



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

January 14, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Lamesa National Bank
Charter Number 13111
602 South 1st Street, Lamesa, TX 79331

Office of the Comptroller of the Currency
Lubbock Field Office
5225 South Loop 289, Suite 108, Lubbock, TX 79424

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Lamesa National Bank's (LNB) CRA performance is Satisfactory for both the Lending Test and the Community Development Test. This rating is based on the following:

- LNB's quarterly average net loan-to-deposit (LTD) ratio of 31 percent is reasonable given the bank's size, financial condition, local competition, and assessment area (AA) credit needs.
- LNB originated a majority of its loans by number (81 percent) and dollar volume (80 percent) to farms and businesses located within the AA.
- LNB's loan portfolio reflects an overall reasonable penetration among farms and businesses of different sizes.
- The geographic distribution of farms and businesses reflects a more than reasonable dispersion given the bank's performance context, business strategy, and location.
- LNB's community development (CD) performance demonstrates adequate responsiveness to the needs of its AA through CD loans, qualified investments, and CD services.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

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

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

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

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. 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 it and half below it.

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

Metropolitan 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.

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

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

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

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

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

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

Description of Institution

LNB is a community bank headquartered in Lamesa, Texas, approximately 60 miles south of Lubbock, Texas. LNB is an intrastate bank with one main office and drive-up facilities. As of December 31, 2018, LNB had total assets of \$350 million with 22.7 percent of total assets in the loan portfolio.

The bank's primary loan products are agricultural and commercial loans, in that order. The following chart details LNB's loan originations during the evaluation period.

Loan Originations in 2016, 2017 and 2018 by Original Amount				
Loan Category	\$ of Loans (000s)	% of \$	# of Loans	% of #
Agricultural and Farmland	223,191	73	2,663	67
Commercial and Commercial Real Estate	80,984	26	579	15
Consumer	2,962	1	723	18
Residential Real Estate (1-4 Family)	0	0	0	0
TOTAL	307,138	100	3,965	100

Source: Loan trial balance

Lobby services at the main bank are provided Monday through Friday from 9:00 AM to 3:00 PM. The bank offers traditional banking products including a variety of loan and deposit accounts. Drive-up facilities are located across the street from the main branch and operate Monday through Friday from 9:00 AM to 3:00 PM. LNB also offers basic online banking at www.lamesanb.com, including access to account information, online transfers between accounts, and bill pay services. The bank was rated "Satisfactory" at its last CRA evaluation dated February 11, 2013.

LNB's business strategy is to provide outstanding banking services to Dawson County and foster continued economic growth through local involvement. No legal impediments or other factors hinder LNB's ability to provide credit in its AA. The bank is financially capable of meeting almost any request for credit, subject to certain legal restrictions applicable to all national banks.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated LNB using the intermediate small bank (ISB) evaluation procedures, which include Lending and Community Development Tests. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through lending activities using the following performance criteria: loan-to-deposit ratio, lending in the assessment area, borrower distribution, geographic distribution, and responsiveness to CRA-related complaints. The Community Development Test evaluates the bank's responses to the identified needs in its AAs through community development (CD) lending, qualified investments, and CD services.

The primary loan products for LNB are agricultural and commercial loans. To evaluate small farm and small business lending, we reviewed a random sample of loans for each primary product originated between January 1, 2016 and December 31, 2018. Census tracts 9504.01 and 9505.00 changed from middle-income to upper-income, effective in 2017. Due to changes in the census tract income level designations, loans originated in 2016 are evaluated against 2010 census data while loans originated in 2017 and 2018 are combined and evaluated against 2015 census data.

The evaluation period for the Community Development Test uses information beginning from the close of the previous CRA evaluation period, or January 1, 2013 through December 31, 2018.

Data Integrity

We obtained financial and geographic information directly from the bank's loan files and, when not available in the loan file, from bank management.

Selection of Areas for Full-Scope Review

LNB has one assessment area, Dawson County, which will receive a full-scope review.

Ratings

The bank's overall rating is based on the AA receiving a full-scope review.

Conclusions with Respect to Performance Tests

LENDING TEST

LNB's performance under the Lending Test is Satisfactory.

Loan-to-Deposit Ratio

LNB's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, local competition, and AA credit needs. The bank's quarterly average net LTD ratio for the 24 quarters from March 2013 to December 2018 was 31 percent and ranged from a low of 22 percent to a high of 43 percent. The quarterly average net LTD ratio for similarly situated banks (agricultural focus with total assets of \$200-\$500 million chartered in or contiguous to the AA) averaged 25.5 percent.

Institution	Total Assets (\$000s) as of 12/31/18	Average Quarterly Net LTD Ratio
The Lamesa National Bank	350,327	31.04
The First National Bank of Stanton	223,418	33.18
The State National Bank of Big Spring	392,240	17.76

Source: Call Reports.

Lending in Assessment Area

A majority of LNB's loans, 81 percent by number and 80 percent by dollar, were extended to borrowers within the bank's AA. We reviewed 52 agricultural loans and 54 commercial loans originated during 2016, 2017, and 2018 to analyze performance.

Lending in Dawson County AA										
Loan Type	Number of Loans					Dollars of Loans (\$000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agricultural	40	77	12	23	52	1,709	79	454	21	\$2,163
Commercial	46	85	8	15	54	1,599	80	399	20	\$1,998
Totals	86	81	20	19	106	3,308	80	853	20	\$4,161

Source: Loan sample.

Lending to Farms and Businesses of Different Sizes

The distribution of loans made to farms and businesses of different sizes reflects an overall reasonable penetration within the AA for all years. We reviewed 20 agricultural loans and 23 commercial loans originated within the AA both in 2016 and 2017-2018. We emphasized agricultural lending performance as the larger primary product.

Agricultural Loans

The distribution of loans to farms reflects reasonable penetration among farms of different sizes. The percentage of LNB farm loans originated in 2016, 2017, and 2018 is 90 percent by number of sampled loans originated to farms with less than or equal to \$1 million in gross annual revenue. This is near the demographic of 96.5 percent.

Borrower Distribution of Loans to Farms in AA				2016
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	96.6	2.9	0.5	100%
% of Bank Loans in AA by #	90.0	10.0	0.0	100%
% of Bank Loans in AA by \$	88.8	11.2	0.0	100%

Source: Loan sample; Dun and Bradstreet data.

Borrower Distribution of Loans to Farms in AA				2017-2018
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	96.4	3.1	0.5	100%
% of Bank Loans in AA by #	90.0	10.0	0.0	100%
% of Bank Loans in AA by \$	71.8	28.2	0.0	100%

Source: Loan sample; Dunn and Bradstreet data.

Commercial Loans

The distribution of loans to businesses reflects more than reasonable penetration among businesses of different sizes. The percentage of LNB commercial loans originated in 2016 (96 percent) and in 2017-2018 (78 percent) by number of sampled loans originated to businesses with less than or equal to \$1 million in gross annual revenue. This significantly exceeds the demographic of 77 percent for 2016 and exceeds the demographic of 76 percent for 2017-2018.

Borrower Distribution of Loans to Businesses in AA				2016
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.9	6.0	17.1	100%
% of Bank Loans in AA by #	95.7	4.4	0.0	100%
% of Bank Loans in AA by \$	79.2	20.8	0.0	100%

Source: Loan sample; Dunn and Bradstreet data.

Borrower Distribution of Loans to Businesses in AA				2017-2018
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.0	5.8	18.1	100%
% of Bank Loans in AA by #	78.3	17.4	4.4	100%
% of Bank Loans in AA by \$	63.1	32.2	4.7	100%

Source: Loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

LNB's geographic distribution of loans reflects a more than reasonable dispersion within the AA for 2016 and 2017-2018. There were no low-income census tracts in the AA during the evaluation period. We reviewed 20 agricultural loans and 23 commercial loans originated within the AA both in 2016 and 2017-2018. We emphasized agricultural lending performance as the larger primary product.

Agricultural Loans

The distribution of loans to farms reflects more than reasonable dispersion. Thirty percent of LNB's farm loans originated in 2016 are located in moderate-income census tracts, which equals the demographic of 30 percent. Thirty-five percent of LNB's farm loans originated in 2017-2018 are located in moderate-income census tracts, which exceeds the demographic of 28 percent.

Commercial Loans

The distribution of loans to businesses reflects more than reasonable dispersion. Thirty percent of LNB's commercial loans originated in 2016 are located in moderate-income census tracts, which is below the demographic of 52 percent. However, 56.5 percent of LNB's business loans originated in 2017-2018 are located in moderate-income census tracts, which exceeds the demographic of 52 percent.

Geographic Distribution of Loans to Farms and Businesses in AA								2016
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans
Agricultural	0.0	0.0	29.9	30.0	70.1	70.0	0.0	0.0
Commercial	0.0	0.0	51.9	30.4	48.1	69.6	0.0	0.0

Source: Loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans to Farms and Businesses in AA								2017-2018
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans	% of AA Businesses /Farms	% of # of Loans
Agricultural	0.0	0.0	28.0	35.0	0.0	0.0	72.0	65.0
Commercial	0.0	0.0	51.9	56.5	0.0	0.0	48.1	43.5

Source: Loan sample; Dunn and Bradstreet data.

Responses to Complaints

There have been no CRA-related complaints filed during the evaluation period, which has a neutral effect on the bank's overall performance.

COMMUNITY DEVELOPMENT TEST

LNB's performance under the Community Development Test demonstrates adequate responsiveness to the needs of its AA through CD loans, qualified investments, and CD services with consideration given to the bank's capacity and the need and availability of such opportunities for activities in its AA.

Number and Amount of Community Development Loans

LNB's level of CD lending reflects adequate responsiveness to the CD needs of its AA. During the evaluation period, LNB originated five qualifying CD loans during the evaluation period totaling \$5.2 million. This represents 16 percent of Tier 1 Capital and 6 percent of the total loan portfolio. The bank made CD loans in the normal course of business. Examples of qualifying CD loans include:

- \$5 million loan originated in 2017 to restructure existing operating debt, allowing a local manufacturer to remain open and retain low- and moderate-income employees.
- \$120 thousand loan originated in 2016 for the purchase and subsequent renovation of an existing building to maintain a failing business, retain low- and moderate-income employees, and stabilize a moderate-income census tract.

Number and Amount of Qualified Investments

LNB's level of qualified investments reflects adequate responsiveness to the CD needs of its AA. During the evaluation period, LNB made two qualified investments of \$1.22 million and seven donations totaling \$12 thousand, for a combined \$1.24 million within the AA. This represents approximately 3.6 percent of Tier 1 Capital. Additionally, LNB made four qualified investments for \$1.31 million outside of the AA. This brings the total amount of qualified investments to \$2.54 million, or 7.3 percent of Tier 1 Capital. Examples include:

- Purchase of a municipal bond for \$227 thousand in 2018 for a local school district. The school is located in a moderate-income census tract where over 50 percent of students receive a free or reduced lunch.
- Purchase of a city tax note for \$1 million in 2013 to build a new water tower. This infrastructure supports two moderate-income census tracts.

Extent to Which the Bank Provides Community Development Services

LNB's level of CD services reflects adequate responsiveness to CD needs of its AA. During the evaluation period, five bank employees provided multiple financial services totaling 222 hours to five different qualified CD organizations. LNB officers and employees provide technical assistance through participation on boards of local organizations, which provide CD services. Examples include:

- Lamesa Birth to Five Head Start – In 2018, bank officers Scott Miers, Hannah Dimas, Shandi Adams, and Nita Dopson participated in a course to educate low- and moderate-income families about available banking services.
- Lamesa Economic Development Council (LEDC) – Bank officer Bryan Nowlin has been a board member since 2014. The LEDC provides a broad range of services to enhance economic development, supporting two moderate-income census tracts.

Responsiveness to Community Development Needs

LNB demonstrates adequate responsiveness to CD needs in its AA. The levels of CD loans, investments, and services all reflect adequate responsiveness.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): 1/1/16 to 12/31/18 Investment and Service Tests and CD Loans: 1/1/13 to 12/31/18	
Financial Institution	Products Reviewed	
The Lamesa National Bank, Lamesa, Texas	Agricultural Loans, Commercial Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Dawson County	Full-Scope	CTs: 9504.01, 9504.02, 9505.00, and 9506.00

Appendix B: Community Profiles for Full-Scope Areas

Dawson County

Demographic Information for Full-Scope Area: Dawson County 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	50.0	50.0	0.0	0.0
Population by Geography	13,833	0.0	56.7	43.3	0.0	0.0
Owner-Occupied Housing by Geography	3,351	0.00	50.3	49.7	0.0	0.0
Businesses by Geography	697	0.0	51.9	48.1	0.0	0.0
Farms by Geography	204	0.0	29.9	70.1	0.0	0.0
Family Distribution by Income Level	3,146	24.0	20.7	17.9	37.4	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,404	0.0	61.6	38.4	0.0	0.0
Median Family Income (MFI)	= \$47,817	Median Housing Value				= \$46,400
HUD Adjusted MFI for 2016	= \$52,400	Unemployment Rate				= 4.6%
Households Below the Poverty Level	= 17.4%					

Source: 2010 U.S. Census.

Demographic Information for Full-Scope Area: Dawson County 2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	50.0	0.0	50.0	0.0
Population by Geography	13,542	0.0	53.6	0.0	46.4	0.0
Owner-Occupied Housing by Geography	3,046	0.00	47.4	0.0	52.6	0.0
Businesses by Geography	684	0.0	51.9	0.0	48.1	0.0
Farms by Geography	193	0.0	28.0	0.0	72.0	0.0
Family Distribution by Income Level	2,937	21.9	18.4	16.3	43.4	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,183	0.0	61.5	0.0	38.5	0.0
Median Family Income (MFI)	= \$52,076	Median Housing Value				= \$60,247
HUD Adjusted MFI for 2018	= \$54,200	Unemployment Rate				= 4.1%
Households Below the Poverty Level	= 18.4%					

Source: 2015 U.S. Census.

LNB has designated Dawson County as its AA. Dawson County is located in the high plains of West Texas. Lamesa is the largest city in Dawson County and is the county seat. Dawson County is agricultural-based, centered in growing crops, especially cotton. The AA meets the legal requirements as it consists of whole geographies and does not arbitrarily exclude any low- or moderate-income census tracts. LNB is the dominant financial institution in Dawson County with 70 percent deposit market share, ranking first among three banks.

Economic conditions are stable. Dawson County and the surrounding areas remain dependent on agricultural activity, as well as energy production. Drought-like conditions have affected the area in the past; however, local farmers have benefitted from recent rainfall and have experienced an increase in production. In addition, the stabilization of oil and gas prices and relative increases in related fracking in nearby areas have provided for a rise in production activity in the area, which has resulted in increases in consumer income and the cost of living. The broader area has exhibited a declining unemployment rate of 4.6 percent in December 2016 to 4.1 percent in December 2018. This approximates the state of Texas and the United States for both level and trend.

We contacted an individual in the community with knowledge economic conditions for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions, and determining their performance. Local economic growth has been good in recent years, straining affordable housing and creating additional need for funding agricultural operations as well as oil and gas-related businesses. Local banks are willing to meet the credit needs of the community and willingly sponsor various community activities.