

# **PUBLIC DISCLOSURE**

December 10, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Community Bank of Raymore  
Certificate Number: 22867

801 West Foxwood Drive  
Raymore, Missouri 64083

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

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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 RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Needs to Improve**.

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

Community Bank of Raymore's Community Reinvestment Act (CRA) performance under the following performance criteria supports the overall rating.

- The loan-to-deposit (LTD) ratio is less than reasonable given the institution's size, financial condition, and credit needs of the assessment area.
- The bank made a majority of its small business loans in the assessment area.
- The geographic distribution of small business loans reflects a poor dispersion throughout the assessment area.
- The distribution of borrowers reflects poor penetration among businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Community Bank of Raymore is headquartered in Raymore, Missouri, and operates throughout Cass County, Missouri. Cass County is in the southern portion of the Kansas City, Missouri-Kansas Metropolitan Statistical Area (Kansas City MSA). Community Bank of Raymore is owned by LoLyn Financial Corporation, a one-bank holding company in Raymore, Missouri. The institution received a Needs to Improve rating at its previous FDIC Performance Evaluation, dated December 5, 2022, based on Interagency Intermediate Small Institution Examination Procedures.

Community Bank of Raymore operates three full-service offices, which are in Raymore, Peculiar, and Harrisonville, Missouri. The main office in Raymore and the branch office in Peculiar are in middle-income census tracts, while the branch office in Harrisonville is in a moderate-income census tract. The bank has not opened or closed any branches or participated in any merger or acquisition activities since the prior evaluation.

Community Bank of Raymore offers traditional loan products including commercial, agricultural, home mortgage, and consumer loans. The bank's primary business focus continues to be commercial lending. Additionally, the institution provides a variety of deposit services including checking, savings, money market deposit accounts, certificates of deposit, brokered deposits, and individual retirement accounts. In addition, the bank offers investment advisory and trust services. Alternative banking services include internet and mobile banking, telephone banking, mobile

deposit, electronic bill pay, and three non-deposit taking ATMs. The bank-owned ATMs are located at each of the three locations.

According to the September 30, 2024 Reports of Condition and Income, the bank reported total assets of \$354.8 million, total deposits of \$344.0 million, and total loans of \$100.9 million. The following table shows the distribution for each loan category by dollar volume.

<b>Loan Portfolio Distribution as of 9/30/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	1,935	1.9
Secured by Farmland	6,307	6.2
Secured by 1-4 Family Residential Properties	15,809	15.7
Secured by Multifamily (5 or more) Residential Properties	2,028	2.0
Secured by Nonfarm Nonresidential Properties	18,551	18.4
<b>Total Real Estate Loans</b>	<b>44,630</b>	<b>44.2</b>
Commercial and Industrial Loans	51,208	50.7
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	5,000	5.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	57	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>100,895</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of the assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Community Bank of Raymore designated one assessment area comprised of all of Cass County, Missouri, within the Kansas City MSA. The bank has not changed its assessment area since the prior evaluation; however, the census tract designations were updated with the release of 2020 U.S. Census data.

### **Economic and Demographic Data**

According to 2020 U.S. Census data, the assessment area consists of 5 moderate-, 15-middle-, and 4 upper-income census tracts. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	24	0.0	20.8	62.5	16.7
Population by Geography	107,824	0.0	19.8	66.1	14.1
Housing Units by Geography	42,312	0.0	21.5	66.3	12.2
Owner-Occupied Units by Geography	30,476	0.0	16.1	68.8	15.1
Occupied Rental Units by Geography	9,921	0.0	37.0	58.9	4.0
Vacant Units by Geography	1,915	0.0	27.4	64.5	8.1
Businesses by Geography	21,405	0.0	48.5	41.4	10.1
Farms by Geography	889	0.0	24.2	65.0	10.8
Family Distribution by Income Level	29,364	19.1	18.8	24.4	37.8
Household Distribution by Income Level	40,397	20.3	16.9	19.5	43.3
Median Family Income MSA - 28140 Kansas City, MO-KS MSA	\$86,562	Median Housing Value			\$198,251
Families Below Poverty Level	5.9%	Median Gross Rent			\$981
Source: 2020 U.S. Census and 2023 D&B Data					

The 2023 D&B data indicates that non-classifiable establishments represent the largest portion of businesses in the assessment area at 37.3 percent; followed by services at 24.4 percent; and finance, insurance, and real estate at 11.6 percent. The data also indicated that a significant majority of area businesses are relatively small with 97.3 percent having nine or fewer employees, and 97.0 percent operating from a single location.

### **Competition**

The bank operates in a highly competitive environment. As of June 30, 2024, the FDIC Deposit Market Share data indicates there are 19 financial institutions operating 30 full-service branches within the bank's assessment area. Community Bank of Raymore ranked first with 17.5 percent of the deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the community's credit needs. This information helps determine whether local financial institutions are responsive to these needs. Further, these discussions reveal indications of the credit opportunities available.

Examiners contacted an individual knowledgeable of the economic conditions of Cass County. The individual indicated that economic conditions in Cass County are positive and that communities throughout the assessment area are experiencing growth. Additionally, the contact stated that the area was growing due to new housing developments and businesses. Lastly, the contact was unaware of any unmet credit needs.

### **Credit Needs**

Considering information from economic and demographic data, the community contact, and bank management, the primary credit needs in the assessment area are loans to businesses of all sizes, and affordable housing loans.

## **SCOPE OF EVALUATION**

### **General Information**

The evaluation covers the period from the prior evaluation dated December 5, 2022, to the current evaluation dated December 10, 2024. Examiners used the Interagency Small Institution Examination Procedures to evaluate Community Bank of Raymore's CRA performance.

### **Activities Reviewed**

Examiners determined that the bank's major product line is commercial loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Specifically, as of September 30, 2024, commercial loans comprised 69.1 percent of the total loan portfolio. Although affordable housing is considered a credit need in the area, home mortgage lending is not a major business focus for the bank. Residential lending represented 15.7 percent of the loan portfolio, which included home equity lines of credit and residential real estate 1-4 family first lien loans. Neither of these residential loan products represented a significant portion of the loan portfolio; therefore, examiners did not review home mortgage lending. Additionally, examiners did not review small farm lending as it represented a nominal portion of the loan portfolio.

Examiners reviewed all small business loans originated, renewed, and purchased in 2022 and 2023. The bank made 113 loans totaling \$17.2 million in 2022, and 169 loans totaling \$25.2 million in 2023. For the Lending Test, examiners reviewed the entire universe of small business loans to evaluate the Assessment Area Concentration criterion. Additionally, examiners reviewed all small business loans inside the assessment area to evaluate the Geographic Distribution and Borrower Profile criteria. The 2022 and 2023 D&B data, respectively, provide a standard of comparison for the bank's small business lending performance. Examiners placed greater weight on the number of loans, as opposed to the dollar volume, as the number of loans is considered a better indicator of the number of businesses served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Community Bank of Raymore demonstrated poor performance under the Lending Test. The bank's Loan-to-Deposit Ratio, Geographic Distribution, and Borrower Profile performance supports this conclusion.

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

The LTD ratio is less than reasonable given the institution's size, financial condition, and credit needs of the assessment area. The bank's LTD ratio, calculated from Reports of Condition and Income data, averaged 28.1 percent over the past 8 calendar quarters from December 31, 2022, to September 30, 2024. The ratio ranged from a high of 30.7 percent as of December 31, 2023, to a low of 25.5 percent as of June 30, 2023. The bank's average net LTD ratio decreased by 23.3 percent since the prior evaluation when it was 51.4 percent.

Management indicated that \$69.2 million of the bank's total deposits are Public Entity Deposits, which when removed from the calculation, the LTD ratio increased to 36.4 percent. Examiners were unable to identify any comparable institutions based on the bank's asset size, geographic location, and lending focus. However, even when adjusting for Public Entity Deposits, Community Bank of Raymore's LTD ratio is among the lowest in the state, and is currently lower than several other institutions whose LTD ratios were considered poor at their most recent CRA evaluations.

### **Assessment Area Concentration**

Community Bank of Raymore originated a majority of its small business loans by number within the assessment area. However, as shown in the following table, the bank only originated a majority of its small business loans by dollar volume within the assessment area in 2022. The dollar volume of small business loans declined in 2023 primarily due to the bank purchasing loans outside its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business										
2022	94	83.2	19	16.8	113	9,359	54.6	7,791	45.4	17,150
2023	104	61.5	65	38.5	169	10,809	42.8	14,432	57.2	25,241
Total	198	70.2	84	29.8	282	20,168	47.6	22,223	52.4	42,391
Source: Bank Data										

### **Geographic Distribution**

The geographic distribution of loans reflects poor dispersion throughout the assessment area. Examiners focused on the bank's record of lending in the moderate-income census tracts, as the assessment area does not include any low-income census tracts. As illustrated in the following table, the bank's small business lending in moderate-income census tracts was significantly below demographic data in both 2022 and 2023. In addition, the bank's lending performance in moderate-income census tracts declined since the prior evaluation. Specifically, the bank made 12 loans representing 6.2 percent of lending in moderate-income census tracts in 2020, and 7 loans representing 2.4 percent of lending in moderate-income census tracts in 2021.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate					
2022	47.7	1	1.1	250	2.7
2023	48.5	2	1.9	410	3.8
Middle					
2022	42.4	86	91.5	8,106	86.6
2023	41.4	88	84.6	8,267	76.5
Upper					
2022	9.9	7	7.4	1,003	10.7
2023	10.1	14	13.5	2,132	19.7
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>94</b>	<b>100.0</b>	<b>9,359</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>10,809</b>	<b>100.0</b>
<i>Source: 2022 &amp; 2023 D&amp;B Data, 2022 &amp; 2023 Bank Data</i>					

### **Borrower Profile**

The distribution of borrowers reflects poor penetration among businesses of different sizes throughout the assessment area. Examiners focused on the percentage of small business loans to operations with gross annual revenues of \$1 million or less. As shown in the following table, the bank's lending to small businesses with revenues of \$1 million or less is significantly below the demographic data for this same revenue category in both 2022 and 2023.

Examiners noted one borrower in the analysis is a significant relationship and accounts for a majority of the bank's loan originations in 2022 and 2023. However, even when examiners performed the analysis accounting for multiple loans to borrowers, the bank's performance is still significantly below demographic data. The bank's performance improved since the prior evaluation from 6.9 and 8.3 percent of loans to businesses with revenues of \$1 million or less in 2020 and 2021, respectively, but not significantly enough for the performance to be considered reasonable given comparable demographic data.



Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2022	95.1	20	21.3	2,345	25.1
2023	95.7	14	13.5	1,499	13.9
>\$1,000,000					
2022	1.3	69	73.4	6,841	73.1
2023	1.0	86	82.7	9,175	84.9
Revenue Not Available					
2022	3.6	5	5.3	173	1.8
2023	3.3	4	3.8	135	1.2
<b>Totals</b>					
<b>2022</b>	<b>100.0</b>	<b>94</b>	<b>100.0</b>	<b>9,359</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>104</b>	<b>100.0</b>	<b>10,809</b>	<b>100.0</b>
Source: 2022 & 2023 D&B Data, 2022 & 2023 Bank Data					

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the overall rating.

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

## **APPENDICES**

### **SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

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

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

## 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.

**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.

**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.

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

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

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

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

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

**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 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.

**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.