

# **PUBLIC DISCLOSURE**

June 3, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Pathway Bank  
Certificate Number: 1992

306 South High Street  
Cairo, Nebraska 68824

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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.

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## INSTITUTION RATING

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

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

The following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area's credit needs.
- A majority of the small farm, small business, and home mortgage loans reviewed were inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

## DESCRIPTION OF INSTITUTION

### **Background**

Pathway Bank is headquartered in Cairo, Nebraska, and is owned by Cairo Growth, LLC, a one-bank holding company, also headquartered in Cairo, Nebraska. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated July 16, 2018, based on Interagency Small Institution Examination Procedures.

### **Operations**

In addition to its main office in Cairo, Pathway Bank operates three full-service branches in central Nebraska. Recently, the bank opened a loan production office in Lexington, Nebraska on April 1, 2024. The bank offers a variety of loan products, including agricultural, commercial, consumer, and home mortgage loans; primarily focusing on agricultural lending. The institution also provides a variety of deposit products, including checking, savings, individual retirement, and certificates of deposit accounts. Alternative banking services include internet and mobile banking, electronic bill payments, mobile deposits, and automated teller machines.

### **Ability and Capacity**

As of March 31, 2024, assets totaled approximately \$314.5 million, loans totaled \$187.9 million, and deposits totaled \$213.2 million. These figures represent an increase since the prior evaluation where total assets equaled \$163.4 million, total loans equaled \$127.0 million, and total deposits

equaled \$129.6 million. As illustrated in the following table, the loan portfolio is primarily composed of agricultural lending; followed by commercial lending. This distribution is generally consistent with the loan portfolio distribution at the prior evaluation.

<b>Loan Portfolio Distribution as of 3/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	1,682	0.9
Secured by Farmland	63,087	33.6
Secured by 1-4 Family Residential Properties	13,026	6.9
Secured by Multifamily (5 or more) Residential Properties	275	0.2
Secured by Nonfarm Nonresidential Properties	39,502	21.0
<b>Total Real Estate Loans</b>	<b>117,572</b>	<b>62.6</b>
Commercial and Industrial Loans	23,234	12.4
Agricultural Production and Other Loans to Farmers	45,337	24.1
Consumer Loans	1,416	0.8
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	224	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	103	0.1
<b>Total Loans</b>	<b>187,886</b>	<b>100.0</b>
<i>Source: Reports a/Condition and Income</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Pathway Bank designated two contiguous assessment areas in central Nebraska. The Nonmetropolitan Assessment Area includes 15 counties in the nonmetropolitan portion of the state, while the Metropolitan Assessment Area is located in the Grand Island, Nebraska Metropolitan Statistical Area (MSA). The bank expanded both assessment areas since the prior evaluation to reflect a change in its business strategy to serve a larger geographic area. Descriptions of each assessment area, including changes and bank operations are detailed in the individual assessment area sections of this evaluation,

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated July 16, 2018, to the current evaluation dated June 3, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate Pathway Bank's CRA performance, which includes the Lending Test. Refer to the Appendices for a description of this test.

Examiners used full-scope examination procedures to assess Pathway Bank's performance in both assessment areas. The bank's performance in the Metropolitan Assessment Area received more

weight when drawing overall conclusions because a majority of the bank's loans and deposits are located in this assessment area. The following table provides a breakdown of the volume of loans, deposits, and branches by assessment area.

<b>Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Metropolitan	134,047	67.2	155,769	77.5	2	50.0
Nonmetropolitan	65,537	32.8	45,123	22.5	2	50.0
<b>Total</b>	<b>199,584</b>	<b>100.0</b>	<b>200,892</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

*Source: Bank Data; FDIC Summary of Deposits as of 6/30/2023*

### **Activities Reviewed**

As previous indicated, Pathway Bank's primary lending focus is agricultural lending, followed by commercial lending. Additionally, management indicated that home mortgage lending is the third lending focus, involving portfolio loans and via secondary market investors. Therefore, examiners evaluated small farm, small business, and home mortgage loans to analyze lending performance. This conclusion considered the bank's business strategy, credit needs of the assessment areas, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period. Further, bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Examiners reviewed small farm and small business loans originated in 2023 that remained outstanding to assess the performance under the Assessment Area Concentration criterion. Furthermore, beginning in 2023, the bank was required to report home mortgage loan data under the Home Mortgage Disclosure Act (HMDA). Therefore, examiners reviewed all home mortgage loans reported on the 2023 HMDA Loan Application Register to assess the bank's performance under the Assessment Area Concentration criterion. Bank management indicated this time period was representative of the bank's lending activities during the entire evaluation period. For the Geographic Distribution Analysis, examiners reviewed all small farm, small business, and home mortgage loans in the assessment areas. For the Borrower Profile analysis, examiners reviewed a sample of small farm and small business loans located inside each assessment area, while the analysis of home loans included the full universe of reported home mortgage loans inside the assessment areas. D&B data for 2023 provided a standard of comparison for small farm and small business loans. Examiners used 2020 U.S. Census data as the standard of comparison for home mortgage lending because 2023 HMDA aggregate data was not yet available. The table below provides details on the universes and samples reviewed.

<b>Loan Products Reviewed</b>						
<b>Loan Category</b>	<b>Assessment Area Concentration</b>		<b>Geographic Distribution</b>		<b>Borrower Profile</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$(000s)</b>
Small Farm	101	9,319	92	8,948	66	5,996
Small Business	70	11,471	65	10,299	46	9,220
Home Mortgage	36	4,681	30	3,204	30	3,204

*Source: 2023 Bank Data and 2023 HMDA Reported Data*

Examiners placed slightly more weight on small farm lending performance than small business lending performance when drawing overall conclusions as the volume of agricultural lending exceeded the volume of small business lending. Home mortgage lending received the least amount of weight. Examiners placed equal weight on the number and dollar volume of loans when conducting the Assessment Area Concentration analysis. However, examiners emphasized performance by number of loans when conducting the Geographic Distribution and Borrower Profile analyses. The number of loans is a better indicator of geographies, farms, businesses, and individuals served.

**CONCLUSIONS ON PERFORMANCE CRITERIA**

**LENDING TEST**

Pathway Bank demonstrated satisfactory performance under the Lending Test. Excellent performance under the Loan-to-Deposit Ratio, the Assessment Area Concentration, and reasonable performance under the Borrower Profile and the Geographic Distribution criteria support this conclusion. The bank's overall performance is consistent with performance in the Metropolitan and Nonmetropolitan Nebraska Assessment Areas.

**Loan-to-Deposit Ratio**

Pathway Bank's net loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs of the assessment areas. The bank's net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 94.2 percent over the past 23 quarters from September 30, 2018, to March 30, 2024. Examiners compared Pathway Bank's average net loan-to-deposit ratio to four other financial institutions. The comparable institutions were selected based on their asset size, geographic location, and lending focus. As shown in the following table, Pathway Bank's average net loan-to-deposit ratio is higher than the comparable institutions' ratios, and reflecting more than reasonable performance.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 3/31/2024 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Pathway Bank, Cairo, Nebraska</b>	<b>314,452</b>	<b>94.2</b>
Citizens Bank, Saint Paul, Nebraska	231,249	77.9
Nebraska State Bank and Trust Company, Broken Bow, Nebraska	271,142	92.4
Town and Country Bank, Ravenna, Nebraska	211,059	73.8
First State Bank, Loomis, Nebraska	206,057	88.6
<i>Source: Reports of Condition and Income 9/30/2018 through 3/31/2024</i>		

**Assessment Area Concentration**

A majority of small farm and small business loans, and a majority of home mortgage loans were located inside the assessment areas. The bank's assessment areas have grown substantially since the prior examination with the addition of 12 counties. Therefore, examiners did not place much

weight on this criterion rating since the assessment areas contain a total of 18 counties. The following table provides details.

<b>Lending Inside and Outside of the Assessment Areas</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans</b>				<b>Total</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>\$(000)</b>
Small Fann	92	91.1	9	8.9	101	8,948	96.0	371	4.0	9,319
Small Business	65	92.9	5	7.1	70	10,299	89.8	1,172	10.2	11,471
Home Mortgage	30	83.3	6	16.7	36	3,204	68.4	1,477	31.6	4,681
<i>Source: Bank DC/ta and HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

The geographic distribution of borrowers reflects reasonable penetration in the low- and moderate-income census tracts. Reasonable performance in both assessment areas supports this conclusion. Refer to the Conclusion on Performance Criteria sections for each assessment area for more details.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and low- and moderate-income individuals. Examiners focused on the percentage of small farm and small business loans to entities with gross annual revenues of \$1 million or less, as well as the percentage of home mortgage loans extended to low- and moderate-income borrowers. Reasonable performance in both assessment areas support this conclusion. Refer to the Conclusion on Performance Criteria sections for each assessment area for more details.

### **Response to Complaints**

The institution has not received any complaints regarding its CRA performance since the previous evaluation. As a result, this criterion did not affect the rating.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## METROPOLITAN ASSESSMENT AREA - Full Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE METROPOLITAN ASSESSMET AREA

The Metropolitan Nebraska Assessment Area is comprised of Hall, Howard, and Merrick counties, which comprise the Grand Island, Nebraska MSA. Since the prior evaluation, the bank expanded this assessment area with the addition of Merrick County as part of its new strategic focus. According to 2020 U.S. Census data, the assessment area contains 3 moderate-, 13 middle-, and 3 upper-income census tracts. The bank operates its Cairo and Grand Island full-service offices, which are located in Hall County. Both offices are located in middle-income census tracts.

#### **Economic and Demographic Data**

The following table provides select demographic data for the Metropolitan Nebraska Assessment Area.

<b>Demographic Information of the Metropolitan Assessment Area</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of#</b>	<b>Moderate % of#</b>	<b>Middle %of#</b>	<b>Upper %of#</b>
Geographies (Census Tracts)	19	0.0	15.8	68.4	15.8
Population by Geography	77,038	0.0	19.5	63.3	17.2
Housing Units by Geography	31,965	0.0	18.8	64.7	16.5
Owner-Occupied Units by Geography	19,169	0.0	14.7	67.6	17.7
Occupied Rental Units by Geography	10,389	0.0	27.6	56.5	15.9
Vacant Units by Geography	2,407	0.0	13.5	77.2	9.3
Businesses by Geography	8,169	0.0	]6.4	63.5	20.1
Farms by Geography	904	0.0	4.6	86.3	9.1
Family Distribution by Income Level	]9,905	18.7	19.4	23.2	38.8
Household Distribution by Income Level	29,558	21.9	18.3	19.3	40.6
Median Family Income - Grand Island, Nebraska MSA		\$70,828	Median Housing Value		\$152,526
Families Below Poverty Level		8.0%	Median Gross Rent		\$742
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>					

Grand Island is the largest city in the assessment area and serves as the central hub for employment and goods and services for the surrounding rural areas. Data from the 2020 U.S. Census reveals the population has increased by 2,123 residents and the number of housing units grew by 1,265 units compared to 2015 American Community Survey Data. The following table presents the FFIEC estimated median family income levels for the Grand Island, Nebraska MSA, which examiners used to analyze home mortgage loans under the Borrower Profile criterion.

<b>Median Family Income Ranges - Grand Island, Nebraska MSA</b>				
<b>Year</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper 120%</b>
2023 (\$85,000)	<\$42,500	\$42,500 to <\$68,000	\$68,000 to <\$102,000	\$102,000
<i>Source: FF/EC</i>				

The area supports a wide variety of industries. The three largest business segments in the assessment area are services (29.7 percent), retail trade (11.2 percent), and agriculture (10.0 percent). Area businesses and farms are predominantly small operations with 89.3 percent operating from a single location and 65.7 percent employing less than five employees, according to 2023 D&B data.

Data from the 2022 Census of Agriculture shows that farms primarily raise grain and livestock. Livestock farmers typically raise cattle and grain farmers primarily grow corn and soybeans. According to the 2022 Census of Agriculture, 61.0, 36.0, and 53.0 percent of the products sold in Hall, Howard, and Merrick counties were crops, respectively. The remaining products sold were livestock. The average farm size ranges from 433 to 496 acres in Hall, Howard, and Merrick counties.

**Competition**

The assessment area is competitive for financial products and services. According to the FDIC Deposit Market Share data as of June 2023, 25 financial institutions operated 44 branches in the assessment area. Of these institutions, Pathway Bank ranked 7<sup>th</sup> with 4.4 percent of the deposits.

**Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available. Examiners interviewed a representative of an economic development organization. The contact stated that the local economy has been strong, but growth is somewhat limited by the short labor supply. Specifically, the contact indicated there is low housing inventory making it difficult to attract talent to the area. Area credit needs continue to be small business and small farm loans. There is also a need for affordable housing for low- and moderate-income individuals.

**Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, agriculture, commercial, and home mortgage loans represent the primary credit needs of the assessment area,

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE METROPOLITAN ASSESSMENT AREA

### LENDING TEST

Pathway Bank demonstrated reasonable performance under the Lending Test in the Metropolitan Assessment Area. Reasonable performance under the Geographic Distribution and Borrower Profile criteria supports this conclusion.

#### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the percentage of small farm, small business, and home mortgage loans in the three moderate-income census tracts. Reasonable small farm lending performance and excellent home mortgage lending performance outweighed poor small business lending performance, as small farm lending contributed the most weight to the overall conclusion.

#### *Small Farm Loans*

The geographic distribution of small farm loans reflects reasonable dispersion. Although the bank did not make any small farm loans in the moderate-income census tracts, the comparable demographic data shows only 4.6 percent of the farms in the assessment area are located in these tracts. Further, only 42 farms operate within these tracts according to 2023 D&B data. In addition, these tracts are within the city limits of Grand Island, where limited agricultural opportunities exist. Considering performance context, small farm lending performance is reasonable. The following table provides details.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Metropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	4.6	0	0.0	0	0.0
Middle	86.3	30	96.8	2,825	98.3
Upper	9.1	1	3.2	50	1.7
<b>Totals</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>2,875</b>	<b>100.0</b>
<small>Source: 2023 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</small>					

#### *Small Business Loans*

The geographic distribution of small business loans reflects poor dispersion. The bank did not extend any small business loans to businesses in the moderate-income census tracts. Aggregate small business lending data for 2022 indicates that 19.6 percent of reported small business loans were to businesses in moderate-income census tracts. Although Pathway Bank is not a CRA data reporter, aggregate data demonstrates that the demographic data is a reasonable representative of loan demand and opportunities in the moderate-income census tracts. The bank was able to originate an ample volume of small business loans in the middle- and upper-income census tracts comparable to the percentage of businesses located in those tracts. Therefore, the bank's performance is poor. The following table provides details.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Metropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	16.4	0	0.0	0	0.0
Middle	63.5	13	81.3	1,941	49.6
Upper	20.1	3	18.8	1,970	50.4
<b>Totals</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>3,911</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

**Home Mortgage Loans**

The geographic distribution of home mortgage loans reflects excellent dispersion. The bank's home mortgage lending in moderate-income census tracts significantly exceeds the percentage of owner occupied housing units in these tracts. The following table provides details.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Metropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate	14.7	4	26.7	239	14.5
Middle	67.6	9	60.0	1,050	64.0
Upper	17.7	2	13.3	352	21.5
<b>Total</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,641</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census, HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>					

**Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and low- and moderate-income home mortgage borrowers. Reasonable small farm and small business lending performance outweighed excellent home mortgage lending performance.

**Small Farm Loans**

The distribution of small farm borrowers reflects reasonable penetration among farms of different sizes. The bank's lending to farms with gross annual revenue of \$1 million or less is comparable to the percentage of farms reporting revenue in this category. The following table provides details.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Metropolitan Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	97.3	27	90.0	2,379	87.9
>\$1,000,000	1.5	3	10.0	327	12.1
Revenue Not Available	1.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>2,706</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

### ***Small Business Loans***

The distribution of small business borrowers reflects reasonable penetration among businesses of different sizes. The bank's lending to businesses with gross annual revenue of \$1 million or less is comparable to the percentage of businesses reporting revenue in this category. The following table provides details.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Metropolitan Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	85.2	14	87.5	2,261	57.8
>\$1,000,000	4.0	2	12.5	1,650	42.2
Revenue Not Available	10.8	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>3,911</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data*  
*Due to rounding, totals may not equal 100.0%*

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

The distribution of home mortgage borrowers reflects excellent penetration among individuals of different income levels. As shown in the following table, home mortgage lending to low-income borrowers lags the percentage of low-income families. However, the performance is reasonable when considering that 8.0 percent of families are below the poverty level. In addition, the percentage of home mortgage loans extended to moderate-income borrowers significantly exceeds demographic data.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Metropolitan Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	18.7	1	6.7	100	6.1
Moderate	19.4	5	33.3	297	18.1
Middle	23.2	3	20.0	303	18.4
Upper	38.8	4	26.7	811	49.4
Not Available	0.0	2	13.3	131	8.0
<b>Total</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,641</b>	<b>100.0</b>

*Source: 2020 US. Census; HMDA Reported Data*  
*Due to rounding, totals may not equal 100.0%*

## NONMETROPOLITAN ASSESSMENT AREA - Full Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area is comprised of Adams, Buffalo, Custer, Dawson, Frontier, Garfield, Gosper, Greeley, Hamilton, Kearney, Loup, Phelps, Sherman, Valley, and Wheeler counties. All of the counties are located in the nonmetropolitan portion of Nebraska. The bank significantly expanded this assessment area since the previous evaluation with the additions of Adams, Custer, Dawson, Frontier, Gosper, Greeley, Hamilton, Kearney, Loup, Phelps, and Wheeler counties. According to 2020 U.S. Census data, the assessment area contains 2 low-, 5 moderate-, 33 middle-, and 8 upper-income census tracts. The bank operates the Burwell and Ord full-service offices in Garfield and Valley Counties, respectfully. Both offices are located in middle-income census tracts. As aforementioned, the bank also operates a loan production office in Lexington in, which recently opened on April 1, 2024.

#### **Economic and Demographic Data**

The following table provides select demographic data for the Nonmetropolitan Assessment Area.

<b>Demographic Information of the Nonmetropolitan Assessment Area</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low ¾ of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper ¾ of #</b>
Geographies (Census Tracts)	48	4.2	10.4	68.8	16.7
Population by Geography	157,842	4.6	12.0	60.0	23.5
Housing Units by Geography	72,758	4.1	10.6	63.2	22.0
Owner-Occupied Units by Geography	44,189	2.3	9.9	63.2	24.6
Occupied Rental Units by Geography	19,615	8.7	13.9	58.6	18.8
Vacant Units by Geography	8,954	3.3	7.0	73.2	16.5
Businesses by Geography	19,595	2.2	8.9	67.8	21.0
Farms by Geography	3,696	0.4	3.3	83.0	13.3
Family Distribution by Income Level	41,783	18.0	17.7	22.3	41.9
Household Distribution by Income Level	63,804	21.8	15.8	18.8	43.6
Median Family Income - Nonmetropolitan Nebraska		\$71,424	Median Housing Value		\$143,309
Families Below Poverty Level		7.3%	Median Gross Rent		\$726
<i>Source: 2020 U.S. Census and 2023 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>					

Data from the 2020 U.S. Census reveals the population has remained relatively stagnant and the number of housing units grew by 2,267 units since 2015 American Community Survey data. The following table presents the FFIEC-estimated median family income levels for the nonmetropolitan portion of Nebraska, which examiners used to analyze home mortgage loans under the Borrower Profile criterion.

<b>Median Family Income Ranges - Nonmetropolitan Nebraska</b>				
<b>Year</b>	<b>Low &lt;SO%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper 2:120%</b>
2023 (\$88,400)	<\$44,200	\$44,200 to <\$70,720	\$70,720 to <\$106,080	2:\$106,080
<i>Source: FF/EC</i>				

The assessment area is largely rural and dependent on agriculture with 15.9 percent of the businesses operating in this industry according to 2023 D&B data. Data from the 2022 Census of Agriculture shows that area farms primarily raise grain and livestock. Livestock farmers typically raise cattle and grain farmers primarily grow corn and soybeans. The average farm size ranges from 588 to 2,730 acres for the counties in the assessment area.

In addition to agriculture, services comprise 28.5 percent of businesses in the assessment area. Area businesses, like farms, are also predominantly small operations; with 91.0 percent operating from a single location and 67.2 percent employing less than five employees, according to 2023 D&B data.

**Competition**

The assessment area is moderately competitive for financial products and services. According to the FDIC Deposit Market Share data as of June 2023, 51 financial institutions operated 112 branches in the assessment area. Of these institutions, Pathway Bank ranked 39<sup>th</sup> with 0.6 percent of the deposits.

**Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, agriculture, commercial, and home mortgage loans represent the primary credit needs of the assessment area.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE  
NONMETROPOLITAN ASSESSMENT AREA**

**LENDING TEST**

Pathway Bank demonstrated reasonable performance under the Lending Test in the Nonmetropolitan Assessment Area. Reasonable performance under the Geographic Distribution and Borrower Profile criteria supports this conclusion.

**Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion. Examiners focused on the percentage of loans made in the two low- and five moderate-income census tracts. Reasonable small farm, small business, and home mortgage lending performance supports this conclusion.

***Small Farm Loans***

The geographic distribution of small farm loans reflects reasonable dispersion. The bank did not make any small farm loans in low- or moderate-income census tracts; however, the comparable demographic data shows that only 0.4 and 3.3 percent of farms are located in the low- and moderate-income census tracts, respectively. In addition, these tracts are in located within the city

limits of Cozad, Hastings, Kearney, and Lexington where limited the agricultural opportunities exists. Lastly, 2022 small farm loan data collected from large institutions operating in the area shows that CRA reporters only extended less than 1.0 percent of small farm loans to operations in low-income census tracts and 1.4 percent in moderate-income census tracts, which also indicates low borrowing needs. Considering performance context, the bank's small farm loan dispersion is reasonable. The following table provides details.

<b>Geographic Distribution of Small Farm Loans</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	0.4	0	0.0	0	0.0
Moderate	3.3	0	0.0	0	0.0
Middle	83.0	61	100.0	6,073	100.0
Upper	13.3	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>61</b>	<b>100.0</b>	<b>6,073</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion. As shown below, the bank did not make any small business loans in low- or moderate-income census tracts. The low- and moderate-income tracts are located within the city limits of Cozad, Lexington, Hastings, and Kearney. The bank's nearest location to these tracts is the Grand Island branch; Hastings is approximately 33 miles from the branch and Kearney is approximately 42 miles from the branch. In addition, there are 10 financial institutions in Hastings and 16 financial institutions in Kearney. Overall, the bank's dispersion is reasonable when considering the distance of the low- and moderate-income tracts and the significant volume of other financial institutions within these communities.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	2.2	0	0.0	0	0.0
Moderate	8.9	1	2.0	300	4.7
Middle	67.8	47	95.9	6,023	94.3
Upper	21.0	1	2.0	65	1.0
<b>Totals</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>6,388</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion. Pathway Bank did not make any home mortgage loans in low- or moderate-income census tracts. As noted previously, the low- and moderate-income tracts are located in Cozad, Lexington, Hastings, and Kearney. Given the distance of the low- and moderate income tracts from the nearest branch and

the significant volume of other financial institutions within these communities the bank's dispersion is reasonable. The following table provides details.

<b>Geographic Distribution of Home Mortgage Loans</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	2.3	0	0.0	0	0.0
Moderate	9.9	0	0.0	0	0.0
Middle	63.2	12	80.0	1,065	68.1
Upper	24.6	3	20.0	498	31.9
<b>Total</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,563</b>	<b>100.0</b>

*Source: 2020 U.S. Census; HMDA Reported Data  
Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and low- and moderate-income individuals. Reasonable small farm, small business, and home mortgage lending performance supports this conclusion.

### ***Small Farm Loans***

The distribution of small farm borrowers reflects reasonable penetration among farms of different sizes. The bank's lending to farms with gross annual revenue of \$1 million or less is commensurate with the percentage of farms in this revenue category. The following table provides details.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	97.4	35	97.2	3,179	96.6
>\$1,000,000	1.7	1	2.8	111	3.4
Revenue Not Available	0.9	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>3,290</b>	<b>100.0</b>

*Source: 2023 D&B Data; Bank Data  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business borrowers reflects reasonable penetration among businesses of different sizes. The bank's lending to businesses with gross annual revenue of \$1 million or less is slightly below the demographic data, but still reasonably comparable. The following table provides details.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>¾</b>
<=\$1,000,000	85.9	21	70.0	2,605	49.1
>\$1,000,000	3.6	9	30.0	2,704	50.9
Revenue Not Available	10.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>5,309</b>	<b>100.0</b>
<i>Source: 2023 D&amp;B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

### **Home Mortgage Loans**

The distribution of home mortgage borrowers reflects reasonable penetration among individuals of different income levels. The institution's home mortgage lending to low-income borrowers is slightly less than demographic data, but compares reasonably to this data especially when considering that 7.3 percent of families are below the poverty level. In addition, home mortgage lending to moderate-income borrowers is comparable to demographic data. The following table provides details.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Nonmetropolitan Assessment Area</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	18.0	2	13.3	144	9.2
Moderate	17.7	3	20.0	61	3.9
Middle	22.3	1	6.7	210	13.4
Upper	41.9	5	33.3	590	37.8
Not Available	0.0	4	26.7	558	35.7
<b>Total</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>1,563</b>	<b>100.0</b>
<i>Source: 2020 US Census; HMDA Reported Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

## APPENDICES

### 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 institution'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; and
- 5) 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).

## 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 institution 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.

**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.

**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.

**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.

**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 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.

**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.

# Pathway Bank Branches and Locations

<p>Home Office-Cairo          306 S High Street          Cairo NE, 68824          (Hall County, NE- Census          Tract #0001.00)</p>	<p>Lobby Hours:  <ul style="list-style-type: none"> <li>• M-F 8:30-5:00</li> <li>• Closed Saturday</li> </ul>           Drive Thru Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-5:00</li> <li>• Saturday 8:30-11:00</li> </ul> </p>	<p>ATM at location</p>
<p>Ord Branch          124 S 14<sup>th</sup> Street          Ord NE, 68862          (Valley County-Census          Tract #9714.00)</p>	<p>Lobby Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul>           Drive Thru Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul> </p>	<p>ATM at location</p>
<p>Burwell Branch          817 H Street          Burwell NE, 68823          (Garfield County, NE-          Census Tract # 9732.00)</p>	<p>Lobby Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul>           Drive Thru Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul> </p>	<p>No ATM</p>
<p>Grand Island Branch          3333 W. State Street          Grand Island, NE 68803          (Hall County, NE -Census          Tract #0004.00)</p>	<p>Lobby Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul>           Drive Thru Hours:  <ul style="list-style-type: none"> <li>• M-F 8:00-4:00</li> <li>• Closed Saturday</li> </ul> </p>	<p>ATM at location</p>
<p>Lexington Branch          Full Service Since 2/2/2026          505 N Jackson Street          Lexington, NE 68850          (Dawson County NE,          Census Tract # 9681.00)</p>	<p>Lobby Hours:  <ul style="list-style-type: none"> <li>• M-F 8:30-5:00</li> <li>• Closed Saturday</li> </ul>           Drive Thru Hours:  <ul style="list-style-type: none"> <li>• No Drive Thru</li> </ul> </p>	<p>No ATM</p>

# Pathway Bank Services

## Deposit Products

- Checking Accounts
  - Pathway Advantage NOW
  - Pathway Plus NOW
  - Pathway Checking
  - Health Savings Account
  - Business Interest NOW
  - Business Checking
  - Karat Money Market
- Savings Accounts
  - Penny Pals Savings (Ages 0-12)
  - Pathfinder Savings (Ages 13-18)
  - Pathway Savings
  - Pathway Platinum Savings
  - Pathway Christmas Club
- IRA's
  - Traditional
  - Roth
  - Simple
  - Coverdell Education Savings Account (CESA)
  - Simplified Employee Pension Plan (SEP)
- Certificate of Deposits
  - Terms vary from 3 months to 5 years

## Lending Products

- Ag/Operating
- Consumer
- Commercial
- Home Equity
- Real Estate

## Other Products & Services

- Overdraft Protection Program
- Digital Banking-Consumer-Bill Pay Service-Mobile Deposit
- Cash Management-Business-ACH Origination, Remote Deposit Capture, & Positive Pay
- Credit Card via TCM Bank
- Safe Deposit Boxes
- Mobile Wallet EX: Apple Pay; Samsung Pay etc.

## Other Products & Services Continued

- Merchant Services: Talus-Provide machines & Software to allow our customers to accept card payments
- Cashier's Checks
- Wire Transfers
- Money Order
- VISA Gift Card
- VISA Travel Cards

## Insurance Products

- Health
- Life
- Home
- Auto
- Farm
- Commercial
- Motorcycle
- RV
- Crop
- Bonds
- Umbrella
- Travelers

\*\*\* All Insurance products are NOT A DEPOSIT ACCOUNT OR OTHER OBLIGATION of Pathway Bank. They are NOT GUARANTEED OR INSURED by Pathway Bank, the Federal Deposit Insurance Corporation (FDIC) or any federal government agency (except in the case of Federal Flood Insurance).

## Additional Fees

- All Checking & Savings Accounts (Except Pathway Plus Account)
  - \$3.00 per statement cycle if customer request paper statements. E-Statements are free.
  - \$3.00 Paper Statement Fee. E-Statements are free.
- Pathway Advantage
  - No ACH Credits- \$2.00 per statement cycle
  - Paper Statement- \$3.00 per statement cycle
- Health Savings Account
  - \$25.00 Set up fee
  - \$2.00 HSA Monthly Fee
  - \$30.00 Transfer Fee
  - \$3.00 Paper Statement Fee. E-Statements are free.
- Christmas Club Savings Account
  - No withdrawals or the account will be closed. Interest paid and checks cut on October 1 each year.
- Business Pathway Checking
  - \$0.10 per Check or ACH debit after 50 per statement cycle. \$5.00 Per Statement cycle if the average daily balance falls below \$500.00.
- Business Interest Checking
  - \$0.15 per check after 50 per statement cycle. \$5.00 if balance falls below \$5,000 any day in the statement cycle.
- 3 to 11 Month CD
  - 3 Months Interest
- 12 to 23 Month CD
  - 6 Month Interest
- 24 to 48 Month CD
  - 12 Month Interest
- 60 Months & Greater
  - 24 Months Interest

# Pathway Bank Mortgage Fee Schedule

Loan Origination Fees	\$650.00
Lender Closing Fee (NIFA Only)	\$150.00
Administration Fee (West Gate Only)	\$400.00
Appraisal Fee	\$425.00-\$800.00
Credit Report	\$21.50 TO \$250.00
Tax Service	\$84.00
Flood Certification	\$14.50-\$21.50
Fund Fee (NIFA Only)	\$400.00 - \$475.00
Underwriting Fee	\$250.00 to \$1,200.00
Underwriting RUSH Fee (WGB)	\$250.00
Settlement Fee	\$300.00-\$500.00
Escrow Waiver Fee	.25% of loan amount
Owner's Title Insurance (Dependent on purchase price and loan amount)	\$75.00-\$2,155.00
Lender's Title Insurance (Dependent on purchase price and loan amount)	\$75.00-\$2,155.00
Any Required Title Insurance Endorsements	\$25.00 per endorsement
Closing Protection Letter (On Purchases Only)	\$25.00 - \$50.00
Pest Inspection Fee	\$75.00-\$150.00
Processing Fee	\$400.00
NIFA Master Servicer Funding Fee	\$475.00
Tax Transcript Fee	\$24.00
Recording Fees	\$150.00 - \$250.00
Employment Verification (NIFA only)	\$269.00
Final Inspection (NIFA only)	\$275.00

# Common Features

## (Limits and Fees)

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Pathway Bank  
124 S 14th Street  
Ord, NE 68862  
(308) 392-3670

**The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:**

Cashier's Check Fee	\$5.00/check
Money Order Fee	\$3.00/check
Travel Card - Reloadable, Initial Purchase	\$8.00
Travel Card - Reloading Fee	\$4.95
Gift Card - Non-Reloadable	\$6.00
Temp Check Fee	\$1.00 (4 checks)
Check Cashing - Non-Customer	Checks < \$500 = \$5.00 fee; Checks > \$500 = \$10.00 fee
Coin Counting - Non-Customer	10% of total (\$5.00 minimum)
Stop Pay Fee - All Items	\$20.00
Statement Copy - On Demand	\$4.00
Activity Journal	\$1.00/page
Undeliverable, Returned, Forward Mail	\$5.00/item
Dormant Fee	\$2.00/Cycle
Checking Account - An Account is Inactive if for one year, 12 months, there has been no deposits or withdrawals to the account.	
Garnishment or Levy Fee	\$40.00
Collections	\$30.00/item
Escheatment Fee	\$40.00
Photocopies	\$.25/page
Fax Services	\$1.00/page
Visa Debit Card - Replacement Card	\$7.00
Foreign ATM Transactions	\$2.50 each after 4 transactions
Foreign Check Conversion	\$10.00/check

Foreign Currency Return Fee	\$15.00 minimum
Foreign Currency Order	\$25.00 minimum
Visa Debit Card Rush Order Request	\$25.00/card
Account Verification Fee	\$10.00
Bounce (OD Item Charge)	\$30.00/item/representation
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, representation, or other electronic means.	
Bounce Limit	\$150.00 max charge/day
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, representation, or other electronic means.	
Nonsufficient Funds (NSF Item Chg-Paid)	\$30.00/item/representation
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, representation, or other electronic means.	
Nonsufficient Funds (NSF Item Chg-Return)	\$30.00/item/representation
Bounce Protection - Consumer	\$30.00/item paid/representation
\$500.00 Bounce Limit	
Bounce Protection - Business	\$30.00/item paid/representation
\$1000.00 Bounce Limit	
Account Research and Reconciliation Service	\$20.00/hour; \$20.00 minimum charge
External Transfer via ACH	\$15.00
Wire Transfer Fee Domestic	\$20.00/wire
Outbound (Wire To)	
Wire Transfer Fee International	\$50.00/wire
Outbound (Wire To)	
Imaged Statement on CDRom	\$25.00/year/account
Safe Deposit Rental Payment	\$20.00/year
Box Size 3X5	
Safe Deposit Rental Payment	\$25.00/year
Box Size 3X10	
Safe Deposit Rental Payment	\$30.00/year
Box Size 5X5	
Safe Deposit Rental Payment	\$35.00/year
Box Size 5X10	
Safe Deposit Rental Payment	\$50.00/year
Box Size 10X10	

Safe Deposit Box Replacement Key	\$35.00/key
Safe Deposit Box Drilling Fee	\$150.00 minimum
Safe Deposit Box Annual Late Fee	\$25.00 one time
Once a Safe Deposit Box is past due, a one time fee will be assessed.	
Currency Conversion Fee	1.00%
Cross-Border Fee	1.00%
The Currency Conversion Fee and the Cross-Border Fee will be assessed on transactions where the merchant is located outside the USA (International Transactions.)	
Special Coin/Currency Orders	\$10.00 minimum

# Pathway Bank Assessment Area

Board Approved 2/2024



State code	State Name	County Code	County Name	Census Tract	Tract Income Level
31	Nebraska	001	ADAMS COUNTY	965400	Upper
31	Nebraska	001	ADAMS COUNTY	965500	Middle
31	Nebraska	001	ADAMS COUNTY	965600	Upper
31	Nebraska	001	ADAMS COUNTY	965700	Middle
31	Nebraska	001	ADAMS COUNTY	965800	Moderate
31	Nebraska	001	ADAMS COUNTY	965900	Upper
31	Nebraska	001	ADAMS COUNTY	966000	Moderate
31	Nebraska	001	ADAMS COUNTY	966100	Low
31	Nebraska	001	ADAMS COUNTY	966200	Middle
31	Nebraska	019	BUFFALO COUNTY	968900	Middle
31	Nebraska	019	BUFFALO COUNTY	969000	Upper
31	Nebraska	019	BUFFALO COUNTY	969100	Middle
31	Nebraska	019	BUFFALO COUNTY	969202	Upper
31	Nebraska	019	BUFFALO COUNTY	969203	Upper
31	Nebraska	019	BUFFALO COUNTY	969204	Upper
31	Nebraska	019	BUFFALO COUNTY	969300	Moderate
31	Nebraska	019	BUFFALO COUNTY	969400	Middle
31	Nebraska	019	BUFFALO COUNTY	969500	Middle
31	Nebraska	019	BUFFALO COUNTY	969600	Low
31	Nebraska	019	BUFFALO COUNTY	969700	Middle
31	Nebraska	041	CUSTER COUNTY	971700	Middle
31	Nebraska	041	CUSTER COUNTY	971800	Middle
31	Nebraska	041	CUSTER COUNTY	971900	Middle
31	Nebraska	041	CUSTER COUNTY	972000	Middle
31	Nebraska	047	DAWSON COUNTY	968000	Middle

31	Nebraska	047	DAWSON COUNTY	968100	Middle
31	Nebraska	047	DAWSON COUNTY	968200	Middle
31	Nebraska	047	DAWSON COUNTY	968300	Middle
31	Nebraska	047	DAWSON COUNTY	968400	Moderate
31	Nebraska	047	DAWSON COUNTY	968500	Middle
31	Nebraska	047	DAWSON COUNTY	968600	Upper
31	Nebraska	063	FRONTIER COUNTY	961100	Middle
31	Nebraska	071	GARFIELD COUNTY	973200	Middle
31	Nebraska	073	GOSPER COUNTY	967600	Middle
31	Nebraska	077	GREELEY COUNTY	970900	Middle
31	Nebraska	079	HALL COUNTY	000100	Middle
31	Nebraska	079	HALL COUNTY	000200	Moderate
31	Nebraska	079	HALL COUNTY	000300	Middle
31	Nebraska	079	HALL COUNTY	000400	Middle
31	Nebraska	079	HALL COUNTY	000500	Middle
31	Nebraska	079	HALL COUNTY	000600	Upper
31	Nebraska	079	HALL COUNTY	000700	Moderate
31	Nebraska	079	HALL COUNTY	000800	Upper
31	Nebraska	079	HALL COUNTY	000900	Moderate
31	Nebraska	079	HALL COUNTY	001000	Middle
31	Nebraska	079	HALL COUNTY	001100	Middle
31	Nebraska	079	HALL COUNTY	001200	Upper
31	Nebraska	079	HALL COUNTY	001300	Middle
31	Nebraska	079	HALL COUNTY	001400	Middle
31	Nebraska	081	HAMILTON COUNTY	969100	Upper
31	Nebraska	081	HAMILTON COUNTY	969200	Middle
31	Nebraska	081	HAMILTON COUNTY	969300	Upper
31	Nebraska	093	HOWARD COUNTY	970500	Middle
31	Nebraska	093	HOWARD COUNTY	970600	Middle
31	Nebraska	099	KEARNEY COUNTY	966600	Middle
31	Nebraska	099	KEARNEY COUNTY	966700	Middle
31	Nebraska	115	LOUP COUNTY	972800	Middle
31	Nebraska	121	MERRICK COUNTY	966600	Middle
31	Nebraska	121	MERRICK COUNTY	966700	Middle
31	Nebraska	121	MERRICK COUNTY	966800	Middle
31	Nebraska	137	PHELPS COUNTY	967000	Middle
31	Nebraska	137	PHELPS COUNTY	967100	Middle
31	Nebraska	137	PHELPS COUNTY	967200	Middle
31	Nebraska	163	SHERMAN COUNTY	970100	Middle
31	Nebraska	175	VALLEY COUNTY	971300	Middle
31	Nebraska	175	VALLEY COUNTY	971400	Middle
31	Nebraska	183	WHEELER COUNTY	973600	Middle

# Pathway Bank Loan to Deposit Ratio

<b>2025</b>	
Quarter ending December 31, 2025	97.61%
Quarter ending September 30, 2025	99.77%
Quarter ending June 30,2025	97.07%
Quarter Ending March 31, 2025	89.00%
<b>2024</b>	
Quarter ending December 31, 2024	86.50%
Quarter ending September 30, 2024	91.62%
Quarter ending June 30,2024	90.37%
Quarter Ending March 31, 2024	86.47%



# Federal Housing Finance Agency Community Support Statement

FHFA Form 060  
OMB Number 2590-0005  
Expires 04/30/2026

**FHFA Federal Home Loan Bank (FHLBank) Member ID Number:** 53533

**Name of FHLBank Member Institution:** Pathway Bank

**Mailing Address:** 306 South High Street

**City:** Cairo

**Submitter Name:** Jodi Obermiller

**Work Email:** jobermiller@pathwaybank.com

**State:** NE

**Title:** Compliance Coordinator/BSA Officer

**Zip Code:** 68824

### Part I. Community Reinvestment Act (CRA) Standard:

**Most recent CRA rating:** Satisfactory

**Year of most recent CRA rating:** 2018

**Part II. First-time Homebuyer Standard:** All Federal Home Loan Bank members must complete either Section A or B of this part, except that members with "Outstanding" federal CRA ratings need not complete this part. Members should use data or activities for the previous or current calendar year in completing this part.

**A. Complete the following two questions:** If your institution did not make, or did not track, mortgage loans to first-time homebuyers, you must complete Section B of this part.

- 1. Number of mortgage loans made to first-time homebuyers 0
- 2. Dollar amount of mortgage loans made to first-time homebuyers \$0

### B. Check as many as applicable:

- 1. Offer in-house first-time homebuyer program (e.g., underwriting, marketing plans, outreach programs) No
- 2. Other in-house lending products that serve first-time homebuyers or low- and moderate-income homebuyers Yes
- 3. Offer flexible underwriting standards for first-time homebuyers Yes
- 4. Participate in nationwide first-time homebuyer programs (e.g., Fannie Mae, Freddie Mac) Yes
- 5. Participate in federal government programs that serve first-time homebuyers (e.g., FHA, VA, USDA RD) Yes
- 6. Participate in state or local government programs targeted to first-time homebuyers (e.g., mortgage revenue bond financing) Yes
- 7. Provide financial support or technical assistance to community organizations that assist first-time homebuyers No
- 8. Participate in loan consortia that make loans to first-time homebuyers No
- 9. Participate in or support special counseling or homeownership education targeted to first-time homebuyers No
- 10. Hold investments or make loans that support first-time homebuyer programs No
- 11. Hold mortgage-backed securities that may include a pool of loans to low- and moderate-income homebuyers Yes
- 12. Use affiliated lenders, credit union service organizations, or other correspondent, brokerage or referral arrangements with specific unaffiliated lenders, that provide mortgage loans to first-time or low- and moderate-income homebuyers Yes
- 13. Participate in the Affordable Housing Program or other targeted community investment/development programs offered by the Federal Home Loan Bank No
- 14. Other (attach description of other activities supporting first-time homebuyers; see instructions for Part II) No
- 15. None of the above (attach explanation of any mitigating factors; see instructions for Part II) No

**If you checked Question 14 or 15, please explain below. If your explanation will exceed 300 characters, please upload a file containing your explanation and supporting documents:**

**Supporting documents:**

### Part III. Certification:

By submitting this Community Support Statement, I certify that I am a senior official of the above institution, that I am authorized to provide this information to FHFA, and that the information in this Statement and any attachments is accurate to the best of my knowledge.

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

## **Home Mortgage Disclosure Act**

The HMDA data about our residential lending is available online for review. The data shows geographic distribution of loans and applications; ethnicity, race, sex, age and income of borrowers; and information about loan approvals and denials. This data is available online at the Consumer Financial Protection Bureau's website ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)). HMDA data for many other financial institutions is also available at this website.