

PUBLIC DISCLOSURE

June 12, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mason Bank
RSSD # 368054
111 Westmoreland Street
Mason, Texas 76856

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.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

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

- Mason's 19-quarter net loan-to-deposit ratio (NLTD) reflects reasonable effort to extend credit given the bank's asset size, financial condition, and credit needs of the assessment area (AA).
- The majority of the bank's loans are originated inside the AA.
- Lending reflects an excellent distribution among individuals of different income levels and businesses and farms of different sizes.

SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including Mason's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's sole AA, the Mason County Nonmetropolitan AA. The bank's motor vehicle lending was weighted more heavily than the small business and small farm lending due to consumer lending representing the largest percentage of the bank's loan portfolio. Examiners reviewed the following data to assess the bank's performance in meeting the credit needs of the AA:

- The 19-quarter average NLTD ratio of the bank and four similarly situated financial institutions.
- A statistically derived sample of the bank's major loan products originated between July 1, 2022, and December 31, 2022, including:
 - 53 small business loans from a universe of 72 loans;
 - 53 small farm loans from a universe of 53 loans; and
 - 61 motor vehicle loans from a universe of 87 loans.
- Information provided by the executive director of an organization that assists businesses within Mason County to ascertain the credit needs of the AA, the responsiveness of area banks in meeting those credit needs, and the local economic conditions.

Neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) received any CRA-related complaints since the previous evaluation; as such, this performance criterion was not considered when assessing the bank's CRA performance. Moreover, the evaluation did not consider the geographic distribution of lending, as the AA only consists of two upper-income census tracts.

DESCRIPTION OF THE INSTITUTION

Mason is a community bank headquartered in Mason, Texas. The bank has the following characteristics:

- The bank is a wholly owned subsidiary of Mason Bancshares, Inc., located in Mason, Texas.

- Mason a full-service retail bank, has total assets of \$143.9 million as of December 31, 2022.
- The bank operates a single location in Mason County, Texas.
- As shown in the table below, the bank’s primary business focus are consumer, commercial, and residential real estate lending. While residential real estate lending accounts for a larger percentage of the bank’s loan portfolio, the number of originations within the review period was not as significant when compared to the number of consumer, small business, and small farm loan originations.

Loan Portfolio Composition as of December 31, 2022		
Loan Type	\$(000)	%
Consumer	18,624	29.3
Commercial	18,439	28.9
Residential Real Estate	14,178	22.3
Agricultural	12,062	18.9
Other	366	0.6
Gross Loans	63,669	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The Reserve Bank rated the bank’s CRA performance as **Outstanding** at the previous evaluation, dated May 7, 2018. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF THE ASSESSMENT AREA

The Mason County Nonmetropolitan AA consists of the entirety of Mason County, Texas. Mason County is a rural county located in the Hill Country region of central Texas. Refer to Appendix A for an AA map and Appendix B for additional demographic data.

- The AA delineation remains unchanged since the prior evaluation.
- According to the 2022 FFIEC Census data, the AA’s composition consists of two upper-income census tracts. Prior to 2022, the AA contained one moderate- and one upper-income census tract.
- The bank’s sole branch is located in the county seat of Mason, which is in a central location within the AA.
- As of June 30, 2022, the bank ranked first of three federally-insured institutions in the AA, with \$121.9 million in deposits or 51.1 percent of the deposit market share. The Commercial Bank, the bank’s closest competitor within the AA, maintains 35.3 percent of the market share.

2022 Population Change			
Assessment Area: Mason County Nonmetropolitan			
Area	2015 Population	2020 Population	Percent Change
Mason County Nonmetropolitan	4,066	3,953	-2.8
NonMSA Texas	3,060,473	3,051,458	-0.3
Texas	26,538,614	29,145,505	9.8
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

- While the population of the state of Texas increased between 2015 and 2020, Mason County experienced a decline in population as did nonmetropolitan areas in Texas.
- The community contact stated the decrease in population is mainly due to the exit of younger individuals moving away to pursue educational and job opportunities outside the AA and older residents moving to areas with closer access to health care.
- The community contact noted that the population decline can also be attributed to fewer people being able to afford the increased housing cost in the AA.

2022 Median Family Income Change			
Assessment Area: Mason County Nonmetropolitan			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Mason County Nonmetropolitan	56,114	86,364	53.9
NonMSA Texas	57,030	61,785	8.3
Texas	68,523	76,073	11.0

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

- According to the 2020 American Community Survey (ACS), the AA has 1,128 families, of which 24.8 percent are classified as low- or moderate-income (LMI) families. This figure is well below the percentage of LMI families in the state of Texas, at 39.7 percent. Additionally, 4.1 percent of the AA families live below the poverty level, which is significantly lower than the family poverty rate for the state of Texas, at 10.9 percent.
- The AA median family income (MFI) increased 53.9 percent between 2015 and 2020, which is significantly greater than the increase in the state of Texas. The community contact stated this was most likely due to the increased ability to work remotely during the pandemic and people relocating to the area who have higher paying jobs.

2022 Housing Cost Burden						
Assessment Area: Mason County Nonmetropolitan						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Mason County Nonmetropolitan	70.7	30.4	36.4	81.6	20.0	24.1
NonMSA Texas	64.3	30.7	35.0	48.0	20.6	16.4
Texas	77.4	42.4	42.4	57.5	30.9	19.2

*Cost burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy*

- In 2022, the AA consisted of 2,755 housing units with a median age of 56 years. The AA median housing value of \$219,811 is above the \$187,200 median housing value for the state of Texas.
- In addition, home prices in the AA are above those of the state of Texas, with 31.1 percent of homes under \$150,000 in the AA compared to 37.7 percent in the state.

- The AA housing affordability index¹, at 28.3 percent, indicates that AA housing is less affordable than housing in the state of Texas, at 34.1 percent.
- The housing cost burden for low-income borrowers is well above that experienced by owners in NonMSA Texas and the state of Texas as a whole, which validates housing cost as an entry barrier.

2022 Unemployment Rates					
Assessment Area: Mason County Nonmetropolitan					
Area	2017	2018	2019	2020	2021
Mason County Nonmetropolitan	3.4	3.1	3.2	5.5	4.7
NonMSA Texas	4.9	4.1	3.7	7.2	6.0
Texas	4.3	3.9	3.5	7.7	5.7

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

- Unemployment rates in the AA remained relatively stable from 2017 through 2019, with a significant increase noted in 2020. The increase is attributed to the effects of the COVID-19 pandemic and related restrictions to prevent contagion. Throughout the review period, unemployment rates in the AA remained below the unemployment rates in nonmetropolitan areas within the state of Texas and the state of Texas as a whole.
- According to 2022 Dun & Bradstreet (D&B) data, 205 businesses and 56 small farms operated in the AA, of which 89.8 percent and 96.5 percent reported revenues of less than \$1 million, respectively.
- The AA economy is mostly driven by health care and social assistance services, educational services, and agriculture, forestry, fishing, and hunting.
- The community contact indicated the Mason Independent School District is the county's largest employer.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall performance is Satisfactory. Mason's 19-quarter average NLTD reflects the bank's efforts to lend. The bank extended the majority of its loans within the delineated AA and its lending levels reflect good responsiveness to the AA's credit needs. In addition, lending reflects a reasonable distribution among individuals with different income levels and businesses and farms of different sizes.

Net Loan-to-Deposit Ratio

This performance criterion evaluates Mason's 19-quarter average NLTD to determine the reasonableness of lending considering performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and the average NLTD ratios of four similarly situated institutions insured by the Federal Deposit Insurance Corporation (FDIC). The similarly situated institutions were selected based on their proximity, product offerings, and similar size and structure.

¹ The housing affordability index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.

The bank's average NLTD is reasonable and within the range of average NLTDs of the similarly situated banks, which ranged from 13.5 percent to 54.2 percent. The bank's average NLTD reflects the institution's willingness to extend credit given the demands and opportunities in the AA. Although Mason has experienced significant growth in deposits, which is reflective of the change in census tract demographics, the bank's NLTD has remained consistent throughout the review period.

Comparative NLTD Ratios April 1, 2018 – December 31, 2022			
Institution	Location	Asset Size \$(000)	19-Quarter Average NLTD Ratio (%)
Mason Bank	Mason, Texas	143,946	43.4
Similarly Situated Institutions			
Similar Banks	Mason, Texas	100,495	54.2
	Brady, Texas	144,914	50.9
	Junction, Texas	90,982	21.5
	San Saba, Texas	89,516	13.5

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank's AA. Mason originated a majority of loans inside the AA. Though the percentage of small business loans originated in the AA is lower than the percentage of other loan products, 2022 D&B data indicate 205 businesses operate in the AA. The bank originated 27 small business loans to this relatively small pool of potential borrowers in the six-month review period, which reflects favorably on the bank's responsiveness to the credit needs of AA businesses. Additionally, 11 of the 26 sampled small business loans originated outside of the bank's AA were originated in a contiguous county. Given the rural nature of the area, it is likely that many of these businesses, while outside the AA, serve the Mason County residents.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Motor Vehicle	50	82.0	833	87.8	11	18.0	115	12.2
Small Business	27	50.9	3,037	47.6	26	49.1	3,346	52.4
Small Farm	32	60.4	1,948	51.8	21	39.6	1,814	48.2
TOTAL LOANS	109	65.3	5,818	52.4	58	34.7	5,275	47.6

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. Given that the Mason County Nonmetropolitan AA is comprised of two upper-income census tracts, a meaningful analysis of the geographic distribution of loans among census tracts of different income levels for this AA could not be conducted.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. The bank’s lending has an excellent distribution among individuals of different income levels and businesses and farms of different size. Mason’s motor vehicle lending performance received the greatest weight in determining the bank’s overall performance rating, as motor vehicle lending represented the largest portion of the reviewed loans. Moreover, consumer loans represent the largest percentage of the bank’s loan portfolio.

Small Business Lending

The borrower distribution of small business lending is reasonable. As shown in the table below, the bank’s lending to businesses with annual revenues of \$1 million or less is below the total percentage of AA businesses reporting revenues of \$1 million or less. Analysis of the bank’s performance is adversely impacted, as revenue information was not collected for 22.2 percent of the sampled small business loans. However, all loans for which the bank collected revenue information were made to businesses with revenues less than \$1 million.

Another way to gauge the bank’s small business lending performance is to review the data by loan amount, as small businesses typically require smaller dollar credit. A substantial majority of the bank’s small business loans during the review period was originated in amounts of \$100,000 or less, which demonstrates Mason’s willingness to extend small-dollar loans to meet the credit needs of small businesses in the AA.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Mason County Nonmetropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	21	77.8	2,098	69.1	89.8
Over \$1 Million	0	0.0	0	0.0	7.3
Revenue Unknown	6	22.2	939	30.9	2.9
Total	27	100.0	3,037	100.0	100.0
By Loan Size					
\$100,000 or Less	19	70.4	759	25.0	
\$100,001 - \$250,000	5	18.5	863	28.4	
\$250,001 - \$1 Million	3	11.1	1,415	46.6	
Total	27	100.0	3,037	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	15	71.4	535	25.5	
\$100,001 - \$250,000	5	23.8	863	41.1	
\$250,001 - \$1 Million	1	4.8	700	33.4	
Total	21	100.0	2,098	100.0	
Source: 2022 FFIEC Census Data					
2022 Dun & Bradstreet Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Small Farm Lending

Mason’s lending distribution among farms of different revenue sizes is reasonable. According to 2022 D&B data, the bank’s lending to small farms with annual revenues of \$1 million or less is below the demographic figure, as almost all AA farms report annual revenues of \$1 million or less. Analysis of the bank’s performance is adversely impacted, as the annual revenue was not collected for approximately 25 percent of the sampled small farm loans. However, all loans except one for which the bank collected revenues were made to farms with revenues less than \$1 million.

As mentioned previously, another way to gauge the bank’s small farm lending performance is to review the data by loan amount, as smaller farms typically require smaller dollar credit. The table below illustrates that the bank originated a substantial majority of its small farm loans by number in amounts of \$100,000 or less, which demonstrates efforts to meet the credit needs of small farms in the AA.

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Mason County Nonmetropolitan					
	Bank Loans				Total Farms
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	23	71.9	1,335	68.5	96.4
Over \$1 Million	1	3.1	5	0.3	1.8
Revenue Unknown	8	25.0	607	31.2	1.8
Total	32	100.0	1,948	100.0	100.0
By Loan Size					
\$100,000 or Less	28	87.5	505	25.9	
\$100,001 - \$250,000	1	3.1	192	9.9	
\$250,001 - \$500,000	3	9.4	1,251	64.2	
Total	32	100.0	1,948	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	20	87.0	392	29.4	
\$100,001 - \$250,000	1	4.3	192	14.4	
\$250,001 - \$500,000	2	8.7	751	56.3	
Total	23	100.0	1,335	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Consumer Lending: Motor Vehicle Lending

The borrower distribution of motor vehicle lending is excellent. The bank’s lending to LMI borrowers significantly exceeds the percentage of LMI households in the AA (the demographic figure). Lending to LMI borrowers (62.0 percent) significantly exceeded the percentage of LMI households (34.9 percent) reflecting favorably on the bank’s responsiveness to the credit needs of LMI borrowers.

Distribution of 2022 Motor Vehicle Lending By Borrower Income Level					
Assessment Area: Mason County Nonmetropolitan					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	#%	\$(000)	%	
Low	17	34.0	220	26.4	19.2
Moderate	14	28.0	110	13.2	15.7
Middle	12	24.0	186	22.3	13.1
Upper	7	14.0	317	38.1	51.9
Unknown	0	0.0	0	0.0	0.0
Total	50	100.0	833	100.0	100.0

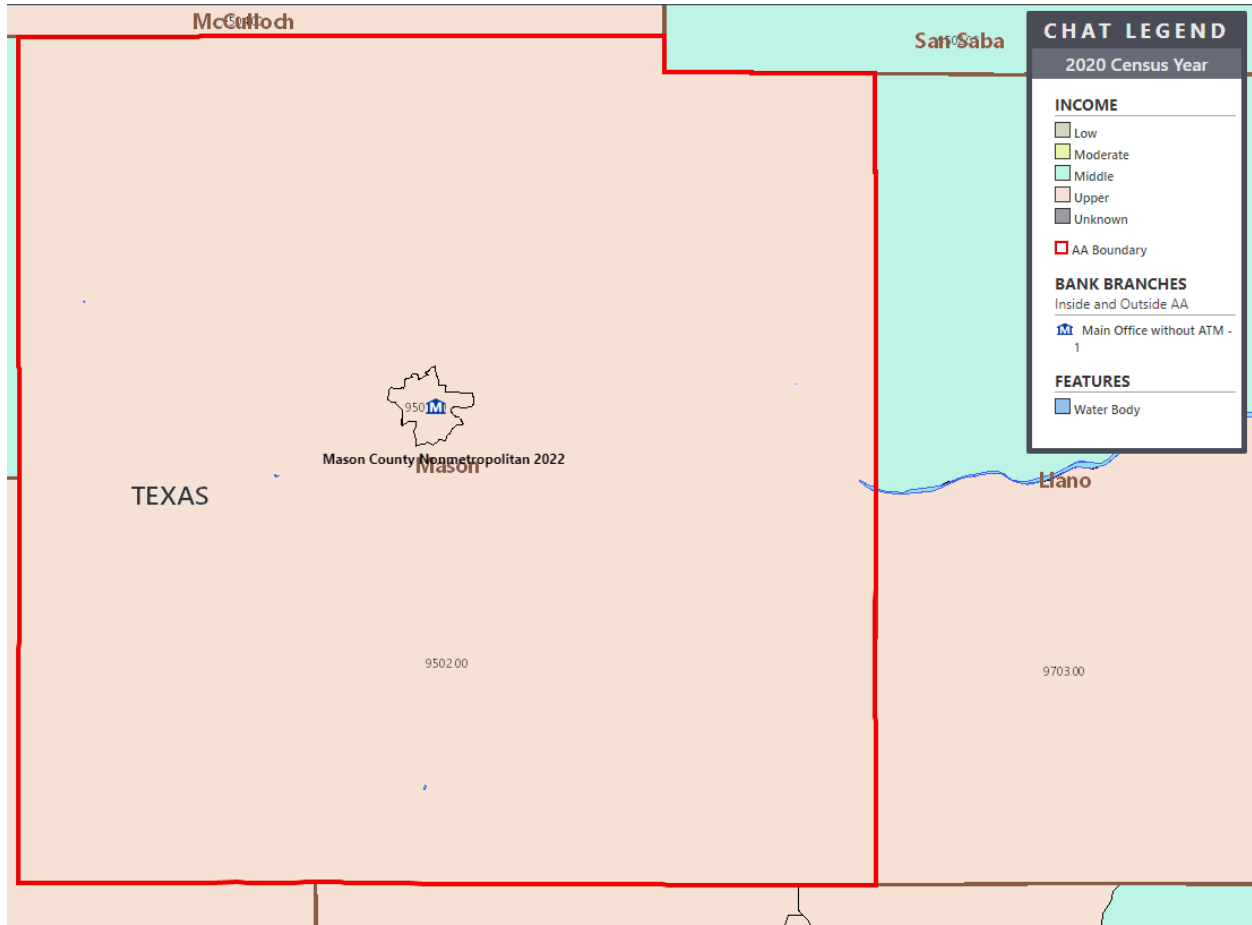
Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

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.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Mason County Nonmetropolitan



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2022 Mason County Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	136	12.1
Moderate	0	0.0	0	0.0	0	0.0	143	12.7
Middle	0	0.0	0	0.0	0	0.0	223	19.8
Upper	2	100.0	1,128	100.0	46	4.1	626	55.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,128	100.0	46	4.1	1,128	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	0	0	0.0	0.0	0	0.0	0	0.0
Upper	2,755	1,253	100.0	45.5	415	15.1	1,087	39.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	2,755	1,253	100.0	45.5	415	15.1	1,087	39.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	205	100.0	184	100.0	15	100.0	6	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	205	100.0	184	100.0	15	100.0	6	100.0
Percentage of Total Businesses:			89.8		7.3		2.9	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	56	100.0	54	100.0	1	100.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	56	100.0	54	100.0	1	100.0	1	100.0
Percentage of Total Farms:			96.4		1.8		1.8	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

Table B-2

2021 Mason County Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	185	17.1
Moderate	1	50.0	469	43.2	77	16.4	221	20.4
Middle	0	0.0	0	0.0	0	0.0	234	21.6
Upper	1	50.0	616	56.8	26	4.2	445	41.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,085	100.0	103	9.5	1,085	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	1,112	666	49.4	59.9	214	19.2	232	20.9
Middle	0	0	0.0	0.0	0	0.0	0	0.0
Upper	1,640	682	50.6	41.6	152	9.3	806	49.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	2,752	1,348	100.0	49.0	366	13.3	1,038	37.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	108	53.2	92	51.1	11	68.8	5	71.4
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	95	46.8	88	48.9	5	31.3	2	28.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	203	100.0	180	100.0	16	100.0	7	100.0
Percentage of Total Businesses:				88.7		7.9		3.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	11	20.0	11	20.8	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	44	80.0	42	79.2	1	100.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	55	100.0	53	100.0	1	100.0	1	100.0
Percentage of Total Farms:				96.4		1.8		1.8
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-3

2020 Mason County Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	185	17.1
Moderate	1	50.0	469	43.2	77	16.4	221	20.4
Middle	0	0.0	0	0.0	0	0.0	234	21.6
Upper	1	50.0	616	56.8	26	4.2	445	41.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	2	100.0	1,085	100.0	103	9.5	1,085	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	1,112	666	49.4	59.9	214	19.2	232	20.9
Middle	0	0	0.0	0.0	0	0.0	0	0.0
Upper	1,640	682	50.6	41.6	152	9.3	806	49.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	2,752	1,348	100.0	49.0	366	13.3	1,038	37.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	105	53.3	89	51.1	12	70.6	4	66.7
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	92	46.7	85	48.9	5	29.4	2	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	197	100.0	174	100.0	17	100.0	6	100.0
Percentage of Total Businesses:				88.3		8.6		3.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	11	20.4	11	21.2	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	43	79.6	41	78.8	1	100.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	54	100.0	52	100.0	1	100.0	1	100.0
Percentage of Total Farms:				96.3		1.9		1.9
<p>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</p>								

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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

loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

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

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

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution

maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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