



**PUBLIC DISCLOSURE**

**November 7, 2022**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Bank of Charlotte County**

**Phenix, Virginia**

**Federal Reserve Bank of Richmond  
Richmond, Virginia**

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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PERFORMANCE EVALUATION**

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667524

P.O Box 336

Phenix, VA 23959

**Federal Reserve Bank of Richmond**

**P. O. Box 27622**

**Richmond, Virginia 23261**

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **SATISFACTORY**.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered reasonable given the bank's size, financial condition, and credit needs of its assessment areas.
- A majority of the institution's residential real estate and small business loans considered in the evaluation were originated within the bank's assessment areas.
- The bank's borrower distribution performance (lending to low- and moderate-income borrowers and businesses having revenues of \$1 million or less) is considered reasonable.
- The bank's geographic distribution performance (lending in low- and moderate-income census tracts) is considered excellent.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

## SCOPE OF EXAMINATION

The Bank of Charlotte County (BCC) was evaluated using the interagency examination procedures for small banks developed by the Federal Financial Institutions Examination Council (FFIEC). Due to changes in the Home Mortgage Disclosure Act (HMDA) reporting volume thresholds effective July 1, 2020, BCC was not required to report its residential mortgage loan data. Residential mortgage and small business lending were identified as primary product lines given the number and dollar volume of loans originated during the review period. The analysis included the universe of 76 residential real estate loans and 93 small business loans originated by the bank during calendar year 2021.

Based on the FFIEC's evaluation procedures, ratings are assigned to the institution and are based only on the performance in the assessment areas subject to full-scope review. Because of the relative size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the Charlotte County, VA NonMSA assessment area. The Lynchburg, VA assessment area was subject to the limited review procedures provided for by the FFIEC, and a determination was made as to whether the performance was consistent with the institution's overall assigned rating. **Appendix B** includes information regarding the loan, branch, and deposit volumes by assessment area.

## DESCRIPTION OF INSTITUTION

BCC is headquartered in Phenix, Virginia, and operates four full-service branch offices and three loan production offices (LPOs) in the south-central region of Virginia. The institution is a wholly owned subsidiary of BCC Bankshares, Inc., a single bank holding company, also located in Phenix, Virginia. The bank's previous CRA rating, dated October 17, 2016, was Satisfactory. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment areas.

BCC operates in two assessment areas within southern and central Virginia. The Charlotte County, VA NonMSA assessment area includes all or a portion of the census tracts in four contiguous counties in southern Virginia. The Lynchburg, VA assessment area includes a portion of the Lynchburg, VA MSA. The bank has not opened or closed any branches since the previous examination. BCC opened a LPO in Lynchburg, VA in September 2017, and based on this and lending patterns in subsequent years, the bank expanded its Lynchburg, VA assessment area in 2021 to include Bedford County and the City of Lynchburg. Similarly, BCC expanded its Charlotte County, NonMSA assessment area in 2021 to include the entirety of Halifax County based on lending patterns.

As of September 30, 2022, BCC had total assets of \$186.1 million, of which 67.1% were net loans and 21.9% were securities. As of the same date, deposits totaled \$165.8 million. Various deposit and loan products are available through the institution, including loans for residential mortgage, consumer, and business purposes. The composition of the loan portfolio (using gross loans) as of September 30, 2022, is depicted in the following table.

**Composition of Loan Portfolio**

Loan Type	9/30/2022	
	\$(000s)	%
Secured by 1-4 Family dwellings	58,063	46.0
Multifamily	1,052	0.8
Construction and Development	3,073	2.4
Commercial & Industrial/ NonFarm NonResidential	36,648	29.0
Consumer Loans and Credit Cards	4,621	3.7
Agricultural Loans/ Farmland	22,171	17.6
All Other	572	0.5
<b>Total</b>	<b>126,200</b>	<b>100.0</b>

As indicated by the preceding table, the bank is an active residential mortgage and commercial/small business lender. Although the bank offers a variety of lending products other than residential mortgage and commercial loans, such lending represents a smaller portion of overall lending activity. Due to their relative size and prominence compared to other loan products, residential mortgage and commercial/small business loans were used for this evaluation.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

When evaluating a bank’s residential mortgage lending performance, relevant area demographic data from the American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in this performance evaluation is based on ACS data that is updated once every five years. As such, when evaluating the bank’s performance, relevant area demographic data from the 2015 ACS is used as a proxy for loan demand. Dun & Bradstreet (D&B) business demographic data from 2021 is considered when evaluating the bank’s small business lending performance.

Aggregate loan data is also used as a proxy for demand when evaluating the bank’s lending performance. Aggregate HMDA data includes all activity by lenders subject to reporting residential mortgage data within the bank’s assessment areas. Since the bank was not subject to HMDA reporting in 2021, BCC’s lending activity is not included in the aggregate HMDA data. Nevertheless, the aggregate data serves as a meaningful proxy for residential mortgage loan demand in the area. Similarly, the aggregate CRA data includes all activity by lenders subject to reporting small business data within the assessment areas. Because the bank is not required to report small business loan data, BCC’s small business loans are not included in the aggregate data.

When evaluating the borrower and geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number (and corresponding percentage) of loans originated or purchased. To arrive at an overall assessment area level conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by dollar volume of such loans made in the assessment area. Within the Charlotte County, VA NonMSA assessment area, BCC originated 35 residential mortgage loans totaling \$4 million and 66 small business loans totaling \$4.7 million during 2021. Accordingly, small business lending carries slightly greater weight in determining overall performance.

**Loan-To-Deposit Ratio**

The bank’s loan-to-deposit ratio as of September 30, 2022, equaled 75.3% and averaged 80.8% for the preceding 24-quarter period. In comparison, the average quarterly loan-to-deposit ratios for two similarly situated institutions that operate in at least one of BCC’s assessment areas ranged from 73.4% to 94.5% during the same 24-quarter period ending September 30, 2022. Since December 31, 2016, BCC’s assets, loans, and deposits have increased by 37.3%, 27.1%, and 48.6%, respectively. The bank’s loan-to-deposit ratio is considered reasonable given the institution’s size, financial condition, market conditions, and local credit needs.

**Lending in Assessment Areas**

To determine the institution’s volume of lending within its assessment areas, the geographic location of the bank’s residential mortgage and small business loans included in this evaluation were considered. The lending distribution inside and outside of the bank’s assessment areas is represented in the following table.

**Comparison of Credit Extended Inside and Outside of Assessment Area(s)**

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Small Business	75	80.6	5,651	74.0	18	19.4	1,989	26.0
Mortgage Loans	48	63.2	7,210	55.8	28	36.8	5,705	44.2
<b>TOTAL LOANS</b>	<b>123</b>	<b>72.8</b>	<b>12,861</b>	<b>62.6</b>	<b>46</b>	<b>27.2</b>	<b>7,694</b>	<b>37.4</b>

As evidenced in the preceding table, a majority of the total number (72.8%) and dollar amount (62.6%) of small business and residential mortgage loans considered in the evaluation were originated within the bank’s two assessment areas. Overall, the institution’s level of lending within its assessment area is considered responsive to community credit needs.

**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. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

**NONMETROPOLITAN AREA**

*(If some or all of the assessment areas within the nonmetropolitan statewide area were reviewed using full-scope review)*

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN CHARLOTTE COUNTY, VA  
NONMSA ASSESSMENT AREA**

BCC operates three full-service branches and two LPOs within the Charlotte County, VA NonMSA assessment area. The assessment area consists of Charlotte County, Halifax County, and Prince Edward County in their entirety, and a portion of Lunenburg County, in the south-central portion of the Commonwealth of Virginia. The bank has not opened or closed any branches in the assessment area since the previous evaluation. As previously mentioned, the assessment area was expanded in 2021 to include the entirety of Halifax County based on recent lending activity throughout the area.

As of June 30, 2022, BCC ranked 6<sup>th</sup> out of 11 financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held 8.1% of the assessment area's deposits (excluding credit union deposits).

According to 2015 ACS data, the assessment area has a population of 74,798 and a median housing value of \$114,316. The owner-occupancy rate for the assessment area (55%) is lower than the owner-occupancy rate for the Commonwealth of Virginia (59.2%) and the rate in nonmetropolitan areas of Virginia (57.8%). The percentage of area families living below the poverty level (14.1%) is higher than the rates in the Commonwealth of Virginia (8.2%) and in nonmetropolitan areas of the Commonwealth (13.3%). The 2021 HUD estimated median family income for nonmetropolitan areas of Virginia equaled \$58,900. The following table includes pertinent demographic data for the assessment area.

**Assessment Area Demographics**

Charlotte County, VA NonMSA (Based on 2015 ACS Data and 2021 D&B Information)								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,325	23.7
Moderate	2	11.1	2,239	12.3	354	15.8	3,298	18.1
Middle	15	83.3	16,024	87.7	2,224	13.9	4,051	22.2
Upper	0	0.0	0	0.0	0	0.0	6,597	36.0
NA	1	5.6	8	0.0	0	0.0		
<b>Total</b>	<b>18</b>	<b>100.0</b>	<b>18,271</b>	<b>100.0</b>	<b>2,578</b>	<b>14.1</b>	<b>18,271</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	7,683	27.3
Moderate	2,518	12.8	3,200	11.4	726	22.7	4,916	17.5
Middle	17,223	87.2	24,929	88.5	4,846	19.4	4,713	16.7
Upper	0	0.0	0	0.0	0	0.0	10,836	38.5
NA	8	0.0	19	0.1	0	0.0		
<b>Total</b>	<b>19,749</b>	<b>100.0</b>	<b>28,148</b>	<b>100.0</b>	<b>5,572</b>	<b>19.8</b>	<b>28,148</b>	<b>100.0</b>
	Total Businesses by Tract		Businesses by Tract and 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	155	6.0	141	5.9	6	3.4	8	17.0
Middle	2,440	93.7	2,229	93.7	172	96.6	39	83.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	10	0.3	10	0.4	0	0.0	0	0.0
<b>Total</b>	<b>2,605</b>	<b>100.0</b>	<b>2,380</b>	<b>100.0</b>	<b>178</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.4		6.8		1.8

\*NA-Tracts without household or family income as applicable

As the table indicates, the assessment area has no low- and two moderate-income census tracts. Additionally, data published by the FFIEC states that seven of the 15 middle-income census tracts were classified as being distressed and/or underserved during 2021. Underserved census tracts are typically located in rural communities that may lack certain community services/infrastructure and are also distant from more urban population centers. Specifically, two census tracts in Charlotte County and one in Lunenburg County were considered underserved. Additionally, four census tracts in Prince Edward County were considered distressed due to high poverty levels.

The assessment area has a variety of industries that drive the local economy. Employment sectors such as health care, retail, educational services, manufacturing, along with local and state government provide the majority of employment to the area. Major area employers include Halifax Regional Hospital, Centra Health, Dolgencorp, LLC (Dollar General), Food Lion, Southside Virginia Community College, Longwood University, Halifax County School Board and Mecklenburg County School Board. Current and recent periodic unemployment rates are included in the following table.



Charlotte County, VA NonMSA Unemployment Rates							
Geographic Area	Sept. 2016	Sept. 2017	Sept. 2018	Sept. 2019	Sept. 2020	Sept. 2021	Sept. 2022
Charlotte County, VA	5%	4.1%	3.3%	3.2%	5.1%	3%	2.6%
Prince Edward County, VA	5.2%	4.5%	3.5%	3.4%	6%	4.2%	3%
Halifax County, VA	5.8%	4.7%	3.8%	3.7%	6.6%	4.3%	3.2%
Lunenburg County, VA	4.7%	3.7%	3%	3.1%	5.5%	3.2%	3.2%
Commonwealth of Virginia	4.1%	3.5%	2.7%	2.6%	6%	3.4%	2.6%

Since the previous evaluation, the assessment area experienced declining unemployment rates up to 2020 that trended higher than the Commonwealth of Virginia. The increase in unemployment rates in 2020 due to the impact of the COVID-19 pandemic and subsequent economic shut down was consistent throughout the assessment area and the state as a whole. Since 2020, unemployment rates have significantly decreased. Unemployment rates in the assessment area are stabilizing, but still generally remain higher than the Commonwealth of Virginia.

A local economic development official was contacted during the evaluation to discuss the local economic conditions and credit needs. The contact indicated that the area is rebounding well from the pandemic; businesses are moving into the area and the job market is improving. Workforce retention remains a challenge as competition for quality labor and wages has increased. The contact also stated that local financial institutions are playing a vital role in spurring economic growth and development within the market.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Lending to Borrowers of Different Incomes and To Businesses of Different Sizes

BCC's borrower distribution is considered reasonable for residential mortgage and small business lending.

#### Distribution of Mortgage Loans by Income Level of Borrower

Charlotte County, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>Mortgage Loan Totals</b>								
Low	2	9.1	193	7.5	96	7.0	8,883	3.9
Moderate	5	22.7	521	20.3	280	20.4	33,674	14.7
Middle	7	31.8	605	23.6	343	25.0	53,563	23.4
Upper	8	36.4	1,242	48.6	653	47.6	132,351	58.0
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>2,561</b>	<b>100.0</b>	<b>1,372</b>	<b>100.0</b>	<b>228,471</b>	<b>100.0</b>
Unknown	13		1,432		411		73,999	

Percentages (%) are calculated on all loans where incomes are known

During 2021, BCC originated 13 loans totaling \$1.4 million within the assessment area for which borrower incomes were unknown. These loans were typically made to business entities and used as investment properties. The bank's residential mortgage lending to low-income borrowers (9.1%) substantially lagged the percentage of low-income families in the area (23.7%) but exceeded the aggregate level of lending (7%). Conversely, the bank's lending to moderate-income borrowers (22.7%) exceeded the percentage of moderate-income families in the area (18.1%) and the aggregate level of lending (20.4%). Overall, BCC's performance is considered reasonable.

**Distribution of Lending by Loan Amount and Size of Business**

Charlotte County, VA NonMSA (2021)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	27	40.9	1,597	34.2	517	51.1	15,708	47.9
Over \$1 Million	16	24.2	2,350	50.3	NA	NA	NA	NA
Unknown	23	34.9	724	15.5	NA	NA	NA	NA
by Loan Size	Bank				Aggregate*			
\$100,000 or less	49	74.2	1,650	35.3	954	94.4	12,850	39.2
\$100,001-\$250,000	15	22.7	2,450	52.5	30	3.0	5,044	15.4
\$250,001-\$1 Million	2	3.1	570	12.2	27	2.6	14,888	45.4
<b>Total</b>	<b>66</b>	<b>100.0</b>	<b>4,670</b>	<b>100.0</b>	<b>1,011</b>	<b>100.0</b>	<b>32,782</b>	<b>100.0</b>

\* No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues

D&B data from 2021 indicates that 91.4% of all local businesses have revenues that do not exceed \$1 million per year. According to the 2021 aggregate small business data, 51.1% of reported loans were to businesses with annual revenues of \$1 million or less. During 2021, 40.9% of BCC’s loans were to businesses with annual revenue of \$1 million or less.

As the table indicates, the bank originated 23 small business loans where revenue was not utilized in the credit decision, and therefore, considered unknown for this analysis. For additional performance context, consideration was given to the number of loans originated in amounts of \$100,000 or less. Loan size serves as a proxy for comparison when revenue information is unknown, as loans in smaller amounts are more likely to serve businesses with revenues of \$1 million or less. During 2021, the bank originated 74.2% of its small business loans in amounts of \$100,000 or less. While this level of lending lags the aggregate lending level (94.4%), given the need for such lending within the assessment area, overall BCC’s performance is considered reasonable.

**Geographic Distribution of Loans**

As previously stated, the assessment area does not contain any low-income census tracts. Conclusions were made based on the bank’s lending activity in moderate-income census tracts and demographic composition as a proxy for demand. BCC’s geographic distribution performance is considered excellent for both residential mortgage and small business lending.

**Distribution of Mortgage Loans by Income Level of Census Tract**

Charlotte County, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
<b>Mortgage Loan Totals</b>								
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	22.9	680	17.0	135	7.6	20,547	6.8
Middle	27	77.1	3,313	83.0	1,634	91.6	279,148	92.3
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	0	0.0	0	0.0	14	0.8	2,775	0.9
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>3,993</b>	<b>100.0</b>	<b>1,783</b>	<b>100.0</b>	<b>302,470</b>	<b>100.0</b>

NA\*-Tracts without household or family income as applicable

In 2021, the bank’s lending within moderate-income census tracts (22.9%) significantly exceeded the aggregate lending level (7.6%) and the level of owner-occupied housing units located in moderate-income tracts (12.8%). This level of lending is considered to be excellent.

**Distribution of Small Business Loans by Income Level of Census Tract**

Charlotte County, VA NonMSA (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	9	13.6	324	6.9	81	8.1	3,532	10.8
Middle	57	86.4	4,346	93.1	915	91.8	29,119	89.2
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	0	0.0	0	0.0	1	0.1	4	0.0
<b>Total</b>	<b>66</b>	<b>100.0</b>	<b>4,670</b>	<b>100.0</b>	<b>997</b>	<b>100.0</b>	<b>32,655</b>	<b>100.0</b>

\*NA-Tracts without household or family income as applicable  
Loans where the geographic location is unknown are excluded from this table.

BCC’s small business lending in moderate-income census tracts (13.6%) exceeded both the percentage of businesses located in such tracts of the assessment area (6%) and the aggregate lending level (8.1%). As such, the institution’s small business geographic distribution performance is considered excellent.

**METROPOLITAN AREAS**

*(For each metropolitan area where no assessment areas were reviewed using full-scope review)*

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE METROPOLITAN AREA**

The Lynchburg, VA assessment area was reviewed using the limited review examination procedures. This assessment area includes Bedford County, Campbell County, and the City of Lynchburg and has a population of 209,633. BCC operates one branch within the assessment area located in a middle-income census tract. The 2021 HUD estimated median family income in the Lynchburg, VA MSA equaled \$73,700.

<b>Lynchburg, VA Assessment Area Demographics</b> <i>(Based on 2015 ACS data and 2021 D&amp;B data)</i>					
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Percentage of Area Businesses
	#	%			
Low	1	2.1%	20.8%	2.3%	1.7%
Moderate	12	25%	17.4%	18.6%	22.5%
Middle	27	56.3%	21.5%	55.9%	50.8%
Upper	8	16.7%	40.3%	23.2%	25%
NA	0	0%	0%	0%	0%
Total	48	100%	100%	100%	100%
Area Businesses with Revenue of \$1 million or less					91.8%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX A** of this evaluation. A conclusion regarding performance, which did not impact the institution’s overall rating, is included in the following table. The conclusion conveys whether performance in the assessment area was generally below, consistent with, or exceeded the institution's overall rating.

<b>Assessment Area</b>	<b>Lending Test</b>
Lynchburg, VA	Below

CRA APPENDIX A

LIMITED REVIEW TABLE

**Lynchburg, VA Assessment Area**

The bank operates one branch and one LPO in this assessment area, which includes the entirety of Campbell County, Bedford County, and the City of Lynchburg. There is one low- and 12 moderate-income census tracts within the assessment area. As previously mentioned, the bank previously only served Campbell County within the Lynchburg, VA MSA but expanded the assessment area in 2021 to include Bedford County and the City of Lynchburg based on recent lending patterns.

**Performance Test Data for Lynchburg, VA Assessment Area**

**Limited Review Lending Table**

Lynchburg, VA (2021)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Mortgage Loan Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(13)</b>				<b>(NA)</b>			
Low	0	0.0	0.0	1.9	NA	NA	NA	NA
Moderate	1	7.7	15.5	14.2	NA	NA	NA	NA
Middle	12	92.3	67.5	59.7	NA	NA	NA	NA
Upper	0	0.0	17.0	24.3	NA	NA	NA	NA
<i>Borrower</i>	<b>(10)</b>				<b>(NA)</b>			
Low	3	30.0	10.9	20.8	NA	NA	NA	NA
Moderate	2	20.0	28.0	17.4	NA	NA	NA	NA
Middle	2	20.0	28.5	21.5	NA	NA	NA	NA
Upper	3	30.0	32.5	40.3	NA	NA	NA	NA
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(9)</b>				<b>(NA)</b>			
Low	0	0.0	0.0	1.7	NA	NA	NA	NA
Moderate	0	0.0	19.3	22.5	NA	NA	NA	NA
Middle	9	100.0	64.2	50.8	NA	NA	NA	NA
Upper	0	0.0	16.6	25.0	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	4	44.4	51.3	91.8	NA	NA	NA	NA

*Geographic ( ) represents the total number of bank loans for the specific Loan Purpose where geography is known*

*Borrower ( ) represents the total number of bank loans for the specific Loan Purpose where income is known*

*NA represents no activity in the income category*

Residential mortgage and small business loan volume is limited within the assessment area. Based on the data available, borrower distribution performance is considered excellent for residential mortgage and reasonable for small business lending. Geographic distribution performance is considered poor for residential mortgage and very poor for small business lending.

**CRA APPENDIX B**

**LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA**

The following table includes the distribution of BCC’s branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits as of June 30, 2022, while the loan volume includes all residential mortgage and small business loans considered in the evaluation.

Assessment Area	Loan Volume				Full-Service Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Charlotte County, VA NonMSA	101	82.1%	\$8,663	67.4%	3	75%	\$127,474	75.7%
Lynchburg, VA	22	17.9%	\$4,198	32.6%	1	25%	\$40,976	24.3%
<b>TOTAL</b>	123	100%	\$12,861	100%	4	100%	\$168,450	100%

## CRA 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:** 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).

**Full-scope review:** Performance under the Lending Test (and if applicable, consideration of investments and services) 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 under the Lending Test (and if applicable, consideration of investments and services) 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.

**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 Consolidated Report 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.

**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.