



PUBLIC DISCLOSURE

MARCH 05, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**1st BANK IN HOMINY
RSSD# 350657**

**117 NORTH PRICE AVENUE
HOMINY, OKLAHOMA 74035**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

1ST Bank in Hominy (the bank) is rated **Satisfactory** and was also rated Satisfactory under the Community Reinvestment Act (CRA) at its January 13, 2014 performance evaluation.

- The bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's net loan-to-deposit ratio (NLTD) is reasonable given its size, financial condition, and credit needs of its delineated assessment area (AA).
- A majority of the bank's loans are originated inside the AA.
- A reasonable dispersion of loans occurs throughout the bank's AA.
- Lending reflects an excellent penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, and market competition, as well as AA demographics, economic characteristics, and credit needs. Lending performance was assessed within the bank's Osage County Metropolitan AA.

The following criteria were reviewed:

- **NLTD** – A 20-quarter average NLTD ratio was calculated for the bank and compared to a sample of similarly situated institutions.
- **Lending in the AA, Geographic Distribution, and Distribution to Borrowers of Different Income Levels and to Businesses of Different Sizes** – Statistical samples of the bank's small business and residential real estate loans originated from June 19, 2015 through December 31, 2017, as well as motor vehicle secured loans originated from July 1, 2017 through December 31, 2017, were reviewed and compared to applicable demographic data. Lending performance for each product line was weighted equally in the overall evaluation. Moreover, while conclusions with respect to lending performance were derived from an assessment of the bank's overall lending since the last examination, only 2017 lending tables are presented in the body of this report. The bank's combined 2015-2016 lending data was analyzed separately from 2017 data due to changes in AA census tract designations and the associated demographic figures. 2015-2016 lending data can be found in Appendix C.

- **Response to Substantiated Complaints** – Neither the bank nor the Reserve Bank received any CRA-related complaints since the previous evaluation. Therefore, this criterion was not evaluated.
- **Community Contacts** – Two community representatives, one from city government and one from a local news reporting agency, were contacted to provide insight into the needs of the AA.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Hominy, Oklahoma. The bank's characteristics include the following:

- The bank's total assets were \$39.2 million (MM) as of September 30, 2018.
- The bank operates one full-service location in Hominy with a cash-only automated teller machine and drive-through services.
- Commercial and residential real estate lending comprise 66.0 percent of the bank's loan portfolio by dollar volume. Consumer loans comprise a small percentage of the bank's overall lending by dollar volume but account for a significant number of loan originations.

TABLE 1 COMPOSITION OF LOAN PORTFOLIO AS OF SEPTEMBER 30, 2018		
Loan Type	\$(000)	%
Commercial	7,783	43.3
Residential Real Estate	4,069	22.7
Consumer	3,792	21.1
Agricultural	2,315	12.9
Other	5	0.0
Gross Loans	17,964	100.0
<i>Note: Percentages may not total 100.0 due to rounding.</i>		

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 ASSESSMENT AREA

The bank's AA is comprised of Osage County in its entirety. Osage County is part of the Tulsa Metropolitan Statistical Area (MSA). Refer to Appendix A for an AA map.

- The AA is comprised of one moderate- and ten middle-income census tracts.
- The AA's delineation has changed since the 2014 performance evaluation.

Previously, the bank's AA consisted of only one census tract in southern Osage County, in which the bank is located.

- Prior to the updated 2015 American Community Survey (ACS) data, the AA had four moderate-, six middle-, and one upper-income census tract (see Appendix B for additional demographic information).
- As of June 30, 2018, the bank's deposit market share of 9.0 percent of Federal Deposit Insurance Corporation (FDIC)-insured deposits in Osage County ranked fifth out of nine institutions in the AA.

**TABLE 2
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Osage County, OK	47,472	48,054	1.2
Tulsa, OK MSA	937,478	962,676	2.7
State of Oklahoma	3,751,351	3,849,733	2.6

Based on U.S. Census Bureau Decennial Census and ACS

- Osage County is the largest county in Oklahoma based on geographic size, but is sparsely populated and mostly rural.
- The AA's population has remained stable since the previous evaluation. According to a community contact, the AA's population is comprised mainly of long-time residents and their families, as the area does not attract new residents.

**TABLE 3
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Osage County, OK	51,292	57,170	11.5
Tulsa, OK MSA	58,038	61,182	5.4
State of Oklahoma	53,607	58,029	8.2

Based on U.S. Census Bureau Decennial Census and ACS

- The median family income in the AA grew at a higher rate compared to that of the state of Oklahoma between 2010 and 2015 as captured by the ACS.
- According to the 2015 ACS data, 41.4 percent of families in the AA are considered LMI, which is slightly higher than the statewide figure of 39.2 percent.

**TABLE 4
HOUSING COSTS CHANGE**

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Osage County, OK	96,100	100,000	4.1	519	628	21.0
Tulsa, OK MSA	121,879	131,392	7.8	676	759	12.3
State of Oklahoma	104,300	117,900	13.0	633	727	14.8

Based on U.S. Census Bureau Decennial Census and ACS

- According to the 2015 ACS data, the AA's housing affordability ratio, at 45.4 percent, is higher than the state of Oklahoma figure, at 39.8 percent, indicating that housing is generally more affordable in the AA compared to the state.
- Between 2010 and 2015, the AA's median gross rent increased at a faster rate than the median gross rent in the state of Oklahoma, while median housing values increased at a faster rate in the state compared to the AA.
- Owner-occupied housing accounts for 66.4 percent of total housing units in the AA, compared to 56.9 percent in the state of Oklahoma. Conversely, the AA has a lower percentage of rental units available at 19.0 percent, compared to the state of Oklahoma, at 29.2 percent.
- The bank faces competition from institutions in the neighboring community of Pawhuska. Further, a community representative stated the housing market in the Pawhuska area is tightening, as many available homes require extensive repairs to become desirable. As such, residents may be more apt to rent rather than spend time and resources rehabilitating a home.

**TABLE 5
UNEMPLOYMENT RATES**

Region	2013	2014	2015	2016	2017
Osage County, OK	5.8	5.1	5.3	5.8	5.1
State of Oklahoma	5.3	4.5	4.4	4.8	4.3

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The AA's primary industries are manufacturing, healthcare and social assistance, and retail trade.
- A member of the community stated the City of Hominy, Hominy School District, and Dick Conner Correctional Center are the major employers in Hominy.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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 AA, and in comparison to the ratios of several similarly situated FDIC-insured institutions. The bank's NLTD ratio is reasonable.

Moreover, the bank's NLTD ratio is trending upward, from 36.0 percent at the previous evaluation to 50.1 percent as of year-end 2018. In addition, there are limited similarly situated banks within the bank's delineated AA; as such, the operating environments of the similarly situated banks listed in the table below differ from that of Hominy as these banks operate in more densely populated communities that have a greater demand for credit.

TABLE 6 COMPARATIVE NLTD RATIOS	
Institution	NLTD Ratio (%)
	20-Quarter Average
1 st Bank in Hominy	45.6
Peoples Bank	91.6
Community Bank	66.2
Exchange Bank	58.1
First National Bank of Pawnee	41.9

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside the AA. A majority of the bank's loans, by number and dollar, are originated inside the AA.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Motor Vehicle Loans	42	339	75.0	66.2	14	173	25.0	33.8
Residential Loans	40	1,793	81.6	80.3	9	440	18.4	19.7
Small Business Loans	52	3,536	80.0	85.7	13	591	20.0	14.3
Total Loans	134	5,668	78.8	82.5	36	1,204	21.2	17.5

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts. The bank's geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

Small Business Lending

The geographic distribution of small business lending is reasonable. No small business loans were extended in the AA's only moderate-income census tract; however, only 14.4 percent of

businesses are located in this census tract. All of the bank's 13 loans were originated within the AA's middle-income tracts, which exceeded the percentage of businesses in these census tracts. The bank is located approximately 15 miles from the city of Pawhuska, Oklahoma, which is the primary community within the AA's sole moderate-income tract. The bank does not have any branches in Pawhuska and faces competition from two other banks that operate in Pawhuska and serve members of that community.

The distribution of lending in 2015 and 2016 exceeded performance in 2017. This performance is reflective of the census tract designation of those years. The bank's sole office in Hominy was previously located in a moderate-income census tract until the FFIEC's designation of that tract changed to middle-income in 2017. Prior to the changes in the AA census tract designations, the bank's distribution of lending in the AA's moderate-income census tracts significantly exceeded demographics by both number and dollar volume.

**TABLE 8
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	14.4
Middle	13	749	100.0	100.0	85.6
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

Residential Real Estate Loans

The geographic distribution of residential real estate lending is reasonable. The bank's lending in the AA's moderate-income tract at 6.7 percent was comparable to the percentage of owner-occupied units in that tract at 9.8 percent. The bank's lending in middle-income tracts was also comparable to demographics.

The distribution of lending in 2015 and 2016 exceeded performance in 2017. The bank made 80.0 percent of loans by number (93.3 percent by dollar) within the moderate-income census tracts in 2015 and 2016, which greatly surpassed the demographic figure of 32.5 percent.

TABLE 9
DISTRIBUTION OF 2017 RESIDENTIAL REAL ESTATE LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	1	14	6.7	3.2	9.8
Middle	14	421	93.3	96.8	90.2
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0

2017 FFIEC Census data

NOTE: Percentages may not add up to 100.0 due to rounding.

Motor Vehicle Secured Loans

The geographic distribution of motor vehicle secured lending is reasonable. None of the bank's loans were originated in the moderate-income census tract compared to 11.4 percent of AA households residing in this tract. The bank made 100.0 percent of its loans in the middle-income tracts, which exceeded the demographic figure of 88.6 percent. Performance is reasonable given the performance context factors noted previously regarding the distance between the bank's only location and the AA's only moderate-income tract.

TABLE 10
DISTRIBUTION OF 2017 MOTOR VEHICLE SECURED LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Loans				% of Households
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	11.4
Middle	42	339	100.0	100.0	88.6
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0

2017 FFIEC Census data

NOTE: Percentages may not add up to 100.0 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 with emphasis placed on lending to LMI individuals, as well as to businesses of different revenue sizes, with emphasis placed on lending to those with gross annual revenues of \$1MM or less. The bank's lending displays an excellent penetration among individuals of different income levels (including LMI) and businesses of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank originated 13 small business loans in 2017, of which 92.3 percent were made to businesses with gross annual revenues of \$1MM or less. This lending pattern is comparable to the 90.3 percent of small businesses located in the AA. By loan size, the bank originated 84.6 percent of its loans in amounts of \$100,000 or less, which is considered most beneficial to small businesses.

The bank's lending in 2015 and 2016 reflected weaker performance compared to 2017 lending. In 2015 and 2016, 76.9 percent of the bank's lending was to businesses with gross annual revenues of \$1MM or less compared to the demographic figure of 91.2 percent. Moreover, in 2015 and 2016, the bank originated 84.6 percent of its loans in amounts of \$100,000 or less.

**TABLE 11
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	%	%
By Revenue					
\$1 Million or Less	12	549	92.3	73.3	90.3
Over \$1 Million	1	200	7.7	26.7	6.4
Not Known	0	0	0.0	0.0	3.3
Total	13	749	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	11	365	84.6	48.7	
\$100,001 – \$250,000	2	384	15.4	51.3	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	13	749	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	11	365	91.7	66.5	
\$100,001 – \$250,000	1	184	8.3	33.5	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	12	549	100.0	100.0	
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS. NOTE: Percentages may not add up to 100.0 due to rounding.					

Residential Real Estate Loans

The borrower distribution of residential real estate lending is excellent. The bank made 26.7 percent of loans by number (19.3 percent by dollar) to low-income borrowers and 33.3 percent of loans by number (40.7 percent by dollar) to moderate-income borrowers. This performance exceeded the percentage LMI families in the AA at 21.7 percent and 19.6 percent, respectively.

The borrower distribution in 2015 and 2016 was consistent with 2017 performance. Although lending to low-income borrowers at 8.0 percent by number (1.6 percent by dollar) was below the demographic figure of 25.2 percent. The bank's efforts to meet the mortgage needs of LMI borrowers is notable, as these borrowers often find it difficult to qualify for mortgage financing.

**TABLE 12
DISTRIBUTION OF 2017 RESIDENTIAL REAL ESTATE LOANS
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				% of Families
	#	\$(000)	#%	\$%	
Low	4	84	26.7	19.3	21.7
Moderate	5	177	33.3	40.7	19.6
Middle	5	146	33.3	33.6	21.4
Upper	1	28	6.7	6.4	37.2
Unknown	0	0	0.0	0.0	0.0

2017 FFIEC Data

NOTE: Percentages may not add up to 100.0 due to rounding.

Motor Vehicle Secured Loans

The borrower distribution of motor vehicle secured lending is excellent. The bank originated 42.9 percent of loans by number (30.4 percent by dollar) to low-income borrowers and 31.0 percent of loans by number (31.3 percent by dollar) to moderate-income borrowers. This greatly exceeded the percentage of LMI households in the AA at 27.9 percent and 16.9 percent, respectively. Overall, the bank's lending performance reflects an excellent responsiveness to the credit needs of LMI borrowers for consumer loans.

**TABLE 13
DISTRIBUTION OF 2017 MOTOR VEHICLE SECURED LOANS
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				% of Households
	#	\$(000)	#%	\$%	
Low	18	103	42.9	30.4	27.9
Moderate	13	106	31.0	31.3	16.9
Middle	7	82	16.7	24.2	17.7
Upper	4	48	9.5	14.2	37.5
Unknown	0	0	0.0	0.0	0.0

2017 FFIEC Data

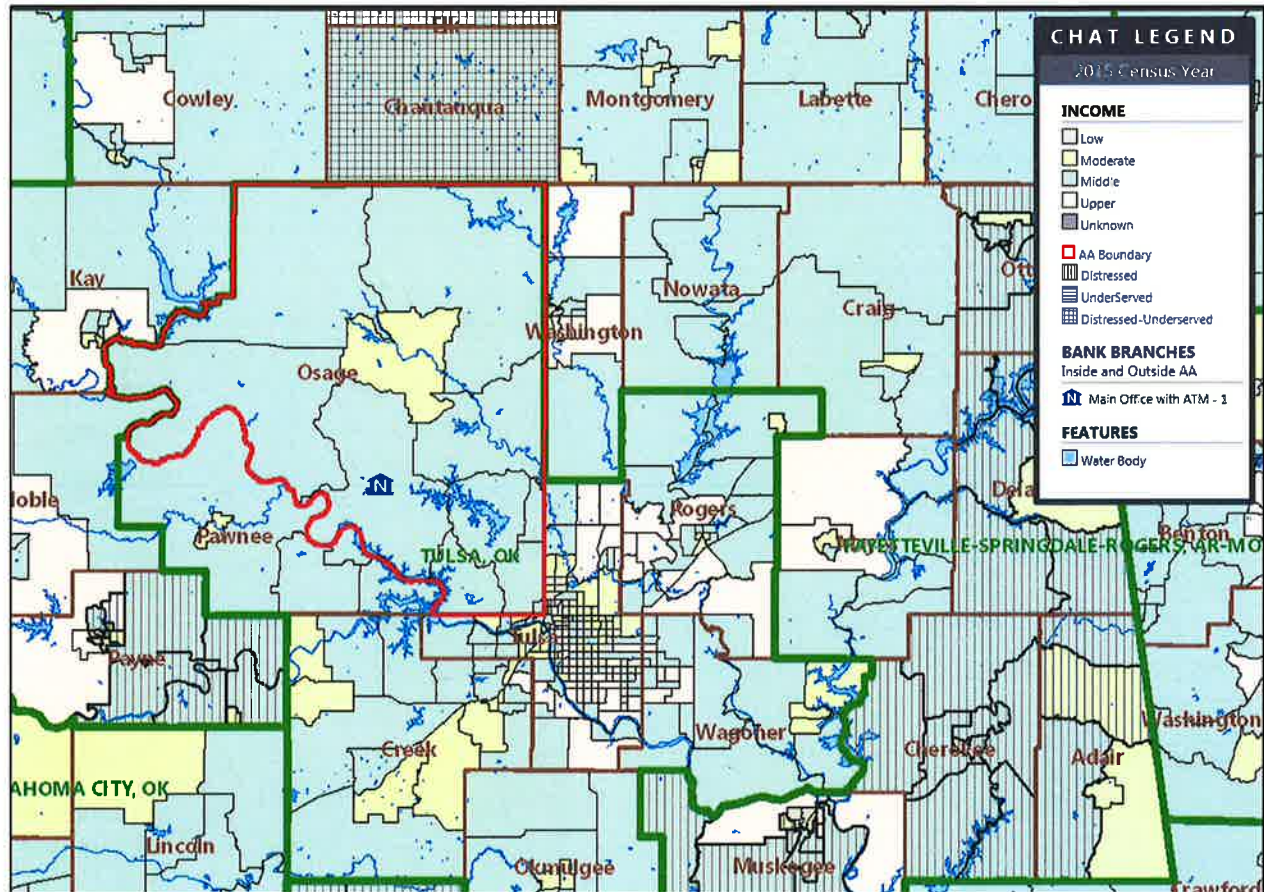
NOTE: Percentages may not add up to 100.0 due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank's fair lending activities was conducted during the evaluation to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or illegal credit practices inconsistent with helping to meet the community credit needs was identified.

APPENDIX A – Map of the Assessment Area

2017 Osage County Metropolitan AA



APPENDIX B – Demographic Information

**TABLE B-1
OSAGE COUNTY METROPOLITAN AA 2017 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	2,732	21.7
Moderate	1	9.1	1,195	9.5	129	10.8	2,471	19.6
Middle	10	90.9	11,381	90.5	1,266	11.1	2,696	21.4
Upper	0	0.0	0	0.0	0	0.0	4,677	37.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	12,576	100.0	1,395	11.1	12,576	100.0
	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	2,496	1,386	9.8	55.5	700	28.0	410	16.4
Middle	18,885	12,817	90.2	67.9	3,368	17.8	2,700	14.3
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
Total AA	21,381	14,203	100.0	66.4	4,068	19.0	3,110	14.5
	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	183	14.4	162	14.1	13	16.0	8	19.0
Middle	1,089	85.6	987	85.9	68	84.0	34	81.0
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
Total AA	1,272	100.0	1,149	100.0	81	100.0	42	100.0
Percentage of Total Businesses:				90.3		6.4		3.3
	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	9.1	5	9.1	0	0.0	0	0.0
Middle	50	90.9	50	90.9	0	0.0	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
Total AA	55	100.0	55	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

2017 FFIEC census data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-2
OSAGE COUNTY METROPOLITAN AA 2015 – 2016 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	3,302	25.2
Moderate	4	36.4	4,580	35.0	808	17.6	2,699	20.6
Middle	6	54.5	7,626	58.2	538	7.1	2,364	18.1
Upper	1	9.1	887	6.8	37	4.2	4,728	36.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	13,093	100.0	1,383	10.6	13,093	100.0
	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	7,782	4,682	32.5	60.2	1,944	25.0	1,156	14.9
Middle	11,648	8,612	59.8	73.9	1,688	14.5	1,348	11.6
Upper	1,334	1,099	7.6	82.4	30	2.2	205	15.4
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	20,764	14,393	100.0	69.3	3,662	17.6	2,709	13.0
	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	521	36.4	471	36.1	31	36.9	19	45.2
Middle	776	54.2	703	53.9	50	59.5	23	54.8
Upper	134	9.4	131	10.0	3	3.6	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,431	100.0	1,305	100.0	84	100.0	42	100.0
Percentage of Total Businesses:				91.2		5.9		2.9
	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	30	41.7	30	41.7	0	0.0	0	0.0
Middle	39	54.2	39	54.2	0	0.0	0	0.0
Upper	3	4.2	3	4.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	72	100.0	72	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

2016 FFIEC census data & 2016 Dun & Bradstreet information according to 2010 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX C – Additional Lending Tables

**TABLE C-1
DISTRIBUTION OF 2015 – 2016 SMALL BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	28	2,178	71.8	78.1	36.4
Middle	4	382	10.3	13.7	54.2
Upper	7	227	17.9	8.1	9.4
Unknown	0	0	0.0	0.0	0.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE C-2
DISTRIBUTION OF 2015 – 2016 RESIDENTIAL REAL ESTATE LOANS
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	25	1,267	80.0	93.3	32.5
Middle	5	91	20.0	6.7	59.8
Upper	0	0	0.0	0.0	7.6
Unknown	0	0	0.0	0.0	0.0

Originations and Purchases
2016 FFIEC Census data
NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE C-3
DISTRIBUTION OF 2015 – 2016 SMALL BUSINESS LOANS
BY REVENUE SIZE OF BUSINESSES

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	30	1,633	76.9	58.6	91.2
Over \$1 Million	9	1,154	23.1	41.4	5.9
Not Known	0	0	0.0	0.0	2.9
Total	39	2,787	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	33	898	84.6	32.2	
\$100,001 – \$250,000	4	680	10.3	24.4	
\$250,001 – \$1 Million	2	1,209	5.1	43.4	
Total	39	2,787	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	25	682	83.3	41.8	
\$100,001 – \$250,000	4	680	13.3	41.7	
\$25,001 – \$1 Million	1	270	3.3	16.6	
Total	30	1,633	100.0	100.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE C-4
DISTRIBUTION OF 2015 – 2016 RESIDENTIAL REAL ESTATE LOANS
BY BORROWER INCOME LEVEL

Borrower Income Level	Bank Loans				% of Families
	#	\$(000)	#%	\$%	
Low	2	22	8.0	1.6	25.2
Moderate	12	774	48.0	57.0	20.6
Middle	6	198	24.0	14.6	18.1
Upper	5	364	20.0	26.8	36.1
Unknown	0	0	0.0	0.0	0.0

2016 FFIEC Data
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX D – 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: All Agencies have adopted the following language. 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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 under the Lending, Investment, and Service Tests 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 refinancing 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 under the Lending, Investment, and Service Tests 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.

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.

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) and the Thrift Financial Reporting (TFR) 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 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.

Upper-income: Individual income that is more than 120 percent of the area median income.