to adequately extend mortgage credit to borrowers of color, it has tangible consequences for the wellbeing of those communities. Most Americans, especially low-income families and people of color, use homeownership as their primary means of building wealth. Homeownership and home equity

TABLE 1: First Federal Savings Bank Share of Originations By Borrower Race, Compared To Peers
Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2018-2025 (FHCCI Analysis)

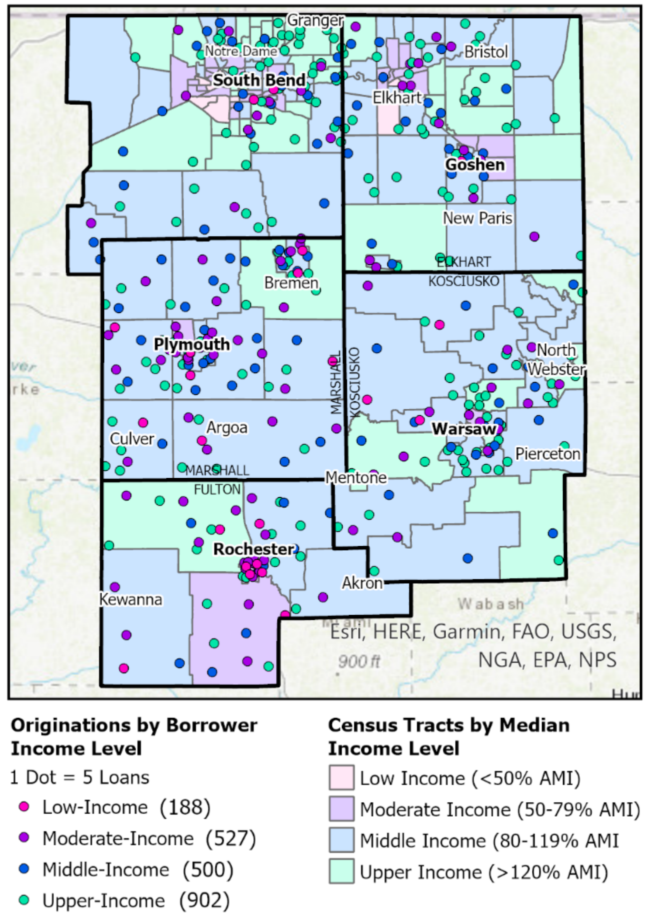
Lender	Total Originations	Unknown/NA	Total Originations (excl. Unknown/NA)	White Non-Hispanic	White %	Black	Black %	Hispanic	Hispanic %	Asian	Asian %	Other	Total Origination Amount	Average Origination Amount
2025														
First Fed SB	810	32	778	689	88.6%	9	1.2%	37	4.8%	10	1.3%	33	$166,920,000	$206,074
Peers (Top 30)	10,906	796	10,110	8,210	81.2%	372	3.7%	1049	10.4%	131	1.3%	348	$2,085,220,000	$191,199
2024														
First Fed SB	686	22	664	591	89.0%	6	0.9%	39	5.9%	9	1.4%	19	$136,310,000	$198,703
Peers (Top 30)	10,621	912	9,709	7,764	80.0%	357	3.7%	1097	11.3%	138	1.4%	353	$1,629,725,000	$153,444
2023														
First Fed SB	673	26	647	590	91.2%	5	0.8%	28	4.3%	11	1.7%	13	$111,515,000	$165,698
Peers (Top 30)	10,285	879	9,406	7,622	81.0%	357	3.8%	954	10.1%	100	1.1%	373	$1,494,315,000	$145,291
2022														
First Fed SB	1,078	32	1,046	944	90.2%	10	1.0%	51	4.9%	9	0.9%	32	$191,170,000	$177,338
Peers (Top 30)	13,589	1,200	12,389	10,222	82.5%	481	3.9%	1,074	8.7%	153	1.2%	459	$2,014,075,000	$148,214
2021														
First Fed SB	1,924	31	1,893	1,712	90.4%	18	1.0%	91	4.8%	16	0.8%	56	$356,580,000	$185,333
Peers (Top 30)	20,322	1,831	18,491	15,623	84.5%	689	3.7%	1,356	7.3%	244	1.3%	579	$3,080,310,000	$151,575
2020														
First Fed SB	2,390	10	2,380	2,208	92.8%	13	0.5%	96	4.0%	17	0.7%	46	$424,990,000	$177,820
Peers (Top 30)	18,580	1,527	17,053	14,899	87.4%	477	2.8%	985	5.8%	189	1.1%	503	$2,904,420,000	$156,320
2019														
First Fed SB	1,248	7	1,241	1,138	91.7%	10	0.8%	60	4.8%	9	0.7%	24	$209,080,000	$167,532
Peers (Top 30)	11,951	860	11,091	9,629	86.8%	295	2.7%	733	6.6%	121	1.1%	313	$1,480,315,000	$123,865
2018														
First Fed SB	1,139	4	1,135	1,041	91.7%	8	0.7%	53	4.7%	13	1.1%	20	$186,665,000	$163,885
Peers (Top 30)	13,667	1,056	12,611	10,950	86.8%	336	2.7%	829	6.6%	146	1.2%	350	$1,825,245,000	$133,551
Share of Population by Race/Ethnicity				**White: 73.2%**		**Black: 7.0%**		**Hispanic: 13.5%**		**Asian: 1.7%**				

CHART 3: First Federal Savings Bank Share of Originations to LMI Borrowers, Compared to Peer Lenders and Population (Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2023-2025)



** Family households in Elkhart, St. Joseph, Kosciusko, and Marshall Counties (Fulton County data unavailable). LMI borrowers defined as households making less than 80% of South Bend metro median famly income. Share of originations excludes loans where borrower income was unknown. Source: FHCCI analysis of Home Mortgage Disclosure Act data; U.S. Census American Community Survey, 2024 5-year estimates.*

MAP 2: First Federal Savings Bank Originations by Income Level of Borrower and Census Tract
Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2023-2025



Area median income (AMI) defined as median family income for South Bend metro area ($87,126 in 2024). Source: Dots may not be shown in tracts with <5 loans per category. FHCCI analysis of Home Mortgage Disclosure Act data; U.S. Census American Community Survey, 2024 5-year estimates.

allow individuals in underserved communities to advance economically, by using home equity to pay for college or start a business, make updates to their home, or weather unexpected adversity, like a large medical expense, for example.

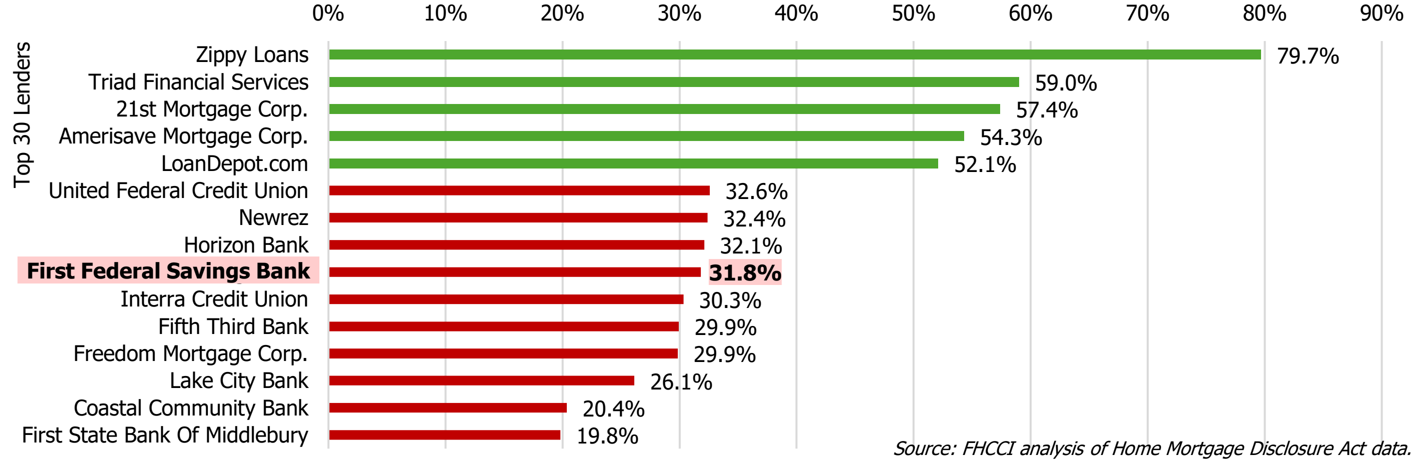
This not only benefits individuals and families, but entire communities, as residents are better able to invest in their neighborhoods. When lenders avoid or do not originate loans in certain markets, like neighborhoods of color or low-to-moderate-income borrowers, those individuals and communities lose vital opportunities for stability and growth.

We also examined First Federal's pattern of mortgage lending to low-to-moderate income (LMI) borrowers. We define LMI borrowers as those making less than $69,701, which is 80% of the median household income for the South Bend metro area. We found that First Federal again performed below its peers, originating only 34% of its mortgage loans to LMI borrowers in the years 2023-2025, while the Top 30 lenders originated 41% of their mortgages to LMI borrowers. LMI households make up over half of all households in the five north-central Indiana counties (Chart 3). When we look at where First Federal originates loans, we see that most of their originated mortgages are located in middle-to-upper income census tracts, with only 16% being located in LMI census tracts (Map 2).

Income is a relevant factor in whether a prospective borrower qualifies for a mortgage loan, which does limit the number of lower-income borrowers who would apply for a mortgage. However, we would expect First Federal to be able to reach LMI borrowers at similar levels to its peers. Out of the Top 30 lenders in north-central Indiana in 2025, First Federal ranked seventh-from-last for its share of originations to LMI borrowers (31.8%). Meanwhile, other lenders in the Top 30 originated half or more of their mortgage loans to LMI borrowers (Chart 4). This indicates that there are a significant number of qualified LMI borrowers in north-central Indiana who are seeking mortgage credit, but First Federal is not sufficiently tapping into that pool of applicants.

We can only speculate as to why First Federal consistently falls behind its peers in loan originations to Black, Hispanic, and LMI borrowers. We examined denial rates by borrower race and found that First Federal has lower denial rates than its peers, across all race groups. However, its denial rate for Black borrowers (12.5%) is still higher than the denial rate for white borrowers (4.5%).

CHART 4: Top 5 and Bottom 10 Lenders for Share of Originations to Low-to-Moderate Income Borrowers (Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2025)



Source: FHCCI analysis of Home Mortgage Disclosure Act data.

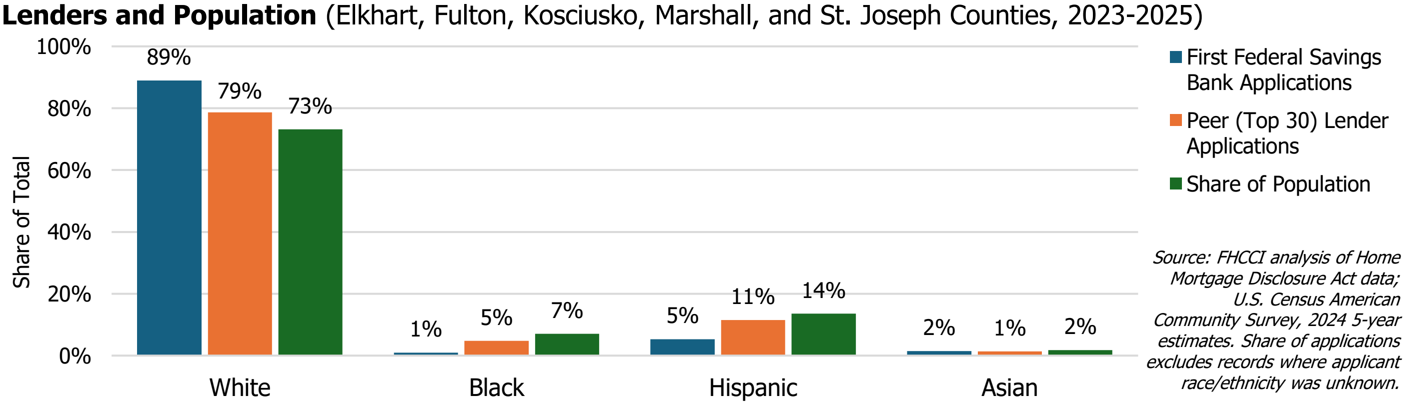
This disparity remains true even when we limit our analysis to borrowers with debt-to-income (DTI) ratios below 36%, which is typically considered a healthy level of debt for someone applying for mortgage credit. Among these borrowers, the denial rate for Black borrowers was 8%, compared to 3% for white borrowers. When we look only at LMI borrowers with DTI ratios below 36%, the disparity grows, with 15% of Black applicants being denied while only 4% of white applicants were denied. The disparity only starts to fade when we look at middle-to-upper income borrowers with DTI ratios below 36%, with a Black denial rate of 4% to a white denial rate of 3%.

This analysis indicates that First Federal may be scrutinizing lower-income Black applicants more heavily than lower-income white applicants, leading to a lower share of originations to Black borrowers. We urge the OCC to investigate the cause of this disparity and any possibility of racial bias in the approval process.

Applications: Another reason why First Federal lags behind its peers in originations to borrowers of color and LMI borrowers is that they receive disproportionately few mortgage applications from these communities and individuals. In the years 2023-2025, only 1% of the mortgage applications to First Federal came from Black borrowers, and 5% from Hispanic borrowers. By contrast, First Federal's peer lenders received on average 5% of their mortgage applications from Black borrowers and 11% from Hispanic borrowers (Chart 5). In terms of income, only 34% of First Federal's applications came from LMI borrowers, while 41% of the Top 30 lenders' applications came from LMI borrowers.

First Federal ranked fifth-to-last among the Top 30 lenders for its share of applications from Black borrowers in 2025, at 1%, while several of its peers in the Top 30 received between 7 to 11% of their mortgage applications from Black borrowers (Chart 6). As with originations, First Federal receives only a small share of mortgage applications from non-white majority census tracts, and even fewer of those applications come from borrowers of color (Map 3). First Federal's lack of applications from Black, Hispanic, and LMI borrowers could be attributed to a lack of marketing and outreach among those populations. First Federal may also need to develop stronger

CHART 5: First Federal Savings Bank Share of Mortgage Applications by Race, Compared to Peer Lenders and Population (Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2023-2025)



Source: FHCCI analysis of Home Mortgage Disclosure Act data; U.S. Census American Community Survey, 2024 5-year estimates. Share of applications excludes records where applicant race/ethnicity was unknown.

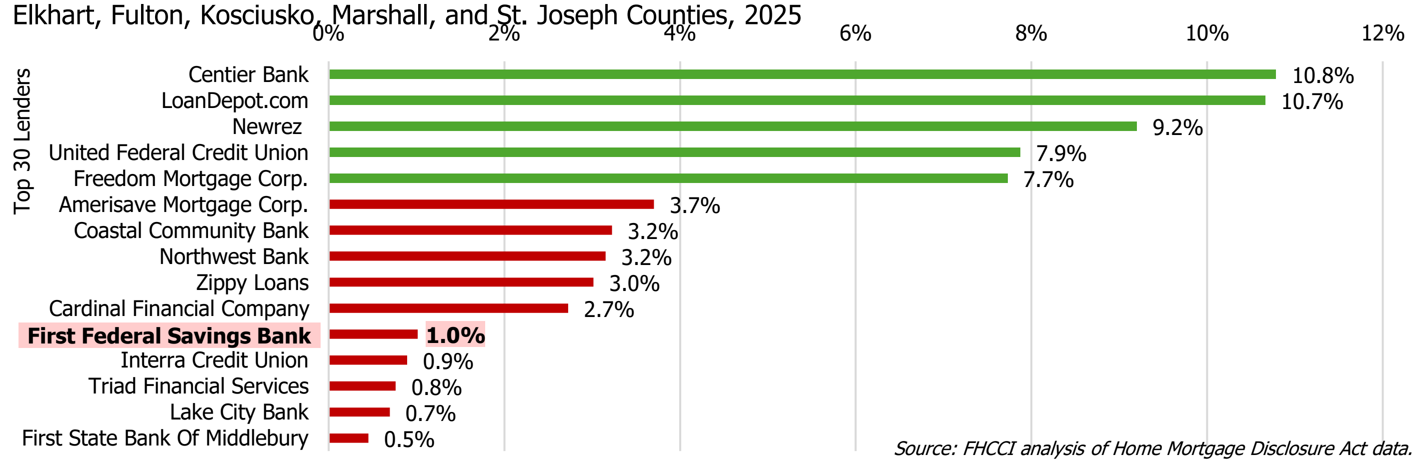
relationships with community leaders and organizations serving communities of color and LMI communities in north-central Indiana. First Federal also may not have sufficient products to meet the needs of prospective borrowers of color and LMI borrowers, such as first-time homebuyer and first-generation homebuyer programs.

First Federal also may need to hire more people of color on its staff; based on a visual review of its mortgage lending team, currently only one of its mortgage loan officers appears to be a person of color, with the remaining 11 officers appearing to be white. First Federal does not appear to have any Black loan officers, in particular. This may make it harder for First Federal to reach prospective borrowers of color and build trust with them.

Branch Locations: Another factor that may lead to First Federal receiving fewer mortgage applications from borrowers of color is a lack of physical branch locations in neighborhoods of color. Only one of First Federal's bank branches, the Elkhart Branch, is located in a non-white majority census tract. On the other hand, four out of five of its branches in these five north-central Indiana counties are located in white, moderate-income census tracts, with the remaining branch being located in a middle-income census tract.

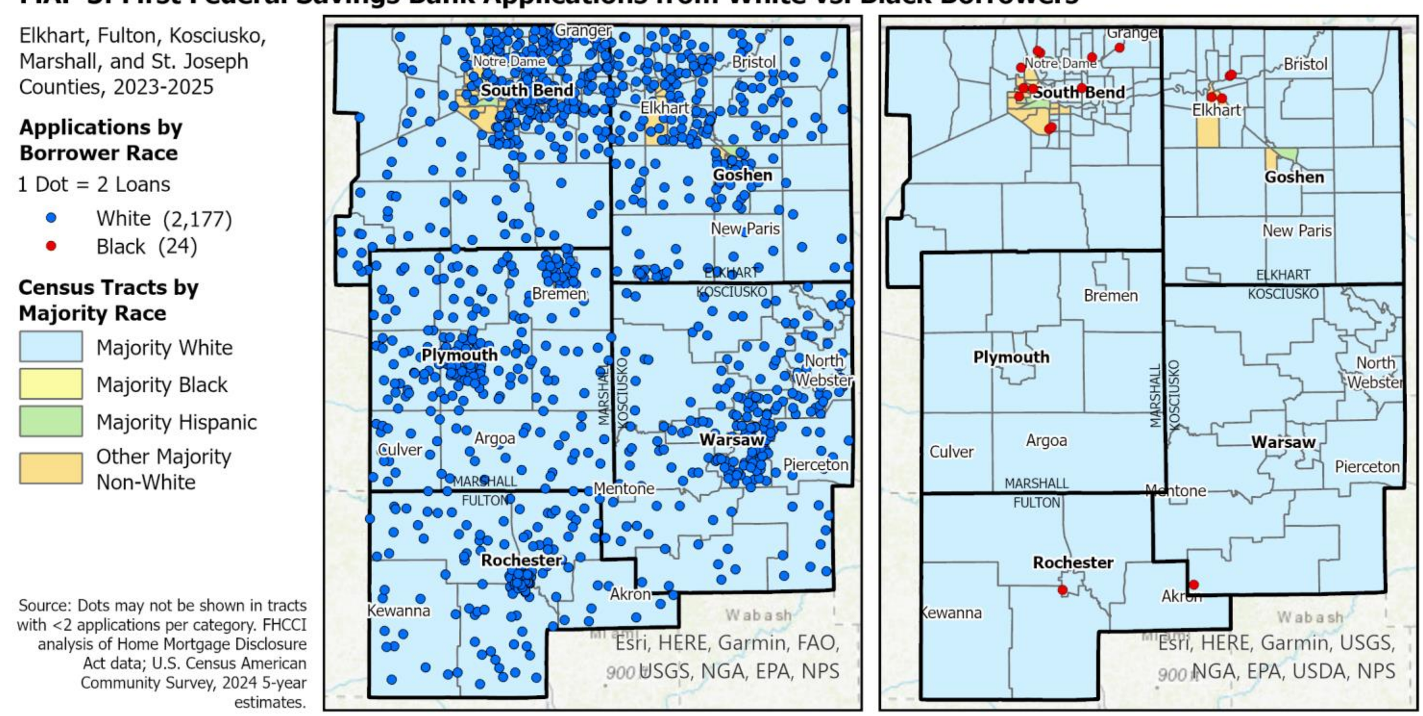
In-person bank branches remain important and useful for consumers. Physical branches allow lenders to have visibility in communities and create relationships between staff and local residents. By providing services like checking accounts or personal loans to residents, lenders can build trust with prospective mortgage borrowers.

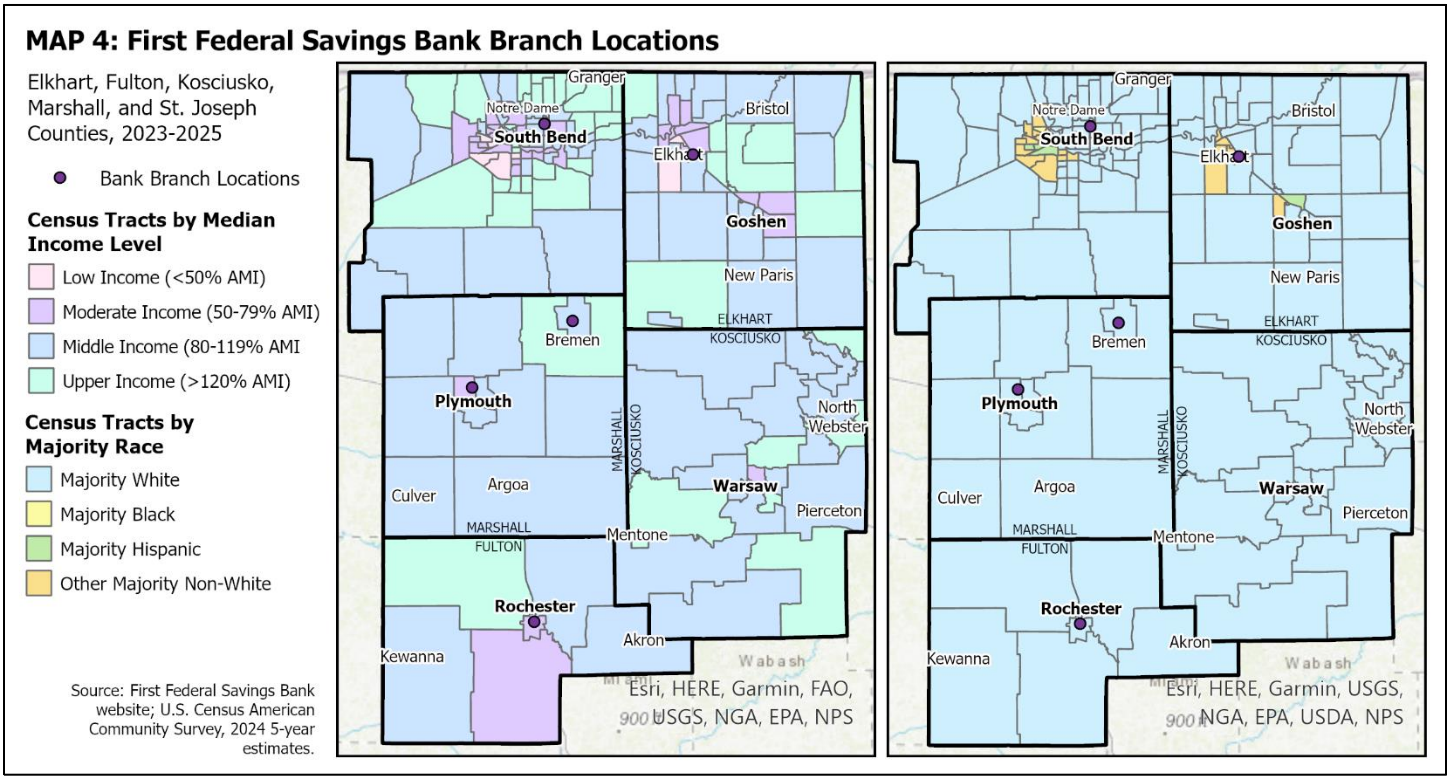
CHART 6: Top 5 and Bottom 10 Lenders for Share of Mortgage Applications from Black Borrowers
Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph Counties, 2025



Source: FHCCI analysis of Home Mortgage Disclosure Act data.

MAP 3: First Federal Savings Bank Applications from White vs. Black Borrowers





MAP 4: First Federal Savings Bank Branch Locations

Branches also show the community a bank's investment commitment to that neighborhood. We do note that First Federal has only one or two branches, if that, in each county, making it difficult for them to reach diverse communities in person. Given that First Federal struggles to reach borrowers of color and LMI borrowers, we urge First Federal to increase their physical presence in these communities.

Recommendations: All persons and communities in Indiana deserve to have equal access to the stability and wealth-building opportunities that mortgage credit can provide. We urge the OCC to ensure that First Federal Savings Bank makes serious efforts to increase its mortgage credit offerings in underserved communities across its service area in north-central Indiana.

First Federal Savings Bank can accomplish this by broadening their physical presence in neighborhoods of color, building partnerships with local community groups serving individuals commonly facing barriers to the mortgage lending process, expanding the diversity of its mortgage loan officers and staff, developing or expanding the types of mortgage products it offers to reach persons often shut out of the home buying process, and conducting increased and expansive marketing and outreach to persons and in neighborhoods of color.

The Fair Housing Center of Central Indiana would appreciate your attention to this important matter. We request that the analysis in this letter be included as part of the pending exam. Please let me know if you have any questions. I may be contacted at 317-644-0673 x1001 or anelson@fhcci.org.

This information is not legal advice. For legal advice, please consult an attorney.

Sincerely,

Amy Nelson
Executive Director

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