

PUBLIC DISCLOSURE

October 5, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Guaranty Savings Bank
RSSD# 1216059

28 South Main Street
Plymouth, New Hampshire 03264

*Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210*

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 CRA RATING: This institution is rated Satisfactory.

Community Guaranty Savings Bank (Community Guaranty or the bank) demonstrates an adequate responsiveness to the credit needs of its assessment area based on the following findings:

- The average loan-to-deposit (LTD) ratio of 71.1 percent is reasonable given the bank's size, financial condition, and assessment area credit needs.
- A majority (69.3 percent) of residential mortgages were originated inside the bank's assessment area during the review period.
- The distribution of loans to borrowers of different income levels, including to low- and moderate-income individuals, reflects excellent penetration given the demographics of the bank's assessment area.
- The geographic distribution of residential mortgage loans reflects reasonable dispersion throughout the assessment area.
- There have been no complaints regarding the bank's CRA performance since the previous CRA evaluation.

SCOPE OF EXAMINATION

Community Guaranty's CRA performance was evaluated using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Small Institutions. Small Institutions are those that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.221 billion. As the bank's assets were also below \$305 million, the bank was not considered an intermediate small institution. The bank was evaluated based on the following performance criteria: LTD ratio, assessment area concentration of loans, the geographic distribution of loans, loan distribution to borrowers of different income levels, and record of responding to complaints about the bank's CRA performance.

This examination's analysis focused on home mortgage loans as reported by the bank from January 1, 2011 through June 30, 2015. Greater weight was given to the two most recent completed years, 2013 and 2014, and information for these years is included in the subsequent tables within this report unless otherwise noted. Data from 2011 and 2012 was reviewed for trends in lending. Information from the first two quarters of 2015 was also considered in the analysis but was not included in the tables since aggregate information is not yet available.

Consumer lending was excluded from this analysis as it accounted for a minor percentage of the bank's overall lending activity, at 2.3 percent. The bank does not report small business loans for the purposes of CRA and commercial lending was not reviewed at this examination. While both the number and dollar volume of the bank's home mortgage loans were reviewed, the number of originations was weighted more heavily than the dollar volume in order to eliminate any factors that could have distorted results.

As it has no offices in a Metropolitan Statistical Area (MSA), Community Guaranty is not subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA). However, the bank provided home mortgage loan data that is shown in comparison to the 2013 and 2014 aggregate data obtained from the FFIEC. Aggregate data consists of lending information from all HMDA reporters that originated or purchased home mortgage loans in the bank's assessment area.

Demographic information referenced throughout the evaluation was obtained from the 2010 United States (U.S.) Census Bureau's American Community Survey (ACS) data, unless otherwise noted. The analysis of the bank's net LTD ratio includes the last 16 quarters, which represent the period since the prior CRA examination from September 30, 2011 through June 30, 2015.

Community Guaranty's CRA performance was last examined by the Federal Reserve Bank of Boston on June 20, 2011 in accordance with the FFIEC Examination Procedures for Small Institutions and focused on mortgage lending performance through December 31, 2010. The examination resulted in a Satisfactory rating.

DESCRIPTION OF INSTITUTION

Community Guaranty, established in 1988, is a wholly-owned subsidiary of Community Guaranty Corporation. The bank operates under a New Hampshire guaranty savings bank charter and became a state member of the Federal Reserve Bank in November of 2002. The bank has one assessment area located in a portion of Grafton County, New Hampshire.

Community Guaranty is a full-service retail bank headquartered in Plymouth, New Hampshire. In addition to its main office, located at 28 South Main Street, the bank maintains a branch in Campton and operates three ATMs; one at each branch, with the third on the campus of Plymouth State University, Plymouth, NH. Community Guaranty offers a variety of residential, commercial and consumer loan products to meet the credit needs of the community. Residential mortgage products include conventional fixed-rate mortgage loans, adjustable-rate mortgage loans, mobile home loans, home equity lines of credit, home improvement loans, and construction mortgage loans. Commercial offerings include real estate mortgages, non-real estate secured loans, letters of credit, and revolving credit lines. Consumer products include automobile, recreational vehicle, and unsecured loans.

According to the Consolidated Report of Condition and Income (Call Report), as of June 30, 2015, Community Guaranty's assets totaled \$112.7 million, an increase of approximately \$9.1 million following the last CRA evaluation in 2011. Since the last examination and as of June 2015, total loans grew from \$66.8 million to \$68.5 million and total deposits grew from \$89.0 million to \$99.9 million.

In serving its community's mortgage needs, Community Guaranty originates primarily residential loans both for its own portfolio and the secondary market. Community Guaranty has reinforced its focus on serving the residential needs of its community through the implementation of mobile home loans. The following table illustrates the breakdown of the bank's loan portfolio, based on the most recent Call Report.

Table 1		
Loan Portfolio as of June 30, 2015		
Loan Type	Dollar Amount \$(000s)	Percent of Total Loans
Closed-End 1-4 Family Residential	40,363	58.9
Open-End 1-4 Family Residential	4,140	6.0
Multifamily Residential	91	0.1
Commercial Real Estate	13,389	19.6
Commercial and Industrial	3,598	5.3
Construction and Land Development	5,080	7.4
Farmland and Agricultural	0	0.0
Consumer	1,565	2.3
Other Loans and Leases	250	0.4
Total Gross Loans	68,476	100.0

Call Report as of 6/30/2015

In addition to the traditional loan products, the bank also participates in loan programs sponsored by the Federal Housing Administration (FHA), Veterans Affairs (VA) and US Department of Agriculture (USDA) Rural Development loans. These flexible programs are generally geared towards low and moderate-income individuals.

Community Guaranty is active in selling its originated residential loans to investors in the secondary market. The bank sells mortgages, servicing retained, to the Federal Home Loan Bank of Boston. The bank also brokers loans on behalf of Merrimack Mortgage Company.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, as of June 30, 2015, there were 7 financial institutions operating 14 branches in the bank's assessment area. The leading institutions in deposit market share were larger regional banks, community banks, and one national institution. With 22.3 percent in total deposits, Community Guaranty ranked 2nd in deposit market share. Community Guaranty considers Northway Bank, Meredith Savings Bank, Woodsville Savings Bank and Northeast Credit Union as its main competitors, although these are significantly larger institutions operating in a broader market area.

The bank has the ability to meet the credit needs of its assessment area taking into consideration its financial capacity, local economic conditions, demographics, and the competitive market in which it operates. Furthermore, there are no legal or financial impediments that would impact the bank's ability to meet the credit needs of its assessment area. However, lending continues to be hampered in the region by the weak economy.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires a financial institution to define an assessment area within which its CRA performance will be evaluated based upon where it focuses its lending efforts. The evaluation mainly focused upon lending activity within the defined assessment area.

Community Guaranty defines its assessment area as the following towns: Plymouth, Ashland, Holderness, Campton, Rumney, Ellsworth, Thornton, Waterville Valley, Lincoln, Livermore, Woodstock, Warren, and Benton. These 13 towns encompass 34.2 percent of the 38 towns comprising Grafton County. None of the bank's assessment area is located in an MSA.

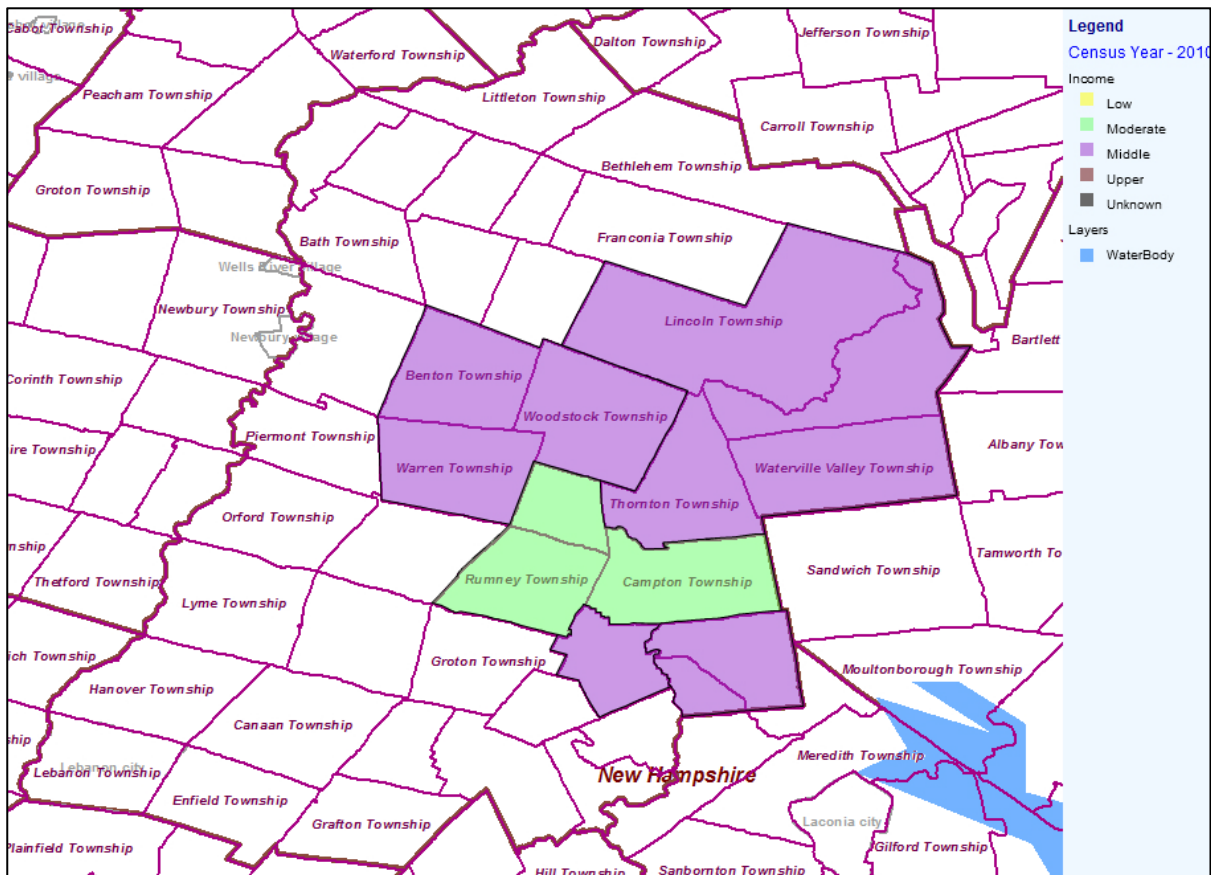
Table 2 Assessment Area Demographics									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0	0	0	0	0	1,084	21.7	
Moderate-income	1	20	1,409	28.2	109	7.7	1,176	23.6	
Middle-income	4	80	3,582	71.8	207	5.8	1,257	25.2	
Upper-income	0	0	0	0	0	0	1,474	29.5	
Total Assessment Area	5	100.0	4,991	100.0	316	6.3	4,991	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Moderate-income	3,387	1,693	28.7	50	334	9.9	1,360	40.2	
Middle-income	13,144	4,206	71.3	32	1,875	14.3	7,063	53.7	
Total Assessment Area	16,531	5,899	100.0	35.7	2,209	13.4	8,423	51.0	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	%	#	%	#	%	
Moderate-income	291	22.9	269	23.8	10	11.1	12	23.5	
Middle-income	981	77.1	862	76.2	80	88.9	39	76.5	
Total Assessment Area	1,272	100.0	1,131	100.0	90	100.0	51	100.0	
Percentage of Total Businesses:			88.9		7.1		4.0		
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	%	#	%	#	%	
Moderate-income	7	28	7	28	0	0	0	0	
Middle-income	18	72	18	72	0	0	0	0	
Total Assessment Area	25	100.0	25	100.0	0	.0	0	.0	
Percentage of Total Farms:			100.0		.0		.0		

2010 Census Data and 2014 D&B Data.

Total percentages shown may vary by 0.1 percent due to automated rounding differences

The assessment area is comprised of 5 of the 19 census tracts in Grafton County, NH. One of the assessment area's tracts is classified as moderate-income and the remaining four tracts are classified as middle income. The county has no low-income tracts, and only one additional moderate-income tract, Littleton Township, which does not abut the bank's assessment area. These tract income classifications have not changed since the previous examination.

A map of the assessment area is provided below.



Population Characteristics

Community Guaranty's assessment area has a population of 23,111 residents. Of this total, 21.2 percent reside in moderate-income census tracts and 78.8 percent reside in middle-income census tracts. The population is comprised of 8,108 households. Of these households, 25.0 percent are located in moderate-income census tracts and 75.0 percent are in middle-income census tracts.

Income Characteristics

The FFIEC adjusts the median family income (MFI) of metropolitan areas annually, based on estimates. The MFI for low-income is defined as income of less than 50 percent of the area median

income; moderate-income is defined as income of at least 50 percent and less than 80 percent of the median income; middle-income is defined as income of at least 80 percent but less than 120 percent of the median income; and upper-income is defined as 120 percent of the median income and above. The following table displays the MFI for the state of New Hampshire, as the assessment area is within a non-MSA.

Table 3 Median Family Income Report			
Year	State Name		FFIEC Estimated MFI
2013	NEW HAMPSHIRE	▲	69,100
2014	NEW HAMPSHIRE	▲	70,400

Based on 2013 D&B information according to 2010 ACS Boundaries

The assessment area’s population has a lower average income than the State of New Hampshire. Recent information is lacking, as the assessment area is in a non-MSA, however 2010 census data reveals that MFI of the assessment area, \$57,001, is significantly lower than the state average, \$76,446. The assessment area includes 29.5 percent upper, 25.2 percent middle, 23.6 percent moderate and 21.7 percent low-income families. New Hampshire, for comparison, has 38.9 percent upper, 23.7 percent middle, 19.0 percent moderate, and 18.4 percent families below the poverty level.

Housing Characteristics

The bank’s assessment area contained 16,531 housing units in 2014, of which 35.6 percent are owner-occupied, 13.4 percent are rental units, and 51.0 percent are vacant. The housing stock in the assessment area consists predominately of 1-4 family housing units, at 78.2 percent. Mobile homes comprise an additional 10.0 percent, and multi-family housing units account for 11.8 percent. The assessment area’s dependence on tourism and seasonal housing is reflected by the 51.0 percent of vacant housing, resulting primarily from vacation and seasonal units and significantly outpacing New Hampshire’s 15.5 percent total of vacant units.

The composition of the housing stock highlights that the assessment area is not highly populated as it has a great deal of seasonal vacation housing; therefore, opportunities for residential lending within the assessment area may be limited. Further, as outlined below, housing stock that is available in the area is hampered by a lack of affordability.

The lower MFI, as described above, off-sets the lower housing values in the assessment area, as compared to the State of New Hampshire. The 2014 median housing value in the assessment area is \$203,331, 19.7 percent lower than the state median housing value of \$253,200. However, with 21.7 percent of the assessment area’s families earning less than \$35,200 annually, and an additional 23.6 percent of families earning less than \$56,320 annually, homeownership is largely unattainable. However, the lack of housing affordability is evident in the lower affordability ratio, 22.0 percent within the assessment area versus 25.0 percent in New Hampshire, which reflects fewer affordable units in the assessment area. Similarly, the lower incomes within the assessment area off-sets the

lower median gross monthly rent of \$747, which is 20.0 percent lower than the state figure of \$933.

Business Characteristics

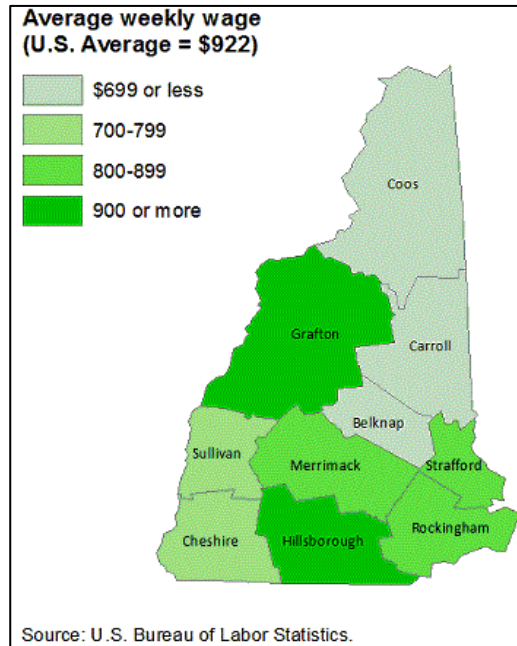
Based on 2014 Dun and Bradstreet data, there are approximately 1,272 businesses located within Community Guaranty's assessment area. Small businesses dominate as 88.9 percent had total revenues equal to or less than \$1 million. This percentage indicates potential demand for small business loans. While, for the purposes of this examination, small business lending was not considered a major product as the bank is principally a residential lender, it was noted that Community Guaranty does offer commercial loans to help meet the needs of its assessment area. The majority of the bank's commercial lending is to small businesses, and occurs inside of its assessment area. The community contact reports that the largest industry in the area, by far, is tourism. Tourism is a year-round draw, driven by activities such as skiing and snowmobiling in winter; hiking and lake activities in spring and summer; and foliage viewing in fall. Additional revenue streams for the assessment area are generated through education, hospital and medical services, and agriculture. The importance of education as an industry is reflected by the 9.9 percent of total population within the assessment area residing in college dormitories, as reported in 2010 Census Data.

Employment Statistics

According to the February 2015 release by the U.S. Bureau of Labor Statistics, the 2014 annual average unemployment rate for the State of New Hampshire was 4.2 percent.¹ According to the May 2015 release by the U.S. Bureau of Labor and Statistics, Grafton County's average weekly wage of \$947 was above New Hampshire's average weekly wage of \$927, and in line with the national average of \$949.² However, during discussions with the community contact, it was made clear that this statistic is largely skewed by Lebanon and Hanover, two Grafton County towns outside of the assessment area that benefit from additional large employers, including Dartmouth College and Dartmouth-Hitchcock Medical Center, as well as their proximity to Massachusetts. The remainder of Grafton County, including Community Guaranty's assessment area, is more in line with the surrounding counties, including Coös County, which possesses a lower median income and fewer employment opportunities.

¹ http://www.bls.gov/regions/new-england/data/demographics_newengland_table.pdf

² http://www.bls.gov/regions/new-england/news-release/countyemploymentand-wages_newhampshire.htm



Community Contact

As part of this examination, a community contact interview was conducted with a non-profit organization that provides services relating to affordable childcare, non-profit and small business start-up and capitalization, and economic and statistical research at the community level. This organization serves the bank's assessment area and beyond.

The contact, who has more than 15 years of experience in the field, stated that unemployment and income statistics for Grafton County are skewed by the Towns of Lebanon and Hanover, as discussed previously. The assessment area, the contact specified, is more in line with income statistics reported from Coös, the county to the north. The contact also noted that there are numerous opportunities in the low- and moderate-income area that have the potential to draw involvement of banks; specifically transportation services for the elderly, and the development of broadband infrastructure.

The contact cited the strength and involvement of community banks in the region, mentioning Community Guaranty as an example. Bank and management participation in community activities and associations, such as Rotary Club, were also noted.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Overall, Community Guaranty’s lending performance in the assessment area is satisfactory. Demographic and economic conditions as well as competition and the bank’s limited years of existence were considered in its lending performance.

Loan-to-Deposit Ratio

One indication of the bank’s overall performance is its average net LTD ratio, which is reasonable based on its asset size, financial condition, and competition from local and similarly situated financial institutions. This performance criterion determines the percentage of the bank’s deposit base that is reinvested in the form of loans, and evaluates its appropriateness.

The bank’s net LTD figures are calculated from the bank’s quarterly FFIEC Call Reports, and the ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits.

Table 4 Loan to Deposit Ratio		
Institution	Total Assets (000s)*	Average Net Loan-to-Deposit Ratio**
Meredith Village Savings Bank	766,662	103.86
Woodsville Guaranty Savings Bank	418,596	101.59
Northway Bank	932,335	83.51
Profile Bank	184,128	78.00
Community Guaranty Savings Bank	112,710	71.09

*Call Report as of 6/30/2015.

**Call Report from September 30, 2011 to June 30, 2015.

The bank’s LTD as of June 30, 2015 was 67.8 percent; a slight downward trend from its average ratio for the past 16 quarters of 71.1 percent. It was noted that, while lending within the bank has steadily increased, deposits have outpaced loans in growth. However, the continued low interest rate environment failed to overcome the lack of loan demand due to the economy, which is particularly weak in the bank’s rural areas. The figures presented in Table 4 indicate that the current LTD ratio for Community Guaranty is in the lower range among its local competitors, including Meredith Savings Bank, Woodsville Guaranty Savings Bank, and Northway Bank; however, the ratio is still reasonable given the available opportunities to lend. Loans sold to the Federal Home Loan Bank of Boston contribute to the lower LTD at the bank. Additionally, in making home loans, banks may use advanced funds, such as those the Federal Home Loan Bank offers. While the loans made with these funds are reported, the funds themselves are not tracked as deposits, which inflate the loan to deposit ratio. While the bank and its competitors all report

utilizing advanced funds, the bank’s competitors reported utilizing between 25 and 35 times more advanced funds than Community Guaranty during the examined timeframe as compared to advances reported on the Call Reports of the competitor banks, thus further contributing to the differential between these banks and the bank’s LTD.

Also, noteworthy, the bank’s main competitors within its assessment area as identified by the bank and as noted above, excepting Profile Bank, have significant differences in both scale and market. These institutions are significantly larger, and encompass larger market areas. These banks are therefore able to target the tourism industry and populations with vastly different densities and demographics than the towns within the assessment area. To more accurately capture the competitive market that Community Guaranty caters to for purposes of the loan to deposit analysis, a local bank slightly outside of the bank’s competitive area, Profile Bank, is included.

Headquartered in Rochester, New Hampshire Profile Bank is located in Stafford County. Profile Bank’s average net loan to deposit ratio of 78.0 percent showed a gradual declining trend over the 16 quarter timeframe, registering 74.3 percent on June 30, 2015. This ratio is more in line with the performance of Community Guaranty, who continues to focus efforts on lending activities and loan portfolio growth in a similar market, serving a population with similar demographics and average income, as Profile Bank.

Lending Inside and Outside the Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. The table below presents the bank’s levels of lending inside and outside the assessment area for 2013, 2014 and the first half of 2015. A majority of the residential loans are located inside the bank’s assessment area.

As shown in the table below, 70.0 percent of the total residential loans were made inside the assessment area, accounting for 67.3 percent of the dollar volume of total loans. This performance is in line with the bank’s policy floor of 67.0 percent of residential loans by number within its assessment area.

Table 5 Lending Inside and Outside the Assessment Area										
Loan Type	Number of Loans				Dollar of Loans (000s)				TOTAL	
	Inside				Outside					
	#	%	\$ (000s)	%	#	%	\$ (000s)	%	#	\$ (000s)
Residential Mortgages	91	70.0%	12,862,186	67.3%	39	30.0%	6,236,380	32.7%	130	19,098,566

Bank loan data, 2013-2014.³

³ Residential lending could not be separated by loan purpose, as this information was not provided by the bank.

Lending to Borrowers of Different Incomes

This criterion analyzes the distribution of loans to borrowers of different income levels. Borrowers are classified into low-, moderate-, middle, and upper-income categories by comparing their reported income to the applicable MFI figure estimated by the FFIEC (\$70,400 for the State of New Hampshire, as of 2014). The following table provides a comparison of the bank’s lending, by income level of the borrower, to the income distribution of families in the assessment area and the performance of the aggregate.

Borrower Income Level	Families by Family Income %	2013						2014					
		Count			Dollar			Count			Dollar		
		Bank	Agg.		Bank	Agg.		Bank	Agg.		Bank	Agg.	
		%	#	%	%	\$	%	%	#	%	%	\$	%
Low	21.7%	3	4.8%	4.5%	201,600	2.2%	2.7%	3	10.7%	4.9%	280,520	7.4%	2.4%
Moderate	23.6%	16	25.4%	14.6%	1,769,220	19.5%	10.6%	6	21.4%	10.7%	607,200	16.0%	6.9%
Middle	25.2%	14	22.2%	13.3%	2,461,406	27.2%	12.6%	3	10.7%	14.4%	312,900	8.2%	11.8%
Upper	29.5%	30	47.6%	58.7%	4,630,180	51.1%	64.9%	16	57.1%	56.2%	2,599,160	68.4%	64.1%
Unknown	0.0%	0	0.0%	8.8%	0	0.0%	9.1%	0	0.0%	13.7%	0	0.0%	14.8%
Total	100%	63	100%	100%	9,062,406	100%	100%	28	100%	100%	3,799,780	100%	100%

*Source - 2010 U.S. Census Data, 2010 ACS Data, 2013-2014 bank data.

Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The distribution of loans to residential borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income individuals. Community Guaranty originated 4.8 percent of its residential loans to borrowers of low-income in 2013. In 2014, this increased to 10.7 percent, although this represents a proportional decrease in overall lending as opposed to an increase in the bank’s lending activity to low-income borrowers. Still, lending activity to borrowers of low-income consistently exceeds the aggregate lending percentages of 4.5 percent in 2013 and 4.9 percent in 2014. The bank originated 25.4 percent of its residential loans to borrowers of moderate-income in 2013, and 21.4 percent in 2014, which significantly exceeds the aggregate lending averages of 14.6 percent and 10.7 percent, respectively. This demonstrates that Community Guaranty continues to serve the credit needs of its population.

In an effort to respond to the housing credit needs of the assessment area, Community Guaranty actively participates in flexible government-sponsored loan programs such as the FHA, VA and USDA Rural Development loans, whose target market is generally lower income borrowers and/or first time homebuyers. These programs require minimal down payment to provide homeownership opportunities for low and moderate-income borrowers. Additionally, in 2015 the bank has begun to offer mobile home loans to further assist the needs of the community.

The bank’s residential lending in 2011, 2012, and first and second quarters of 2015 was also evaluated. Total residential loans generated these years to moderate-income borrowers were 23.3

percent, 28.9 percent and 27.3 percent, respectively. These ratios are generally consistent with the bank’s lending activity as noted in the table above. Loans to low-income borrowers represented 20.0 percent, 6.6 percent, and 4.5 percent, respectively. As discussed above, while these lending percentages reflect some variance, this analysis is based on a small number of originations. Consequently, slight fluctuations in the number of loans originated can significantly impact the percentages. For example, the decrease from six low-income loans in 2011 to five loans in 2012 resulted in a percentage decrease from 20.0 percent to 6.6 percent of the bank’s total residential loans for those respective years. Thus, the bank has steadily responded to the credit needs among individuals of different income levels throughout the evaluation period.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of loans to census tracts of all income levels. Based on demographics, Community Guaranty does not have any low-income census tracts in its assessment area.

Table 7 Geographic Distribution of Loans													
Census Tract Income Level	Owner Occupied Units	2013						2014					
		Count			Dollar			Count			Dollar		
		Bank	Agg.		Bank	Agg.		Bank	Agg.		Bank	Agg.	
		%	#	%	%	\$	%	%	#	%	%	\$	%
Moderate	28.7%	25	39.7%	23.0%	3,072,854	33.9%	21.5%	9	32.1%	23.8%	1,357,320	35.7%	20.3%
Middle	71.3%	38	60.3%	77.0%	5,989,552	66.1%	78.5%	19	67.9%	76.2%	2,442,460	64.3%	79.7%
Total	100%	63	100.0%	100%	9,062,406	100.0%	100%	28	100.0%	100%	3,799,780	100%	100%

2010 U.S. Census, 2013 and 2014 Aggregate HMDA Data, 2013 and 2014 bank data.

As evidenced in the table above, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The bank’s lending within its moderate-income tract, 20.0 percent of its assessment area, was 39.7 percent in 2013 and 32.1 percent in 2014. This exceeded the aggregate lending activity of 23.0 percent and 23.8 percent, respectively, as well as exceeding the owner occupancy ratio of 28.7 percent. Subsequently, within the middle-income tracts in the assessment area, the bank’s lending activity was consistently slightly below both the aggregate lending activity and owner occupancy percentile.

In 2011, 2012 and the first half of 2015, total loans in moderate-income tracts accounted for 36.7 percent, 35.9 percent and 31.8 percent, respectively. This is generally consistent with Community Guaranty’s lending activity as outlined in the table above.

Response to Complaints

The bank has not received any CRA-related complaints since the previous examination; therefore, this criterion was not assessed.

CONCLUSION

The bank's performance in meeting credit needs in the assessment area is demonstrated by its record of extending loans to borrowers of different incomes, especially low- and moderate-income borrowers. The bank has also met the credit needs in its assessment area by making the majority of its loans within its assessment area. The bank exhibited a reasonable distribution of loans across census tract income levels and has maintained a reasonable LTD ratio. Given economic, demographic, and competitive conditions in the assessment area, the bank's lending levels reflect a reasonable level of responsiveness and is therefore rated "Satisfactory".

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Concurrent with this CRA evaluation, a review of the bank's compliance with consumer protection laws and regulations was conducted. No substantive violations of the provisions of antidiscrimination, fair lending, or other illegal credit practice rules, laws or regulations were identified.