



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

April 26, 2021

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The City National Bank of Sulphur Springs  
Charter Number 3989

201 Connally Street  
Sulphur Springs, Texas 75482

Office of the Comptroller of the Currency

1800 West Loop 281 Suite 306  
Longview, Texas 75604

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.

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## Overall Community Reinvestment Act (CRA) Rating

**The City National Bank of Sulphur Springs' (institution or CNB) CRA Rating:** This institution is rated Satisfactory.

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

**The community development test is rated: Satisfactory.**

The major factors that support this rating include:

- The lending test rating is based on reasonable penetration of loans among borrowers of different income levels, a more than reasonable loan-to-deposit ratio (LTD), and a substantial majority of the institution's lending is within the assessment areas (AAs).
- The community development test rating is based on performance in the AAs and community development activities reflect adequate responsiveness to community development needs.

### Loan-to-Deposit Ratio

Considering the institution's size, financial condition, and credit needs of the AAs, the institution's LTD ratio is more than reasonable. The LTD ratio is calculated on an institution-wide basis. The average quarterly LTD ratio for the institution during the evaluation period was 80.33 percent. The quarterly average LTD ratio for similarly situated financial institutions was 77.01 percent.

### Lending in Assessment Area

A substantial majority of the institution's loans are inside its AAs. CNB originated and purchased 78 percent of its total loans inside the designated AAs during the evaluation period. This conclusion is based on a random sample of 20 consumer loans during the evaluation period, a random sample of mortgage loans from 2018, and Home Mortgage Disclosure Act (HMDA) data for years 2019 and 2020. This analysis is performed at the institution level, rather than at the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The lending test included a review of the institution's home mortgages and consumer loans to businesses. 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		
	#	%	#	%		\$	%	\$	%	
Consumer										
2018 - 2020	19	95	1	5	20	141	82.5	30	17.5	171
Home Mortgage										
2018	17	85	3	15	20	2,882	88.2	385	11.8	3,267
2019	443	79.2	116	20.8	559	66,323	70.6	27,565	29.4	93,888
2020	617	76.6	189	23.4	806	106,345	71.2	42,938	28.8	149,283
<b>Subtotal</b>	<b>1,096</b>	<b>78.0</b>	<b>309</b>	<b>22.0</b>	<b>1,405</b>	<b>175,691</b>	<b>71.2</b>	<b>70,918</b>	<b>28.8</b>	<b>246,609</b>

Source: Bank Data. Due to rounding, totals may not equal 100.0%

## Description of Institution

CNB is a single state institution headquartered in Sulphur Springs, Texas. CNB is wholly owned by Sulphur Springs Bancshares, Inc., a one-bank holding company. The institution offers a full range of deposits and loan products, and services to customers. Consumer loans and residential loans are the primary business focus, with agriculture and commercial purpose loans comprising a small portion of the loan portfolio.

CNB has 16 full-service branch locations and one mortgage production office. The institution expanded its footprint to include the Longview MSA by opening a branch location in Gladewater, Texas in March 2018. In addition, the institution added branch locations in Naples, Texas and Queen City, Texas in February 2021, and one branch location in Pittsburg, Texas in April 2021. There have been no other major changes to corporate structure or operations. Refer to the section titled “Description of Operations in Texas” for details regarding the institution’s two AAs.

As of December 31, 2020, CNB had total assets of \$906 million. Loans totaled \$577 million, representing 62.81 percent of assets, and tier 1 capital totaled \$84.9 million. A summary of the loan portfolio is reflected in the table below:

<b>Loan Portfolio Composition as of December 31, 2020</b>		
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>% of Total</b>
Residential Real Estate	233,031	40.39%
Commercial Real Estate	110,145	19.09%
Commercial and Industrial	64,523	11.18%
Farmland	57,965	10.05%
Consumer	44,291	7.68%
Construction and Development	38,059	6.60%
Agriculture	27,781	4.81%
Other	1,228	0.20%
<b>Total</b>	<b>577,023</b>	<b>100%</b>

There are no legal, financial, or other factors impeding the institution’s ability to meet the credit needs of its AA. The institution’s CRA performance was previously evaluated as of March 5, 2018, with an overall level of performance of “Satisfactory” under the Intermediate Small Bank examination procedures.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the institution’s performance under the lending test and community development test. In evaluating the institution’s lending performance, the Office of the Comptroller of the Currency (OCC) reviewed residential mortgage loans subject to filing under the HMDA, a sampling of consumer loans, and community development loans. The OCC also evaluated CRA qualified investments including donations and grants, as well as retail and community development services. The evaluation period for the community development test was March 6, 2018, through April

26, 2021. The OCC's conclusions related to community development loans, qualified investments including donations, and community development services were based on the number and dollar amounts made during the evaluation period.

The evaluation period for the lending test was January 1, 2018, through December 31, 2020. In addition to sampling loans to consumers, the OCC performed manual sampling of 2018 mortgage loans as the institution became a HMDA reporter starting in 2019. For geographic and borrower distribution analyses, loans originated in 2018 through 2020 were compared to the 2015 American Community Survey (ACS) census data for mortgages and consumer loans.

Additionally, qualifying activities performed in response to the impact from the COVID-19 pandemic were considered as part of the lending test.

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

In each state where the institution has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, institution-delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, institution 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.

CNB has a total of two AAs, the non-MSA AA, and the Longview MSA AA. The non-MSA AA is made up of three moderate-income census tracts (CTs), 26 middle-income CTs, and four upper-income CTs. The Longview MSA is made up of three middle-income CTs, one CT in Gregg County and two CTs in Upshur County. Both AAs have been selected for a full-scope review.

### **Ratings**

CNB's overall rating is based on the performance in the State of Texas. The state rating is based on performance in all of the institution's AAs. 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. 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, institution) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the institution, or in any AA by an affiliate whose loans have been considered as part of the institution'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 this institution 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 community development test is rated: Satisfactory**

The major factors that support this rating include:

- A substantial majority of the institution's lending is extended within the AA.
- The institution's LTD ratio was more that reasonable during the evaluation period.
- The institution had reasonable penetration among individuals of different income levels.
- Community development activities reflect adequate responsiveness to community development needs.

### Description of Institution's Operations in Texas

CNB operates in two AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this Performance Evaluation. CNB's primary business focus is consumer loans and home mortgage loans. CNB is one of the primary lenders and depository financial institutions in the area, offering products and services that meet the needs of all individuals and geographies, regardless of income levels. Competitors, in all markets, include other local community financial institutions in CNBs markets and some of the United States' largest financial institutions 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 AAs were determined by reviewing recent housing and demographic information, CRA Performance Evaluations from other financial institutions operating in the institution's AAs, and a review of community contacts with organizations that provide services within the full-scope AAs.

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<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 the MMSA.

## Non-MSA AA

CNB has 16 branches and one mortgage office located in the non-MSA AA, with three of the locations opening in early 2021. The non-MSA AA includes the main office in Sulphur Springs, Texas. There are 33 CTs in the institution's designed AA. There are no CTs designated as low-income and there are three CTs designated as moderate-income. The primary products for the AA are residential and consumer loans.

A community contact for Delta County and Franklin County stated the financial institutions are heavily proactive with the community and are willing to meet the credit needs of the community.

The following table depicts the demographic information for the non-MSA AA in Texas.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	9.1	78.8	12.1	0.0
Population by Geography	138,122	0.0	6.0	78.3	15.8	0.0
Housing Units by Geography	63,870	0.0	5.8	78.2	16.1	0.0
Owner-Occupied Units by Geography	39,199	0.0	4.8	77.3	17.9	0.0
Occupied Rental Units by Geography	12,162	0.0	8.2	82.2	9.6	0.0
Vacant Units by Geography	12,509	0.0	6.3	77.0	16.7	0.0
Businesses by Geography	9,458	0.0	5.1	80.0	14.9	0.0
Farms by Geography	616	0.0	3.2	76.6	20.1	0.0
Family Distribution by Income Level	36,784	20.5	17.3	19.8	42.4	0.0
Household Distribution by Income Level	51,361	22.8	16.2	16.8	44.2	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$102,856
			Median Gross Rent			\$700
			Families Below Poverty Level			12.5%
<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>						

## Longview MSA AA

CNB has one branch in Gregg County. The Longview MSA AA has no low-income CTs and three middle-income tracts. Opportunities to lend are available in this AA; however, CNB entered this market in 2018 and the client base from this location is gradually increasing. Originations from the Longview MSA AA, during the evaluation period, represent 1.85 percent of originations by dollar amount and 1.76 percent by number of loans. The primary product in the AA is consumer loans.

Community contacts from Gregg County mentioned housing, specifically middle-class housing, as the area's primary credit need. A contact from Upshur County mentioned funding for start-up businesses on reasonable terms as a credit need.

The following table depicts the demographic information for the Longview MSA AA in Texas.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Longview 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)	3	0.0	0.0	100.0	0.0	0.0
Population by Geography	17,926	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	7,431	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	4,340	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,888	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,203	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,121	0.0	0.0	100.0	0.0	0.0
Farms by Geography	37	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,545	26.5	17.8	14.1	41.5	0.0
Household Distribution by Income Level	6,228	26.4	15.4	17.3	40.9	0.0
Median Family Income MSA - 30980 Longview, TX MSA		\$56,456	Median Housing Value			\$102,948
			Median Gross Rent			\$746
			Families Below Poverty Level			18.0%
<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

The OCC evaluated the CRA performance of CNB using Intermediate Small financial institution performance criteria. As discussed earlier, the non-MSA AA and the Longview MSA AA were selected for a full-scope review. Greater weight was placed on lending activity from the non-MSA since approximately 98 percent of loan originations during the evaluation period were made in that AA. Refer to the table in Appendix A.

Additionally, qualifying activities performed in response to the COVID-19 pandemic were considered as part of the lending test.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

The institution's performance under the lending test in Texas is rated Satisfactory. Based on a full-scope review of the institution's two AAs, lending performance in the State of Texas is reasonable.

CNB participated in the Paycheck Protection Program (PPP) and funded 487 PPP loans with original balances totaling \$28.5 million in 2020. PPP lending is a flexible lending product that is considered innovative. In addition, the institution granted deferrals due to the pandemic to 874 loans. Loans

receiving deferrals include consumer loans, motor vehicle loans, commercial loans, and mortgage loans. The loan assistance provided by the institution to borrowers impacted by the pandemic environment reflects the institution's responsiveness to meeting the credit needs of the community.

CNB continues to participate in the Fannie Mae's Home Ready program, which provides down payment assistance to first time home buyers.

In addition, the OCC reviewed the volume of small dollar consumer loans with loan amounts of \$1,000 or less. The institution originated 1,213 small dollar consumer loans during the evaluation period that ranged from \$100 to \$1,000.

## **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the institution's lending performance in the State of Texas is satisfactory. The distribution of consumer loans to low- and moderate-income individuals in the AA is excellent. The institution exhibits reasonable geographic distribution of loans in the State of Texas.

## **Distribution of Loans by Income Level of the Geography**

Overall, the institution exhibits reasonable geographic distribution of loans in the state. The distribution of consumer loans and mortgage loans to moderate-income geographies in the non-MSA AA is below the demographic; however, lending opportunities to this demographic are limited as there are no low-income CTs and only three moderate-income CTs in the AA. Additionally, the population living in the moderate-income CTs represents less than 6 percent of the total population in the non-MSA AA.

### ***Home Mortgage Loans***

#### *Non-MSA AA*

The geographic distribution of home mortgage loans in the non-MSA AA is poor. The distribution of mortgage loans to moderate-income geographies is below the demographic; however, lending opportunities to this demographic are limited as there are no low-income CTs and only three moderate-income CTs in the AA. The population demographic in the moderate-income CTs represents less than 6 percent of the AA population.

#### *Longview MSA AA*

The Longview MSA AA is limited to three middle-income CTs; therefore, a geographical analysis would not provide meaningful information.

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 institution's home mortgage loan originations and purchases.

### ***Consumer Loans***

#### *Non-MSA AA*

The geographic distribution of consumer loans in the non-MSA AA is poor. The distribution of consumer loans in low- or moderate-income geographies is below the demographic; however, these lending opportunities are limited with only three moderate-income CTs in the non-MSA. The population demographic in the moderate-income CTs represents less than 6 percent of the AA population.

*Longview MSA AA*

The Longview MSA AA is limited to three middle-income CTs; therefore, a geographical analysis would not provide meaningful information.

Refer to Table U in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the institution's consumer loan originations and purchases.

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

Overall, CNB exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the institution. Greater weight is given to consumer loans as this is the institution's primary product, representing 63 percent of loan originations during the evaluation period. The distribution of consumer loans to low- and moderate-income individuals in the non-MSA AA and Longview MSA AA is excellent. The distribution of mortgage loans to low- and moderate-income individuals in the AA is poor; however, contributing factors for the low penetration include heavy competition in the residential market, the need for affordable housing, and the poverty level in the AA. Consideration is also given to the small dollar lending volume that helps meet the credit needs of the community, with loan amounts as low as \$100, and the down payment assistance offered through the Fannie Mae Home Ready program.

***Home Mortgage Loans****Non-MSA AA*

The distribution of mortgage loans to low- and moderate-income individuals in the AA is poor. The distribution of loans to low- and moderate-income borrowers is below the available demographics, based on a random sample of loans from 2018 and HMDA data from 2019 and 2020. Contributing factors for the low penetration include heavy competition in the residential market that includes non-financial institutions, the need for affordable housing, and the poverty level in the AA.

*Longview MSA AA*

Mortgage loans are not considered to be a primary product in the Longview MSA AA and were not reviewed for the AA due to the minimal volume of mortgage originations.

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 institution's home mortgage loan originations and purchases.

***Consumer Loans****Non-MSA AA*

The distribution of consumer loans to low- and moderate-income individuals in the AA is excellent. The non-MSA AA produces a substantial majority of loan originations and lending in this AA reflects lending to 153.8 percent of the low- and moderate-income demographic.

*Longview MSA AA*

The distribution of consumer loans to low- and moderate-income individuals in the AA is excellent. The institution's lending to low- and moderate-income individuals in the Longview MSA represents 95.7 percent of the demographics.

Refer to Table V in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the institution's consumer loan originations and purchases.

### Responses to Complaints

CNB did not receive any CRA-related complaints during the evaluation period.

### COMMUNITY DEVELOPMENT TEST

The institution's performance under the community development test in the State of Texas is rated Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the institution exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

### Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the institution's level of community development lending. The table includes all community development loans, including multifamily loans that also qualify as community development loans.

<i>Community Development Loans</i>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
Non-MSA	50	90.91	4,580	96.01
Longview MSA	4	7.27	140	2.94
Other	1	1.82	50	1.05

#### ***Non-MSA AA***

CNB has an adequate level of responsiveness in the AA. A total of 50 community development loans were made in non-MSA AA with initial loan balances totaling \$4.5 million. Loan purposes included job retention and economic development. Community development lending activity included seven loans to a small business in a moderate-income area for the purposes of job retention and economic development.

#### ***Longview MSA AA***

CNB has an adequate level of responsiveness in the AA. A total of four community development loans were made in the Longview MSA AA with initial loan balances totaling \$140,000. Impact from loans included job retention and promoting economic development through a small business.

Additionally, community development lending activity included one \$50,000 loan to a small business

located in a moderate-income area. The borrowing entity operates and serves the East Texas area, which includes the institution’s designated AA.

**Number and Amount of Qualified Investments**

Assessment Area	Qualified Investments									
	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000s)
Non-MSA	0	0	67	26,559	67	90.5	110	80.9	0	0
Longview MSA	0	0	7	23,197	7	9.5	26	19.1	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the institution’s level of qualified community development investments. These tables include all community development investments, including prior period investments that remain outstanding as of the examination date.

***Non-MSA AA***

CNB has an adequate level of community development investments and donations in the AA. Community development investments made in the non-MSA represent 31.2 percent of tier one capital. Investments included a bond to fund school buildings, provide community services, promote financial literacy, and provide aid to those in need.

***Longview MSA AA***

CNB has an adequate level of community development investments and donations in the AA. Community development investments made in the Longview MSA represent 27.3 percent of tier one capital. Investments included bonds that funded construction of school buildings, provided community services, provide financial assistance for economically disadvantaged students, and promoted economic development.

**Extent to Which the Institution Provides Community Development Services**

CNB has provided an adequate level of community development services throughout the AAs.

The institution operates offices that are located throughout the AA, including two branch locations that are located in moderate-income CTs.

CNB officers and employees are actively involved in community organizations, dedicating 549 hours in community development related activities during the evaluation period. These activities included promoting financial literacy to economically disadvantaged students and households, participating in career planning, and participating with non-profit organizations that provided services to individuals in need.

## Appendix A: Scope of Examination

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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 MSA(s) and non-MSA(s) 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 to 12/31/2020	
<b>Institution Products Reviewed:</b>	Home mortgage and consumer loans. Community development loans, qualified investments, community development services.	
<b>Affiliate</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<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>
<b>Texas</b>		
Non-MSA AA	Full-scope	
Longview MSA AA	Full-scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      The City National Bank of Sulphur Springs			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
The City National Bank of Sulphur Springs	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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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 financial institution subsidiary is controlled by the financial institution and is, therefore, an affiliate.

**Aggregate Lending:** 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/AA.

**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. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs 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:** 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 financial institution's record of meeting the credit needs of its entire community, including low- to moderate-income areas, consistent with the safe and sound operation of the financial institution, and to take this record into account when evaluating certain corporate applications filed by the financial institution.

**Consumer Loan:** A loan 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 CT 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 an MSA 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 CT with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the financial institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

**Median Family Income:** 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 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 (MSA):** 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 MSA 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 MSA. For a financial institution with domestic branches in only one state, the financial institution's CRA rating would be the state rating. If a financial institution maintains domestic branches in more than one state, the financial institution will receive a rating for each state in which those branches are located. If financial institution maintains domestic branches in two or more states within a MMSA, the financial institution will receive a rating for the MMSA.

**Small Loan to Business:** 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 to Farm:** A loan included in 'loans to small farms' as defined in the instructions for preparation of the 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

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### Content of Standardized Tables

A separate set of tables is provided for each state. All MMSA, if applicable, are presented in one set of tables. References to the “institution” include activities of any affiliates the institution 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/AA. Deposit data are compiled by the Federal Deposit Insurance Corporation and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this Performance Evaluation.

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 institution 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 institution to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. 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 institution 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 institution loan data to aggregate data from geographic areas larger than the institution’s AA.
- 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 institution 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 institution 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 institution's AA.

- 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 \$500,000) originated and purchased by the institution 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 institution 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 institution to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

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
Non-MSA AA 2018	20	3,422	1.9	-	0.0	0.0	0.0	4.8	0.0	0.0	77.3	95.0	-	17.9	5.0	-	0.0	0.0	0.0
Non-MSA AA 2020	1,020	166,147	98.1	3,616	0.0	0.0	0.0	4.8	2.3	6.5	77.3	79.6	75.3	17.9	18.1	18.1	0.0	0.0	0.0
<b>Total</b>	<b>1,040</b>	<b>169,569</b>	<b>100.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.8</b>	<b>2.2</b>	<b>-</b>	<b>77.3</b>	<b>79.9</b>	<b>-</b>	<b>17.9</b>	<b>17.9</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 and 2020 HMDA Aggregate Data, “—” data not available.  
Due to rounding, totals may not equal 100.0%*

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
Non-MSA AA 2018	20	3,422	1.9	-	20.5	0.0	0.0	17.3	10.0	-	19.8	15.0	-	42.4	75.0	-	0.0	0.0	0.0
Non-MSA AA 2020	1,020	166,147	98.1	3,616	20.5	2.5	2.8	17.3	8.1	10.1	19.8	14.5	20.5	42.4	70.2	51.9	0.0	4.6	14.7
<b>Total</b>	<b>1,040</b>	<b>169,569</b>	<b>100.0</b>	<b>-</b>	<b>20.5</b>	<b>2.5</b>	<b>-</b>	<b>17.3</b>	<b>8.2</b>	<b>-</b>	<b>19.8</b>	<b>14.5</b>	<b>-</b>	<b>42.4</b>	<b>70.3</b>	<b>-</b>	<b>0.0</b>	<b>4.5</b>	<b>-</b>

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 and 2020 HMDA Aggregate Data, “—” data not available.  
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2018 - 2020	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Non-MSA AA	20	142	100.0	0.0	0.0	5.6	0.0	78.5	95.0	15.9	5.0	0.0	0.0	
<b>Total</b>	20	142	100.0	0.0	0.0	5.6	0.0	78.5	95.0	15.9	5.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.  
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018 - 2020	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Longview MSA	20	144	100.0	26.4	25.0	15.4	15.0	17.3	15.0	40.9	45.0	0.0	0.0	
Non-MSA AA	20	142	100.0	22.8	40.0	16.2	20.0	16.8	10.0	44.2	30.0	0.0	0.0	
<b>Total</b>	40	286	100.0	24.3	32.5	16.2	17.5	16.7	12.5	42.7	37.5	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.  
Due to rounding, totals may not equal 100.0%*