

**MCBank**

**COMMUNITY REINVESTMENT ACT**

**PUBLIC FILE**

**(MAIN OFFICE)**

## **MCBank CRA PUBLIC FILE**

### **TABLE OF CONTENTS**

- 1. NOTICE & STATEMENT**
- 2. WRITTEN COMMENTS FROM PUBLIC**
- 3. MOST RECENT CRA PERFORMANCE EVALUATION**
- 4. LIST OF BANK LOCATIONS**
- 5. LIST OF OPENED/CLOSED BRANCHES IN PRIOR TWO YEARS**
- 6. LIST OF SERVICES**
- 7. MAP OF ASSESSMENT AREA**
- 8. LOAN TO DEPOSIT RATIOS**

## **MCBank**

### **COMMUNITY REINVESTMENT ACT STATEMENT**

The Board of Directors recognize the Bank's continuing affirmative obligation to help meet the credit needs of its community, consistent with the safe and sound operation of the bank, and to implement this policy, has adopted the following statement.

1. The Bank will serve the credit needs of the local community as delineated in its assessment area.
2. The Bank serves the community with the following types of loans:
  - a. Commercial Loans to Businesses, both large and small
  - b. Consumer Loans
  - c. Home Improvement Loans
  - d. Residential Real Estate Loans to Individuals
  - e. Real Estate Loans on Income Properties
  - f. Farm and Ranch Loans

Our loan activities will be administered consistent with good banking practice.

## **MCBank**

### **COMMUNITY REINVESTMENT ACT NOTICE**

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC, 1601 Bryan Street, Dallas, TX 75201. You may send written comments about our performance in helping to meet community credit needs to Robert Hemsath, CEO, MCBank, P. O. Box 309, Goldthwaite, TX 76844 and FDIC Regional Director. You may also submit comments electronically through the FDIC's Web site at [www.fdic.gov/regulations/cra](http://www.fdic.gov/regulations/cra). Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Goldthwaite Bancshares, Inc., a bank holding company. You may request from the Officer in Charge of Supervision, Federal Reserve Bank of Dallas, 2200 North Pearl Street, Dallas, TX 75201 an announcement of applications covered by the CRA filed by bank holding companies.

**MCBank**

**WRITTEN COMMENTS FROM PUBLIC**

**FOR 2024**

- **None Received**

**MCBank**

**WRITTEN COMMENTS FROM PUBLIC**

**FOR 2023**

- **None Received**

**MCBank**

**WRITTEN COMMENTS FROM PUBLIC**

**FOR 2022**

- **None Received**

**MCBank**

**WRITTEN COMMENTS FROM PUBLIC**

**FOR 2021**

- **None Received**



# **PUBLIC DISCLOSURE**

January 8, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

MCBank  
Certificate Number: 15669

1017 Parker Street  
Goldthwaite, Texas 76844

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Regional Office

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION .....	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	8
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	15
APPENDICES .....	16
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	16
GLOSSARY .....	17

## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**The Lending Test is rated Satisfactory.**

MCBank demonstrated a satisfactory record regarding the Lending Test. The following points summarize the applicable performance factors, discussed in detail elsewhere.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans are outside the institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

## DESCRIPTION OF INSTITUTION

MCBank, established in 1908, is headquartered in Goldthwaite, Texas. Goldthwaite Bancshares, Inc., Goldthwaite, Texas, a one-bank holding company, wholly owns the bank. As of May 2020, the bank operates one subsidiary (MCB CRE, Inc.), which originates and holds commercial real estate loans; examiners considered these loans in the Lending Test. The institution received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated January 11, 2021, based on Small Bank CRA Examination Procedures.

The bank continues to operate four full-service offices: the main branch located in Mills County, one branch in Brown County, and two branches in Hamilton County. The institution maintains banking hours typical for its areas and the industry, with extended hours available at each of the drive-thru facilities. The bank did close its only loan production office, located in Lampasas, in September 2021. MCBank did not open or close any branches since the prior evaluation nor did it participate in any merger or acquisition activities.

The bank maintains a primary business focus on commercial and home mortgage lending; however, the bank offers a variety of loan products, including commercial, residential real estate, agricultural, and consumer loans. Additionally, the bank offers a full line of deposit products, including checking accounts, money market savings accounts, certificates of deposit, and individual retirement accounts. Further, the bank offers debit cards, four automated teller machines, mobile banking, and internet banking.

As of September 30, 2023, the bank reported total assets of \$423.3 million, total loans of \$186.1 million, and total deposits of \$378.4 million. Since the last CRA evaluation, total assets increased by 13.1 percent, total loans increased by 25.7 percent, and total deposits increased by 18.2 percent. As reflected in the following table, the mix of outstanding loans shows a slight shift in distribution from the previous evaluation with a slightly higher percentage of residential real estate loans as compared to commercial loans. The table shows that residential loans (Secured by 1-4 Family and Residential Properties and Secured by Multi-Family Residential Prosperities) represent the largest category of outstanding loans at 38.2 percent, followed by commercial loans (Secured by Nonfarm Nonresidential Properties and Commercial and Industrial Loans) at 30.5 percent and agricultural lending (Secured by Farmland and Agricultural Production) at 12.3 percent.

<b>Loan Portfolio Distribution as of 09/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	17,189	9.2
Secured by Farmland	18,878	10.1
Secured by 1-4 Family Residential Properties	51,003	27.4
Secured by Multifamily (5 or more) Residential Properties	20,136	10.8
Secured by Nonfarm Nonresidential Properties	40,904	22.0
<b>Total Real Estate Loans</b>	<b>148,110</b>	<b>79.5</b>
Commercial and Industrial Loans	15,812	8.5
Agricultural Production and Other Loans to Farmers	4,125	2.2
Consumer Loans	16,375	8.8
Obligations of State and Political Subdivisions in the U.S.	1,577	0.9
Other Loans	105	0.9
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>186,104</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the assessment area's credit needs.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas for evaluation of CRA performance. MCBank designated one assessment area in the nonmetropolitan portion of Texas (Texas Non-MSA AA), which consists of the whole counties of Brown, Hamilton, Mills, and San Saba. The assessment area also includes the partial counties of Comanche and Lampasas. Lampasas County is the only assessment area county located in an MSA (Killeen MSA). However, since the bank does not operate an office in Lampasas County, examiners concluded that the partial county designation does not extend substantially across the boundaries of the Killeen MSA. The area conforms to CRA regulatory requirements and does not arbitrarily exclude low- to moderate-income census tracts.

The following table shows the bank's four full-service offices. The table notes the census tract and census tract income level of the office locations, as well as any branch openings or closings.

Office Locations				
County/Address	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<b>Mills County:</b> 1017 Parker Street, Goldthwaite, TX	Main Office	9502	Middle	No
<b>Brown County:</b> 411 Early Blvd, Early, TX	Branch	9512	Upper	No
<b>Hamilton County:</b> 1005 E. Main Street, Hamilton, TX	Branch	9503	Middle	No
<b>Hamilton County:</b> 135 North Pecan, Hico, TX	Branch	9501	Middle	No
<i>Source: Bank Records and 2020 U.S. Census</i>				

### **Economic and Demographic Data**

According to the 2020 U.S. Census, the Texas Non-MSA AA encompasses 24 census tracts reflecting the following income designations: 1 low-, 1 moderate-, 17 middle-, and 4 upper-income tracts. The income data was not available for one census tract. The assessment area experienced multiple census tract designation changes based on the updated 2020 U.S. Census data. Brown County contains the sole low-income census tract. Additionally, the FFIEC designated two middle-income census tracts in Mills County as distressed and underserved.

The following table provides additional demographic information for the Texas Non-MSA AA.

Demographic Information of the Assessment Area Assessment Area: Texas Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	24	4.2	4.2	70.8	16.7	4.2
Population by Geography	68,272	3.8	3.6	71.1	19.6	1.9
Housing Units by Geography	36,077	3.2	3.6	71.8	20.1	1.3
Owner-Occupied Units by Geography	19,853	2.0	3.3	70.7	23.1	0.8
Occupied Rental Units by Geography	6,227	9.5	7.4	69.3	11.9	1.9
Vacant Units by Geography	9,997	1.7	1.8	75.5	19.2	1.8
Businesses by Geography	6,323	3.1	3.1	67.2	19.3	7.3
Farms by Geography	576	0.9	0.3	78.3	18.8	1.7
Family Distribution by Income Level	17,395	18.6	17.2	24.1	40.0	0.0
Household Distribution by Income Level	26,080	24.4	17.3	17.7	40.6	0.0
Median Family Income MSA - 28660 Killeen-Temple, TX MSA		\$66,430	Median Housing Value			\$129,183
Median Family Income Non-MSAs - TX		\$61,785	Median Gross Rent			\$722
			Families Below Poverty Level			9.0%
Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (* ) The NA category consists of geographies that have not been assigned an income classification.						

Examiners used the applicable FFIEC-estimated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents a stratification of the 2022 FFIEC-estimated median family incomes for the Texas Non-MSA and Killeen MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Killeen-Temple, TX MSA Median Family Income (28660)</b>				
2022 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<b>TX NA Median Family Income (99999)</b>				
2022 (\$68,800)	<\$34,400	\$34,400 to <\$55,040	\$55,040 to <\$82,560	≥\$82,560
Source: FFIEC				

The 2022 D&B business demographic data for the assessment area shows 6,323 businesses, of which approximately 91.7 percent are non-farm enterprises. Service industries represent the largest portion of businesses at 31.6 percent, followed by non-classifiable establishments at 20.0 percent. The same data shows that 85.4 percent of the area's businesses and 96.7 percent of the area's farms reported gross annual revenues of \$1 million or less. The data also indicates that 92.1 percent of all businesses and farms in the assessment area employ fewer than 10 people, further underscoring the prevalence of small businesses in the area.

The major employers in the Texas Non-MSA AA include Goldthwaite Independent School District, Mullin Independent School District, Priddy Independent School District, and the Telephone Co-Op: Central Texas Telecommunications. As illustrated in the table below, unemployment rates were elevated during 2020 due to the COVID-19 pandemic and have been dropping at national, state, and local levels since. Although the bank's assessment area fared better than the state and national averages during 2020 and 2021 overall, some counties within the assessment area counties have remained above state and national averages in 2022, which indicates a slower than average return to pre-pandemic levels.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Brown	6.5	5.2	4.3
Comanche	5.5	4.6	3.5
Hamilton	4.6	4.1	3.4
Lampasas	5.4	4.9	3.7
Mills	4.1	4.5	4.2
San Saba	5.2	4.7	3.5
State	7.7	5.6	3.9
National Average	8.1	5.4	3.6
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The area contains competition from other chartered banks based on the area's population, with 34 branch offices representing 16 institutions. According to FDIC Deposit Market Share data as of June 30, 2022, MCBank ranks 2<sup>nd</sup> with 16.0 percent of the area's deposit market. The largest 10 institutions by deposit market share encompassed 28 branches and captured approximately 88.9 percent of all deposit market share.

## **Community Contact**

Examiners utilized an existing contact to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the Texas Non-MSA AA. The community contact, who represents an organization with an economic development focus, noted that the area benefits from several funding options, including loans from government programs such as the Small Business Administration as well as regional financial institutions, grants, and business improvement incentives. According to the contact, most of the businesses in the area are larger businesses and/or international businesses with established funding sources. However, local financial institutions remain involved in aspects of community lending to support local projects. The contact identified a need for smaller dollar business loans that may require underwriting flexibility outside of what traditional commercial lenders can provide. According to the contact, the majority of most small businesses have a hard time accessing the capital and financial resources needed, especially from institutions that have a one-size-fits-all approach versus flexible product programs that would meet the community's needs.

## **Credit and Community Development Needs and Opportunities**

Considering information obtained from the community contact, as well as demographic and economic data, examiners concluded that the primary credit need for the assessment area includes home mortgage loans. Furthermore, as indicated by the community contact, as well as demographic and economic data, the assessment area's community development needs primarily include affordable housing and economic development. Additionally, given the percentage of the population reporting low- and moderate-incomes, the community development needs include activities that benefit low- and moderate-income individuals.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from January 11, 2021, the date of the previous CRA evaluation, to January 8, 2024, the date of this evaluation. To evaluate performance, examiners applied the FFIEC's Intermediate Small Bank CRA Examination Procedures, which include the Lending Test and the Community Development Test. The Appendices list the applicable tests' criteria. Examiners performed a full-scope review of the bank's sole assessment area, the Texas Non-MSA AA.

### **Activities Reviewed**

For the Lending Test, CRA Intermediate Small Bank procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

Examiners considered the bank's lending strategy and dollar and number volume of originations in 2022. Examiners determined that the bank's major product lines include commercial lending at 28.1 percent of the dollar volume and home mortgage lending at 34.9 percent of the dollar volume. Agricultural lending accounts for 14.1 percent and 20.1 percent by number and dollar volume, respectively; however, examiners determined this to not be a major product. Consumer loans represent 53.1 percent by number; however, they account for only 4.5 percent of overall lending by dollar volume. Therefore, examiners excluded consumer lending since the product did not represent a major product line and would not materially affect any conclusions or ratings. Consequently, examiners evaluated and presented conclusions for home mortgage and small business loans. The following table shows the bank's 2022 lending activity by loan category.



<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	13,844	12.0	16	1.4
Secured by Farmland	15,307	13.2	19	1.6
Secured by 1-4 Family Residential Properties	25,224	21.8	109	9.4
Multi-Family (5 or more) Residential Properties	15,134	13.1	9	0.8
Commercial Real Estate Loans	338	0.3	3	0.3
Commercial and Industrial Loans	32,126	27.8	243	20.9
Agricultural Loans	7,992	6.9	146	12.5
Consumer Loans	5,237	4.5	618	53.1
Other Loans	507	0.4	1	0.1
<b>Total Loans</b>	<b>115,709</b>	<b>100.0</b>	<b>1,164</b>	<b>100.0</b>
<i>Source: Bank Data (2022)</i>				

As noted in the table above, the bank originated 118 home mortgage loans in 2022 totaling \$40.5 million. Of the 118 home mortgage loans, examiners utilized all loans for assessment area concentration and a random sample of 47 loans totaling \$5.7 million to arrive at applicable conclusions for the geographic distribution and borrower profile performance factors. Examiners based the random sample on a 90 percent confidence interval with 10 percent precision level. The 2020 U.S. Census demographic data provided a standard of comparison for the sampled home mortgage loans.

Additionally, the universe of commercial loans originated in 2022 consisted of 246 loans totaling \$32.4 million. Of the 246 commercial loans, 240 loans totaling \$17.5 million qualified as small business loans. Of the 240 small business loans, examiners reviewed all loans for assessment area concentration, as well as those in the assessment area for the geographic distribution performance factor. For the borrower profile performance factor, examiners selected a random sample of 58 small business loans totaling \$3.0 million. Examiners based the random sample on a 90 percent confidence interval with a 10 percent precision level. D&B data for 2022 provided a standard of comparison for the sampled small business loans.

Examiners considered the 2022 universes by number and dollar volume, as well as management's stated business strategy, to determine the weighting applied to the loan categories reviewed when arriving at applicable conclusions. Consequently, examiners placed slightly more weight on home mortgage lending when arriving at overall conclusions.

The review period for the Community Development Test extends from January 11, 2021, to January 8, 2024. For this test, examiners considered all of the bank's community development lending, qualified investments, and community development services provided within the Texas Non-MSA AA and the broader statewide/regional area. The scope of this evaluation encompassed all prior period qualified investments and those purchased prior to the previous evaluation, if these investments were still outstanding as of this evaluation's date. Examiners used the book value as of the current evaluation date for all prior period qualified investments.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

MCBank demonstrated a satisfactory record regarding the Lending Test. The reasonable geographic distribution and borrower profile performances primarily support the rating. The bank also demonstrated a reasonable LTD ratio. Although the bank originated a majority of loans outside its assessment area, this did not negatively influence the overall rating given performance context considerations.

#### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.

The LTD ratio, calculated from Report of Income and Condition data, averaged 40.0 percent over the past 11 calendar quarters from March 31, 2021, to September 30, 2023, representing a decrease from the 45.2 percent average net LTD ratio recorded at the prior evaluation. The ratio ranged from a low of 34.9 percent as of March 31, 2022, to a high of 48.3 percent as of September 30, 2023, and is on an inclining trend.

The following table demonstrates three comparable institutions operating within or adjacent to MCBank's assessment area and reflecting predominately the same lending emphases and somewhat similar asset sizes. As shown, MCBank's ratio lands third highest of the four banks, but remains similar, given the overall levels. The bank's ratio lags the highest similarly-situated ratio by 9.3 percentage points but is higher than the lowest similarly-situated ratio by 1.7 percentage points.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 09/30/2023 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>MCBank, Goldthwaite, TX</b>	<b>423,324</b>	<b>40.0</b>
First State Bank, Burnet, TX	291,318	38.3
First Texas Bank, Lampasas, TX	204,594	49.3
Citizens National Bank, Brownwood, TX	273,052	42.7
<i>Source: Reports of Condition and Income 03/31/2021 - 09/30/2023</i>		

#### **Assessment Area Concentration**

A majority of loans are outside the institution's assessment area. A majority of home mortgage loans and small business loans (by dollar volume) outside of the assessment area support this conclusion. Examiners considered performance context, such as the volume of loans originated inside the assessment area, when arriving at this conclusion.

As illustrated in the table below, a majority of home mortgage loans are outside of the assessment area by number and dollar volume. Examiners determined that a majority of home mortgage loans

were outside the assessment area primarily due to the bank's new subsidiary originating loans outside of the assessment area.

By number, the bank originated a majority of its small business loans inside the assessment area in 2022. By dollar volume, however, the bank originated a majority of its small business loans outside the assessment area, primarily due to the bank's strategy in purchasing commercial loans.

The performance context for this institution includes the actual number of loans originated in the bank's assessment area. At the prior evaluation, the bank had 89 small business loans in its assessment area from the universe of 117 loans in 2019. In addition, although examiners did not review home mortgage loans at the prior evaluation, the bank had 66 total home mortgage loans in 2019 as compared to 118 total home mortgage loans in 2022. While the bank's business strategy through the subsidiary and the purchase of commercial loans naturally serves to decrease the percentages of loans inside the bank's assessment area, it does not affect the actual levels of loans in the assessment area as noted at the current evaluation.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	50	42.4	68	57.6	118	6,625	16.4	33,736	83.6	40,361
Small Business	155	64.6	85	35.4	240	7,750	44.2	9,775	55.8	17,525
Source: Bank Data (2022)										

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The reasonable performance for small business and home mortgage lending supports this conclusion. Examiners focused primarily on lending performance in the low- and moderate-income census tracts when arriving at conclusions. This criterion only considered loans granted inside the assessment area.

### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The reasonable record of lending within low- and moderate-income census tracts supports this conclusion.

The following table shows that, in low-income census tracts, the bank's level exceeds the demographics by 0.1 percentage point, thereby reflecting reasonable performance. Within moderate-income census tracts, the bank's level trails the D&B figure by 2.5 percentage points, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans Assessment Area: TX Non-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.1	5	3.2	169	2.2
Moderate	3.1	1	0.6	187	2.4
Middle	67.2	107	69.0	4,258	54.9
Upper	19.3	41	26.5	3,123	40.3
Not Available	7.3	1	0.6	13	0.2
<b>Totals</b>	<b>100.0</b>	<b>155</b>	<b>100.0</b>	<b>7,750</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%.</i>					

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Reasonable dispersion of home mortgage lending in moderate-income census tracts primarily supports this conclusion.

As seen in the following table, the bank did not originate any home mortgage loans in low-income census tracts. However, the percentage of owner-occupied housing units in those tracts is also negligible; therefore, examiners considered the performance reasonable. Lending in moderate-income census tracts exceeds the percentage of owner-occupied housing units by 1.0 percentage points, also indicative of reasonable performance.

Geographic Distribution of Home Mortgage Loans Assessment Area: TX Non-MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	2.0	0	0.0	0	0.0
Moderate	3.3	2	4.3	127	2.2
Middle	70.7	35	74.5	4,338	75.8
Upper	23.1	8	17.0	860	15.0
Not Available	0.8	2	4.3	400	7.0
<b>Totals</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>5,725</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100%.</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Reasonable performances for small business and home mortgage lending support this conclusion. Examiners focused on the percentage by number of loans to businesses with gross annual revenues of \$1 million or less. This criterion only considered loans granted inside the assessment area.

### ***Small Business Loans***

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes. Reasonable performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The business' gross annual revenues define the borrowers' profiles for this analysis.

The following table shows that the bank originated the vast majority of its loans to businesses reporting gross annual revenues of \$1 million or less. This figure outperforms D&B data by 0.8 percentage points, reflecting reasonable performance. In addition, the bank granted nearly eight out of every ten loans to the smallest businesses with gross revenues of less than \$250,000, further supporting the reasonable performance.

<b>Distribution of Small Business Loans by Gross Annual Revenues</b> <b>Assessment Area: TX Non-MSA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	59.6	28	48.3	518	17.4
\$100,000 - \$249,999	18.4	18	31.0	718	24.2
\$250,000 - \$499,999	4.9	3	5.2	111	3.7
\$500,000 - \$1,000,000	2.5	1	1.7	58	2.0
<b>Subtotal &lt;= \$1,000,000</b>	<b>85.4</b>	<b>50</b>	<b>86.2</b>	<b>1,405</b>	<b>47.3</b>
>\$1,000,000	3.5	8	13.8	1,564	52.7
Revenue Not Available	11.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>2,969</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data, Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Home Mortgage Loans***

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income). A reasonable record of lending to low- and moderate-income individuals support this conclusion. Examiners placed generally equal weight on the bank's performance to low- and moderate-income borrowers given the demographic data.

As illustrated in the following table, the bank's level of lending to low-income borrowers falls 10.1 percentage points below demographic data. However, examiners determined that 13.0 percent of families live below the poverty level. Notably greater challenges exist for these families when trying to qualify for suitable loans. Affordability challenges are further compounded by the rising interest rate environment. Therefore, given the performance context considerations, the bank demonstrated reasonable performance to low-income borrowers. The bank's level of lending to moderate-income borrowers falls 2.3 percent below the percent of families, also indicative of reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: TX Non-MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	18.6	4	8.5	124	2.2
Moderate	17.2	7	14.9	424	7.4
Middle	24.1	5	10.6	374	6.5
Upper	40.0	31	66.0	4,803	83.9
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>5,725</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>					

### **Response to Complaints**

The bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test conclusion.

### **COMMUNITY DEVELOPMENT TEST**

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

### **Community Development Loans**

The following table shows that, since the last evaluation, the bank granted 228 community development loans totaling \$3.5 million. This level equates to 0.8 percent of average total assets of \$428.0 million since the last evaluation and 2.2 percent of average net loans of \$157.2 million for the same timeframe. The community development loans proved responsive to the area's needs given that they primarily address economic development needs.

As seen in the following table, 59.2 percent by dollar volume are activities that help revitalize or stabilize low- and moderate-income geographies. In addition, the remaining community development loans benefit affordable housing, community services for low- and moderate-income individuals, and economic development, which demonstrate the bank's responsiveness to identified community development needs. All of the community development loans originated inside the bank's assessment area.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	0	0	0	0	0	0	216	1,738	216	1,738
2022	0	0	1	507	3	35	3	334	7	876
2023	1	231	0	0	4	610	0	0	5	841
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>231</b>	<b>1</b>	<b>507</b>	<b>7</b>	<b>645</b>	<b>219</b>	<b>2,072</b>	<b>228</b>	<b>3,455</b>
<i>Source: Bank Data</i>										

The following point provides a notable example of the bank's community development lending activities.

- **Revitalize/Stabilize:** In 2021, the bank originated 216 loans totaling \$1.7 million to small businesses in low- and moderate-income areas, as well as underserved and distressed middle-income census tracts. These loans were granted under the Paycheck Protection Program (PPP). Under the PPP, funds go directly for payroll, rent, mortgage interest, or utilities. These funds helped those businesses keep their workforce employed during a national emergency.

### **Qualified Investments**

The following table shows that the bank made 23 qualified investments totaling \$3.4 million, which includes 14 grants and donations totaling \$27,000. This level equates to 0.8 percent of average total assets of \$428.0 million and 1.6 percent of average securities of \$215.1 million since the last evaluation.

The qualified investments primarily address identified community development needs. As seen in the following table, 85.3 percent by dollar volume address activities that support community services to low- and moderate-income individuals, an identified community development need.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	6	2,449	1	250	0	0	7	2,699
2023	0	0	1	470	1	250	0	0	2	720
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>2,919</b>	<b>2</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>3,419</b>
Qualified Grants & Donations	1	5	13	22	0	0	0	0	14	27
<b>Total</b>	<b>1</b>	<b>5</b>	<b>20</b>	<b>2,941</b>	<b>2</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>3,446</b>
<i>Source: Bank Data</i>										

The following table contains the breakdown of the bank's qualified investments by area benefitted.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texas Non-MSA	0	0	20	2,941	2	500	0	0	22	3,441
Statewide Activities	1	5	0	0	0	0	0	0	1	5
Regional Activities	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>5</b>	<b>20</b>	<b>2,941</b>	<b>2</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>3,446</b>
<i>Source: Bank Data</i>										

The following points provide notable examples of the bank's qualified investments.

- **Community Services:** The bank donated nearly \$2.9 million to organizations that provide essential services such as transitional housing, health, and safety, as well as financial services and tangible items such as food to community organizations. These donations provide community services to low- and moderate-income residents.
- **Economic Development:** In 2022, the bank purchased a \$254,000 certificate of deposit in a Community Development Financial Institution (CDFI) credit union located within the bank's assessment area.

### **Community Development Services**

The following table shows that, during the review period, the bank provided 29 community development services. This number equates to 2.4 community development services per office per year since the previous evaluation. All services involved employees using their financial or technical expertise to benefit organizations or projects that reflect community development, as



defined by CRA regulation, as their primary purpose. All community development services benefitted the bank's assessment area.

The community services proved responsive to the area's needs given that they primarily aid in providing community services targeted to low- and moderate-income individuals. As seen in the following table, 82.7 percent address activities that support community services, which demonstrates the bank's responsiveness to an identified community development need.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021	0	0	0	0	0
2022	2	11	0	0	12
2023	4	14	0	0	17
YTD 2024	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>29</b>
<i>Source: Bank Data</i>					

The following points provide examples of the bank's community development services.

- **Community Services:** Bank employees used their financial expertise to teach financial literacy within the bank's assessment area, including topics such as banking, cyber security, and saving. Personnel conducted these classes for audiences ranging in age from elementary school age to adults. The communities and independent school districts benefitting from this program include those with a student population in which the majority of students receive free and reduced-price lunches.
- **Affordable Housing:** Three bank employees used their financial expertise to hold and maintain Board positions for local community development and government agencies that support affordable housing.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Acts. Examiners did not identify any discriminatory or other illegal credit practices.

## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## 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.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 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.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



## MCBank

### LIST OF BANK LOCATIONS AND HOURS OF OPERATION

**MCBank**  
**1017 Parker Street**  
**Goldthwaite, Texas 76844**  
**Main Branch**

	<u><b>Monday-Thursday</b></u>	<u><b>Census Location</b></u>
Lobby.....	9:00 to 4:00	MSA – N/A
Drive-in.....	8:00 to 5:30	State – 48   Texas
	<u><b>Friday</b></u>	County – 333   Mills
Lobby.....	9:00 to 4:00	Tract – 9502
Drive-in.....	8:00 to 6:00	

**MCBank**  
**411 Early Blvd.**  
**Early, Texas 76803**  
**Early Branch Banking Center**

	<u><b>Monday-Thursday</b></u>	<u><b>Census Location</b></u>
Lobby.....	9:00 to 4:00	MSA – N/A
Drive-in.....	8:00 to 5:30	State – 48   Texas
	<u><b>Friday</b></u>	County – 049   Brown
Lobby.....	9:00 to 4:00	Tract – 9512
Drive-in.....	8:00 to 6:00	

**MCBank**  
**1005 East Main Street**  
**Hamilton, Texas 76531**  
**Hamilton Branch Banking Center**

	<u><b>Monday-Thursday</b></u>	<u><b>Census Location</b></u>
Lobby.....	9:00 to 4:00	MSA – N/A
Drive-in.....	8:00 to 5:30	State – 48   Texas
	<u><b>Friday</b></u>	County – 193   Hamilton
Lobby.....	9:00 to 4:00	Tract – 9503
Drive-in.....	8:00 to 6:00	

**MCBank**

**LIST OF BANK LOCATIONS AND HOURS OF OPERATION  
(CONTINUED)**

**MCBank**

**135 North Pecan Street**

**Hico, Texas 76457**

**Hico Branch Banking Center**

	<b><u>Monday-Thursday</u></b>	<b><u>Census Location</u></b>
Lobby.....	9:00 to 4:00	MSA – N/A
Drive-in.....	8:00 to 5:30	State – 48   Texas
	<b><u>Friday</u></b>	County – 193   Hamilton
Lobby.....	9:00 to 4:00	Tract – 9501
Drive-in.....	8:00 to 6:00	

## MCBank

LIST OF BRANCHES OPENED OR CLOSED BY THE BANK DURING THE CURRENT YEAR AND EACH OF THE PRIOR 2 YEARS INCLUDING THEIR STREET ADDRESS AND GEOGRAPHIES.

Branch(es) Opened: None

Branch(es) Closed:	April 3, 2020	MSA – N/A
	3101 Austin Avenue	State – 48   Texas
	Brownwood, Texas 76801	County – 049   Brown
	Brownwood Branch Banking Center	Tract – 9511

LPO Closed:	September 1, 2021	MSA – Killeen-Temple, TX
	107 S Key Ave, Ste B	State – 48   Texas
	Lampasas, Texas 76550	County – 281   Lampasas
		Tract – 9504.00

# MCBank

## Common Features/Deposit Fee Schedule

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.

Transactions at ATMs we do not own or operate	\$1.00
Check Printing	(fee depends on style and quantity of check ordered)
Cashier's Checks	\$3.50
Money orders	\$2.50

The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.

Overdraft Fee	\$30.00
Account Research	\$30.00 per hour (one hour minimum)
Account Balancing Assistance	\$30.00 per hour (30 minutes minimum)
Stop Payments	\$25.00
Account Closed Within 90 Days of Opening	\$25.00
Photocopies	\$.20 (per page)

Wire Transfers	
Incoming	\$5.00
Outgoing – Domestic	\$20.00
Outgoing – Foreign	\$50.00 minimum (or actual cost if higher)

Fax Service	\$5.00 first page and \$.25 each page thereafter
Replacement Debit Card (by mail)	\$5.00
Replacement Instant Issue Debit Card	\$10.00
Replacement Instant Issue Debit Card (School Spirit Collection)	\$12.00

Safe Deposit Boxes	
Small*	\$20.00 per year
Medium	\$30.00 per year
Large	\$40.00 per year
Extra Large	\$60.00 per year

*\*New MCBank Club Members Receive One Year Free Rental on Small Box*

Key Deposit	\$25.00
Drilling Charges	\$150.00

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

Effective 12/01/2024



MCBank

LIST OF SERVICES

The Bank serves the community with the following types of loans:

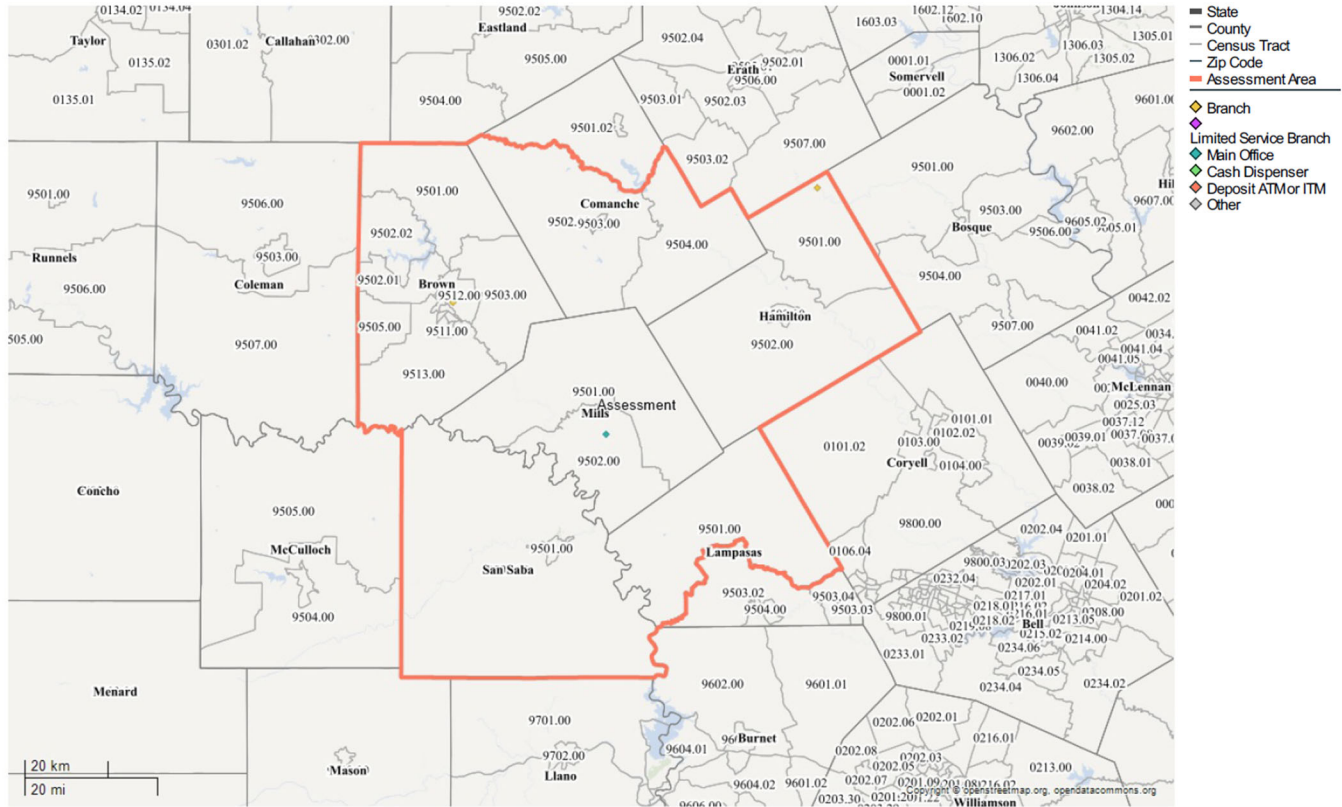
- a. Commercial Loans
- b. Consumer Loans
- c. Home Improvement Loans
- d. Residential Real Estate Loans to Individuals
- e. Real Estate Loans on Income Properties
- f. Farm and Ranch Loans

The Bank serves the community with the following types of Deposit Accounts:

- a. Personal and Business Checking Accounts
- b. Now Accounts
- c. Personal and Business Money Market Accounts
- d. Personal and Business Savings Accounts
- e. Individual and Family Health Savings Accounts
- f. Certificates of Deposit

The Bank also provides these services to its community.

- a. Debit Cards
- b. Internet Banking Access
- c. Electronic Bill Pay Access
- d. ATMs
- e. Mobile Banking
- f. Telephone Banking
- g. Merchant Capture
- h. Overdraft Privilege



Applied Filters

- Area: (Assessment)
- Status: (Open)
- Action Taken Date: (1/3/2023 - 12/29/2023)
- You are included in the HMDA benchmark.

**MCBank**  
**LOANS TO DEPOSIT RATIO**

<b>QUARTER</b>	<b>LOANS</b>	<b>DEPOSITS</b>	<b>RATIO</b>
Second Quarter '22 03/31/2022	\$150,383,000	\$395,640,000	38.01%
Third Quarter '22 09/30/2022	\$154,344,000	\$402,185,000	38.38%
Fourth Quarter '22 12/31/2022	\$161,900,000	\$405,255,000	39.95%
First Quarter '23 03/31/2023	\$172,419,000	\$405,835,000	42.49%
Second Quarter '23 06/30/2023	\$175,725,000	\$395,595,000	44.42%
Third Quarter '23 09/30/2023	\$182,862,000	\$378,449,000	48.32%
Fourth Quarter '23 12/31/2023	\$191,223,000	\$374,865,000	51.01%
First Quarter '24 03/31/2024	\$188,632,000	\$368,130,000	51.24%
Second Quarter '24 06/30/2024	\$182,360,000	\$362,020,000	50.37%
Third Quarter '24 09/30/2024	\$184,396,000	\$366,459,000	50.32%
Fourth Quarter '24 12/31/2024	\$182,211,000	\$372,979,000	48.85%
First Quarter '25 03/31/2025	\$195,469,000	\$378,414,000	51.65%