



**PUBLIC DISCLOSURE**

October 31, 2022

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Colonial Savings, F.A.

**Charter Number 706809**

2626C West Freeway, Fort Worth, TX 76113-2988

Office of the Comptroller of the Currency

225 East John Carpenter Freeway, Suite 900  
Irving, TX 75062-2270

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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory**

**The community development test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on performance in the Dallas-Fort Worth-Arlington metropolitan statistical area (DFW MSA) assessment area (AA); the bank's only AA.
- The Community Development (CD) Test rating is based on performance in the DFW MSA AA.
- The loan-to-deposit (LTD) ratio is reasonable.
- The majority of the bank's loans are outside the AA. Given the performance context and the bank's unique business model, concerns about the high level of lending outside the AA are mitigated and the bank's overall efforts to meet the credit needs of its AA are adequate.
- The distribution of loans across geographies of different income levels is poor.
- The distribution of loans to borrowers of different income levels is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 78.3 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the AA with assets ranging from \$1.1 billion to \$2.2 billion. The average LTD ratio for the peer banks was 73.2 percent. The bank's LTD is slightly above peer group bank performance.

### Lending in Assessment Area

A majority of the bank's loans are outside its AA.

The bank originated and purchased 29.8 percent of its total loans by dollar amount and 29.4 percent of its total loans by number of loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The bank's level of lending inside the AA is reasonable although the majority of loans were originated and purchased outside the AA. Performance is considered in the context of the bank's business model which is primarily mortgage lending at the national level. While the bank has designated the majority of the DFW MSA as its only AA, it is a substantial mortgage banking operation with a non-traditional business model. The bank serves the national market through a combination of eight branch locations and non-branch delivery methods including a network of credit unions and an online application platform. The bank's primary deposit source is escrow accounts for the mortgages it services, so lending and deposit originations are well correlated. Overall, the bank's low lending proportion within the AA is reasonably explained and related concerns are mitigated.

**Table D – Lending Inside and Outside of the Assessment Area**

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	4,398	29.4	10,574	70.6	14,972	1,141,369	29.8	2,692,949	70.2	3,834,345
<b>Total</b>	<b>4,398</b>	<b>29.4</b>	<b>10,574</b>	<b>70.6</b>	<b>14,972</b>	<b>1,141,396</b>	<b>29.8</b>	<b>2,692,949</b>	<b>70.2</b>	<b>3,834,345</b>

## Description of Institution

Colonial Savings (Colonial) is a single-state, multi-service financial institution founded in 1952 in Fort Worth, Texas. Colonial originates residential mortgage loans through multiple divisions, including Colonial National Mortgage and CU Members Mortgage. Colonial National Mortgage is a retail mortgage lender and CU Members Mortgage provides mortgage services to credit unions nationwide. The bank's primary business is mortgage banking, including all aspects of mortgage origination, sales, packaging, and servicing. Colonial is wholly owned by First Western Mortgage Corporation. The holding company has no other significant assets or liabilities and its activities do not influence the bank's CRA rating. Colonial does not have any affiliates or subsidiaries.

Colonial is primarily a mortgage originator and has become one of the largest servicers of home mortgage loans in the United States. The bank serviced an average of approximately \$22 billion in home mortgage loans during the evaluation period. The primary funding source is deposits from escrow accounts linked to the home mortgages it services. The bank also provides traditional banking services including consumer and commercial loans, Small Business Administration (SBA) loans, consumer and business checking and savings accounts, online banking, mobile banking and a credit card program through a third-party issuer. Mortgage product offerings include conventional fixed-rate and adjustable rate, FHA, VA, USDA, jumbo, construction, and refinance of 1-4 family loans.

Colonial operates eight bank branches throughout North Central Texas providing a full array of personal and business financial products. All of the branch locations except Arlington, Cleburne, and Colleyville have ATMs. There have been no branch openings or closings during the evaluation period. Colonial has one AA, which is described below in the "Selection of Areas for Full-Scope Review" section. As of December 31, 2021, the bank reported total assets of \$1.09 billion, total deposits of \$736 million, and total equity capital of \$235.1 million. Net loans and leases totaled \$706 million, which represents 64.8 percent of total assets. Outstanding loans by category include 1-4 family residential mortgages at 85.1 percent, construction loans at 8.8 percent, commercial real estate loans at 4.7 percent, commercial and industrial loans at 1.1 percent, and consumer loans at 0.3 percent. Investment securities totaled \$61.8 million which represents 5.7 percent of total assets. Tier 1 capital totaled \$82.9 million.

There are no legal, financial or other factors impeding the bank's ability to meet the credit needs of the AA during the evaluation period. The prior CRA evaluation was dated October 21, 2019 and the bank received a "Satisfactory" rating.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We completed a full-scope review of Colonial’s CRA activities in the AA under the Intermediate Small Bank CRA procedures, which includes the Lending Test and the Community Development Test. The Lending Test evaluates the bank’s record of meeting the credit needs of the AA through its lending activities. The CD Test evaluates the bank’s responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Loan information used for this evaluation included HMDA data from 2019, 2020, and 2021. Conclusions regarding the CD Test are based on the bank’s CD activities between January 1, 2019 and December 31, 2021.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

Colonial has one AA in Texas, the DFW MSA AA. For 2019, the AA consisted of the entire MSA which is comprised of the following 11 counties: Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall, Johnson, Parker, Tarrant, and Wise. In 2020, the AA was adjusted to remove Hunt, Kaufman, and Wise counties given a lack of branch and/or loan production office presence and low lending volumes in these counties. The remaining eight contiguous counties comprised the AA for 2020-2021. As a result, tables are presented separately for 2019 and 2020-2021 data throughout the PE. We performed a full-scope review of the DFW MSA AA.

Refer to the “Scope” section under the State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings. Colonial operates in one state and the State Rating is based on performance in the bank’s only AA. Because 1-4 family mortgage lending is the bank’s only primary product, no product weighting was used in the analysis. Refer to the “Scope” section under each state rating section, if applicable, for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Texas

#### **CRA rating for the State of Texas<sup>1</sup>: Satisfactory**

**The Lending Test is rated: Satisfactory**

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

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is poor.
- The borrower distribution of loans to borrowers of different income levels is reasonable.
- CD activities reflect adequate responsiveness to community development needs. Notably, the level of CD lending demonstrates excellent responsiveness to the CD needs within the AA.

### **Description of Institution's Operations in Texas**

The bank operates in one AA in the State of Texas as described in the “Description of the Institution” and the “Scope of the Evaluation” sections of this Performance Evaluation. During the review period Colonial had eight branch locations, all located in the DFW MSA. Five branches are located in Tarrant county, with one branch each in Dallas, Denton, and Johnson counties.

The bank's primary lending focus continues to be 1-4 family residential mortgages, primarily to sell in the secondary market. Competition in the AA is intense. The bank's competitors include some of the largest banks with national footprints and nonbank financial entities (mortgage companies) that compete for residential loans. In the DFW MSA, Colonial has less than 1 percent of the deposit market share and ranks 49<sup>th</sup> out of 170 financial institutions. Colonial also has less than 1 percent of the mortgage lending market share in the MSA and ranks 53<sup>rd</sup> out of 989 institutions. The bank's primary deposit source is escrow accounts for the mortgages it services. Deposit originations are well correlated with loan originations and are sourced from all over the country given the bank's nationwide mortgage operation.

Community credit needs in the AA were determined by reviewing recent housing and demographic information, performance context information provided by management, and two community contacts conducted in conjunction with performance evaluations for other banks operating in the AA. Overall, local economic conditions proved resilient to the economic impacts of COVID-19 lockdowns and the Dallas-Fort Worth market continues to experience economic growth, net migration to the area, and increasing housing values. However, community contacts acknowledged that housing prices have risen at a faster pace than working class wages, resulting in a significant need for affordable housing options for low- and moderate-income (LMI) individuals. According to the August 2022 Moody's Analytic Report, average housing prices have steadily risen with the average home in the Fort Worth Metro costing \$250 thousand, \$261 thousand, and \$301 thousand during the years of 2019, 2020, and 2021, respectively. Financial literacy programs were also identified as a community development need, with particular emphasis on lower cost alternative options to payday lenders.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Additional demographic information on the institution’s DFW MSA AA is summarized in the tables below.

Dallas-Fort Worth-Arlington MSA AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: DFW MSA AA 2019</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,312	12.9	25.6	28.7	32.2	0.5
Population by Geography	6,771,641	10.8	24.9	30.5	33.7	0.1
Housing Units by Geography	2,583,855	11.3	23.9	30.9	33.7	0.2
Owner-Occupied Units by Geography	1,429,830	5.1	19.3	32.4	43.2	0.1
Occupied Rental Units by Geography	953,182	18.8	29.9	29.3	21.6	0.3
Vacant Units by Geography	200,843	19.4	27.9	28.7	23.8	0.3
Businesses by Geography	672,415	6.8	18.6	27.6	46.4	0.6
Farms by Geography	12,751	4.8	16.7	33.7	44.4	0.4
Family Distribution by Income Level	1,654,593	23.3	16.5	18.2	41.9	0.0
Household Distribution by Income Level	2,383,012	23.8	16.5	17.7	41.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$175,471
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$978
			Families Below Poverty Level			11.3%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						



<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: DFW MSA AA 2020-2021</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,264	13.1	25.3	27.8	33.2	0.6
Population by Geography	6,513,057	11.1	24.6	29.6	34.6	0.1
Housing Units by Geography	2,484,171	11.5	23.5	30.1	34.8	0.2
Owner-Occupied Units by Geography	1,364,457	5.2	18.8	31.1	44.8	0.1
Occupied Rental Units by Geography	931,237	19.0	29.5	29.2	22.0	0.3
Vacant Units by Geography	188,477	20.1	27.3	27.2	25.1	0.3
Businesses by Geography	710,898	6.8	17.6	27.5	47.5	0.7
Farms by Geography	12,590	4.7	15.6	31.8	47.5	0.4
Family Distribution by Income Level	1,590,139	23.3	16.5	18.1	42.2	0.0
Household Distribution by Income Level	2,295,694	23.7	16.5	17.7	42.1	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$177,919
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$982
			Families Below Poverty Level			11.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Texas

As discussed above, the bank has eight branches all located in the state of Texas. Colonial has designated the DFW MSA as its only AA and this AA is subject to a full-scope review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

The bank's performance under the Lending Test in Texas is rated Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Texas is reasonable.

### Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the state.

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

Refer to Table O in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

For 2019, the bank's home mortgage lending in low-income geographies was lower than the percentage of owner-occupied housing in these geographies and somewhat lower than the aggregate lending in low-income geographies. Lending opportunities in these geographies are limited with only 5.1 percent of owner occupied housing located in low-income census tracts (CTs). For moderate-income geographies, the bank's home mortgage lending was somewhat lower than the owner-occupied housing, but near to the performance reported by aggregate HMDA lenders.

For 2020-2021, the bank's mortgage lending in low-income geographies was lower than the percentage of owner-occupied housing in these geographies and somewhat lower than the aggregate lending. However, as noted above, lending opportunities in these geographies are limited. For moderate-income geographies, the bank's home mortgage lending was lower than the owner-occupied housing, but near to the aggregate lending.

### ***Lending Gap Analysis***

We evaluated the lending distribution in the bank's AA to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

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

Refer to Table P in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

For borrower distribution, more weight was placed on the aggregate data given the performance context. As previously mentioned, increasing housing prices in the AA have created a barrier to home ownership for LMI individuals.

For 2019, the bank's home mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income, but was near to the aggregate lending to low-income borrowers within the AA. The bank's home mortgage lending to moderate-income borrowers was near to the percentage of families identified as moderate-income and exceeded the aggregate lending to moderate-income borrowers.

For 2020-2021, the bank's home mortgage lending to low-income borrowers was lower than the percentage of low-income borrowers, but equaled the aggregate lending to low-income borrowers. The bank's home mortgage lending in the AA to moderate-income borrowers was somewhat lower than the

percentage of moderate-income borrowers, but exceeded the aggregate lending to moderate-income borrowers.

### Responses to Complaints

Colonial received two comment letters related to its CRA performance during the review period from a Dallas-based community organization. The bank received two additional complaints from the same organization post the CRA review period. While these comments and complaints contained numerous factual inaccuracies, management responded to them all timely and appropriately and they are documented in the bank's public file. In response to internal self-evaluations, the bank has taken a number of steps to expand community outreach in an effort to build relationships with potentially underserved communities in its AA. Some of these efforts have also been responsive to the comments/complaints. Some examples include hosting financial empowerment webinars/seminars and home-buyer education workshops, participating in community events sponsored by a local minority chamber of commerce, and appointing a Multicultural Lending Business Manager and two Multicultural Loan Officers.

### COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

### Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
DFW MSA AA	38	56.7	6,648	84.0
DFW MSA AA PPP Loans – 2020	16	23.9	1,017	12.9
DFW MSA AA PPP Loans – 2021	13	19.4	246	3.1
<b>Total CD Loans</b>	<b>67</b>	<b>100.0</b>	<b>7,911</b>	<b>100.0</b>

The level of CD lending demonstrates excellent responsiveness to the CD needs within the AA. As reflected in the table above, the bank originated 38 CD loans in the AA totaling \$6.6 million during the review. These loans included five loans totaling \$3 million to support revitalization and stabilization efforts, 28 loans totaling \$2.7 million for affordable housing, and five loans totaling \$859 thousand

supporting economic development. A material portion of this activity includes purchased participations in 27 mortgage loans totaling \$2.2 million to LMI borrowers, which provided a nonprofit organization additional capital to support further affordable housing initiatives.

During the early stages of the COVID-19 pandemic, the bank originated 30 PPP loans totaling \$2.5 million in 2020. Of this amount, 16 PPP loans totaling approximately \$1.0 million also met the criteria for community development. These loans helped to stabilize the local economy, businesses, and their employees. Also, during 2021, the bank made 13 additional CD-related PPP loans in the AA totaling \$246 thousand. These loans qualified as CD loans under the OCC's 2020 CRA rules. In December 2021, the OCC rescinded the June 2020 CRA Rule, but communicated changes regarding community development activities are applicable to the fourth quarter of 2020 and calendar year 2021. Refer to OCC Bulletin 2021-61 for the impact of the Rule rescission

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
DFW MSA AA	1	6,153	66	485	67	100	6,638	100	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank's level of investments and donations demonstrates adequate responsiveness to the CD needs in the AA. During the evaluation period, the bank continued its \$6.2 million investment in a CRA Qualified Fund. The bank also made 66 donations totaling \$485 thousand to 27 different organizations. Significant donations included \$91 thousand in donations to a Tarrant County-based housing counseling agency and \$80 thousand to a nonprofit organization that provides mortgage and rental payment assistance to LMI families with critically ill or injured children.

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

The level of CD services demonstrates adequate responsiveness to the needs of the AA. Bank officers and employees serve in leadership positions and provide technical expertise in local qualifying organizations that provide community services to LMI individuals, support economic development, assist with affordable housing, and revitalize or stabilize areas within the AA. Employees also led or participated in numerous financial literacy classes and forums. During the evaluation period, 24 employees provided 818 service hours to 15 qualified organizations within the AA.

Significant CD service contributions include four employees that provided financial and technical expertise to an organization that delivers homebuyer education, default and delinquency counseling, and reverse equity mortgage counseling at no cost to LMI individuals, with one employee also serving as a board member. Another employee served on the board and provided technical assistance to a nonprofit organization that provides financial literary education, mobile food pantry, and other community services benefiting LMI individuals. Further, another employee served on the board and provided day-to-day technical assistance for an organization that provides scholarships and support services to students from LMI families and communities.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2019 to 12/31/2021	
<b>Bank Products Reviewed:</b>	Home mortgage Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Texas</b>		
DFW MSA AA	Full-Scope	For 2019, entire MSA consisting of 11 whole counties. For 2020-2021, majority of the MSA consisting of the following 8 contiguous whole counties: Collin, Dallas, Denton, Ellis, Rockwall, Johnson, Parker, and Tarrant.

## Appendix B: Summary of State Ratings

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RATINGS COLONIAL SAVINGS, F.A.			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Colonial Savings, F.A.	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

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

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.



**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent and less than 120 percent, in the case of a geography

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

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

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

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

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
DFW MSA 2019	1,167	283,807	100.0	267,862	5.1	2.1	3.0	19.3	12.2	12.6	32.4	35.0	33.5	43.2	50.7	50.8	0.1	0.0	0.1	
<b>Total</b>	<b>1,167</b>	<b>283,807</b>	<b>100.0</b>	<b>267,862</b>	<b>5.1</b>	<b>2.1</b>	<b>3.0</b>	<b>19.3</b>	<b>12.2</b>	<b>12.6</b>	<b>32.4</b>	<b>35.0</b>	<b>33.5</b>	<b>43.2</b>	<b>50.7</b>	<b>50.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	

Source: 2015 ACS; 01/01/2019 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2020-21</b>
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
DFW MSA 2020-2021	3,231	857,589	100.0	370,578	5.2	1.6	2.7	18.8	9.0	11.1	31.1	31.2	32.0	44.8	58.1	53.9	0.1	0.1	0.2	
<b>Total</b>	<b>3,231</b>	<b>857,589</b>	<b>100.0</b>	<b>370,578</b>	<b>5.2</b>	<b>1.6</b>	<b>2.7</b>	<b>18.8</b>	<b>9.0</b>	<b>11.1</b>	<b>31.1</b>	<b>31.2</b>	<b>32.0</b>	<b>44.8</b>	<b>58.1</b>	<b>53.9</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019</b>
<b>Total Home Mortgage Loans</b>					<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
DFW MSA 2019	1,167	283,807	100.0	267,862	23.3	3.3	3.7	16.6	15.8	14.1	18.2	21.5	20.6	41.9	57.4	45.1	0.0	2.0	16.5	
<b>Total</b>	<b>1,167</b>	<b>283,807</b>	<b>100.0</b>	<b>267,862</b>	<b>23.3</b>	<b>3.3</b>	<b>3.7</b>	<b>16.6</b>	<b>15.8</b>	<b>14.1</b>	<b>18.2</b>	<b>21.5</b>	<b>20.6</b>	<b>41.9</b>	<b>57.4</b>	<b>45.1</b>	<b>0.0</b>	<b>2.0</b>	<b>16.5</b>	

*Source: 2015 ACS ; 01/01/2019 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2020-21</b>
<b>Total Home Mortgage Loans</b>					<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
DFW MSA 2020-2021	3,231	857,589	100.0	370,578	23.3	3.2	3.2	16.5	13.1	12.5	18.1	24.1	18.5	42.2	56.3	43.6	0.0	3.3	22.2	
<b>Total</b>	<b>3,231</b>	<b>857,589</b>	<b>100.0</b>	<b>370,578</b>	<b>23.3</b>	<b>3.2</b>	<b>3.2</b>	<b>16.5</b>	<b>13.1</b>	<b>12.5</b>	<b>18.1</b>	<b>24.1</b>	<b>18.5</b>	<b>42.2</b>	<b>56.3</b>	<b>43.6</b>	<b>0.0</b>	<b>3.3</b>	<b>22.2</b>	

*Source: 2015 ACS ; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*