

PUBLIC DISCLOSURE

September 10, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Texas Country Bank
Certificate Number: 58083**

**P. O. Box 341569
2300 Lohman's Spur, Suite 180
Lakeway, Texas 78734-6243**

Federal Deposit Insurance Corporation

**Division of Supervision and Consumer Protection
1910 Pacific Avenue, 19th Floor
Dallas, Texas 75201**

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

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

This is the first CRA Performance Evaluation for Texas Country Bank.

For this \$68 million bank located in Lakeway, Texas, examiners applied the five CRA performance factors applicable to small banks. The five performance factors considered for the evaluation were loan-to-deposit ratio, lending inside the assessment area, geographic distribution, lending to individuals and businesses of different sizes, and response to CRA-related complaints.

Examiners reviewed the bank's residential real estate (Home Mortgage Disclosure Act – "HMDA") loans and samples of construction & land development ("construction") loans to determine the bank's record of lending. Management did not request the review of qualified investments and services.

In arriving at the overall rating for this institution, no emphasis is placed on CRA-related complaints since there were no complaints received since the last evaluation. The following is a summary of the conclusions, derived from the evaluation of each factor, to support this rating:

- The bank's average net loan-to-deposit ratio of 91 percent for the past 8 quarters reflect a strong performance given the high level of competition within the bank's assessment area, the institution's size, financial condition, and the assessment area credit needs.
- Lending activity within the assessment area is satisfactory with approximately 65 percent by number and 72 percent by dollar volume.
- The geographic distribution of the bank's construction and HMDA loans reflect a reasonable dispersion throughout its assessment area.
- The bank demonstrates a reasonable penetration among borrowers of different incomes and businesses of different revenue sizes.

SCOPE OF EXAMINATION

The Interstate Branching and Banking Efficiency Act (IBBEA) requires that the CRA Performance present a separate evaluation of the bank's lending performance in each metropolitan statistical area (MSA) in which a bank has a branch office. The detailed discussion herein is on the bank as a whole for the Loan-to-Deposit Ratio and Lending in the Assessment Area performance factors. The balance of the performance evaluation presents only the conclusion for the bank's MSA and not the non-metropolitan areas.

Sampling Information

The information contained in Table 1 was provided by the institution regarding lending by loan type for the period from September 8, 2006 through August 31, 2007.

Table 1 – Loan Originations between September 8, 2006 and August 31, 2007				
Loan Type	Number	Percent (%)	Dollar \$(000)	Percent (%)
Construction & Land Development	134	53.8	64,253	75.0
Commercial	13	5.2	780	0.9
Consumer	25	10.0	309	0.4
Residential Real Estate	75	30.2	19,995	23.3
Agricultural	0	0.0	0	0.0
All Other Loan Types	2	0.8	377	0.4
Total Loans	249	100.0	85,714	100.0

Source: Bank records.

As depicted in Table 1, construction & land development (“construction”) loans comprise the largest category by number and dollar of loans at 54 percent and 75 percent, respectively. Additionally, residential real estate (Home Mortgage Disclosure Act – “HMDA”) loans account for 30 percent by number and 23 percent by dollar. Therefore, construction loans for builders, construction loans for individuals, and HMDA loans were selected for analysis of the bank's CRA performance. Examiners did not review or analyze agricultural or consumer loans as they represent an insignificant portion of the bank's total lending activity.

Also, upon further analysis of the construction loans originated during the review period, it was noted that 89 percent by number and 92 percent by dollar were originated within the Austin-Round Rock, Texas MSA. In addition, HMDA loans revealed that 95 percent by number and 92 percent by dollar were also originated within the MSA. Therefore, the borrower income and geographic distribution analysis of the CRA performance evaluation was based upon total lending within the MSA since the bank's non-MSA has insufficient lending activity.

A further analysis of construction loans was conducted to determine the bank's primary lending focus within this loan category. During the review period, the greatest proportion of the

construction loans by number and dollar volume were to residential home builders and loans to consumers to construct their primary residence as indicated in Table 2.

Table 2 – Construction & Development Loan Originations between September 8, 2006 and August 31, 2007				
Loan Purpose	Number	Percent (%)	Dollar \$(000)	Percent (%)
Residential Home Builders & Investors	51	38.1	25,692	40.0
Land Development/Purchase (commercial & residential)	30	22.4	7,750	12.1
Loans to Individuals to Construct Primary Residence	46	34.3	27,220	42.3
Commercial Purpose	7	5.2	3,591	5.6
Total Loans	134	100.0	64,253	100.0

Source: Bank records

The bank's lending performance within the Austin-Round Rock, Texas assessment area is based on a statistical sampling of 31 construction loans to home builders and residential real estate investors totaling \$9,031,000 selected from 51 loans totaling \$25,692,000. Another statistical sample of 24 construction loans to individuals to construct their primary residence totaling \$10,569,000 was selected from 46 loans totaling \$27,220,000. The sample of loans was based on a 90 percent confidence interval and 15 percent precision level.

In addition, all 42 of the originated HMDA loans totaling \$11,992,000 were analyzed. The results of the analysis of the loans included in the sample are considered to be indicative of the lending performance of the bank during the evaluation period. The conclusion for the bank's overall lending performance was based more on the construction lending record than of HMDA lending.

DESCRIPTION OF INSTITUTION

Texas Country Bank opened for business on September 12, 2005. The bank is an independent, commercial bank headquartered in Lakeway, Texas, which is located approximately 20 miles northwest from the Austin, Texas downtown business district. In addition to the main office, the bank opened a full-service branch on December 21, 2005 in Granite Shoals, Texas, which is approximately 35 miles northwest of Lakeway. Texas Country Bank's market niche is geared to meeting the banking needs of small home builders and their customers with the majority of its loans for single-family construction projects. The bank's philosophy is to deliver personal quality service, fast credit decisions, and competitive returns on customer deposits and other banking needs.

Construction & land development lending represents the bank's most significant loan product by dollar volume according to the bank's Call Report. Table 3, reflects the breakdown of the bank's loan portfolio as of June 30, 2007.

Table 3 – Loan Distribution as of June 30, 2007		
Loan Type	Amount \$(000)	Percent of Total Loans (%)
Construction & Land Development	52,299	90.8
Secured by Farmland	0	0.0
1-4 Family Residential	2,807	4.9
Multi-family (5 or more) Residential	453	0.8
Commercial	0	0.0
<i>Total Real Estate Loans</i>	<i>55,559</i>	<i>96.5</i>
Agricultural	0	0.0
Commercial & Industrial	1,595	2.8
Consumer	343	0.6
Other	75	0.1
Total Loans	57,572	100.0

Source: June 30, 2007 Bank Consolidated Report of Condition and Income

The institution offers an array of deposit services, including demand deposits, NOW, MMDA, savings, time accounts, and individual retirement accounts (IRAs). The bank has two automated teller machines (ATMs), which do not accept deposits, located at each office. The bank has a Web site that offers online banking in addition to telephone banking services. Various credit products are available, including commercial, construction, consumer installment, and real estate mortgages. Texas Country Bank has adequate resources to meet the loan and deposit needs of its customers. The bank offers convenient lobby operations and drive-through services as outlined below.

Location	Lobby/Drive-through Hours	ATM
Main Office (Lakeway)	Monday – Thursday: 9:00 a.m. to 4:00 p.m. Friday 9:00 a.m. to 6:00 p.m. Drive through Monday – Friday 8:00 a.m. to 6:00 p.m. No Saturday drive through services	One
Branch (Granite Shoals)	Monday – Thursday: 9:00 a.m. to 4:00 p.m. Friday 9:00 a.m. to 6:00 p.m. Drive through Monday – Friday 7:30 a.m. to 6:00 p.m. Saturday 9:00 a.m. to 12:00 p.m.	One

Texas Country Bank is a wholly-owned subsidiary of Country Bank Holding Corp., a one-bank holding company. No legal or financial impediments exist that would prohibit the bank from meeting the credit needs of the community

DESCRIPTION OF ASSESSMENT AREA

Scope and Demographic Data

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will concentrate its lending efforts. The Federal Deposit Insurance Corporation (FDIC) evaluates the institution's CRA performance within the defined assessment area.

Combined Assessment Area

Texas Country Bank's management has delineated one contiguous assessment area, which includes portions of the Austin-Round Rock, Texas Metropolitan Statistical Area (MSA) combined with portions of non-MSA. The assessment area is reasonably drawn and does not arbitrarily exclude any low- or moderate-income areas, which the subject bank would be expected to serve.

The bank's assessment area consists of Bastrop, Caldwell, Hays, Travis, and Williamson Counties, which are part of the Austin-Round Rock, Texas MSA. The bank's assessment area also includes portions of Burnet and Llano Counties, which is a non-MSA but is contiguous to the Austin-Round Rock, Texas MSA. The 2000 U.S. Census indicated the bank's assessment area population at 419,162. Table 4 below illustrates the general demographic information of the bank's assessment area according to the 2000 U.S. Census.

Table 4 – Assessment Area Demographics						
Income Level	Number of Census Tracts	Percent of Census Tracts (%)	Population	Percent of Population (%)	Number of Households	Percent of Households (%)
Low	0	0.0	0	0.0	0	0
Moderate	2	2.4	7,928	1.9	4,472	2.8
Middle	27	32.5	133,283	31.8	52,712	32.6
Upper	54	65.1	277,951	66.3	104,498	64.8
Totals	83	100.0	419,162	100.0	161,682	100.0

Source: 2000 U.S. Census

MSA Assessment Area (“Lakeway Area”)

The Lakeway Area is comprised of portions of Bastrop, Caldwell, Hays, Travis, and Williamson Counties, which are part of the Austin-Round Rock MSA. The bank's main office in Lakeway is located within this MSA in census tract 17.62, which is an upper-income tract. This portion of the metropolitan assessment area consists of 74 tracts of which there are no low-income tracts. The area does have 2 moderate-, 23 middle-, and 49 upper-income tracts. The 2 moderate-income tracts are located near the Austin, Texas downtown area, which is approximately 20 miles southeast of the bank's office in Lakeway. Middle- and upper-income areas dominate the balance of the bank's assessment area.

The City of Lakeway is located along the south shores of Lake Travis, between Bee Cave and Mansfield Dam. The city is approximately 15 miles west of the City of Austin and has experienced substantial growth. The city has grown significantly since incorporating in 1974, from a reported 328 residents to approximately 9,000. The City's growth is attributable to its proximity to downtown Austin, its Hill Country location, and recreational amenities.

There is substantial residential construction within the area, which in turn is fueling commercial activity. The 2007 average home sales price for the Lakeway area according to local multiple listing statistics is \$538,899.

Businesses operating in the area are primarily small, with over 69 percent reporting revenues of \$1 million or less, according to Dun & Bradstreet data. The area's overall economy is healthy. As of the first quarter of 2007, the Bureau of Labor Statistics reported the unemployment rate for the Austin-Round Rock MSA to be 3.7 percent, which is below the state-wide rate of 4.5 percent during the same period.

Economic forecast information obtained from the FDIC's Division of Information and Research, indicates growth in the Austin-Round Rock, Texas MSA should remain relatively strong, as the region moves toward a stabilized growth trend. Adding to the strength and positive outlook of the economy are large employers, such as Dell, Inc., University of Texas at Austin, Seton Healthcare Network, IBM, Freescale Semiconductor (formerly Motorola), Advanced Micro Devices, and numerous city, state, and federal governmental agencies.

Non-MSA Assessment Area ("Granite Shoals Area")

The Granite Shoals branch, which is in a middle-income census tract, is located within the bank's Granite Shoals Area consisting of nine census tracts in portions of Burnet and Llano Counties. The Granite Shoals Area is more rural and caters to retirees that can afford a place on or near the lakes. Also, a number of local residents also commute to nearby employers located in Lakeway or even Austin.

The 2000 U.S. Census data estimates the Granite Shoals Area's population at 33,229 with 10,076 households that are families. The Granite Shoals Area has no low- or moderate-income tracts and consists of 4 middle-income and 5 upper-income geographies. Approximately 18 percent of families within the Granite Shoals Area reported incomes below the poverty level.

Community Contact

An interview was conducted with a local business person located within the bank's assessment area during the evaluation to obtain additional information regarding community credit needs, the condition of the local economy, and changes in area demographics

The community contact indicated that the local economy continues to be strong. Home sales are steady despite a slowing national trend. Commercial activity such as new strip shopping centers, business centers, and retail outlets are continuously opening. The new Hill Country Galleria

mall will be opening in the fall of 2007 with stores such as Dillard's, Banana Republic, Eddie Bauer, and other national brands. Overall, the housing and the business market within the Lakeway area is still considered to be robust. The community contact indicated that land prices are very expensive and, as a result, it has become increasingly difficult to build homes that are affordable to low- and moderate-income individuals. Despite the high land values, the area is still growing and attracting new businesses.

In recent years, several new independent and nationally known banks have also opened, which has increased bank competition. All of the local and national banks seem to be involved in community services and contributions. The community contact also indicated that banks appear to be receptive to local area credit needs as indicated by the continued surrounding growth and improvements.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LOAN-TO-DEPOSIT RATIO

The bank's lending activity, as measured by its net loan-to-deposit (LTD) ratio, is considered more than reasonable (strong). Since loans are primarily funded through the bank's deposits, examiners reviewed the bank's net LTD ratio as an indicator of the institution's level of lending activity. Using data from the Consolidated Report of Condition and Income for the past eight quarters, the bank's average net LTD ratio is 91 percent. Listed alphabetically, and utilizing the same data and time frame, Table 5 shows the subject bank and a comparative analysis of other similarly-situated financial institutions.

Table 5 – Net Loan-to-Deposit (LTD) Ratio Comparative Analysis as of June 30, 2007				
Bank Name	Total Assets \$(000)	Net Loans \$(000)	Total Deposits \$(000)	Average Net LTD Ratio (%)
<i>Texas Country Bank –Lakeway, Texas</i>	68,100	57,197	59,835	91
Comparable Banks:				
First Community Bank – San Antonio, Texas	87,012	65,419	78,393	77
Horizon Bank, SSB – Austin, Texas	57,784	38,852	48,859	71
First Texas Bank – Lampasas, Texas	93,796	32,253	79,681	40
Johnson City Bank – Johnson City, Texas	68,163	49,490	59,406	80

Source: Reports of Condition and Income

The above noted banks were included in the table because of their comparable loan portfolio mix and asset size. The trend of Texas Country Bank's quarterly net LTD ratios has been increasing each quarter since the bank opened. As of June 30, 2007, the net LTD ratio is 96 percent. After

considering and reviewing the bank’s asset size, financial competition, location, and lending opportunities, the bank’s average net loan-to-deposit ratio is deemed strong.

LENDING IN THE ASSESSMENT AREA

The bank has a satisfactory record of lending as a majority of the total loans sampled by number and dollar volume were originated within the bank’s assessment area. This performance criterion was analyzed for the bank’s lending within the combined (MSA and non-MSA) assessment area. An assessment area is a geographical area in which the bank intends to concentrate the majority of its lending.

The bank’s lending performance is based on the number and dollar volume of loans originated within the assessment area and is shown in Table 6 below.

Table 6 – Distribution of Sampled Loans Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Volume of Loans				
	Inside		Outside		Total	Inside		Outside		Total \$ (000)
	#	%	#	%		\$ (000)	%	\$ (000)	%	
Residential Home Builders & Investors	21	68	10	32	31	9,031	69	4,012	31	13,043
Residential Construction Loans to Individuals	21	88	3	12	24	10,569	92	974	8	11,543
2007 HMDA loans	21	50	21	50	42	6,832	57	5,160	43	11,992
Total	63	65	34	35	97	26,432	72	10,146	28	36,578

Source: Bank records

The data in Table 6 above indicates that based on the two samples of construction loans, Texas Country Bank has originated a majority of the loans by number and by dollar inside its assessment area. As for the HMDA loans, there was an equal number of loans in and out of the assessment area, but a slight majority by dollar volume were in the assessment area. Since more weight was accorded to construction lending, and considering the bank’s asset size and its office locations, Texas Country Bank’s level of lending within the assessment area demonstrates a satisfactory performance.

GEOGRAPHIC DISTRIBUTION OF LOANS

The bank's level of performance regarding its geographic distribution of construction and residential real estate (HMDA) loans within its assessment area is reasonable. The geographic distribution of loans was analyzed based upon lending activity within the bank's MSA Assessment Area due to its high concentration of lending within this area versus the non-MSA.

Construction Lending to Home Builders

The bank's geographic distribution of construction lending to home builders is considered reasonable. There are no low-income geographies within the bank's MSA Assessment Area and there are only two moderate-income tracts. Management's strategic plan states the bank intends to reach the moderate-income areas in Austin, and while not required, management has included moderate-income areas within its MSA Assessment Area.

Table 7 – Distribution of Construction Loans to Home Builders by Income Category of the Census Tract					
Census Tract Income Category	Percent of Owner- Occupied Housing Units (%)	Loans Originated			
		#	%	\$ (000)	%
Moderate	0.7	0	0.0	0	0.0
Middle	26.1	7	33.3	3,146	34.8
Upper	73.2	14	66.7	5,885	65.2
Total	100.0	21	100.0	9,031	100.0

Source: U.S. Census and Bank records

The bank's lack of lending within the moderate-income census tracts is partially attributed to competition as well as geographic location of the bank's offices (middle- and upper-income tracts). Based on 2006 market share reports, there are over 200 lenders originating residential loans within the bank's MSA Assessment Area. Home builders who specialize in building more affordable housing in the moderate-income areas typically utilize local lenders and might find it unreasonable to use a bank that is 15-20 miles away across town. In addition, the bank's market niche is to provide financing to builders and customers who customarily build homes in the \$250,000 to \$600,000 range, which typically are located in middle- to upper-income areas.

Overall, the bank's geographic distribution of construction lending to home builders is considered reasonable.

Construction Lending to Individuals

The bank's lending to individuals regarding the construction of their primary home is considered reasonable. As stated earlier, the two moderate-income tracts are located over 20 miles from the bank's offices. The concentration of lending to individuals constructing their primary residence

within the Lakeway Area is reasonable compared to the percent of tracts by income category as shown in Table 7A.

Table 7A – Distribution of Construction Loans to Individuals by Income Category of the Census Tract					
Census Tract Income Category	Percent of Owner-Occupied Housing Units (%)	Loans Originated			
		#	%	\$ (000)	%
Moderate	0.7	0	0.0	0	0.0
Middle	26.1	6	28.6	1,841	17.4
Upper	73.2	15	71.4	8,728	82.6
Total	100.0	21	100.0	10,569	100.0

Source: U.S. Census and Bank Records

The average loan amount within this sample to individuals building their own primary residence is \$503,000. With the bank located in an upper-income tract and with other upper- and middle-income geographies surrounding the area, as well as aligning with bank management’s philosophy to lend to custom home builders and individuals to construct personal high dollar homes comparable to the local market, the bank’s geographic lending is considered reasonable.

Residential Real Estate (HMDA) Loans

The bank’s geographic distribution of its residential real estate (HMDA) loans also reflects a reasonable penetration throughout the assessment area.

Table 8 – Distribution of Residential Real Estate (HMDA) Loans by Census Tract Income Level					
Census Tract Income Category	Percent of Owner-Occupied Housing Units (%)	Number of Loans		Dollar Volume of Loans	
		#	%	\$(000)	%
Moderate	0.7	0	0.0	0.0	0.0
Middle	26.1	3	15.0	937	14.9
Upper	73.2	17	85.0	5,341	85.1
Total	100.0	20	100.0	6,278	100.0

Source: Bank records

As stated earlier, the HMDA loans are from the MSA portion only. Therefore, Table 8 indicates 20 loans since 1 loan is in the non-MSA.

The lack of HMDA loans in the moderate-income tracts is not material as these two moderate-

tracts are located over 20 miles from the bank’s offices.

Overall, the bank’s geographic lending performance of its residential real estate (HMDA) loans is considered reasonable.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND BUSINESSES OF DIFFERENT SIZES

The bank’s lending performance to borrowers and businesses of different income levels is reasonable. The analysis only includes the loans that were originated within the MSA assessment area.

Construction Lending to Home Builders

The distribution of the bank’s construction loans to home builders, given the demographics of the assessment area and performance context considerations, reflects a reasonable dispersion based on the size of the businesses.

As revealed in Table 9 below, the bank has a satisfactory penetration of loans to builders of various sizes. Although business demographic data compiled by Dun & Bradstreet is available, it is not an appropriate comparable for lending performance to builders or investors in the construction of new homes. With an average loan of over \$430,000, based on the sample reviewed, it can be deduced that a homebuilder would exceed the gross annual revenues of \$1 million by selling two or three houses per year. However, based upon this sampling and management’s philosophy to work with small home builders, the bank shows a satisfactory record in achieving this objective by assisting new and small home builders.

Table 9 – Distribution of Construction Loans by Gross Annual Revenues of Builder				
Gross Annual Revenue	Number	Percent (%)	Dollar \$(000)	Percent (%)
Less than \$250,000	9	42.9	3,375	37.4
\$250,000 < \$500,000	4	19.0	1,779	19.7
\$500,000 < \$1,000,000	3	14.3	1,277	14.1
\$1,000,000 < \$2,500,000	2	9.5	1,070	11.8
Over \$2,500,000	3	14.3	1,530	17.0
Total	21	100.0	9,031	100.0

Source: Bank records

Therefore, the bank’s construction lending to builders is considered reasonable.

Construction Lending to Individuals

The bank's construction lending to individuals is reasonable. Lending performance is analyzed using borrower income and comparing it to the percentage of families by income levels. Borrower income levels are based upon median family income, as established annually by the Housing and Urban Development (HUD). To determine the bank's lending performance to borrowers of different income levels, the 2007 median family income for the Austin-Round Rock, Texas MSA of \$69,300 was used to stratify borrowers as outlined in Table 10.

Table 10 – Distribution by Borrower Income Levels		
Borrower Income Level	Percent of MFI / Estimated MFI	Austin- Round Rock MSA
		2007 MFI = \$69,300
Low	Less than 50%	Less than \$34,650
Moderate	50% to less than 80%	\$34,650 to less than \$55,440
Middle	80% to less than 120%	\$55,440 to less than \$83,160
Upper	120% and more	\$83,160 and more

Source: U.S. Census and Department of Housing and Urban Development.

Table 11 – Distribution of Construction Loans to Individuals					
Borrower Income Level	Percent of Families (%)	Sampled Loans			
		#	%	\$(000)	%
Low	8.8	3	14.3	592	5.6
Moderate	11.9	1	4.8	248	2.3
Middle	20.2	2	9.5	792	7.5
Upper	59.1	15	71.4	8,937	84.6
Total	100.0	21	100.0	10,569	100.0

Source: 2000 U.S. Census and Bank records

For the sampled construction loans, there was a reasonable lending effort to low- and moderate-income borrowers as shown in Table 11. When analyzing the institution's distribution of loans according to borrower income level, it is important to recognize that the majority of assessment area families, i.e. 79 percent, are comprised of middle- and upper-income families. Low- and moderate-income families represent 9 percent and 12 percent of assessment area families, respectively, which significantly limits the institution's residential construction lending opportunities to such families.

Likewise, the exorbitantly high real estate values, which are prevalent within the area, indubitably limit residential construction lending opportunities among the area's low- and

moderate-income families. As stated earlier, the average home sales price in the Lakeway Area is over \$500,000. In short, residential construction lending opportunities among the low- and moderate-income families and individuals in this area are recognizably limited and are largely beyond the control of the institution. Hence, the bank’s lending to low-and moderate-income individuals is considered reasonable.

Residential Real Estate (HMDA) Loans

The bank’s distribution of its residential real estate loans by borrower income reflects a poor penetration among individuals of different incomes. The loans originated are primarily to borrowers in the Lakeway Area, who are mostly upper-income.

Table 12 – Distribution of Residential Real Estate (HMDA) Loans by Borrower Income					
Borrower Income Level	Percent of Families (%)	Number of Loans		Dollar Volume of Loans	
		#	%	\$(000)	%
Low	8.8	0	0.0	0	0.0
Moderate	11.9	0	0.0	0	0.0
Middle	20.2	0	0.0	0	0.0
Upper	59.1	19	95.0	6,028	96.0
N/A	-	1	5.0	250	4.0
Total	100.0	20	100.0	6,278	100.0

Source: Bank records

As stated earlier, the HMDA loans are from the MSA portion only. Therefore, Table 12 indicates 20 loans since 1 loan is in the non-MSA.

RESPONSE TO CRA-RELATED COMPLAINTS

There have been no CRA-related complaints received or noted.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No substantive violations of Fair Lending regulations were identified during the examination.

GLOSSARY

Census Tract – a small locally demarcated area, usually in a metropolitan neighborhood,

defined by the Census Bureau to generally consist of stable boundaries and an average population of 4,000.

Dun & Bradstreet – a leading provider of business information for credit, marketing and purchasing decisions in the U.S. and worldwide.

Low-income –

- for a census tract - this refers to income levels less than 50% of the MFI for the MSA in which the tract is located.
- for individuals - this refers to income levels less than 50% of the most recent year's estimation of the MFI by the Department of Housing and Urban Development (HUD).

MFI – median family income as determined by the Census Bureau or HUD.

Middle-income – determined using the same methodology as for low-income. The percentage used for middle-income designation is 80% < 120%.

Moderate-income – determined using the same methodology as for low-income. The percentage used for moderate-income designation is 50% < 80%.

MSA – metropolitan statistical area as determined by the Census Bureau. Usually consists of contiguous census tracts and block numbering areas comprising one or more counties including a large population nucleus and nearby communities that have a high degree of interaction and which usually have a combined population of greater than 50,000.

Upper-income – determined using the same methodology as for low-income. The percentage used for upper-income designation is 120% or greater.