

# **PUBLIC DISCLOSURE**

February 7, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First State Bank of Livingston  
RSSD # 884358  
112 West Polk Street  
Livingston, Texas 77351

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

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

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## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated **Outstanding**.  
The Lending Test is rated **Outstanding**.  
The Community Development Test is rated **Outstanding**.

First State Bank of Livingston's (the bank) performance demonstrates an excellent responsiveness to the credit and the community development (CD) needs of its assessment area. The bank's performance under the Lending Test and CD Test is *Outstanding* based on the following criteria:

- A reasonable 20-quarter average net loan-to-deposit ratio (NLTD) given the bank's size, financial condition, and assessment area's credit need.
- A majority of the bank's loans are originated inside the assessment area.
- An excellent dispersion of loans throughout the bank's assessment area.
- An excellent penetration of loans among individuals of different income levels, including low- and moderate-income (LMI), and a reasonable penetration of loans among businesses of different revenue sizes.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
- An excellent responsiveness to the CD needs in the bank's assessment area through qualified CD loans, investments and donations, and services, considering the institution's capacity and availability of such opportunities.

## SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's community reinvestment act (CRA) performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as assessment area credit and CD needs and demographic and economic characteristics. Performance was assessed within the bank's sole assessment area: the Livingston Nonmetropolitan Assessment Area.

The Livingston Nonmetropolitan Assessment Area is comprised of two counties in their entirety: Polk and San Jacinto. The assessment area received a full-scope review, considering the following data:

- The 20-quarter average NLTD ratio of the bank and two similarly situated financial institutions.
- The universe of 50 small business loans originated or renewed between January 1, 2020 and December 31, 2020.
- A statistically-derived sample of 93 unsecured consumer loans selected from a universe of 170 loans originated between January 1, 2020 and December 31, 2020.
- A review of the bank's CD activities since October 2016 through February 2022.
- Information provided by a community leader serving as a local government official to augment understanding of the credit and CD needs, the responsiveness of area banks in meeting those needs, and local economic conditions of the Livingston Nonmetropolitan Assessment Area.

### DESCRIPTION OF THE INSTITUTION

First State Bank of Livingston is a full-service, intrastate bank headquartered in Livingston, Texas and is characterized as:

- A wholly owned subsidiary of East Texas Bancshares, Inc., which also owns 100 percent of First National Bank of Jasper.
- Approximately \$420.9 million in total assets as of September 30, 2021.
- Operating its main office in Livingston, Texas, as well as three branch offices located in Livingston, Onalaska, and Shepherd, Texas, and five full-service automated teller machines.
- As a bank that primarily focuses on extending other loans, consisting of mostly government loans, and commercial real estate loans. As shown in the table below, consumer loans account for a small percentage of the bank's loan portfolio; however, unsecured consumer loans comprise a significant number of originated loans by number. The bank identified small-dollar unsecured consumer loans as a credit need in the assessment area and strategically focused on meeting this need; as such, examiners placed more weight on this product when assessing the institution's performance.

**Table 1**

<b>Composition of Loan Portfolio as of September 30, 2021</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Construction and Land Development	4,611	3.2
Farmland	8,526	5.8
1-4 Family Residential Real Estate	15,217	10.4
Multifamily Residential Real Estate	0	0.0
Non-Farm Non-Residential Real Estate	32,904	22.6
Agricultural	1,391	1.0
Commercial and Industrial	5,231	3.6
Consumer	8,954	6.1
Other	68,976	47.3
<b>Gross Loans</b>	<b>145,810</b>	<b>100.0</b>

*Note: Percentages may not total 100.0 percent due to rounding.*

The bank was rated *Outstanding* under the CRA at its prior performance evaluation, which was conducted by the Federal Reserve Bank of Dallas on October 24, 2016. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

### DESCRIPTION OF THE LIVINGSTON NONMETROPOLITAN ASSESSMENT AREA

The bank's Livingston Nonmetropolitan Assessment Area consists of two rural counties in south Texas located approximately 90 miles north of Houston. Refer to Appendix A for an assessment area map and Appendix B for additional demographic data.

- The Livingston Nonmetropolitan Assessment Area has not changed since the previous CRA performance evaluation.

- According to the 2015 American Community Survey (ACS), the assessment area consists of 14 census tracts: two moderate-income census tracts (14.3 percent) and 12 middle-income census tracts (85.7 percent).
- In 2018, the FFIEC designated nine of Polk County’s ten census tracts as distressed due to its poverty rate being 20 percent or higher.
- According to the Federal Deposit Insurance Corporation (FDIC) Market Share Report as of June 30, 2021, six federally insured institutions operated 14 branches and held deposits of \$1.1 billion within the assessment area. The bank ranked second in deposit market share, with \$360 million in deposits or 32.8 percent of the deposit market share. Primary competitors in the market include The First National Bank of Livingston (39.4 percent), Peoples State Bank (12.8 percent), and Citizens State Bank (6.7 percent).
- Major employers in the assessment area include Livingston Independent School District, Wal-Mart (retail sales), Memorial Medical Center, and County of Polk (government).
- To augment the evaluation, an interview with a government official was conducted to ascertain the credit and CD needs of the communities within the assessment area, the responsiveness of area banks in meeting those credit needs, and the local economic conditions.

**Demographic Characteristics**

While the population of the assessment area has increased, the growth is significantly less than the state of Texas.

**Table 2**

Livingston Nonmetropolitan Population Change			
Area	2010 Population	2015 Population	Percentage Change
Livingston Nonmetropolitan	71,797	73,136	1.9
Polk County, Texas	45,413	46,113	1.5
San Jacinto County, Texas	26,384	27,023	2.4
Nonmetropolitan Texas	3,035,664	3,060,473	0.8
State of Texas	25,145,561	26,538,614	5.5

*Source: 2010 U.S. Census Bureau Decennial Census  
2011 – 2015 U.S. Census Bureau American Community Survey (ACS)*

**Income Characteristics**

- There are 19,315 families in the assessment area, of which approximately 23.4 percent of these families are classified as low-income, 18.6 percent are moderate-income, 18.3 percent are middle-income, and 39.7 percent are upper-income families.
- Approximately 13.4 percent of these families live below the poverty rate, which is similar to the family poverty rate for the state of Texas, at 13.5 percent.
- As noted in the table below, the median family income has increased by 6.7 percent, largely due to a significant increase in the family income in Polk County. Other nonmetropolitan Texan areas and the state of Texas experienced a decrease in family income.

**Table 3**

Livingston Nonmetropolitan Median Family Income Change			
Area	2010 Median Family Income	2015 Median Family Income	Percentage Change
Livingston Nonmetropolitan	\$47,838	\$51,029	6.7
Polk County, Texas	\$41,772	\$50,396	20.6
San Jacinto County, Texas	\$56,916	\$53,062	-6.8
Nonmetropolitan Texas	\$52,524	\$52,198	-0.6
State of Texas	\$63,314	\$62,717	-0.9

*Source: 2006 - 2010 U.S. Census Bureau ACS  
2011 - 2015 U.S. Census Bureau ACS  
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.*

**Housing Characteristics**

- The assessment area contains 36,760 housing units, with a median age of housing stock of 35 years.
- The median housing value of \$84,135 is lower than the state of Texas' median housing value of \$136,000.
- Within the assessment area, owner-occupied units comprise of 59.2 percent of the housing units, with rental units representing 14.1 percent and vacant units comprising 26.7 percent.
- Of the owner-occupied housing units, 10.1 percent are in moderate-income census tracts and 89.9 percent are in middle-income census tracts.
- As shown in the table below, housing in the assessment area is more affordable compared to the state of Texas. However, housing within the San Jacinto County is less affordable than housing in nonmetropolitan Texan areas and the state of Texas as a whole.

**Table 4**

Livingston Nonmetropolitan Housing Cost Burden Rates						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Livingston Nonmetropolitan	68.1	37.7	39.1	50.9	26.3	18.9
Polk County, Texas	65.0	37.1	36.8	47.7	28.3	18.4
San Jacinto County, Texas	75.3	39.1	44.9	55.4	22.5	19.7
Nonmetropolitan Texas	64.9	34.3	35.1	49.8	22.6	16.6
State of Texas	77.5	46.7	42.4	59.1	33.8	19.4

*Cost Burden is housing cost that equals 30 percent or more of household income  
Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy*

**Employment and Economic Conditions**

- The largest industries in the assessment area are educational services, construction, and accommodation and food services.
- The highest paying industries in the assessment area are transportation and warehousing, utilities, and finance and insurance.
- The unemployment rates in the assessment area continue to be higher than the state of Texas and other nonmetropolitan Texan areas. The COVID-19 pandemic contributed to a sharp

increase in unemployment in 2020. The community contact stated that local banks provided loans to small businesses in the area through the Small Business Administration’s Paycheck Protection Program (PPP). These loans mitigated the potential impact of job loss and allowed businesses to keep employees on the payroll during the pandemic. The community contact also noted the efforts of local banks to help adversely affected businesses by the 2021 winter storm to assist them recover from closures.

**Table 5**

Livingston Nonmetropolitan Unemployment Rates					
Area	2016	2017	2018	2019	2020
Livingston Nonmetropolitan	6.3	6.0	5.0	4.7	8.5
Polk County, Texas	6.3	6.1	5.1	4.8	8.7
San Jacinto County, Texas	6.3	5.7	5.0	4.6	8.1
Nonmetropolitan Texas	5.6	4.8	4.1	3.7	7.2
State of Texas	4.6	4.3	3.9	3.5	7.6

*Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics*

**Community Contacts and Community Development Opportunities**

Examiners interviewed a government official serving the assessment area. The contact stated that current economic conditions are favorable; however, small businesses and consumers are adversely impacted by inflation. The contact mentioned that local community banks were very helpful in originating PPP loans to assist small businesses during the pandemic. In addition, the contact stated that banks are quick to reach out to the community to assist in recovering from natural disasters, such as the 2021 winter/ice storm that adversely impacted small businesses and consumers. The contact highly praised local banks, including First State Bank of Livingston, for their efforts to educate the community about new technology that enhances consumers and small businesses’ accessibility to banking products.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

The bank’s overall performance under the Lending Test is rated *Outstanding*. The bank’s NLTD ratio is reasonable. The bank extended a majority of loans inside the delineated assessment area. In an analysis of loan products by dollar volume, small business loans represented the bank’s larger product. However, unsecured consumer loans represented the largest loan product by number volume and were identified by the bank as a credit need and strategic opportunity to help LMI individuals in the assessment area because small-dollar consumer loans are not a strategic focus of most other banks. Therefore, more weight was placed on unsecured consumer loans when drawing conclusions regarding the bank’s overall performance. Furthermore, the penetration among businesses of different revenues and borrowers of different income levels was excellent. Lastly, the geographic dispersion of the bank’s lending was excellent.

### Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the assessment area, and in comparison, to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offering, and proximity of the bank's assessment area.

The bank's 20-quarter average NLTD ratio of 47.8 percent is reasonable and within the range of NLTD ratios of the similarly situated banks, which ranged from 36.2 percent to 51.9 percent. The bank's NLTD reflects the institution's willingness to extend credit given the demands and opportunities in the assessment area.

**Table 6**

Comparative NLTD Ratios December 31, 2016 – December 31, 2021			
Institution	Location	Asset Size \$(000)	20-Quarter Average NLTD Ratio (%)
First State Bank of Livingston	Livingston, Texas	440,582	47.8
Similarly Situated Institutions			
Brenham National Bank	Brenham, Texas	473,282	51.9
First National Bank	Livingston, Texas	519,633	36.2

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank's assessment area. As indicated in the table below, the majority of the bank's small business and consumer unsecured loans, both by number and dollar, was originated inside its assessment area.

**Table 7**

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Consumer	78	83.9	\$210	82.1	15	16.1	\$46	17.9
Total Small Business	46	92.0	\$1,460	79.5	4	8.0	\$376	20.5
<b>TOTAL LOANS</b>	<b>124</b>	<b>86.7</b>	<b>\$1,670</b>	<b>79.8</b>	<b>19</b>	<b>13.3</b>	<b>\$421</b>	<b>20.2</b>

The remaining analysis is based on loans made inside the bank's assessment area.

### Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending by income level of census tracts, considering the dispersion of loans throughout the assessment area. There are no low-income census tracts in the assessment area; therefore, the analysis focused on lending in moderate-income census tracts. The bank's geographic distribution of loans reflects an excellent dispersion throughout the assessment area.



*Unsecured Consumer Lending*

The geographic distribution of unsecured consumer loans reflects excellent penetration throughout the assessment area. The bank's lending by number to borrowers in moderate-income census tracts exceeded the percentage of households located in moderate-income census tracts. The bank's lending by dollar volume aligned with the percentage of households in these tracts. Given the assessment area is mostly comprised of middle-income census tracts, the dispersion of unsecured consumer loans demonstrates the bank's efforts to meet the credit needs of the community by lending to households in all geographies of its assessment area.

**Table 8**

Distribution of 2020 Other-Unsecured Lending By Income Level of Geography					
Assessment Area: Livingston Nonmetropolitan					
Geographic Income Level	Bank Loans				Households %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	11	14.1	23	11.0	11.8
Middle	67	85.9	187	89.0	88.2
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>210</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

*Small Business Lending*

The geographic distribution of small business loans reflects a reasonable penetration throughout the assessment area. The bank's lending to small businesses located in moderate-income census tracts was below the percentage of total businesses located in these census tracts. While the bank's lending fell below the demographic figure, it is notable that 92.2 percent of all small businesses in the assessment area are located in middle-income census tracts and the majority of the bank's small business loans were made to businesses in those geographies.

**Table 9**

Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Livingston Nonmetropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	2	4.3	0	0.0	7.8
Middle	44	95.7	1,460	100.0	92.2
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
<b>Total</b>	<b>46</b>	<b>100.0</b>	<b>1,460</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

### Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending to borrowers of different income levels is excellent and lending to businesses of different sizes is reasonable.

#### Unsecured Consumer Lending

The bank's lending by borrower income is excellent. The bank extends a high volume of small-dollar loans, as it was identified as a credit need in the assessment area. These loans help borrowers avoid the high fees associated with small-dollar loans extended by payday lenders and other high-cost lenders. The number and dollar volume of the bank's loans originated to low-income households exceeded the percentage of low-income households in the assessment area. Lending to moderate-income borrowers was similar to the demographic. The bank's performance compared to the demographics demonstrates the bank's commitment to lend to qualified borrowers, including LMI borrowers. Lending to middle- and upper-income borrowers did not impact the analysis.

**Table 10**

Distribution of 2020 Other-Unsecured Lending By Borrower Income Level					
Assessment Area: Livingston Nonmetropolitan					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	#%	\$(000)	%	
Low	27	34.6	59	28.1	23.7
Moderate	14	17.9	36	17.1	18.3
Middle	15	19.2	45	21.4	16.4
Upper	18	23.1	71	33.8	41.5
Unknown	4	5.1	0	0.0	0.0
<b>Total</b>	<b>78</b>	<b>100.0</b>	<b>210</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

#### Small Business Lending

The bank's lending distribution among businesses of different sizes was reasonable. While the bank's lending to small businesses by number of loans was below the total number of small businesses in the assessment area, the bank's lending by dollar volume was similar.

An alternative way to consider the bank's performance is by loan amount. Using this indicator, 94.4 percent of the bank's loans by number were made to businesses with revenues less than \$1 million and in amounts of \$100,000 or less. Typically, smaller businesses require lower dollar loans to operate when compared to larger businesses. Moreover, the bank's lending activity reflects a willingness to lend and to meet the credit needs of the assessment area.

**Table 11**

Distribution of 2020 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Livingston Nonmetropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
<b>By Revenue</b>					
\$1 Million or Less	36	78.3	1,345	92.1	94.3
Over \$1 Million	8	17.4	115	7.9	4.3
Revenue Unknown	2	4.3	0	0.0	1.3
<b>Total</b>	<b>46</b>	<b>100.0</b>	<b>1,460</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or Less	43	93.5	677	46.4	
\$100,001 - \$250,000	1	2.2	115	7.9	
\$250,001 - \$1 Million	2	4.3	668	45.8	
<b>Total</b>	<b>46</b>	<b>100.0</b>	<b>1,460</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
\$100,000 or Less	34	94.4	677	50.3	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	2	5.6	668	49.7	
<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>1,345</b>	<b>100.0</b>	
Source: 2020 FFIEC Census Data					
2020 Dun & Bradstreet Data					
2011-2015 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

### Response to Complaints

The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet the credit needs in its assessment area is appropriate. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

### COMMUNITY DEVELOPMENT TEST

The CD Test evaluates the bank's responsiveness to the needs of the assessment area through the extension of qualified activities (loans, investments, and services), considering the institution's capacity and the need and availability of such opportunities.

The bank's CD performance demonstrates excellent responsiveness to the needs of the assessment area. During the review period, the bank took action to address two notable events that affected the assessment area: Hurricane Harvey, which struck southern Texas and Louisiana in late summer of 2017, and the COVID-19 pandemic. In response to Hurricane Harvey, the bank supported the community by cashing checks for individuals in the community free of charge; ordering and distributing money to the banks in the area that could not receive deliveries of cash; and providing food to a local hotel that housed evacuees. In response to the COVID-19 pandemic, the bank participated in the PPP, extending specialized loans to assist businesses in keeping employees on payroll during the pandemic. Many of these businesses are located in moderate-income census tracts and/or employ LMI individuals. In addition, the bank demonstrated flexible lending practices by deferring loan payments for individuals and businesses affected by the

pandemic and by waiving various bank fees to allow businesses and individuals to focus on necessities.

In addition to disaster response initiatives, the bank invested in local schools and made significant donations to benefit students at those schools, the majority of whom come from LMI families. Specifically, the bank initiated a partnership with other banks to develop a customized bond for Livingston Independent School District. Furthermore, the bank works with affordable housing organizations, providing technical assistance and resources, to advance affordable housing in the assessment area. Lastly, the bank received credit for 28 loans, totaling \$598,000, that benefited a broader statewide area, as they assisted businesses to retain jobs in response to the COVID-19 pandemic. The bank also received credit for two investments outside the assessment area, totaling \$1.3 million, that benefited schools serving LMI students.

**Table 12**

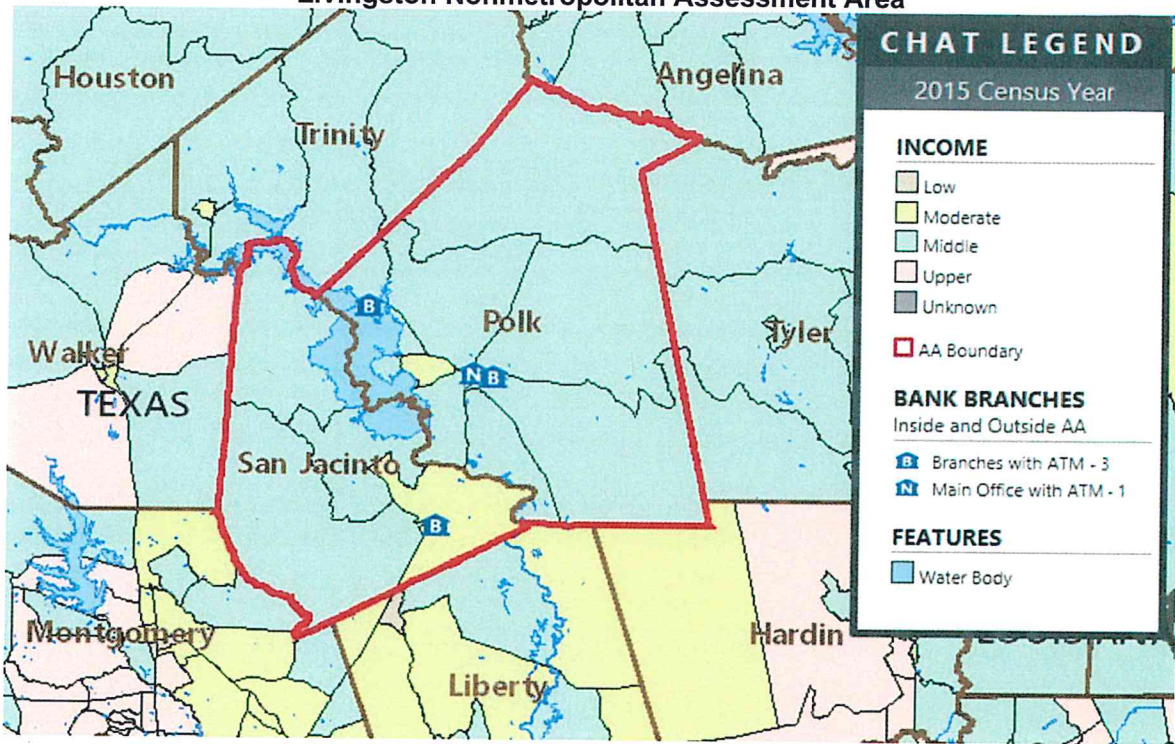
<b>Community Development Activity</b>										
<b>Assessment Area: Livingston Nonmetropolitan</b>										
<b>Community Development Purpose</b>	<b>Community Development Loans</b>		<b>Qualified Investments</b>						<b>Community Development Services</b>	
			<b>Investments</b>		<b>Donations</b>		<b>Total Investments</b>			
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>Hours</b>
<b>Affordable Housing</b>	0	0	0	0	6	8	6	8	1	30
<b>Community Services</b>	1	676	2	3,854	72	66	74	3,920	10	193
<b>Economic Development</b>	140	4,255	0	0	0	0	0	0	1	1
<b>Revitalization and Stabilization</b>	7	134	0	0	3	1	3	1	0	0
<b>Totals</b>	<b>148</b>	<b>5,065</b>	<b>2</b>	<b>3,854</b>	<b>81</b>	<b>75</b>	<b>83</b>	<b>3,929</b>	<b>12</b>	<b>224</b>

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of anti-discrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Livingston Nonmetropolitan Assessment Area



**APPENDIX B – DEMOGRAPHIC INFORMATION**

2020 Livingston Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,520	23.4
Moderate	2	14.3	2,534	13.1	520	20.5	3,594	18.6
Middle	12	85.7	16,781	86.9	2,071	12.3	3,537	18.3
Upper	0	0.0	0	0.0	0	0.0	7,664	39.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>19,315</b>	<b>100.0</b>	<b>2,591</b>	<b>13.4</b>	<b>19,315</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,078	2,207	10.1	54.1	973	23.9	898	22.0
Middle	32,682	19,551	89.9	59.8	4,225	12.9	8,906	27.3
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>36,760</b>	<b>21,758</b>	<b>100.0</b>	<b>59.2</b>	<b>5,198</b>	<b>14.1</b>	<b>9,804</b>	<b>26.7</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	204	7.8	190	7.7	12	10.6	2	5.7
Middle	2,415	92.2	2,281	92.3	101	89.4	33	94.3
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,619</b>	<b>100.0</b>	<b>2,471</b>	<b>100.0</b>	<b>113</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>94.3</b>		<b>4.3</b>		<b>1.3</b>
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	5.0	5	5.2	0	0.0	0	0.0
Middle	96	95.0	91	94.8	5	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>101</b>	<b>100.0</b>	<b>96</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>95.0</b>		<b>5.0</b>		<b>0.0</b>
Source: 2020 FFIEC Census Data								
2020 Dun & Bradstreet Data								
2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

## APPENDIX C – GLOSSARY

**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 metropolitan area/assessment area.

**Census tract:** 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 statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

**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 nonrelatives 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**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 is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Nonmetropolitan area (NonMSA):** Any area that is not located within an MSA.

**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 multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

**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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. 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.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.