



**Comptroller of the Currency
Administrator of National Banks**

Field Office
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394

PUBLIC DISCLOSURE

December 19, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Mayde Creek Bank, N.A.
Charter Number 18641**

**2117 Fry Road
Katy, Texas 77491**

**Comptroller of the Currency
1600 Lincoln Plaza, 500 North Akard
Dallas, Texas 75201-3394**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Mayde Creek Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 19, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Mayde Creek Bank has improved its overall compliance with the Community Reinvestment Act and is in satisfactory compliance. They have increased the amount of loans in their assessment area and have reasonable penetrations of all income levels.

The following table indicates the performance level of **Mayde Creek Bank, N.A.** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Mayde Creek Bank, N.A. Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints have been received by the bank since the preceding examination		

DESCRIPTION OF INSTITUTION:

Mayde Creek Bank, N.A. is an independently owned financial institution located in Katy, Texas. This bank was chartered in 1986, and now has \$12 million in total assets. It operates a single location, with an attached drive-in facility, on Fry Road, one mile north of I-10. It is roughly five (5) miles east of Katy, Texas and 25 miles west of downtown Houston. This area was primarily agricultural a few years ago. It is now known as the “Katy Prairie”, a broad expanse of open land connecting the East Texas Piney woods, the Gulf Coastal Plain, the Central Texas Hill Country and the arid plateaus of the southwest. Its name derives from the 100-year-old rice farming community around which it is centered. Western Harris County, Texas has seen phenomenal growth over the last five (5) years, and is primarily a bedroom community of Houston with easy commuter access from I-10.

DESCRIPTION OF THE BANK’S ASSESSMENT AREA:

The bank has designated nine (9) census tracts in the Houston MSA as its assessment area. The following census tracts are in the Katy area, in western Harris County: 438.11, 438.21, 449.10, 449.20, 450.00, 452.01, 452.12, 452.22, and 452.32. The Median Household Income of these tracts is \$44,554. There are three (3) tracts that are middle income and six (6) tracts that are upper income. The bank has not arbitrarily excluded any low or moderate income tracts. Within the nine (9) tracts, 17.48% of the families are low or moderate income, and 3% are below the poverty level.

Katy is part of the Houston Metropolitan Statistical Area (MSA). Houston is the fourth (4) largest city in the United States. Katy’s economy is very closely tied to Houston’s economy. Houston’s primary industries are petrochemical, medical, aerospace, and education. Houston had a severe recession in the mid 1980s. The economy has had a strong recovery, and is in a growth mode. Job creation and housing starts in Houston are at an all time post recession high.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The bank’s loan to deposit ratio has averaged 53.8% since the last examination. The bank is actively seeking to lend money and has increased its loan portfolio 13% in the last 12 months. Fifty percent (50%) of the dollar amount of loans that the bank is lending are in the bank’s assessment area, according to August, 1996 figures. This is a substantial increase from the 19.41% cited at the August, 1995 examination.

The bank has been able to achieve a reasonable degree of market penetration among individuals of different income levels and businesses of different sizes. The chart below reflects the bank’s lending for the purchase of construction of 1 to 4 family residences during 1995 and 1996.

Income Level	% of Originations by Income Level	% of Families in the Assessment Area by Income Level
Low Income	10%	6.58%
Moderate Income	10%	10.90%
Middle Income	20%	20.63%
Upper Income	60%	61.89%

Additionally, the bank’s commercial loans are all to small businesses under the definition of CRA. The bank has increased its commercial loan portfolio 600% over the last 12 months.

An evaluation of the distribution of the bank's lending was also performed which attempts to measure simply how well dispersed geographically the bank's lending is within its chosen Assessment Area. Less than satisfactory performance would indicate unwarranted concentration of service to select portions of the community, to the exclusion of others. The bank's performance under this criteria meets the standards for satisfactory performance. Loans are well dispersed throughout the Assessment Area. There is no appearance of favoring portions of the community to the disadvantage of others.

A Fair Lending Examination was also conducted concurrently with the issue of this Public Evaluation. A sample of 68 approved and denied loan applications was reviewed to determine if credit decisions are influenced by any prohibited factors, such as race, religion, sex, etc. No evidence was found of any discrimination on a prohibited basis.

The bank has received no complaints since the preceding CRA Public Evaluation was issued in August, 1995.