



PUBLIC DISCLOSURE

June 4, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Legend Bank, National Association
Charter Number 4265
101 West Tarrant Street
Bowie, TX 76230

Office of the Comptroller of the Currency
Dallas Field Office
225 E. John Carpenter Fwy, Suite 900
Irving, TX 75062

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Summarize the major factors supporting the institution's rating.

- The bank's loan-to-deposit ratio is reasonable given its size, financial condition and the credit needs of its assessment area (AA).
- The bank originated a majority of its loans within its delineated AA.
- Overall, the distribution of borrowers reflects reasonable penetration of loans to borrowers of different incomes and businesses of different sizes.
- Residential and farm loans are reasonably distributed across the low-and moderate-income (LMI) census tracts while business loans reflect an excellent distribution.
- The overall level and responsiveness of community development (CD) lending, investments, and services is adequate.

Definitions and Common Abbreviations

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

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

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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

Low-Income: Individual 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 MA/assessment area.

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

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

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

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

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

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

Description of Institution

Legend Bank, National Association (Legend or “the bank”) is a wholly owned subsidiary of Legend Bancorp, Incorporation. Legend was one of two banks organized in Bowie, Texas, approximately 60 miles north of Fort Worth, during the late 1800s and received its national bank charter on March 19, 1890. Since then, Legend has expanded and currently operates 11 branches throughout Texas in Alvord, Bonham (2), Bowie, Decatur, Fort Worth, Henrietta, Nocona, Sherman, Whitesboro, and Wichita Falls. Bowie, Texas remains the location of the main branch and serves as the bank’s headquarters.

During 2017, the Sherman location was converted to a full service branch from a loan production office and to better serve its customers, the Wichita Falls branch was relocated to a stand-alone facility located on Fairway Boulevard in Wichita Falls. All locations include automatic teller machines (ATM) and drive-thru facilities providing extended weekday and Saturday hours as well as 24 hour access to funds.

Legend offers a full range of commercial and consumer banking products and related financial services. Customers can access the banks services and products through multiple delivery channels including, but not limited to, visiting a branch, online banking services at www.legend-bank.com, mobile banking, the telephone, and/or the mail.

As of December 31, 2017, Legend had total assets of \$640 million, with the loan portfolio representing 65 percent of total assets.

Legend Bank National Association Loan Portfolio Summary		
Loan Category	Dollar Volume (\$000)	Percentage
Commercial Real Estate	140,399	34%
Agricultural	119,334	28%
Residential	83,101	20%
Commercial	66,128	16%
Consumer	8,109	2%

Source: December 31, 2017 Report of Condition

Legend’s lending strategy continues to be the origination of:

- Commercial and Commercial Real Estate (CRE) loans to small and midsize businesses and business owners
- Farm, Ranch Production and Real Estate loans to farmers/ranchers
- Residential real estate loans categorized by purchase, refinanced and home improvement

During the previous CRA evaluation dated March 23, 2015, Legend received a “Satisfactory” rating. There are no legal or financial impediments to Legend’s ability to meet the credit needs of its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Legend is subject to the interagency Intermediate Small Bank (ISB) CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance under the Lending and CD Tests. The evaluation period ranges from January 1, 2015, the end date for the most recent CRA evaluation, through December 31, 2017, the date of the most recent full calendar year. We identified commercial real estate loans (business loans), agriculture (farm loans) and residential real estate loans as the bank's primary loan products with an emphasis on small business and agriculture lending. The Lending Test concentrated on lending activity from January 1, 2015 to December 31, 2017. In our evaluation of the distribution of loans, we utilized the demographics and geographies related to the 2010 Census as it applies to the years 2015, 2016 and 2017. Our consideration of CD activity including loans, investments and services, extended from March 24, 2015 to our current evaluation date of December 31, 2017.

Data Integrity

This evaluation is based on data as follows:

- We tested HMDA data for residential real estate loans reported by the bank during the review period to verify the accuracy of data used for this evaluation. We found the data reliable to use for this evaluation.
- To evaluate the bank's performance relative to business lending in the Montague Non-MSA and the Fort Worth AA we selected a minimum random sample of 20 business loans per AA that were originated and purchased during the review period, combining the data for 2015-2016, and a separate sample for 2017. Based on our testing of the sampled loans, we found the aggregate data reliable to use for this evaluation.
- To evaluate Legend's performance relative to farm lending, we selected a random sample of 20 farm loans that were originated and purchased during the review period, combining the data for 2015-2016, and a separate sample for 2017. Due to low volume of farm loans made during the 2017 period we included all 15 loans made in the Fannin County AA during 2017. Based on our testing of the sampled loans, we found the aggregate data reliable to use for this evaluation.

Selection of Areas for Full-Scope Review

Legend has delineated five AAs all located in Texas: Fort Worth AA, consisting of Wise and Tarrant Counties and located in the Dallas-Fort Worth-Arlington MSA, Wichita Falls AA, consisting of Clay and Wichita Counties and located in the Wichita Falls MSA, Grayson County AA located in the Sherman-Denison MSA, Fannin County AA, and Non-MSA counties of Montague and Cooke Counties.

We conducted a full-scope review of performance in the Montague Non-MSA and Fort Worth AAs. A full-scope review considers complete performance context information, quantitative factors and qualitative factors. The Montague Non-MSA AA received the full-scope review because 48 percent of bank deposits and 30 percent of the number of originated and purchased HMDA-reported business and farm loans are in that AA. The Montague Non-MSA AA also accounted for 31 percent of the dollar volume of business and farm loans made in all of the bank's AAs. The Fort Worth AA reflected 25 percent of the bank's deposits and 34 percent of the number of originated and purchased HMDA-reported. Consequently, it also received a full-scope review.

We also performed a limited-scope examination on Fannin County, Grayson County, and Wichita Falls AAs. Limited-scope reviews consider primarily quantitative factors with performance context data limited to the comparable demographics.

Please refer to the tables in Appendix B that provides demographic data and composition of the AA's receiving full scope reviews.

Ratings

Ratings for this CRA evaluation are based primarily on the results of the full-scope areas. Of the two full-scope AAs, the Montague Non MSA AA received more weight on final ratings as this AA had a larger percentage of the bank's deposits and a comparable number in volume and dollar amount of loans to the Fort Worth AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "**Satisfactory**".

Loan-to-Deposit Ratio

Legend's Loan-to-Deposit (LTD) ratio is reasonable given the bank's size, location, local competition, and the credit needs of the AAs. The LTD ratio is calculated on a bank-wide basis. This determination is based on the quarterly average LTD ratio of 73.02 percent from March 31, 2015 through December 31, 2017. During this evaluation period, Legend's LTD ratio ranged from a low of 68.05 percent to a high of 77.29 percent.

Management considers the banks shown in the following table to be similarly situated institutions (SSIs). With one exception, all are community banks with less than \$1 billion in total assets that actively offer similar loan products and have branch locations in the AAs. The quarterly average LTD ratio for each SSI is listed in the following table.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$ (000's) (As of 9/30/2017)	Average Loan-to- Deposit Ratio
Legend Bank	639,552	73.02%
Woodhaven National Bank	563,356	84.35%
First State Bank Gainesville	1,094,588	53.76%
American National Wichita Falls, TX	639,231	75.63%
Ciera Bank, Graham, TX	546,879	90.60%

Source: Institution Reports of Condition from March 31, 2015 to December 31, 2017.

Lending in Assessment Area

Legend's lending in the AA is reasonable and meets the standard for satisfactory performance. The majority of the bank's loans were made within the bank's delineated AAs, both by number and dollar volume. The bank originated or purchased 82 percent of the number of loans and 70 percent of the dollar volume of loans in its AAs. See Table 1 for details.

Table 1 - Lending in Combined AAs										
Loan Type	Number of Loans					Dollars of Loans (\$000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	568	83.53	112	16.47	680	90,340	79.31	23,568	20.69	113,908
Business	912	83.29	183	16.71	1,095	123,636	74.84	41,568	25.16	165,204
Farm	1092	79.48	282	25.82	1,374	91,438	58.01	66,181	41.99	157,619
Totals	2,572	81.68	577	18.32	3,149	305,414	69.93	131,317	30.07	436,731

Source: Data reported under HMDA and bank aggregated data.

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

LB’s lending to borrowers of different incomes, including low- and moderate-income individuals and businesses of different sizes is reasonable. Montague Non MSA residential real estate loans reflect a reasonable penetration among borrowers of different incomes, along with excellent penetration among small business and farms loans. The bank’s poor distribution of residential real estate loans to borrowers of different incomes in the Fort Worth AA was positively offset by excellent distribution of loans to businesses of different revenue sizes. The borrower distribution of loans within both the Montague Non-MSA and the Fort Worth AA is reasonable. The bank’s performance in the limited scope AAs are consistent with the performance in the Montague Non-MSA and Fort Worth AAs.

Montague Non-MSA

The borrower distribution of loans in the Montague Non-MSA is reasonable. The distribution of residential real estate loans to borrowers reflects a reasonable penetration among borrowers of different income levels. The distribution of loans to small businesses and small farms is excellent.

Residential Real Estate Loans

Overall, the bank’s distribution of residential home loans in the Montague Non-MSA reflects reasonable penetration of loans to low- and moderate-income borrowers. While the percent of residential real estate loans is significantly lower than the percent of low- income families in the AA, the data reflects residential real estate loans to moderate income borrowers during 2015 and 2016 exceeded the percentage of moderate-income families in the AA. In addition, within the same review period 5 percent of the loans were made to low income borrowers. Mitigating factors for significantly lower lending to low-income borrowers includes a higher median housing cost of \$117 thousand and higher poverty level within the AA. Please see the following table and the housing-related discussion in the market profile for the Montague Non-MSA in Appendix B for details.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Montague Non-MSA 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	17.99	0.00	15.43	6.45	19.73	19.35	46.85	74.19

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

Table 2 - Borrower Distribution of Residential Real Estate Loans in Montague Non-MSA 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	15.80	4.92	15.48	18.03	19.22	16.39	49.50	60.66

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

Business Loans

The distribution of loans to businesses of different sizes reflects excellent penetration of loans to businesses that are small (businesses with annual revenues less than or equal to \$1 million). The percentage of the bank's loans, based on both number and dollar volume, exceeds the percentage of businesses with annual revenues of \$1 million or less in the AA as noted in Table 2A below.

Table 2A - Borrower Distribution of Loans to Businesses in Montague Non-MSA 2017				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	84.08	5.37	10.55	100%
% of Bank Loans in AA by #	100	0.00	0.00	100%
% of Bank Loans in AA by \$	100	0.00	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Table 2A - Borrower Distribution of Loans to Businesses in Montague Non-MSA 2015-2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	84.44	5.17	10.39	100%
% of Bank Loans in AA by #	95	5	0.00	100%
% of Bank Loans in AA by \$	84.07	15.93	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Farm Loans

The bank's distribution of loans to farms of different sizes exhibits an excellent penetration. As depicted in the table below, in 2015-2016 100 percent of the number of loans made by Legend were to small farms in the AA. This exceeds the percentage of small farms that are reported in the AA of 99 percent. In 2017, 90 percent of the number of loans to small farms were made inside of the AA. A small farm is defined as a farm with revenues of \$1 million or less.

Table 2A - Borrower Distribution of Loans to Farms in Montague Non-MSA 2017				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	97.97	0.87	1.16	100%
% of Bank Loans in AA by #	90	10	0.00	100%
% of Bank Loans in AA by \$	38.27	61.73	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Table 2A - Borrower Distribution of Loans to Farms in Montague Non-MSA 2015-2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98.62	0.55	0.83	100%
% of Bank Loans in AA by #	100	0.00	0.00	100%
% of Bank Loans in AA by \$	100	0.00	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Fort Worth AA

The borrower distribution of loans in the Fort Worth AA is reasonable. The distribution of residential real estate loans to borrowers of different incomes reflects a poor penetration among borrowers of different income levels. The distribution of loans to small businesses and small farms is excellent.

Residential Real Estate Loans

Overall, the bank's distribution of residential home loans in Fort Worth AA reflects poor penetration of loans to low- and moderate-income borrowers. The data reflects the percentage of residential real estate loans to low-income borrowers is significantly below the percentage of low-income families in the AA during both review periods.

The poor performance to low- and moderate-income borrowers is mitigated by the low inventory of affordable single family residences for sale within the AA and low-income applicants typically have difficulty qualifying for residential loans. In addition, the high cost of living in the AA and a lower median family income further limit the bank's ability to make home mortgage loans to low- or moderate-income borrowers. See Table 2 below.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Fort Worth AA 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	23.15	1.79	16.35	5.36	19.37	21.43	41.13	71.43

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

Table 2 - Borrower Distribution of Residential Real Estate Loans in Fort Worth AA 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	21.72	4.26	17.34	8.51	19.43	21.28	41.52	65.96

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

Business Loans

The distribution of business loans reflects an excellent penetration among businesses of different sizes. As depicted in the table below, the percentage of loans by number to small businesses exceeds the percentage of small businesses in the AA. Although the percentage by the dollar volume of loans is below the demographic, we placed the most weight on the number of loans originated or purchased to arrive at a rating.

Table 2A - Borrower Distribution of Loans to Businesses in Fort Worth AA 2017				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	85.46	4.79	9.76	100%
% of Bank Loans in AA by #	85.00	15.00	0.00	100%
% of Bank Loans in AA by \$	34.85	65.15	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data

Table 2A - Borrower Distribution of Loans to Businesses in Fort Worth AA 2015-2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	84.91	4.92	10.17	100%
% of Bank Loans in AA by #	80.00	20.00	0.00	100%
% of Bank Loans in AA by \$	68.40	31.60	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Farm Loans

Legend's distribution of loans to farms of different sizes exhibits an excellent penetration. As depicted in the table below, 95 percent of the number of loans made by the bank were to small farms in the AA in 2015-2016 and 100 percent in 2017. This exceeds the percentage of small farms that are reported in the AA.

Table 2Ai - Borrower Distribution of Loans to Farms in Fort Worth AA 2017				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Farms	95.46	2.38	2.17	100%
% of Bank Loans in AA by #	100.00	0.00	0.00	100%
% of Bank Loans in AA by \$	100.00	0.00	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Table 2Ai - Borrower Distribution of Loans to Farms in Fort Worth AA 2015-2016				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	95.35	2.61	2.04	100%
% of Bank Loans in AA by #	95.00	5.00	0.00	100%
% of Bank Loans in AA by \$	93.94	6.06	0.00	100%

Source: Bank aggregated data; Dun and Bradstreet data.

Limited-Scope AA

Based on a limited-scope review, the bank's performance for borrower distribution of loans in Wichita Falls, Grayson County, and Fannin County AAs are consistent with the overall performance of both the Montague Non-MSA and the Fort Worth AA.

Geographic Distribution of Loans

Legend's overall geographic distribution of loans reflects reasonable dispersion throughout the Fort Worth AA. The distribution of residential real estate loans in low and moderate income census tracts is reasonable, while the distribution of loans to businesses in low and moderate income census tracts is excellent.

Montague Non-MSA

The AA has no low-income census tracts and only 1 moderate-income geography that represents 7 percent of its 14 total census tracts in the 2015-2016 review period. During the 2017 period the AA did not have any low-income census tracts and only 3 moderate-income tracts. No meaningful conclusions can be drawn relative to the geographic distribution of loans in the Non-MSA AA due to the absence of low income census tracts and limited number of moderate income census tracts.

Fort Worth AA

The geographic distribution of loans in the Fort Worth AA is reasonable. The distribution of residential real estate and farm loans reflects a reasonable distribution across the AA. The business loans reflected an excellent distribution in moderate income census tracts, but poor in the low income census tracts.

Residential Real Estate Loans

The geographic distribution of loans in the Fort Worth AA is reasonable. The distribution of residential real estate loans is significantly lower than the demographic comparator for low income census tracts in 2017, but is near the AA data for 2015-2016. The distribution of loans in moderate-income census tracts reflects excellent dispersion for 2017 and reasonable dispersion for 2015-2016.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Fort Worth AA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	5.52	0.00	18.23	20.73	37.43	62.20	38.82	17.07

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

Table 3 - Geographic Distribution of Residential Real Estate Loans in Fort Worth AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	3.95	3.13	20.28	18.75	39.04	56.25	36.73	21.88

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

Business Loans

Business loans originated by the bank during the review period reflect an overall reasonable geographic dispersion. As detailed in the table below, loans to businesses located in the moderate-income census tracts exceeds the percentage of businesses located in those geographies. Although the percentage of loans to businesses made in the low-income census tracts is below the percentage of businesses located in those geographies, lending opportunities are limited as only five percent of the AA's businesses are located in the low-income tracts. Further, as 23 percent of the census tracts in the AA are moderate-income and only 12 percent are low-income, we placed more weight on the bank's performance in the moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in Fort Worth AA MSA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	5.13	2.62	20.04	26.82	36.94	40.23	37.75	30.32

Source: Bank aggregated data; Dun and Bradstreet data.

Table 3A - Geographic Distribution of Loans to Businesses in Fort Worth AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	4.80	0.00	22.16	38.51	34.42	52.30	38.44	9.20

Source: Bank aggregated data; Dun and Bradstreet data.

Farm Loans

Farm loans originated by Legend during the review period reflect an overall reasonable geographic distribution. The percentage of loans to farms made in the moderate-income tracts exceeds the percentage of farms located in those tract in 2015-2016 review period, but was lower than the comparator in the 2017 review period. Although no loans were made in the low-income census tracts, only five percent of the farms in the AA are located within these tracts. This limits the lending opportunities in the low-income geographies.

Table 3A - Geographic Distribution of Loans to Farms in Fort Worth AA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farms	5.08	0.00	17.29	10.11	35.71	65.17	41.92	24.81

Source: Bank aggregated data; Dun and Bradstreet data.

Table 3A - Geographic Distribution of Loans to Farms in Fort Worth AA 2016-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farms	3.40	0.00	19.34	27.51	39.71	65.37	37.55	7.12

Source: Bank aggregated data; Dun and Bradstreet data.

Limited-Scope AA

Based on a limited-scope review, the bank's performance for geographic distribution of loans in Wichita Falls, Grayson County, and Fannin County AAs are consistent with the overall performance of the Fort Worth AA.

Responses to Complaints

Complaints filed with the OCC's Customer Assistance Group (CAG) during the cycle were reviewed focusing on any complaints relating to the bank's CRA performance. There were no CRA related complaints received during the cycle.

COMMUNITY DEVELOPMENT TEST

The bank's overall responsiveness to the CD needs of the AAs through CD lending, qualified investments, and CD services is adequate. The bank meets the standard for satisfactory performance under the CD Test.

Our conclusion is based on the bank's performance context and full scope evaluations of Montague County Non-MSA, and Fort Worth AA, with limited scope reviews of Wichita Falls, Fannin County, and Grayson County AAs. In the Montague Non-MSA there are limited opportunities for CD lending, qualified investment and CD service due to its rural nature and the lack of any low income geographies and lower volume of moderate income geographies. Our review of qualified lending, investments, donations and service hours within the bank's AAs, support our conclusions.

Number and Amount of Community Development Loans

The level of CD lending in both the Montague Non-MSA and the Fort Worth AA reflect an adequate responsiveness to CD needs. The level of CD lending in the Montague Non-MSA AA is comparatively lower, but still considered adequate.

Montague Non-MSA

The level of CD lending in the Montague Non-MSA reflects an adequate responsiveness to CD needs of the AA. The bank funded 14 loans totaling \$2.97 million to purchase properties to rent, repair and sale homes in this AA. These properties rent from 33 percent to 54 percent of the median family income, providing more affordable housing options for LMI individuals.

Fort Worth AA

The level of CD lending in the Fort Worth-Arlington MSA reflects an adequate responsiveness to CD needs of the AA. Legend originated 39 CD loans in the AA totaling \$26 million. The bank deployed loan proceeds to make a positive impact on the credit needs of the AA.

- Legend originated 25 CD loans totaling \$16.89 million during the review period to two business customers whose business lines are purchasing, rehabilitating, and reselling single family residential properties in the Fort Worth area. Loans provide financing for housing to primarily LMI individuals. These loans promote and facilitate affordable housing to LMI individuals and revitalize and stabilize LMI neighborhoods. The AA has a need for affordable housing for LMI individuals and families. Working with these borrowers, CNBT helps fill this need.
- The bank originated one CD loan totaling \$2.8 million to purchase and improve 50 rental units for the Community Enrichment Center (CEC). The CEC is a nonprofit whose purpose is to break the chain of poverty and family violence in Tarrant County. This non-profit works directly with families and individuals to move them out of crisis and into stability through employment readiness, high school equivalency, financial coaching, counseling, safe housing, food and basic necessities. The rental units are 100 percent dedicated to LMI renters and include section 8 housing.

- Legend originated three loans totaling \$1.7 million to purchase convenience stores located in moderate income census tracts. One store will be leased and the other two stores will be renovated and improved. The businesses will employ 15 employees and will pay \$9 per hour. The businesses serve as a form of employment for individuals living in the geographies.
- The bank originated eight loans totaling \$683 thousand to an iron and recycling business located in a middle income tract that is located next to a moderate income tract. The business will employ two part time employees. Loan proceeds help meet essential community needs by promoting economic development through permanent job creation.
- The bank originated two loans totaling \$214 thousand to a propane business located in a moderate income tract. The business will promote economic development and support permanent job creation.

Limited Scope AA

The level of CD lending in the Wichita Falls, Grayson County, and Fannin County AAs, is not consistent with the results of Montague Non-MSA or the Fort Worth AAs. Fewer opportunities were available due to the rural characteristics of these AA. The majority of the loans were to local businesses, to purchase rental properties, apartment buildings, and multi-family units. Included is a loan to a business to refinance the purchase a Taco Casa that employs LMI individuals.

Product Innovation and Flexibility

Flexible and innovative loan programs had a neutral impact on the bank's lending performance in the Fort Worth AA.

Number and Amount of Qualified Investments

The bank's level of qualified investments demonstrates adequate responsiveness to the community development needs of their AAs. The level of qualified investments in the Fort Worth AA reflects an adequate responsiveness to CD needs. The level of qualified investments in the Montague Non-MSA is not consistent with the full scope AA, as opportunities are limited given the rural nature of the AA. Investments in the Fort Worth AA support economic development by financing small businesses, providing home ownership opportunities for LMI persons and benefiting LMI veterans living within the bank's AAs. Some of these investments are detailed below.

Fort Worth AA

- In 2017, Legend invested \$301 thousand into the Valesco Commerce Street Capital L.P. (VCSC) fund. VSCS was formed for the purpose of raising capital for a private investment fund under the Small Business Investment Company ("SBIC") program of the U.S. Small Business Administration ("SBA"). The goal of VCSC is to provide needed long-term

subordinated debt and equity capital to growth-oriented small and lower-middle-market businesses located primarily in the South Central United States.

- In 2017, the bank invested \$2 million in Capital Plus Financial, LLC (CPF) by purchasing four \$500M preferred units. CPF is a certified Community Development Financial Institution (CDFI) that provides a fixed rate mortgage product to support homeownership for the Hispanic community in Texas. CPF originates first lien residential mortgages in low and moderate income neighborhoods with concentrations in the Fort Worth, Greater Houston and San Antonio markets. As of September 30, 2017, CPF had outstanding mortgages totaling \$88 million comprised of 1,002 owner occupied homes. Eighty-five percent of the mortgages were in low to moderate income census tracts. CPF offers financial education and financial math skills to its borrowers and the communities it serves.

Limited Scope AA

The level of qualified investments in Wichita Falls, Grayson County, and Fannin County AAs, is not consistent with the results of the full-scope AAs. As discussed in the CD Loan section, fewer opportunities were available due to the rural characteristics of the AAs.

Extent to Which the Bank Provides Community Development Services

The level of CD services in the Fort Worth AA reflects an adequate responsiveness to CD needs. The bank made donations to organizations that provide community services to LMI individuals, noted were service organizations that have incentive programs to schools where individuals are economically disadvantaged. The level of qualified investments in the Montague Non-MSA is not consistent with the full scope AA, as opportunities are limited given the rural nature of the AA.

Legend has provided an adequate level of community development services throughout the AAs. The bank operates 11 banking offices and branches that are located throughout the AAs. A wide range of financial services are provided at each branch. The bank offers ATMs at eight of the 11 banking offices, as well as offering Internet and telephone banking services, including ACH deposits. Banking hours provide adequate accessibility throughout the AAs. All locations maintain standard banking hours Monday through Friday with extended lobby hours on Saturday.

The bank meets the CD services needs of the AAs through volunteer activities by its officers and employees. During the evaluation period, Legend management and personnel provided a total of 450 hours of qualifying CD services that benefited low-and-moderate income individuals and families in the AAs.

Fort Worth AA

The level of CD services in the Fort Worth AA reflects an adequate responsiveness to the CD needs of the AA. Twenty-four bank employees provided their expertise to 17 CD organizations within the AA. Of the 24 employees, eight served in leadership roles for these organizations, either on the board, as treasurer, or as a committee member, many on a continuing basis to the organizations. This equates to 33 percent of engaged employees serving in leadership positions within the AA.

Responsiveness to Community Development Needs

The bank demonstrates an overall adequate responsiveness to the community development needs of its AAs. The bank has invested time, personnel resources, and financing commitments to CD activities that benefit small businesses, community organizations, LMI individuals and LMI geographies within its AAs.

Fort Worth AA

The bank reflects an adequate responsiveness to the CD needs of this AA. The board has identified affordable housing, economic development, revitalization and stabilization, and basic community services such as public safety; care for LMI children/youth, families and seniors; education for LMI students; and health care for LMI children and seniors as its CD goals.

Limited Scope AA

The level of CD lending, investments and services in the Wichita Falls, Grayson County, and Fannin County AAs is adequate considering the overall performance context of the AAs. This performance is consistent with the adequate responsiveness in the Fort Worth AA. The bank meets the CD service needs of these AAs through volunteer activities by its officers and employees.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2015 – 12/31/2017 Community Development Test: 03/01/2015 – 12/31/2017	
Financial Institution	Products Reviewed	
Legend Bank Bowie, Texas	Commercial Loans Commercial Real Estate Loans Residential Real Estate Loans Agriculture and Livestock Loans Community Development Loans Qualified Investments Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Montague Non-MSA	Full-Scope	Montague and Cooke Counties
Fort Worth AA	Full-Scope	Wise and Tarrant Counties
Wichita Falls AA	Limited-Scope	Clay and Wise County
Grayson County AA	Limited-Scope	Grayson County
Fannin County AA	Limited-Scope	Fannin County

Appendix B: Community Profiles for Full-Scope Areas

Montague Non-MSA

Demographic Information for Full-Scope Area: Navarro Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	14	0.00	21.43	57.14	21.43	0.00
Population by Geography	58239	0.00	14.23	56.95	28.82	0.00
Owner-Occupied Housing by Geography	16,045	0.00	8.82	58.08	33.10	0.00
Businesses by Geography	3,963	0.00	21.07	50.49	28.44	0.00
Farms by Geography	344	0.00	3.20	50.29	46.51	0.00
Family Distribution by Income Level	15,734	17.99	15.43	19.73	46.85	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5258	0.00	19.08	60.21	20.71	0.00
Median Family Income	\$60,106	Median Housing Value				\$116,589
FFIEC Updated Median Family Income for 2016	\$54,200	Montague Co. unemployment rate				4.17%
Households Below the Poverty Level	13.19%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 U.S. Census, 2016 FFIEC updated MFI and Bureau of Labor Statistics.

Legend has delineated the Montague Non-MSA AA as all of Montague County (six census tracts), and all of Cooke County (eight census tracts), neither of which is located in an MSA. The cities of Montague and Gainesville are the respective county seats. These two counties are contiguous. The bank has properly defined its AA in accordance with the technical requirements of the regulation. Three of the fourteen census tracts are moderate-income, eight are middle-income and three are upper-income. There are no low-income census tracts in the AA. None of the census tracts in the Montague Non-MSA AA have been designated as a distressed or underserved nonmetropolitan middle-income geography based on poverty by any federal banking agencies.

The bank's main office and branch locations are displayed below. Of Legend's eleven offices, two are in this AA, including the main branch.

Branch Locations			
County/Office Name	Facility Type	Census Tract Number	Census Tract Income Level
Montague County: Bowie	Main Branch & ATM	9505.00	Middle
Nocona	Branch & ATM	9503.00	Moderate
<i>Source: 2010 U.S. Census Data updated through 2016.</i> <i>*Designated by federal banking agencies as underserved.</i> <i>#Designated by federal banking agencies as distressed.</i>			

Montague County is in north central Texas on the Oklahoma border and is adjacent to and north of Wise County, Texas. Its largest cities include Bowie (population 5,210) and Nocona (3,033 people). Bowie is an agribusiness and an oil and gas center. Nocona is home to the *Nocona Boot* brand of the *Justin Boot Company*. Of Montague County's six census tracts, five are middle-income and one is moderate income. The county's 3.1 percent unemployment rate compares favorably to the 3.5 and 3.9 percent unemployment rates for the State of Texas and the United States, respectively.

Cooke County is adjacent to and east of Montague County. It is also on the Oklahoma border. Agriculture and oil and gas are the county's dominant industries. Its largest city, Gainesville, has a population of over 16,002. Major employers include WinStar World Casino & Resort, Zodiac Seats US, Gainesville state school, North Central Texas College, Gainesville Independent School District, Wal-Mart Super Center, North Texas Medical Center, and Cooke County. Of Cooke County's eight census tracts, two are moderate-income, three are middle-income and three are upper-income geographies. The county's 3.0 percent unemployment rate compares favorably to the 3.5 and 3.9 percent unemployment rates for the State of Texas and the United States, respectively.

Low-income households are slightly higher than the percentage of moderate-income households in the AA, at 19.55 percent compared to 15.18 percent. While 13.19 percent of households in the AA live below the poverty level, 30.37 percent of those households are located in moderate-income geographies, respectively. Low-income families represent 19.77 percent of the AA compared to moderate-income at 15.43 percent. Of the low income families, 67 percent are below the poverty line.

The AA is a moderately competitive banking environment. According to the June 30, 2017 FDIC Deposit Market Share Report, 11 banks operate 20 branches within the AA. Legend is ranked second overall holding 17 percent of the total market share, trailing First State Bank with a total asset size over a billion and market share of 42 percent. A community contact performed during the evaluation period identified affordable housing as a need for the AA.

Fort Worth AA

Demographic Information for Full-Scope Area: Fort Worth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	368	13.57	24.73	34.51	26.90	0.27
Population by Geography	1,975,769	10.31	23.76	34.93	31.00	0
Owner-Occupied Housing by Geography	426,921	5.52	18.23	37.43	38.82	0
Businesses by Geography	145,413	7.15	21.35	30.87	40.50	0.14
Farms by Geography	2,817	5.08	17.29	35.71	41.92	0
Family Distribution by Income Level	482,059	23.15	16.35	19.37	41.13	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	190,415	17.37	34.19	33.43	15.01	0
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$75,950 = \$70,900 = 13.21%	Median Housing Value Unemployment Rate		= \$155,134 4.73%		

(*) The NA category consists of geographies that have not been assigned an income classification. (#) See discussion in narrative. Source: 2010 U.S. Census, Bureau of Labor Statistics (BLS), and 2016 FFIEC updated MFI.

This AA includes all of Tarrant and Wise Counties that are both located in the Dallas-Fort Worth- Arlington MSA. According to the 2010 U.S. Census, Tarrant County has 357 census tracts and Wise County 11 tracts. The cities of Fort Worth and Decatur are the respective county seats. The bank delineates only the Tarrant and Wise County portion of the Dallas-Fort Worth-Arlington, TX MSA as its AA. The bank has properly defined its AA in accordance with the technical requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

Three of the bank's ten offices are in this AA. The branch locations are in Fort Worth, Alvord and Decatur. Competition from other local, regional, and nationally branded financial institutions is significant. According to the June 30, 2017 FDIC Deposit Market Share Report, 72 banks operate 544 branches within the AA. Legend ranks 39th overall holding 0.30 percent of the total market share. The location of the branches in the AA are displayed below.

Branch Locations			
County/Office Name	Facility Type	Census Tract Number	Census Tract Income Level
Wise County: Alvord	Branch & ATM	1503.00	Middle
Wise County: Decatur	Branch & ATM	1502.00	Moderate
Tarrant County: Fort Worth	Branch & ATM	1139.26	Upper

Source: 2010 U.S. Census Data updated through 2016.

Tarrant County is an urban county located in north central Texas with a population of over 1.8 million people. It is the most populated county in the western half of the Dallas-Fort Worth Metroplex. Tarrant County is one of the fastest growing areas in the U.S. and is home to a diverse spectrum of businesses ranging from cattle and agriculture to aerospace companies and defense contractors. The county's 3.5 percent unemployment rate compares favorably to the 3.5 and 3.9 percent unemployment rates for the State of Texas and the United States, respectively.

Wise County is immediately northwest of Tarrant County with a population of 66,181 people. Over 6,000 people reside in Decatur, its largest city, which is 35 miles northwest of Fort Worth. Of its eleven census tracts, two are moderate-income, eight are middle-income, and one is upper-income. The economy in Wise County is reasonably diversified. In addition to cattle and agriculture, major employers include the Wise Regional Health System, Decatur Independent School District, Wal-Mart, Lowes, car dealerships, Poco Graphite, and several industrial companies. The county's 3.2 percent unemployment rate compares favorably to the 3.5 and 3.9 percent unemployment rates for the State of Texas and the United States, respectively.

The AA includes the major cities of Fort Worth, Arlington, and Decatur. According to 2010 U.S. Census data, the AA has a population of 1.9 million. Owner-occupied housing units represent 56.40 percent of total housing in the AA, while rental occupied housing units represent another 35.39 percent. Only 5.52 percent of the owner-occupied housing exists within low-income geographies, compared with 18.23 percent in moderate-income areas. Low-income households outnumber the percentage of moderate-income households in the AA, 23.15 percent compared to 16.35 percent. While almost 13.21 percent of households in the AA live below the poverty level, 22.14 percent and 10.63 percent of those households are located in low-income and moderate-income geographies, respectively. Low-income families represent 19.96 percent of the AA compared to moderate-income at 13.25 percent.

The median value of housing in the AA is \$155,134 and housing stock is on average 34 years old. Older housing often has higher maintenance costs and frequently requires significant repairs to meet code requirements, while also often less energy efficient resulting in higher utility costs. Higher property taxes further increase the costs of home ownership. These and other factors such as the down payment requirement for traditional mortgage loan financings pose an obstacle for access to homeownership opportunities for LMI families, particularly the low-income applicants.

We conducted a community contact interview with the City of Decatur Economic Development Corporation. Their purpose is to oversee the spending of economic development sales tax revenue to ensure continued primary employment within the city of Decatur. The city benefits as employers create jobs, employ city/county residents, and increase the tax base as well as overall quality of living in the city and the surrounding areas.

We also conducted a community contact interview with United Way of Wise County (UWWC). UWWC's mission is to improve people's lives by mobilizing the caring power of the Wise County community through efficient and highly effective community service fund-raising campaigns, donor investment strategies and collaboration with the best partner agencies for the delivery of important health and human service programs that our residents need. UWWC identified affordable housing and economic development as the primary credit needs of the area.