

# **PUBLIC DISCLOSURE**

November 28, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Sanger Bank  
RSSD #336361  
501 North Stemmons Street  
Sanger Texas 76266

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.

## TABLE OF CONTENTS

Institution’s Community Reinvestment Act Rating .....	1
Scope of the Evaluation .....	1
Description of the Institution .....	1
Conclusions With Respect to Performance Criteria .....	2
Fair Lending or Other Illegal Credit Practices Review .....	4
Denton and Wise Counties Metropolitan Assessment Area (Full-Scope Review)	
Description of the Institution’s Operations.....	5
Conclusions With Respect to Performance Criteria .....	7
Montague and Cooke Counties Metropolitan Assessment Area (Limited-Scope Review)	
Description of the Institution’s Operations.....	9
Conclusions With Respect to Performance Criteria .....	9
Appendix A – Maps of the Assessment Areas .....	10
Appendix B – Demographic Information .....	11
Appendix C – Limited-Scope Review Assessment Area Tables .....	14
Appendix D – Glossary .....	18

## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

**Sanger Bank** (Sanger or the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- Sanger's 17-quarter net loan-to-deposit ratio (NLTD) reflects reasonable effort to extend credit given the bank's asset size, financial condition, and credit needs of the assessment areas (AAs).
- The majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among businesses of different revenue sizes.

### SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered relevant performance context, including Sanger's asset size, financial condition, and business strategy, as well as the demographic and economic characteristics, competition, and credit needs of the AAs the bank serves. Lending performance was assessed within the bank's two AAs: Denton and Wise Counties Metropolitan AA and Montague and Cooke Counties Nonmetropolitan AA. The Denton and Wise Counties Metropolitan AA received a full-scope review, as this AA holds 68.9 percent of the bank's deposits and contains of 23 low- and moderate-income (LMI) census tracts. The Montague and Cooke Counties Nonmetropolitan AA received a limited scope review, as this AA only has three LMI census tracts.

Examiners reviewed the following data to assess the bank's performance in meeting the credit needs of the AAs:

- The 17-quarter average NLTD ratio of the bank and two similarly situated financial institutions.
- A sample of 146 small business loans selected from the universe of 516 loans originated between January 1, 2021, and December 31, 2021.
- Information provided by a community leader, who administers an economic development partnership organization that serves the communities with the Denton and Wise Counties Metropolitan AA, to ascertain the credit needs of the AA, the responsiveness of area banks in meeting those credit needs, and the local economic conditions.

Sanger's responsiveness to CRA-related complaints was not evaluated, as neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) received any such complaints since the previous evaluation.

### DESCRIPTION OF THE INSTITUTION

Sanger, a community bank headquartered in Sanger, Texas, has the following characteristics:

- The bank is a wholly owned subsidiary of Sanger Bancshares, Inc.
- Sanger has total assets of \$203.6 million as of September 30, 2022.
- In addition to its main office in Sanger, Texas, the bank operates a branch office located in Bowie, Texas. Each location has a deposit-taking automated teller machine (ATM).
- The bank's primary business focus is commercial lending, as noted in Table 1.

**Table 1**

<b>Loan Portfolio Composition as of September 30, 2022</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Residential Real Estate	26,889	23.8
Commercial	70,677	62.5
Agricultural	9,437	8.4
Consumer – Closed End	3,981	3.5
Other	2,021	1.8
Gross Loans	113,005	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

Sanger’s CRA performance was rated Satisfactory at its previous evaluation, which was conducted by the Reserve Bank on October 1, 2018. 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 CRITERIA<sup>1</sup>**

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of the bank’s performance in the Denton and Wise Counties Metropolitan AA (full-scope review) and a brief discussion of performance in the Montague and Cooke Counties Nonmetropolitan AA (limited-scope review).

Sanger meets the credit needs of its delineated AAs based on the bank’s Satisfactory overall lending performance. The bank’s NLTD reflects reasonable efforts to extend credit, and the majority of Sanger’s loans were extended inside the delineated AAs. Moreover, Sanger’s distribution of loans to businesses of different sizes and the geographic loan dispersion are reasonable given relevant performance context.

**Net Loan-to-Deposit Ratio**

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending considering performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated institutions insured by the Federal Deposit Insurance Corporation (FDIC). Two similarly situated institutions were selected based on asset size, product offering, and proximity to the bank’s AAs.

The bank’s 17-quarter average NLTD ratio, at 60.5 percent, is reasonable despite being below the range of the average NLTD ratios of the similarly situated banks selected, whose average NLTD ratios ranged from 69.1 percent to 73.8 percent. The current 17-quarter average NLTD ratio of 60.5 percent is slightly less than the 17-quarter NLTD average of 61.6 percent for the prior performance evaluation. During the current period of evaluation, the bank was flushed with deposits due to the COVID-19 pandemic, as more consumers were parking deposits and the volume of lending decreased. Negotiable order of withdrawal and Super NOW accounts

<sup>1</sup> The average NLTD ratio and percentage of loans extended in the AAs apply to the institution’s overall performance. The discussion of these performance criteria does not apply to sections of the performance evaluation related to specific AAs.

experienced a decrease of -9.8 percent in year 2022 after experiencing growth of 32.4 percent the previous year. The bank's NLTD reflects the bank's willingness to extend credit given the demands and opportunities in the AAs. Table 2 provides details about the average NLTD ratio.

**Table 2**

<b>Comparative NLTD Ratios July 1, 2018 - September 30, 2022</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size \$(000)</b>	<b>17-Quarter Average NLTD Ratio (%)</b>
Sanger Bank	Sanger, Texas	203,656	60.5
<b>Similarly Situated Institutions</b>			
Charis Bank	Justin, Texas	276,147	73.8
Community Bank	Bridgeport, Texas	179,597	69.1

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. As depicted on Table 3, the bank originated a majority of loans, by number and dollar, inside the AAs.

**Table 3**

<b>Lending Inside and Outside the Assessment Areas</b>								
<b>Loan Type</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>
<b>Small Business</b>	117	80.1	11,231	62.8	29	19.9	6,648	37.2

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

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

### Geographic Distribution of Loans

This performance criterion evaluates the bank's loan distribution and dispersion throughout Sanger's AAs by income level of census tracts. The bank's overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AAs. Loans were generally made in close proximity to the bank's branches, and no conspicuous gaps or anomalies in the lending patterns were noted. The distribution of the remainder of the bank's lending in middle- and upper-income geographies did not affect conclusions about the bank's performance in LMI geographies. Data supporting this analysis is detailed in the discussions of the bank's performance in each AA below.

### Lending to Businesses of Different Revenue Sizes

This performance criterion evaluates the bank's lending to businesses of different revenue sizes. The bank's lending has an overall reasonable distribution among businesses of different revenue sizes and is responsive to the needs of small businesses in its AAs. Data supporting this analysis can be seen in detail in the separate assessment area discussion.

## **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.

**DENTON AND WISE COUNTIES METROPOLITAN ASSESSMENT AREA**  
(Full-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS**

- The bank's Denton and Wise Counties Metropolitan AA consists of the entirety of Denton County and Wise County in Texas.
- While Denton County is part of the Dallas-Plano-Irving Metropolitan Division (MD), Wise County is part of the Fort Worth-Arlington MD. Both MDs are part of the Dallas-Fort-Worth-Arlington Metropolitan Statistical Area (MSA).
- The AA delineation remains unchanged since the previous exam.
- According to the 2015 American Community Survey (ACS), the AA's composition consists of six low-, 19 moderate-, 59 middle-, and 64 upper-income census tracts.
- As of June 30, 2022, the bank ranked 22<sup>nd</sup> out of 44 federally-insured institutions, with \$113.9 million in deposits or 0.03 percent of the deposit market share. The leading competitor within the AA is Charles Schwab Bank, SSB, which maintains 87.5 percent of the market share.
- An interview with an executive of an economic development partnership organization was conducted to ascertain the credit needs of the communities within the AA. The contact described the community efforts to promote women's enterprise training and the associated Micro Grant Program to help women entrepreneurs start or expand their current business, as women-owned businesses are important to the local, state and national economy.

**Table 4**

<b>Population Change</b>			
<b>Assessment Area: Denton and Wise Counties Metropolitan</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percentage Change</b>
Denton and Wise Counties Metropolitan	721,741	793,094	9.9
Denton County, Texas	662,614	731,851	10.4
Wise County, Texas	59,127	61,243	3.6
Dallas-Plano-Irving, Texas MD	4,230,520	4,519,004	6.8
Fort Worth-Arlington-Grapevine, Texas MD	2,136,022	2,252,637	5.5
Texas	25,145,561	26,538,614	5.5
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011 - 2015 U.S. Census Bureau: American Community Survey</i>			

- The counties of Denton and Wise continue to experience population growth among suburban communities outside of the principal metropolitan cities of Dallas and Fort Worth, Texas.
- The AA population growth almost doubles the growth experienced in the Fort Worth-Arlington-Grapevine, Texas MD and the state of Texas during the same time period.
- As noted in Table 4, the population growth in Denton County more than doubles the one in Wise County. This is mostly attributed to the presence of major universities in Denton County, as college towns typically have higher employment rates and a resilient economy.
- Major employers in education, retail, manufacturing, automotive, and healthcare continue to operate in the AA, attracting people who seek to live closer to their employers and the urban sprawl from the Dallas-Fort Worth MSA.

**Table 5**

<b>Median Family Income Change</b>			
<b>Assessment Area: Denton and Wise Counties Metropolitan</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percentage Change</b>
Denton and Wise Counties Metropolitan	\$90,288	\$87,785	-2.8
Denton County	\$94,620	\$91,186	-3.6
Wise County	\$69,387	\$65,196	-6.0
Dallas-Plano-Irving, Texas MD	\$73,150	\$71,149	-2.7
Fort Worth-Arlington-Grapevine, Texas MD	\$70,756	\$69,339	-2.0
Texas	\$63,314	\$62,717	-0.9
<i>Source: 2006 – 2010 U.S. Census Bureau: American Community Survey 2011 – 2015 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.</i>			

- There are 198,656 families in the AA, of which approximately 15.2 percent of these families are classified as low-income, 14.0 percent as moderate-income, 18.2 percent as middle-income, and 52.7 percent as upper-income.
- Roughly 6.1 percent of the AA families live below the poverty rate, which is significantly less than the family poverty rate for the state of Texas, at 13.5 percent.
- As noted in Table 5, the median family income within the AA has decreased by 2.8 percent, largely due to a sharp decrease in family income in Wise County.
- While the AA population has experienced much growth, the family median income has decreased, which may indicate the jobs available may be pay lower wages. Alternatively, the jobs in the AA may pay higher wages, allowing families the option to become single-income families.

**Table 6**

<b>Unemployment Rates</b>					
<b>Assessment Area: Denton and Wise Counties Metropolitan</b>					
<b>Region</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Denton and Wise Counties Metropolitan	3.4	3.2	3.0	6.4	4.4
Denton County, Texas	3.4	3.2	3.0	6.4	4.4
Wise County, Texas	4.0	3.5	3.2	6.5	4.9
Dallas-Plano-Irving, Texas MD	3.7	3.6	3.3	7.0	5.0
Fort Worth-Arlington-Grapevine, Texas MD	3.8	3.5	3.3	7.2	5.2
Texas	4.3	3.9	3.5	7.7	5.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>					

- As depicted in Table 6, the unemployment rates in the AA are consistently below the state of Texas.
- The COVID-19 pandemic contributed to a sharp increase in unemployment in 2020. A key sign of economic recovery is reflected by the decrease in unemployment rates in 2021.
- According to the small business economic development expert, factors leading to the recovery include organic growth within the major industries and the reopening of the major universities in the AA.



**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE DENTON AND WISE COUNTIES METROPOLITAN ASSESSMENT AREA**

Lending activity reflects reasonable responsiveness to the AA’s credit needs. The geographic distribution of loans reflects reasonable dispersion throughout the AA during the review period, as well as a reasonable loan distribution to businesses of different revenue sizes.

**Geographic Distribution of Loans**

The geographic distribution of small business lending is reasonable. To determine the bank’s performance, small business lending is compared to the number of small businesses located in the AA. During the review period, 45 of the small business loans sampled were extended in the AA. Based on the sample of small business loans reviewed, the bank’s lending to small businesses located in LMI census tracts was below the percentage of total businesses located in these census tracts. As noted in Table 7, the bank did not extend any loans to small businesses located in low-income geographies and only two small business loans in the moderate-income census tracts. While the bank’s lending fell below the demographic, it is notable that 87.5 percent of all small businesses in the AA are located in middle-income and upper-income census tracts, and the majority of the bank’s small business loans sampled were made to businesses in middle-income census tracts. Moreover, the bank owns limited market share (0.03 percent) within the AA, making it challenging to compete with some of the financial institutions dominating majority of the market share. Lastly, not all businesses in the LMI may have been in need for loans during the review period.

**Table 7**

<b>Distribution of 2021 Small Business Lending by Income Level of Geography Assessment Area: Denton and Wise Counties Metropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>Low</b>	0	0.0	0	0.0	2.9
<b>Moderate</b>	2	4.4	52	1.5	9.6
<b>Middle</b>	37	82.2	3,156	88.7	34.9
<b>Upper</b>	6	13.3	349	9.8	52.6
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	45	100.0	3,557	100.0	100.0

*Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011 - 2015 U.S. Census Bureau: American Community Survey*

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

**Lending to Businesses of Different Revenue Sizes**

The borrower distribution of small business lending is reasonable despite being below the number of small businesses located in the AA. Considering that the bank faces steep competition for small business loans in the AA, not all small businesses may have been in need for credit during the review period, and the bank extended approximately 24.4 percent of its small business loans to businesses with unknown revenues, the bank’s lending performance reflects reasonable efforts to meet the credit needs in the AA. It is noteworthy that the bank’s lending to small businesses

by dollar volume, at 90.7 percent, aligned with the percentage of small businesses in the AA, at 94.4 percent.

The size of the loan amounts extended was also be considered when evaluating the bank's lending performance, as smaller businesses typically require lower dollar loans to operate when compared to larger businesses. Using this indicator, the bank's lending activity reflects a willingness to lend and to meet the credit needs of small businesses in the AA, as 80.0 percent of the bank's loans by number were made to businesses with revenues less than \$1 million and in amounts of \$100,000 or less.

**Table 8**

<b>Distribution of 2021 Small Business Lending by Revenue Size of Businesses Assessment Area: Denton and Wise Counties Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	34	75.6	3,226	90.7	94.4
<b>Over \$1 Million</b>	0	0.0	0	0.0	4.2
<b>Revenue Unknown</b>	11	24.4	330	9.3	1.4
<b>Total</b>	45	100.0	3,557	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	36	80.0	1,147	32.2	
<b>\$100,001 - \$250,000</b>	7	15.6	1,078	30.3	
<b>\$250,001 - \$1 Million</b>	2	4.4	1,332	37.4	
<b>Total</b>	45	100.0	3,557	100.0	
<b>By Loan Size and Revenue \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	25	73.5	816	25.3	
<b>\$100,001 - \$250,000</b>	7	20.6	1,078	33.4	
<b>\$250,001 - \$1 Million</b>	2	5.9	1,332	41.3	
<b>Total</b>	34	100.0	3,226	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**MONTAGUE AND COOKE COUNTIES NONMETROPOLITAN ASSESSMENT AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS**

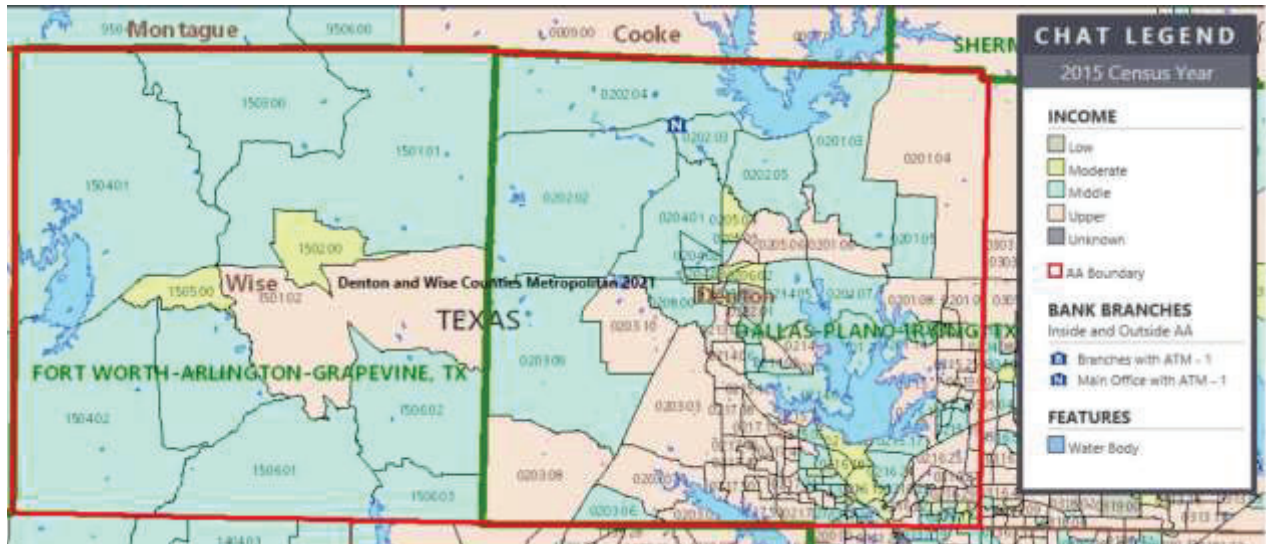
As of November 14, 2022, the bank operates one branch office in the Montague and Cooke Counties Nonmetropolitan AA. As of June 30, 2022, the bank had \$51.4 million in deposits in this AA, representing 2.5 percent deposit market share, and 31.1 percent of the bank's total deposits. The AA consists of 14 census tracts, of which three are classified as moderate-income, eight as middle-income, and three as upper-income. According to the U.S. 2011-2015 American Community Survey, the AA population is approximately 58,239.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE MONTAGUE AND COOKE COUNTIES NONMETROPOLITAN ASSESSMENT AREA**

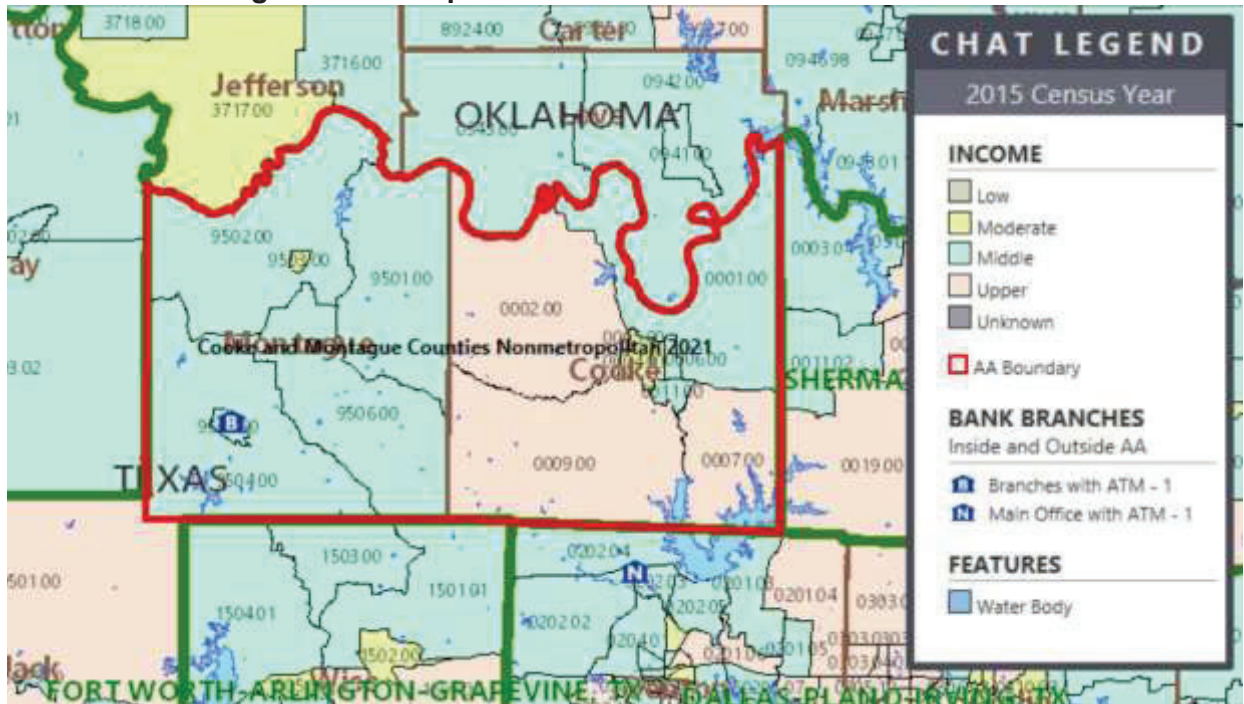
Sanger's lending performance in the AA is consistent with the bank's overall lending performance. Through the uses of available facts and data, including performance and demographic information, the bank's performance in the AA was evaluated and compared with the bank's performance in the Denton and Wise Counties Metropolitan AA. Please refer to the Appendix C for detailed demographic information and small business lending for the limited-scope review of this AA.

### APPENDIX A – MAPS OF THE ASSESSMENT AREAS

#### Denton and Wise Counties Metropolitan



#### Cooke and Montague Nonmetropolitan



**APPENDIX B – DEMOGRAPHIC INFORMATION – Full-Scope Review Assessment Area**

Table B-1

2021 Denton and Wise Counties Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	4.1	4,798	2.4	1,334	27.8	30,157	15.2
Moderate	19	12.8	17,643	8.9	2,530	14.3	27,792	14.0
Middle	59	39.9	82,684	41.6	5,652	6.8	36,100	18.2
Upper	64	43.2	93,531	47.1	2,544	2.7	104,607	52.7
Unknown	0	0.0	0	0	0	0.0	0	0.0
<b>Total AA</b>	<b>148</b>	<b>100.0</b>	<b>198,656</b>	<b>100.0</b>	<b>12,060</b>	<b>6.1</b>	<b>198,656</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	12,403	823	0.5	6.6	10,422	84.0	1,158	9.3
Moderate	34,107	10,883	6.0	31.9	20,325	59.6	2,899	8.5
Middle	130,191	74,106	40.7	56.9	45,936	35.3	10,149	7.8
Upper	120,981	96,291	52.9	79.6	19,557	16.2	5,133	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>297,682</b>	<b>182,103</b>	<b>100.0</b>	<b>61.2</b>	<b>96,240</b>	<b>32.3</b>	<b>19,339</b>	<b>6.5</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,364	2.9	1,267	2.9	81	4.1	16	2.5
Moderate	4,501	9.6	4,063	9.2	389	19.6	49	7.7
Middle	16,355	34.9	15,456	35.0	710	35.8	189	29.8
Upper	24,612	52.6	23,431	53.0	801	40.4	380	59.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>46,832</b>	<b>100.0</b>	<b>44,217</b>	<b>100.0</b>	<b>1,981</b>	<b>100.0</b>	<b>634</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>94.4</b>			<b>4.2</b>	<b>1.4</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	4	0.6	4	0.6	0	0.0	0	0
Moderate	35	4.9	33	4.6	2	100.0	0	0
Middle	348	48.3	347	48.4	0	0.0	1	100.0
Upper	333	46.3	333	46.4	0	0.0	0	0
Unknown	0	0.0	0	0.0	0	0.0	0	0
<b>Total AA</b>	<b>720</b>	<b>100.0</b>	<b>717</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>			<b>0.3</b>	<b>0.1</b>
<p>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

Table B-2

2020 Denton and Wise Counties Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	4.1	4,798	2.4	1,334	27.8	30,157	15.2
Moderate	19	12.8	17,643	8.9	2,530	14.3	27,792	14.0
Middle	59	39.9	82,684	41.6	5,652	6.8	36,100	18.2
Upper	64	43.2	93,531	47.1	2,544	2.7	104,607	52.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>148</b>	<b>100.0</b>	<b>198,656</b>	<b>100.0</b>	<b>12,060</b>	<b>6.1</b>	<b>198,656</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	12,403	823	0.5	6.6	10,422	84.0	1,158	9.3
Moderate	34,107	10,883	6.0	31.9	20,325	59.6	2,899	8.5
Middle	130,191	74,106	40.7	56.9	45,936	35.3	10,149	7.8
Upper	120,981	96,291	52.9	79.6	19,557	16.2	5,133	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>297,682</b>	<b>182,103</b>	<b>100.0</b>	<b>61.2</b>	<b>96,240</b>	<b>32.3</b>	<b>19,339</b>	<b>6.5</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,333	2.9	1,232	2.9	87	4.3	14	2.3
Moderate	4,446	9.7	3,996	9.3	403	20.1	47	7.9
Middle	15,849	34.7	14,944	34.7	729	36.3	176	29.5
Upper	23,998	52.6	22,850	53.1	788	39.3	360	60.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>45,626</b>	<b>100.0</b>	<b>43,022</b>	<b>100.0</b>	<b>2,007</b>	<b>100.0</b>	<b>597</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>94.3</b>		<b>4.4</b>		<b>1.3</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	4	0.5	4	0.5	0	0.0	0	0.0
Moderate	37	5.0	35	4.8	2	100.0	0	0.0
Middle	354	48.0	353	48.1	0	0.0	1	100.0
Upper	342	46.4	342	46.6	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>737</b>	<b>100.0</b>	<b>734</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>		<b>0.3</b>		<b>0.1</b>

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

Table B-3

2019 Denton and Wise Counties Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	6	4.1	4,798	2.4	1,334	27.8	30,157	15.2
Moderate	19	12.8	17,643	8.9	2,530	14.3	27,792	14.0
Middle	59	39.9	82,684	41.6	5,652	6.8	36,100	18.2
Upper	64	43.2	93,531	47.1	2,544	2.7	104,607	52.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>148</b>	<b>100.0</b>	<b>198,656</b>	<b>100.0</b>	<b>12,060</b>	<b>6.1</b>	<b>198,656</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	12,403	823	0.5	6.6	10,422	84.0	1,158	9.3
Moderate	34,107	10,883	6.0	31.9	20,325	59.6	2,899	8.5
Middle	130,191	74,106	40.7	56.9	45,936	35.3	10,149	7.8
Upper	120,981	96,291	52.9	79.6	19,557	16.2	5,133	4.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>297,682</b>	<b>182,103</b>	<b>100.0</b>	<b>61.2</b>	<b>96,240</b>	<b>32.3</b>	<b>19,339</b>	<b>6.5</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,297	2.9	1,196	2.9	84	4.1	17	2.9
Moderate	4,323	9.8	3,888	9.4	397	19.5	38	6.5
Middle	15,404	34.9	14,490	34.9	733	36.0	181	30.9
Upper	23,113	52.4	21,940	52.8	824	40.4	349	59.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>44,137</b>	<b>100.0</b>	<b>41,514</b>	<b>100.0</b>	<b>2,038</b>	<b>100.0</b>	<b>585</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>94.1</b>		<b>4.6</b>		<b>1.3</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	4	0.6	4	0.6	0	0.0	0	0.0
Moderate	37	5.2	35	5.0	2	66.7	0	0.0
Middle	349	49.1	348	49.2	0	0.0	1	100.0
Upper	321	45.1	320	45.3	1	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>711</b>	<b>100.0</b>	<b>707</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>99.4</b>		<b>0.4</b>		<b>0.1</b>
<i>Source: 2019 FFIEC Census Data 2019 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>								

**APPENDIX C – LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES**

Table C-1

2021 Cooke and Montague Counties Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,836	18.0
Moderate	3	21.4	1,821	11.6	502	27.6	2,439	15.5
Middle	8	57.1	9,083	57.7	1,053	11.6	3,102	19.7
Upper	3	21.4	4,830	30.7	210	4.3	7,357	46.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>15,734</b>	<b>100.0</b>	<b>1,765</b>	<b>11.2</b>	<b>15,734</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,741	1,415	8.8	37.8	1,647	44.0	679	18.2
Middle	15,751	9,319	58.1	59.2	3,888	24.7	2,544	16.2
Upper	7,309	5,311	33.1	72.7	1,042	14.3	956	13.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>26,801</b>	<b>16,045</b>	<b>100.0</b>	<b>59.9</b>	<b>6,577</b>	<b>24.5</b>	<b>4,179</b>	<b>15.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	560	20.0	486	18.9	66	34.6	8	17.4
Middle	1,327	47.3	1,235	48.1	73	38.2	19	41.3
Upper	917	32.7	846	33.0	52	27.2	19	41.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,804</b>	<b>100.0</b>	<b>2,567</b>	<b>100.0</b>	<b>191</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.5</b>		<b>6.8</b>		<b>1.6</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	2.1	5	2.2	0	0.0	0	0.0
Middle	103	44.0	100	43.3	2	100.0	1	100.0
Upper	126	53.8	126	54.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>234</b>	<b>100.0</b>	<b>231</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.7</b>		<b>0.9</b>		<b>0.4</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								



Table C-2

2020 Cooke and Montague Counties Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,836	18.0
Moderate	3	21.4	1,821	11.6	502	27.6	2,439	15.5
Middle	8	57.1	9,083	57.7	1,053	11.6	3,102	19.7
Upper	3	21.4	4,830	30.7	210	4.3	7,357	46.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>15,734</b>	<b>100.0</b>	<b>1,765</b>	<b>11.2</b>	<b>15,734</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,741	1,415	8.8	37.8	1,647	44.0	679	18.2
Middle	15,751	9,319	58.1	59.2	3,888	24.7	2,544	16.2
Upper	7,309	5,311	33.1	72.7	1,042	14.3	956	13.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>26,801</b>	<b>16,045</b>	<b>100.0</b>	<b>59.9</b>	<b>6,577</b>	<b>24.5</b>	<b>4,179</b>	<b>15.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	566	20.3	489	19.2	70	35.2	7	16.3
Middle	1,318	47.2	1,227	48.1	73	36.7	18	41.9
Upper	907	32.5	833	32.7	56	28.1	18	41.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,791</b>	<b>100.0</b>	<b>2,549</b>	<b>100.0</b>	<b>199</b>	<b>100.0</b>	<b>43</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.3</b>		<b>7.1</b>		<b>1.5</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	9	3.7	9	3.7	0	0.0	0	0.0
Middle	110	44.7	107	44.0	2	100.0	1	100.0
Upper	127	51.6	127	52.3	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>246</b>	<b>100.0</b>	<b>243</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.8</b>		<b>0.8</b>		<b>0.4</b>
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table C-3

2019 Cooke and Montague Counties Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,836	18.0
Moderate	3	21.4	1,821	11.6	502	27.6	2,439	15.5
Middle	8	57.1	9,083	57.7	1,053	11.6	3,102	19.7
Upper	3	21.4	4,830	30.7	210	4.3	7,357	46.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>14</b>	<b>100.0</b>	<b>15,734</b>	<b>100.0</b>	<b>1,765</b>	<b>11.2</b>	<b>15,734</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,741	1,415	8.8	37.8	1,647	44.0	679	18.2
Middle	15,751	9,319	58.1	59.2	3,888	24.7	2,544	16.2
Upper	7,309	5,311	33.1	72.7	1,042	14.3	956	13.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>26,801</b>	<b>16,045</b>	<b>100.0</b>	<b>59.9</b>	<b>6,577</b>	<b>24.5</b>	<b>4,179</b>	<b>15.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	562	19.9	488	18.9	68	33.3	6	14.3
Middle	1,369	48.5	1,272	49.3	79	38.7	18	42.9
Upper	893	31.6	818	31.7	57	27.9	18	42.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,824</b>	<b>100.0</b>	<b>2,578</b>	<b>100.0</b>	<b>204</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.3</b>		<b>7.2</b>		<b>1.5</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	8	3.2	8	3.2	0	0.0	0	0.0
Middle	113	45.2	110	44.5	2	100.0	1	100.0
Upper	129	51.6	129	52.2	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>250</b>	<b>100.0</b>	<b>247</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.8</b>		<b>0.8</b>		<b>0.4</b>
<i>Source: 2019 FFIEC Census Data 2019 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Table C-4

Distribution of 2021 Small Business Lending by Income Level of Geography					
Assessment Area: Cooke and Montague Counties Nonmetropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	1	1.5	550	10.3	20.0
Middle	54	79.4	3,916	73.1	47.3
Upper	13	19.1	893	16.7	32.7
<b>Total</b>	<b>68</b>	<b>100.0</b>	<b>5,360</b>	<b>100.0</b>	<b>100.0</b>

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Table C-5

Distribution of 2021 Small Business Lending by Revenue Size of Businesses					
Assessment Area: Cooke and Montague Counties Nonmetropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	54	79.4	4,393	82.0	91.5
<b>Over \$1 Million</b>	4	5.9	649	12.1	6.8
<b>Revenue Unknown</b>	10	14.7	317	5.9	1.6
<b>Total</b>	<b>68</b>	<b>100.0</b>	<b>5,360</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	56	82.4	1,519	28.3	
<b>\$100,001 - \$250,000</b>	8	11.8	1,190	22.2	
<b>\$250,001 - \$1 Million</b>	4	5.9	2,650	49.4	
<b>Total</b>	<b>68</b>	<b>100.0</b>	<b>5,360</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	45	83.3	1,227	27.9	
<b>\$100,001 - \$250,000</b>	6	11.1	916	20.9	
<b>\$250,001 - \$1 Million</b>	3	5.6	2,250	51.2	
<b>Total</b>	<b>54</b>	<b>100.0</b>	<b>4,393</b>	<b>100.0</b>	

Source: 2021 FFIEC Census Data 2021  
Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent 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:** 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.