

PUBLIC DISCLOSURE

December 2, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Liberty Bank
RSSD # 629353
1900 Sam Houston Street
Liberty, Texas 77575

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 (CD) test is rated: **Satisfactory.**

First Liberty Bank (First Liberty or bank) is rated **Outstanding**. This rating is based on the following conclusions with respect to the performance criteria under the lending and CD tests:

- First Liberty's 12-quarter average net loan-to-deposit ratio (NLTD) is more than reasonable given the bank's asset size, financial condition, and the credit needs of the assessment areas (AAs).
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's delineated AAs.
- Lending reflects an excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different revenue sizes.
- Neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) received any CRA-related complaints since the previous evaluation.
- CD activity reflects adequate responsiveness to the needs of the AAs.

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 CRA performance. Examiners considered the bank's asset size; financial condition; business strategy; major loan products; market competition; demographic and economic characteristics of the delineated AAs; and the credit and CD needs of the communities served. Examiners determined First Liberty's major loan products consist of commercial, residential real estate, and unsecured consumer loans. While primarily a commercial and real estate lender, First Liberty makes far more unsecured consumer loans by number of originations. The significant volume of unsecured consumer loans originated by the bank necessitated their inclusion in this evaluation.

First Liberty delineates two AAs within the state of Texas: the Houston Metropolitan AA, and the Beaumont Metropolitan AA. Examiners assessed the bank's CRA performance by conducting a full-scope review of the Houston Metropolitan AA and a limited-scope review of the Beaumont Metropolitan AA. The Houston Metropolitan AA accounts for approximately 98.6 percent of the bank's total lending activity, 98.1 percent of total deposits, and 87.5 percent of total branches. Given that the bank's operations are highly concentrated in the Houston Metropolitan AA, examiners assessed First Liberty's CRA performance by conducting a full-scope review of this AA.

To assess the bank's CRA performance, examiners reviewed the following data:

- First Liberty's 12-quarter average NLTD ratio in comparison to the ratios of three similarly situated financial institutions;
- The universe of 113 home mortgage loans reported on the bank's 2023 Home Mortgage Disclosure Act (HMDA) Loan/Application Register;
- The universe of 62 small business loans originated or renewed between January 1, 2023, and December 31, 2023;

- A statistically derived sample of 86 unsecured consumer loans selected from a universe of 150 loans originated between January 1, 2023, and December 31, 2023; and
- Qualified CD activities (loans, investments, donations, and services) from October 5, 2021, through December 2, 2024.
- Information provided by two community members serving the Houston Metropolitan AA to further assess the credit and CD needs, local economic condition, and the responsiveness of banks in meeting such needs.

DESCRIPTION OF THE INSTITUTION

First Liberty, an intrastate community bank headquartered in Liberty, Texas, has the following characteristics:

- The bank is a wholly owned subsidiary of First Liberty National Bancshares, Inc., Liberty, Texas.
- As of June 30, 2024, First Liberty had total assets of \$501.0 million and gross loans of \$331.4 million.
- The bank operates seven full-service locations across the state of Texas with automated teller machines at each location.
- First Liberty is primarily a commercial and residential real estate lender, as reflected in the bank's loan portfolio composition in Table 1. Consumer lending makes up a small portion of First Liberty's loan portfolio; however, the bank identified small dollar unsecured consumer loans as a significant credit need in its delineated AAs and strategically focused on meeting this need during the review period.

Table 1

Composition of Loan Portfolio as of June 30, 2024		
Loan Type	\$(000)	%
Residential Real Estate	131,721	39.8
Agricultural	19,590	5.9
Commercial	167,648	50.6
Consumer	7,777	2.4
Other	4,666	1.4
Gross Loans	331,402	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank's CRA performance was rated as *Outstanding* at the previous performance evaluation conducted by the Office of the Comptroller of the Currency on October 4, 2021. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS¹

LENDING TEST

This performance evaluation first discusses First Liberty's overall performance, followed by an in-depth evaluation of performance in the Houston Metropolitan AA (full-scope review), and concludes with a brief discussion of performance in the Beaumont Metropolitan AA (limited-scope review).

First Liberty's overall performance under the lending test is *Outstanding*. The rating is based on a more than reasonable average NLTD ratio, a majority of loans originated within the bank's delineated AAs, and an overall excellent geographic and borrower distribution of loans. Each of the performance criteria considered under this test are discussed below.

Net Loan-to-Deposit Ratio

This performance criterion evaluates First Liberty's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, availability of lending opportunities, and the demographic and economic factors present in the AAs. Additionally, First Liberty's performance is compared to similarly situated institutions insured by the Federal Deposit Insurance Corporation (FDIC). Examiners considered the banks' asset size, activity in the delineated AAs, and loan portfolio composition when selecting the similarly situated institutions.

First Liberty's 12-quarter average NLTD ratio is more than reasonable. As shown in Table 2, the bank's 12-quarter average NLTD ratio, at 77.1 percent, exceeds the ratios from similarly situated banks, which ranged from 63.2 percent to 70.7 percent. First Liberty's performance highlights the bank's commitment to extending credit.

Table 2

Comparative Net Loan to Deposit Ratios July 1, 2021 – June 30, 2024			
Institution	Location	Asset Size \$(000)	12-Quarter Average NLTD Ratio (%)
First Liberty Bank	Liberty, Texas	501,041	77.1
Similarly Situated Institutions	Houston, Texas	706,125	70.7
	Woodville, Texas	335,494	63.2
	Houston, Texas	545,964	67.2

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank's delineated AAs. First Liberty originated a majority of loans, by number and dollar amount, inside its AAs. As shown in Table 3, the bank originated the majority of each loan type evaluated inside of its delineated AAs, including 76.1 percent of HMDA-reportable loans, 80.6

¹ The NLTD ratio and percentage of loans and other lending-related activity in the AA only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to the AA.

percent of small business loans, and 88.4 percent of consumer unsecured loans, reflecting favorably on the bank's responsiveness to the credit needs and lending opportunities within the bank's AAs.

Table 3

Lending Inside and Outside of the Assessment Areas								
Loan Type	Inside Assessment Areas				Outside Assessment Areas			
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%
Home Purchase - Conventional	71	79.8	17,585	78.2	18	20.2	4,899	21.8
Home Improvement	0	0.0	0	0.0	1	100.0	72	100.0
Refinancing	4	66.7	476	47.1	2	33.3	535	52.9
Multifamily	1	100.0	714	100.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	10	62.5	1,004	39.1	6	37.5	1,563	60.9
Total HMDA-related	86	76.1	19,779	73.7	27	23.9	7,069	26.3
Unsecured Consumer	76	88.4	440	87.1	10	11.6	65	12.9
Small Business	50	80.6	5,745	74.7	12	19.4	1,941	25.3
TOTAL LOANS	212	81.2	25,964	74.1	49	18.8	9,075	25.9

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

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

Geographic Distribution of Loans

This performance criterion evaluates the distribution of lending within First Liberty's AAs by income level of census tracts with consideration given to the dispersion of loans throughout the AAs. The bank's overall geographic distribution of loans reflects excellent distribution among census tracts of different income levels and dispersion throughout the AAs. Moreover, no conspicuous gaps or anomalies were noted in the bank's lending patterns.

Lending to Borrowers of Different Income Levels and to Businesses of Different Revenue 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 has an overall excellent distribution among individuals of different income levels and businesses of different revenue sizes.

COMMUNITY DEVELOPMENT TEST

The CD test evaluates First Liberty's responsiveness to the CD needs of its AAs through qualified loans, investments, and services, considering the bank's capacity and the need and availability of such opportunities. The bank's overall CD performance demonstrates adequate responsiveness to the CD needs of its AAs. First Liberty focused its resources on the promotion of economic development by financing small businesses and to the revitalization and stabilization of LMI geographies and designated disaster areas. The majority of the bank's CD lending is attributed to participation in the Small Business Administration's (SBAs) 504 loan program.

During the review period, First Liberty originated 17 CD loans totaling more than \$8.0 million, representing a significant increase from the previous evaluation. However, this increase is offset by a significant decrease in investments, with the bank making only two qualified investments

during this review period. Table 4 outlines the bank's qualified CD activities since the previous evaluation.

Table 4

Community Development Activity Assessment Area: All AAs									
CD Purpose	CD Loans		Qualified Investments						CD Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	15	16	15	16	73
Economic Development	8	7,950	0	0	0	0	0	0	0
Revitalization and Stabilization	9	72	2	760	0	0	2	760	0
Totals	17	8,022	2	760	15	16	17	776	73

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination 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.

HOUSTON METROPOLITAN ASSESSMENT AREA
(Full-Scope Review)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE HOUSTON METROPOLITAN ASSESSMENT AREA

- The Houston Metropolitan AA consists of the entirety of Chambers and Liberty counties, as well as 16 census tracts from Harris County. These geographies make up the easternmost portion of the Houston-The Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA). The remainder of the MSA, including Austin, Brazoria, Fort Bend, Galveston, Montgomery, and Waller counties² are omitted from the delineation of the AA. Refer to Appendix A for an AA map.
- First Liberty operated seven branches within the AA during the review period: four in moderate-income census tracts, two in middle-income census tracts, and one in an upper-income census tract.
- According to American Community Survey (ACS) data, the AA consists of 40 census tracts: two low-income census tracts (5.0 percent), 15 moderate-income census tracts (37.5 percent), 14 middle-income census tracts (35.0 percent), eight upper-income census tracts (20.0 percent), and one census tract with unknown income (2.5 percent).
- According to the FDIC's Deposit Market Share Report as of June 30, 2024, First Liberty held approximately \$411.2 million in deposits in the Houston Metropolitan AA, representing 98.1 percent of the bank's total deposits. The bank ranked 40th out of 86 FDIC-insured depository institutions operating in the AA, with a deposit market share of less than 0.2 percent. JPMorgan Chase and Wells Fargo Bank, NA led the market with 53.2 percent and 8.8 percent of the market share, respectively.
- Examiners interviewed community members representing a small business development center and a community-based nonprofit organization serving in the area to obtain additional information of the region's financial climate, particularly with respect to small businesses and affordable housing. The contacts noted small business credit needs, long-term financial commitments, and accessibility to affordable housing as needs in the AA.

Table 5

Population Change Assessment Area: Houston Metropolitan			
Area	2015 Population	2020 Population	Percent Change
Houston Metropolitan AA	4,471,099	4,869,344	8.9
Chambers County, TX	37,251	46,571	25.0
Harris County, TX	4,356,362	4,731,145	8.6
Liberty County, TX	77,486	91,628	18.3
Houston-The Woodlands-Sugar Land, TX MSA	6,346,653	7,122,240	12.2
Texas	26,538,614	29,145,505	9.8
Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			

² On July 21, 2023, OMB Bulletin No. 23-01 amended the MSA delineation by including San Jacinto County and renamed it to the Houston-Pasadena-The Woodlands, TX MSA. As this alteration was not in effect January 1, 2023, the prior MSA definition and name was applied to the review period for this evaluation in accordance with Regulation BB §228.41(b).

- While the population of the AA increased between 2015 and 2020, the growth rate is slightly below the statewide growth rate.
- Harris County is the most populated county in the AA, containing approximately 97.2 percent of the total AA population. Between 2015 and 2020, Harris County grew by almost 400,000 residents, but the relative growth rate was far below the rates in other parts of the AA.
- Chambers and Liberty counties experienced the greatest population growth, by percentage, in the AA. The geographic proximity from these counties to Harris County enhances quality of life by offering more affordable housing, economic development, and job opportunities.

Table 6

Median Family Income Change Assessment Area: Houston Metropolitan			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Houston Metropolitan AA	68,169	73,262	7.5
Chambers County, TX	92,002	116,398	26.5
Harris County, TX	67,969	73,274	7.8
Liberty County, TX	62,970	62,605	-0.6
Houston-The Woodlands-Sugar Land, TX MSA	75,795	81,859	8.0
Texas	68,523	76,073	11.0
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey			
Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- As shown in Table 6, the AA showed slower median family income (MFI) growth than the state of Texas between 2015 and 2020. The AA's MFI increase is largely attributed to the significant growth experienced in Chambers County during the review period, which exceeded that of all other counties in the AA and that of the state of Texas.
- According to the 2023 FFIEC Census Data, 10.1 percent of AA families live below the poverty level, which is slightly below the poverty level of Texas, at 10.9 percent.

Table 7

Housing Cost Burden Assessment Area: Houston Metropolitan						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Houston Metropolitan AA	81.9	45.2	45.6	60.3	35.3	20.3
Chambers County, TX	75.4	13.8	41.2	65.2	38.9	19.1
Harris County, TX	82.0	45.4	45.7	60.7	35.9	20.3
Liberty County, TX	71.9	25.0	43.8	47.3	17.4	18.8
Houston-The Woodlands-Sugar Land, TX MSA	81.2	46.2	44.6	59.8	35.9	19.5
Texas	78.3	44.6	42.7	57.3	31.0	19.0
Cost Burden is housing cost that equals 30 percent or more of household income						
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy						

- As shown in Table 7, housing cost within the AA for low-income renters is a greater burden than to low-income homeowners, indicating that it is more economical for low-income families to purchase a home than to rent. However, as noted by a housing representative in the AA, factors such as downpayment requirements, high property taxes and insurance cost, act as barriers to homeownership for low-income individuals.
- The portion of renters spending more than 30 percent of household income on housing is notably higher in Harris County than in Chambers or Liberty counties. This is especially evident among moderate-income renters, where the disparities between the counties is 31.6 percent and 20.4 percent, respectively.
- Of the housing units within the AA, 70.4 percent are owner-occupied, and 18.6 percent are rental units, highlighting an apparent preference for ownership throughout the AA.
- The median age of housing stock in the AA is 34 years, and the median housing value is \$163,944.

Table 8

Unemployment Rates Assessment Area: Houston Metropolitan					
Region	2019	2020	2021	2022	2023
Houston Metropolitan AA	3.9	9.0	6.4	4.3	4.4
Chambers County, TX	4.5	9.4	8.1	5.3	5.4
Harris County, TX	3.9	9.0	6.4	4.2	4.3
Liberty County, TX	5.0	10.5	9.0	5.8	5.5
Houston-The Woodlands-Sugar Land, TX MSA	3.8	8.7	6.3	4.2	4.2
Texas	3.5	7.7	5.6	3.9	3.9

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- As shown in Table 8, the AA unemployment rate declined in 2022 after an increase attributed to the COVID-19 pandemic in 2020. While the AA unemployment rates stabilized in 2022 and 2023, they remain slightly higher than the statewide unemployment rate and above the low pre-pandemic rates.
- The largest industries in the AA are healthcare, government, accommodation and food services, and retail trade.
- The AA has a diverse economy from energy to healthcare; primary employers include ExxonMobil, WestRock Company, Chevron Phillips Chemical Company, Memorial Hermann Health System, Hewlett Packard, Boeing, and HEB.

Table 9 details selected characteristics of the AA.

Table 9

2023 Combined Demographics Assessment Area: Houston Metropolitan								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	5.0	1,797	3.5	247	13.7	13,215	25.4
Moderate-income	15	37.5	18,451	35.5	3,091	16.8	8,740	16.8
Middle-income	14	35.0	15,775	30.3	1,045	6.6	9,230	17.8
Upper-income	8	20.0	15,970	30.7	874	5.5	20,808	40.0
Unknown-income	1	2.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	40	100.0	51,993	100.0	5,257	10.1	51,993	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,162	1,074	2.0	34.0	1,814	57.4	274	8.7
Moderate-income	28,816	18,501	33.7	64.2	6,459	22.4	3,856	13.4
Middle-income	24,965	17,745	32.3	71.1	3,865	15.5	3,355	13.4
Upper-income	20,997	17,580	32.0	83.7	2,323	11.1	1,094	5.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	77,940	54,900	100.0	70.4	14,461	18.6	8,579	11.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	405	6.0	362	5.8	36	8.8	7	8.6
Moderate-income	2,383	35.4	2,191	35.1	162	39.8	30	37.0
Middle-income	1,985	29.5	1,855	29.7	105	25.8	25	30.9
Upper-income	1,958	29.1	1,835	29.4	104	25.6	19	23.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,731	100.0	6,243	100.0	407	100.0	81	100.0
	Percentage of Total Businesses:			92.7		6.0		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	97	51.1	89	48.9	8	100.0	0	0.0
Middle-income	69	36.3	69	37.9	0	0.0	0	0.0
Upper-income	24	12.6	24	13.2	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	190	100.0	182	100.0	8	100.0	0	0.0
	Percentage of Total Farms:			95.8		4.2		0.0
Source: 2023 FFIEC Census Data 2023 D&B Information 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE HOUSTON METROPOLITAN ASSESSMENT AREA

LENDING TEST

First Liberty's lending performance in the Houston Metropolitan AA is excellent. The geographic distribution of the bank's lending as well as the distribution of lending to borrowers of different income levels and businesses of different revenue sizes reflect excellent dispersion throughout the AA.

Geographic Distribution of Loans

The overall geographic distribution of First Liberty's lending in the Houston Metropolitan AA is excellent. While the bank's small business and unsecured consumer lending reflect reasonable distributions among geographies of different income levels, the bank's home mortgage lending distribution is excellent, far outpacing comparator data and elevates the bank's overall performance in the AA. As noted by a community contact, homeownership continues to be a top economic issue within the AA. Examiners placed more weight on home mortgage lending, highlighting First Liberty's responsiveness to the credit needs of the community.

Residential Real Estate (HMDA) Lending

The geographic distribution of HMDA lending is excellent. During the review period, First Liberty originated 67.9 percent of its home mortgage loans to borrowers in LMI census tracts, outperforming the aggregate lenders in the area and exceeding the percentage of owner-occupied units.

While First Liberty's performance in low-income census tracts is comparable to aggregate lenders and owner-occupied units, the bank's lending in moderate-income census tracts significantly outperformed aggregate lenders, by number and dollar amount, during the review period. Aggregate mortgage lending in moderate-income census tracts represented a significantly larger percent than lending in low-income census tracts. This is attributed to the limited opportunity in low-income census tracts, as only two census tracts within the AA are classified as low-income and only 2.0 percent of owner-occupied units are located in those tracts. As a result, greater weight was given to the bank's performance in moderate-income census tracts where First Liberty originated more than double the percentage of its home mortgage loans compared to aggregate lenders.

Home Purchase Lending

The geographic distribution of home purchase lending is excellent. During the review period, First Liberty originated 81.1 percent of its home purchase loans in LMI census tracts, outperforming aggregate lenders in the area by number and dollar amount. This is significantly higher than the 35.7 percent of owner-occupied units in the LMI geographies.

The bank's home purchase lending among moderate-income census tracts reflects favorably on the bank's responsiveness to the credit needs of its Houston AA. Moderate-income census tracts contain approximately one-third of AA owner-occupied housing units, but the bank's engagement in these geographies has allowed it to originate 79.7 percent of its home purchase loans in these areas.

Table 9A

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Houston Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
Home Purchase Loans							
Low	1	1.4	3.9	297	1.7	3.5	2.0
Moderate	55	79.7	30.4	12,459	73.4	24.1	33.7
Middle	11	15.9	19.1	2,998	17.7	20.1	32.3
Upper	2	2.9	46.6	1,231	7.2	52.3	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	69	100.0	100.0	16,985	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	1.9	0	0.0	1.4	2.0
Moderate	0	0.0	29.0	0	0.0	30.0	33.7
Middle	4	100.0	28.1	476	100.0	32.0	32.3
Upper	0	0.0	41.0	0	0.0	36.6	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	4	100.0	100.0	476	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	2.0
Moderate	0	0.0	23.8	0	0.0	28.4	33.7
Middle	0	0.0	37.6	0	0.0	38.2	32.3
Upper	0	0.0	38.6	0	0.0	33.4	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
	Multifamily Loans						Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	27.0
Moderate	0	0.0	50.0	0	0.0	31.5	38.8
Middle	1	100.0	0.0	714	100.0	0.0	21.4
Upper	0	0.0	50.0	0	0.0	68.5	12.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	1	100.0	100.0	714	100.0	100.0	100.0
	Total Home Mortgage Loans						Owner Occupied Units %
Low	1	1.2	3.6	297	1.5	3.2	2.0
Moderate	56	66.7	30.0	12,524	65.3	24.7	33.7
Middle	25	29.8	20.5	5,127	26.7	20.8	32.3
Upper	2	2.4	45.9	1,231	6.4	51.3	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	84	100.0	100.0	19,179	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Table 9B

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Houston Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
Other Purpose LOC							
Low	0	0.0	0.0	0	0.0	0.0	2.0
Moderate	0	0.0	26.8	0	0.0	24.4	33.7
Middle	0	0.0	37.5	0	0.0	38.3	32.3
Upper	0	0.0	35.7	0	0.0	37.3	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt							
Low	0	0.0	0.0	0	0.0	0.0	2.0
Moderate	1	10.0	22.0	65	6.5	27.3	33.7
Middle	9	90.0	32.0	939	93.5	38.1	32.3
Upper	0	0.0	46.0	0	0.0	34.5	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	10	100.0	100.0	1,004	100.0	100.0	100.0
Purpose Not Applicable							
Low	0	0.0	2.1	0	0.0	4.0	2.0
Moderate	0	0.0	23.4	0	0.0	12.3	33.7
Middle	0	0.0	34.0	0	0.0	33.0	32.3
Upper	0	0.0	40.4	0	0.0	50.7	32.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 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 lending in the Houston Metropolitan AA is reasonable. During the review period, First Liberty did not originate any loans in the AAs low-income census tracts. However, low-income geographies make up only 5.0 percent of the AA census tracts and contain only 6.0 percent of AA businesses. Due to the limited demand, First Liberty's lack of small business lending in low-income census tracts did not have a material impact on the bank's overall performance.

First Liberty's small business lending in moderate-income census tracts is significantly higher than its lending in low-income geographies. The bank's small business lending in these tracts exceeded the total percentage of businesses in the area and elevated the overall performance in LMI geographies.

Table 10

Distribution of 2023 Small Business Lending by Income Level of Geography Assessment Area: Houston Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	%	\$(000)	%	
Low	0	0.0	0	0.0	6.0
Moderate	19	38.0	1,881	32.7	35.4
Middle	26	52.0	2,770	48.2	29.5
Upper	5	10.0	1,094	19.0	29.1
Unknown	0	0.0	0	0.0	0.0
Total	50	100.0	5,745	100.0	100.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

Unsecured Consumer Lending

The geographic distribution of the bank's unsecured consumer lending in the Houston Metropolitan AA is reasonable. While none of the loans were originated to borrowers in low-income census tracts, these areas contain less than 5.0 percent of AA households resulting in decreased opportunity compared to census tracts of other income levels.

The percentage of unsecured consumer loans originated by the bank to borrowers in moderate-income census tracts is comparable to the percentage of households domiciled in these geographies. Of note, however, First Liberty's unsecured consumer lending by dollar amount exceeded the percentage of households located in moderate-income census tracts, reflecting favorably on the bank's willingness to commit a large portion of loan dollars to these areas.

Table 11

Distribution of 2023 Unsecured Consumer Lending by Income Level of Geography Assessment Area: Houston Metropolitan					
Geographic Income Level	Bank Loans				Households %
	#	#%	\$(000)	\$\$%	
Low	0	0.0	0	0.0	4.2
Moderate	26	34.7	186	42.4	36.0
Middle	45	60.0	227	51.7	31.2
Upper	4	5.3	26	5.9	28.7
Total	75	100.0	439	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 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 Revenue Sizes

First Liberty's lending reflects an excellent distribution among individuals of different income levels and businesses of different sizes. The bank's home mortgage and unsecured consumer lending reflects excellent distribution among individuals of different income levels, while the distribution of the bank's small business lending is reasonable.

Residential Real Estate (HMDA) Lending

The borrower distribution of home mortgage lending is excellent. The percentage of total home mortgage loans originated by the bank to LMI borrowers exceeds aggregate lenders' performance. Both the bank and aggregate lenders performed far below the percentage of low-income families in the AA, which is reflective of the additional hinderances faced by many low-income families in qualifying for and affording a mortgage, and the impact those obstacles have on demand for home mortgages. However, First Liberty's lending to moderate-income families significantly outperformed aggregate lenders and exceeded the demographic figure. Of the bank's total home mortgage originations, 33.7 percent were originated to moderate-income families, which almost doubles the percentage of moderate-income families in the AA, at 16.8 percent. This performance reflects favorably on the bank's responsiveness to credit needs in the AA, especially those of LMI borrowers.

Table 12A

Distribution of 2023 Home Mortgage Lending by Borrower Income Level Assessment Area: Houston Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	2	2.9	3.9	371	2.2	1.8	25.4
Moderate	25	36.2	19.1	5,328	31.4	14.5	16.8
Middle	20	29.0	23.9	4,764	28.0	23.3	17.8
Upper	19	27.5	25.7	6,072	35.7	33.5	40.0
Unknown	3	4.3	27.4	450	2.6	27.0	0.0
Total	69	100.0	100.0	16,985	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	5.1	0	0.0	2.5	25.4
Moderate	1	25.0	12.4	60	12.6	7.7	16.8
Middle	2	50.0	19.3	196	41.2	15.8	17.8
Upper	0	0.0	48.8	0	0.0	57.3	40.0
Unknown	1	25.0	14.4	220	46.2	16.6	0.0
Total	4	100.0	100.0	476	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.9	0	0.0	5.2	25.4
Moderate	0	0.0	7.9	0	0.0	7.3	16.8
Middle	0	0.0	14.9	0	0.0	11.6	17.8
Upper	0	0.0	67.3	0	0.0	73.4	40.0
Unknown	0	0.0	2.0	0	0.0	2.5	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	2.4	4.0	371	2.0	1.9	25.4
Moderate	28	33.7	18.2	5,538	30.0	13.9	16.8
Middle	24	28.9	23.2	5,057	27.4	22.5	17.8
Upper	24	28.9	28.7	6,724	36.4	35.7	40.0
Unknown	5	6.0	25.9	775	4.2	26.1	0.0
Total	83	100.0	100.0	18,465	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

Table 12B

Distribution of 2023 Home Mortgage Lending by Borrower Income Level							
Assessment Area: Houston Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Other Purpose LOC							
Low	0	0.0	8.9	0	0.0	9.0	25.4
Moderate	0	0.0	17.9	0	0.0	14.2	16.8
Middle	0	0.0	16.1	0	0.0	14.5	17.8
Upper	0	0.0	57.1	0	0.0	62.3	40.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt							
Low	0	0.0	4.0	0	0.0	3.2	25.4
Moderate	2	20.0	16.0	150	14.9	15.3	16.8
Middle	2	20.0	20.0	97	9.7	15.6	17.8
Upper	5	50.0	52.0	652	64.9	54.2	40.0
Unknown	1	10.0	8.0	105	10.5	11.7	0.0
Total	10	100.0	100.0	1,004	100.0	100.0	100.0
Purpose Not Applicable							
Low	0	0.0	2.1	0	0.0	0.9	25.4
Moderate	0	0.0	0.0	0	0.0	0.0	16.8
Middle	0	0.0	2.1	0	0.0	2.9	17.8
Upper	0	0.0	0.0	0	0.0	0.0	40.0
Unknown	0	0.0	95.7	0	0.0	96.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The borrower distribution of small business lending is reasonable. As shown in Table 13 below, 92.7 percent of businesses within the AA reported revenues of \$1 million or less. The high demographic figure is not reflective of actual loan demand. While the bank is not a reporter of CRA small business loan data and its performance is not directly compared to the performance of aggregate CRA small business data reporting institutions, this data point provides context related to loan demand. During the review period, aggregate lenders reported 51.4 percent of small business loans originated to businesses with annual revenues of \$1 million or less, which First Liberty's performance exceeded. Additionally, 72.0 percent of the bank's small business loans were made in loan amounts of \$100,000 or less. As smaller businesses typically require smaller loans, this reflects favorably on the bank's responsiveness to the credit needs of small businesses in the AA.

Table 13

Distribution of 2023 Small Business Lending by Revenue Size of Businesses					
Assessment Area: Houston Metropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	26	52.0	2,282	39.7	92.7
Over \$1 Million	19	38.0	2,848	49.6	6.0
Revenue Unknown	5	10.0	615	10.7	1.2
Total	50	100.0	5,745	100.0	100.0
By Loan Size					
\$100,000 or Less	36	72.0	1,860	32.4	
\$100,001 - \$250,000	7	14.0	1,148	20.0	
\$250,001 - \$1 Million	7	14.0	2,737	47.6	
Total	50	100.0	5,745	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	21	80.8	1,080	47.3	
\$100,001 - \$250,000	2	7.7	245	10.7	
\$250,001 - \$1 Million	3	11.5	957	41.9	
Total	26	100.0	2,282	100.0	
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Unsecured Consumer Lending

The borrower distribution of unsecured consumer lending is excellent. The number of bank loans extended to low-income households exceeded the percentage of low-income households in the AA by 14.8 percent. The number and dollar amount of the bank's loans originated to moderate-income households exceeded the percentage of moderate-income households in the AA by 10.7 percent and 4.3 percent, respectively.

Table 19

Distribution of 2023 Unsecured Consumer Lending by Borrower Income Level Assessment Area: Houston Metropolitan					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	#%	\$(000)	%	
Low	32	42.7	111	25.3	27.9
Moderate	20	26.7	89	20.3	16.0
Middle	9	12.0	47	10.7	15.7
Upper	14	18.7	191	43.5	40.4
Total	75	100.0	439	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentage and dollar amount may not total due to rounding.					

COMMUNITY DEVELOPMENT TEST

First Liberty's CD performance demonstrates adequate responsiveness to the needs of the AA, considering the bank's capacity and availability of such opportunities. The bank addressed CD needs through a combination of qualified loans, investments, and services.

Compared to the previous evaluation, the bank's CD activity in the AA has increased. First Liberty's CD lending efforts centered on supporting economic development by financing small businesses and the revitalization and stabilization of LMI geographies and designated disaster areas. During the review period, First Liberty responded to disaster relief needs by financing projects to revitalize and stabilize the community in the ongoing response to the effects of Hurricane Beryl. Moreover, the bank supported economic development by extending SBA 504 loans, which promoted job creation in the AA. In addition, bank investments focused on revitalization and stabilization through investment in municipal bonds targeting improvements and repairs of city infrastructure and renovations to a school district.

During the review period, First Liberty was also involved in the community through qualified CD services. Bank employees devoted 253 hours to various organizations providing community services targeted at LMI individuals. Bank employees served the AA needs by providing technical assistance as board members and through financial literacy education.

Table 20

Community Development Activity Assessment Area: Houston Metropolitan									
CD Purpose	CD Loans		Qualified Investments						CD Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	12	14	12	14	72
Economic Development	6	7,472	0	0	0	0	0	0	0
Revitalization and Stabilization	8	69	2	760	0	0	2	760	0
Totals	14	7,541	2	760	12	14	14	774	72

BEAUMONT METROPOLITAN ASSESSMENT AREA
(Limited-Scope Review)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE BEAUMONT METROPOLITAN ASSESSMENT AREA

- The Beaumont Metropolitan AA is comprised by the entirety of Jefferson County, which is part of the Beaumont-Port Arthur, TX MSA. The AA delineation excludes the remainder of the MSA, Hardin and Orange counties.
- According to ACS data, the AA consists of 77 census tracts, including eight low-income tracts (10.4 percent), 26 moderate-income tracts (33.8 percent), 16 middle-income tracts (20.8 percent) and 21 upper-income tracts (27.3 percent) as well as six tracts with unknown income levels (7.8 percent).
- The bank operates one branch in the AA that offers lobby service and two full-service automated teller machines.
- The population of the AA grew by 1.4 percent between 2015 and 2020, adding 3,654 residents.
- According to the 2020 FFIEC Census data, the AA is comprised of 59,971 families, 14.0 percent of which live below the federal poverty line.
- As of June 30, 2023, the bank had \$8.0 million in deposits in this AA, representing 1.4 percent of the bank's total deposits. The bank ranked 15th of 16 FDIC-insured depository institutions operating 42 total branches in the AA, with a deposit market share of 0.1 percent.
- During the review period, the bank originated three total loans in the Beaumont Metropolitan AA, including two HMDA loans and one consumer unsecured loan.

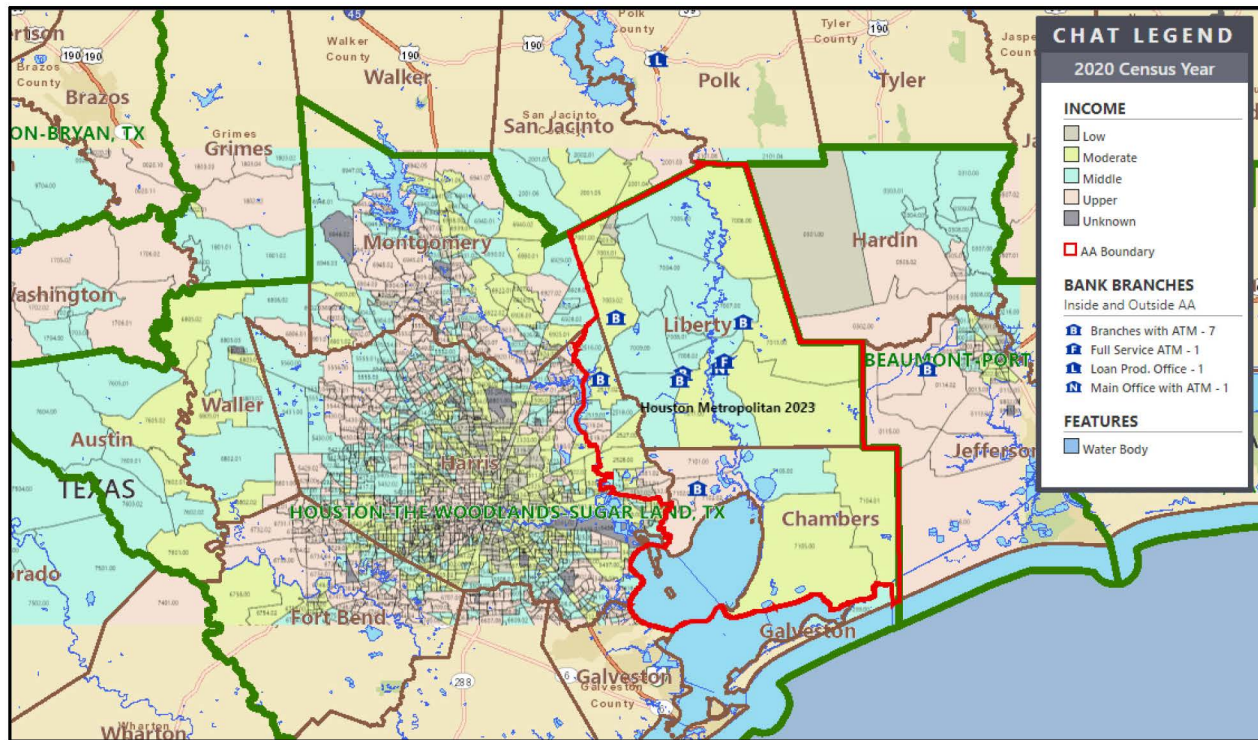
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Conclusions regarding First Liberty's CRA performance are from a review of available facts and data, including performance figures and demographic information.

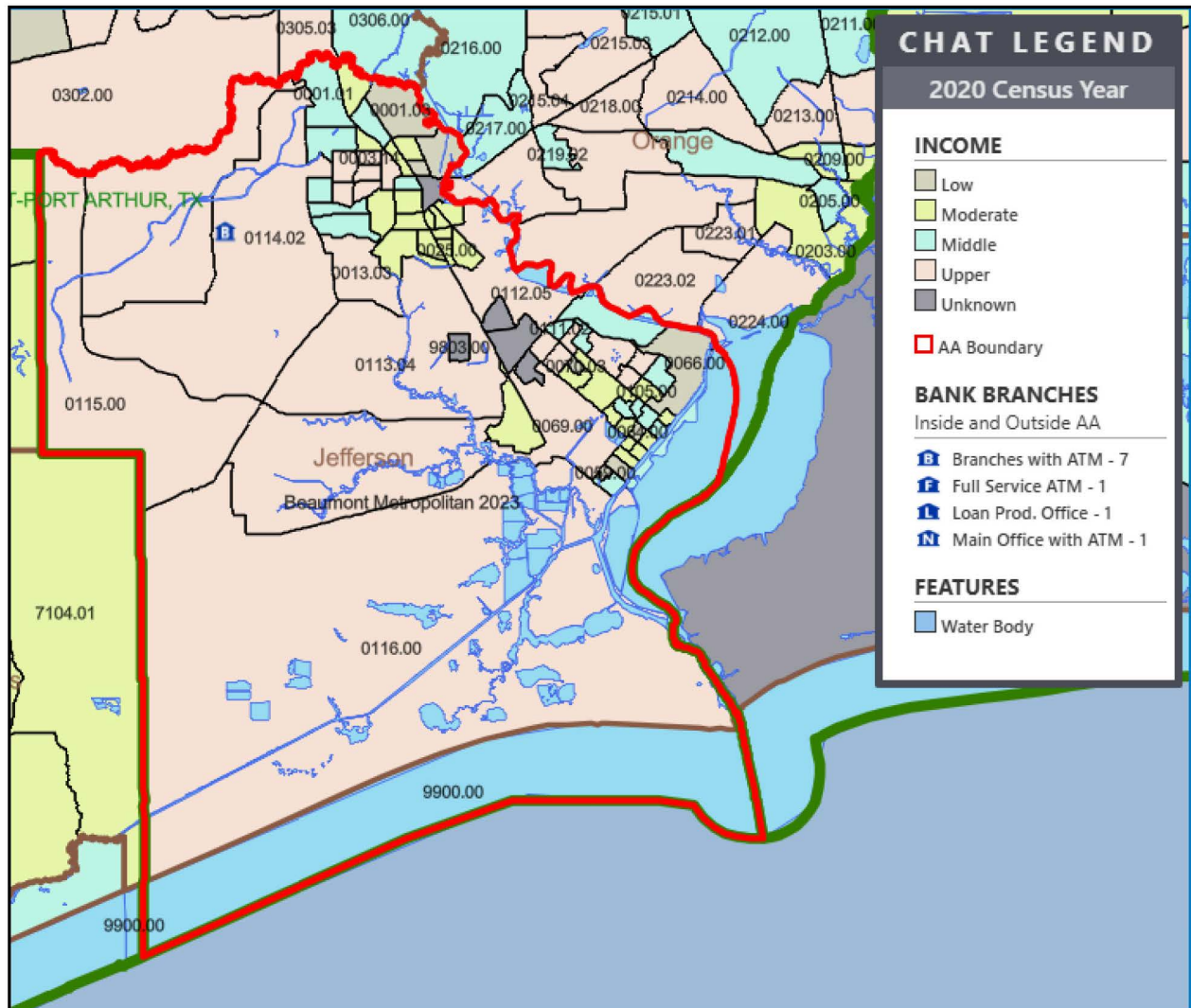
During the review period, First Liberty originated very few loans in the AA; as such, meaningful analysis of the bank's lending could not be conducted. The CD performance in the area is below the bank's overall CD performance; however, it does not change First Liberty's rating overall.

APPENDIX A – MAP OF THE ASSESSMENT AREAS

HOUSTON METROPOLITAN ASSESSMENT AREA



BEAUMONT METROPOLITAN ASSESSMENT AREA



APPENDIX B – LIMITED SCOPE ASSESSMENT AREA DEMOGRAPHIC AND LENDING TABLES

BEAUMONT METROPOLITAN ASSESSMENT AREA

Table C-1

2023 Combined Demographics Assessment Area: Beaumont Metropolitan								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	10.4	4,827	8	1,976	40.9	15,251	25.4
Moderate-income	26	33.8	18,526	30.9	3,909	21.1	11,310	18.9
Middle-income	16	20.8	14,613	24.4	1,417	9.7	10,503	17.5
Upper-income	21	27.3	20,330	33.9	812	4	22,907	38.2
Unknown-income	6	7.8	1,675	2.8	260	15.5	0	0
Total Assessment Area	77	100.0	59,971	100.0	8,374	14.0	59,971	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	9,516	3,386	5.9	35.6	4,335	45.6	1,795	18.9
Moderate-income	36,900	15,859	27.4	43	15,332	41.6	5,709	15.5
Middle-income	25,544	14,273	24.7	55.9	8,418	33	2,853	11.2
Upper-income	34,057	22,472	38.8	66	7,392	21.7	4,193	12.3
Unknown-income	2,930	1,869	3.2	63.8	676	23.1	385	13.1
Total Assessment Area	108,947	57,859	100.0	53.1	36,153	33.2	14,935	13.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	550	4.9	502	4.8	44	5.3	4	4.2
Moderate-income	3,590	31.8	3,272	31.5	301	36.6	17	17.7
Middle-income	2,502	22.1	2,346	22.6	143	17.4	13	13.5
Upper-income	3,969	35.1	3,689	35.5	227	27.6	53	55.2
Unknown-income	689	6.1	572	5.5	108	13.1	9	9.4
Total Assessment Area	11,300	100.0	10,381	100.0	823	100.0	96	100.0
	Percentage of Total Businesses:			91.9			7.3	0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	6	4.3	6	4.3	0	0	0	0
Moderate-income	12	8.6	12	8.6	0	0	0	0
Middle-income	19	13.6	18	12.9	1	100	0	0
Upper-income	94	67.1	94	67.6	0	0	0	0
Unknown-income	9	6.4	9	6.5	0	0	0	0
Total Assessment Area	140	100.0	139	100.0	1	100.0	0	.0
	Percentage of Total Farms:			99.3			0.7	0.0
Source: 2023 FFIEC Census Data 2023 D&B Information 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table C-2

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Beaumont Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	3.7	0	0.0	2.8	5.9
Moderate	1	50.0	17.0	96	16.0	16.0	27.4
Middle	0	0.0	27.4	0	0.0	27.8	24.7
Upper	1	50.0	49.3	504	84.0	50.7	38.8
Unknown	0	0.0	2.6	0	0.0	2.6	3.2
Total	2	100.0	100.0	600	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Table C-3

Distribution of 2023 Unsecured Consumer Lending by Income Level of Geography Assessment Area: Beaumont Metropolitan					
Geographic Income Level	Bank Loans				Households %
	#	%	\$(000)	%	
Low	0	0.0	0	0.0	8.2
Moderate	0	0.0	0	0.0	33.2
Middle	0	0.0	0	0.0	24.1
Upper	1	100.0	1	100.0	31.8
Unknown	0	0.0	0	0.0	2.7
Total	1	100.0	1	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.					

Table C-4

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Beaumont Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	5.1	0	0.0	2.3	25.4
Moderate	0	0.0	16.2	0	0.0	10.1	18.9
Middle	0	0.0	20.3	0	0.0	17.0	17.5
Upper	1	50.0	30.9	504	84.0	33.7	38.2
Unknown	1	50.0	27.5	96	16.0	36.8	0.0
Total	2	100.0	100.0	600	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Table C-5

Distribution of 2023 Unsecured Consumer Lending by Borrower Income Level					
Assessment Area: Beaumont Metropolitan					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	#%	\$(000)	\$%	
Low	1	100.0	1	100.0	27.1
Moderate	0	0.0	0	0.0	16.2
Middle	0	0.0	0	0.0	17.3
Upper	0	0.0	0	0.0	39.3
Total	1	100.0	1	100.0	100.0
Source: 2023 FFIEC Census Data					
2016-2020 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.