



## PUBLIC DISCLOSURE

June 12, 2017

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Granbury  
Charter Number 3727

101 E. Bridge Street Granbury, TX 76048

Office of the Comptroller of the Currency  
Fort Worth Field Office  
9003 Airport Freeway, Suite 275, North Richland Hills, TX 76180-9127

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

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

**The Lending Test is rated: Satisfactory.**

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

The First National Bank of Granbury (FNB) has a satisfactory record of meeting community credit needs. This conclusion is based on the following:

- The average quarterly loan-to-deposit (LTD) ratio is reasonable.
- A majority of FNB's loans were originated within the assessment area (AA).
- FNB has a reasonable penetration to borrowers of various income levels and businesses of different sizes.
- FNB's geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- No consumer complaints regarding FNB's CRA performance were received during this evaluation period.
- FNB's community development (CD) performance demonstrates adequate responsiveness to the CD needs of its AA.

## **Scope of Examination**

FNB qualifies as an Intermediate Small Bank (ISB) under the CRA regulation and is subject to a Lending Test and a CD Test. The Lending Test evaluates the bank's record of helping to meet the credit needs of its AA through its lending activities. The CD Test evaluates a bank's CD lending, qualified investments, and services.

The evaluation under the Lending Test covers loans originated between January 1, 2015 and December 31, 2016. Performance under the Lending Test was assessed based on a review of FNB's commercial loans (including accounts receivable and working capital loans), 1-4 Family residential loans (1<sup>st</sup> lien), and consumer loans. Our review included a sample of 24 commercial and 23 consumer loans that were originated during the evaluation period and a review all loans reported on the 2015 and 2016 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). This review period was used as FNB became a HMDA reported in 2015. CD activities were evaluated over the period from June 9, 2014 to June 12, 2017.

We used 2010 Census data for our evaluation of the distribution of loans, and utilized the demographics and geographies related to the 2010 Census.

We verified the accuracy of the data we relied on in this evaluation through a data integrity examination performed prior to our review. Our evaluation is based on accurate data. We verified CD loans and investments and services submitted by management to ensure the investments and activities met the regulatory definition for community development. We excluded any items that did not meet the definition or purpose of community development.

As no affiliates exist, affiliated activities were not considered in this evaluation.

## **Description of Institution**

FNB is a community bank that was chartered in 1887 in Granbury, Hood County, Texas. The bank operates its main office in historic downtown Granbury in its original location on the courthouse square. In addition, FNB has six full-service branches spread throughout Hood County and one mobile branch that is used to provide service to two senior living facilities. The bank also has a Loan Production Office in Weatherford and FNB Mortgage Group, located in the State Highway 377 Branch in Granbury. Drive-thru services are provided at the main office and all branch facilities. FNB has eight Automatic-Teller-Machines (ATMs). One ATM is located at each of the six branches and two ATMs are located at the main office. Hours of operation are commensurate with those of other area banks.

FNB is a wholly-owned subsidiary of First Granbury Bancorporation, a one-bank holding company headquartered in Granbury, Texas. FNB has no operating subsidiaries and had no merger or acquisition activity during the evaluation period. FNB closed one branch and opened another during this evaluation period. A FNB branch located in a Kroger grocery store was closed as the Kroger store relocated to another location that had no space available for a bank branch. The bank also opened a branch in Cleburne (Johnson County) in April 2017. There are no legal, financial or other factors impeding the bank's ability to help meet the credit and community development needs in its assessment area.

FNB offers traditional credit products and deposit account options. As of March 31, 2017, the bank's total assets were \$546 million, total loans were \$293 million, and total deposits were \$498 million. The bank offers a full range of loan products and deposit services. Loan products offered consist of residential mortgage loans, residential construction loans, commercial real estate loans, commercial loans, agriculture loans and consumer loans. Loans are funded through deposits. The following table reflects the loan portfolio as of March 31, 2017:

<b>Loan Portfolio Composition as of March 31, 2017</b>		
<b>Loan Category</b>	<b>\$(000)</b>	<b>%</b>
Residential Real Estate	153,844	52.0
Nonfarm Nonresidential RE	42,727	14.4
Construction & Development RE	34,299	11.6
Commercial & Industrial	26,420	8.9
Farm loans and Agriculture RE	20,182	6.8
Consumer & Other	18,343	6.2
<i>Total</i>	<b>\$295,815</b>	<b>100.00</b>

Source: March 31, 2017 Report of Condition

The bank's lending strategy continues to focus upon the origination of commercial, 1-4 Family residential loans, and consumer loans.

Banking competition is aggressive in the AA and competition from other financial institutions is increasing. FNB's competitors include branches of large regional and national institutions, and several mortgage/finance companies.

FNB received an overall rating of "Satisfactory" during its previous CRA examination dated June 9, 2014.

## **Description of Assessment Area**

FNB's AA consists of Hood and Johnson counties; however, Johnson County was not added to the AA until the Cleburne branch opened in April 2017. Hood County consists of ten census tracts (CTs). Two of the tracts are moderate-income, six are middle-income, and two are upper-income. There are no low-income CTs in Hood County. Johnson County is comprised of 28 CTs. One tract is low-income, seven are moderate-income, 15 are middle-income, and five are upper-income. The AA meets the requirements of the CRA regulation, does not arbitrarily exclude LMI geographies, and includes only those portions of political subdivisions that FNB can reasonably be expected to serve.

According to the June 30, 2016 FDIC Deposit Market Share Report, 22 financial institutions operate 61 offices within Hood and Johnson Counties. FNB dominates the market share with 17.29% of deposits. First Financial Bank is second with 15.08%. Other significant competitors include Wells Fargo Bank with 14.01%, Northstar Bank of Texas with 10.88%, and Pinnacle Bank with 9.9%; 23 other financial institutions make up the remaining 32.8%% of the market share.

Hood County is one of 254 counties in the state of Texas. It is located 15 miles southwest of Fort Worth. Hood County continues to experience growth as a bedroom

community for the Fort Worth-Arlington MSA. Contributors to its economy are the large retirement population and tourism centered in proximity to Lake Granbury, including historic Granbury Square and the Granbury Opera House. New residents in the Granbury area include middle-class families, attracted to the small town atmosphere and quality of life, relocating from the Dallas/Fort Worth Metroplex. Approximately 70% of Hood County’s workforce commutes outside of the county, primarily to the Comanche Peak Nuclear Power Plant and to employers in the Benbrook/Fort Worth area.

Leading employers have not changed since the prior evaluation; they include Lake Granbury Medical Center, Granbury ISD, the City of Granbury, the Comanche Peak Nuclear Power Plant (in adjacent Somervell County), Bond Arms (small handgun manufacturer), Total Equipment (custom fabricator of engine-driven products for the oil and gas industry), tourism, and retail businesses such as Lowe’s, Home Depot and automobile dealerships. The local food industry includes small vineyards and a cheese maker.

Johnson County is also one of 254 counties in the state of Texas. Johnson County is adjacent to Hood County and has also experienced recent growth as a bedroom community for the Fort Worth-Arlington MSA. Major employers include Burleson, Cleburne, Joshua, and Godley schools, the Cities of Burleson and Cleburne, Halliburton Energy, Harris Methodist Wall Regional Hospital, and retail businesses such as Walmart, HEB, and Target.

The AA’s 4.4% unemployment rate is lower than the State of Texas rate of 4.8%, but both are higher than the national rate of 4.3% as of May 2017.

As noted in the demographic data table below, over 17% of households in the AA consist of retired residents and 30% of households received social security benefits. Of the total number of businesses and farms, 77% have 1-4 employees and 73% earn less than \$500,000 of annual revenue. Low- and moderate-income families represent 40% of total families.

<b>Demographic and Economic Characteristics of AA</b>	
<b>Population</b>	
Total Population	202,116
Number of Families	53,719
Number of Households	70,665
% Retired Households	17.39%
% SS Households	29.79%
<b>Businesses and Farms</b>	

Number of Businesses and Farms	13,266
Businesses and Farms with less than five employees	76.63%
Businesses and Farms with less than \$500,000 annual revenue	82.67%
<b>Residential</b>	
% owner occupied units	69.05%
<b>Geographies</b>	
Number of Census Tracts	38
% Low-Income Census Tracts	2.63%
% Moderate-Income Census Tracts	23.68%
% Middle-Income Census Tracts	55.26%
% Upper-Income Census Tracts	18.42%
<b>Demographics</b>	
Low income families	20.25%
Moderate-income families	19.87%
<b>Median Family Income (MFI)</b>	
2010 Census MFI	\$63,592
2013 HUD-Adjusted MFI	\$69,300
<b>Economic Indicators</b>	
Unemployment Rate	4.06%
2010 Median Housing Value	\$121,636
% Households Below Poverty Level	9.50%

Source: 2010 Census data and HUD updated income data.

We determined the community credit needs in the AA through discussions with management and input from community contacts. Minimal emphasis was placed on reviewing the CRA Performance Evaluations of other banks and thrifts operating in the same AA, as none were similar in size or footprint. We determined the most pressing credit needs in the AA remain financing for small businesses and affordable housing inventory.

## Conclusions with Respect to Performance Tests

### LENDING TEST

FNB's performance under the Lending Test is **Satisfactory**.

FNB's primary business lines are residential real estate, construction & development, nonfarm nonresidential real estate, and consumer lending. We sampled and reviewed first lien 1-4 family residential loans and consumer loans. We also sampled and reviewed commercial loans to assess FNB's distribution of loans among businesses of different sizes. Equal weight was given to each type of lending when evaluating lending performance based on the criteria tested below.

#### Loan-to-Deposit Ratio

FNB's LTD ratio is reasonable and meets the standards for satisfactory performance given the bank's size, financial condition, and the credit needs in its assessment area. FNB reflects a willingness to provide credit to the AA. FNB's LTD ratio is within the range (lower end) of the LTD ratios of the other banks considered in the comparative group. The comparative group included six institutions in Hood and surrounding counties.

The LTD ratio measures the extent to which the bank has returned the deposits it has acquired to the community in the form of loans. The average of this ratio for each quarter-end since the previous CRA examination is used to determine performance. In the twelve quarters since the prior exam, FNB's average loan-to-deposit ratio was 54.88%. The ratio has steadily increased over the period from a low of 46.54% as of March 31, 2014, to a high of 58.89% as of March 31, 2017. At the last CRA exam, the average LTD ratio was 42.8%.

The average LTD ratio for community banks in the comparative group during the evaluation period was 70.16%. The LTD ratio for the group ranged from 37.44% to 93.04%. While FNB's LTD ratio is at the lower end of the range, FNB's ratio reflects a willingness to provide credit in light of mitigating factors. For example, FNB sells a significant portion of its 1-4 Family residential loans to secondary market investors. This would account for a lower LTD ratio. Since the last evaluation in 2014, the bank has originated and sold 497 1-4 family mortgage loans totaling \$97.5 million. If these loans had been maintained in the bank's portfolio the LTD ratio would be much higher. Among the loans originated and sold to third party investors were 32 USDA loans totaling \$4.6 million, targeted to low- and moderate-income individuals in rural areas.

#### Lending in Assessment Area

The bank's lending activities meet applicable standards and reflect the bank's commitment to meeting the credit needs of its community. A majority of the loans in all three lending lines we tested (commercial, residential mortgage, and consumer loans)

were made inside the bank's AA. As depicted in the table below, 67% of the number and 52% of the dollar amount of loans were originated inside FNB's AA.

<b>Table 1 - Lending in AA</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	279	61.18	177	38.82	456	41,276	53.19	36,323	46.81	77,599
Home Improvement	216	85.04	38	14.96	254	4,386	73.74	1,562	26.26	5,948
Refinance	85	51.52	80	48.48	165	12,550	39.97	18,847	60.03	31,397
Commercial	20	83.33	4	16.67	24	2,613	86.59	440	14.41	3,052
Consumer	20	86.96	3	13.04	23	292	59.07	203	40.93	496
Totals	620	67.25	302	32.75	922	61,117	51.58	57,375	48.42	118,492

Source: Data reported under HMDA

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

Overall, FNB's distribution of loans reflects a reasonable penetration among borrowers of different income levels and businesses of different sizes and meets the standards for satisfactory performance.

#### Residential Loans

FNB's distribution of residential mortgage loans among borrowers of different income levels is reasonable when performance context issues are considered. Only one active housing development in Hood County is located in a low-income area, and the builder responsible for the majority of the activity obtains financing through another institution. The bank only began actively pursuing business in Johnson County in 2017. Further, the bank has strong performance with consumer loans to LMI borrowers. As illustrated in the table below, the distribution of residential loans to LMI families reflects a reasonable penetration.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans in AA</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	20.25	5.59	19.87	16.77	21.81	22.36	38.07	55.28
Home Improvement	20.25	18.99	19.87	15.19	21.81	25.32	38.07	40.51
Refinance	20.25	11.76	19.87	20.59	21.81	17.65	38.07	50.00

Source: Data reported under HMDA; U.S. Census data.



### Commercial Loans

As shown in the table below, the distribution of loans to small businesses is excellent, with 96.58% of loans sampled, by dollar, made to small businesses compared to the percent of small businesses in the AA at 86.24%. A similar comparison holds true for the number of loans with 80% of the number of loans sampled made to small businesses.

Small businesses are categorized as businesses with annual revenues less than \$1 million. The distribution of the loans in our sample demonstrated the bank's commitment to lend to small businesses.

Table 2A - Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	86.24	4.72	9.04	100%
% of Bank Loans in AA by #	80.00	20.00	0.00	100%
% of Bank Loans in AA by \$	96.58	3.42	0.00	100%

Source: Loan sample; Dunn and Bradstreet data.

As illustrated in the table below, 85% of the number of loans to businesses originated by FNB had an original amount of less than \$100 thousand. Loan size often correlates to the size of the business.

Table 2C - Borrower Distribution of Loans to Businesses by Loan Size in AA				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	17	85%	689,391	26.39%
\$100,001 - \$250,000	1	5%	200,000	7.66%
\$250,001 - \$500,000	0	0%	0	0
\$500,001 - \$1,000,000	1	5%	581,000	22.24%
Over \$1,000,000	1	5%	1,142,230	43.72%

Source: Loan sample.

### Consumer Loans

FNB's distribution of consumer loans is excellent. As detailed in the table below, the percent of the number of consumer loans made to low-income borrowers (50%) exceeds the percent of households in the AA that fall within that income level (21.48%). The distribution of loans to moderate-income borrowers (30%) also exceeds the percent of households in the AA that fall within that income level (17.63%).

During the evaluation period, FNB originated \$1.6 million in loans with balances less than \$1,500; the average balance of these loans was \$805. The bank has no minimum loan amount in policy or practice. This is indicative of the bank's willingness to meet the credit needs of the community.

Table 2B - Borrower Distribution of Consumer Loans in AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	21.48	50.00	17.63	30.00	20.56	10.00	40.33	10.00

Source: loan sample; U.S. Census data.

### Geographic Distribution of Loans

A review of the geographic distribution of loans reflects reasonable dispersion overall. Since the prior evaluation, the CTs in the AA have changed. At the prior evaluation there were no low- or moderate-income CTs and therefore, no evaluation of geographic distribution of loans was performed. As of this evaluation, there are two moderate-income CTs in Hood County. Additionally, Johnson County was added to the AA. There is one low-income and seven moderate-income CTs in Johnson County. As detailed in the following tables, no consumer loans in our sample were made in low-income geographies. However, there is only one low-income CT in the AA. Only 5% of consumer loans in our sample were extended to individuals living in moderate-income areas of the AA while 21.11% of the households in the AA were located in moderate-income areas. However, 33% of business loans in our sample were to businesses located in moderate-income areas while only 16.74% of the businesses in the AA are located in these areas. Additionally, the dispersion of 1-4 family loans across the income segments is reasonable for purchase, improvement, and refinance loans. We did not identify any conspicuous gaps in lending performance within the middle- and upper-income CTs. A large majority of lending is within middle-income areas of the AA. FNB is lending in all of the CTs within its AA.

Table 3B - Geographic Distribution of Consumer Loans in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	1.98	0	21.11	5.00	57.25	85.00	19.66	10.00

Source: Loan sample; U.S. Census data.

<b>Table 3A - Geographic Distribution of Loans to Businesses in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	4.07	0.00	16.74	33.33	54.29	0.00	24.91	66.66

Source: Loan sample; U.S. Census data.

<b>Table 3 - Geographic Distribution of Residential Real Estate Loans in AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.92	0.00	18.91	7.45	57.79	57.14	22.39	35.40
Home Improvement	0.92	0.00	18.91	15.19	57.79	51.09	22.39	25.32
Refinance	0.92	0.00	18.91	23.53	57.79	55.88	22.39	20.59

Source: Loan sample; U.S. Census data.

### Responses to Complaints

FNB has not received any complaints regarding its CRA performance during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

FNB's responsiveness to the community development needs of the AA through CD lending, investments, and services is adequate. Our conclusion is based on the bank's level of activity and performance context.

FNB demonstrates an adequate responsiveness to the CD needs of the AA through the use of CD loans, qualified investments, and CD services considering the bank's capacity and financial condition, and the need and availability of such opportunities in the AA. The bank centers its CD efforts primarily in qualified investments.

The evaluation period starts at the date of the last CRA evaluation period (June 9, 2014) and goes to the date of the current CRA evaluation (June 12, 2017).

### **Number and Amount of Community Development Loans**

Considering the needs and opportunities in the AA, and FNB's performance context and capacity, the bank's CD lending activity reflects adequate responsiveness.

FNB has two CD loans as of this evaluation with outstanding balances of \$1.095 million. These loans are to the Senior Housing Crime Prevention Foundation with the purpose of providing secure senior living environments in the AA, and to the Hood County Committee on Aging with the purpose of providing permanent financing for the construction of a senior citizen's center, which houses the Hood County Committee on Aging. This organization provides services and activities that significantly impact LMI individuals in the AA. This organization's mission is to meet the needs of the senior citizens of Hood County. This is accomplished through an extensive on-site meals program, meal delivery program (Meals on Wheels), transportation for medical appointments and grocery shopping, homemaker housekeeping services, and daily activities designed to keep seniors active and involved. Services provided by these organizations are primarily tailored to benefit LMI elderly individuals in the AA.

### **Number and Amount of Qualified Investments**

Considering the needs and opportunities in the AA, and FNB's performance context and capacity, qualified investments indicated excellent responsiveness. FNB has six qualified investments totaling \$6.75 million representing 11% of the bank's capital committed and \$2.7 million outstanding as of this evaluation. FNB also had charitable donations during the evaluation period totaling \$19.8 thousand.

The bank has joined a program called Homebuyer Equity Leverage Partnership (HELP) through the Federal Home Loan Bank of Dallas. The program provides funds for affordable housing for LMI individuals and the bank has contributed \$8 thousand to the program since January 2017.

The bank maintains \$1 million equity investment in the Solomon Hess SBA Loan Fund. The original investment was made in the prior evaluation period; an additional \$500 thousand remains unfunded. The Fund purchases the federally guaranteed portion of SBA loans made to businesses located in the AA of banks investing in the fund. It was formed to provide liquidity to small business lenders and to meet the demand for CRA qualified investments. The Fund is certified by the Community Development Financial Institutions (CDFI) Fund of the U.S. Treasury Department as a Community Development Entity. FNB's investment is allocated to an SBA loan made to a Granbury gas and convenience store. This investment qualifies for CD because five permanent jobs were created or retained, most of which will be/are staffed by LMI persons and the business is located in a CDFI Fund Qualified Investment census tract.

FNB maintains additional investments with \$915 thousand outstanding in Small Business Investment Companies (SBIC) funds. The initial investments in these funds were made in the prior review period. These funds promote economic development by providing financing to small businesses. Proceeds were used to finance businesses located outside the AA.

FNB made \$19.8 thousand in qualifying donations to 12 CD organizations. The bulk of the donations were to United Way (\$8,175) and Mission Granbury, Inc. (\$2,950). These organizations provide social services to LMI individuals and those displaced by natural disasters.

FNB continued equity investments totaling \$1.06 million that were made in prior review periods.

### **Extent to Which the Bank Provides Community Development Services**

During the evaluation period, FNB exhibited adequate responsiveness to the CD service needs of the AA.

FNB's banking programs and hours allow the bank to deliver needed banking and credit services to LMI customers as well as small business owners throughout the bank's AA. Banking products and services are delivered primarily through FNB's main office and six branches that are located in accessible locations throughout the AA. Each branch has a drive-up facility, is supported by an ATM and offers a range of traditional retail banking services and products. FNB also has a mobile branch that provides banking services to two local retirement homes two days a week. The bank offers 24-hour banking by telephone, internet, mobile device, and Visa debit cards. All locations maintain standard banking hours Monday through Thursday with extended lobby hours on Friday evenings and Saturday mornings. Drive-up facilities are open from 8 a.m. to 6 p.m. Monday through Friday as well as Saturday mornings.

FNB continues to meet the CD service needs of the AA through volunteer activities by its directors, officers and employees, many on a continuing basis to the organizations. Bank staff serve as directors and finance committee members, and provided strategic

planning, fundraising, and budgeting expertise. The organizations are engaged in a variety of community services targeted to LMI individuals and families.

FNB is an approved lender for the USDA Rural Development Single Family Housing Loan Guarantee Program. USDA mortgages are government-backed loans that enable LMI single-family homebuyers in rural areas to purchase their own home. Features of the USDA loans include: low 30-year fixed rates, 100% financing, no requirement for private mortgage insurance, and relaxed credit guidelines. During the review period, FNB originated \$7.4 million of these loans.

### **Responsiveness to Community Development Needs**

The volume and responsiveness of FNB to the CD needs of the AA is adequate. The Board has identified financing for small business startups and existing businesses, economic development, and affordable housing for LMI families and individuals as its primary CD goals. The bank has allocated dollars and manpower resources to achieve those goals through:

- banking and loan products to assist small business owners and LMI individuals,
- participation in federal lending programs to facilitate the purchase of affordable housing by LMI individuals,
- CD loans and investments to finance organizations whose purpose is community services and economic development,
- financial support of non-profit CD organizations through cash donations, and active participation and leadership in providing financial management and oversight of CD organizations whose purpose includes economic development and community services.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.