

OSB COMMUNITY BANK SERVES THE CREDIT NEEDS OF ITS COMMUNITIES

OSB Community Bank serves the credit needs of our communities through our three full-service branch facilities along with a team of highly trained and experienced mortgage loan originators. The Bank offers a full range of commercial and consumer loan products, however, remaining true to our core mission, the Bank focuses on providing a wide array of consumer-based residential mortgage loan products tailored to fit the financial needs of our customers and promote a high level of home ownership within our markets.

The Bank's consumer mortgage products include conventional fixed and adjustable-rate loans with amortization terms up to thirty years. Traditionally, the minimum down payment toward the purchase of a home was 20%. The Bank realizes, however, that this could potentially result in a barrier to homeownership for many individuals within our markets such as first-time buyers and those of modest economic means. To assist these borrowers, the Bank offers several lower down payment alternatives which are discussed below, along with a down payment and closing cost assistance grant program through the Federal Home Loan Bank of Chicago (FHLBC). And while affordability is always of the utmost importance, the Bank does allow debt-to-income ratios on its consumer mortgage programs up to the highest limits allowed by law or the loan program to accommodate applicants with lower income levels.

As noted above and more specifically, in addition to our conventional consumer mortgage products, the Bank offers FHA financing. The FHA program has a minimum down payment requirement of 3.5% which benefits those who wish to purchase a home, but who have not had the ability to save substantial funds for a down payment. In 2024, the Bank originated just over \$1.9 million in FHA loans and in 2025, this figure decreased to just over \$1.7 million.

In mid-2016 we rolled out the Home Possible, Home Possible Advantage, and Home One Programs, which we offer through the Federal Home Loan Mortgage Corporation (Freddie Mac). These programs allow for a minimum down payment of 3% and 5% and are income-driven programs centered around the median income levels for the area in which the home is located. These income limits, however, do not apply when Freddie Mac determines the area to be underserved, which both LaSalle and Grundy Counties are for purposes of the program, making its availability more widespread within the markets we serve. In mid-2018 we started the Home Ready program, which we offer through Fannie Mae. This income-driven program requires 3% down payment. In 2024, we originated \$362,722.00 in Home Possible Advantage, Home Possible Loans, Home One and Home Ready programs. In 2025, this figure increased significantly and the Bank originated \$1,417,678.00 in these special loan programs.

In addition to these low-down payment programs, the Bank also offers two consumer mortgage loan programs which require no down payment to qualified borrowers. First the Bank offers 100% VA financing to qualified members of the military, veterans, reservists, and National Guard members. The Bank originated \$2.8 million VA loans in 2024 and in 2025, this figure decreased to \$1.8 million.

Secondly, the Bank offers a 100% financing option to qualified borrowers through the USDA's Rural Housing program. This program is designed to assist low- and moderate-income borrowers, as determined by the program's income guidelines, within our market areas. The Bank originated \$500,00.00 in loans under this program in 2024, and in 2025, this figure decreased to \$154,000.00.

As mentioned above, the Bank participates with the FHLBC in its Down Payment Plus (DPP) program which is a down payment and closing cost assistance program for very low-, low- and moderate-income borrowers. The funds for this program are provided by the FHLBC, and the assistance is provided in the form of a forgivable grant at the time the borrower closes on first mortgage financing for the purchase of their home. Funds are available on first-come, first-served basis and can be combined with other borrower assistance programs. In 2024, the Bank secured \$28,750.00 in DPP grant funds for its borrowers, and in 2025 we secured \$20,000.00.

OSB Community Bank is proud of our performance in serving the consumer mortgage financing needs of the communities in which we operate, and we are confident that the consumer mortgage programs we offer effectively meet the credit needs of our customer base. We truly believe that a high level of home ownership promotes stronger communities and substantially adds to the quality of life for the residents of those communities. We welcome any comments or questions you may have regarding our lending initiatives.