

# Freedom Bank – CRA Assessment Area Narrative 2025-2026

## Introduction

Freedom Bank, headquartered in Columbia Falls, Montana, is a locally owned, single-location community bank dedicated to primarily serving the financial needs of Flathead County. The surrounding Counties are also included in the general lending area. The Bank's mission extends beyond traditional banking by actively promoting economic inclusion, community development, and long-term financial stability in alignment with the Community Reinvestment Act (CRA).

Freedom Bank operates with a relationship-based banking model that emphasizes individualized underwriting, local decision-making, and flexible credit solutions. This approach enables the Bank to effectively serve low- and moderate-income (LMI) individuals, small businesses, and underserved populations that may not meet standardized credit criteria.

## Community Development & Responsiveness

Freedom Bank demonstrates strong responsiveness to community needs through community development activities.

### Key Community Development Activities:

- Affordable housing project support
- Support of workforce development programs
- Financial literacy and fraud prevention initiatives
- Board-level involvement in regional healthcare access

### Highlight – Columbia Falls Kids Foundation

- Adaptive reuse of an historic building for community services
- Provides childcare, youth programming, and nutrition services
- Space leased to nonprofits at **\$1/year**

The Bank's CRA strategy is grounded in:

- Data-driven assessment of community needs
- Ongoing engagement with local stakeholders
- Targeted lending, investment, and service initiatives

This narrative integrates current demographic and economic data to demonstrate how Freedom Bank identifies and responds to evolving community needs within its assessment area.

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## Loan-to-Deposit Ratio 4/20/26 YTD

Average Net Loans: \$130,300,000

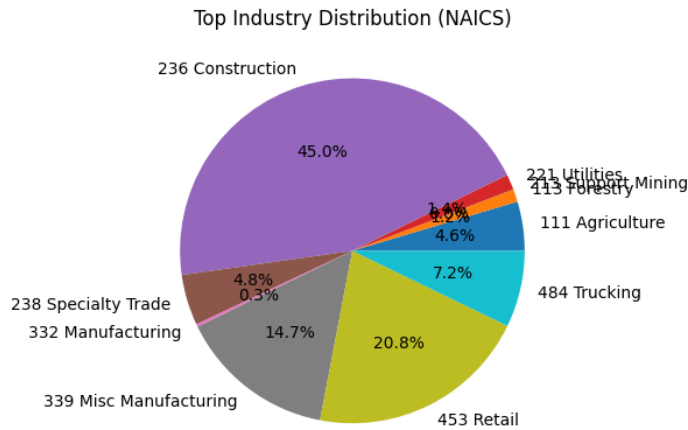
Average Deposits: \$126,820,000

Loan-to-Deposit Ratio: 102.7%

## NAICS Industry Distribution

Industry (NAICS)	Balance	% of Total
111 Agriculture	\$2,916,039	2.0%
113 Forestry	\$743,093	0.5%
213 Support Mining	\$8,543	0.0%
221 Utilities	\$913,146	0.6%
236 Construction	\$28,483,813	19.1%
238 Specialty Trade	\$3,017,561	2.0%
332 Manufacturing	\$161,000	0.1%
339 Misc Manufacturing	\$9,322,510	6.3%
453 Retail	\$13,181,139	8.9%
484 Trucking	\$4,542,898	3.1%
531 Real Estate	\$7,601,258	5.1%
532 Leasing	\$22,943,167	15.4%
541 Professional Services	\$18,301,319	12.3%
561 Admin Services	\$1,217,263	0.8%
611 Education	\$3,851,580	2.6%
621 Ambulatory Health	\$106,913	0.1%
622 Hospitals	\$3,844,610	2.6%
711 Arts	\$590,439	0.4%
713 Recreation	\$9,664,411	6.5%
721 Accommodation	\$8,733,850	5.9%
722 Food Service	\$359,580	0.2%
811 Repair	\$4,504,644	3.0%
812 Personal Services	\$81,951	0.1%
814 Private Households	\$3,674,022	2.5%

## Industry Distribution Chart



## Assessment Area Definition & Lending Concentration

Freedom Bank's primary assessment area consists of **Flathead County, Montana**, where the Bank originates the substantial majority of its loans.

- **80.08% of total loan balances** are within Flathead County
- Lending includes both **commercial (80.05%)** and **consumer (80.17%) concentrations** within the county

This high level of geographic concentration demonstrates a strong commitment to serving the local community and is consistent with CRA expectations for community banks.

## CRA – ZIP-Based LMI Allocation Map (Estimated)

This map and analysis are based on ZIP Code Service Area (CSZ) allocation methodology. Because loans are not coded by census tract, ZIP-level allocation is used as a reasonable proxy for CRA geographic distribution. ZIPs were aligned with predominant income characteristics based on HUD and ACS data.

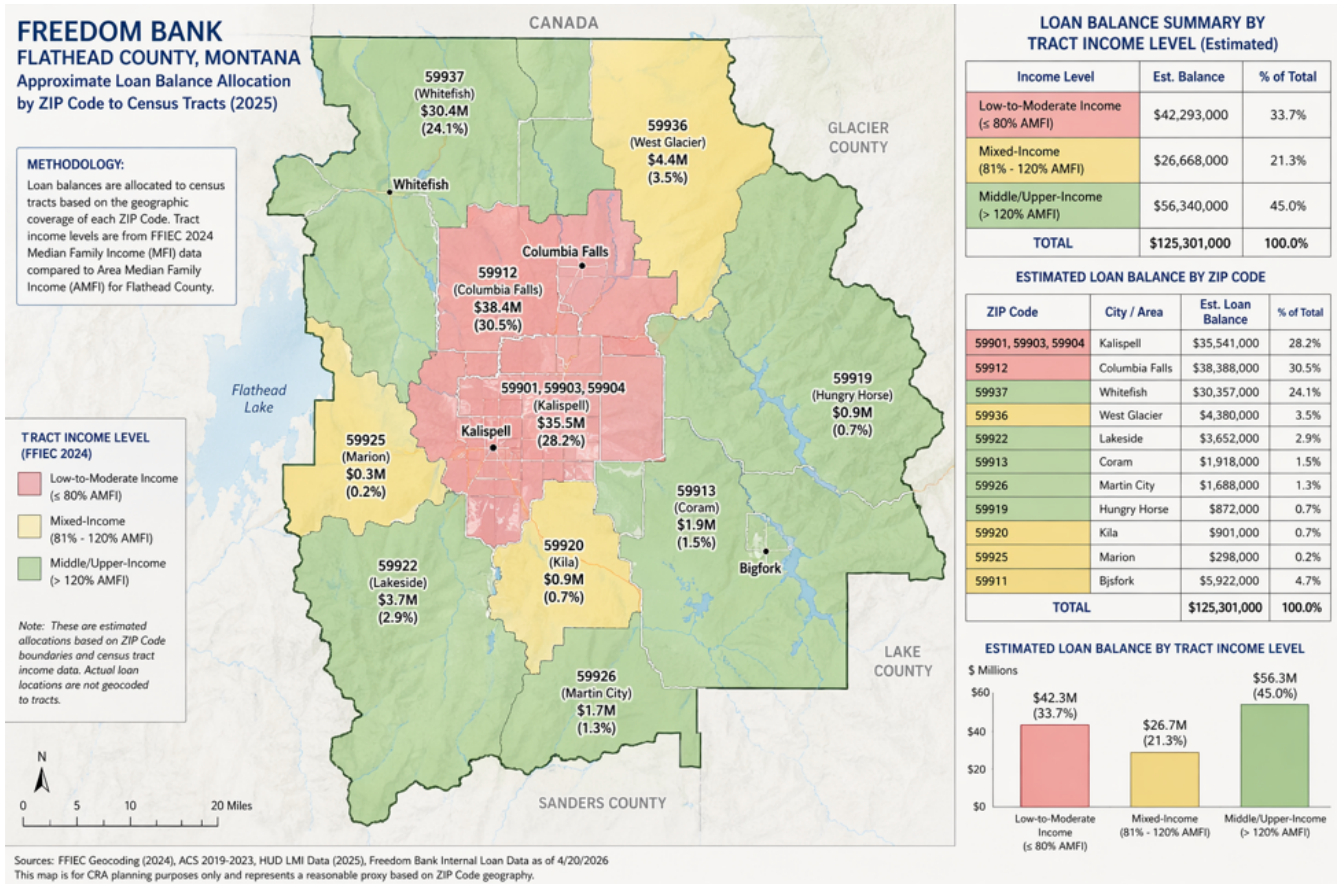
# ZIP-Based Allocation Summary

Zone	Estimated Loan %
LMI Concentration	35%
Mixed Income	40%
Rural / Other	25%

**Primary Areas**  
 Kalispell (59901, 59903, 59904), Columbia Falls (59912)  
 Whitefish (59937), Bigfork (59911), Lakeside (59922)  
 Coram, Hungry Horse, Martin City, Rural ZIPs

## Visual Distribution

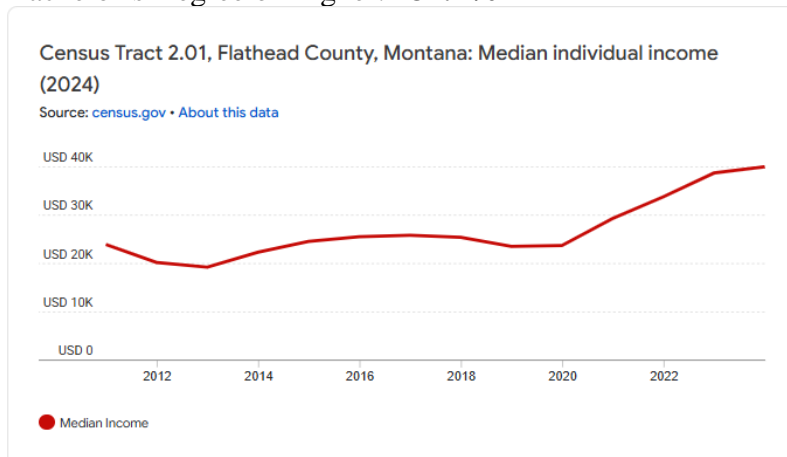
This distribution demonstrates that Freedom Bank maintains meaningful lending presence in LMI geographies while also serving broader community needs across mixed-income and rural areas. This approach is consistent with CRA expectations for geographic dispersion and responsiveness.



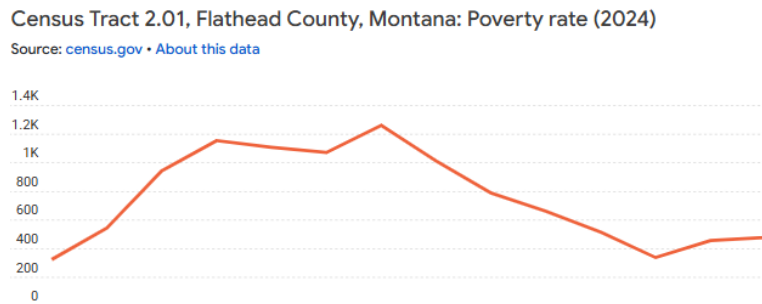
# Demographic Overview

Flathead County continues to experience sustained growth and demographic shifts:

- Population: **115,429 (2025 estimate)**
- Growth: **+10.6% since 2020**
- Median Household Income: **~\$73,925** (in 2024 \$)
- Owner occupied housing unit rate: **72.4%**
- Poverty Rate: **~8.6%** (improved from last year)
- Residents under 18: **~21.6%**
- Bachelor's Degree or Higher: **~37.2%**



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Additional insights from supporting data:

- **21.7% of population is age 65+**, indicating significant senior needs
- **Veterans comprise ~8.1%** of the population
- **Foreign-born population remains low (~2–3%)**, but growing modestly (page 8)

## CRA Implication:

Population growth combined with aging demographics and moderate income levels creates:

- Increased demand for **affordable housing**
- Expanded need for **retirement and fixed-income financial services**
- Continued importance of **financial literacy and fraud prevention**

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## Economic Landscape

Flathead County's economy is diverse but constrained by structural challenges:

### Key Industries:

- Tourism and recreation
- Construction and skilled trades
- Small business and service sector
- Healthcare and education

### Identified Challenges:

1. **Housing Affordability**
  - Median home values and rents have risen significantly
  - Limits access for LMI households and workforce
2. **Workforce Constraints**
  - Tight labor market with skills gap
  - High demand for vocational training
3. **Income Disparities**
  - Pockets of poverty persist despite overall economic growth
  - Seniors and working families disproportionately affected

### CRA Implication:

These conditions support strong CRA consideration for:

- Affordable housing lending
- Small business and microenterprise financing
- Workforce development support
- Affordable childcare

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## Housing Market & Affordability

Housing data highlights a critical CRA opportunity:

- Homeownership rate: **~72.4%**
- Median housing value **\$535,500** exceeds affordability for many LMI borrowers
- Limited inventory and rising costs restrict entry-level buyers

### CRA Relevance:

Freedom Bank's efforts in:

- Affordable housing development and financing lower cost housing
- First-time homebuyer support
- Flexible underwriting

are highly responsive to identified community needs.

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# Community Needs & Strategic Response

Freedom Bank's CRA program is built around targeted responses to clearly defined needs:

## 1. Affordable Housing

- Financing partnerships with developers and nonprofits
- Focus on projects benefiting LMI households

## 2. Small Business Development

- Flexible underwriting and advisory services
- Support for startups and local entrepreneurs

## 3. Workforce Development & Education

- Support for vocational programs and adult education
- Engagement with schools and training organizations

## 4. Healthcare Access

- Leadership involvement in Logan Health governance
- Advocacy for rural healthcare accessibility

## 5. Community Services for LMI Populations

Support includes:

- Youth programs
- Disability services
- Senior assistance initiatives

### Organizations supported include:

- Boys & Girls Club
  - Land to Hand Montana
  - Columbia Falls Kids Foundation
  - Gateway to Early Learning preschool
  - CASA for Kids
  - Special Olympics
  - Dream Adaptive
  - Two Bear Therapeutic Riding Center
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# Community Development Innovation Highlight

## Columbia Falls Kids Foundation

This initiative represents a **high-impact CRA-qualified community development activity**:

- Adaptive reuse of historic building into youth-focused community center
- Provides:
  - Childcare
  - Youth programs
  - Nutrition services
- Nonprofits lease space at **\$1/year**, maximizing service delivery

### CRA Significance:

- Direct benefit to **LMI families and youth**
  - Demonstrates **leadership-level community development engagement**
  - Aligns with **revitalization/stabilization and community services criteria**
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## Digital Banking, Security & Financial Literacy

Freedom Bank has identified digital inclusion and fraud prevention as emerging CRA priorities:

- Proactive fraud education, especially for seniors
- Cybersecurity awareness initiatives
- One-on-one financial counseling

### CRA Impact:

- Protects vulnerable populations from financial loss
  - Enhances long-term financial stability
  - Supports access to modern banking services
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## Loan Distribution & Geographic Penetration

Loan data demonstrates strong penetration throughout the assessment area:

- Significant balances in:
  - Columbia Falls: **\$38.3MM**
  - Whitefish: **\$30.3MM**
  - Kalispell: **\$35MM+ combined ZIPs**
- Lending also present in smaller/rural communities:
  - Coram, Hungry Horse, Martin City, Polebridge

## **CRA Implication:**

- Indicates **broad geographic dispersion**
  - Demonstrates service to **rural and smaller population centers**, consistent with CRA expectations
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## **Performance Context & Strengths**

### **Key Strengths:**

- High percentage of lending within assessment area (~80%)
- Strong community development involvement
- Demonstrated responsiveness to housing and workforce needs
- Leadership engagement in community initiatives
- Flexible, relationship-based lending model

## **Conclusion**

Flathead County remains a growing and evolving community with both opportunities and challenges. Freedom Bank has demonstrated a consistent and meaningful commitment to meeting the credit and service needs of its assessment area, particularly for low- and moderate-income individuals and underserved populations.

Through:

- Strong local lending concentration
- Strategic community partnerships
- Innovative development initiatives
- Financial education and outreach

Freedom Bank continues to fulfill both the **letter and spirit of the Community Reinvestment Act**.

The Bank's localized, relationship-driven approach positions it to remain a key contributor to the long-term economic vitality and inclusiveness of Flathead County and the surrounding areas.