



PUBLIC DISCLOSURE

December 31, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Titan Bank
Charter Number 12437

1701 East Hubbard Avenue
Mineral Wells, TX 76067

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 **Outstanding**.

The major factors that support this rating include:

- The Loan to Deposit (LTD) Ratio exceeds the bank's strategic goal for Outstanding performance.
- Community Development (CD) lending exceeds the bank's strategic goal for Outstanding performance.
- CD investments exceed the bank's strategic goal for Outstanding performance.
- CD grants and donations exceed the bank's strategic goal for Outstanding performance.
- CD services exceed the bank's strategic goal for Outstanding performance.

Conclusions

The bank defined its strategic goals with consideration of its business model and needs and opportunities in the assessment area (AA). Titan Bank exceeded the standard for a Satisfactory rating established in the Strategic Plan for all the goals in each year of the evaluation period and exceeded the standard for an Outstanding rating for all the goals in four of the five years of the evaluation period. In 2017, the bank fell short of Outstanding performance on two goals.

The following table summarizes Titan Bank's CRA strategic goals and performance during the evaluation period. Performance relative to the individual goals is discussed further throughout this Performance Evaluation (PE).

Strategic Plan Goals and Performance					
Year	2015	2016	2017	2018	2019
Goal 1 LTD Ratio					
Satisfactory Goal*	60%	60%	60%	60%	60%
Outstanding Goal**	65%	65%	65%	65%	65%
Performance	75%	71%	61%	76%	75%
Goal 2 CD Lending					
Satisfactory Goal*	\$951,635	\$1,141,962	\$1,256,158	\$1,381,774	\$1,519,951
Outstanding Goal**	\$1,189,544	\$1,427,452	\$1,570,197	\$1,727,217	\$1,899,939
Performance	\$3,094,496	\$2,059,594	\$1,601,762	\$2,381,902	\$2,641,540
Goal 3 CD Investments					
Satisfactory Goal*	\$190,327	\$228,393	\$274,071	\$328,885	\$394,662
Outstanding Goal**	\$380,654	\$456,785	\$548,142	\$657,771	\$789,325
Performance	\$1,693,929	\$1,750,011	\$2,127,433	\$2,183,373	\$986,373
Goal 4 CD Grants and Donations					
Satisfactory Goal*	\$5,850	\$6,143	\$6,450	\$6,772	\$7,111
Outstanding Goal**	\$7,150	\$7,507	\$7,883	\$8,277	\$8,691
Performance	\$10,593	\$7,891	\$14,773	\$9,095	\$9,100
Goal 5 Non-Profit Board Service***					
Satisfactory Goal*	2	3	3	3	3
Outstanding Goal**	3	4	4	4	4
Performance	13	11	12	6	5
Goal 5 Service Hours					
Satisfactory Goal*	40	42	44	46	49
Outstanding Goal**	53	56	59	62	65
Performance	210	186.5	181.5	104	74
<p>*Satisfactory Goal represents the number of dollars or service hours provided to achieve a rating of Satisfactory for each of the years included in the evaluation period.</p> <p>**Outstanding Goal represents the number of dollars or service hours provided to achieve a rating of Outstanding for each of the years included in the evaluation period.</p> <p>***Non-Profit Board Service represents the number of board positions held by the bank's staff and board members.</p>					

Goals versus Performance

As noted in the overall conclusions, Titan Bank exceeded all their goals in the Strategic Plan for a Satisfactory rating in each year of the evaluation period. Further, they exceeded all their goals for an Outstanding rating in four of the five years of the evaluation period.

Titan Bank had significant staffing changes and an internal reorganization during the evaluation period resulting in the President and the Cashier positions being relocated from the Mineral Wells location and a reduction in the number of employees at the Mineral Wells location. Further, the bank also closed their one branch that was located in Graford, Texas, within the bank's AA, in 2019. This reorganization most specifically impacted the bank's performance on local non-profit boards and the number of hours staff and board members were able to devote to CD services in 2018 and 2019.

The following outlines performance in the five categories with specific examples of how Titan Bank exceeded the goals established in the Strategic Plan.

Lending (Goals 1 and 2)

The bank exceeded the LTD ratio goal for Outstanding performance in four of the five years during this evaluation timeframe. They also exceeded the CD Lending goals for outstanding performance in all five years of this evaluation period.

Several specific lending activities noted include:

- The bank made a \$1.1 million loan to a start-up small business in Mineral Wells providing jobs in the AA.
- The bank made a \$650 thousand loan to finance a multi-family housing property providing affordable housing in the AA.

Investments (Goals 3 and 4)

The bank exceeded their goals for Outstanding performance in CD Investments in every year. Investment opportunities in the bank's AA are limited. CD Investment activity included bonds from the local school district and deposits in minority owned depository institutions. These local school district bonds are within the AA. As of September 30, 2019, these investments represented 5.74 percent of the bank's Tier 1 Capital.

Grants and donations totaled \$51.5 thousand to 15 different community development organizations during the evaluation period. This exceeded the goal for Outstanding performance in every year.

Services (Goal 5)

The CD Services goal is twofold; it includes service on the boards of directors for local community development organizations as well as volunteer service hours.

Titan Bank staff and directors served on the boards of directors for 15 different organizations during the evaluation period. Most of the board positions were held by the former President and former Cashier from the Mineral Wells location. While the bank's

representation on local CD organization boards exceeded the Outstanding goal for each year, participation declined significantly in 2018 and 2019 with the relocation of these leadership positions to the Dallas location.

The Strategic Plan specifically includes food assistance programs as qualifying services and the bank's service hours are centered in volunteering for Meals on Wheels in the Mineral Wells AA. Bank staff and directors served as volunteers for 10 different CD organizations during the evaluation period. In 2018 and 2019, service hours were limited to volunteering for Meals on Wheels in the Mineral Wells AA. The former President and former Cashier were responsible for initiating most of the service hours early in the evaluation period. The change in the mix of organizations served is attributed to the relocation of the President and Cashier positions to Dallas. While the bank exceeded its Outstanding strategic goal for each year during the evaluation period, service hours peaked in 2015 and declined steadily throughout this evaluation period.

Description of Institution

Titan Bank N.A. (Titan Bank) is a national bank headquartered in Mineral Wells, TX. Titan Bank is a wholly owned subsidiary of BMC Bankshares, Inc. located in Dallas, TX. The bank also closed their one branch that was located in Graford, Texas during 2019. The bank does not operate any ATMs separate from the Mineral Wells location.

The bank has been under the control of the current ownership group for approximately eleven years. The ownership group initially replaced the full management team and most of the staff and has continued to make strategic and staffing changes throughout the evaluation period. Most notably, during the evaluation period the bank has shifted its focus to developing a digital banking platform and reorganized and relocated much of its executive management team. The President and the Cashier positions were relocated from the Mineral Wells location to the Dallas holding company location. Further, the number of employees at the Mineral Wells location were also reduced. These changes are discussed further as they relate to specific performance measures established in the Strategic Plan.

The bank's business model differs from the traditional small bank model. Given the unique business model, a CRA Strategic Plan is appropriate. Titan Bank focuses primarily on small business loans and caters to small business entrepreneurs that may be overlooked by larger money center banks. The bank offers traditional loan and deposit products in addition to a variety of government backed business loan products and a high percentage of the loans it makes are Small Business Administration (SBA) loans. The bank has been granted Preferred Lender Status by the SBA. The bank reported the origination of 58 SBA loans totaling \$34.7 million during the evaluation period. The bank added Self-Directed 401K accounts as an online deposit product during the latter portions of the evaluation period.

The bank has only one AA described later in this Performance Evaluation and one rating area, which is the State of Texas. The bank has grown during the evaluation period from \$76.5 million in total assets as of December 31, 2014 to \$146.7 million in total assets as of September 30, 2019. Tier 1 capital, an important measure of a bank's financial strength, increased throughout the evaluation period from \$7.6 million as of December 31, 2014 to \$17.2 million resulting in a leverage ratio of 10.41 percent as of September 30, 2019. The bank reported total deposits of \$123.8 million, and net loans of \$91.6 million as of September 30, 2019. Loans are centered in commercial loans secured by real estate. There are no legal or financial factors impeding the bank's ability to help meet the credit needs of its AA.

On July 17, 2018, the bank received approval from the Office of the Comptroller of the Currency for an investment in a community development corporation to establish a bank subsidiary known as Titan Community Development, LLC (TCD). The purpose was to primarily benefit low- and moderate-income (LMI) individuals and areas and would receive consideration under 12 CFR 25.23 as a "qualified investment" for purposes of the Community Reinvestment Act. TCD was to provide affordable housing by purchasing, rehabilitating, and selling single family homes primarily to LMI individuals, both

Hispanic and non-Hispanic. TCD was also to provide mortgages to purchase these homes to LMI individuals. Given operational difficulties shortly after its creation, the operations of the TCD subsidiary have ceased.

The bank's rating at its previous CRA Performance Evaluation dated May 19, 2014 was "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period spans January 1, 2015 through December 31, 2019. Titan Bank's CRA evaluation goals are set forth in the Strategic Plan dated December 15, 2014 and effective January 1, 2015 through December 31, 2019.

CRA regulations require Titan Bank to specify measurable goals for helping to meet the credit needs of the AA or areas covered by the Strategic Plan through lending, investment, and services, as appropriate. The Strategic Plan establishes five specific goals with measurable performance requirements for Outstanding and Satisfactory ratings:

- Goal 1 LTD ratio
- Goal 2 CD Lending
- Goal 3 CD Investments
- Goal 4 CD Grants and Donations
- Goal 5 CD Services

The OCC evaluates a financial institution's activities under the CRA based on information regarding the institution's capacity, constraints, business strategies, competitors, and peers; and the community's demographic and economic data and lending, investment, and service opportunities. These factors were considered upon approval of the specific goals established in the Strategic Plan.

The OCC evaluated Titan Bank's performance relative to the goals in the approved Strategic Plan. Evaluation under the Plan is based on the stated goals for Satisfactory and Outstanding ratings as approved in the Plan.

Selection of Areas for Full-Scope Review

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

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The bank only has one AA. Performance relative to the goals established in the Strategic Plan was evaluated in the Mineral Wells AA.

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: Outstanding

The Lending Test is rated: Outstanding

The lending test is based on performance under Goals 1 and 2 of the Strategic Plan.

Goal 1 Loan to Deposit Ratio

The bank exceeded its strategic goal for an Outstanding rating in 2015, 2016, 2018 and 2019 and met the strategic goal for a Satisfactory rating in 2017. The overall rating for Goal 1 is Outstanding.

The Strategic Plan states that the bank will maintain a LTD ratio of 60 percent for Satisfactory performance and 65 percent for Outstanding performance. The bank considers outstanding letters of credit to count as loans for this calculation.

The bank reported actual performance using its end of fiscal year statements and included unfunded letters of credit in the LTD ratio calculation. To ensure that large unfunded letters of credit and balance sheet changes at the end of the fiscal year did not materially affect the LTD ratios, we calculated an average LTD ratio for each year using quarterly call report data and not including unfunded letters of credit. There is not a material difference between the bank's calculation of LTD ratio at the end of the fiscal years and the average of the LTD ratios calculated based on quarter end call report data. The following table reflects the data used to evaluate performance under Goal 1.

Goal 1 - Loan to Deposit Ratio					
	2015	2016	2017	2018	2019
Satisfactory Goal	60%	60%	60%	60%	60%
Outstanding Goal	65%	65%	65%	65%	65%
End of Fiscal Year LTD	75%	71%	61%	76%	75%
Average LTD	74%	70%	64%	63%	75%

Goal 2 Community Development Lending

The bank exceeded its strategic goal for an Outstanding rating each year of the evaluation period except 2017 when it met the goal for a Satisfactory rating. The overall rating for Goal 2 is Outstanding.

The Strategic Plan states that Titan Bank will commit a portion of its average assets to making CD loans in its AA. From a CD loan perspective, the bank will focus on meeting the strategic goal by generating small business CD loans as defined under 12 CFR 25.12 (g)(3) and by originating CD loans on rental real estate properties. The bank considers outstanding letters of credit to be counted as loans for this calculation. The strategic goals are based on aggregate CD loans on book at fiscal year-end with the requirement that new CD loans make up 10 percent of the aggregate goal.

Aggregate CD loans exceeded the bank’s strategic goal for an Outstanding rating in each year of the evaluation period. The established goals for Satisfactory and Outstanding performance reflect a projected increase each year, but actual performance fluctuated during the evaluation period. CD Lending peaked in 2015 and fell almost by half during the next two years. In 2017, new CD loans represented only 8 percent of the aggregate goal for an Outstanding rating resulting in a Satisfactory rating for the year. The following table reflects the data used to evaluate performance under Goal 2.

Goal 2 CD Lending					
	2015	2016	2017	2018	2019
Satisfactory Goal	\$951,635	\$1,141,962	\$1,256,158	\$1,381,774	\$1,519,951
Outstanding Goal	\$1,189,544	\$1,427,452	\$1,570,197	\$1,727,217	\$1,899,939
Aggregate CD Loans	\$3,094,496	\$2,059,594	\$1,601,762	\$2,381,902	\$2,641,540
New CD Loans \$	\$1,100,000	\$395,000	\$130,000	\$650,000	\$470,000
New CD Loans % of Satisfactory Goal	116%	35%	10%	47%	31%
New CD Loans % of Outstanding Goal	92%	28%	8%	38%	25%

The Investment Test is rated: Outstanding

The investment test is based on performance under Goals 3 and 4 of the Strategic Plan.

Goal 3 Community Development Investments

The bank exceeded its strategic goal for an Outstanding rating each year of the evaluation period. The overall rating for Goal 3 is Outstanding.

The Strategic Plan states that Titan Bank will commit a portion of its average assets to CD investments in its AA or the broader regional area including the AA. Investments are to be CRA qualified CD investments including, but not limited to:

- Targeted Municipal Bonds

- New Market Tax Credit Funds
- Small Business Investment Company (SBIC) Funds
- Low Income Tax Credits
- Low Income Housing Projects
- Community Development Financial Institution (CDFI) Deposits
- Organizations engaged in affordable housing rehabilitation and construction including multifamily rental housing
- Direct investments in rental real estate that serves the public welfare as outlined in 12 CFR 24

The Strategic Plan allows that CRA qualified investments will be considered on an aggregate basis with investments made in prior years carrying forward as long as the qualified investment remains outstanding. Investments do not include grants or donations.

Aggregate CD investments exceeded the bank’s strategic goal for an Outstanding rating each year of the evaluation period. CD Investments rose steadily over the initial evaluation period peaking in 2018. However, the volume declined significantly in 2019. Investments were centered in deposits with CDFIs and minority and women-owned banks during most of the evaluation period. These deposits declined in 2019 from \$1.447 million in six different institutions to \$250 thousand in one institution. In 2016, the bank committed \$500 thousand to an SBIC. The investment was funded in early 2017 and remained on the books through 2019. The bank also held qualifying municipal bonds throughout the evaluation period. The following table reflects the data used to evaluate performance under Goal 3.

Goal 3 CD Investments					
	2015	2016	2017	2018	2019
Satisfactory Goal	\$190,327	\$228,393	\$274,071	\$328,885	\$394,662
Outstanding Goal	\$380,654	\$456,785	\$548,142	\$657,771	\$789,325
Actual Performance	\$1,693,929	\$1,750,011	\$2,127,433	\$2,183,373	\$986,373

Goal 4 Community Development Grants and Donations

The bank exceeded its strategic goal for an Outstanding rating each year of the evaluation period. The overall rating for Goal 4 is Outstanding.

The Strategic Plan states that Titan Bank will meet its CD grants and donations goals through a combination of grants, donations, and sponsorships each year. Grants will be made in the bank’s AA based on the Needs Assessment included in the Strategic Plan and will focus primarily on:

- Financial Counseling
- Small Business Counseling
- Food Assistance/Food Distribution

- Other critical needs that occur in the community from time to time

Community needs were considered in conjunction with the bank’s historical grants and donations and growth projections in setting the goals established in the Strategic Plan. The goals reflect a 5 percent increase in grants and donations annually for a total of 21.5 percent increase over the evaluation period.

Grants and donations exceeded the goal for an Outstanding rating each year of the evaluation period. The total of actual grants and donations for the evaluation period was \$51.5 thousand which significantly exceeds the total of each year’s strategic goal for an Outstanding rating of \$39.5 thousand. On an individual year basis, both the Satisfactory and Outstanding goals outline a steady, increasing baseline over the 5 years. Actual yearly performance indicates that CD Grants and Donations peaked in 2017 and reflect a declining trend in 2018 and 2019. Grants and donations were focused on the United Way in the AA to provide financial education and fulfill other critical needs in the community. The bank also donated funds to organizations within the AA to provide food assistance, children’s advocacy, housing assistance, and health services to LMI individuals and families in the AA. The following table reflects the data used to evaluate performance under Goal 4.

Goal 4 CD Grants and Donations					
	2015	2016	2017	2018	2019
Satisfactory Goal	\$5,850	\$6,143	\$6,450	\$6,772	\$7,111
Outstanding Goal	\$7,150	\$7,507	\$7,883	\$8,277	\$8,691
Actual Grants and Donations *	\$10,593	\$7,891	\$14,773	\$9,095	\$8,820

The Service Test is rated: Outstanding

The service test is based on performance under Goal 5 of the Strategic Plan.

Goal 5 Community Development Services

Goal 5 is twofold. It includes service on the boards of directors for local community development organizations as well as volunteer service hours. The bank exceeded its strategic goal for an Outstanding rating each year of the evaluation period for both parts of the goal. The overall rating for Goal 5 is Outstanding.

The Strategic Plan states that the bank will be actively engaged in CD services in the AA. The bank’s staff and directors will sit on boards, task forces, or committees of non-profit organizations with the primary purpose of CD in the AA. It is expected that bank staff and directors will contribute in a material executive manner that assists the non-profit they serve.

The Strategic Plan also states that the bank's staff and directors will contribute CD service hours in conjunction with non-profit CD organizations in the AA. Based on the Needs Assessment included in the Strategic Plan service hours will focus on:

- Financial Counseling
- Small Business Counseling
- Food Assistance Programs
- Other critical needs that occur in the community from time to time

Community needs were considered in conjunction with the bank's historical levels of service in setting the goals established in the Strategic Plan. The goals reflect a 5 percent increase in service hours annually.

Representation on CD organization boards exceeded the strategic goal for an Outstanding rating each year of the evaluation period. During the evaluation period, bank staff and directors served on boards or committees for 15 different organizations serving the AA. In 2015, bank representatives held 13 board or committee positions. This is significantly higher than the goal of 4 board or committee positions established in the Strategic Plan. While exceeding the Outstanding goal each year, there was a significant decline noted in 2018 and 2019. The majority of this activity was performed by the former Cashier and the former President from the Mineral Wells location. The reorganization and relocation of these positions to Dallas affected the latter years in the evaluation period.

Service hours exceeded the strategic goal for an Outstanding rating each year of the evaluation period. As with representation on CD organization boards, the service hours significantly exceed the strategic goals. The strategic goals call for a projected increase each year in service hours; however, actual service hours were their highest in 2015 and steadily declined throughout the evaluation period. Most of the service hours are attributable to the former President and Cashier from the Mineral Wells location, and again were impacted by the reorganization and relocation of these positions from Mineral Wells. The following table reflects the data used to evaluate performance under both parts of Goal 5.

Goal 5 Non-Profit Board Service					
	2015	2016	2017	2018	2019
Satisfactory Goal	2	3	3	3	3
Outstanding Goal	3	4	4	4	4
Performance	13	11	12	6	5
Goal 5 Service Hours					
	2015	2016	2017	2018	2019
Satisfactory Goal	40	42	44	46	49
Outstanding Goal	53	56	59	62	65
Performance	210	186.5	181.5	104	74

Responses to Complaints

The bank did not receive any CRA related complaints during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2015 to December 31, 2019	
Bank Products Reviewed:	We reviewed CD lending, CD investments, and CD Services as they pertain to specific goals established in the Strategic Plan.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No Affiliates		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
No MMSAs		
State of Texas		
Mineral Wells, TX AA	Full-Scope per Strategic Plan	AA is Palo Pinto County, TX. We reviewed performance in the AA relative to specific goals established in the Strategic Plan.

Appendix B: Definitions and Common Abbreviations

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

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

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

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

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

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

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

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

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

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

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

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

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

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

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would

be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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

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