

# **PUBLIC DISCLOSURE**

**June 21, 2022**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Decatur County Bank  
RSSD #66154**

**56 North Pleasant Street  
Decaturville, Tennessee 38329**

**Federal Reserve Bank of St. Louis**

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

**NOTE:** This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

# TABLE OF CONTENTS

- Institution
  - a. Community Reinvestment Act Rating .....1
  - b. Scope of Examination .....2
  - c. Description of Institution .....3
  - d. Conclusions with Respect to Performance Criteria .....5
- Fair Lending or Other Illegal Credit Practices Review .....6
- Decatur County Tennessee Nonmetropolitan Statistical Area (full-scope review)
  - a. Description of Institution’s Operations in the Decatur County Assessment Area.....7
  - b. Conclusions With Respect to Performance Criteria in the Decatur County Assessment Area.....10
- Jackson, Tennessee Metropolitan Statistical Area (limited scope review)
  - a. Description of Institution’s Operations in the Madison County Assessment Area .....13
  - b. Conclusions With Respect to Performance Criteria in the Madison County Assessment Area.....14
- Appendices
  - a. Lending Performance Tables for Limited-Scope Review Assessment Area.....15
  - b. Map of the Assessment Areas.....17
  - c. Glossary .....18

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Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

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## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

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

- The bank's loan-to-deposit ratio (LTD) is reasonable given the bank's size, financial condition, and assessment area credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the assessment areas.
- The borrower's profile analysis reveals excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

### SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. Bank performance under this test is rated within each of the bank's assessment areas. 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.

Assessment Area	Offices		Deposits As of March 31, 2022		Review Procedures
	#	%	\$	%	
Decatur County	2	66.7%	\$106,110	67.0%	Full scope
Madison County	1	33.3%	\$53,408	33.0%	Limited scope
<b>TOTAL</b>	<b>3</b>	<b>100%</b>	<b>\$159,518</b>	<b>100%</b>	<b>1 – full scope</b>

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Decatur County assessment area was given primary consideration. The bank's headquarters is also located in Decatur County.

Small business 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. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2017 – March 31, 2022
Assessment Area Concentration, Geographic Distribution of Loans, and Loan Distribution by Borrower's Profile	January 1, 2020 – December 31, 2020
Response to Written CRA Complaints	August 7, 2017 – June 20, 2022

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

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

## DESCRIPTION OF INSTITUTION

Decatur County Bank is a community bank headquartered in Decaturville, Tennessee. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Decatur Bancshares, Inc.
- The bank has total assets of \$205.3 million as of March 31, 2022. That represents an increase of 121.7 percent since the last examination.
- In addition to its main office in Decaturville, the bank has two additional offices (three total) located in Parson and Jackson, Tennessee. Each branch has a cash-dispensing ATM on site.<sup>1</sup> The bank's Jackson branch was opened during the review period in July 2018.
- During the examination period, the bank closed a branch located in Chester County, Tennessee, which led the bank to removing Chester County from its Jackson MSA assessment area in December 2020.
- As shown in the table below, the bank's primary business focus is commercial real estate and commercial/industrial loans. Similarly, while not as significant by dollar amount, automobile lending represents a substantial number of the bank's loans and is also considered a primary product of the bank.
- Although 1–4 family residential real estate lending represents a significant portion of the bank's loan portfolio by dollar, the product as a percentage of the bank's total number of loans has declined significantly since the last examination and was not selected for review as a part of this evaluation.

Composition of Loan Portfolio as of March 31, 2022		
Loan Type	Amount (\$000s)	Percentage of Total Loans
Construction and development	\$10,429	6.8%
Commercial real estate	\$42,334	27.7%
Multifamily residential	\$726	0.5%
1–4 family residential	\$38,239	25.0%
Farmland	\$16,832	11.0%
Farm loans	\$4,214	2.8%
Commercial and industrial	\$31,207	20.4%
Loans to individuals	\$5,308	3.5%
Total other loans	\$3,609	2.4%
<b>TOTAL</b>	<b>\$152,898</b>	<b>100%</b>
<i>Note: Percentages may not total 100.0% due to rounding.</i>		

<sup>1</sup> On June 6, 2022, the bank opened a new branch in Brownsville, Tennessee. Due to the opening's proximity to the start of the examination and the impact it would have on the bank's designated assessment area, the bank's loan/deposit activity associated with that branch was not considered within this examination.

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Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

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The bank was rated Satisfactory under the CRA at its August 7, 2017 Performance Evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank meets the standards for a Satisfactory rating under the small bank procedures, which evaluate bank performance under the following criteria, as applicable.

### Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the assessment areas, and in comparison to similarly situated Federal Deposit Insurance Corporation-insured institutions. The similarly situated institutions were selected based on location, asset size, branch footprint, and loan portfolio. The bank's LTD ratio is reasonable. As shown in the following table, the bank's LTD (80.1 percent) exceeded two peers while trailing the third.

Comparative LTD Ratios September 30, 2017 – March 31, 2022			
Institution	Location	Asset Size \$ (000)	LTD Ratio (%)
			19 Quarter Average
Decatur County Bank	Decaturville, Tennessee	\$205,349	80.1%
Regional Bank	Jackson, Tennessee	\$242,831	35.3%
	Lexington, Tennessee	\$226,329	92.8%
	McKenzie, Tennessee	\$194,711	57.9%

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the assessment area. A majority of the bank's loans, by number and dollar amount, are originated inside the assessment area. Since the last examination, bank performance increased by number and by dollar amount, even withstanding the bank's change in assessment area delineation.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	\$ (000)	\$ %	#	# %	\$ (000)	\$ %
Small business	51	67.1%	5,918	75.5%	25	32.9%	1,919	24.5%
Consumer/motor vehicle	40	75.5%	595	78.3%	13	24.5%	165	21.7%
<b>TOTAL LOANS</b>	<b>91</b>	<b>70.5%</b>	<b>6,512</b>	<b>75.8%</b>	<b>38</b>	<b>29.5%</b>	<b>2,084</b>	<b>24.2%</b>

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

### Borrower and Geographic Distribution

The bank's performance by borrower's income/revenue profile is excellent, based on the analyses of lending in the bank's two assessment areas. As was aforementioned, more weight is being placed on the bank's Decatur County assessment area due to the bank's long-established presence in the market.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

Assessment Area	Loan Distribution by Borrower's Profile
Decatur County	Excellent
Madison County	Below
<b>OVERALL</b>	<b>EXCELLENT</b>

The bank's distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's assessment areas. Regarding the overall Lending Test, less weight was placed on geographic distribution due to the bank's primary assessment area having zero low- or moderate-income census tracts.

Assessment Area	Geographic Distribution of Loans
Decatur County	Reasonable
Madison County	Below
<b>OVERALL</b>	<b>REASONABLE</b>

### Response to Complaints

No CRA-related complaints were filed against the bank during this review period.

### 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.



Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

## DECATUR COUNTY TENNESSEE NONMETROPOLITAN STATISTICAL AREA

*(Full-Scope Review)*

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DECATUR COUNTY ASSESSMENT AREA

The bank's Decatur County assessment area consists of Decatur County, Tennessee, in its entirety (see Appendix B for an assessment area map).

- The bank's headquarters is located in Decatur County, in addition to one of the bank's branches. Both locations have an ATM on site.
- The assessment area does not have any LMI census tracts.
- The bank maintains 26.5 percent of the deposit market share, placing it second out of three banks.
- Major industries in the assessment area include healthcare/social assistance, government, and manufacturing.
- According to a local community contact, Decatur County is a rural community with a modestly growing economy. The contact also suggested challenges with poverty and unemployment in the assessment area were likely exacerbated by the COVID-19 pandemic.

<b>Population Change</b>			
<b>Assessment Area: Decatur County</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Assessment Area	11,757	11,686	-0.6%
NonMSA Tennessee	1,448,924	1,453,776	0.3%
Tennessee	6,346,105	6,499,615	2.4%
<i>Source: 2010 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey</i>			

- The table indicates that while NonMSA Tennessee and the state of Tennessee saw modest population growth between 2010 and 2015, the assessment area experienced some decline.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

<b>Median Family Income Change</b>			
<b>Assessment Area: Decatur County</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
Assessment Area	\$45,679	\$46,500	1.8%
NonMSA Tennessee	\$47,472	\$46,066	-3.0%
Tennessee	\$57,982	\$56,110	-3.2%

*Source: 2006–2010 U.S. Census Bureau: American Community Survey  
2011–2015 U.S. Census Bureau: American Community Survey  
Note: Median family incomes have been inflation-adjusted and are expressed in 2015 dollars.*

- While median family income declined in NonMSA Tennessee and the state as a whole, it increased within the bank’s assessment area. The table above suggests that the Decatur County assessment area was higher than NonMSA Tennessee and the state as a whole in the covered period.

<b>Housing Cost Burden</b>						
<b>Assessment Area: Decatur County</b>						
<b>Area</b>	<b>Cost Burden – Renters</b>			<b>Cost Burden – Owners</b>		
	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Renters</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Owners</b>
Assessment Area	66%	23%	40%	55%	17%	16%
NonMSA Tennessee	65%	37%	37%	54%	29%	18%
Tennessee	71%	44%	41%	58%	34%	19%

*Cost burden is housing cost that equals 30% or more of household income.  
Source: 2013–2017 U.S. Census Bureau: American Community Survey*

- The high population of cost-burdened, low-income renters (66 percent) and homeowners (55 percent) may indicate lenders struggle to find creditworthy borrowers in the assessment area.

<b>Unemployment Rates</b>					
<b>Assessment Area: Decatur County</b>					
<b>Area</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Assessment Area	6.9%	5.2%	5.0%	5.3%	8.6%
NonMSA Tennessee	5.7%	4.4%	4.1%	4.1%	8.0%
Tennessee	4.7%	3.7%	3.5%	3.4%	7.5%

*Source: Bureau of Labor Statistics: Local Area Unemployment Statistics*

- Over the last five years, the unemployment rate in the assessment area was consistently higher than the rate in NonMSA Tennessee and the state. Additionally, all three geographies saw a noticeable increase in the unemployment rate in 2020, likely due to economic disruptions caused by COVID-19.

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Decatur County Bank  
Decaturville, Tennessee

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CRA Performance Evaluation  
June 21, 2022

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<b>Small Business Loan Trends</b>					
<b>Assessment Area: Decatur County</b>					
<b>Area</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Assessment Area	155	154	182	222	236
NonMSA Tennessee	13,078	14,311	14,289	14,977	16,608
Tennessee	81,840	88,547	90,801	97,845	106,624

*Source: FFIEC CRA Aggregate Data*

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Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

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## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE DECATUR COUNTY ASSESSMENT AREA**

### **Loan Distribution by Borrower's Profile**

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has an excellent distribution among individuals of different income levels and businesses different sizes. More specifically, the bank's lending performance to small businesses is excellent, and the bank's performance lending to LMI consumer/motor vehicle borrowers is excellent.

#### Small Business Lending

The borrower distribution of small business lending (84.6 percent) is excellent. The bank's lending to small businesses approaches the total number of small businesses in the assessment area. In addition, the bank's performance more than doubles aggregate lending performance in the assessment area.

Distribution of 2020 Small Business Lending by Revenue Size of Businesses								
Assessment Area: Decatur County								
Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	11	84.6%	36.6%	\$859	87.1%	38.7%	85.6%
	Over \$1 Million/Unknown	2	15.4%	63.4%	\$127	12.9%	61.3%	14.4%
	<b>TOTAL</b>	<b>13</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$986</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Loan Size	\$100,000 or Less	10	76.9%	86.3%	\$294	29.8%	31.3%	
	\$100,001–\$250,000	2	15.4%	6.8%	\$237	24.0%	17.6%	
	\$250,001–\$1 Million	1	7.7%	6.8%	\$455	46.1%	51.1%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	<b>TOTAL</b>	<b>13</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$986</b>	<b>100.0%</b>	<b>100.0%</b>	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	9	81.8%		\$269	31.3%	
		\$100,001–\$250,000	1	9.1%		\$135	15.7%	
		\$250,001–\$1 Million	1	9.1%		\$455	53.0%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		<b>TOTAL</b>	<b>11</b>	<b>100.0%</b>		<b>\$859</b>	<b>100.0%</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 % due to rounding.

Consumer/Motor Vehicle Lending

The borrower distribution of consumer/motor vehicle lending is excellent. The bank’s lending to low-income borrowers (27.3 percent) is comparable to the percentage of low-income households in the assessment area, while the bank’s lending to moderate-income borrowers (33.3 percent) more than doubles the same household comparator. When combined, the bank’s lending to LMI borrowers exceeds the percentage of LMI households in the assessment area. The bank’s performance is particularly noteworthy, as the community contact mentioned local banks face significant competition for motor vehicle loans with automobile dealerships that also offer financing.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

<b>Distribution of 2020 Consumer/Motor Vehicle Lending by Borrower Income Level</b>					
<b>Assessment Area: Decatur County</b>					
<b>Borrower Income Level</b>	<b>Bank Loans</b>				<b>Households by Household Income %</b>
	<b>#</b>	<b># %</b>	<b>\$ (000)</b>	<b>\$ %</b>	
Low	9	27.3%	\$95	25.5%	26.7%
Moderate	11	33.3%	\$114	30.6%	13.4%
Middle	8	24.2%	\$99	26.6%	17.7%
Upper	5	15.2%	\$64	17.2%	42.3%
Unknown	0	0.0%	\$0	0.0%	0.0%
<b>TOTAL</b>	<b>33</b>	<b>100.0%</b>	<b>\$372</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Source: 2015 FFIEC Census Data</i>					
<i>2011–2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0% due to rounding.</i>					

### **Geographic Distribution of Loans**

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the bank's loan dispersion was reviewed, and loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure, with loans in all four census tracts. Therefore, the bank's geographic distribution of loans is reasonable, and no conspicuous lending gaps were noted.

Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

## JACKSON, TENNESSEE METROPOLITAN STATISTICAL AREA

*(Limited-Scope Review)*

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MADISON COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Madison County, one of the four counties that make up the Jackson, Tennessee MSA. The bank currently operates one office in this assessment area that was opened in July 2018. As was stated above, this assessment area previously included Chester County until December 2021, when the bank closed its branch located there.

The tables below detail key demographics relating to this assessment area.

<b>Population Change</b>			
<b>Assessment Area: Madison County</b>			
Area	2010 Population	2015 Population	Percent Change
Assessment Area	98,294	98,184	-0.11%
Jackson, Tennessee MSA	179,694	179,680	-0.01%
Tennessee	6,346,105	6,499,615	2.42%
<i>Source: 2010 U.S. Census Bureau: Decennial Census</i>			
<i>2011–2015 U.S. Census Bureau: American Community Survey</i>			

<b>Unemployment Rates</b>					
<b>Assessment Area: Madison County</b>					
Area	2016	2017	2018	2019	2020
Assessment Area	4.88%	3.93%	3.75%	3.53%	7.52%
Jackson, Tennessee MSA	5.18%	4.11%	3.91%	3.69%	7.07%
Tennessee	4.74%	3.73%	3.48%	3.38%	7.46%
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>					

<b>Median Family Income Change</b>			
<b>Assessment Area: Madison County</b>			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Assessment Area	\$56,672	\$55,519	-2.04%
Jackson, Tennessee MSA	\$53,037	\$51,510	-2.88%
Tennessee	\$57,982	\$56,110	-3.23%
<i>Source: 2006–2010 U.S. Census Bureau: American Community Survey</i>			
<i>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>			

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 Decatur County Bank  
 Decaturville, Tennessee
 

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 CRA Performance Evaluation  
 June 21, 2022
 

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### **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MADISON COUNTY ASSESSMENT AREA**

The bank's Lending Test performance in this assessment area is below the bank's Lending Test performance in the Decatur County assessment area that was reviewed using full-scope procedures, as detailed in the following table. However, it did not change any overall conclusions. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in Appendix A.

<b>Lending Test Criteria</b>	<b>Performance</b>
Distribution of Loans by Borrower's Profile	Below
Geographic Distribution of Loans	Below
<b>OVERALL</b>	<b>BELOW</b>



Decatur County Bank  
Decaturville, TennesseeCRA Performance Evaluation  
June 21, 2022**APPENDIX A – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE  
REVIEW ASSESSMENT AREA****Madison County Assessment Area**

Distribution of 2020 Small Business Lending by Revenue Size of Businesses Assessment Area: Madison County									
Business Revenue and Loan Size		Count			Dollars			Total Businesses	
		Bank		Aggregate	Bank		Aggregate		
		#	%	%	\$ (000s)	\$ %	\$ %	%	
Business Revenue	\$1 Million or Less	30	78.9%	44.2%	\$3,488	70.7%	41.8%	89.5%	
	Over \$1 Million/ Unknown	8	21.1%	55.8%	\$1,445	29.3%	58.2%	10.5%	
	<b>TOTAL</b>	<b>38</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,933</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
Loan Size	\$100,000 or Less	24	63.2%	82.3%	\$696	14.1%	27.2%		
	\$100,001– \$250,000	9	23.7%	10.2%	\$1,296	26.3%	22.9%		
	\$250,001– \$1 Million	5	13.2%	7.5%	\$2,941	59.6%	49.9%		
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%		
	<b>TOTAL</b>	<b>38</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,933</b>	<b>100.0%</b>	<b>100.0%</b>		
Loan Size	Revenue \$1	\$100,000 or Less	20	66.7%		\$617	17.7%		
		\$100,001– \$250,000	7	23.3%		\$1,070	30.7%		
		\$250,001– \$1 Million	3	10.0%		\$1,801	51.6%		
		Over \$1 Million	0	0.0%		\$0	0.0%		
		<b>TOTAL</b>	<b>30</b>	<b>100.0%</b>		<b>\$3,488</b>	<b>100.0%</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% due to rounding.

Decatur County Bank  
Decaturville, TennesseeCRA Performance Evaluation  
June 21, 2022

Distribution of 2020 Consumer/Motor Vehicle Lending by Borrower Income Level					
Assessment Area: Madison County					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	# %	\$ (000)	\$ %	
Low	0	0.0%	\$0	0.0%	23.7%
Moderate	2	28.6%	\$72	32.3%	14.7%
Middle	1	14.3%	\$29	13.0%	16.7%
Upper	4	57.1%	\$122	54.7%	45.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
<b>TOTAL</b>	<b>7</b>	<b>100.0%</b>	<b>\$223</b>	<b>100.0%</b>	<b>100.0%</b>

Source: 2015 FFIEC Census Data  
2011–2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0% due to rounding.

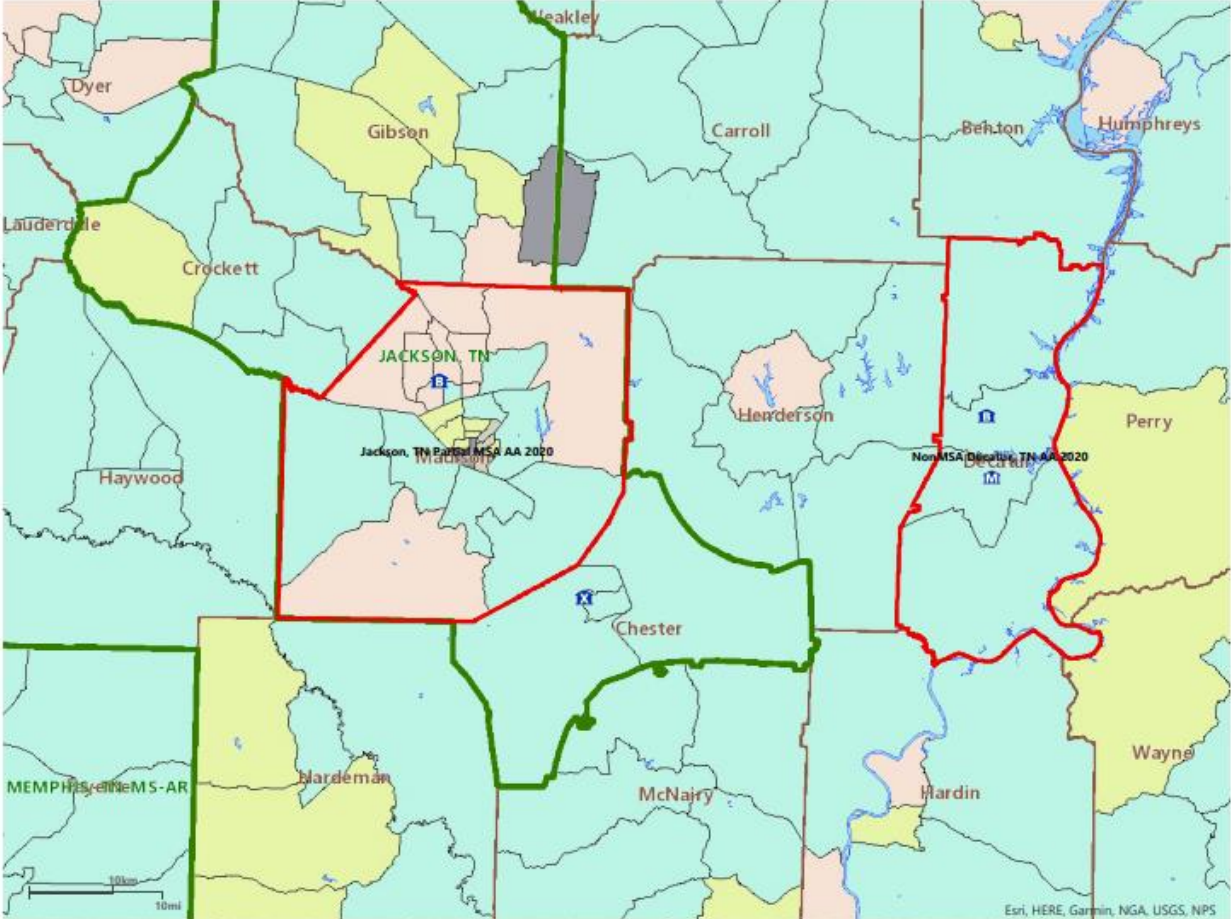
Distribution of 2020 Small Business Lending by Income Level of Geography							
Assessment Area: Madison County							
Tract Income Levels	Count			Dollar			Total Businesses
	Bank		Aggregate	Bank		Aggregate	%
	#	%	%	\$ 000s	\$ %	\$ %	
Low	0	0.0%	1.8%	\$0	0.0%	1.5%	2.7%
Moderate	5	13.2%	24.5%	\$554	11.2%	26.2%	26.3%
Middle	21	55.3%	26.4%	\$1,185	24.0%	24.6%	29.6%
Upper	12	31.6%	38.1%	\$3,193	64.7%	33.6%	33.5%
Unknown	0	0.0%	9.1%	\$0	0.0%	14.1%	7.9%
<b>TOTAL</b>	<b>38</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$4,932</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</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% due to rounding.

Distribution of 2020 Consumer/Motor Vehicle Lending by Income Level of Geography					
Assessment Area: Madison County					
Geographic Income Level	Bank Loans				Households %
	#	# %	\$ (000)	\$ %	
Low	0	0.0%	\$0	0.0%	7.1%
Moderate	0	0.0%	\$0	0.0%	22.6%
Middle	3	42.9%	\$106	47.5%	28.3%
Upper	4	57.1%	\$117	52.5%	40.6%
Unknown	0	0.0%	\$0	0.0%	1.5%
<b>TOTAL</b>	<b>7</b>	<b>100.0%</b>	<b>\$223</b>	<b>100.0%</b>	<b>100.0%</b>

Source: 2020 FFIEC Census Data  
2011–2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0% due to rounding.

**APPENDIX B – MAP OF THE ASSESSMENT AREA**



**APPENDIX C – GLOSSARY**

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**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

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Decatur County Bank  
Decaturville, Tennessee

CRA Performance Evaluation  
June 21, 2022

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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 by either 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.