



**PUBLIC DISCLOSURE**

**September 11, 2023**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Bank of Romney**

**Romney, West 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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722432

95 East Main Street

Romney, WV 26757

**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 **Outstanding**.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is considered more than reasonable given the bank's size, financial condition, and credit needs of its assessment areas.
- A majority of the bank's Home Mortgage Disclosure Act (HMDA) and consumer motor vehicle loans were originated inside the bank's assessment areas.
- The bank's borrower distribution (lending to individuals of different income levels) is considered excellent overall.
- The geographic distribution of loans reflects excellent dispersion (lending within low- and moderate-income tracts) throughout the assessment areas.
- The institution has not received any complaints regarding its CRA performance since the previous evaluation.

### SCOPE OF EXAMINATION

The Bank of Romney (BOR) was evaluated using the interagency examination procedures for small institutions developed by the Federal Financial Institutions Examination Council (FFIEC). Consistent with these procedures and based upon recent loans originated by the institution, HMDA loans and consumer motor vehicle loans were identified as primary credit products. The evaluation was based on all HMDA loans originated from calendar years 2021 and 2022 and a sample of consumer motor vehicle loans originated during 2022. Specifically, a sample of 148 consumer motor vehicle loans totaling \$2.4 million from a total universe of such lending (452 loans totaling \$6.6 million).

Currently, BoR serves two assessment areas located within West Virginia. Appendix A includes information detailing the lending volume, branch locations, and deposit volume by assessment area. Based upon location, relative market size as determined by loan activity, proportion of bank deposits, and market population, full-scope evaluation procedures were applied to the Winchester, WV assessment area and limited-scope procedures were applied to the Hagerstown-Martinsburg, WV assessment area. Appendix C includes information about the bank's performance in the limited scope assessment area.

### DESCRIPTION OF INSTITUTION

BOR is headquartered in Romney, West Virginia, the county seat of Hampshire County, located in West Virginia's eastern panhandle. The institution's previous CRA rating dated September 11, 2017, was Outstanding. No known legal impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

As of June 30, 2023, the bank's assets totaled \$354.9 million, of which 73.0% were net loans and 16.4% were securities. Deposits totaled \$260.9 million during the same period. Various deposit and loan products are available through the institution, including loans for residential mortgage, business, and consumer purposes. The composition of the loan portfolio (reflecting gross loans) as of June 30, 2023, is represented in the following table.

**Composition of Loan Portfolio**

Loan Type	6/30/2023	
	\$(000s)	%
Secured by 1-4 Family dwellings	152,029	58.1
Multifamily	4,314	1.6
Construction and Development	46,928	17.9
Commercial & Industrial/ NonFarm NonResidential	30,367	11.6
Consumer Loans and Credit Cards	17,830	6.8
Agricultural Loans/ Farmland	7,117	2.7
All Other	2,956	1.1
<b>Total</b>	<b>261,541</b>	<b>100.0</b>

As indicated in the preceding table, the bank’s existing loan portfolio is primarily concentrated in loans secured by residential real estate. Although construction and development loans comprise the second largest proportion of the loan portfolio by dollar volume, the actual number of such loans recently originated is relatively small in comparison to the number of recently originated consumer loans.

In April 2020, the Small Business Administration (SBA) implemented the Paycheck Protection Program (PPP). This program was designed to provide direct incentive for small businesses to promote workforce stability through employee retention, and promoting economic stability during the Coronavirus (COVID-19) pandemic. Since the introduction of PPP, BOR has originated 255 loans totaling \$9.6 million. Of this total, 131 loans totaling approximately \$5.0 million were originated in 2021. BOR’s origination of PPP loans is an example of the bank’s responsiveness to the area’s credit needs.

Based on branch locations and lending patterns, the bank delineated two assessment areas in West Virginia. No branches have been closed since the prior evaluation, however, one branch was opened on March 31, 2018 in Slanesville, WV which is located in the Winchester, WV assessment area.

Assessment Area	City/County	Census Tracts
Winchester, WV	Hampshire County, WV	All
Hagerstown-Martinsburg, WV	Morgan County, WV	All

The bank expanded the assessment area to include all of Morgan County, as lending volume began to increase in the nondelineated areas of the county. Morgan County was previously delineated as a partial county at the last evaluation.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

When evaluating the bank’s performance, relevant area demographic data from 2015 and 2020 American Community Survey (ACS) is used as a proxy for demand for residential mortgage and consumer motor vehicle loans. ACS data from 2015 is used in the analysis of 2021 lending data and ACS data from 2020 is utilized in the analysis of 2022 lending data. 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.

Aggregate lending data is also used as a proxy for demand when evaluating the bank’s HMDA lending performance. The aggregate data includes all activity reported by lenders subject to reporting HMDA data within the bank’s assessment areas. Because the bank is subject to HMDA data reporting, BOR’s residential mortgage loans are included in the aggregate data.

While HMDA loan data from calendar years 2021 and 2022 were fully analyzed and considered in the evaluation, bank and aggregate data from 2022 are presented in the analyses of geographic and borrower distribution performances. In instances where the performance varies significantly from the 2022 performance presented in the table, the variance and the corresponding impact on overall performance is discussed in the analysis. Appendix B includes the 2021 HMDA lending tables for reference.

The geographic and borrower distribution performance of HMDA loans focused on performance for Home Purchase, Home Improvement, Refinancing, and Multi-family loan categories. Performance for the Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains relatively few loans overall.

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, the strength of performance in each loan category is then generally weighted by dollar volume of such loans made in the assessment area.

### Loan-To-Deposit Ratio

The bank’s current loan-to-deposit ratio is 99.4% and averaged 97.9% for the preceding 24-quarter period ending June 30, 2023. In comparison, the average quarterly loan-to-deposit ratio for two similarly situated institutions operating in BOR’s assessment area ranged from 77.4% to 93.7% during the same 24-quarter period. Since December 31, 2017, BOR’s assets, net loans, and deposits have increased by 26.5%, 31.2%, and 26.4% respectively. Overall, the bank’s level of lending activity measured by its loan-to-deposit ratio is considered more than reasonable given the institution’s size, financial condition, and local credit needs.

### Lending In Assessment Area

To determine the institution’s volume of lending within its assessment area, the geographic location of the bank’s HMDA loans originated during calendar years 2021 and 2022 and the sample of consumer motor vehicle loans originated during 2022, were considered. The lending distribution inside and outside of the bank's assessment area is depicted in the following table.

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

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	161	58.3	21,553	47.4	115	41.7	23,881	52.6
Home Improvement	17	65.4	612	38.7	9	34.6	970	61.3
Refinancing	116	77.9	15,682	69.0	33	22.1	7,050	31.0
Multi-Family Housing	2	25.0	436	21.2	6	75.0	1,617	78.8
Loan Purpose Not Applicable	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose Closed/Exempt	29	76.3	1,721	64.6	9	23.7	944	35.4
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total HMDA related</b>	<b>325</b>	<b>65.4</b>	<b>40,004</b>	<b>53.7</b>	<b>172</b>	<b>34.6</b>	<b>34,462</b>	<b>46.3</b>
Consumer Loans*	131	88.5	2,171	91.7	17	11.5	196	8.3
<b>TOTAL LOANS</b>	<b>456</b>	<b>70.7</b>	<b>42,175</b>	<b>54.9</b>	<b>189</b>	<b>29.3</b>	<b>34,658</b>	<b>45.1</b>

*\*The number and dollar amount of loans reflects a sample of such loans originated during the evaluation period and does not reflect loan data collected or reported by the institution.*

As indicated in the preceding table, a majority of the number (70.7%) and dollar amount (54.9%) were extended within the bank’s assessment area. Overall, the institution’s level of lending within its assessment areas 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.

**METROPOLITAN AREAS**

(For metropolitan areas with some or all assessment areas reviewed using full-scope review)

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN WINCHESTER, WV ASSESSMENT AREA**

The Winchester, WV assessment area operates six full-service branches with ATMs and includes all of Hampshire County, which is part of the Winchester, VA-WV MSA. As of June 30, 2022, BOR ranked 1<sup>st</sup> out of two financial institutions in local deposit market share according to data compiled by the Federal Deposit Insurance Corporation (FDIC) and held 56.0% of the assessment area’s deposits (excluding credit union deposits).

According to 2020 ACS data, the assessment area served by the bank has a total population of 23,093 and a median housing value of \$170,181. The owner-occupancy rate for the assessment area (56.9%) is lower than both the entire MSA (60.9%) and the State of West Virginia (60.5%). Within the assessment area, 6.6% of families are considered below the poverty level, which exceeds the level in the MSA (5.8%) but is lower than the poverty level in the State of West Virginia (12.3%). The 2021 and 2022 HUD estimated median family income for the Winchester, VA-WV MSA equaled \$81,400 and \$96,400, respectively.

The following table includes pertinent demographic data for the assessment area. The demographic data relied upon to evaluate the bank’s 2021 lending performance can be found in Appendix B.

**Assessment Area Demographics**

<b>Winchester, WV</b> <i>(Based on 2020 ACS Data and 2022 D&amp;B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	11.1	691	11.7	59	8.5	1,836	31.1
Moderate	6	66.7	3,484	59.0	406	11.7	1,548	26.2
Middle	2	22.2	1,735	29.3	156	9.0	1,410	23.9
Upper	0	0.0	0	0.0	0	0.0	1,116	18.8
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>5,910</b>	<b>100.0</b>	<b>621</b>	<b>10.5</b>	<b>5,910</b>	<b>100.0</b>
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	682	9.2	879	9.6	59	6.7	3,127	34.1
Moderate	4,497	61.0	5,747	62.7	858	14.9	2,023	22.1
Middle	2,195	29.8	2,539	27.7	239	9.4	1,727	18.8
Upper	0	0.0	0	0.0	0	0.0	2,288	25.0
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>7,374</b>	<b>100.0</b>	<b>9,165</b>	<b>100.0</b>	<b>1,156</b>	<b>12.6</b>	<b>9,165</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	51	8.0	49	8.5	1	2.4	1	7.1
Moderate	424	66.9	382	66.1	32	76.2	10	71.4
Middle	159	25.1	147	25.4	9	21.4	3	21.5
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>634</b>	<b>100.0</b>	<b>578</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.2		6.6		2.2

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

Primary industries within the assessment area include government, health services, professional and business services. Top employers include the Hampshire County Board of Education, West Virginia Schools for the Deaf and Blind, Valley Health System, and Hampshire County Commission.

As indicated by the data in the following table, unemployment rates within the assessment area generally remained steady prior to 2020, but rose sharply during 2020 because of the pandemic, and declined again during 2021. Recent unemployment levels within the overall assessment area are similar when compared to the overall MSA and statewide rates.

<b>Winchester, WV - Annual Average Unemployment Rates</b>					
Area	2017	2018	2019	2020	2021
Hampshire County, WV	3.9%	4.2%	3.9%	5.4%	3.4%
Winchester, VA-WV MSA	3.4%	2.9%	2.7%	5.0%	3.1%
West Virginia	5.2%	5.2%	4.9%	8.2%	5.0%

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



A local economic development official was recently contacted to assist in evaluating the bank’s CRA performance. The official stated that the local area would benefit from activities that support small business development. The contact indicated that local financial institutions are reasonably serving the banking needs of the community.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

During 2022, the bank originated HMDA loans totaling \$13.6 million within the assessment area. Since this amount is significantly greater than the total dollar volume of all consumer motor vehicle loans originated by the bank in 2022 (\$6.6 million as previously noted) BOR’s HMDA lending performance is given more weight when reaching performance conclusions.

**Lending to Borrowers of Different Incomes**

Within the assessment area, the bank’s borrower distribution performance for HMDA lending and consumer motor vehicle lending is considered excellent for each loan product.

**Distribution of HMDA Loans by Income Level of Borrower**

Winchester, WV (2022)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	<b>HMDA Totals</b>							
Low	32	31.4	2,283	18.0	123	21.8	15,807	14.6
Moderate	26	25.5	2,685	21.1	159	28.1	25,967	24.0
Middle	22	21.6	3,258	25.6	132	23.4	26,456	24.4
Upper	22	21.5	4,492	35.3	151	26.7	40,060	37.0
<b>Total</b>	<b>102</b>	<b>100.0</b>	<b>12,718</b>	<b>100.0</b>	<b>565</b>	<b>100.0</b>	<b>108,290</b>	<b>100.0</b>
<i>Unknown</i>	4		910		89		19,765	

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

BOR’s 2022 HMDA lending to low-income borrowers (31.4%), approximated the demographic percentage of low-income families within the bank’s assessment area (31.1%), and significantly exceeded the aggregate lending level (21.8%). BOR’s lending to moderate-income borrowers (25.5%), lags the percentage of moderate-income families (26.2%) and the aggregate (28.1%). Overall, the bank's performance during 2022 is considered reasonable.

During 2021, the bank originated 146 residential mortgages within the assessment area totaling \$19.2 million where borrower incomes were known. Of the total loans, 44 (30.1%) totaling \$3.4 million were originated to low-income borrowers and 38 (26.0%) loans totaling \$4.5 million (23.5%) to moderate-income borrowers. When compared to the percentage of loans reported by aggregate lenders to low- and moderate-income borrowers (18.8% and 25.5%, respectively), and the proportion of area low- and moderate-income families (39.4% and 22.9%, respectively), BOR’s performance in 2021 is considered excellent.

Based on the relative performance levels each year and greater weight given to 2022 performance due to a larger dollar volume of loans, on a combined basis, BOR’s HMDA lending performance is considered excellent.

**Distribution of Consumer Loans by Income Level of Borrower**

Winchester, WV (2022)				
Income Categories	#	Consumer Loans		
		%	\$(000s)	% \$
Low	65	54.2	691	35.9
Moderate	27	22.5	475	24.7
Middle	18	15.0	400	20.8
Upper	10	8.3	357	18.6
<b>Total</b>	<b>120</b>	<b>100.0</b>	<b>1,923</b>	<b>100.0</b>
Unknown	0		0	

*Percentage's (%) are calculated on all loans where incomes are known*

The bank’s level of consumer motor vehicle lending to low-income borrowers (54.2%) exceeds the percentage of low-income households in the assessment area (34.1%). BOR’s level of consumer motor vehicle lending to moderate-income borrowers (22.5%) approximates the percentage of moderate-income households (22.1%). BOR’s overall consumer motor vehicle lending to low- and moderate-income borrowers is considered excellent, and is driven by its lending to low-income borrowers.

**Geographic Distribution of Loans**

BOR’s assessment area in 2021 consisted of only five moderate-income census tracts. However, in 2022, based on 2020 ACS data published by the U.S. Census Bureau, the bank’s assessment area changed and consists of one low-income, six moderate-income, and two middle-income census tracts. Since the assessment area during 2021 was limited to one income tract category, it was not analyzed and excluded from this geographical analysis.

For 2022, BoR's HMDA and consumer motor vehicle geographic distribution performances are considered excellent.

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

Winchester, WV (2022)									
Income Categories	Bank				Aggregate				
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$	
	<b>(63)</b>				<b>Home Purchase</b>				<b>(412)</b>
Low	10	15.9	1,966	20.6	33	9.6	8,629	10.8	
Moderate	41	65.1	6,168	64.7	201	58.6	43,235	53.9	
Middle	12	19.0	1,399	14.7	109	31.8	28,401	35.3	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	
	<b>(33)</b>				<b>Refinance</b>				<b>(168)</b>
Low	0	0.0	0	0.0	20	11.9	3,447	11.6	
Moderate	31	93.9	3,326	88.9	81	48.2	12,897	43.3	
Middle	2	6.1	414	11.1	67	39.9	13,410	45.1	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	
	<b>(10)</b>				<b>Home Improvement</b>				<b>(32)</b>
Low	2	20.0	68	19.2	1	3.1	18	0.8	
Moderate	7	70.0	249	70.1	21	65.6	1,528	65.9	
Middle	1	10.0	38	10.7	10	31.3	773	33.3	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	
	<b>(0)</b>				<b>Multi-Family</b>				<b>(1)</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate	0	0.0	0	0.0	1	100.0	745	100.0	
Middle	0	0.0	0	0.0	0	0.0	0	0.0	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	
	<b>HMDA Totals</b>								
Low	12	11.3	2,034	14.9	54	9.9	12,094	10.7	
Moderate	79	74.5	9,743	71.5	304	55.9	58,405	51.6	
Middle	15	14.2	1,851	13.6	186	34.2	42,584	37.7	
Upper	NA	NA	NA	NA	NA	NA	NA	NA	
NA*	NA	NA	NA	NA	NA	NA	NA	NA	
<b>Total</b>	<b>106</b>	<b>100.0</b>	<b>13,628</b>	<b>100.0</b>	<b>544</b>	<b>100.0</b>	<b>113,083</b>	<b>100.0</b>	

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

During 2022, home purchase and refinance loans were extended most frequently by the bank and aggregate lenders in the assessment area. Considering both demographic and aggregate proxies for demand, the bank's performance for home purchase is considered excellent and its refinance lending performance is considered reasonable. Given the comparatively small volume of home improvement and multi-family lending within the assessment area, BOR's performance with these loan types was given less weight than its home purchase and refinance performance when considering overall performance.

BOR's 2022 HMDA lending in low-income census tracts (11.3%) exceeded both the percentage of owner-occupied units (9.2%) and the aggregate level of lending in such tracts (9.9%). Bank lending in moderate-income census tracts (74.5%) exceeded the percentage of owner-occupied units (61.0%) and the aggregate lending level (55.9%). Overall, the bank's HMDA geographic distribution performance in 2022 is considered excellent.

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

Winchester, WV (2022)				
Income Categories	Consumer Loans			
	#	%	\$(000s)	% \$
Low	8	6.7	125	6.5
Moderate	87	72.5	1,281	66.6
Middle	25	20.8	518	26.9
Upper	NA	NA	NA	NA
NA*	NA	NA	NA	NA
<b>Total</b>	<b>120</b>	<b>100.0</b>	<b>1,924</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.

BOR’s level of consumer motor vehicle lending in low-income census tracts is 6.7% which lags the percentage of assessment area households located in low-income tracts (9.6%), but its lending in moderate-income census tracts (72.5%) significantly exceeds the percentage of households located in moderate-income tracts (62.7%). Additionally, as an element of performance context, 6.7% of households located in low-income tracts and 14.9% of households in moderate-income tracts are below the poverty level. Such concentrations of impoverished households likely reduce the viable demand for motor vehicles by potential borrowers. When considering the bank’s level of lending in low- and moderate-income census tracts, in conjunction with the percentage of households located in such areas, and the area poverty rate, BOR’s consumer motor vehicle lending performance is considered excellent.

After considering the performance context, size and overall level of lending, BOR’s geographic distribution performance is considered excellent overall.

**METROPOLITAN AREAS**

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

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN STATEWIDE AREA**

The Hagerstown-Martinsburg, WV assessment area was reviewed using the limited review examination procedures. This assessment area includes all of Morgan County, WV, and is part of the Hagerstown-Martinsburg, MD-WV MSA. The assessment area has a population of 17,063. BOR operates one branch with an ATM located in a moderate-income census tract within the assessment area. The 2022 area median family income equaled \$77,500 in the Hagerstown-Martinsburg, MD-WV MSA.

<b>Hagerstown-Martinsburg, WV Assessment Area Demographics</b> <i>(Based on 2020 ACS data and 2022 D&amp;B information)</i>						
Income Category	Tract Distribution		Percentage Families by Income	Percentage Families by Tract	Households by Household Income	Households by Tract Income
	#	%				
Low	0	0%	19.7%	0%	21.8%	0%
Moderate	2	33.3%	27.1%	33.2%	21.3%	33.0%
Middle	4	66.7%	23.5%	66.8%	23.6%	67.0%
Upper	0	0%	29.7%	0%	33.3%	0%
NA	0	0%	0%	0%	0%	0%
Total	6	100%	100%	100%	100%	100%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN STATEWIDE NONMETROPOLITAN ASSESSMENT AREA**

Assessment area-level data reviewed regarding the bank’s performance can be found in **APPENDIX C** 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.

Assessment Area	Lending Test
Hagerstown-Martinsburg, WV	Consistent

**CRA APPENDIX A**

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

The following table includes the distribution of branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits and is current as of June 30, 2022, while the loan volume includes all HMDA and consumer motor vehicle loans considered in the evaluation.

Assessment Area	Loan Volume				Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Winchester, WV	241	89.6%	\$16,729	91.4%	6	85.7%	\$249,679	95%
Hagerstown-Martinsburg, WV	28	10.4%	\$1,575	8.6%	1	14.3%	\$13,127	5%
<b>TOTAL</b>	269	100%	\$18,304	100%	7	100%	\$262,806	100%

**CRA APPENDIX B**  
**FULL-SCOPE REVIEW TABLES**

**Assessment Area Demographics**

Winchester, WV <i>(Based on 2015 ACS Data and 2021 D&amp;B Information)</i>								
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	1,806	39.4
Moderate	5	100.0	4,588	100.0	569	12.4	1,049	22.9
Middle	0	0.0	0	0.0	0	0.0	850	18.5
Upper	0	0.0	0	0.0	0	0.0	883	19.2
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>4,588</b>	<b>100.0</b>	<b>569</b>	<b>12.4</b>	<b>4,588</b>	<b>100.0</b>
	<b>Owner Occupied Units by Tract</b>		<b>Households</b>					
			<b>HHs by Tract</b>		<b>HHs &lt; Poverty by Tract</b>		<b>HHs by HH Income</b>	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,778	46.9
Moderate	5,542	100.0	10,194	100.0	2,224	21.8	2,166	21.2
Middle	0	0.0	0	0.0	0	0.0	1,367	13.4
Upper	0	0.0	0	0.0	0	0.0	1,883	18.5
NA	0	0.0	0	0.0	0	0.0		
<b>Total</b>	<b>5,542</b>	<b>100.0</b>	<b>10,194</b>	<b>100.0</b>	<b>2,224</b>	<b>21.8</b>	<b>10,194</b>	<b>100.0</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract and Revenue Size</b>					
			<b>Less than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue not Reported</b>	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	619	100.0	567	100.0	40	100.0	12	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>619</b>	<b>100.0</b>	<b>567</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				91.6		6.5		1.9

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

**CRA APPENDIX B**

**FULL-SCOPE REVIEW TABLES (continued)**

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

Winchester, WV (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(73)				Home Purchase (506)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	73	100.0	9,346	100.0	432	100.0	86,995	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(73)				Refinance (403)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	73	100.0	10,747	100.0	403	100.0	73,527	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(6)				Home Improvement (13)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	6	100.0	207	100.0	13	100.0	1,256	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	(2)				Multi-Family (0)			
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	100.0	436	100.0	0	0.0	0	0.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	154	100.0	20,736	100.0	848	100.0	161,778	100.0
Middle	0	0.0	0	0.0	0	0.0	0	0.0
Upper	NA	NA	NA	NA	NA	NA	NA	NA
NA*	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>154</b>	<b>100.0</b>	<b>20,736</b>	<b>100.0</b>	<b>848</b>	<b>100.0</b>	<b>161,778</b>	<b>100.0</b>

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

**Distribution of HMDA Loans by Income Level of Borrower**

Winchester, WV (2021)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	HMDA Totals							
Low	44	30.1	3,396	17.7	153	18.8	17,068	11.7
Moderate	38	26.0	4,508	23.5	208	25.5	32,010	21.9
Middle	36	24.7	5,361	28.0	190	23.3	32,969	22.5
Upper	28	19.2	5,914	30.8	264	32.4	64,249	43.9
<b>Total</b>	<b>146</b>	<b>100.0</b>	<b>19,179</b>	<b>100.0</b>	<b>815</b>	<b>100.0</b>	<b>146,296</b>	<b>100.0</b>
Unknown	8		1,557		184		35,996	

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



CRA APPENDIX C

LIMITED REVIEW TABLES

Hagerstown-Martinsburg, WV Assessment Area

Performance Test Data for Hagerstown-Martinsburg, WV Assessment Area

Limited Review Lending Table

Hagerstown-Martinsburg, WV (2022)								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	<b>Home Purchase</b>				<b>Home Improvement</b>			
<i>Geographic</i>	<b>(13)</b>				<b>(1)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	8	61.5	31.0	33.3	0	0.0	34.1	33.3
Middle	5	38.5	69.0	66.7	1	100.0	65.9	66.7
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Refinance</b>				<b>Multi-Family</b>			
<i>Geographic</i>	<b>(2)</b>				<b>(0)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	2	100.0	33.5	33.3	0	0.0	0.0	33.3
Middle	0	0.0	66.5	66.7	0	0.0	100.0	66.7
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	<b>HMDA Totals</b>				<b>Consumer</b>			
<i>Geographic</i>	<b>(16)</b>				<b>(11)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	0.0
Moderate	10	62.5	32.0	33.3	6	54.5	NA	33.0
Middle	6	37.5	68.0	66.7	5	45.5	NA	67.0
Upper	NA	NA	NA	NA	NA	NA	NA	0.0
<i>Borrower</i>	<b>(15)</b>				<b>(11)</b>			
Low	3	20.0	8.1	19.7	5	45.5	NA	21.8
Moderate	5	33.3	25.3	27.1	2	18.2	NA	21.3
Middle	5	33.3	27.5	23.5	2	18.2	NA	23.6
Upper	2	13.3	39.1	29.7	2	18.2	NA	33.3
	<b>Small Business</b>				<b>Small Farm</b>			
<i>Geographic</i>	<b>(NA)</b>				<b>(NA)</b>			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	NA	NA	NA	NA	NA	NA	NA	NA
Middle	NA	NA	NA	NA	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	NA	NA	NA	NA	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*

## CRA APPENDIX D

### GLOSSARY

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

**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.