



## **PUBLIC DISCLOSURE**

October 12, 2021

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Cendera Bank, National Association  
Charter Number: 7524

615 East Bells Boulevard  
Bells, TX 75414

Office of the Comptroller of the Currency

225 E. John Carpenter Freeway, Suite 900  
Irving, Texas 75062

Note: 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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## Table of Contents

OVERALL CRA RATING.....	1
DESCRIPTION OF INSTITUTION.....	2
SCOPE OF THE EVALUATION.....	3
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	4
STATE RATING.....	5
APPENDIX A: SCOPE OF EXAMINATION.....	10
APPENDIX B: SUMMARY OF STATE RATING.....	1
APPENDIX C: DEFINITIONS AND COMMON ABBREVIATIONS .....	1
APPENDIX D: TABLES OF PERFORMANCE DATA.....	1

## Overall CRA Rating

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

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment areas (AAs).
- The Loan-To-Deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its AAs.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels is reasonable.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is more than reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 91.6 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 73.5 percent.

## Lending in Assessment Area

A majority of the bank's loans are inside its AAs.

The bank originated and purchased 80.6 percent of its total number of loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
<b>Home Mortgage</b>										
2018	31	67.4	15	32.6	46	7,468	67.3	3,629	32.7	11,097
2019	36	83.7	7	16.3	43	10,503	86.9	1,579	13.1	12,081
2020	18	90.0	2	10.0	20	2,980	90.9	294	8.9	3,274
<b>Subtotal</b>	85	77.9	24	22.1	109	20,950	79.2	5,502	20.8	26,452

<b>Small Business</b>										
2018-2020	19	95.0	1	5.0	20	1,998	86.2	320	13.8	2,318
<b>Total</b>	104	80.6	25	19.4	129	22,948	79.8	5,822	20.2	28,770
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

Cendera Bank, National Association (CBNA or the bank) was a \$120.3 million institution, as of December 31, 2020, and is a wholly owned subsidiary of Cendera Financial Holdings, Inc., headquartered in Bells, Texas. The town of Bells is located approximately 70 miles north of Dallas, Texas and 13 miles east of the City of Sherman, Texas. Bells is a small rural town of approximately 1,565 people according to the 2020 U.S. Census data. The population increased 12.4 percent from the 2010 U.S. Census.

CBNA is an intrastate full-service community bank that offers personal and business loans and deposit products and services. Loan products include residential real estate loans for home purchase, improvement, refinance, and equity lines of credit, as well as a selection of commercial, small business, and agricultural loans. CBNA also offers numerous consumer and business deposit services, including savings and checking accounts, certificates of deposit, and individual retirement accounts. Alternative banking services include mobile banking, internet banking with bill pay, wire transfer services, debit cards, voice access and remote deposit capture. There are also other services available including safe deposit boxes and U.S. savings bonds. The bank has special accounts with reduced fees or no monthly service charge for senior citizens and students. The full range of services, including a deposit taking Automated Teller Machines (ATM) are available at:

- 615 E. Bells Boulevard, Bells, Texas 75414 (Main Office) — Middle-Income Census Tract, CT 1.02, (Grayson County)
- 3740 Benbrook Highway, Fort Worth, Texas 76116 (Branch) — Moderate-Income Census Tract, CT 1023.01, (Tarrant County)

CBNA also operates a limited service branch with a deposit taking ATM at:

- 1105 North Ole Ambrose Road, Bells, Texas — Middle-Income Census Tract, CT 1.01, (Grayson County)

In addition to the three branches and their ATMs, CBNA has four non-deposit taking ATMs: one located in Bells, two in Pottsboro, and one in Denison, all of which are located in Grayson County. The lobby and drive-thru hours are set by each branch location and the ATMs offer 24-hour access. In June and July 2021 (outside of the evaluation period), the bank opened two Loan Production Offices in Tyler (Smith County) and Dallas (Dallas County), Texas.

The bank's strategic plan remains focused on growth, primarily in 1-4 family residential real estate. Management and the Board had pursued the affiliate relationship with Cendera Funding Inc. by taking referrals for construction 1-4 family loans from them. Cendera Funding Inc. has since closed, and the

bank has set up a similar relationship with Service First Mortgage in McKinney, TX. The primary business line is residential mortgages and small business loans. The residential mortgages are focused on owner-occupied 1-4 family units, interim construction, and jumbo mortgages. The single-family mortgage market is growing with the relocation of many corporate headquarters into the Dallas-Fort Worth metropolitan area.

We evaluated CBNA based on three AAs:

- Dallas/Fort Worth Metropolitan Statistical Area (MSA)
- Non-MSA
- Sherman/Denison MSA

The Dallas/Fort Worth MSA AA (DFW AA) is comprised of the entire geographies of Collin, Dallas, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise counties, which constitute the Dallas/Fort Worth/Arlington MSA. The AA has 1,312 CTs. Within the AA, there are 423 upper-income CTs, 377 middle-income CTs, 336 moderate-income CTs, 169 low-income CTs, and 7 other CTs.

The Non-MSA AA is comprised of the entire geographies of Cooke, Fannin, and Montague counties. The county has 23 CTs. Within the Non-MSA, there are 5 upper-income CTs, 14 middle-income CTs, 4 moderate-income CTs, and no low-income CTs.

The Sherman/Denison MSA AA (Sherman/Denison AA) is comprised of the entire geography in Grayson County, which constitutes the Sherman/Denison MSA. The county has 26 CTs in which the bank has its main office and a limited service branch. Within the AA, there are 6 upper-income CTs, 12 middle-income CTs, 8 moderate-income CTs, and no low-income CTs.

The bank's three AAs meet the requirements of the CRA regulation, and the bank does not arbitrarily exclude any low- and moderate-income (LMI) geographies.

As of December 31, 2020, CBNA reported total assets of \$120.3 million, total liabilities of \$106.9 million, and capital of \$13.4 million. Gross loans totaled \$91.3 million, which represented 75.9 percent of assets. Residential loans accounted for the largest percentage of gross loans at 60.5 percent. Commercial real estate and commercial loans totaled 29.5 percent and 8.9 percent, respectively. Consumer loans totaled 0.5 percent of loans. Farm and agriculture loans represented only 0.4 percent of gross loans. Total investments were \$23.9 million and were comprised solely of interest-bearing bank deposits. Tier 1 capital was \$13.4 million. Based on these numbers and the origination volumes, we determined the bank's primary lending products for this evaluation are residential real estate mortgages and business loans.

The previous CRA evaluation, dated May 1, 2017, assigned a "Satisfactory" rating to the bank. There are no legal or financial impediments to CBNA's ability to meet the credit needs of its AAs.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation (PE) assesses the bank's performance under the Lending Test. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) for 2018 and 2019 and a sample of residential mortgage loans for 2020. Due to Office of Management and Budget (OMB) changes, there was a need to produce separate tables for 2018 and 2019. We also selected samples for 2018-2020 small business loans. Analysis of loans inside the AA contained all loan types as that ratio is evaluated on a bank-wide basis. The evaluation period for the Lending Test is January 1, 2018, through December 31, 2020.

For geographic and borrower distribution analyses, loans originated in 2019 through 2020 were compared to the 2015 American Community Survey (ACS) Census data for mortgages and the 2019 Dun & Bradstreet (D&B) Data for loans to small businesses.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

CBNA has three AAs. As previously stated in the "Description of the Institution", the DFW AA is made up of 1,312 CTs and covers the Dallas/Fort Worth/Arlington MSA. The AA includes one of the bank's three branches. We selected the DFW AA for a full-scope review as the DFW AA accounts for the majority of the bank's residential lending as a result of their relationship with Cendera Funding Inc. and Service First Mortgage in McKinney, TX, which originated loans throughout the DFW metropolitan area during the assessment period. This is a Metropolitan Division as well. Deposits from this AA represented 16.8 percent of the bank's total deposits. For this evaluation period, we selected the Sherman/Denison AA and the Non MSA AA as limited-scope reviews. These AAs include two branches. These AAs account for 83.2 percent of total deposits.

### **Ratings**

The bank's overall rating is based on the performance in the State of Texas. The state rating is based on performance in all bank AAs with the most weight placed on the full-scope AA. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. Lending to residential mortgage loan type received the most weight and then lending to small businesses was considered. Refer to the "Scope" section under the "State Rating" section for details regarding how the areas were weighted in arriving at the respective ratings.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans

have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## **State Rating**

### **State of Texas**

**CRA rating for the State of Texas<sup>1</sup>:** Satisfactory.

**The Lending Test is rated:** Satisfactory.

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

### **Description of Institution’s Operations in Texas**

The bank operates in three AAs in the State of Texas as described in the “Description of the Institution” and the “Scope of Evaluation” sections of this PE. The bank’s primary focus based on overall dollar amounts held in portfolio is residential mortgage loans and small business loans.

Competitors, in all markets, include other local community banks and some of the United States’ largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential, business, and consumer loans.

Community credit needs in the full-scope AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank’s AAs, and a review of community contacts with organizations that provide services within the full-scope AAs.

---

<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

### DFW AA

The bank has one branch in the DFW AA. Total bank deposits in this AA totaled \$18.2 million or 16.8 percent of the bank's total deposits, as of December 31, 2020. The bank does not have a notable market share in this AA compared to its competitors. The bank chooses to serve this AA since most of their mortgage loans are originated in this AA through either Cendera Funding Inc. (affiliate) and/or Service First Mortgage. The bank's Fort Worth office is in a moderate-income tract in Tarrant County. Less than 13 percent of the census tracts are designated as low-income and less than 26 percent are designated moderate-income. There are no underserved and distressed CTs in the MSA.

The community contact for the DFW AA is an organization that serves the citizens of Tarrant County through community development and housing programs using a variety of funding sources to meet the county's housing and community development needs. The most critical need identified from this contact was housing-related credit opportunities: outreach events, financial education, and participation in home ownership programs for LMI families. In addition, there is a need for increased partnerships for programs such as homeowner rehab regarding bringing a home up to current building codes for lower income and senior housing. The contact indicated that COVID-19 has caused uncertainty; however, it was noted the contact felt the local financial institutions were doing a good job in balancing loan demand with resources.

### Non-MSA AA

The bank does not have a notable deposit market share in the Non-MSA. The moderate-income census tracts represent 17.4 percent of all CTs in the MSA. The Non-MSA does not have any underserved or distressed CTs.

### Sherman/Denison AA

The bank has its main office and a limited service branch in the Sherman/Denison AA which had deposits totaling \$90.4 million or 83.2 percent of the bank's deposits as of December 31, 2020. The bank does not have a notable deposit market share in Sherman/Denison AA. CBNA has 4.8 percent of the market share out of 15 lenders. The moderate-income census tracts represent 30 percent of all CTs in the MSA. There are no underserved or distressed CTs.



The following table depicts the demographic information for the full scope AA in Texas.

## DFW AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Dallas MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,312	12.9	25.6	28.7	32.2	0.5
Population by Geography	6,771,641	10.8	24.9	30.5	33.7	0.1
Housing Units by Geography	2,583,855	11.3	23.9	30.9	33.7	0.2
Owner-Occupied Units by Geography	1,429,830	5.1	19.3	32.4	43.2	0.1
Occupied Rental Units by Geography	953,182	18.8	29.9	29.3	21.6	0.3
Vacant Units by Geography	200,843	19.4	27.9	28.7	23.8	0.3
Businesses by Geography	730,195	6.7	18.0	28.1	46.5	0.6
Farms by Geography	13,401	4.5	16.2	33.8	45.1	0.4
Family Distribution by Income Level	1,654,593	23.3	16.5	18.2	41.9	0.0
Household Distribution by Income Level	2,383,012	23.8	16.5	17.7	41.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$175,471
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$978
			Families Below Poverty Level			11.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Texas

As discussed earlier, the DFW AA was selected for a full-scope review. Refer to the table in Appendix A for a list of all AAs.

## Lending Test

The bank's performance under the Lending Test in Texas is rated Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the DFW AA is good.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

***Home Mortgage Loans***

The geographic distribution of mortgage loans in the AA is reasonable. Refer to Table O in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

In 2018, the bank's mortgage lending in low-income and moderate-income geographies exceeded the aggregate lending in low-income and moderate-income CTs and was near the percentage of owner-occupied housing units located in low-income and moderate income CTs.

In 2019, the bank's mortgage lending in low-income and moderate-income geographies exceeded the aggregate lending in low-income and moderate-income CTs and was somewhat lower than the percentage of owner-occupied housing units in low-income and moderate-income CTs.

In 2020, the bank's mortgage lending in moderate-income geographies exceeded the aggregate lending in moderate-income CTs and was somewhat lower than the percentage of owner-occupied housing units in moderate-income CTs. The bank's mortgage lending in low-income geographies was significantly lower than the percentage of owner-occupied housing units in low-income CTs and the aggregate lending in moderate-income CTs. Less than 13 percent of the census tracts are designated as low-income in the AA.

***Small Loans to Businesses***

The geographic distribution of small loans to businesses is reasonable. Refer to Table Q in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

In 2018-2020, the bank's small loans to businesses in low-income and moderate-income geographies was somewhat lower than both the percentage of businesses located in low-income and moderate-income CTs and the aggregate lending to businesses located in low-income and moderate-income CTs.

***Lending Gap Analysis***

We evaluated the lending distribution in the bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

***Home Mortgage Loans***

The distribution of loans to low- and moderate-income individuals in the AA is reasonable. Refer to Table P in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In 2018, the bank's mortgage lending to low-income borrowers exceeded the aggregate lending to low-income families. The bank's mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income. For moderate-income borrowers, the bank's mortgage lending exceeded the percentage of the aggregate lending to moderate-income families and was near the percentage of families identified as moderate-income.

In 2019, the bank's mortgage lending to low-income borrowers exceeded the aggregate lending to low-income families. The bank's mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income. For moderate-income borrowers, the bank's mortgage lending was somewhat lower than the aggregate lending to moderate-income borrowers and lower than the percentage of families identified as moderate-income.

In 2020, the bank's mortgage lending to low-income borrowers exceeded the aggregate lending to low-income families. The bank's mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income. For moderate-income borrowers, the bank's mortgage lending was significantly lower than the percentage of families identified as moderate-income and the aggregate lending to moderate-income borrowers.

### ***Small Loans to Businesses***

The distribution of loans to small businesses in the AA is excellent. Refer to Table R in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

In 2018-2020, the bank's loans to businesses with revenues of less than or equal to \$1 million exceeded both the percentage of businesses identified as having revenues less than or equal to \$1 million and the aggregate lending to these businesses.

### **Responses to Complaints**

There were no complaints related to the institution's CRA performance within the State of Texas during the review period.

### **Conclusions for Areas Receiving Limited Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Non-MSA AA is weaker than the bank's overall performance under the Lending Test in the full scope area. The bank's mortgage lending in moderate income geographies was lower than the owner-occupied housing units, the percentage of families identified as moderate-income, and the aggregate lending. The bank's small loans to businesses in moderate-income geographies was somewhat lower than both the percentage of businesses located in moderate-income geographies and the aggregate lending. The Non-MSA AA does not have any low-income census tracts. However, the bank's loans to businesses with revenues of less than or equal to \$1 million exceeded both the percentage of businesses identified as having revenues less than or equal to \$1 million and the aggregate lending to these businesses. Generally, most mortgage loans are originated in the DFW AA and most business loans are originated in the Sherman/Denison AA and Fannin County in the Non-MSA AA.

The bank's performance under the Lending Test in the Sherman/Denison AA is consistent with the bank's overall performance under the Lending Test in the full scope area. For the Sherman/Denison AA and the Non-MSA AA, there were not enough mortgage loans for a meaningful analysis in 2020.

## **Appendix A: Scope of Examination**

The following table identifies the time-period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term "full-scope," and those that received a less comprehensive review, designated by the term "limited-scope".

<b>Time Period Reviewed:</b>	01/01/2018 – 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage and small business.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Texas		
DFW AA	Full Scope	1,312 Census Tracts located in Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall, Johnson, Parker, Tarrant, and Wise counties.
Non-MSA	Limited Scope	23 Census Tracts located in Cooke, Fannin, and Montague counties.
Sherman/Denison AA	Limited Scope	26 Census Tracts located in Grayson County.

## Appendix B: Summary of State Rating

---

<b>RATINGS</b>		<b>Cendera Bank, National Association</b>	
<b>Overall Bank:</b>		<b>Lending Test Rating</b>	
Cendera Bank, National Association		Satisfactory	
<b>State:</b>			
Texas		Satisfactory	

## Appendix C: Definitions and Common Abbreviations

---

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

**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, which 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).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

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

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

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.



**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
DFW AA	22	6,475	71.0	236,598	5.2	4.5	3.0	19.1	18.2	13.3	32.8	22.7	34.1	42.8	54.5	49.6	0.1	0.0	0.1
Non-MSA	3	509	9.7	2,324	0.0	0.0	0.0	7.8	0.0	4.9	62.2	100.0	56.2	30.0	0.0	38.9	0.0	0.0	0.0
Sherman/Denison AA	6	484	19.4	4,282	0.0	0.0	0.0	20.4	50.0	14.0	50.0	50.0	48.1	29.6	0.0	38.0	0.0	0.0	0.0
<b>Total</b>	<b>31</b>	<b>7,468</b>	<b>100.0</b>	<b>243,204</b>	<b>5.0</b>	<b>3.2</b>	<b>2.9</b>	<b>19.0</b>	<b>22.6</b>	<b>13.2</b>	<b>33.7</b>	<b>35.5</b>	<b>34.5</b>	<b>42.3</b>	<b>38.7</b>	<b>49.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
DFW AA	27	9,515	75.0	267,862	5.1	3.7	3.0	19.3	14.8	12.6	32.4	48.1	33.5	43.2	33.3	50.8	0.1	0.0	0.1
Non-MSA	6	565	16.7	2,570	0.0	0.0	0.0	7.8	0.0	5.1	62.2	100.0	57.1	30.0	0.0	37.8	0.0	0.0	0.0
Sherman/Dennison AA	3	423	8.3	4,941	0.0	0.0	0.0	20.4	33.3	15.9	50.0	66.7	46.2	29.6	0.0	37.8	0.0	0.0	0.0
<b>Total</b>	<b>36</b>	<b>10,503</b>	<b>100.0</b>	<b>275,373</b>	<b>4.9</b>	<b>2.8</b>	<b>2.9</b>	<b>19.1</b>	<b>13.9</b>	<b>12.6</b>	<b>33.2</b>	<b>58.3</b>	<b>33.9</b>	<b>42.7</b>	<b>25.0</b>	<b>50.5</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

*Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2020**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
DFW AA	20	4,207	1.0	410,187	5.1	0.0	2.5	19.3	15.0	10.6	32.4	50.0	32.2	43.2	35.0	54.6	0.1	0.0	0.1
Non-MSA	--	--	--	3,599	0.0	--	0.0	7.8	--	4.7	62.2	--	54.8	30.0	--	40.5	0.0	--	0.0
Sherman/Dennison AA	--	--	--	6,704	0.0	--	0.0	20.4	--	13.3	50.0	--	45.8	29.6	--	40.9	0.0	--	0.0
<b>Total</b>	--	--	--	<b>420,490</b>	<b>4.9</b>	--	<b>2.4</b>	<b>19.1</b>	--	<b>10.6</b>	<b>33.2</b>	--	<b>32.6</b>	<b>42.7</b>	--	<b>54.3</b>	<b>0.1</b>	--	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2020 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

For Sherman/Denison and Non MSA, there were not enough mortgage loans for a meaningful analysis.

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
DFW AA	22	6,475	71.0	236,598	23.3	4.5	3.9	16.6	13.6	13.2	18.2	36.4	20.2	41.9	40.9	44.8	0.0	4.5	17.9
Non-MSA	3	509	9.7	2,324	18.8	--	2.4	16.1	--	8.7	19.3	33.3	15.9	45.7	66.7	50.0	0.0	--	23.0
Sherman/Denison AA	6	484	19.4	4,282	22.4	16.7	3.2	17.5	33.3	13.0	19.3	33.3	19.1	40.9	16.7	39.0	0.0	--	25.7
<b>Total</b>	<b>31</b>	<b>7,468</b>	<b>100.0</b>	<b>243,204</b>	<b>23.3</b>	<b>6.5</b>	<b>3.9</b>	<b>16.6</b>	<b>16.1</b>	<b>13.1</b>	<b>18.3</b>	<b>35.5</b>	<b>20.1</b>	<b>41.9</b>	<b>38.7</b>	<b>44.8</b>	<b>0.0</b>	<b>3.2</b>	<b>18.1</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2019**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
DFW AA	27	9,515	75.0	267,862	23.3	7.4	3.7	16.6	7.4	14.1	18.2	7.4	20.6	41.9	48.1	45.1	0.0	29.6	16.5
Non-MSA	6	565	16.7	2,570	18.8	--	2.3	16.1	33.3	8.5	19.3	33.3	18.6	45.7	33.3	52.6	0.0	--	18.1
Sherman/Denison AA	3	423	8.3	4,941	22.4	--	4.1	17.5	33.3	11.5	19.3	--	19.8	40.9	66.7	41.8	0.0	--	22.8
<b>Total</b>	<b>36</b>	<b>10,503</b>	<b>100.0</b>	<b>275,373</b>	<b>23.3</b>	<b>5.6</b>	<b>3.7</b>	<b>16.6</b>	<b>13.9</b>	<b>14.0</b>	<b>18.3</b>	<b>11.1</b>	<b>20.5</b>	<b>41.9</b>	<b>47.2</b>	<b>45.2</b>	<b>0.0</b>	<b>22.2</b>	<b>16.7</b>

Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2020**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
DFW AA	20	4,207	1.0	410,187	23.3	5.0	3.1	16.6	0.0	12.8	18.2	15.0	19.7	41.9	80.0	46.4	0.0	0.0	18.1
Non-MSA	--	--	--	3,599	18.8	--	1.6	16.1	--	8.4	19.3	--	17.3	45.7	--	54.6	0.0	--	18.1
Sherman/Denison AA	--	--	--	6,704	22.4	--	4.4	17.5	--	15.2	19.3	--	20.5	40.9	--	38.1	0.0	--	21.8
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>420,490</b>	<b>23.3</b>	<b>--</b>	<b>3.1</b>	<b>16.6</b>	<b>--</b>	<b>12.8</b>	<b>18.3</b>	<b>--</b>	<b>19.7</b>	<b>41.9</b>	<b>--</b>	<b>46.3</b>	<b>0.0</b>	<b>--</b>	<b>18.1</b>

Source: 2015 ACS Census; 01/01/2020 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%  
For Sherman/Denison and Non MSA, there were not enough mortgage loans for a meaningful analysis.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
DFW AA	20	2,775	1.4	188,703	6.7	5.0	6.7	18.0	10.0	18.8	28.1	35.0	26.6	46.5	50.0	47.2	0.6	0.0	0.6
Non-MSA	20	775	51.9	1,492	0.0	0.0	0.0	17.4	10.0	14.5	52.2	85.0	50.5	30.5	5.0	34.9	0.0	0.0	0.0
Sherman/Denison AA	20	976	38.9	2,508	0.0	0.0	0.0	21.7	20.0	20.3	48.8	70.0	44.7	29.5	10.0	35.0	0.0	0.0	0.0
<b>Total</b>	<b>60</b>	<b>4,526</b>	<b>2.3</b>	<b>192,703</b>	<b>6.5</b>	<b>3.3</b>	<b>6.6</b>	<b>18.1</b>	<b>11.6</b>	<b>18.8</b>	<b>28.6</b>	<b>63.3</b>	<b>27.0</b>	<b>46.2</b>	<b>21.6</b>	<b>47.0</b>	<b>0.6</b>	<b>0.0</b>	<b>0.6</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
DFW AA	20	\$2,775	1.4	188,703	88.3	100.0	46.9	3.8	0.0	7.9	0.0
Non-MSA	20	\$775	51.9	1,492	85.3	100.0	40.3	4.3	0.0	10.4	0.0
Sherman/Denison AA	20	\$976	38.9	2,508	84.4	90.0	45.9	4.1	10.0	11.4	0.0
<b>Total</b>	<b>60</b>	<b>\$4,526</b>	<b>2.3</b>	<b>192,703</b>	<b>88.2</b>	<b>96.7</b>	<b>46.8</b>	<b>3.8</b>	<b>3.3</b>	<b>7.9</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%