

PUBLIC DISCLOSURE

July 22, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Bank of Fayette County
RSSD #466754**

**1265 Highway 57
Piperton, Tennessee 38017**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

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 the 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.

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

The Bank of Fayette County meets the criteria for a Satisfactory rating based on the evaluation of the bank’s lending and community development activities. The factors supporting the institution’s rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size and financial condition and the credit needs of the assessment areas.
- A majority of loans and other lending-related activities are in the assessment areas.
- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- The geographic distribution of loans reflects a poor dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank’s overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank’s CRA performance was reviewed using the Federal Financial Institutions Examination Council’s (FFIEC’s) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. Considering the following characteristics of the bank’s assessment areas, performance under these tests is rated at the institution level.

The bank maintains operations in three delineated assessment areas within the state of Tennessee: Memphis, Jackson, and Southwestern Tennessee. The bank’s Memphis assessment area is delineated within the Tennessee portion of the larger Memphis, Tennessee-Mississippi-Arkansas metropolitan statistical area (Memphis MSA) and is comprised of Fayette, Shelby, and Tipton counties in their entirety. The bank’s Southwestern Tennessee assessment area is located within

the southwestern nonMSA portion of Tennessee and encompasses both Hardeman and McNairy counties in their entirety. Lastly, the bank’s Jackson assessment area is comprised of Chester County in its entirety and is located within the Jackson, Tennessee MSA. However, the Jackson assessment area was not included in this evaluation. This assessment area was delineated in 2024 as a result of the bank’s most recent branch opening. This evaluation is based on a review of 2022 lending, and the addition of the Jackson assessment area occurred after the period of time that the lending was reviewed.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2023.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
Memphis	9	69.2%	\$625,491	85.1%	Full Scope
Southwestern Tennessee	3	23.1%	\$109,927	14.9%	Limited Scope
Jackson	1	7.7%	\$ -	0%	N/A
TOTAL¹	13	100%	\$735,418	100%	1 – Full Scope

Considering branch structure, loan and deposit activity, and the bank’s CRA evaluation history, CRA performance in the Memphis assessment area was given primary consideration, as it contains the majority of the bank’s loan and deposit activity. Therefore, the Memphis assessment area was evaluated using full-scope review procedures, and performance in the Southwestern Tennessee assessment area was reviewed using limited-scope procedures.

Furthermore, residential real estate (RRE) loans as reported under the Home Mortgage Disclosure Act (HMDA), small business loans, and consumer motor vehicle loans were used to evaluate the bank’s lending performance, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank’s overall lending performance. Considering the bank’s lending patterns and balanced approach to meeting the credit needs of its assessment areas, all products carried equal significance toward the bank’s overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	June 30, 2021 – June 30, 2024
Assessment Area Concentration	January 1, 2022 – December 31, 2022
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	April 5, 2021 – July 21, 2024
Community Development Activities	April 5, 2021 – July 21, 2024

¹ Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2022 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$728.2 million to \$1.6 billion as of June 30, 2024.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, one community contact interview was conducted with a member of the local community in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's full-scope assessment area. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from the community contact interview are included in the *Description of Assessment Area* section applicable to the assessment area in which it was conducted.

DESCRIPTION OF INSTITUTION

The Bank of Fayette County is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Moscow Bancshares, Inc., a one-bank holding company. The bank and its holding company are headquartered in Piperton, Tennessee. The bank's branch network consists of 13 offices (including the main office), all of which have drive-up accessibility and cash-dispensing-only ATMs. During the review period, the bank opened two branches, one in eastern Shelby County in its Memphis assessment area and the other in Chester County, which established the bank's third assessment area in the Jackson MSA. The bank did not close any branches during the review period. While the bank is well positioned to deliver financial services to the majority of its assessment areas based on its branch network and other service delivery systems, the bank struggles to serve the entirety of Shelby County, particularly

the city of Memphis market and surrounding LMI census tracts, given the bank’s branch locations relative to the city of Memphis and the high level of banking competition in that market.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of June 30, 2024, the bank reported total assets of \$940.1 million. As of the same date, loans and leases outstanding were \$780.8 million (83.1 percent of total assets), and deposits totaled \$787.6 million. The bank’s loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2024		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
1–4 Family Residential	\$361,967	46.4%
Commercial Real Estate	\$126,450	16.2%
Construction and Development	\$93,468	12.0%
Farmland	\$77,914	10.0%
Commercial and Industrial	\$54,876	7.0%
Loans to Individuals	\$53,302	6.8%
Farm Loans	\$5,831	0.7%
Total Other Loans	\$3,625	0.5%
Multifamily	\$3,400	0.4%
TOTAL	\$764,525	100%

As indicated by the table above, a significant portion of the bank’s lending resources is directed to loans secured by 1–4 family residential properties and commercial loans. The bank also originates and subsequently sells loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity is not captured in the table.

While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on April 5, 2021.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank’s overall level of lending activity is its LTD ratio. The table below displays the bank’s average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 13-quarter average, dating back to the bank’s last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of June 30, 2024	Average LTD Ratio
The Bank of Fayette County	Piperton, Tennessee	\$940,091	93.1%
Regional Banks	Memphis, Tennessee	\$1,570,893	92.8%
	Memphis, Tennessee	\$774,754	93.9%
	Trezevant, Tennessee	\$728,220	82.9%

Since the previous evaluation, the LTD ratio has experienced a generally increasing trend, with a 13-quarter average of 93.1 percent, which is in line with two of its regional peers and well above another. Therefore, compared to data from peer banks, the bank’s average LTD ratio is more than reasonable given the bank’s size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank’s assessment areas.

Lending Inside and Outside the Assessment Areas January 1, 2022 through December 31, 2022								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
HMDA	232	76.8	\$44,071	76.0	70	23.2	\$13,949	24.0
Small Business	123	87.2	\$8,782	78.3	18	12.8	\$2,439	21.7
Consumer Motor Vehicle	116	81.1	\$2,902	77.2	27	18.9	\$858	22.8
TOTAL LOANS	471	80.4	\$55,755	76.4	115	19.6	\$17,246	23.6

A majority of loans and other lending-related activities were made in the bank’s assessment areas. As shown above, 80.4 percent of the total loans were made inside the assessment areas, accounting for 76.4 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower’s income/revenue profile is reasonable, based on the analyses of lending in the bank’s full-scope assessment area, as displayed in the following table.

Full-Scope Assessment Area	Loan Distribution by Borrower’s Profile
Memphis	Reasonable

Limited-Scope Assessment Area	Loan Distribution by Borrower’s Profile
Southwestern Tennessee	Exceeds

As displayed in the following table, the bank’s overall distribution of lending by income level of census tract reflects poor penetration throughout the full-scope assessment area.

Full-Scope Assessment Area	Geographic Distribution of Loans
Memphis	Poor

Limited-Scope Assessment Area	Geographic Distribution of Loans
Southwestern Tennessee	Consistent

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (April 5, 2021 through July 21, 2024).

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test is rated satisfactory. Considering the bank’s capacity and the need and availability of such opportunities for community development, the bank demonstrates adequate responsiveness to the community development needs of the full-scope assessment area through a mix of qualifying community development loans, investments, donations, and services.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
Memphis	Adequate

Limited-Scope Assessment Area	Community Development Test Performance Conclusions
Southwestern Tennessee	Below

During the review period, the bank made 12 qualifying loans in its assessment areas totaling approximately \$5.8 million. Of those loans, the majority were to small businesses promoting economic development (six) and to various organizations to construct and rehabilitate affordable housing units (four).

The bank also made community development investments and donations in its assessment areas totaling \$6.2 million. This amount included six new qualified investments totaling \$4.1 million, four continuing investments made in a prior review period totaling \$2.1 million, and 89 donations totaling \$68,335. Qualified investments were in affordable housing projects, community development financial institutions (CDFIs) supporting LMI individuals, and municipal bonds to revitalize and provide essential infrastructure for low-income areas. Furthermore, the 89 donations were to 33 separate organizations having a community development purpose.

During the review period, 26 bank employees used financial expertise to provide service activities to 12 different community development organizations within the bank's assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations.

In addition to adequately meeting the community development needs of its assessment areas, the bank made community development donations outside its assessment areas but still within the broader statewide or regional areas. The bank made five community development donations totaling \$3,980 to various organizations outside its assessment areas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MEMPHIS, TENNESSEE-MISSISSIPPI-ARKANSAS MULTISTATE MSA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MEMPHIS ASSESSMENT AREA

Bank Structure

The bank operates 9 of its 13 offices (69.2 percent) in this assessment area, all within the Tennessee portion of the Memphis MSA. Of the nine branches, six are in Fayette County, two in Shelby County, and one in Tipton County. The branches are located in one moderate-, three middle-, and five upper-income census tracts. All nine branches are full-service locations and include on-site ATMs and drive-through services. The bank opened a branch in Shelby County since the previous evaluation; however, the branch is located in the far eastern portion of the county and is not readily accessible to residents in the downtown Memphis area where a high concentration of the assessment area's LMI census tracts are located. Given these constraints and the high level of banking competition in the market, the bank is not well positioned to serve the entirety of Shelby County, particularly the city of Memphis market.

General Demographics

The Memphis assessment area is comprised of Fayette, Shelby, and Tipton counties in their entireties, which together make up the Tennessee portion of the Memphis MSA. Based on 2020 ACS data, the assessment area population was 1,032,704, with most of the population (90.0 percent) residing in Shelby County. The assessment area also has a highly competitive banking market, with 33 FDIC-insured depository institutions operating 230 offices in the three counties. The bank is ranked 11th in deposit market share, encompassing 1.9 percent of total deposit dollars.

The Memphis assessment area covers a wide metropolitan area with a diverse population. As a result, credit needs in the area vary and include a blend of consumer and business credit products. Needs in the assessment area, as noted primarily by a community contact, include additional affordable housing options, small business startup financing, as well as financial education programs. Information from the community contact indicated the assessment area presents financial institutions many opportunities for community development involvement.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	51	69	65	76	12	273
	18.7%	25.3%	23.8%	27.8%	4.4%	100%
Family Population	30,319	59,901	66,403	90,099	1,228	247,950
	12.2%	24.2%	26.8%	36.3%	0.5%	100%

As shown above, 44.0 percent of the census tracts in the assessment area are LMI geographies, but only 36.4 percent of the family population resides in these tracts. These LMI areas are primarily concentrated in and around the city of Memphis.

Based on 2020 ACS data, the median family income for the assessment area was \$67,730. At the same time, the median family income for the state of Tennessee was \$68,793. More recently, the FFIEC estimates the 2022 median family income for the state to be \$64,700. The following table displays population percentages of assessment area families by income level compared to the state of Tennessee as well as the Memphis, Tennessee-Mississippi-Arkansas Multistate MSA family populations.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	59,995	39,367	44,201	104,387	247,950
	24.2%	15.9%	17.8%	42.1%	100%
Memphis Multistate MSA	77,459	52,873	59,386	137,452	327,170
	23.7%	16.2%	18.2%	42.0%	100%
Tennessee	364,945	304,686	352,060	705,248	1,726,939
	21.1%	17.6%	20.4%	40.8%	100%

As shown in the table above, 40.1 percent of families within the assessment area were considered LMI, which is slightly higher than LMI family percentages of 38.7 percent in the state of Tennessee. The percentage of families living below the poverty level in the assessment area (13.7 percent) is also higher than poverty levels in Tennessee (10.6 percent). Considering these factors, the assessment area income levels appear to be less affluent than the state of Tennessee as a whole.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area (by county and collectively), the state of Tennessee, and the Memphis, Tennessee-Mississippi-Arkansas Multistate MSA.

Housing Demographics					
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)	Cost Burden – Renters	Cost Burden – Owners
Fayette County	\$218,600	29.1%	\$777	37.2%	17.0%
Shelby County	\$158,700	32.8%	\$957	47.3%	19.9%
Tipton County	\$161,300	38.7%	\$859	40.1%	13.4%
Assessment Area	\$161,579	32.8%	\$952	46.9%	19.2%
Memphis Multistate MSA	\$161,311	33.4%	\$944	45.8%	18.8%
Tennessee	\$177,600	30.9%	\$897	40.4%	16.7%

Overall, homeownership appears to be slightly more affordable in the assessment area than the state of Tennessee as a whole, as evidenced by lower median housing values and higher affordability ratios. However, despite lower median home values, median gross rent in the assessment area is higher than the state of Tennessee. Additionally, despite higher affordability ratios, more owners’ and renters’ housing costs exceed 30.0 percent of their income in the assessment area—particularly in Shelby County—than in Tennessee as a whole. This data aligns with information provided by the community contact, who cited a need for additional affordable housing, specifically in the Memphis area.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. According to the U.S. Department of Labor, Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data, there are 440,695 paid non-governmental employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (16.1 percent), transportation and warehousing (14.1 percent), and retail trade (11.0 percent). The table below details unemployment data from the BLS (not seasonally adjusted) for the assessment area, the state of Tennessee, and the Memphis, Tennessee-Mississippi-Arkansas Multistate MSA.

Unemployment Levels				
Dataset	Time Period (Annual Average)			
	2020	2021	2022	2023
Assessment Area	9.3%	6.8%	4.4%	4.3%
Memphis Multistate MSA	8.8%	6.3%	4.2%	4.0%
Tennessee	7.5%	4.5%	3.4%	3.3%

As shown in the table above, unemployment levels for both the assessment area and the state of Tennessee have shown a decreasing trend from their highest rates in 2020; however, assessment area unemployment levels have been consistently above the state of Tennessee.

Community Contact Information

Information from one community contact was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The community contact interview was with an individual specializing in economic and small business development in the Memphis MSA. The community contact categorized the assessment area as diverse and varied by geography. The city of Memphis's economy was categorized by the contact as struggling and largely still recovering from the COVID-19 pandemic, which, per the contact, strained local businesses and significantly weakened the overall economy. Conversely, areas outside of the city were categorized by the contact as generally comprised of older generations, as more stable economies, and as generally more affluent. Further, the contact cited access to banks and capital, while generally available across the assessment area, as similarly varied by geography and generally concentrated in more affluent areas, which has given rise to the prevalence of higher-cost lenders in low-income areas, specifically in the city of Memphis. Furthermore, limited access to banking organizations and capital has given rise to the number of individuals that are underbanked in the area.

The community contact cited several credit and infrastructure needs that would greatly benefit the area and LMI residents, including the need for additional affordable housing options. The contact noted that exorbitant housing prices have priced the majority of LMI individuals out of available affordable rental and housing options. Additionally, the contact cited a need for better access and distribution of capital, noting businesses with less than two years of operating experience often cannot obtain financing from traditional financial institutions. Finally, the contact cited financial education programs as a significant need to support LMI individuals within the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MEMPHIS ASSESSMENT AREA

LENDING TEST

The bank’s Lending Test rating in the Memphis assessment area is satisfactory. The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. Conversely, the bank’s geographic distribution of loans reflects poor penetration throughout the assessment area. Despite poor geographic distribution of loans, performance in other aspects of the Lending Test support an overall satisfactory rating.

Loan Distribution by Borrower’s Profile

Overall, the bank’s loan distribution by borrower’s profile is reasonable, based on performance from the three loan categories reviewed. The bank’s HMDA and small business loan distributions by borrower’s profile is reasonable, and the bank’s distribution of consumer motor vehicle loans is excellent.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$76,200 for the Memphis MSA as of 2022). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2022 aggregate data for the assessment area is displayed.

Borrower Distribution of RRE Loans Assessment Area: Memphis								
Product Type	Borrower Income Levels	2022						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	5	4.7%	3.9%	556	2.0%	1.7%	24.2%
	Moderate	13	12.3%	12.3%	2,029	7.4%	7.8%	15.9%
	Middle	8	7.5%	17.5%	2,289	8.4%	15.4%	17.8%
	Upper	57	53.8%	41.7%	19,379	70.8%	51.8%	42.1%
	Unknown	23	21.7%	24.6%	3,123	11.4%	23.5%	0.0%
	TOTAL	106	100.0%	100.0%	27,376	100.0%	100.0%	100.0%

Refinance	Low	2	8.3%	7.0%	150	3.1%	3.5%	24.2%
	Moderate	2	8.3%	15.6%	269	5.6%	11.1%	15.9%
	Middle	6	25.0%	22.0%	1,332	27.8%	19.3%	17.8%
	Upper	9	37.5%	39.5%	1,973	41.2%	50.5%	42.1%
	Unknown	5	20.8%	15.9%	1,068	22.3%	15.6%	0.0%
	TOTAL	24	100.0%	100.0%	4,792	100.0%	100.0%	100.0%
Home Improvement	Low	2	15.4%	9.4%	214	18.3%	3.7%	24.2%
	Moderate	2	15.4%	17.0%	153	13.1%	7.9%	15.9%
	Middle	2	15.4%	22.9%	76	6.5%	15.1%	17.8%
	Upper	6	46.2%	46.0%	677	57.9%	69.1%	42.1%
	Unknown	1	7.7%	4.8%	50	4.3%	4.2%	0.0%
	TOTAL	13	100.0%	100.0%	1,170	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Middle	0	0.0%	0.5%	0	0.0%	0.0%	N/A
	Upper	3	75.0%	4.4%	2,187	89.6%	0.4%	N/A
	Unknown	1	25.0%	95.1%	255	10.4%	99.5%	N/A
	TOTAL	4	100.0%	100.0%	2,442	100.0%	100.0%	N/A
HMDA TOTALS	Low	9	6.1%	5.3%	920	2.6%	1.9%	24.2%
	Moderate	17	11.6%	13.5%	2,451	6.9%	7.3%	15.9%
	Middle	16	10.9%	19.0%	3,697	10.3%	13.9%	17.8%
	Upper	75	51.0%	40.5%	24,216	67.7%	43.6%	42.1%
	Unknown	30	20.4%	21.6%	4,496	12.6%	33.3%	0.0%
	TOTAL	147	100.0%	100.0%	35,780	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (6.1 percent) is substantially below the low-income family population figure (24.2 percent) but slightly above the 2022 aggregate lending level to low-income borrowers (5.3 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (11.6 percent) is below the moderate-income family population percentage (15.9 percent) but approaches the 2022 aggregate lending level to moderate-income borrowers (13.5 percent), also reflecting reasonable performance. As noted by the community contact, many LMI homebuyers are often unable to afford homes given the recent rise in home property values. The inability of LMI homebuyers to afford or purchase homes often inhibits lenders from reaching a larger percentage of the LMI population. Therefore, considering these constraints, as well as performance to both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2022 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size								
Assessment Area: Memphis								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	57	77.0%	46.8%	\$5,977	85.1%	31.3%	90.8%
	Over \$1 Million/ Unknown	17	23.0%	53.2%	\$1,047	14.9%	68.7%	9.2%
	TOTAL	74	100.0%	100.0%	\$7,024	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	61	82.4%	92.8%	\$2,583	36.8%	34.0%	
	\$100,001–\$250,000	4	5.4%	3.7%	\$654	9.3%	16.4%	
	\$250,001–\$1 Million	9	12.2%	3.5%	\$3,787	53.9%	49.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	74	100.0%	100.0%	\$7,024	100.0%	100.0%	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	46	80.7%		\$1,909	31.9%	
		\$100,001–\$250,000	3	5.3%		\$541	9.1%	
		\$250,001–\$1 Million	8	14.0%		\$3,527	59.0%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		TOTAL	57	100.0%		\$5,977	100.0%	

The bank’s level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (77.0 percent) to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 90.8 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2022 aggregate lending level to small businesses is 46.8 percent. Additionally, 80.7 percent of the bank’s small business loans were originated in dollar amounts equal to or less than \$100,000, further evidencing the bank’s willingness to meet the smaller dollar credit needs of small businesses.

Lastly, the distribution of consumer motor vehicle loans was analyzed by the borrower’s income level. The following table displays the distribution of 2022 consumer motor vehicle loans compared to household population income characteristics for the assessment area.

Borrower Distribution of Consumer Loans Assessment Area: Memphis					
Borrower Income Levels	2022				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	18	25.7%	\$233	11.2%	26.0%
Moderate	18	25.7%	\$493	23.8%	15.6%
Middle	17	24.3%	\$442	21.3%	16.5%
Upper	17	24.3%	\$907	43.7%	41.9%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	70	100.0%	\$2,075	100.0%	100.0%

As displayed in the preceding table, the bank’s percentage of lending to low-income borrowers (25.7 percent) is slightly below the low-income household population figure (26.0 percent). While lending to low-income borrowers is slightly below the household population figure, lending reflects excellent performance given the high number of loans, as well as the significant low-income population. Furthermore, the bank’s percentage of lending to moderate-income borrowers (25.7 percent) is significantly above the moderate-income household population percentage (15.6 percent), reflecting excellent performance. Therefore, the bank’s overall distribution by borrower’s profile is excellent.

Geographic Distribution of Loans

As noted previously, the assessment area includes 51 low-income and 69 moderate-income census tracts, representing 44.0 percent of all assessment area census tracts. Overall, the bank’s geographic distribution of loans in this assessment area reflects poor penetration throughout these LMI census tracts, based on the loan categories reviewed. The following table displays the geographic distribution of 2022 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of RRE Loans Assessment Area: Memphis								
Product Type	Tract Income Levels	2022						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	6	5.7%	6.4%	660	2.4%	2.6%	7.8%
	Moderate	13	12.3%	17.4%	1,328	4.9%	9.2%	21.2%
	Middle	32	30.2%	27.6%	6,321	23.1%	23.7%	27.9%
	Upper	55	51.9%	48.2%	19,067	69.6%	64.1%	42.7%
	Unknown	0	0.0%	0.4%	0	0.0%	0.3%	0.3%
	TOTAL	106	100.0%	100.0%	27,376	100.0%	100.0%	100.0%

Refinance	Low	1	4.2%	5.7%	121	2.5%	2.8%	7.8%
	Moderate	3	12.5%	17.1%	479	10.0%	9.7%	21.2%
	Middle	8	33.3%	30.6%	1,852	38.6%	26.6%	27.9%
	Upper	12	50.0%	46.3%	2,340	48.8%	60.7%	42.7%
	Unknown	0	0.0%	0.2%	0	0.0%	0.2%	0.3%
	TOTAL	24	100.0%	100.0%	4,792	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	7.5%	0	0.0%	2.6%	7.8%
	Moderate	0	0.0%	20.0%	0	0.0%	9.1%	21.2%
	Middle	8	61.5%	26.3%	595	50.9%	19.3%	27.9%
	Upper	5	38.5%	45.9%	575	49.1%	68.4%	42.7%
	Unknown	0	0.0%	0.4%	0	0.0%	0.5%	0.3%
	TOTAL	13	100.0%	100.0%	1,170	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	30.2%	0	0.0%	22.7%	24.2%
	Moderate	2	50.0%	32.4%	1,003	41.1%	12.4%	23.8%
	Middle	1	25.0%	20.9%	689	28.2%	27.6%	22.5%
	Upper	1	25.0%	12.6%	750	30.7%	31.9%	26.6%
	Unknown	0	0.0%	3.8%	0	0.0%	5.4%	2.9%
	TOTAL	4	100.0%	100.0%	2,442	100.0%	100.0%	100.0%
HMDA TOTALS	Low	7	4.8%	6.5%	781	2.2%	5.8%	7.8%
	Moderate	18	12.2%	17.8%	2,810	7.9%	9.9%	21.2%
	Middle	49	33.3%	28.5%	9,457	26.4%	25.0%	27.9%
	Upper	73	49.7%	46.8%	22,732	63.5%	58.3%	42.7%
	Unknown	0	0.0%	0.3%	0	0.0%	1.1%	0.3%
	TOTAL	147	100.0%	100.0%	35,780	100.0%	100.0%	100.0%

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in low-income geographies. The bank's total penetration of low-income census tracts by number of loans (4.8 percent) is slightly below both the percentage of owner-occupied housing units in low-income census tracts (7.8 percent) and the performance of aggregate lenders in the assessment area (6.5 percent). Bank performance in moderate-income census tracts is below comparison data and deemed poor. The bank's total penetration of moderate-income census tracts by number of loans (12.2 percent) is well below the percentage of owner-occupied housing units in moderate-income census tracts (21.2 percent). The bank's performance in moderate-income census tracts is also below that of other lenders based on aggregate lending data, which indicate that 17.8 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in moderate-income census tracts. Despite the bank's limited market share in the assessment area, considering the bank's geographic distribution of HMDA loans in both low- and moderate-income geographies (17.0 percent combined) compared to the percentage of owner-occupied housing units (29.0 percent) and performance of other lenders (24.3 percent) in LMI tracts, the bank's performance is poor.

Second, the bank’s geographic distribution of small business loans was reviewed. The following table displays 2022 small business loan activity by geography income level compared to the location of businesses throughout the bank’s assessment area and 2022 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Memphis							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%.	\$ (000s)	\$ %	\$ %	%
Low	4	5.4%	8.9%	\$306	4.4%	10.5%	10.4%
Moderate	7	9.5%	20.5%	\$502	7.1%	23.1%	22.6%
Middle	34	45.9%	22.4%	\$3,088	44.0%	16.9%	23.2%
Upper	29	39.2%	45.9%	\$3,127	44.5%	43.7%	41.2%
Unknown	0	0.0%	2.3%	\$0	0.0%	5.8%	2.5%
TOTAL	74	100.0%	100.0%	\$7,023	100.0%	100.0%	100.0%

The bank’s level of lending in low-income census tracts (5.4 percent) is below the estimated percentage of businesses operating inside these census tracts (10.4 percent), but somewhat similar to 2022 aggregate lending levels in low-income census tracts (8.9 percent). Therefore, the bank’s performance in low-income areas is reasonable. The bank’s percentage of loans in moderate-income census tracts (9.5 percent) is well below both the 2022 aggregate lending percentage in moderate-income census tracts (20.5 percent) and the percentage of small businesses in moderate-income census tracts (22.6 percent), representing poor performance. Considering the bank’s performance in both low- and moderate-income tracts, the bank’s overall geographic distribution of small business loans is poor.

Next, the bank’s geographic distribution of consumer motor vehicle loans was reviewed. The following table displays 2022 consumer motor vehicle loan activity by geography income level compared to the percentage of households in each geography income level.

Geographic Distribution of Consumer Loans Assessment Area: Memphis					
Borrower Income Levels	2022				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	14.1%
Moderate	6	8.6%	\$91	4.4%	25.4%
Middle	33	47.1%	\$733	35.3%	26.7%
Upper	31	44.3%	\$1,253	60.3%	32.9%
Unknown	0	0.0%	\$0	0.0%	1.0%
TOTAL	70	100.0%	\$2,077	100.0%	100.0%

As displayed in the preceding table, the bank did not have any consumer motor vehicle lending activity in low-income census tracts, despite 14.1 percent of assessment area households residing within low-income census tracts; therefore, performance is considered very poor. The bank's percentage of lending to moderate-income census tracts (8.6 percent) is also considerably below the percentage of households within the moderate-income census tracts (25.4 percent), demonstrating poor performance. Given the bank's consumer lending performance in LMI census tracts within the assessment area, its overall geographic distribution of consumer motor vehicle loans is poor.

Lastly, based on reviews from all three loan categories, the bank had loan activity in 36.6 percent of all census tracts in the assessment area and just 20.8 percent of LMI census tracts. However, of the 230 total bank branches in the assessment area, the bank only operates nine, or less than 4.0 percent. Additionally, as previously noted, the bank holds only 1.9 percent of the deposit market share in the assessment area. Nevertheless, an analysis of the loan dispersion throughout the assessment area identified lending gaps in certain areas of Shelby County, including those with concentrations of LMI census tracts. This information further supports the conclusion that the bank's overall geographic distribution of consumer motor vehicle loans is poor.

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to community development needs within the Memphis assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank has addressed these needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank extended ten community development loans totaling \$5.7 million in the assessment area. Four of the community development loans were made to borrowers to construct or rehabilitate affordable housing units in LMI areas, a significant need noted by a community contact in this area. Additionally, five loans were made to organizations promoting economic development in the area, including two loans that financed the construction of commercial complexes that expand and promote job opportunities for LMI individuals.

The bank also made community development investments and donations in the assessment area totaling \$5.3 million. The amount included nine qualified investments totaling approximately \$5.3 million and 42 donations totaling \$54,715. Of the qualified investments, six were new investments made during the review period. Qualified investments were in mortgage-backed securities financing affordable housing projects, CDFIs supporting LMI individuals, and municipal bonds to revitalize and provide essential infrastructure for low-income areas. Furthermore, the 42 donations were to 15 separate organizations, several of which provide community services to LMI individuals and areas in the assessment area.

During the review period, 20 bank employees used financial expertise to provide service activities to ten different community development organizations within the Memphis assessment area. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations.

SOUTHWESTERN TENNESSEE NONMSA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SOUTHWESTERN TENNESSEE ASSESSMENT AREA

This assessment area includes the entirety of Hardeman and McNairy counties, and the bank operates three offices in this assessment area. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	2,955	2,553	2,597	4,526	12,631
	23.4%	20.2%	20.6%	35.8%	100%
Household Population	5,127	3,470	3,461	7,062	19,120
	26.8%	18.2%	18.1%	36.9%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	4	10	0	0	14
	0%	28.6%	71.4%	0.0%	0.0%	100%
Family Population	0	3,351	9,280	0	0	12,631
	0%	26.5%	73.5%	0%	0%	100%
Household Population	0	5,017	14,103	0	0	19,120
	0%	26.2%	73.8%	0%	0%	100%
Business Institutions	0	326	836	0	0	1,162
	0%	28.1%	71.9%	0%	0%	100%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE
SOUTHWESTERN TENNESSEE ASSESSMENT AREA**

LENDING TEST

The bank’s Lending Test performance in this assessment area is consistent with the bank’s Lending Test performance in the Memphis assessment area that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank’s Lending Test performance in this assessment area, see the tables in *Appendix B*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower’s Profile	Exceeds
Geographic Distribution of Loans	Consistent
OVERALL	CONSISTENT

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this assessment area is below the bank’s Community Development Test performance in the Memphis assessment area that was reviewed using full-scope procedures.

During the review period, the bank made two community development loans totaling \$134,281 that spurred economic development in the assessment area. Additionally, the bank had one prior-period investment, totaling \$865,000, in municipal bonds to invest in essential infrastructure to revitalize or stabilize LMI areas within the assessment area. The bank also made 47 donations totaling \$13,620 and seven bank employees provided services to two different community development organizations in this assessment area.

APPENDIX A – SCOPE OF EXAMINATION TABLES

Scope of Examination		
TIME PERIOD REVIEWED	January 1, 2022 – December 31, 2022 for HMDA, small business, and consumer motor vehicle lending April 5, 2021 – July 21, 2024 for community development loans, investment, and service activities	
FINANCIAL INSTITUTION	PRODUCTS REVIEWED	
The Bank of Fayette County Piperton, Tennessee	HMDA Small Business Consumer Motor Vehicle	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
N/A	N/A	N/A

Assessment Area – Examination Scope Details					
Assessment Area	Rated Area	# of Offices	Deposits \$ (000s) (as of June 30, 2023)	Branches Visited	CRA Review Procedures
Memphis	Tennessee	9	\$625,491	0	Full Scope
Southwestern Tennessee	Tennessee	3	\$109,927	0	Limited Scope
OVERALL		12	\$735,418	0	1 – Full Scope

**APPENDIX B – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE
REVIEW ASSESSMENT AREA**

Southwestern Tennessee Assessment Area

Borrower Distribution of RRE Loans Assessment Area: Southwestern Tennessee								
Product Type	Borrower Income Levels	2022						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	1	2.4%	5.4%	43	1.0%	2.5%	23.4%
	Moderate	12	28.6%	19.6%	829	18.4%	14.4%	20.2%
	Middle	7	16.7%	21.8%	695	15.5%	21.6%	20.6%
	Upper	21	50.0%	28.1%	2,783	61.9%	36.8%	35.8%
	Unknown	1	2.4%	25.1%	145	3.2%	24.6%	0.0%
	TOTAL	42	100.0%	100.0%	4,495	100.0%	100.0%	100.0%
Refinance	Low	1	12.5%	12.3%	27	4.1%	6.8%	23.4%
	Moderate	2	25.0%	20.2%	69	10.4%	15.3%	20.2%
	Middle	3	37.5%	25.5%	481	72.5%	23.5%	20.6%
	Upper	2	25.0%	33.1%	86	13.0%	44.1%	35.8%
	Unknown	0	0.0%	8.9%	0	0.0%	10.3%	0.0%
	TOTAL	8	100.0%	100.0%	663	100.0%	100.0%	100.0%
Home Improvement	Low	2	40.0%	15.8%	37	22.3%	14.8%	23.4%
	Moderate	0	0.0%	26.3%	0	0.0%	26.2%	20.2%
	Middle	1	20.0%	14.0%	9	5.4%	10.7%	20.6%
	Upper	2	40.0%	40.4%	120	72.3%	45.9%	35.8%
	Unknown	0	0.0%	3.5%	0	0.0%	2.4%	0.0%
	TOTAL	5	100.0%	100.0%	166	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	14.3%	0	0.0%	6.8%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Unknown	1	100.0%	85.7%	230	100.0%	93.2%	N/A
	TOTAL	1	100.0%	100.0%	230	100.0%	100.0%	N/A
HMDA TOTALS	Low	4	7.1%	8.1%	107	1.9%	3.9%	23.4%
	Moderate	14	25.0%	20.0%	898	16.2%	14.7%	20.2%
	Middle	11	19.6%	22.2%	1,185	21.3%	21.4%	20.6%
	Upper	25	44.6%	30.0%	2,989	53.8%	38.0%	35.8%
	Unknown	2	3.6%	19.8%	375	6.8%	22.1%	0.0%
	TOTAL	56	100.0%	100.0%	5,554	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size Assessment Area: Southwestern Tennessee								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	48	100.0%	46.9%	\$1,698	100.0%	42.2%	91.2%
	Over \$1 Million/ Unknown	0	0.0%	53.1%	\$0	0.0%	57.8%	8.8%
	TOTAL	48	100.0%	100.0%	\$1,698	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	44	91.7%	94.8%	\$1,044	61.5%	42.8%	
	\$100,001–\$250,000	4	8.3%	3.2%	\$654	38.5%	20.7%	
	\$250,001–\$1 Million	0	0.0%	2.0%	\$0	0.0%	36.5%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	48	100.0%	100.0%	\$1,698	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	44	91.7%		\$1,044	61.5%		
	\$100,001–\$250,000	4	8.3%		\$654	38.5%		
	\$250,001–\$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	48	100.0%		\$1,698	100.0%		

Borrower Distribution of Consumer Loans Assessment Area: Southwestern Tennessee					
Borrower Income Levels	2022				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	8	18.2%	\$69	9.0%	26.8%
Moderate	21	47.7%	\$298	39.1%	18.2%
Middle	5	11.4%	\$107	14.0%	18.1%
Upper	10	22.7%	\$289	37.9%	36.9%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	44	100.0%	\$763	100.0%	100.0%

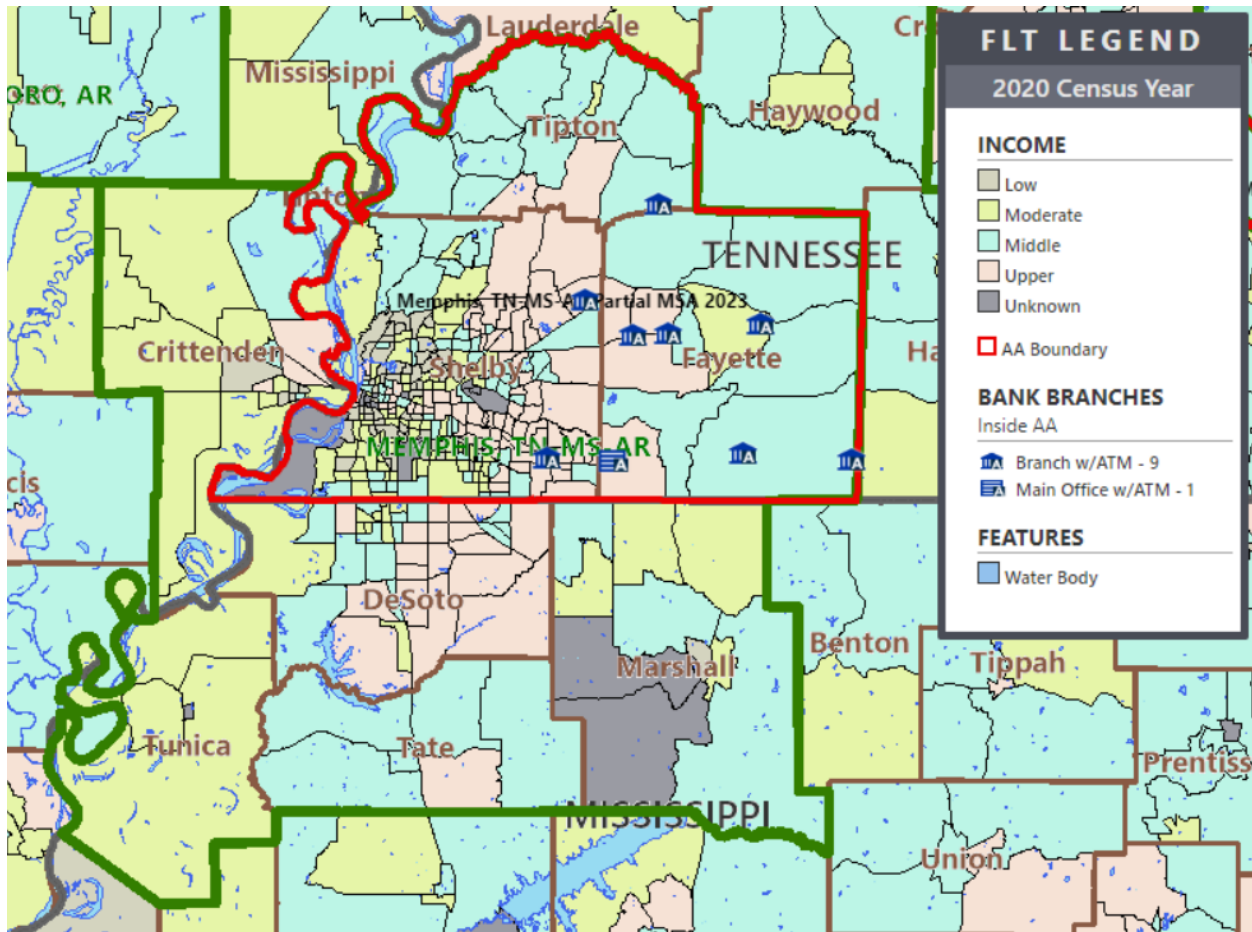
Geographic Distribution of RRE Loans Assessment Area: Southwestern Tennessee								
Product Type	Tract Income Levels	2022						
		Count			Dollars			Owner- Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	4	9.5%	24.6%	665	14.8%	23.8%	23.9%
	Middle	38	90.5%	75.4%	3,830	85.2%	76.2%	76.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	42	100.0%	100.0%	4,495	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	25.0%	24.2%	54	8.1%	20.8%	23.9%
	Middle	6	75.0%	75.8%	609	91.9%	79.2%	76.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	8	100.0%	100.0%	663	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	40.0%	21.1%	24	14.5%	17.7%	23.9%
	Middle	3	60.0%	78.9%	142	85.5%	82.3%	76.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	5	100.0%	100.0%	166	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	100.0%	42.9%	230	100.0%	45.2%	66.4%
	Middle	0	0.0%	57.1%	0	0.0%	54.8%	33.6%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	1	100.0%	100.0%	230	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	9	16.1%	24.6%	973	17.5%	23.4%	23.9%
	Middle	47	83.9%	75.4%	4,581	82.5%	76.6%	76.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	56	100.0%	100.0%	5,554	100.0%	100.0%	100.0%

Geographic Distribution of Small Business Loans Assessment Area: Southwestern Tennessee							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	11	22.9%	26.7%	\$205	12.1%	36.0%	28.1%
Middle	37	77.1%	72.7%	\$1,493	87.9%	63.7%	71.9%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.5%	\$0	0.0%	0.3%	0.0%
TOTAL	48	100.0%	100.0%	\$1,698	100.0%	100.0%	100.0%

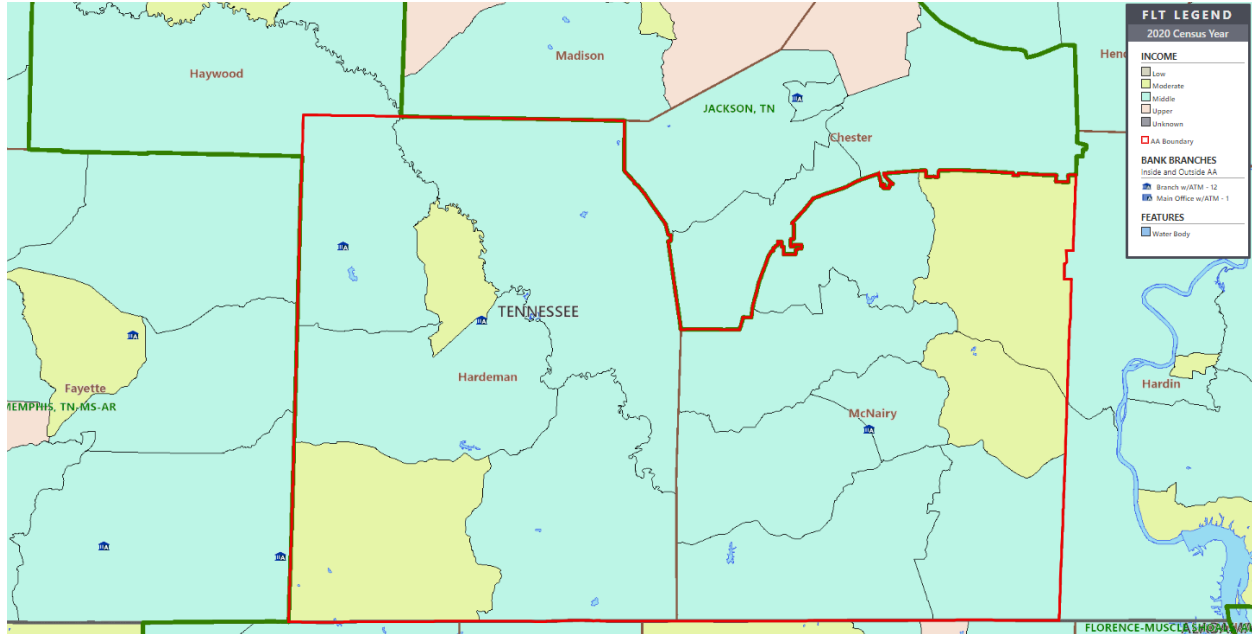
Geographic Distribution of Consumer Loans Assessment Area: Southwestern Tennessee					
Borrower Income Levels	2022				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	7	15.9%	\$107	14.0%	26.2%
Middle	37	84.1%	\$656	86.0%	73.8%
Upper	0	0.0%	\$0	0.0%	0.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	44	100.0%	\$763	100.0%	100.0%

APPENDIX C – MAPS OF ASSESSMENT AREAS

Memphis Assessment Area



Southwestern Tennessee Assessment Area



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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution’s record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank’s community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution’s CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the

following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an 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 statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either 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): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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