

# **PUBLIC DISCLOSURE**

April 8, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First United Bank  
Certificate Number: 12769

201 North Broadway Street  
Dimmitt, Texas 79027

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 .....	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION .....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	14
AMARILLO MSA AA – Full-Scope Review .....	14
WICHITA FALLS MSA AA – Full-Scope Review.....	23
OTHER ASSESSMENT AREAS – Limited-Scope Review.....	32
APPENDICES .....	37
LARGE BANK PERFORMANCE CRITERIA.....	37
SCOPE OF EVALUATION .....	39
DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS.....	40
GLOSSARY .....	42

## 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 resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

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

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- A high percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The institution is a leader in making community development loans.

**The Investment Test is rated High Satisfactory.**

- The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits good responsiveness to credit and community development needs.
- The institution makes significant use of innovative and/or complex investments to support community development initiatives.

**The Service Test is rated Low Satisfactory.**

- Delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution provides adequate level of community development services.

## **DESCRIPTION OF INSTITUTION**

First United Bank (FUB), headquartered in Dimmit, Texas, began operations in 1907. Plains Bancorp, Inc., Dimmit, Texas, a one-bank holding company wholly owns the bank. FUB received a "Satisfactory" rating at the prior FDIC Performance Evaluation dated March 8, 2021, based on Federal Financial Institutions Examination Council (FFIEC) Large Institution CRA examination procedures.

FUB is a retail bank currently operating 16 full-service branches and 15 automated teller machines (ATMs) or integrated teller machines (ITMs) throughout the panhandle of Texas. Since the prior evaluation, the bank acquired three branches in September of 2021, two branches in Childress, Texas and one branch in Cottle, Texas. All three branches are located in moderate-income census tracts. In addition, on February 29, 2024, the bank consolidated the two acquired Childress branches and while one of the branch locations no longer operates as a full-service branch, the bank installed an ITM at this location.

See the individual assessment areas' sections for more details. The bank did not participate in any merger activity since the prior evaluation.

The bank offers a variety of credit products, including commercial, agricultural, home mortgage, and consumer loans. While loan products vary slightly by market area, commercial and home mortgage loans continue to represent the bank's primary business lines. However, agricultural loans are commonly originated in the rural Texas areas where the bank maintains branches. FUB

also offers a full line of traditional deposit services, including checking accounts, savings accounts, health savings accounts, individual retirement accounts, and certificates of deposit. Alternative banking services include debit cards including prepaid cards, gift cards, credit cards, Zelle, telephone banking, internet banking, and mobile banking.

As of the December 31, 2023, the bank reported total assets of \$2.2 billion, total loans of \$1.3 billion, and total deposits of \$1.8 billion. Since the previous evaluation, total assets, net loans, and total deposits reflect increases of 39.9 percent, 24.9 percent, and 31.3 percent, respectively.

The following table illustrates the mix of outstanding loans as of December 31, 2023, which reflects a distribution supportive of the institution’s primary lending focus of commercial, agricultural, and home mortgage loans.

<b>Loan Portfolio Distribution as of 12/31/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	195,825	14.4
Secured by Farmland	153,677	11.3
Secured by 1-4 Family Residential Properties	145,709	10.7
Secured by Multifamily (5 or more) Residential Properties	37,342	2.8
Secured by Nonfarm Nonresidential Properties	433,426	31.9
<b>Total Real Estate Loans</b>	<b>965,979</b>	<b>71.1</b>
Commercial and Industrial Loans	247,040	18.3
Agricultural Production and Other Loans to Farmers	121,688	9.0
Consumer Loans	5,947	0.4
Obligations of State and Political Subdivisions in the U.S.	15,266	1.1
Other Loans	876	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>1,356,796</b>	<b>100.0</b>

*Source: Reports of Condition and Income*

Examiners did not identify any financial, legal, or other impediments that affect the institution’s ability to meet the credit needs of its assessment areas.

## **DESCRIPTION OF ASSESSMENT AREAS**

As more fully described under Description of Institution for each assessment area, FUB operates in one rated area, the State of Texas. The bank designates six assessment areas, three of which are in noncontiguous Texas non-metropolitan area assessment areas (TX Non-MSA AA). Examiners combined the three noncontiguous TX Non-MSA AA for presentation purposes since examiners identified no anomalies when analyzing the three areas separately. Therefore, this evaluation presents discussion on four assessment areas. Please refer to the individual assessment areas for additional information.

Since the previous evaluation, the bank added a noncontiguous TX Non-MSA AA that includes Childress and Cottle counties as a result of the branch acquisitions mentioned above. Additionally, minor changes to census tract boundaries within the assessment areas occurred due to the 2020 U.S. Census.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the time period from the previous evaluation dated March 8, 2021, to the current evaluation dated April 8, 2024. To evaluate performance, examiners applied the FFIEC Large Bank CRA Examination procedures, which include the Lending, Investment, and Service Tests. The appendix lists the tests’ criteria.

Examiners applied full-scope procedures to the Amarillo MSA AA since this area contains a significant volume of the bank’s total lending activity. Examiners also applied full-scope procedures to the Wichita Falls MSA AA since it has not received a full-scope review at the prior two evaluations. Examiners applied limited-scope procedures to the Lubbock MSA AA and TX Non-MSA AA since they received full-scope reviews at the prior evaluation.

The following table shows that the Amarillo MSA AA contains the largest portion of the bank’s total lending volume; therefore, examiners afforded the most weight to this assessment area when arriving at conclusions followed by the TX Non-MSA AA and Lubbock MSA AA with the Wichita Falls MSA AA receiving the least weight.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Amarillo MSA	101,597	41.2	510,242	28.6	3	18.7
Lubbock MSA	61,189	24.8	361,745	20.3	3	18.7
Wichita Falls MSA	11,514	4.7	38,313	2.2	1	6.3
TX Non-MSA	72,396	29.3	871,311	48.9	9	56.3
<b>Total</b>	<b>246,696</b>	<b>100.0</b>	<b>1,781,611</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>

*Source: 2022 HMDA and CRA Data; FDIC Summary of Deposits (6/30/2023)*

### **Activities Reviewed**

For the Lending Test, CRA Large Bank procedures require examiners to consider a bank’s reported home mortgage, small business, and small farm loans, as well as all reported community development loans originated since the previous evaluation. Consequently, this evaluation considers total loans reported (inside and outside of the assessment areas) either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

### Home Mortgage Loans

- 2021: 675 loans totaling \$158,544,211
- 2022: 512 loans totaling \$129,491,688
- 2023: 357 loans totaling \$105,138,487

### Small Business Loans

- 2021: 2,066 loans totaling \$177,153,000
- 2022: 955 loans totaling \$140,934,000
- 2023: 849 loans totaling \$116,404,000

### Small Farm Loans

- 2021: 500 loans totaling \$65,815,000
- 2022: 478 loans totaling \$63,480,000
- 2023: 530 loans totaling \$70,189,000

### Community Development Loans

- March 8, 2021 – April 8, 2024: 111 loans totaling \$156,145,000

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2022 home mortgage loan data, small business loan data, and small farm loan data, the most recent calendar year for which corresponding aggregate data exists as of this evaluation. Small farm loans are only a primary product in the TX Non-MSA AA; therefore, examiners only reviewed this product in the TX Non-MSA AA. Examiners compared the bank's home mortgage lending to aggregate data in 2021 and 2022 as well as 2020 U.S. Census Data in 2023. Examiners compared the bank's small business and small farm lending to aggregate data in 2021 and 2022 and D&B data in 2023.

Examiners considered the universe of loans reviewed by number and dollar volume, as well as management's stated business strategy, to determine the weighting applied to the loan categories reviewed. Small business loans surpassed the dollar volume of home mortgage and small farm loans as shown previously. However, loan product weighting varied slightly by assessment area.

The scopes for the Investment and Service Tests consider applicable current period community development activities, including qualified investments and community development services. The Investment Test's scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation but remain outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

For the Service Test, examiners reviewed the delivery systems for providing retail banking services, including branches and alternative delivery systems, and the impact of any branch openings or closings during the evaluation period. The review further evaluated retail banking products and services targeted toward low- and moderate-income individuals or small businesses and/or tailored to meet specific needs within the assessment areas.

Given the institution's method and compilation of community development data, examiners reviewed all community development loans, qualified investments, and community development services from the date of the previous evaluation to the date of the current evaluation.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

FUB demonstrated a high satisfactory record regarding the Lending Test. The leader level of community development loans, a high percentage lending inside of the assessment area, as well as excellent lending levels and use of innovative and/or flexible lending, combined with adequate records for geographic distribution and borrower profile support this conclusion. Conclusions regarding the overall Lending Test performance are consistent with the Amarillo MSA AA, Lubbock MSA AA, and TX Non-MSA AA. Performance in the Wichita Falls MSA AA is inconsistent.

#### **Lending Activity**

Lending levels reflect excellent responsiveness to the assessment areas' credit needs. Excellent records regarding small business lending, home mortgage lending, and small farm lending support this conclusion. Examiners considered the bank's size, business strategy, and capacity relative to the assessment area credit needs when arriving at this conclusion.

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

Small business lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, the bank originated 807 reportable small business loans totaling approximately \$108.5 million inside its assessment areas. FUB captured 4.8 percent market share of the total number of small business loans and an 11.9 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 6<sup>th</sup> out of 125 lenders in the bank's assessment areas. This ranking lands the bank in the top 4.8 percent of lenders reporting such loans in the bank's assessment areas. This ranking considers the total number and dollar volume of loans made by each institution in the assessment area.

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

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, the bank originated 423 reportable home mortgage loans totaling \$99.9 million inside its assessment areas. FUB captured a 1.9 percent market share of the total number of home mortgage loans and a 1.9 percent market share of the total dollar volume of loans. According to 2022 HMDA aggregate data, FUB ranked 13<sup>th</sup> out of 523 lenders reporting home mortgage loans inside the assessment areas. This ranking lands the bank in the top 2.5 percent of lenders. This ranking considers the total number and dollar volume of loans made by each institution in the assessment areas.



***Small Farm Loans***

Small farm lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, the bank originated 314 reportable small farm loans totaling \$38.3 million inside its assessment areas. FUB captured 21.4 percent market share of the total number of small farm loans and 29.8 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 1<sup>st</sup> out of 29 lenders in the bank’s assessment areas. This ranking lands the bank in the top 3.4 percent of lenders reporting such loans in the bank’s assessment areas. This ranking considers the total number and dollar volume of loans made by each institution in the assessment area.

**Assessment Area Concentration**

A high percentage of loans are made in the institution’s assessment areas. A high percentage of small business and home mortgage loans outweighs an adequate percentage of small farm loans originated in the assessment areas to support this conclusion. Examiners considered the bank’s asset size and office structure as well as the loan categories reviewed relative to the areas’ combined size and economy when arriving at this conclusion. Refer to the following table for details

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>					<b>Dollar Amount of Loans \$(000s)</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$(000s)</b>
Small Business										
2021	1,646	79.7	420	20.3	2,066	128,258	72.4	48,895	27.6	177,153
2022	807	84.5	148	15.5	955	108,513	77.0	32,421	23.0	140,934
2023	753	88.7	96	11.3	849	97,206	83.5	19,198	16.5	116,404
<b>Subtotal</b>	<b>3,206</b>	<b>82.8</b>	<b>664</b>	<b>17.2</b>	<b>3,870</b>	<b>333,977</b>	<b>76.9</b>	<b>100,514</b>	<b>23.1</b>	<b>434,491</b>
Home Mortgage										
2021	563	83.4	112	16.6	675	125,181	79.0	33,374	21.0	158,555
2022	423	82.6	89	17.4	512	99,862	77.1	29,630	22.9	129,492
2023	263	73.7	94	26.3	357	64,785	61.6	40,353	38.4	105,138
<b>Subtotal</b>	<b>1,249</b>	<b>80.9</b>	<b>295</b>	<b>19.1</b>	<b>1,544</b>	<b>289,828</b>	<b>73.7</b>	<b>103,357</b>	<b>26.3</b>	<b>393,185</b>
Small Farm										
2021	368	73.6	132	26.4	500	44,206	67.2	21,609	32.8	65,815
2022	314	65.7	164	34.3	478	38,321	60.4	25,159	39.6	63,480
2023	338	63.8	192	36.2	530	41,781	59.5	28,408	40.5	70,189
<b>Subtotal</b>	<b>1,020</b>	<b>67.6</b>	<b>488</b>	<b>32.3</b>	<b>1,508</b>	<b>124,308</b>	<b>62.3</b>	<b>75,176</b>	<b>37.7</b>	<b>199,484</b>
<i>Source: HMDA Reported Data; CRA Reported Data</i>										

**Geographic Distribution**

Overall, the geographic distribution of loans reflects adequate penetration throughout the institution’s assessment areas. The Amarillo MSA AA, Lubbock MSA AA, and TX Non-MSA AA

demonstrated consistent performance and the Wichita Falls MSA AA demonstrated inconsistent performance. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts in the assessment areas when arriving at conclusions for this performance factor. This factor only considered loans originated inside the bank's assessment areas.

### **Borrower Profile**

Overall, the distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among borrowers of different income levels and businesses customers of different sizes. This conclusion is supported by the consistent adequate performance displayed in all of the assessment areas. Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. Examiners focused on the percentages by number of loans to businesses and farms with gross annual revenues of \$1 million or less and to low- and moderate-income borrowers when arriving at conclusions for this performance factor. This factor only considered loans originated inside the bank's assessment areas.

### **Innovative or Flexible Lending Practices**

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. Examiners analyzed performance for this criterion at the institution level only since the bank offers all of its innovative or flexible lending programs throughout all assessment areas.

During the evaluation period, the bank offered flexible programs, including government guaranteed loans offered through several government-sponsored agencies. The government guaranteed loans have involved those administered through the Federal Housing Administration (FHA), Veterans Administration (VA), and United States Department of Agriculture (USDA). The bank offers USDA loans, however, the bank did not originate any USDA loans within the scope of review. The bank also offered the following affordable housing programs: Homebuyer Equity Leverage Partnership (HELP), Texas State Affordable Housing Corporation (TSAHC), Southeast Texas Finance Corporation (SETH) Goldstar, HomeReady, and HomePossible programs.

The following table shows that since the previous evaluation, the bank originated 267 innovative or flexible loans totaling nearly \$56.6 million. This dollar figure equates to 2.8 percent of average total assets of \$2.0 billion since the previous evaluation and 4.7 percent of average net loans of \$1.2 billion for the same period.

Innovative or Flexible Lending Programs										
Type of Program	2021*		2022		2023		2024**		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
FHA	50	9,850	68	14,139	47	9,951	14	2,632	179	36,572
VA	13	3,223	15	5,681	9	2,613	5	1,383	42	12,900
HELP	0	0	0	0	1	103	4	549	5	652
TSAHC	0	0	4	916	7	1,302	1	245	12	2,463
SETH GoldStar	3	328	2	306	2	390	0	0	7	1,024
HomeReady	6	607	4	513	1	204	2	296	13	1,620
HomePossible	3	476	1	55	5	878	0	0	9	1,409
<b>Totals</b>	<b>75</b>	<b>14,484</b>	<b>94</b>	<b>21,610</b>	<b>72</b>	<b>15,441</b>	<b>26</b>	<b>5,105</b>	<b>267</b>	<b>56,640</b>

*Source: Bank Data; \*3/8/2021-12/31/2021; \*\*1/01/2024-4/08/2024*

Though not reflected in the prior table, examiners also noted the following additional bank activity as it relates to the Coronavirus (COVID-19) pandemic and disaster relief assistance.

- COVID-19 Pandemic Lending Activities** – The bank received consideration for its willingness to offer various flexible options for borrowers impacted financially by the COVID-19 pandemic. FUB assisted small business borrowers by offering Paycheck Protection Program (PPP) loans through the SBA during the COVID-19 pandemic. The SBA offered the PPP loan program to provide a direct incentive for small businesses to keep their workers on the payroll. FUB originated 6,298 PPP loans totaling approximately \$75.7 million during the evaluation period.

### **Community Development Loans**

FUB is a leader in making CD loans. The bank’s leadership in originating an excellent level of CD loans and its excellent responsiveness to CD needs support this conclusion. This performance is consistent with the Amarillo MSA AA and inconsistent in the Lubbock MSA AA, TX Non-MSA AA, and Wichita Falls MSA AA.

Since the previous evaluation, the bank originated 111 community development loans totaling \$156.1 million. This level of activity represents 7.7 percent of average total assets since the previous evaluation, and 13.2 percent of average net loans for the same period, thereby reflecting leadership levels. This level of community development loans represents a slight decrease by number and a significant increase by dollar volume from the previous evaluations, when the bank originated 120 community development loans totaling \$109.8 million accounting for 8.4 percent of average total assets and 11.4 percent of average net loans.

In addition to reflecting a leadership level of lending, the community development loans reflect excellent responsiveness to the assessment areas’ community development needs. A substantial majority of the dollar volume of loans promoted revitalization and stabilization efforts, which demonstrates responsiveness to needs throughout most of the assessment areas. In addition, a majority of the community development loans benefitted the bank’s primary service area, the

Amarillo MSA AA. The following tables further show the community development loans by year, assessment area, and purpose.

<b>Community Development Lending Institution Institution</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2021 (Partial)	9	381	0	0	3	5,230	16	15,972	<b>28</b>	<b>21,583</b>
2022	20	26,884	0	0	5	5,341	12	22,578	<b>37</b>	<b>53,803</b>
2023	20	2,265	1	2,928	7	10,079	18	64,487	<b>46</b>	<b>79,759</b>
YTD 2024	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
<b>Total</b>	<b>49</b>	<b>29,530</b>	<b>1</b>	<b>2,928</b>	<b>15</b>	<b>20,650</b>	<b>46</b>	<b>103,037</b>	<b>111</b>	<b>156,145</b>
<i>Source: Bank Data</i>										

<b>Community Development Lending By Assessment Area Institution Institution</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Amarillo MSA	10	27,128	0	0	1	1,250	17	36,907	<b>28</b>	<b>65,285</b>
Lubbock MSA	32	1,648	1	2,928	1	521	10	33,370	<b>44</b>	<b>38,467</b>
TX Non-MSA	4	601	0	0	11	15,787	18	29,721	<b>33</b>	<b>46,109</b>
Wichita Falls MSA	3	153	0	0	2	3,092	1	3,039	<b>6</b>	<b>6,284</b>
<b>Total</b>	<b>49</b>	<b>29,530</b>	<b>1</b>	<b>2,928</b>	<b>15</b>	<b>20,650</b>	<b>46</b>	<b>103,037</b>	<b>111</b>	<b>156,145</b>
<i>Source: Bank Data</i>										

## **INVESTMENT TEST**

FUB achieved a high satisfactory rating regarding the Investment Test. The significant level of qualified investments, good responsiveness to community development needs, and significant use of innovative and/or complex investments support this conclusion. This performance is consistent for the TX Non-MSA AA and inconsistent for the Amarillo MSA AA, Lubbock MSA AA, and Wichita Falls MSA AA.

### **Investment and Grant Activity**

The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are routinely provided by private investors. The institution made use of 90 qualified investments and grants totaling nearly \$34.0 million. This level of investments represents a significant increase by number, and slight increase by dollar volume, from the prior evaluation, when the bank maintained 16 qualified investments totaling \$31.3 million.

The current dollar volume of investments equates to 1.7 percent of total assets and 5.0 percent of total securities of \$686.3 million. The bank demonstrated sufficient responsiveness to the needs of the delineated assessment areas; therefore, the 15 qualifying investments made in the broader statewide area totaling approximately \$19.4 million were considered. The following tables summarize the bank’s qualified investments by year, assessment area, and purpose.

<b>Qualified Investments Institution</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	169	3	8,146	4	7,300	8	10,761	16	26,376
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	2	7,500	0	0	2	7,500
YTD 2024	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>1</b>	<b>169</b>	<b>3</b>	<b>8,146</b>	<b>6</b>	<b>14,800</b>	<b>8</b>	<b>10,761</b>	<b>18</b>	<b>33,876</b>
Qualified Grants & Donations	0	0	67	172	0	0	5	1	72	173
<b>Total</b>	<b>1</b>	<b>169</b>	<b>70</b>	<b>8,318</b>	<b>6</b>	<b>14,800</b>	<b>13</b>	<b>10,762</b>	<b>90</b>	<b>34,049</b>

Source: Bank Data

<b>Qualified Investments by Assessment Area Institution</b>										
<b>Rated Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Amarillo MSA	0	0	4	2	0	0	0	0	4	2
Lubbock MSA	1	169	11	44	0	0	0	0	12	213
TX Non-MSA	0	0	46	8,263	0	0	9	6,125	55	14,388
Wichita Falls MSA	0	0	4	2	0	0	0	0	4	2
Broader Statewide	0	0	5	7	6	14,800	4	4,637	15	19,444
<b>Total</b>	<b>1</b>	<b>169</b>	<b>70</b>	<b>8,318</b>	<b>6</b>	<b>14,800</b>	<b>13</b>	<b>10,762</b>	<b>90</b>	<b>34,049</b>

Source: Bank Data

The following lists an example of a qualified investment in the broader statewide area:

- **Revitalize or Stabilize** – The bank invested \$2.2 million in a bond issued by Childress County in a distressed and underserved area, for renovations to replace or repair existing sidewalks.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. The bank’s qualified investments benefitted all community development categories and proved

responsive to a variety of identified needs, but primarily supported community service, economic development, and revitalize or stabilize efforts.

**Community Development Initiatives**

The institution makes significant use of innovative and/or complex investments to support community development initiatives. The bank maintains five separate prior period investments in small business investment companies (SBIC) totaling \$14.8 million for economic development. In addition, the bank continues to invest in mortgage loans to low- and moderate-income families through an innovative investment vehicle provided by GNMA totaling approximately \$169 thousand.

**SERVICE TEST**

FUB achieved a low satisfactory rating regarding the Service Test. Reasonable accessibility of delivery systems, reasonableness of business hours and services, and an adequate level of community development services outweighs excellent changes in branch locations to support this conclusion. This performance proved consistent throughout all assessment areas.

**Accessibility of Delivery Systems**

Delivery systems are reasonable accessible to essentially all portions of the institution’s assessment areas. Reasonably accessible alternative delivery systems sufficiently lifted the limited accessible branch distribution to support this conclusion.

The following table shows that in low-income geographies, the bank does not operate any branches or ITMs/ATMs. In moderate-income census tracts, FUB’s branch and ITM/ATM distribution falls below the population residing in those census tracts by 9.9 and 9.1 percentage points respectively, reflecting limited accessibility. FUB’s branch distribution since the prior evaluation was affected by changes to census tract income designations as a result of the 2020 U.S. Census Data. Refer to the individual assessment areas’ sections for details.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ITMs/ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	17	7.1	40,594	5.3	0	0.0	0	0.0
Moderate	58	24.3	171,908	22.4	2	12.5	2	13.3
Middle	95	39.7	321,590	41.8	11	68.8	9	60.0
Upper	60	25.1	221,756	28.8	3	18.7	4	26.7
NA	9	3.8	12,837	1.7	0	0.0	0	0.0
<b>Total</b>	<b>239</b>	<b>100.0</b>	<b>768,685</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data & Bank Data, Due to rounding, totals may not equal 100.0%*

The institution makes its alternative delivery systems reasonably accessible to all portions of the assessment areas. In addition to its ITMSs/ATMs, alternative delivery systems include online banking and mobile banking. In addition, consumers can apply for accounts online via FUB's website. These alternative delivery services remain consistent throughout all assessment areas.

### **Changes in Branch Locations**

To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank acquired three branches located in moderate-income census tracts since the prior evaluation. Two of the acquired branches recently consolidated resulting in two new branch locations in moderate-income census tracts.

### **Reasonableness of Business Hours and Services**

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. The bank offers service hours as well as loan and deposit products that are substantially similar throughout the assessment areas.

FUB maintains hours and services typical for the areas served and the industry. Most locations maintain lobby hours Monday through Friday, with extended drive-thru hours, with some branches also operating with Saturday morning drive-thru hours. The bank offers a range of deposit products to consumer and commercial customers to include checking, savings, money market, and certificate of deposit accounts. Credit-related products offered for consumer and commercial entities included non-residential loans, home mortgage loans, home equity loans and lines of credit, as well as various commercial-purpose loan products.

### **Community Development Services**

The institution provides an adequate level of community development services.

The following table shows the bank provided 110 community development services since the prior evaluation. The number of community development services reflects a decline over the 246 community development services recorded at the prior evaluation. The services primarily involve bank personnel's use of technical expertise to benefit organizations or projects with a primary purpose of community development, as defined by CRA regulations.

Service activities primarily consist of community services targeted to low- and moderate-income individuals at 92.7 percent of the bank's total community development services. The following tables show the number of community development services by year, assessment area, and purpose.

<b>Community Development Services Institution</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021 (Partial)	0	27	2	1	<b>30</b>
2022	0	26	2	1	<b>29</b>
2023	0	24	1	0	<b>25</b>
YTD 2024	0	25	1	0	<b>26</b>
<b>Total</b>	<b>0</b>	<b>102</b>	<b>6</b>	<b>2</b>	<b>110</b>
<i>Source: Bank Data</i>					

<b>Community Development Services by Assessment Area Institution</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Amarillo MSA	0	31	0	2	<b>33</b>
Lubbock MSA	0	31	4	0	<b>35</b>
TX Non-MSA	0	37	2	0	<b>39</b>
Wichita Falls MSA	0	3	0	0	<b>3</b>
<b>Total</b>	<b>0</b>	<b>102</b>	<b>6</b>	<b>2</b>	<b>110</b>
<i>Source: Bank Data</i>					

## **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 Act. Examiner did not identify any discriminatory or other illegal credit practices.

### **AMARILLO MSA AA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN AMARILLO MSA AA**

The Amarillo MSA AA includes all of Potter and Randall counties, which represent two of the five counties that comprise the Amarillo MSA. The assessment area includes five additional census tracts since the prior evaluation due to changes from the 2020 U.S. Census Data. The changes include an increase of three low-income census tracts and a decrease of one moderate-income census tract.

FUB operates three full-service branches with ATMs/ITMs within this assessment area.



**Economic and Demographic Data**

Based on 2020 U.S. Census Data, the assessment area’s 68 census tracts consist of 6 low-, 18 moderate-, 20 middle-, and 23 upper-income geographies, and 1 census with no income designation. The following table contains additional demographic and economic information for the Amarillo MSA AA.

<b>Demographic Information of the Assessment Area Amarillo MSA AA</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)	68	8.8	26.5	29.4	33.8	1.5
Population by Geography	259,278	5.2	24.7	31.9	38.2	0.0
Housing Units by Geography	105,231	6.9	26.2	30.0	36.9	0.0
Owner-Occupied Units by Geography	58,910	3.3	21.9	28.2	46.5	0.0
Occupied Rental Units by Geography	35,139	11.6	32.2	34.1	22.1	0.0
Vacant Units by Geography	11,182	10.9	29.6	26.2	33.3	0.0
Businesses by Geography	25,419	7.3	24.5	22.8	45.2	0.2
Farms by Geography	1,017	3.0	14.9	17.5	64.5	0.0
Family Distribution by Income Level	62,786	22.0	17.4	19.6	41.0	0.0
Household Distribution by Income Level	94,049	24.3	17.0	17.1	41.6	0.0
Median Family Income MSA - 11100 Amarillo, TX MSA		\$69,716	Median Housing Value			\$146,981
			Median Gross Rent			\$889
			Families Below Poverty Level			11.1%

*Source: 2020 U.S. Census Data 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 use the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2022 FFIEC-updated median family income of \$77,200 for the Amarillo MSA.

<b>Median Family Income Ranges – Amarillo MSA AA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$77,200)	<\$38,600	\$38,600 to <\$61,760	\$61,760 to <\$92,640	≥\$92,640

*Source: FFIEC (2022)*

According to Moody’s Analytics, the Amarillo MSA’s largest employers include: Tyson Foods Inc., CNS Pantex, BSA Health System/Don & Sybil Harrington Cancer Center, Northwest Texas Healthcare System, and Excel Energy.

D&B Business Demographic Data shows that the service industry represents the largest portion of businesses at 30.9 percent, followed by non-classified establishments at 23.0 percent; finance, insurance and real estate at 12.8 percent; and construction at 6.9 percent

The following table presents the unemployment rates according to the U.S. Bureau of Labor Statistics over the evaluation period for each county within the assessment area, the state, and nationwide. As shown, the county unemployment rates fell below the state and the national averages for the same time period.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Potter County	3.3	2.7	2.6
Randall County	2.8	2.5	2.5
State of Texas	4.1	3.7	3.5
National Average	3.9	3.5	3.7
<i>Source: Bureau of Labor Statistics (2023 Year End)</i>			

**Competition**

The assessment area is a moderately competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2023, there were 22 institutions operating 66 offices within the bank’s assessment area. Of these institutions, FUB ranked 5<sup>th</sup> with 5.1 percent of the deposit market share. Credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening the competition level. Top three institutions, with 34 branches in the area hold 76.1 percent of the deposits. Overall, the competition level allows for lending opportunities.

**Community Contacts**

As part of the evaluation process examiners obtain information from third parties knowledgeable of the assessment area to assist in identifying needs of the area. This information helps determine financial institutions’ responsiveness to these needs and shows available credit and community development opportunities. Examiners utilized an existing community contact knowledgeable of the Amarillo MSA AA’s economy and demographics to help assess current economic conditions, community credit needs, and potential opportunities for bank involvement in Amarillo MSA AA. The contact represents an organization that provides essential community services to individuals in the Amarillo MSA AA, particularly, persons of low- and moderate-income backgrounds.

The contact explained that their community, which mainly reflects a portion of the Amarillo MSA AA made up primarily of low- and moderate-income persons of Hispanic or Latino backgrounds, has been struggling to recover from the impact of the COVID-19 pandemic. The contact described primary industries as meatpacking factories that operate in and around the City of Amarillo. The contact described home mortgage and consumer loans, as general community credit needs. The

contact described opportunities for financial institutions to become more involved in the community by participating in outreach events, providing scholarships, and grants to organizations that aid low- and moderate-income individuals. The contact complimented local financial institutions in being active within the community.

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

Considering information obtained from the community contact, bank management, and demographic and economic information, examiners determined the primary need of the Amarillo MSA AA includes small business and home mortgage loans.

Demographic data indicates that 39.4 percent of the assessment area's families designated low- or moderate-income, with 11.1 percent living below the poverty level, signifies a need for community services. Furthermore, 35.3 percent of the assessment area's census tract designated low- or moderate-income support a need for revitalization and stabilization efforts. Finally, a need exists to expand affordable housing stock for low- and moderate-income individuals.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN AMARILLO MSA AA**

### **LENDING TEST**

FUB demonstrated a high satisfactory record in the Amarillo MSA AA regarding the Lending Test. The excellent lending levels and a leader in community development loans combined with adequate geographic distribution and borrower profile performance to supports this conclusion.

### **Lending Activity**

Lending levels reflect excellent responsiveness to assessment area credit needs in the Amarillo MSA AA. Excellent performances regarding both small business and home mortgage lending levels support this conclusion.

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

Small business lending levels reflect excellent responsiveness to assessment area credit needs in the Amarillo MSA AA. For 2022, the bank originated 259 reportable small business loans totaling \$52.3 million inside its assessment area. FUB captured 4.3 percent market share of the total number of small business loans and 14.4 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 8<sup>th</sup> out of 85 lenders in this area. This ranking lands the bank in the top 9.4 percent of lenders reporting such loans in the Amarillo MSA AA.

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

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs in the Amarillo MSA AA. For 2022, the bank originated 142 reportable home mortgage loans totaling \$42.0 million inside its assessment area. FUB captured 1.9 percent of the market share by total number of home mortgage loans and 2.4 percent of the market share by dollar volume of loans. This volume of

activity ranks the bank 15<sup>th</sup> out of 298 total lenders in this area. This ranking lands the bank in the top 5.0 percent of lenders reporting such loans in the Amarillo MSA AA.

**Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the Amarillo MSA AA. Adequate performance regarding small business lending outweighed poor performance regarding home mortgage lending to support this conclusion. Examiners placed more weight on small business loans when reaching conclusions.

***Small Business Loans***

The geographic distribution of small business loans reflects adequate performance in the Amarillo MSA AA. Adequate performance in low- and moderate-income census tracts and the upward trend in performance in 2023 primarily support this conclusion. The following table shows that the bank’s level of lending in low-income census tracts lands 4.4 percentage points below aggregate data, reflecting adequate performance. The table further shows that the bank’s level of lending in moderate-income census tracts lands 8.4 percentage points below aggregate data, also reflecting adequate performance.

<b>Geographic Distribution of Small Business Loans Amarillo MSA AA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	7.3	7.1	7	2.7	2,106	4.0
Moderate	24.5	21.5	34	13.1	10,321	19.7
Middle	22.8	21.6	56	21.6	12,242	23.4
Upper	45.2	49.8	162	62.5	27,668	52.9
Not Available	0.2	0.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>259</b>	<b>100.0</b>	<b>52,337</b>	<b>100.0</b>

*Source: 2022 D&B Data; Bank Data; 2022 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%*

***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects poor performance in the Amarillo MSA AA. The following table shows that the bank’s level of lending in low-income census tracts lands 2.1 percentage points below aggregate data, reflecting adequate performance. The table further shows that the bank’s level of lending in moderate-income census tracts lands 8.6 percentage points below aggregate data, reflecting poor performance. Examiners placed greater weight on the bank’s performance in moderate-income geographies given the greater opportunities as suggested by the corresponding aggregate data.

Geographic Distribution of Home Mortgage Loans Amarillo MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.3	2.1	0	0.0	0	0.0
Moderate	21.9	14.9	9	6.3	1,642	3.9
Middle	28.2	28.1	39	27.5	11,833	28.2
Upper	46.5	54.7	94	66.2	28,488	67.9
Not Available	0.0	0.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>41,964</b>	<b>100.0</b>

Source: 2020 U.S. Census Data; Bank Data, 2022 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%

### **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among borrowers of different income levels and business borrowers of different sizes in the Amarillo MSA AA. Although small business performance is poor, due to the large number of small business loans with revenues not available which skews the analysis, the bank's adequate home mortgage lending performance primarily supports this conclusion.

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

The distribution of borrowers reflects poor penetration among business customers of different sizes in the Amarillo MSA AA. A poor record of lending to businesses with gross annual revenues of \$1 million or less primarily supports this conclusion. As shown in the following table, the bank originated less than three out of every ten loans to businesses with gross annual revenues of \$1 million or less, reflecting poor performance. However, a majority of the bank's loans did not have revenue information available, which heavily skews the data.

Distribution of Small Business Loans by Gross Annual Revenue Category Amarillo MSA AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	87.8	47.6	73	28.2	12,524	23.9
>\$1,000,000	3.2	--	55	21.2	18,636	35.6
Revenue Not Available	9.0	--	131	50.6	21,177	40.5
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>259</b>	<b>100.0</b>	<b>52,337</b>	<b>100.0</b>

Source: 2022 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available

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

The distribution of borrowers reflects adequate penetration among retail customers of different income levels in the Amarillo MSA AA. Adequate performances to low- and moderate-income borrowers support this conclusion. As seen in the table below, the bank's lending to low-income

borrowers falls 2.7 percentage points below aggregate data, reflective of adequate performance. The table further shows that, to moderate-income borrowers, the bank’s lending level falls 1.6 percentage points below the aggregate data, also reflecting adequate performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Amarillo MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	22.0	4.8	3	2.1	232	0.6
Moderate	17.4	14.3	18	12.7	2,875	6.9
Middle	19.6	18.2	21	14.8	4,707	11.2
Upper	41.0	34.9	73	51.4	23,823	56.8
Not Available	0.0	27.8	27	19.0	10,326	24.6
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>41,964</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data, 2022 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%*

### **Community Development Loans**

The institution is a leader in making community development loans in the Amarillo MSA AA. As reflected in the table at the institution level, the bank originated 28 community development loans totaling approximately \$65.3 million in the Amarillo MSA AA. By dollar volume, this equates to 41.8 percent of the bank’s overall community development loans compared to this assessment area generating 41.2 percent of total loans. The current level reflects a notable increase from the four community development loans totaling \$5.6 million in this assessment area at the prior evaluation.

The following list an example of a community development loan within the Amarillo MSA AA:

- ***Affordable Housing*** – The bank originated a loan totaling \$25.5 million to finance a 124-unit multifamily residential building project. The multifamily development is located within a moderate-income census tract and will offer affordable housing to low and moderate income senior citizens.

In addition, the community development loans reflect adequate responsiveness to the assessment area’s community development needs. A majority of the community development loans, by dollar volume, supported identified needs of affordable housing and revitalize or stabilizing efforts in the assessment area.

### **INVESTMENT TEST**

FUB demonstrated a very poor record in the Amarillo MSA AA regarding the Investment Test. The very poor level of qualified community development investments combined with the lack of innovative and/or complex investments and very poor responsiveness to community development needs to support this conclusion.

### **Investment and Grant Activity**

The bank has a few, if any, qualified community development investments or grants, particularly those that are not routinely provided by private investors in the Amarillo MSA AA. As reflected in the table at the institution level, the bank made four qualified investments totaling approximately \$2 thousand in the Amarillo MSA AA. By dollar volume, this equates to less than 0.1 percent of the bank's overall qualified investments compared to this assessment area generating 28.6 percent of total deposits. The current level reflects a notable decrease from the four qualified investments totaling \$10.3 million in this assessment area at the prior evaluation.

The following lists an example of a qualified investment in the Amarillo MSA AA.

- **Community Service** – In 2022, the bank donated \$800 to a local high school where the majority of the students qualify for free or reduced lunch. Thus, this activity primarily benefits low- and moderate-income individuals.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits very poor responsiveness to credit and community development needs. As reflected in the table at the institution level, the Amarillo MSA AA shows a very poor responsiveness to community development needs by number and dollar amount. The bank's donations support one of the four community development purpose categories, community services.

### **Community Development Initiatives**

FUB does not use innovative and/or complex investments to support community development initiatives in the Amarillo MSA AA.

### **SERVICE TEST**

FUB demonstrated a low satisfactory record in the Amarillo MSA AA regarding Service Test. The adequate level of the bank's community development services, reasonably accessible delivery systems, and no changes to branch locations, primarily support this conclusion.

### **Accessibility of Delivery Systems**

The bank showed adequate performance regarding the availability of its services to low- and moderate-income individuals and geographies in the Amarillo MSA AA. The following table shows the bank does not operate any offices or ITMs/ATMs in low- or moderate-income census tracts in the Amarillo MSA AA, typically reflective of very poor performance when compared to the respective percentage of the population residing in such areas. However, two of the three branches are adjacent to low- or moderate-income geographies. Therefore, the bank's delivery systems are reasonably accessible to low and moderate-income geographies and individuals in the assessment area. Examiners also considered the small number of branches overall for this assessment area when evaluating this factor.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	6	8.8	13,373	5.2	0	0.0	0	0.0
Moderate	18	26.5	64,040	24.7	0	0.0	0	0.0
Middle	20	29.4	82,762	31.9	2	66.7	2	66.7
Upper	23	33.8	99,099	38.2	1	33.3	1	33.3
NA	1	1.5	4	0.0	0	0.0	0	0.0
<b>Total</b>	<b>68</b>	<b>100.0</b>	<b>259,278</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data; Due to rounding, totals may not equal 100.0%*

Alternative delivery systems offered in this assessment area remain consistent with those discussed at the institution level.

**Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has not generally adversely affected the accessibility of its delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate-income individuals. Since the prior evaluation, FUB did not open or close any branches in the Amarillo MSA AA.

**Reasonableness of Business Hours and Services**

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly the low- and/or moderate-income geographies and/or individuals. The Amarillo MSA AA reflects product offerings, services, and branch hours consistent with discussion at the institution level.

**Community Development Services**

The institution provides an adequate level of community development services. As reflected in the table at the institution level, the bank provided 33 community development services since the previous evaluation in the Amarillo MSA AA. This represents 30.0 percent of the bank’s total community development services, whereas this assessment area contains 18.7 percent of the bank’s total branches. This current level reflects a decrease from the 100 community development services in this assessment area at the prior evaluation. Nearly all of the activities focused on community services, which demonstrates the bank’s adequate responsiveness to an identified community development need.

The following lists an example of a community development service in the Amarillo MSA AA:

- ***Revitalize or Stabilize*** – An officer services as a Chairman on the Board of Director for a city planning and zoning in Randall County. The department is responsible for meeting the



needs of residents by implementing council-enacted ordinances for subdivisions, zoning, neighborhood revitalization, and economic development of low- and moderate-income neighborhoods.

## **WICHITA FALLS MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN WICHITA FALLS MSA AA**

The Wichita Falls MSA AA includes Wichita County, which represent one of the three counties that comprise the Wichita Falls MSA. The assessment area includes seven additional census tracts since the prior evaluation due to changes from the 2020 U.S. Census Data. The changes include a decrease of one low-income census tract and an increase of one moderate-income census tract. FUB operates one full-service branch within this assessment area.

#### **Economic and Demographic Data**

Based on 2020 U.S. Census Data, the assessment area’s 44 census tracts consist of 3 low-, 13 moderate-, 21 middle-, and 6 upper-income geographies, and 1 census with no income designation. The following table contains additional demographic and economic information for the Wichita Falls MSA AA.

<b>Demographic Information of the Assessment Area Wichita Falls MSA AA</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)	44	6.8	29.5	47.7	13.6	2.3
Population by Geography	129,350	4.7	23.0	57.7	14.7	0.0
Housing Units by Geography	56,064	5.6	26.5	55.2	12.7	0.0
Owner-Occupied Units by Geography	29,577	3.5	21.3	63.2	12.0	0.0
Occupied Rental Units by Geography	18,961	7.5	31.6	46.4	14.5	0.0
Vacant Units by Geography	7,526	9.2	33.8	46.2	10.8	0.0
Businesses by Geography	11,427	12.4	20.9	51.8	14.7	0.1
Farms by Geography	324	5.9	21.3	57.4	15.4	0.0
Family Distribution by Income Level	30,812	21.6	19.1	21.0	38.3	0.0
Household Distribution by Income Level	48,538	25.8	16.2	17.5	40.4	0.0
Median Family Income MSA - 48660 Wichita Falls, TX MSA		\$66,634	Median Housing Value			\$109,093
			Median Gross Rent			\$837
			Families Below Poverty Level			11.9%
<i>Source: 2020 U.S. Census Data and 2022 D&amp;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.</i>						

Examiners use the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2022 FFIEC-updated median family income of \$78,500 for the Wichita Falls MSA AA.

<b>Median Family Income Ranges – Wichita Falls MSA AA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2022 (\$78,500)	<\$39,250	\$39,250 to <\$62,800	\$62,800 to <\$94,200	≥\$94,200
<i>Source: FFIEC (2022)</i>				

According to Moody’s Analytics, the Wichita Falls MSA’s largest employers include: Sheppard Air Force Base, United Regional Healthcare System, Midwestern State University, Walmart Inc., and James V Allred Unit.

D&B Business Demographic Data shows that the service industry represents the largest portion of businesses at 35.3 percent, followed by non-classified establishments at 20.8 percent; retail trade at 12.6 percent; finance, insurance and real estate at 10.5 percent; and construction at 5.5 percent

The following table presents the unemployment rates according to the U.S. Bureau of Labor Statistics over the evaluation period for each county within the assessment area, the state, and nationwide. As shown, the county unemployment rates fell below the state and national averages for most of the period.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Wichita Falls County	4.0	3.4	3.3
State of Texas	4.1	3.7	3.5
National Average	3.9	3.5	3.7

*Source: Bureau of Labor Statistics (year end 2023)*

**Competition**

The assessment area is a moderately competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2023, there were 13 institutions operating 32 offices within the bank’s assessment area. Of these institutions, FUB ranked 9<sup>th</sup> with 1.0 percent of the deposit market share. Credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening the competition level. Top three institutions, with eight branches in the area hold 65.0 percent of the deposits. Overall, the competition level allows for lending opportunities.

**Credit and Community Development Needs and Opportunities**

Considering information obtained from bank management and demographic and economic information, examiners determined the primary need of the Wichita Falls MSA AA includes small business and home mortgage loans.

Demographic data indicates that 40.7 percent of the assessment area’s families designated low- or moderate-income, with 11.9 percent living below the poverty level, signifies a need for community services. Furthermore, 36.3 percent of the assessment area’s census tract designated low- or moderate-income support a need for revitalization and stabilization efforts. Finally, a need exists to expand affordable housing stock for low- and moderate-income individuals.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN WICHITA FALLS  
MSA AA**

**LENDING TEST**

FUB demonstrated a low satisfactory record in the Wichita Falls MSA assessment area regarding the Lending Test. Good geographic distribution and good lending levels combined with adequate borrower profile lending, and adequate community development lending to support this conclusion.

## **Lending Activity**

Lending levels reflect good responsiveness to assessment area credit needs in the Wichita Falls MSA AA. Good performances regarding both small business lending and home mortgage lending levels support this conclusion.

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

Small business lending levels reflect good responsiveness to assessment area credit needs in the Wichita Falls MSA AA. For 2022, the bank originated 53 reportable small business loans totaling \$6.5 million inside its assessment area. FUB captured 3.0 percent market share of the total number of small business loans and 15.7 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 9<sup>th</sup> out of 65 lenders in this area. This ranking lands the bank in the top 13.8 percent of lenders reporting such loans in the Wichita Falls MSA AA.

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

Home mortgage lending levels reflect good responsiveness to assessment area credit needs in the Wichita Falls MSA AA. For 2022, the bank originated 24 reportable home mortgage loans totaling \$4.2 million inside its assessment area. FUB captured 0.8 percent of the market share by total number of home mortgage loans and 0.7 percent of the market share by dollar volume of loans. This volume of activity ranks the bank 30<sup>th</sup> out of 200 total lenders in this area. This ranking lands the bank in the top 15.0 percent of lenders reporting such loans in the Wichita Falls MSA AA.

## **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the Wichita Falls MSA AA. Good performance regarding small business lending lifted adequate performance regarding home mortgage lending to support this conclusion. Examiners placed more weight on small business loans when reaching conclusions.

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

The geographic distribution of small business loans reflects good performance in the Wichita Falls MSA AA. As seen in the table below, the bank's lending in low-income census tracts lands below aggregate data by 5.4 percentage points, reflecting adequate performance. The table further shows that, in moderate-income census tracts, the bank's lending level rises above aggregate data by 13.8 percentage points, reflecting an excellent level of performance.

Geographic Distribution of Small Business Loans Wichita Falls MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	12.4	11.1	3	5.7	907	14.0
Moderate	20.9	22.0	19	35.8	1,905	29.3
Middle	51.8	51.0	27	50.9	3,373	51.9
Upper	14.7	15.9	4	7.5	314	4.8
Not Available	0.1	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>6,499</b>	<b>100.0</b>

*Source: 2022 D&B Data; Bank Data; 2022 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%*

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

The geographic distribution of home mortgage loans reflects adequate performance in the Wichita Falls MSA AA. Adequate performances in both low- and moderate-income geographies support this conclusion. The following table shows the bank's level of lending in low-income census tracts lands slightly below the aggregate data by 1.8 percentage points, reflecting adequate performance. The table further shows that, in moderate-income census tracts, the bank's lending level also lands slight below the aggregate data by 1.3 percentage points, reflecting adequate performance.

Geographic Distribution of Home Mortgage Loans Wichita Falls MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.5	1.8	0	0.0	0	0.0
Moderate	21.3	13.8	3	12.5	206	4.9
Middle	63.2	70.1	16	66.7	2,795	66.1
Upper	12.0	14.3	5	20.8	1,227	29.0
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>4,228</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data, 2022 HMDA Aggregate Data*

**Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among borrowers of different income levels and business borrowers of different sizes in the Wichita Falls MSA AA. Good performance regarding small business loans lifted the poor performance regarding home mortgage loans to support this conclusion. Examiners placed more weight on small business loans when reaching conclusions.

***Small Business Loans***

The distribution of borrowers reflects good penetration among business customers of different sizes in the Wichita Falls MSA AA. A good record of lending to businesses with gross annual revenues of \$1 million or less supports this conclusion. As shown in the table below, the bank’s level of lending to small businesses with gross annual revenues of \$1 million or less rises 12.2 percentage points above the aggregate level, reflecting good performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Wichita Falls MSA AA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	85.9	52.0	34	64.2	2,995	46.1
>\$1,000,000	3.5	--	12	22.6	2,016	31.0
Revenue Not Available	10.7	--	7	13.2	1,488	22.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>6,499</b>	<b>100.0</b>
<i>Source: 2022 D&amp;B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

***Home Mortgage Loans***

The distribution of borrowers reflects poor penetration among retail customers of different income levels in the Wichita Falls MSA AA. As seen in the table below, the bank’s lending to low-income borrowers falls 1.7 percentage points below aggregate data, reflective of adequate performance. The table further shows that, to moderate-income borrowers, the bank’s lending level falls 11.8 percentage points below the aggregate data, reflecting poor performance. Examiners placed greater weight on the bank’s performance in moderate-income geographies given the greater opportunities as suggested by the corresponding aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Wichita Falls MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.6	5.9	1	4.2	114	2.7
Moderate	19.1	16.0	1	4.2	120	2.8
Middle	21.0	20.8	6	25.0	1,154	27.3
Upper	38.3	32.2	15	62.5	2,676	63.3
Not Available	0.0	25.1	1	4.2	164	3.9
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>4,228</b>	<b>100.0</b>

*Source: 2020 U.S. Census Data; Bank Data, 2022 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%*

### **Community Development Loans**

The institution has made an adequate level of community development loans in the Wichita Falls MSA AA. As reflected in the table at the institution level, the bank originated six community development loans totaling approximately \$6.3 million in the Wichita Falls MSA AA. By dollar volume, this equates to 4.0 percent of the bank’s overall community development loans compared to this assessment area generating 4.7 percent of total loans. The current level reflects an increase from the prior evaluation where the bank did not originate any community development loans in this assessment area.

The following list an example of a community development loan within the Wichita Falls MSA AA.

- ***Economic Development*** – The bank originated a loan totaling \$2.8 million to a local business, to construct a new car wash facility in the Wichita Falls, Texas community. The construction will support permanent job creation for low- and moderate-income individuals in the community.

### **INVESTMENT TEST**

FUB demonstrated a very poor record in the Wichita Falls MSA AA regarding the Investment Test. The very poor level of qualified community development investments combined with the lack of innovative and/or complex investments and very poor responsiveness to community development needs to support this conclusion.

### **Investment and Grant Activity**

The bank has a few, if any, qualified community development investments or grants, particularly those that are not routinely provided by private investors in the Wichita Falls MSA AA. As reflected in the table at the institution level, the bank made four qualified investments totaling approximately \$2 thousand in the Wichita Falls MSA AA. By dollar volume, this equates to less

than 0.1 percent of the bank's overall qualified investments compared to this assessment area generating 28.6 percent of total deposits. The current level reflects a notable decrease from the three qualified investments totaling \$4.4 million in this assessment area at the prior evaluation.

The following lists an example of a qualified investment in the Wichita Falls MSA AA.

- **Community Service** – In 2022, the bank donated \$1,500 to an organization that assists children in the child welfare system in Wichita County. Thus, this activity primarily benefits low- and moderate-income individuals.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits very poor responsiveness to credit and community development needs. As reflected in the table at the institution level, Wichita Falls MSA AA shows a very poor responsiveness to community development needs by number and dollar amount. The bank's donations support one of the four community development purpose categories, community services.

### **Community Development Initiatives**

FUB does not use innovative and/or complex investments to support community development initiatives in the Wichita Falls MSA AA.

### **SERVICE TEST**

FUB demonstrated a low satisfactory record in the Wichita Falls MSA AA regarding Service Test. The adequate level of the bank's community development services and reasonably accessible delivery systems, along with no changes to branch locations primarily support this conclusion.

### **Accessibility of Delivery Systems**

The bank showed adequate performance regarding the availability of its services to low- and moderate-income individuals and geographies in the Wichita Falls MSA AA. The following table shows the bank does not operate any offices or ITMs/ATMs in low- or moderate-income census tracts in the Wichita Falls MSA AA, typically reflective of very poor performance when compared to the respective percentage of the population residing in such areas. However, the one branch is adjacent to a moderate-income geography. Therefore, the bank's delivery systems are reasonably accessible to low and moderate- income geographies and individuals in the assessment area. Examiners also considered the small number of branches overall for this assessment area when evaluating this factor.



<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	3	6.8	6,043	4.7	0	0.0	0	0.0
Moderate	13	29.5	29,721	23.0	0	0.0	0	0.0
Middle	21	47.7	74,607	57.7	1	100.0	0	0.0
Upper	6	13.6	18,979	14.7	0	0.0	0	0.0
NA	1	2.3	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>44</b>	<b>100.0</b>	<b>129,350</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

*Source: 2020 U.S. Census Data; Bank Data; Due to rounding, totals may not equal 100.0%*

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has not generally adversely affected the accessibility of its delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate-income individuals. Since the prior evaluation, FUB did not open or close any branches in the Wichita Falls MSA AA.

### **Reasonableness of Business Hours and Services**

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly the low- and/or moderate-income geographies and/or individuals. The Wichita Falls MSA AA reflects product offerings, services, and branch hours consistent with discussion at the institution level.

### **Community Development Services**

The institution provides an adequate level of community development services. As reflected in the table at the institution level, the bank provided three community development services since the previous evaluation in the Wichita Falls MSA AA. This represents 2.7 percent of the bank’s total community development services, whereas this assessment area contains 6.3 percent of the bank’s total branches. This current level reflects a decrease from the 14 community development services in this assessment area at the prior evaluation. All of the activities focused on community services, which demonstrates the bank’s adequate responsiveness to an identified community development need.

The following lists an example of a community development service in the Wichita Falls MSA AA.

- **Community Services** – An officer services as a board member for an organization which provides health care programs targeted to individuals based on income and resources in Wichita County. Thus, this activity primarily benefits low- and moderate-income individuals.

## OTHER ASSESSMENT AREAS – Limited-Scope Review

### CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE REVIEW ASSESSMENT AREAS

The following table summarizes the conclusions for the Lubbock MSA AA and TX Non-MSA AA reviewed using limited-scope examination procedures. The table identifies whether conclusions regarding the applicable tests for limited-scope review either exceeds, is consistent with, or falls below the performance of the institution. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions from the limited-scope review contributed to the institution’s overall performance.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Lubbock MSA AA	Consistent	Below	Consistent
TX Non-MSA AA	Consistent	Consistent	Consistent

Facts and data supporting conclusions for the limited-scope assessment area follow, including a summary of the FUB’s operations and activities as well as geographic distribution and borrower profile tables by loan type. Examiner’s utilized the same review period as the noted for the whole institution. The appendices include the demographic data and market share information for the limited-scope assessment area.

#### **Lubbock MSA AA**

The bank’s Lubbock MSA AA consists of all 106 census tracts in Lubbock County. The bank operates three full-service branch locations with two in middle-income census tracts and one in an upper-income census tract, and has five ATMs/ITMs. Branch locations did not change during the review period. Branch distribution, deposit products, and services are consistent with the institution overall. The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$</b>
Small Business Loans	108	14,991
Home Mortgage Loans	190	43,580
Small Farm Loans	19	2,618
Community Development Loans	44	38,467
Investments (New)	0	0
Investments (Prior Period)	1	168
Donations	12	45
CD Services	35	-
<i>Source: Bank Data</i>		

## TX Non-MSA AA

The bank's TX Non-MSA AA consists of all 21 census tracts in the counties of Bailey, Castro, Childress, Cottle, Dawson, Gaines, and Lamb. The bank operates nine full-service branches with two in a moderate-income census tracts, six in middle-income census tracts, and one in an upper-income census tract, and seven ATMs/ITMs. Since the prior evaluation, the bank acquired three branches in this assessment area, all three branches are located in moderate-income census tracts. In February 29, 2024, the bank consolidated two of the acquired branches. Branch distribution, deposit products, and services are consistent with the institution overall. The bank originated and engaged in the following activities in the assessment area during the review period.

<b>Activity</b>	<b>#</b>	<b>\$</b>
Small Business Loans	387	34,686
Home Mortgage Loans	67	10,091
Small Farm Loans	237	27,620
Community Development Loans	33	38,467
Investments (New)	0	0
Investments (Prior Period)	7	14,270
Donations	50	118
CD Services	39	-
<i>Source: Bank Data</i>		

## Geographic Distribution

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
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
Lubbock MSA	190	43,579,548	73.9	10,347	4.6	2.1	2.7	16.3	16.8	12.2	41.9	43.2	42.7	36.1	34.2	41.2	1.1	3.7	1.2
TX Non-MSA	67	10,090,378	26.1	1,009	0.0	0.0	0.0	26.7	20.9	19.3	51.1	49.3	49.2	22.3	29.9	31.5	0.0	0.0	0.0

Source: 2020 U.S. Census Data; 2022 HMDA Reported Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Lubbock MSA	108	14,991	21.8	7,241	4.3	1.9	3.4	16.0	14.8	15.2	36.3	43.5	35.1	41.3	38.9	44.6	2.1	0.9	1.7
TX Non-MSA	387	34,686	78.2	1,624	0.0	0.0	0.0	24.1	18.9	18.5	48.4	43.7	48.8	27.4	37.5	32.7	0.0	0.0	0.0

Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

Assessment Area Distribution of Loans to Farms by Income Category of the Geography																	2022		
	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
TX Non-MSA	237	27,620	92.6	739	0.0	0.0	0.0	20.6	21.1	18.5	53.6	52.7	54.3	25.9	26.2	27.2	0.0	0.0	0.0

Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

### Borrower Profile

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2022		
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lubbock MSA	190	43,579,548	73.9	10,347	22.7	1.1	4.0	16.3	10.0	11.5	19.5	17.4	16.8	41.5	42.6	37.9	0.0	28.9	29.8
TX Non MSA	67	10,090,378	26.1	1,009	24.1	3.0	2.4	16.0	9.0	11.1	19.4	20.9	20.4	40.5	58.2	38.0	0.0	9.0	28.1

Source: 2020 U.S. Census Data; 2022 HMDA Reported Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lubbock MSA	108	14,991	21.8	7,241	88.9	50.9	47.3	2.7	17.6	8.4	31.5
Non-MSA	387	34,686	78.2	1,624	83.4	51.9	48.4	3.4	12.1	13.2	35.9

Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
TX Non MSA	237	27,620	92.6	739	93.3	52.7	45.6	4.9	11.4	1.8	35.9

Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

## APPENDICES

### LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's assessment area(s);
  - ii. The dispersion of lending in the bank's assessment areas(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

#### Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## **Service Test**

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.



## SCOPE OF EVALUATION

First United Bank	
<b>Scope of Examination:</b> Full scope reviews were performed on the following assessment areas:  Amarillo MSA AA Wichita Falls MSA AA	
<b>Time Period Reviewed:</b>	3/8/2021 to 4/8/2024
<b>Products Reviewed:</b> Home Mortgage: (1/1/2021 – 12/31/2023) Small Business: (1/1/2021 – 12/31/2023) Small Farm: (1/1/2021 – 12/31/2023)	

## DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

### Lubbock MSA AA

The Lubbock MSA AA consists of all of Lubbock County. The following table includes certain demographic data for this assessment area.

<b>Demographic Information of the Assessment Area Lubbock MSA AA</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)	106	7.5	19.8	41.5	24.5	6.6
Population by Geography	310,639	6.8	19.3	41.7	28.1	4.1
Housing Units by Geography	129,032	8.3	21.9	41.5	25.4	2.8
Owner-Occupied Units by Geography	64,803	4.6	16.3	41.9	36.1	1.1
Occupied Rental Units by Geography	51,732	11.9	27.9	41.4	14.2	4.6
Vacant Units by Geography	12,497	12.5	26.0	40.5	16.6	4.4
Businesses by Geography	36,648	4.3	16.0	36.3	41.3	2.1
Farms by Geography	1,557	2.1	11.2	39.5	46.4	0.8
Family Distribution by Income Level	70,197	22.7	16.3	19.4	41.5	0.0
Household Distribution by Income Level	116,535	25.1	15.2	16.7	43.0	0.0
Median Family Income MSA - 31180 Lubbock, TX MSA		\$70,036	Median Housing Value			\$145,910
			Median Gross Rent			\$974
			Families Below Poverty Level			11.2%
<i>Source: 2020 U.S. Census Data and 2022 D&amp;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.</i>						

According to the FDIC Deposit Market Share data as of June 30, 2023, 25 institutions operated 104 offices within the assessment area. Of these institutions, FUB ranked 12<sup>th</sup> with 3.2 percent deposit market share.

Regarding reportable home mortgage loans for 2022, FUB captured 1.8 percent of the market share by number, which ranks 14<sup>th</sup> of 415 total lenders that reported home mortgage loan originations and purchases in the assessment area. For reportable small business loans for 2022, FUB captured 1.5 percent of the market share by number, which ranks 19<sup>th</sup> of 92 total lenders that reported small business loan originations and purchases in the assessment area.

## TX Non-MSA AA

The TX Non-MSA AA consists of all of Bailey, Castro, Childress, Cottle, Dawson, Gaines, and Lamb counties. The following table includes certain demographic data for this assessment area.

Demographic Information of the Assessment Area TX Non MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	21	0.0	28.6	47.6	23.8	0.0
Population by Geography	69,418	0.0	26.3	50.0	23.7	0.0
Housing Units by Geography	27,561	0.0	30.6	50.4	19.0	0.0
Owner-Occupied Units by Geography	15,680	0.0	26.7	51.1	22.3	0.0
Occupied Rental Units by Geography	6,958	0.0	34.3	50.0	15.6	0.0
Vacant Units by Geography	4,923	0.0	37.6	49.0	13.4	0.0
Businesses by Geography	5,339	0.0	24.1	48.4	27.4	0.0
Farms by Geography	986	0.0	20.6	53.5	25.9	0.0
Family Distribution by Income Level	15,767	24.1	16.0	19.4	40.5	0.0
Household Distribution by Income Level	22,638	27.7	15.1	14.6	42.6	0.0
Median Family Income Non-MSAs - TX		\$61,785	Median Housing Value			\$93,857
			Median Gross Rent			\$671
			Families Below Poverty Level			13.4%

Source: 2020 U.S. Census Data 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.

According to FFIEC data, Childress, Cottle, Dawson, and Lamb counties contained distressed or underserved census tracts during the evaluation period.

According to the FDIC Deposit Market Share data as of June 30, 2023, 13 institutions operated 33 offices within the assessment area. Of these institutions, FUB ranked 1<sup>st</sup> with 41.7 percent deposit market share.

Regarding reportable home mortgage loans for 2022, FUB captured 6.6 percent of the market share by number, which ranks 2<sup>nd</sup> of 149 total lenders that reported home mortgage loan originations and purchases in the assessment area. For reportable small business loans for 2022, FUB captured 23.1 percent of the market share by number, which ranks 1<sup>st</sup> of 63 total lenders that reported small business loan originations and purchases in the assessment area. For reportable small farm loans for 2022, FUB captured 31.1 percent of the market share by number, which ranks 1<sup>st</sup> of 25 total lenders that reported small farm loans originations or purchases in the assessment area.

## 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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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.