



## **PUBLIC DISCLOSURE**

July 5, 2017

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

LifeStore Bank  
Charter Number 706555

21 East Ashe Street  
West Jefferson, NC 28694

Office of the Comptroller of the Currency

212 South Tryon Street  
Suite 700  
Charlotte, NC 28281

**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

<b>OVERALL CRA RATING.....</b>	<b>3</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS.....</b>	<b>4</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>8</b>
<b>SCOPE OF THE EVALUATION .....</b>	<b>9</b>
<b>DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....</b>	<b>11</b>
<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS .....</b>	<b>12</b>
<b>LENDING TEST .....</b>	<b>12</b>
<b>APPENDIX A: SCOPE OF EXAMINATION.....</b>	<b>A-1</b>
<b>APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS .....</b>	<b>B-1</b>

## **Overall CRA Rating: Satisfactory**

**The Lending Test is rated: Satisfactory**

LifeStore Bank's performance rating is supported by the following factors:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable based upon the institution's size, financial condition, and the credit needs of the assessment area (AA);
- A substantial majority of the bank's loans are made within its AA;
- The distribution of loans to borrowers of different income levels and businesses of different sizes reflects reasonable penetration;
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AA; and
- There were no CRA complaints against the bank during the evaluation period.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

## Description of Institution

LifeStore Bank (LifeStore) is a federally chartered, stock savings association which is wholly owned by LifeStore Financial Group. Both the bank and its wholly owned subsidiary are headquartered in West Jefferson, NC. LifeStore operates five branches, a support center, and one commercial loan production office. The support center and four branch offices are located in the cities of Jefferson, Warrensville, and West Jefferson in Ashe County. One branch is located in the city of Boone, in Watauga County. During April 2016, the bank opened a loan production office located in Morganton, NC which is in the county of Burke. The bank did not open or close any branches during the evaluation period.

As of March 31, 2017, LifeStore reported total assets of \$271.4 million and total deposits of \$198.9 million. Total loans were \$173 million, or 63 percent of total assets. The bank's Tier-One and Total Risk-Based capital totaled \$28.4 million and \$30.5 million, respectively. The distribution of the bank's loan portfolio is as follows: 71 percent residential real estate, 28 percent commercial and commercial real estate, and one percent consumer.

Historically, LifeStore operated as a traditional thrift savings association accepting local deposits to fund home mortgage loans. Currently the bank's strategy includes originating commercial loans, as well as other financial services including investment and insurance products.

LifeStore offers conventional mortgage loans for the purchase, refinance, construction, and improvement of single-family dwellings. The bank also offers multi-family home loans, commercial loans, consumer loans, and lines of credit. The bank offers a wide range of consumer and business deposit products.

The bank's AA consists of Ashe and Watauga Counties in North Carolina. Ashe and Watauga counties are not part of Metropolitan Statistical Areas (non-MSAs). These counties are contiguous areas located in the Appalachian Mountain region of North Carolina. According to the 2010 U.S. Census, Ashe County is comprised of six census tracts including one moderate- and five middle-income census tracts. Watauga County consists of 13 total census tracts comprised of six middle- and seven upper-income census tracts. There are no low-income census tracts within the AA. The sole moderate-income census tract in Ashe County is rural and sparsely populated. Based on the 2010 U.S. Census, only 3.15 percent of the total population and 1.76 of the total non-farm businesses are in this moderate-income census tract. In addition, out of the 12 middle-income census tracts in the AA, 11 census tracts are distressed or underserved tracts. The AA meets regulatory requirements and does not arbitrarily exclude low- and moderate-income census tracts.

According to U.S. Bureau of Labor Statistics, the unemployment rates in December 2016 for Ashe and Watauga Counties was 4.6 percent and 4.3 percent, respectively. The unemployment rates for the AA were lower than the North Carolina statewide



unemployment rate of 4.9 percent. Top employers in Ashe County include the Ashe County Board of Education, American Emergency Vehicles, and the County of Ashe. Top employers in Watauga County include Appalachian State University, Samaritans Purse Inc., and Appalachian Regional Healthcare System.

LifeStore faces strong competition from other depository institutions and lenders in the AA. According to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, as of June 30, 2016, LifeStore's deposits equaled \$191.4 million with 13.78 percent market share, ranking the bank 5<sup>th</sup> out of 13 depository institutions. Four other depository institutions hold 66 percent of the market share in the AA. Competition for home mortgage loans is also significant as there are 195 lenders that originated loans in the AA according to the 2015 Peer Mortgage Data. State Employees Credit Union, Yadkin Bank, and Branch Banking and Trust are the top three lenders, with 12.45 percent, 8.50 percent, and 7.32 percent market share, respectively. Refer to Appendix B for the demographic composition of the AA.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AA. LifeStore's CRA performance was rated "Satisfactory" at the preceding CRA public evaluation dated August 11, 2014.

## **Scope of the Evaluation**

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

We evaluated LifeStore's performance using the Small Bank CRA examination procedures. This evaluation includes a Lending Test, which evaluates the bank's record of meeting the credit needs of its AA through its lending activities.

Based on our analysis of the bank's lending activity during the evaluation period, we determined that home mortgage loans and small loans to businesses are the bank's primary lending products. LifeStore is not subject to HMDA reporting requirements. Therefore, we selected a sample of 54 home mortgage loans and 25 business loans to determine the bank's lending performance.

The evaluation period for home mortgage loans and business loans is January 1, 2015 through December 31, 2016. The evaluation period for the loan-to-deposit (LTD) ratio is September 1, 2014 through March 31, 2017.

### **Data Integrity**

LifeStore is not subject to the reporting requirements of the HMDA regulation. Therefore, we gathered data directly from the sampled loan files to evaluate the bank's CRA performance.

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

We conducted a full-scope review of the bank's lending performance in Ashe and Watauga AA. Refer to Appendix A for the scope.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. LifeStore's CRA performance was assessed solely by the Lending Test, including the bank's loan-to-deposit ratio, lending inside the AA, borrower and geographic distribution, and responsiveness to complaints.

## **Other**

During our evaluation, we relied upon recent information from a local nonprofit housing organization to determine community credit needs. According to the contact, there is a need for lender financing for first-time home purchases and development of low- to moderate-income housing.

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

Pursuant to 12 C.F.R. §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 assessment area 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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.

# Conclusions with Respect to Performance Tests

To complete the Lending Test, we analyzed the bank’s loan-to-deposit ratio, lending inside the AA, borrower and geographic distribution, and responsiveness to complaints. We also considered the demographic data, local economic conditions, competition, and information provided by the community contacts within the AAs.

## Lending Test

LifeStore’s performance under the Lending Test is rated Satisfactory. This conclusion is based on a full-scope review of the bank’s performance in the Ashe and Watauga AA.

## Loan-to-Deposit Ratio

LifeStore’s LTD ratio is more than reasonable considering the bank’s size, financial condition, and the credit needs of its AA. Since the prior CRA evaluation in August 2014, the bank’s quarterly average LTD ratio for the 11 quarters is 91.49 percent. The bank’s average quarterly LTD ranged from a high of 102.89 percent to a low of 84.59 percent. In comparison, the quarterly average LTD ratio among similarly sized banks in North Carolina is 84.35 percent. The peer average LTD ratio over the same 11 quarters ranged from a low of a low 64.36 percent to a high of 93.03 percent.

## Lending in the Assessment Area

LifeStore originates a substantial majority of home mortgage and business loans inside the AA. During the evaluation period, the bank originated a total of 64 home mortgage and small business loans in the AA. This total represents 81.01 percent of the total number and 76.19 percent of the total dollar volume of home mortgage and small business loans made within the bank’s AA. Table 1 details this analysis.

Table 1 - Lending In and Outside of Ashe and Watauga Counties AA										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	43	79.63%	11	20.37%	54	7,783	83.50%	1,538	16.50%	\$9,321
Small Business	21	84.00%	4	16.00%	25	4,469	66.12%	2,290	33.88%	\$6,759
<b>Total</b>	<b>64</b>	<b>81.01%</b>	<b>15</b>	<b>18.99%</b>	<b>79</b>	<b>12,252</b>	<b>76.19%</b>	<b>3,828</b>	<b>23.81%</b>	<b>\$16,080</b>

Source: Loan Sample Data

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall distribution of loans to borrowers of different incomes and businesses of different sizes reflects reasonable penetration among AA borrowers. In evaluating borrower income distribution, we considered the impact of family poverty rates and the barriers that this may pose to homeownership. According to 2010 U.S. Census data, the family poverty in the AA is 25.43 percent. This poverty rate may impact the bank's ability to originate home mortgage loans.

In addition, we considered affordability issues which may impact home purchase opportunities among low-income borrowers. Based on the 2010 U.S. Census data, the median cost of housing in the AA is \$203,231. The 2016 HUD updated median family income is \$47,600, which means that the income level of low-income borrowers is less than \$23,800. Given the median cost of a home, low-income borrowers may have difficulty qualifying for home mortgage loans.

### Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels reflects reasonable penetration.

The percentage of loans to low-income borrowers is poor. The bank did not originate any loans to low-income borrowers. The bank's percentage of lending to low-income borrowers is well below aggregate lending. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. The bank's percentage of lending to moderate-income borrowers exceeded aggregate lending to moderate-income borrowers. Considering the mitigating factors of family poverty rates and home affordability issues, the bank's percentage of lending to low-income borrowers is reasonable. Table 2 details this analysis.

Borrower Income Level	Percent of Loans	Percent of Families Distribution	% of Aggregate HMDA
Low	0.00%	21.04%	2.67%
Moderate	13.95%	16.89%	8.52%
Middle	9.30%	18.03%	17.37%
Upper	72.09%	44.04%	71.44%
<b>Total**</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*\* Does not include loans for which income was not considered

Source: Loan sample data, 2010 U.S. Census, and 2015 Aggregate HMDA Data

## Small Business Loans

The distribution of loans to businesses of different sizes reflects reasonable penetration. The bank's percentage of lending to businesses with revenues less than \$1 million is near to the percentage of businesses with revenues less than \$1 million in the AA. In addition, the majority of the loan sizes were for amounts less than \$250 thousand. Table 2A and 2B details this analysis.

<b>Table 2A - Borrower Distribution of Loans to Businesses in Ashe and Watauga Counties AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	84.47%	4.97%	11.27%	100%
% of Bank Loans in AA by #	71.43%	28.57%	0.00%	100%
% of Bank Loans in AA by \$	85.80%	14.20%	0.00%	100%

Source: Loan Sample Data; Dunn and 2016 Bradstreet data

<b>Table 2B - Borrower Distribution of Loans to Businesses by Loan Size in Ashe and Watauga Counties AA</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	12	47.62%	\$655,970	14.68%
\$100,001 - \$250,000	4	28.57%	\$670,000	14.99%
\$250,001 - \$500,000	3	14.29%	\$1,093,250	24.46%
\$500,001 - \$1,000,000	1	4.76%	\$974,420	21.81%
Over \$1,000,000	1	4.76%	\$1,075,000	24.57%
<b>Total</b>	<b>21</b>	<b>100.00%</b>	<b>\$4,468,639.98</b>	<b>100.00%</b>

Source: Loan Sample Data

## Geographic Distribution of Loans

The bank's overall geographic distribution of loans reflects reasonable dispersion throughout the AA. In assessing geographic distribution, we considered that the rural nature of the moderate-income census tract may impact lending opportunities in this geography. According to 2010 U.S. Census, 3.15 percent of the total population live in the moderate-income census tract. In addition, a small percentage (5.13 percent) of the total owner-occupied housing units are in the moderate-income census tract. We took into consideration that the majority of the owner-occupied housing units and businesses are located in the middle-income census tract. Based on these factors and those discussed in the Description of the Institution greater weight was placed on the middle-income census tract.

## Home Mortgage Loans

The geographic dispersion of home mortgage loans reflects reasonable dispersion throughout the AA. The bank did not originate any loans in the moderate-income census tract. According to information from 2015 Aggregate HMDA, only 1.40 percent of total loans originated by other lenders were in the moderate-income census tract. The small percentage of peer lending activity may reflect limited loan demand in the moderate-income census tract. Table 3 details this analysis.

<b>Table 3 – Geographic Distribution of Home Loan in Ashe and Watauga AA</b>			
Borrower Income Level	Percent of Loans	Percent of OOHU*	Percent of Aggregate Loans
Low	0.00%	0.00%	0.00%
Moderate	0.00%	5.13%	1.40%
Middle	60.47%	68.59%	62.29%
Upper	39.53%	26.28%	36.30%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Loan sample data, 2010 U.S. Census, and 2015 Aggregate HMDA Data;

\* Owner-Occupied Housing Units

## Small Business Loans

The geographic dispersion of small business loans reflects reasonable dispersion. The bank did not originate any loans in the moderate-income census tract. The lack of lending in the moderate-income census tract may be a factor of the rural nature of this census tract. According to 2010 U.S. Census data, only 1.76% of the total businesses in the AA are in the moderate-income tract. Lending activity by other lenders in the moderate-income census tract is limited. According to 2015 Peer Business reports, only 1.33 percent of the total loans were in the moderate-income census tract. Table 3A details this analysis.

<b>Table 3A – Geographic Distribution of Loans to Businesses in Ashe and Watauga AA</b>			
Census Tract Level	Percent of Loans	Percent of Businesses	Percent of Peer Lending
Low	0.00%	0.00%	0.00%
Moderate	0.00%	1.76%	1.33%
Middle	67.53%	67.53%	65.10%
Upper	23.81%	30.71%	33.57%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Loan sample data, 2016 Dunn and Bradstreet Data, and 2015 Business Peer Data

## Responses to Complaints

LifeStore did not receive any complaints related to the bank's performance in meeting the credit needs of the AA during the evaluation period.

## 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 metropolitan and nonmetropolitan areas 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>	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2016)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
LifeStore Bank West Jefferson, NC		Home Mortgage Loans Commercial Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A; No affiliates include in the evaluation.	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Ashe County (Non-MSA) Watauga County (Non-MSA)  **Contiguous counties combined into one AA.	Full-Scope	N/A



## Appendix B: Community Profiles for Full-Scope Areas

### Ashe and Watauga Counties, North Carolina

Demographic Information for Full-Scope Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	19	0	5.26	57.89	36.84	0
Population by Geography	78,360	0	3.15	63.21	33.64	0
Owner-Occupied Housing by Geography	20,819	0	5.13	68.59	26.28	0
Businesses by Geography	5,272	0	1.76	67.53	30.71	0
Farms by Geography	271	0	6.27	69.00	24.72	0
Family Distribution by Income Level	19,126	21.04	16.89	18.03	44.04	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,255	0	5.18	73.73	21.09	0
Median Family Income	\$51,111	Median Housing Value		\$203,231		
HUD Adjusted Median Family Income for 2016	\$47,600	County Unemployment Rates				
Households Below the Poverty Level	25.43%	<ul style="list-style-type: none"> <li>• Ashe 4.5%</li> <li>• Watauga 4.3%</li> </ul>				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2016 HUD updated MFI; US Bureau of Labor Statistics