



**PUBLIC DISCLOSURE**

October 21, 2019

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Colonial Savings, FA  
Charter Number 706809

2626 West Freeway, Fort Worth, TX 76102

Office of the Comptroller of the Currency

Fort Worth Field Office  
9003 Airport Freeway Suite 275, North Richland Hills, TX 76180-9127

**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 CRA Rating

**Institution's 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 performance in the Dallas Fort Worth (DFW) Assessment Area (AA); the bank's only AA.
- The Community Development (CD) Test rating is based on performance in the DFW AA.
- The Loan to Deposit (LTD) ratio is reasonable.
- Borrower distribution of loans to borrowers with different incomes is reasonable considering the context of the bank's business model.
- The majority of the bank's lending was outside the AA. Given the performance context of the bank's business model, concerns about the high level of lending outside the AA are mitigated and the bank's overall efforts to meet the credit needs of its AA are adequate.
- The geographic distribution of loans across geographies of different income levels is poor.
- CD activities reflect adequate responsiveness to community development needs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 71.32. We compared the bank's LTD ratio to similarly situated institutions operating in the area with assets ranging from \$799 million to \$1.4 billion. The average LTD ratio for the peer banks was 74.38. The bank's LTD ratio is in line with peer group bank performance.

### Lending in Assessment Area

A majority of the bank's loans are outside its AA, but is considered satisfactory performance when considering the bank's performance context.

The bank originated and purchased 29.5 percent of its total loans by dollar amount and 28.7 percent of its total loans by number of loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. The bank's level of lending inside the AA is reasonable, although the majority of loans were originated and purchased outside the AA. The bank's designated AA is only a portion of its overall lending platform. Performance is considered in the context of the bank's business model, which is primarily mortgage lending at the national level. While the bank has designated the DFW MSA as its only AA, it has a substantial mortgage banking operation with a non-traditional business model and geographic footprint. The bank serves the national market through a combination of eight branch locations and non-branch delivery methods including a network of credit unions and an online application platform; thereby originating loans throughout the United States. As such, the bank reported Home Mortgage Disclosure Act (HMDA) data includes loans throughout the United States.

The bank's primary deposit source includes escrow accounts for the mortgages it services, therefore, lending and deposit origination are well correlated.

**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		
	#	%	#	%	#	\$	%	\$	%	
Home Mortgage										
2016	1,628	28.4	4,107	71.6	5,735	337,850	29.0	827,885	71.0	1,165,735
2017	1,456	28.2	3,702	71.8	5,158	323,361	29.7	763,899	70.3	1,087,260
2018	1,171	29.7	2,769	70.3	3,940	257,986	30.0	603,208	70.0	861,195
<b>Subtotal</b>	<b>4,255</b>	<b>28.7</b>	<b>10,578</b>	<b>71.3</b>	<b>14,833</b>	<b>919,197</b>	<b>29.5</b>	<b>2,194,992</b>	<b>70.5</b>	<b>3,114,190</b>
<b>Total</b>	<b>4,255</b>	<b>28.7</b>	<b>10,578</b>	<b>71.3</b>	<b>14,833</b>	<b>919,197</b>	<b>29.5</b>	<b>2,194,992</b>	<b>70.5</b>	<b>3,114,190</b>

Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data  
Due to rounding, totals may not equal 100.0

## Description of Institution

Colonial Savings (Colonial) is a national, multi-service financial institution headquartered in Fort Worth, Texas. Colonial was founded in 1952 and is one of the largest servicers of mortgage loans in the United States. The bank originates residential mortgage loans through multiple divisions, including Colonial National Mortgage and CU Members Mortgage. Colonial National Mortgage is a retail mortgage lender and CU Members Mortgage provides mortgage services to credit unions nationwide. The bank's primary business is mortgage banking, including all aspects of mortgage origination, sales, packaging, and servicing. Additionally, the bank operates eight bank branches throughout North Central Texas providing a full array of personal and business financial products. Colonial is wholly owned by First Western Mortgage Corporation. The holding company has no other significant assets or liabilities and its activities do not influence the bank's CRA rating. Colonial does not have any affiliates or subsidiaries. Colonial has one AA, which is described below in the "Selection of Areas for Full-Scope Review" section. As of December 31, 2018, the bank reported total assets of \$1.05 billion, total deposits of \$600 million, and total equity capital of \$243.3 million. Net loans and leases totaled \$483 million, which represents 47.7 percent of total assets. Outstanding loans by category include 1-4 family residential mortgages at 83 percent, commercial real estate loans at 14 percent, commercial and industrial loans at 2 percent, and consumer loans at .67 percent. Investment securities totaled \$251 million which represents 25 percent of total assets. Tier 1 capital totaled \$110.6 million.

Colonial is primarily a mortgage originator and has become one of the largest servicers of home mortgage loans in the United States. The bank serviced an average of \$25 billion in home mortgage loans during the evaluation period. The primary funding source is deposits from escrow accounts linked to the home mortgages it services. The bank also provides traditional banking services including consumer and commercial loans, Small Business Administration (SBA) loans, consumer and business checking and savings accounts, online banking, mobile banking and a credit card program through a

third-party issuer. Mortgage product offerings include conventional fixed-rate, adjustable rate, FHA, VA, USDA, jumbo, construction, and refinance of 1-4 family loans.

The Bank operates eight full-service facilities in the DFW MSA. All of the branch locations except Arlington, Cleburne, and Colleyville have ATMs. There have been no branch openings or closings during the evaluation period.

There are no legal, financial or other factors impeding the bank's ability to meet the credit needs of the AA during the evaluation period. The prior CRA evaluation was dated April 17, 2016 and the bank received a "Satisfactory" rating.

## **Scope of the Evaluation**

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

We completed a full-scope review of Colonial's CRA activities in the AA under the Intermediate Small Bank CRA procedures, which includes the Lending Test and the Community Development Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Loan information used for this evaluation included HMDA data from 2016, 2017, and 2018. Conclusions regarding the CD Test are based on the bank's CD activities during the period of April 1, 2016 through December 31, 2018.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, the bank 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, 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.

Colonial has one AA in Texas. The AA is the entire Dallas Fort Worth MSA (DFW MSA) which is comprised of the Dallas Plano Irving MD including Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall counties, and the Fort Worth Arlington MD including Tarrant, Johnson, Parker, Hood, Wise, and Somervell counties.

### **Ratings**

A bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. Colonial operates in one state and the State Rating is based on performance in the bank's one AA. Because 1-4 family mortgage lending is the bank's only primary product, no product weighting was used in the

analysis. Refer to the “Scope” section under each State and MMSA Rating section for details regarding how the factors 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 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: Satisfactory**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

The major factors that support this rating include:

- The Loan to Deposit (LTD) ratio is reasonable considering the bank's business model.
- The majority of the bank's lending was outside the AA. Given the context of the bank's business model, concerns about the high level of lending outside the AA are mitigated and the bank's overall efforts to meet the credit needs of its AA are satisfactory.
- Borrower distribution of loans to borrowers with different incomes is reasonable considering the context of the bank's business model.
- The geographic distribution of loans and distribution of loans to borrowers with different incomes is poor.
- CD activities reflect adequate responsiveness to community development needs.

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

The bank operates in one AA in the State of Texas as described in the Description of the Institution and the Scope of Evaluation sections of this Performance Evaluation. The bank's primary business focus is 1-4 family residential lending. Competition in the AA is intense. The bank's competitors include some of the largest banks with national footprints and nonbank financial entities (mortgage companies) that compete for residential loans.

Community credit needs in the AA were determined by reviewing recent housing and demographic information, CRA performance evaluations from other banks operating in the AA, and community contacts conducted in conjunction with performance evaluations from other banks operating in the AA. Small business loans were consistently identified by community contacts as a significant credit need in the AA. Contacts consistently noted strong economic growth in the area and stated that housing prices and rent rates have risen at a faster pace than wage growth in the AA, which impacts housing affordability for LMI individuals. According to Moody's Analytic Report, average housing prices have steadily risen with the average home in the Fort Worth Metro costing \$203 thousand, \$224 thousand, and \$246 thousand during the years of 2016, 2017, and 2018, respectively. Given the increasing housing prices and rent rates, contacts identified affordable housing loans as a credit need, but noted that high rent rates prevent many borrowers from accumulating down payment funds for home purchases. Housing stock was also consistently identified as a barrier to home ownership for low-and moderate-income individuals with very little new construction in the area priced below \$250 thousand. Additionally, contacts identified second chance banking, small consumer loans, and products that promote financial planning as needs in the AA.

Dallas Fort Worth MSA**Table A - Demographic Information of the Assessment Area**

Assessment Area: DFW MSA

<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)	1,324	13.0	25.3	29.6	31.6	0.5
Population by Geography	6,833,420	10.9	24.7	31.3	33.1	0.1
Housing Units by Geography	2,612,915	11.3	23.6	31.9	33.0	0.2
Owner-Occupied Units by Geography	1,448,218	5.2	19.0	33.4	42.4	0.1
Occupied Rental Units by Geography	959,112	18.8	29.7	30.0	21.1	0.3
Vacant Units by Geography	205,585	19.2	27.3	30.3	23.0	0.3
Businesses by Geography	569,817	7.0	18.9	28.8	44.6	0.6
Farms by Geography	11,317	4.7	16.4	35.9	42.6	0.4
Family Distribution by Income Level	1,671,492	23.3	16.6	18.3	41.8	0.0
Household Distribution by Income Level	2,407,330	23.9	16.5	17.8	41.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$71,149	Median Housing Value			\$175,126
Median Family Income MSA - 23104 Fort Worth-Arlington, TX MD		\$69,817	Median Gross Rent			\$978
			Families Below Poverty Level			11.3%
<i>Source: 2015 ACS Census and 2018 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 above, the DFW MSA is the bank's only AA and will therefore be subject to a full-scope review.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS****LENDING TEST**

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

Based on a full-scope review, the bank's lending performance in the state of Texas is reasonable.



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

The bank exhibits poor geographic distribution of loans in the state.

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

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.

For 2016, the bank's home mortgage lending in low-income geographies was lower than the owner-occupied housing and somewhat lower than the aggregate lending in low-income geographies. For moderate-income geographies, the bank's home mortgage lending was lower than the owner-occupied housing but near to the aggregate lending.

For 2017-2018, the bank's home mortgage lending in low-income geographies was lower than the owner-occupied housing and somewhat lower than the aggregate lending in low-income geographies. For moderate-income geographies, the bank's home mortgage lending was somewhat lower than the owner-occupied housing and near to the aggregate lending.

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

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

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

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.

For borrower distribution, more weight was placed on the aggregate data given the performance context. As previously mentioned, increasing housing prices and rent rates prevent some borrowers from accumulating down payment funds for home purchases. Further, community contacts identified housing stock as a barrier to home ownership for LMI individuals with very little new construction in the area priced below \$250 thousand.

For 2016, the bank's home mortgage lending to low-income borrowers is lower than the percentage of low-income borrowers but is near to the aggregate lending to low-income borrowers. The bank's home mortgage lending to moderate-income borrowers is somewhat lower than the percentage of moderate-income borrowers but exceeds the aggregate lending to moderate-income borrowers.

For 2017-2018, the bank's home mortgage lending to low-income borrowers is lower than the percentage of low-income borrowers but is near to the aggregate lending to low-income borrowers. The bank's home mortgage lending to moderate-income borrowers is near to the percentage of moderate-income borrowers and exceeds the aggregate lending to moderate-income borrowers.

## **Responses to Complaints**

The bank had no CRA-related complaints during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Satisfactory.

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

### Number and Amount of Community Development Loans

Refer to the Lending Activity tables below for the facts and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending demonstrates adequate responsiveness to the CD needs within the AA.

During the evaluation period, the bank originated or renewed eleven CD loans totaling \$4.8 million within the AA. These loans included five loans totaling \$2.6 million for economic development, five loans totaling \$1.9 million to revitalize and stabilize areas within the AA, and one loan totaling \$400 thousand for affordable housing.

Significant loans include a \$1.5 million loan to purchase commercial property in a moderate-income census tract that will create multiple jobs for low- and moderate-income individuals and a \$400 thousand loan to purchase an apartment complex which will provide 12 affordable housing units.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
DFW MSA	1	6,300	76	494	77	100	6,794	100	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 Bank's level of investments and donations demonstrates adequate responsiveness to the CD needs in the AA.

During the evaluation period, the bank continued its \$6.3 million investment in a CRA Qualified Fund. The bank also made 76 donations totaling \$494 thousand, including \$148 thousand in donations to a

housing counseling agency and \$77 thousand to an organization that provides mortgage or rental payment assistance to families in financial need with critically ill or injured children.

### **Extent to Which the Bank Provides Community Development Services**

The level of CD services demonstrates excellent responsiveness to the needs of the AA.

Bank officers and employees serve in leadership positions and provide technical expertise in local qualifying organizations that provide community services to low- and moderate-income individuals, support economic development, assist with affordable housing, and revitalize or stabilize areas within the AA. Employees also led or participated in numerous financial literacy classes and forums. During the evaluation period, 66 employees provided more than 3,000 service hours to 43 qualified organizations within the AA.

Significant CD service contributions included three employees serving on the board for a local organization that provides homebuyer education counseling, reverse equity mortgage counseling, and default and delinquency counseling. Another employee served on the board and provided technical expertise to a medical clinic that provides medical care to low- and moderate-income individuals without insurance. An employee also served on the board and assisted with day-to-day business needs for an organization that provides children and youth with emergency housing, medical care, clothing, school supplies, and other necessities

## 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>	<b>01/01/2016 to 12/31/2018</b>	
<b>Bank Products Reviewed:</b>	Home mortgage Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
No Affiliates	NA	NA
<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>		
DFW MSA	Full-Scope	All whole census tracts in Tarrant, Parker, Hood, Johnson, Wise, Somervell, Dallas, Collin, Denton, Hunt, Rockwall, Kaufman, and Ellis Counties.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		Colonial Savings, FA	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Colonial Savings, FA	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 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

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### *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.

# INTERMEDIATE SMALL BANK

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

2016

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 MSA	1,628	337,850	100.0	261,642	4.6	1.1	1.9	19.3	8.4	10.1	34.3	33.6	33.2	41.7	56.9	54.8	0.0	0.0	0.0
<b>Total</b>	<b>1,628</b>	<b>337,850</b>	<b>100.0</b>	<b>261,642</b>	<b>4.6</b>	<b>1.1</b>	<b>1.9</b>	<b>19.3</b>	<b>8.4</b>	<b>10.1</b>	<b>34.3</b>	<b>33.6</b>	<b>33.2</b>	<b>41.7</b>	<b>56.9</b>	<b>54.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 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**

2017-18

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 MSA	2,627	581,347	100.0	239,386	5.2	2.1	3.0	19.0	12.3	13.2	33.4	37.9	34.6	42.4	47.6	49.1	0.1	0.0	0.1
<b>Total</b>	<b>2,627</b>	<b>581,347</b>	<b>100.0</b>	<b>239,386</b>	<b>5.2</b>	<b>2.1</b>	<b>3.0</b>	<b>19.0</b>	<b>12.3</b>	<b>13.2</b>	<b>33.4</b>	<b>37.9</b>	<b>34.6</b>	<b>42.4</b>	<b>47.6</b>	<b>49.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

# INTERMEDIATE SMALL BANK

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016		
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 MSA	1,628	337,850	100.0	261,642	22.4	2.7	3.1	16.9	12.5	11.3	18.8	22.6	17.6	41.8	59.2	48.9	0.0	2.9	19.1		
<b>Total</b>	<b>1,628</b>	<b>337,850</b>	<b>100.0</b>	<b>261,642</b>	<b>22.4</b>	<b>2.7</b>	<b>3.1</b>	<b>16.9</b>	<b>12.5</b>	<b>11.3</b>	<b>18.8</b>	<b>22.6</b>	<b>17.6</b>	<b>41.8</b>	<b>59.2</b>	<b>48.9</b>	<b>0.0</b>	<b>2.9</b>	<b>19.1</b>		

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 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																			2017-18		
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 MSA	2,627	581,347	100.0	239,386	23.3	3.8	3.9	16.6	14.5	13.2	18.3	24.2	20.2	41.8	56.1	44.8	0.0	1.4	17.9		
<b>Total</b>	<b>2,627</b>	<b>581,347</b>	<b>100.0</b>	<b>239,386</b>	<b>23.3</b>	<b>3.8</b>	<b>3.9</b>	<b>16.6</b>	<b>14.5</b>	<b>13.2</b>	<b>18.3</b>	<b>24.2</b>	<b>20.2</b>	<b>41.8</b>	<b>56.1</b>	<b>44.8</b>	<b>0.0</b>	<b>1.4</b>	<b>17.9</b>		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0