

PUBLIC DISCLOSURE

November 30, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Liberty Bank
RSSD # 708164

860 W. Airport Freeway
Hurst, Texas 76054

Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

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

Table of Contents

I.	INSTITUTION’S CRA RATING	1
II.	INSTITUTION	2
	Scope of Examination	2
	Description of the Institution	2
	Description of Institution’s Operations in Tarrant County	4
	Conclusions with Respect to Performance Tests	7
III.	APPENDICES	23
	Appendix A – Scope of Examination	23
	Appendix B - Glossary	24

INSTITUTION'S CRA RATING

This institution is rated: Satisfactory.

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Liberty Bank's (bank's) performance demonstrates a reasonable responsiveness to both the credit needs and the community development needs of its assessment area. The bank's performance under the Lending Test is Satisfactory based on the following criteria:

- A majority of HMDA loans and commercial loans, 79.6% of the number and 74.7% of the dollar volume, originated inside the bank's assessment area.
- A reasonable net loan-to-deposit ratio (LTD) of 85.9% as of September 30, 2015, with a quarterly average of 83.9% since the previous CRA evaluation, given the institution's resources and competition in the assessment area.
- A reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- A reasonable dispersion of loans throughout the institution's assessment area.

The bank's performance under the Community Development Test is Satisfactory based on the following criteria:

- An adequate level of community development activities that supported the creation of affordable housing, promoted economic development, supported job creation, and retention, and supported the provision of critical social services to low- and moderate-income families and individuals.

INSTITUTION

Scope of Examination

The evaluation was conducted using the CRA intermediate small bank (ISB) performance standards. ISB CRA performance standards evaluate the following criteria:

- Average loan-to-deposit ratio since the previous CRA evaluation.
- The overall level of lending within the assessment area.
- The bank's lending to borrowers of different income levels and businesses and farms of different sizes.
- The bank's geographic distribution of loans within its assessment area.
- The bank's response to written complaints with respect to CRA performance in the assessment area.

Each standard is viewed as part of an overall picture of the bank's performance in meeting the credit needs of its delineated assessment area.

According to the examination procedures, Home Mortgage Disclosure Act (HMDA) data reported by the bank from January 1, 2013 to December 31, 2014 was reviewed. In addition, a sample of 59 commercial loans originated by the bank between February 1, 2015 and July 31, 2015 was reviewed. Given the bank's business strategy and composition of its loan portfolio, commercial loans were given greater weight in this evaluation.

Also under the ISB procedures, the bank's community development (CD) activities were reviewed to determine a community development test rating. The community development test allows flexibility, permitting a bank to apply its resources strategically to the types of community development activities (loans, investments, and/or services) that are most responsive in helping meet community needs. It is expected that a bank will appropriately assess the needs in its community, engage in different types of community development activities based on those needs and the bank's capacity, and that it will take reasonable steps to apply its community development resources strategically to meet those needs. The evaluation was based on qualified community development loans, investments, and services provided by the bank since the conclusion of the previous CRA evaluation as of September 26, 2011. The lending test rating and community development test rating were combined to determine the overall CRA rating.

Description of the Institution

The bank reports total assets of \$396.3 million as of September 30, 2015 with its main office located in Hurst, Texas. Liberty Bank is a wholly-owned subsidiary of Liberty Bancshares, Inc. It was founded in 1985 and focuses on consumer, commercial and residential real estate loans as evidenced by its products and services. The bank originates residential real estate loans; however, it does not originate certain higher risk loan products such as subprime, high-cost, non-traditional loans, or loans with private mortgage insurance (PMI).

There are five full-service locations, four non-deposit taking ATMs, and one deposit-taking ATM. The bank offers telephone banking, internet banking, remote deposit capture, and mobile banking. Internet banking allows customers to view transaction histories, transfer money between accounts, and pay bills. Loan and deposit applications are not accepted online.

Retail Locations				
NAME ADDRESS	TRACT INCOME LEVEL COUNTY	ATM (YES/NO)/ DEPOSIT- TAKING CAPABILITY	LOBBY HOURS	DRIVE-THRU HOURS
Full Service Branches				
Main Branch Hurst Banking Center 860 W. Airport Freeway #100 Hurst, Texas 76054	1136.13 Upper	Yes No Deposits	Monday-Thursday 9:00 A.M. - 4:00 P.M. Friday 9:00 A.M. - 5:00 P.M.	Monday- Friday 9:00 A.M. - 6:00 P.M.
Davis Banking Center 6330 Davis Boulevard North Richland Hills, Texas 76180	1132.21 Upper	Yes No Deposits	Monday-Thursday 9:00 A.M. - 4:00 P.M. Friday 9:00 A.M. - 6:00 P.M.	Monday- Friday 7:30 A.M. - 6:00 P.M. Saturday 9:00 A.M.-12:00 P.M.
Hulen Banking Center 3880 Hulen Street, Suite 100 Fort Worth, Texas 76107	1026.01 Moderate	Yes Deposits	Monday-Thursday 9:00 A.M. - 4:00 P.M. Friday 9:00 A.M. - 5:00 P.M.	Not available at this location
Northeast 7001 Boulevard 26 North Richland Hills, Texas 76180	1132.06 Middle	Yes No Deposits	Monday-Thursday 9:00 A.M. - 4:00 P.M. Friday 9:00 A.M. - 6:00 P.M.	Monday- Friday 7:30 A.M. - 6:00 P.M. Saturday 9:00 A.M.- Noon
Westside 2424 Merrick Street Fort Worth, Texas 76107	1022.02 Upper	Yes No Deposits	Monday-Thursday 9:00 A.M. - 4:00 P.M. Friday 9:00 A.M. - 6:00 P.M.	Monday- Friday 8:00 A.M. - 6:00 P.M.

As of September 30, 2015, the bank reported total assets of approximately \$396.3 million, gross loans of \$300.9 million, total deposits of \$346.0 million, and a net loan-to-deposit ratio of 85.9%.

The following table reflects the loan portfolio mix:

Product	9/30/2015 \$(000's)	9/30/2015 % of Loans
Real Estate		
1-4 Family Residential Construction Loans	\$29,093	9.7%
Other Construction Loans & Land Development & Other	\$32,838	11.0%
Farm Land	\$1,320	0.4%
1-4 Family – Revolving	\$8,591	2.9%
1-4 Family Residential Secured by First Liens	\$54,587	18.1%
1-4 Family Residential Secured by Junior Liens	\$5,305	1.8%
Multifamily	\$7,365	2.4%
Loans Secured Owner Occupied Nonfarm Nonresidential	\$66,743	22.2%
Loans Secured by Other Nonfarm Nonresidential	\$29,620	9.8%
Total Real Estate	\$235,462	78.3%
Commercial and Industrial	\$60,703	20.1%
Consumer	\$4,711	1.6%
Other	\$22	0.0%
Gross Loans	\$300,898	100.0%

The bank's ability to meet various credit needs of the community has not been hampered by its capacity to lend, its financial condition and size, product offerings, prior performance, legal impediments, or other factors. The bank received a Satisfactory rating on its previous CRA performance evaluation dated September 26, 2011, performed by the Federal Deposit Insurance Corporation (FDIC).

Description of Institution's Operations in Tarrant County

Tarrant County is part of the Dallas–Fort Worth–Arlington, TX Metropolitan Statistical Area (MSA) and the Fort Worth–Arlington Metropolitan Division (MD). Tarrant County is an urban county located in the north central part of Texas; it is the third most populous county in the state of Texas and the 16th most populous county in the United States. Fort Worth serves as the county seat. The 2014 estimated population for the assessment area was 1.9 million with growth of 7.5% since the 2010 census.

Tarrant County is home to a diverse spectrum of businesses that include healthcare, social assistance, as well as state and local government. According to 2014 Dun & Bradstreet (D&B) data, there are 90,624 businesses and 682 farms in Tarrant County. A majority, 91.1%, are small businesses reporting revenues of \$1.0 million or less. Additionally, 97.8% of the farms in the assessment area reported revenues of \$1.0 million or less.

Demographic and economic information impacting the bank's performance was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, 2010; the U.S. Department of Labor; the U.S. Department of Housing and Urban Development (HUD); American Community Survey (ACS), Dun & Bradstreet; and the Texas Workforce Commission.

The bank operates five bank locations which contain \$346.0 million in deposits as of September 30, 2015. The bank ranks 17th in deposit market share out of 63 FDIC insured financial institutions operating in the Tarrant County market and represents 1.0% of the total deposits in the FDIC-insured financial institutions as of June 30, 2015. The leading institutions are JPMorgan Chase Bank (19.3%), Wells Fargo Bank (16.5%), and Bank of America (12.4%).

The following table details selected characteristics of the assessment area.

Tarrant County 2014 Assessment Area 2014 Assessment Area Demographics								
Income Categories	Tract Distribution		Families By Tract Income		Families < Poverty Level as a % of Families by Tract		Families By Family Income	
	#	%	#	%	#	%	#	%
Low-Income	33	9.2	26,745	6.1	9,558	35.7	96,150	21.9
Moderate-Income	101	28.3	108,418	24.6	20,162	18.6	75,652	17.2
Middle-Income	125	35.0	160,880	36.6	11,720	7.3	84,875	19.3
Upper-Income	97	27.2	143,863	32.7	4,364	3.0	183,229	41.6
Unknown-Income	1	0.3	0	0.0	0	0.0	0	0.0
Total AA	357	100.0	439,906	100.0	45,804	10.4	439,906	100.0
	Housing Units By Tract	Housing Type By Tract						
		Owner-Occupied			Rental		Vacant	
		#	% By Tract	% By Unit	#	% By Unit	#	% By Unit
Low-Income	47,935	16,445	4.1	34.3	23,404	48.8	8,086	16.9
Moderate-Income	189,660	81,717	20.4	43.1	84,149	44.4	23,794	12.5
Middle-Income	265,401	150,620	37.6	56.8	92,760	35.0	22,021	8.3
Upper-Income	193,560	151,929	37.9	78.5	31,494	16.3	10,137	5.2
Unknown-Income	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	696,556	400,711	100.0	57.5	231,807	33.3	64,038	9.2
	Total Businesses by Tract	Businesses By Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-Income	4,617	5.1	3,945	4.8	461	9.1	211	7.0
Moderate-Income	20,435	22.5	18,134	22.0	1,542	30.4	759	25.0
Middle-Income	31,110	34.3	28,632	34.7	1,500	29.6	978	32.3
Upper-Income	34,384	37.9	31,769	38.5	1,539	30.4	1,076	35.5
Unknown-Income	78	0.1	45	0.1	25	0.5	8	0.3
Total AA	90,624	100.0	82,525	100.0	5,067	100.0	3,032	100.0
Percent of Total Businesses:				91.1		5.6		3.3
	Total Farms by Tract	Farms By Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-Income	12	1.8	11	1.6	1	7.1	0	0.0
Moderate-Income	97	14.2	94	14.1	3	21.4	0	0.0
Middle-Income	257	37.7	254	38.1	3	21.4	0	0.0
Upper-Income	316	46.3	308	46.2	7	50.0	1	100.0
Unknown-Income	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	682	100.0	667	100.0	14	100.0	1	100.0
Percent of Total Farms:				97.8		2.1		0.1

Based on 2014 Dun & Bradstreet information according to 2010 ACS.

Income Characteristics:

According to the 2010 ACS data, Tarrant County contains 357 census tracts: 33 low-income, 101 moderate-income, 125 middle-income, 97 upper-income and 1 unknown-income. Approximately 21.9% of families are considered low-income, 17.2% moderate-income, 19.3% middle-income, and 41.6% upper-income. Of the families in Tarrant County, 10.4% are living below poverty. This is below the state's poverty rate of 13.0%. The 2014 median family income (MFI) is \$64,976, which is greater than the state's MFI of \$58,142.

Housing:

According to 2010 ACS information, there are approximately 696,556 housing units in the assessment area with a median age of 27 years. The median housing value is \$134,885. Owner-occupied housing units comprise 57.5% of the housing stock, which is similar to the state average of 57.0%. Of the remaining housing units, 33.3% are rental and 9.2% are vacant units.

The housing affordability ratio for the assessment area is 41.0. The affordability ratio is defined as the median household income divided by the median housing value. A higher ratio means the housing is considered more affordable, while a low ratio means the housing is considered less affordable. By comparison, the affordability ratio for the state of Texas is 40.2; therefore, housing costs in Tarrant County are comparable to those of the state.

Labor, Employment, and Economic Characteristics:

The largest industry sectors by number of employees in the assessment area are business services, education, health care, and social assistance, as well as state and local government.

Tarrant County has a primarily tourism-driven economy. Currently, Texas is the third most popular travel destination in the United States; Tarrant County is one of the leading reasons for that ranking. The Dallas-Fort Worth area is the number one tourism destination in the state of Texas. In Tarrant County, hotels and other tourism businesses employ over 65,000 residents. Tourists visiting Tarrant County spend over \$7.2 billion annually, generating over \$111.0 million each year in local tax revenues. Tarrant County tourism generates over \$222.0 million annually in state tax revenues.

According to the 2014 D&B data, 90,624 businesses are located in the assessment area. Of those, 91.1% reported gross annual revenues less than or equal to \$1 million, 4.8% are in low-income, 22.0% in moderate-income, 34.7% in middle-income, 38.5% in upper-income, and 0.1% in unknown-income census tracts.

In addition, the 2010 ACS estimates that the area had 729,777 employees who were private wage and salary workers, representing 82.4% of workers in Tarrant County. The region had another 106,198 persons, or 12.0%, who were government workers, and 49,301, or 5.6%, who were self-employed.

Tarrant County has an unemployment rate of 5.0%, while Texas has an unemployment rate of 5.1%. The unemployment rate in the assessment area generally has been slightly less than the State of Texas for 2013 and 2014 according to the Texas Workforce.

The following table provides unemployment rates for the assessment area and the state of Texas.

ANNUAL AVERAGE UNEMPLOYMENT RATE		
AREA	2013	2014
Assessment Area	6.0%	5.0%
MD	6.0%	5.0%
State of Texas	6.2%	5.1%
United States	7.4%	6.2%

Community Contacts and Credit Needs:

Contact was made with a community leader working in the housing development sector. This contact stated that the financial institutions in the area take a proactive role in the community and seek to meet the credit needs of the community. However, the contact also indicated that low- and moderate-income individuals in Tarrant County would benefit from less restrictive credit requirements. For example, low- and moderate-income individuals have few options when in need of small loans from community banks. In addition, the contact stated that the community needs an alternative to payday loans.

Contact was also made with a community leader working in the economic development sector. This contact stated that the financial institutions in the area take a proactive role in the community and seek to meet the credit needs of the community. However, the contact also indicated that Tarrant County needs more commercial loans and programs dedicated to first time homebuyers. Commercial businesses have few options when applying for commercial loans from community banks. The contact also indicated the area needs more hospitals and clinics.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's overall performance under the lending test is rated Satisfactory. The bank's LTD ratio is reasonable. A majority of loans were extended inside the assessment area. The distribution of loans to low- and moderate-income borrowers was reasonable. The geographic dispersion of the bank's lending was reasonable given the performance context.

The bank's performance under the lending test was analyzed by a review of the home mortgage-related loans reported by the bank in 2013 and 2014, as well as a sample of the commercial loans originated by the bank between February 1, 2015 and July 31, 2015. This lending activity

totaled 230 loans for a dollar volume of \$43.6 million. The table below provides a breakdown by loan type.

Summary of Loans Reviewed				
(2013-2014 HMDA and 2015 Commercial)				
Loan Type	#	%	\$(000s)	%
Home Purchase	80	34.8	20,778	47.7
Refinancing	47	20.4	8,218	18.8
Home Improvement	38	16.5	4,065	9.3
Multi-Family Housing	6	2.6	5,622	12.9
Total HMDA-Related	171	74.3	38,683	88.7
Commercial	59	25.7	4,942	11.3
Total Loans	230	100.0	43,625	100.0

LOAN-TO-DEPOSIT RATIO

The general purpose of the CRA is to encourage banks to meet the credit needs in their assessment areas while operating in a safe and sound manner. To gain an understanding of the bank's lending activity, the net LTD ratio is reviewed to approximate the credit demand of the assessment area and assess the bank's willingness to meet the community's demand for credit.

The bank's net LTD ratio is considered reasonable, given the bank's size and financial condition, the credit needs of the assessment area, and the competitive local banking environment. As of September 30, 2015, the net LTD ratio was 85.9% and the quarterly average since the previous evaluation was 83.9%.

To better understand the bank's performance in relation to its assessment area, a comparison of four similarly situated local banks was performed. These banks were chosen for analysis based on their proximity and similar size and structure. The similarly situated banks have net LTD ratios ranging from 43.1% to 82.2% as of September 30, 2015. Their quarterly average net LTD ratios ranged from 41.1% to 82.0%. As noted, the bank's LTD ratios are higher than the majority of its peers and reflect favorably upon the bank's efforts to meet the credit needs of its community.

LENDING IN ASSESSMENT AREA

A majority of the bank's loans were originated inside its assessment area. As shown in the table below, the bank extended 183 or 79.6% by number inside its assessment area. These loans represent \$32.6 million or 74.7% by dollar volume in the assessment area.

Lending Inside and Outside the Bank's AA								
Bank Loans	Inside				Outside			
	#	#%	\$(000s)	%	#	#%	\$(000s)	%
Home Purchase - Conventional	65	81.3	17,676	85.1	15	18.8	3,102	14.9
Refinancing	33	70.2	5,168	62.9	14	29.8	3,050	37.1
Home Improvement	37	97.4	4,050	99.6	1	2.6	15	0.4
Multi-Family Housing	3	50.0	1,987	35.3	3	50.0	3,635	64.7
Total HMDA-Related	138	80.7	28,881	74.7	33	19.3	9,802	25.3
Commercial	45	76.3	3,715	75.2	14	23.7	1,227	24.8
TOTAL LOANS	183	79.6	32,596	74.7	47	20.4	11,029	25.3

The remaining analyses will be based on loans made inside the bank's assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES AND FARMS OF DIFFERENT SIZES

The distribution of lending based on income and revenue levels of the borrowers reflects a reasonable penetration among individuals of different income levels and businesses of different sizes. Commercial lending was weighted more heavily in the analysis as the bank's business strategy states that the target market is smaller businesses. In addition, as of June 30, 2015, 75.1% of the bank's portfolio by dollar volume and 81.1% by number of originations were commercial loans.

The following table depicts the referenced income level ranges:

Income Level	2013 MD	2014 MD
Median Income	\$65,319	\$64,976
Low-income	< 32,660	< \$32,488
Moderate-income	\$32,661 < \$52,255	\$32,489 < \$51,981
Middle-income	\$52,256 < \$78,383	\$51,982 < \$77,971
Upper-income	≥ \$78,384	≥ \$77,972

As noted in the table above, the MFI decreased from 2013 to 2014.

Residential Real Estate (HMDA) Lending

The bank's distribution of HMDA loans reflects poor penetration among borrowers of different income levels. Of the bank's HMDA loans, 24.0% were made to borrowers with unknown incomes, which were for investment properties. This is consistent with the bank's strategic plan of targeting commercial customers rather than consumer mortgage lending.

Home Mortgage Loans

In 2013, the bank originated 5.6% of its loans to low-income borrowers, which is less than the percentage of low-income families in the assessment area but exceeds lending levels of

aggregate lenders. Moderate-income borrowers represented 4.2% of the total mortgage lending, which is less than the percentage of moderate-income families and aggregate lending. The bank's lending to middle-income borrowers was less than the percentage of middle-income families as well as aggregate lending levels. The bank's lending to upper-income borrowers exceeded both the percentage of families considered upper-income and the aggregate lending performance.

In 2014, the bank did not originate any loans to low-income borrowers. Loans to moderate-income borrowers represented 7.5% of total mortgage lending, which is less than the percentage of moderate-income families and the aggregate lending performance. The bank's lending to middle-income borrowers was less than the percentage of middle-income families as well as aggregate lending levels. The bank's lending to upper-income borrowers exceeded both the percentage of families considered upper-income and the aggregate lending performance.

Home Purchase Loans

In 2013, the bank originated 2.7% of its loans to low-income borrowers, which is less than the percentage of low-income families in the area and aggregate lending performance. The bank did not originate any loans to moderate-income borrowers. The bank's lending to middle-income borrowers was less than the percentage of middle-income borrowers in the area as well as aggregate lending levels. The bank's lending to upper-income borrowers exceeded both the percentage of families considered upper-income in the assessment area and the aggregate lending performance.

In 2014, the bank did not originate any home purchase loans to low-income borrowers. Loans to moderate-income borrowers represented 10.7% of purchase lending, which is less than the percentage of moderate-income families in the area and the aggregate lending performance. The bank's lending to middle-income borrowers was less than the percentage of middle-income families in the area as well as aggregate lending levels. The bank's lending to upper-income borrowers exceeded both the percentage of families considered upper-income in the assessment area and the aggregate lending performance.

Refinanced Loans

In 2013, the bank originated 13.3% of its refinance loans to low-income borrowers, which is less than the percentage of low-income families in the area but exceeds aggregate lending performance. Loans to moderate-income borrowers represented 6.7% of refinance lending, which is less than the percentage of moderate-income families in the area and the aggregate lending performance. The bank did not originate any refinance loans to middle-income borrowers. The bank's lending to upper-income borrowers exceeded both the percentage of families considered upper-income in the assessment area and the aggregate lending performance.

In 2014, the bank did not originate any loans to low-income borrowers. Loans to moderate-income borrowers represented 5.6% of refinance lending, which is less than the percentage of moderate-income families in the area and the aggregate lending performance. The bank's lending to middle-income borrowers was less than the percentage of middle-income families in

the area as well as aggregate lending levels. Lending to upper-income borrowers exceeded both the percentage of families considered upper-income in the assessment area and the aggregate lending performance.

Home Improvement Loans

In 2013, the bank originated 5.6% of its home improvement loans to low-income borrowers, which is less than the percentage of low-income families in the area but exceeds aggregate lending performance. Loans to moderate-income borrowers represented 11.1% of lending, which is less than the percentage of moderate-income families in the area and the aggregate lending performance. Lending to middle-income borrowers was less than the percentage of middle-income families in the area as well as aggregate lending levels. The bank's lending to upper-income borrowers exceeded the percentage of families considered upper-income in the assessment area but was less than aggregate lending levels.

In 2014, the bank did not originate any loans to low-income borrowers. Loans to moderate-income borrowers decreased to 5.3% of home improvement lending, which is less than the percentage of moderate-income families in the area and the aggregate lending performance. Lending to middle-income borrowers and upper-income borrowers exceeded both the percentage of middle- and upper-income families, respectively, in the assessment area, as well as the aggregate lending performance.

The tables below illustrate the assessment area's demographics and HMDA lending for the bank and aggregate lenders for 2013 and 2014.

Distribution of 2013 HMDA Loans by Borrower Income Levels Tarrant County 2013 Assessment Area							
Borrow Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000s)	# %	\$ %	# %	\$ %	
Home Purchase Loans							
Low	1	79	2.7	0.9	4.9	2.3	22.0
Moderate	0	0	0.0	0.0	17.2	11.4	17.3
Middle	5	775	13.5	8.7	20.3	17.2	19.3
Upper	22	6,614	59.5	74.5	43.5	57.4	41.4
Unknown	9	1,415	24.3	15.9	14.1	11.7	0.0
Total	37	8,883	100.0	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	2	106	13.3	4.0	3.6	1.3	22.0
Moderate	1	63	6.7	2.3	9.3	4.0	17.3
Middle	0	0	0.0	0.0	16.2	8.3	19.3
Upper	9	1,918	60.0	71.5	46.7	39.1	41.4
Unknown	3	595	20.0	22.2	24.2	47.3	0.0
Total	15	2,682	100.0	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	1	30	5.6	1.6	5.3	1.6	22.0
Moderate	2	220	11.1	11.8	13.3	5.7	17.3
Middle	2	220	11.1	11.8	18.1	11.9	19.3
Upper	9	1,117	50.0	59.8	59.3	72.9	41.4
Unknown	4	280	22.2	15.0	4.0	7.9	0.0
Total	18	1,867	100.0	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	4	215	5.6	1.5	4.3	1.7	22.0
Moderate	3	283	4.2	1.9	13.5	7.0	17.3
Middle	7	995	9.9	6.8	18.3	11.7	19.3
Upper	40	9,649	56.3	66.4	45.3	45.2	41.4
Unknown	17	3,386	24.0	23.4	18.6	34.4	0.0
Total	71	14,528	100.0	100.0	100.0	100.0	100.0
¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA LAR filers. ² The percentage of families is based on 2010 ACS data. (NOTE: Total percentages may vary due to automated rounding differences.)							

Distribution of 2014 HMDA Loans by Borrower Income Levels Tarrant County 2014 Assessment Area							
Borrow Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Families ²
	#	\$(000s)	# %	\$ %	# %	\$ %	
Home Purchase Loans							
Low	0	0	0.0	0.0	4.8	2.3	21.9
Moderate	3	355	10.7	4.0	15.0	9.9	17.2
Middle	2	105	7.1	1.2	20.4	17.6	19.3
Upper	15	6,533	53.6	74.3	40.1	52.9	41.6
Unknown	8	1,800	28.6	20.5	19.7	17.3	0.0
Total	28	8,793	100.0	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0	0.0	0.0	5.1	2.6	21.9
Moderate	1	78	5.6	3.1	11.2	7.0	17.2
Middle	3	164	16.7	6.6	17.5	13.2	19.3
Upper	9	1,293	50.0	52.0	39.6	52.2	41.7
Unknown	5	951	27.7	38.3	26.6	25.0	0.0
Total	18	2,486	100.0	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0	0.0	0.0	9.2	2.6	21.9
Moderate	1	15	5.3	0.7	9.9	5.5	17.2
Middle	6	266	31.6	12.2	16.8	11.1	19.3
Upper	11	1,857	57.9	85.1	52.3	69.2	41.7
Unknown	1	45	5.2	2.0	11.8	11.6	0.0
Total	19	2,183	100.0	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0	0.0	0.0	5.0	2.2	21.9
Moderate	5	448	7.5	3.1	13.8	8.3	17.2
Middle	11	535	16.4	3.7	19.5	14.9	19.3
Upper	35	9,683	52.2	67.5	40.3	48.3	41.7
Unknown	16	3,687	23.9	25.7	21.4	26.3	0.0
Total	67	14,353	100.0	100.0	100.0	100.0	100.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA LAR filers.
² The percentage of families is based on 2010 ACS data.
(NOTE: Total percentages may vary due to automated rounding differences.)

Commercial Lending

The distribution of lending based on revenue levels of the businesses reflects a reasonable penetration among businesses of different sizes. During the sample period, 45 loans were originated in the assessment area. Of these, 62.2% by number and 76.8% by dollar volume were originated to small businesses, defined as businesses with gross annual revenues of \$1 million or less, while small businesses represented 93.8% of total businesses in the assessment area.

The tables below further detail the bank’s performance and the assessment area’s demographics.

Distribution of 2015 Business Loans by Revenue Size Tarrant County 2015 Assessment Area					
Business Revenue by Size	Bank Loans				% of Businesses
	#	\$(000s)	# %	\$ %	
\$1MM or less	28	2,854	62.2	76.8	93.8
Over \$1MM	17	862	37.8	23.2	6.0
Not Known	0	0	0.0	0.0	0.2
Total	45	3,716	100.0	100.0	100.0

Another way to gauge the bank’s lending performance is to review the data by loan amount. Small businesses typically require smaller dollar credits. In this regard, it is noted that 93.3% of the bank’s commercial loans were made in loan amounts of \$250,000 or less. Given the community contact’s statement regarding commercial lending needs, the bank’s lending data demonstrates a willingness to meet the credit needs of the assessment area.

DISTRIBUTION OF 2015 BUSINESS LOANS BY LOAN AMOUNT Tarrant County ASSESSMENT AREA				
Loan Amount	#	# %	\$(000)	\$ %
\$100,000 or less	37	82.2%	1,398	37.6%
\$100,001 - \$250,000	5	11.1%	845	22.8%
\$250,001 - \$1,000,000	3	6.7%	1,472	39.6%
Over \$1,000,000	0	0.0%	0	0.0%
Total	45	100%	3,715	100%

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution by the income level of geographies within the assessment area is reasonable. Loans were generally made in close proximity to the bank's branches and there were no conspicuous gaps or anomalies in the lending patterns. For this analysis, the geographic distribution of the bank's lending was compared to available occupancy levels and aggregate lending data. Other factors such as population trends were considered when assessing performance. In addition, the bank's branch presence makes up only 1.0% of all branches in the market.

Residential Real Estate (HMDA) Lending

The geographic distribution of the bank's HMDA lending reflects reasonable penetration throughout the assessment area, including low- and moderate-income geographies.

Home Mortgage Loans

In 2013, the bank originated 2.8% of its total home mortgage loans in low-income geographies, and 14.1% of its total home mortgage loans in moderate-income geographies. While these percentages are less than the percentage of owner-occupied units in low- and moderate-income census tracts, the bank exceeded aggregate performance for lending in these areas. Lending in middle-income geographies exceeded the percentage of owner-occupied units in the area as well as aggregate lending levels. The bank's lending in upper-income geographies was greater than the percentage of owner-occupied units in the area but less than aggregate performance.

In 2014, the bank's total home mortgage lending percentage in low-income geographies decreased to 1.5%, which was less than the percentage of owner occupied units in the area but exceeded aggregate lending levels. The percentage of total home mortgage lending in moderate-income geographies increased from 2013 to 2014 to 22.4%, which exceeded both the percentage of owner-occupied units in the area and aggregate lending levels. Lending in middle-income geographies exceeded the percentage of owner-occupied units in the area as well as aggregate lending levels. The bank's lending in upper-income geographies was less than the percentage of owner-occupied units and aggregate performance.

Home Purchase Loans

In 2013, the bank did not originate any home purchase loans in the low-income geographies; however, aggregate lenders only originated 0.9% of their loans in low-income geographies, possibly indicating low loan demand. The low number of home purchase loans in low-income census tracts correlates with the percentage of rental units in the area. According to the FFIEC Census Data, 48.8% of housing units in low-income geographies were rental units, while only 34.3% of units were owner-occupied. Furthermore, the bank originated 16.2% of its home purchase loans in moderate-income geographies, which is less than the percentage of owner-occupied units in the area but exceeds aggregate lending levels. Lending in middle-income geographies exceeded the owner-occupancy rate in those geographies as well as aggregate lending performance. The bank's lending in upper-income geographies was greater than the

percentage of owner-occupied units in upper-income areas and but lagged behind aggregate performance.

In 2014, the bank did not originate any home purchase loans in the low-income geographies; aggregate lenders only originated 1.0% of their loans in low-income geographies, possibly indicating low loan demand. The percentage of home purchase lending in moderate-income geographies increased to 17.9%, while this is less than the percentage of owner-occupied units in the area, the lending exceeds aggregate lending performance. Lending in middle-income geographies exceeded both the owner-occupancy rate in those geographies as well as aggregate lending performance. The bank's lending in upper-income geographies was greater than the percentage of owner-occupied units in upper-income areas but was less than aggregate performance.

Refinanced Loans

In 2013, the bank did not originate any refinance loans in the low-income geographies; however, aggregate lenders only originated 0.7% of their loans in low-income geographies, possibly indicating low loan demand. The bank originated 6.7% of its refinance loans in moderate-income geographies, which is less than both the percentage of owner-occupied units in the area and aggregate lending levels. However, according to the FFIEC Census Data, only 34.3% and 43.0% of housing units located in low- and moderate-income census tracts, respectively, are owner-occupied. Lending in middle-income geographies exceeded the owner-occupancy rate in those geographies as well as aggregate lending performance. The bank's lending in upper-income geographies was greater than the percentage of owner-occupied units in upper-income areas and but lagged behind aggregate performance.

In 2014, the bank did not originate any home refinance loans in the low-income geographies; aggregate lenders only originated 0.8% of their loans in low-income geographies, possibly indicating low loan demand. The percentage of refinance lending in moderate-income geographies increased to 27.8%, which is greater than the percentage of owner-occupied units in the area and exceeds aggregate lending levels. Lending in middle-income geographies was less than both the owner-occupancy rate in those geographies as well as aggregate lending performance. The bank's lending in upper-income geographies was greater than the percentage of owner-occupied units in upper-income areas and but less than aggregate performance.

Home Improvement Loans

In 2013, the bank originated 11.1% of its home improvement loans in low-income geographies, which is greater than the rate of owner-occupancy and significantly exceeded aggregate lending performance. The bank originated 11.1% of its home improvement loans in moderate-income geographies, which is less than the percentage of owner-occupied units in the area and aggregate lending levels. Lending in middle-income geographies was less than the owner-occupancy rate but exceeded aggregate lending performance. The bank's lending in upper-income geographies was greater than the percentage of owner-occupied units in upper-income areas and but less than aggregate performance.

In 2014, the bank originated 5.3% of its home improvement loans in low-income geographies, which is greater than both the percentage of owner occupied units in the area and aggregate lending levels. The percentage of home improvement lending in moderate-income geographies increased to 15.8%. While this is less than the percentage of owner occupied units in the area, it exceeds aggregate lending levels. Lending in middle-income geographies was greater than the owner-occupancy rate and exceeded aggregate lending performance. The bank's lending in upper-income geographies was less than the percentage of owner-occupied units in upper-income areas and aggregate performance.

The tables below illustrate the assessment area's demographics and HMDA lending for the bank and aggregate lenders for 2013 and 2014.

Distribution of 2013 HMDA Loans by Income Level of Geography Tarrant County 2013 Assessment Area							
Census Tract Income Level	Bank Loans				Aggregate HMDA Data¹		% of Owner Occupied Units²
	#	\$(000s)	# %	\$ %	# %	\$ %	
Home Purchase Loans							
Low	0	0	0.0	0.0	0.9	0.4	4.1
Moderate	6	724	16.2	8.2	10.6	6.9	20.7
Middle	15	4,921	40.6	55.4	36.3	30.1	37.7
Upper	16	3,238	43.2	36.4	52.2	62.6	37.5
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	37	8,883	100.0	100.0	100.0	100.0	100.0
Home Refinance Loans							
Low	0	0	0.0	0.0	0.7	1.1	4.1
Moderate	1	31	6.7	1.2	9.4	10.7	20.7
Middle	7	1,086	46.7	40.5	35.9	40.2	37.7
Upper	7	1,565	46.6	58.3	54.0	48.0	37.5
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	15	2,682	100.0	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	2	90	11.1	4.8	2.1	0.5	4.1
Moderate	2	190	11.1	10.2	15.8	7.8	20.7
Middle	6	490	33.3	26.2	33.1	31.6	37.7
Upper	8	1,097	44.5	58.8	49.0	60.1	37.5
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	18	1,867	100.0	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	90	2.8	0.6	0.9	1.0	4.1
Moderate	10	2,041	14.1	14.0	10.3	9.8	20.7
Middle	28	6,497	39.4	44.7	36.0	36.1	37.7
Upper	31	5,900	43.7	40.7	52.8	53.1	37.5
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	71	14,528	100.0	100.0	100.0	100.0	100.0
¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA LAR filers. ² The percentage of housing units by tract based on 2010 ACS data. ³ Only includes loans with unreported geocode information. Does not include loans in tracts where the income category is 'unknown', which is 0.0% for the bank and 0.0% for aggregate. (NOTE: Total percentages may vary due to automated rounding differences.)							

Distribution of 2014 HMDA Loans by Income Level of Geography Tarrant County 2014 Assessment Area							
Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000s)	# %	\$ %	# %	\$ %	
Home Purchase Loans							
Low	0	0	0.0	0.0	1.0	0.5	4.1
Moderate	5	461	17.9	5.2	11.1	6.9	20.4
Middle	12	6,210	42.9	70.6	37.4	31.6	37.6
Upper	11	2,122	39.2	24.2	50.5	61.0	37.9
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	28	8,793	100.0	100.0	100.0	100.0	100.0
Home Refinance Loans							
Low	0	0	0.0	0.0	0.8	0.4	4.1
Moderate	5	300	27.8	12.1	11.8	7.5	20.4
Middle	6	772	33.3	31.1	36.8	30.2	37.6
Upper	7	1,414	38.9	56.8	50.6	61.9	37.9
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	18	2,486	100.0	100.0	100.0	100.0	100.0
Home Improvement Loans							
Low	1	39	5.3	1.8	2.3	0.8	4.1
Moderate	3	161	15.8	7.4	14.0	8.9	20.4
Middle	10	1,842	52.6	84.4	32.3	29.1	37.6
Upper	5	141	26.3	6.4	51.4	61.2	37.9
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	19	2,183	100.0	100.0	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	1	39	1.5	0.3	1.0	0.9	4.1
Moderate	15	1,813	22.4	12.6	11.5	8.5	20.4
Middle	28	8,824	41.8	61.5	37.1	33.1	37.6
Upper	23	3,677	34.3	25.6	50.4	57.5	37.9
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.0
Total	67	14,353	100.0	100.0	100.0	100.0	100.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA LAR filers.

² The percentage of housing units by tract based on 2010 ACS data.

³ Only includes loans with unreported geocode information. Does not include loans in tracts where the income category is 'unknown', which is 0.0% for the bank and 0.0% for aggregate.

(NOTE: Total percentages may vary due to automated rounding differences.)

Commercial Lending

The geographic distribution of commercial loans by income level of geographies within the assessment area reflects excellent penetration throughout the assessment area. The bank originated 15.6% of its commercial loans in low- income geographies, which significantly exceeded the percentage of businesses in those tracts. The bank originated 31.1% of its commercial loans in moderate-income geographies, which also significantly exceeded the percentage of businesses in those tracts. This performance demonstrates the bank’s efforts toward meeting the credit needs of low- and moderate-income geographies.

The table below further details the bank’s performance along with the assessment area’s demographics.

Distribution of 2015 Business Loans by Income Level of Geography Tarrant County 2015 Assessment Area					
Census Tract Income Level	#	% #	\$(000)	\$ %	% of Small Businesses
Low	7	15.6	733	19.7	4.8
Moderate	14	31.1	656	17.7	21.3
Middle	8	17.8	767	20.6	34.2
Upper	16	35.5	1,559	42.0	39.6
Unknown	0	0.0	0	0.0	0.1
Total	45	100.0	3,715	100.0	100.0

RESPONSE TO COMPLAINTS

There were no complaints related to the CRA during the review period. Consequently, the bank’s performance in responding to complaints was not considered in evaluating its overall CRA performance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. Established policies and procedures are designed to ensure ongoing compliance with applicable laws and regulations.

COMMUNITY DEVELOPMENT TEST

The bank’s responsiveness to community development needs is adequate considering the bank’s capacity and the need and available opportunities. The bank has applied its community development resources strategically to meet the substance of community needs, primarily through financial education, revitalization and stabilization, and affordable housing initiatives and social services targeted to low- and moderate- income individuals in its community.

Community Development Loans

The bank originated four community development loans totaling \$5.8 million since the previous performance evaluation. A loan to revitalize and stabilize moderate-income communities within the assessment area made up a majority of the bank’s community development lending portfolio at \$4.0 million. This project plan includes transitioning and redeveloping land into stable neighborhoods, expanding public transportation, and expanding/adding medical offices, retail and restaurants. Individuals residing in three moderate-income census tracts will benefit from this project.

Community Development Investments

The bank provided a sufficient level of qualified community development investments benefiting low- and moderate- income individuals within the assessment area. Qualified investments totaling approximately \$1.3 million include a mortgage-backed security benefiting low- and moderate- income borrowers in Tarrant County. Additionally, charitable grants and donations totaling \$26,300 were made in support of educational initiatives and providing basic necessities to low- and moderate- income individuals within the assessment area, such as food and clothing.

Community Development Services

Bank management serve in leadership roles, contributing their time and financial knowledge to numerous organizations by providing financial literacy education, supporting small business grant programs, and promoting affordable housing for low- and moderate- income individuals and communities within the assessment area.

The table below depicts a summary of the bank’s community development activities since the previous CRA evaluation.

TARRANT COUNTY ASSESSMENT AREA COMMUNITY DEVELOPMENT ACTIVITIES									
Purpose	Community Development Loans		Qualified Investments						Community Development Services
	#	\$(000s)	Investments		Donations		Total Investments		
			#	\$(000s)	#	\$(000s)	#	\$(000s)	
Affordable Housing	1	250	1	1,256	1	2	2	1,258	3
Community Services	2	1,589	0	0	20	19	20	19	10
Economic Development	0	0	0	0	0	0	0	0	3
Revitalization and Stabilization	1	4,000	0	0	1	5	1	5	0
Totals	4	5,839	1	1,256	22	26	23	1,282	16

Retail Services

The bank also provides services to low- and moderate- income individuals through its branch and ATM network. The bank operates five full-service branches and one deposit-taking ATM; one location is located in a moderate-income census tract, one is in a middle-income census tract, and three are in in upper-income census tracts. The deposit-taking ATM is located in a moderate-income census tract. The bank's 24-hour automated telephone banking allows customers to access their account information at their convenience. Additionally, the bank offers internet and mobile banking in which customers can make transfers between accounts. All banking products and services are available at all retail locations, which are reasonably accessible to individuals of different income levels and geographies in the assessment area.

APPENDICES

Appendix A – Scope of Examination

SCOPE OF EXAMINATION			
Time Period Reviewed			
Lending Test: January 1, 2013 to July 31, 2015 Community Development Loans, Investment Test, and Service Tests: September 26, 2011 to December 11, 2015			
Financial Institution		Products Reviewed	
Liberty Bank		Commercial and HMDA-Reportable Loans	
Hurst, Texas		Community Development Loans	
List of Assessment Areas			
Assessment Area	Type of Examination	Branches Visited	Other Information
Tarrant County	Full Scope Review	Main Branch Hurst Banking Center 860 W. Airport Freeway #100 Hurst, Texas 76054	NA

Note: Branches Visited indicates where technical compliance with the CRA (signs, public file, etc.) was confirmed. The evaluation of the institution’s CRA performance takes into consideration activity from all branch locations, as described in the Scope of Examination.

Appendix B - Glossary

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

Census tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts average about 4,000 inhabitants, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to the population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All agencies have adopted the following language: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- i. Low-or moderate-income geographies;
- ii. Designated disaster areas; or
- iii. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a) Rates of poverty, unemployment, and population loss; or
 - b) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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

non-relatives 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).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of the applicants; the amount of loan requested; and the disposition of the application (for example, approved, denied, or 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: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the 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.

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..