



## Community Reinvestment Act Information Sheet

### LOCATION

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The Bank has one location. The address is:

Community Bank  
1729 College Blvd  
Alva, OK 73717

Phone – 580-327-5500

CENSUS TRACT – 9542

The Bank has three 24-hour ATMs. One ATM is onsite in the drive-thru, one at the Ampride convenience store on Oklahoma Blvd and one on the Northwestern Oklahoma State University campus.

### BRANCHES

The Bank has not opened or closed a branch during the current year or each of the prior two calendar years.

### HOURS OF OPERATION

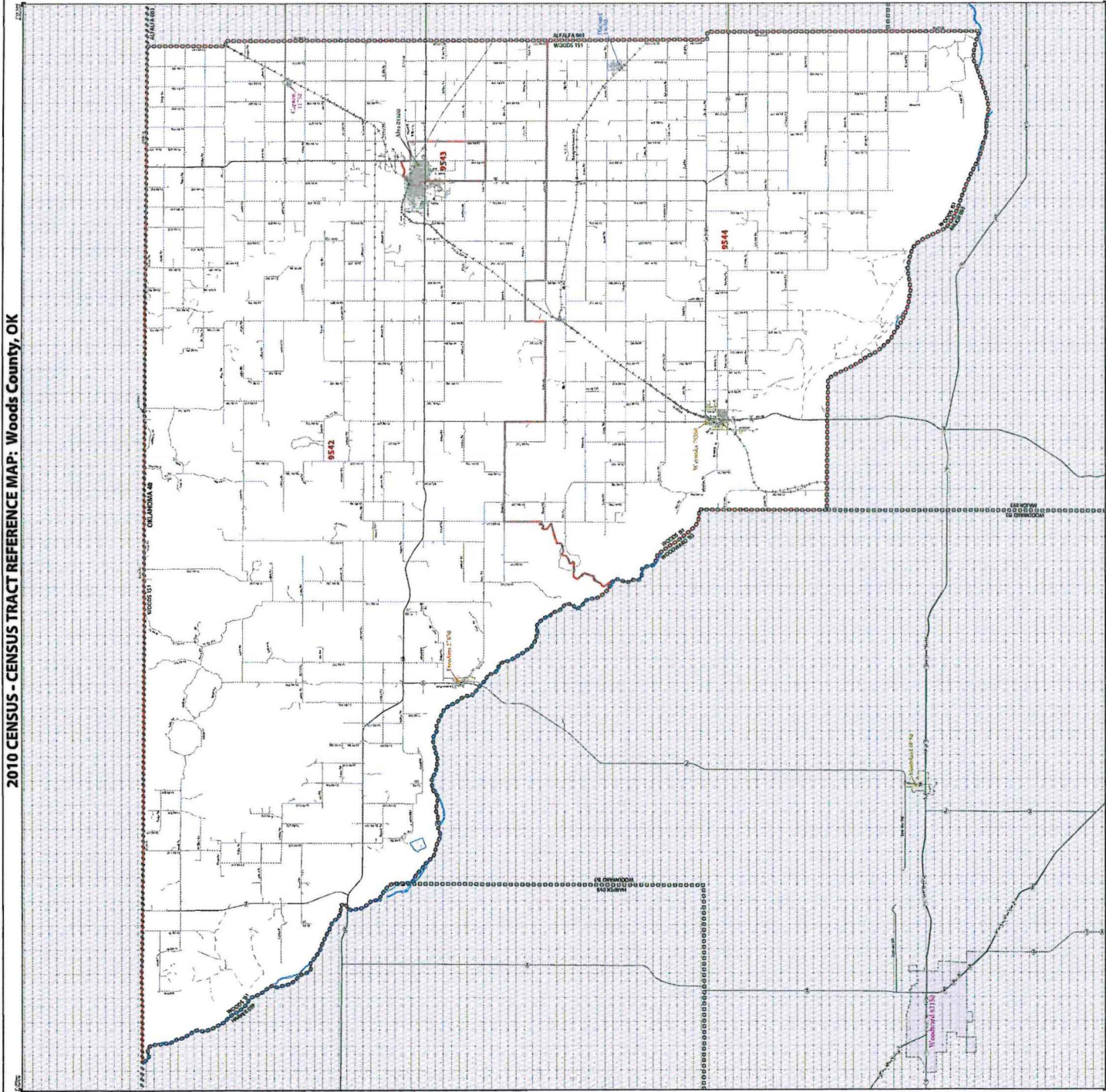
LOBBY: Monday – Friday 9am – 4pm / Closed Saturday and Sunday

DRIVE THRU: Monday – Friday 8am – 5:30pm / Saturday 8am – 1pm / Closed Sunday

### DEPOSIT PRODUCTS AND TRANSACTION FEES

The Bank offers a variety of competitive checking, savings, money market accounts, and certificates of deposit. A listing of the accounts and transaction fees is included in this file.

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PATIENT SHEET 1

USCENSUREAU

Address: 1800 N. Lloyd Lane, Suite 100, Chicago, IL 60614

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## FFIEC Census Reports

[Restart Search](#) [Report Help](#) [Census Info Sheet](#)

### 2023 FFIEC Census Report - Summary Census Demographic Information

State: 40 - OKLAHOMA (OK)

County: 151 - WOODS COUNTY

Tract: ALL TRACTS

Records 1 through 5 of 5

#### Data Report Links

[Demographic \(PDF\)](#) [Income \(PDF\)](#) [Population \(PDF\)](#) [Housing \(PDF\)](#)

For details on each field, please refer to the [Census Info Sheet](#)

\* Will automatically be included in the 2024 Distressed or Underserved Tract List

Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2023 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	2023 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4- Family Units
9542.01	Upper	No	148.33	\$68,700	\$101,903	\$86,875	2540	16.89	429	756	1341
9542.02	Upper	No	126.99	\$68,700	\$87,242	\$74,375	1677	22.18	372	353	691
9543.00	Upper	No	123.36	\$68,700	\$84,748	\$72,250	2822	20.91	590	530	1177
9544.00	Upper	No	122.26	\$68,700	\$83,993	\$71,607	1585	13.12	208	507	949
9999.99	Upper	No	128.14	\$68,700	\$68,032	\$75,046	8624	18.54	1599	2146	4158



### COMMUNITY BANK LOAN-TO-DEPOSIT RATIOS – 2023

MARCH 31, 2023	40.37%
JUNE 30, 2023	40.18%
SEPTEMBER 30, 2023	39.19%
DECEMBER 31, 2023	40.63%





## COMMUNITY BANK LOAN-TO-DEPOSIT RATIOS – 2022

MARCH 31, 2022	37.99%
JUNE 30, 2022	39.55%
SEPTEMBER 30, 2022	37.11%
DECEMBER 31, 2022	39.75%



## COMMUNITY BANK LOAN-TO-DEPOSIT RATIOS – 2021

MARCH 31, 2021	40.10%
JUNE 30, 2021	40.18%
SEPTEMBER 30, 2021	39.49%
DECEMBER 31, 2021	41.24%



**COMMUNITY BANK LOAN-TO-DEPOSIT RATIOS - 2020**

March 31, 2020	46.76%
June 30, 2020	43.93%
September 30, 2020	46.34%
December 31, 2020	43.59%





**COMMUNITY BANK LOAN-TO-DEPOSIT RATIOS - 2019**

March 31, 2019	44.33%
June 30, 2019	46.19%
September 30, 2019	46.95%
December 31, 2019	46.60%

### Other Fees

The following fees may be charged against your account and/or for the following services:

Account Reconciliation - \$25.00 per hour  
Account Research - \$20.00 per hour  
    Plus \$1.00 per copy - \$10.00 minimum  
Account History Print Out - \$1.00 per page  
ACH Setup Fee - \$25.00  
ATM/Debit Card Hot Card Fee - \$7.00  
ATM/Debit Card Replace Fee - \$5.00  
ATM Foreign Transaction Fee - \$1.50  
ATM Research Fee- \$25/hour - \$10 minimum  
Cashiers' Check- \$5.00  
Checking Printing Fee - Price varies based on style  
Collection Items - \$15.00 per item  
Commercial Charge Back Fee - \$1.00 per item  
Dormant Account Fee - \$6.00 per month  
E-Statements - No Fee  
Fax Services - \$1.00 per page-non-customer  
Garnishment Fee - \$35.00  
Gift Cards - \$6.95  
Money Orders - (\$500 maximum) - \$3.00  
Night Deposit Bags - first one free and additional bag at our cost  
Non-customer Coin Fee - 10%  
Online Banking - no monthly fee  
Overdraft Fee - \$35.00 per item  
Overdraft Fee per day after 5 continuous days -  
    \$1.00, if overdraft balance is over \$2,500  
    daily fee is \$3.00 per day  
Photocopies - \$0.25 per page for non-customers  
Return Check Charge - \$35.00 per item  
    -includes any return item  
    We may return an item if it is presented against an insufficient balance. Merchants can re-present the item against your account multiple times until it clears. The Bank will charge an insufficient fee each time an item is presented against an insufficient balance, which can result in multiple fees charged from one item.  
Safe Deposit Box Annual Rental Fees -  
    3" x 10"- \$20.00  
    5" x 10"- \$35.00  
    10" x 10"- \$60.00  
Safe Deposit Box Forced Entry - Bank's Cost  
Safe Deposit Box Lost Key - \$10.00

Statement Print - \$10.00 per month  
Stop Payment Fee - \$20.00  
Temporary Checks - \$0.25 each  
Travel Card Issue Fees - \$9.95  
Travel Card Monthly Fee - \$4.95  
Travel Card Reload Fee - \$4.95  
Undeliverable Statement Fee - \$10.00  
Wire Fees -  
    Foreign Wire Fee - \$50.00  
    Domestic Outgoing/Incoming - \$15.00  
    Repetitive Outgoing Wire - \$10.00

### **Lobby Hours:**

Mon-Fri 9:00 am – 4:00 pm

### **Drive-Thru Hours:**

Mon-Friday 8:00 am – 5:30 pm  
Saturday 8:00 am – 1:00 pm

### **Website:**

[www.bankalva.com](http://www.bankalva.com)

Internet Banking

E-Statements

Bank by Mail

Night Depository

Mobile Deposit

### **ATM Locations – Alva, OK**

#### **NWOSU Student Center**

709 Oklahoma Blvd.

#### **Ampride**

510 E. Oklahoma Blvd.

#### **Bank Drive Thru**

1729 College Blvd.



## **Schedule of Accounts**

**And**

## **Service Charges & Fees**

1729 College Blvd.  
Alva, OK 73717

### **Telephone Number:**

580-327-5500

Fax: 580-327-5507

[commalva@bankalva.com](mailto:commalva@bankalva.com)

**EFFECTIVE - FEBRUARY 1, 2023**

**Member F.D.I.C.**

## **Community Bank**

### **Accounts & Schedule of Charges**

#### **Regular Checking** **(Non-interest bearing)**

- \$100.00 minimum to open
- \$6.00 monthly service charge
- \$300.00 minimum balance requirement
- No service charge if account does not fall below \$300.00
- Regular Paper Statement
- First Debit Card Free
- No charge at Community Bank ATM's

**Or**

- No Monthly Charge or minimum balance requirement
- E-Statement only

#### **Ranger Checking Account**

- \$10.00 Minimum to open
- Current NWOSU student ID
- Free NWOSU Rangers debit card
- E-Statements available
- \$5.00 monthly charge for paper statements
- Free T-Shirt
- No charge at Community Bank ATM's

#### **Commercial Checking Account**

- \$500.00 minimum to open
- \$10.00 monthly service charge
- \$500.00 minimum balance
- No service charge if balance does not fall below \$500.00

#### **NOW Account (Interest Bearing)**

- \$1,000.00 minimum to open
- \$1,000.00 minimum balance
- \$7.50 service charge if account falls below minimum balance during cycle and no interest paid.
- Monthly Statements
- First debit card free
- No charge at Community Bank ATM's

#### **Super Now Account (Interest Bearing)**

- \$2,500.00 minimum to open
- \$2,500.00 minimum balance
- \$10.00 service charge if account falls below minimum balance and no interest paid.
- Monthly statements
- First debit card free
- No charges at Community Bank ATM's

#### **Money Market Deposit Account** **MMDA (Interest Bearing)**

- \$2,500.00 minimum to open
- \$2,500.00 minimum balance
- \$10.00 service charge if account falls below minimum balance and no interest paid.
- Limit of six (6) transfers per month
- If more than six (6) transfers are made per statement cycle, a \$5.00 per item fee will be charged

#### **Regular Savings Account** **(Interest Bearing)**

- \$50.00 minimum to open
- Interest paid quarterly
- Limit of six (6) transfers per month
- If more than nine (9) withdrawals or transfers per quarter are made, a \$1.00 per item fee will be charged
- No interest payment if balance falls below \$10.00

#### **Cash Management Services**

- Monthly fee: \$ 12.50
- Setup fee: \$ 100.00
- Add Users: Free
- ACH per File Transfer: \$ 2.50
- ACH per item fee: \$ 0.25





## Deposit Products

Community Bank in Alva offers a wide range of checking and savings accounts that include on-line and mobile banking. We offer competitive interest rates on our savings accounts, CD's and IRA's.

### Checking

#### Regular checking (with paper statement)

- › \$100.00 minimum to open
- › \$300.00 minimum balance requirement
- › \$6.00 monthly service charge
- › No charge at Community Bank ATM's
- › Monthly paper statements
- › First debit or ATM card free

Fees >

#### Regular Checking (e-statements)

- › \$100.00 minimum to open
- › No monthly minimum balance requirement
- › NO charge at Community Bank ATM's
- › No monthly fees

Fees >

#### Ranger Checking Account

- › \$10.00 minimum to open

- › \$500.00 minimum balance required

Fees >

## Savings

### Regular Savings

- › \$50.00 minimum to open
- › Interest paid quarterly
- › Six (6) withdrawals per month
- › If more than nine (9) withdrawals are made per quarter a \$1.00 per item will be charged
- › Quarterly statements
- › No interest paid if balance falls below \$10.00

Fees >

## Money Market Deposit Accounts

- › \$2,500.00 minimum to open
- › Earns Interest
- › Limit of six(6) transfers per month
- › Unlimited number of deposits
- › \$10.00 monthly service charge if account falls below minimum balance

Fees >

## Certificates of Deposit

### Certificate of Deposit

- › \$1,000.00 minimum to open
- › Earns Interest
- › No penalty if maturity is reached

### Individual Retirement Account (IRA's)

- › \$1,000.00 minimum to open
- › Earns Interest
- › No penalty if maturity is reached



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Deposit Products

Lending

Online Services

A

## Lending

Community Bank in Alva offers a wide range of lending products at competitive rates for your personal or business lending needs.

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### Consumer

Let us help with your personal financing needs with a loan to:

- › Purchase a vehicle
- › Purchase a recreational vehicle
- › Vehicle Repairs
- › Debt consolidation
- › Unexpected expenses

### Commercial Loans

Get the capital you need to run your business with a loan to:

- › Purchase or refinance real estate
- › Purchase or refinance equipment
- › Business expansion
- › Consolidate debt
- › Revolving line of credit for operational funding needs

### Agricultural Loans

Get the money you need to meet the demands of your operation with a loan to:

- › Purchase or refinance real estate
- › Purchase or refinance equipment





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Deposit Products

Lending

Online Services

A

## Online Services

Whether you are sitting at a computer or using your smartphone while you're out and about, you can access your accounts anytime, anywhere!

### Personal Online Services

#### Online Banking

- › 24/7 access to your accounts
- › Transfer funds
- › Receive low balance alerts
- › Update contact information
- › Set up one-time or scheduled/recurring transfers

Enroll Now >

#### E-Statements

- › Safe, quick, paperless statements at your convenience
- › Receive email notice when new E-Statements are ready
- › Easily view, save, download, or print
- › Please visit our homepage, and log into Online Banking to enroll! (Default.aspx)

#### FDIC's Electronic Deposit Insurance Estimator (EDIE)

- › EDIE is for you to see how the insurance rules and limits apply to your accounts
- › Find out what is insured and what portion (if any) exceeds coverage limits
- › EDIE calculates the insurance coverage for personal accounts



Additional Services include:

**Cash Management – ACH Payroll**

**Online Banking**

**Remote Deposit Capture**

**Mobile Deposit Capture**

# **PUBLIC DISCLOSURE**

February 25, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Community Bank  
Certificate Number: 25750

1729 College Boulevard  
Alva, Oklahoma 73717

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

1601 Bryan Street, Suite 1410  
Dallas, Texas, 75201

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



## TABLE OF CONTENTS

Institution Rating .....	1
Scope of Evaluation .....	2
Description of Institution .....	4
Description of Assessment Area .....	6
Conclusions on Performance Criteria .....	8
Discriminatory or Other Illegal Credit Practices Review .....	11
Glossary .....	12

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

A satisfactory Lending Test record supports the overall rating. The bank did not request consideration of its investments and services, nor did examiners identify any discriminatory or other illegal credit acts or practices. Therefore, these considerations did not affect the overall rating. The following discussion summarizes the bank's performance under the applicable test, discussed in detail elsewhere.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The institution originated a majority of the loans reviewed inside its assessment area.
- The assessment area is comprised of only middle-income and upper-income geographies. Therefore, the bank's record of geographically distributing loans throughout its assessment area would not yield meaningful data to affect overall conclusions.
- The bank established a reasonable record regarding its borrower profile distribution.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test conclusion.

## SCOPE OF EVALUATION

### *General Information*

This evaluation covers the period from the prior evaluation dated December 17, 2012, to the current evaluation dated February 25, 2019. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Small Institution CRA Examination Procedures, which include the Lending Test.

The Lending Test considered the institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The bank delineated one assessment area consisting of three census tracts in northwestern Oklahoma. Consequently, examiners evaluated this assessment area using full-scope procedures.

### *Loan Products Reviewed*

Examiners determined that the bank's major product lines are commercial loans at 38.7 percent of gross loans by dollar volume originated during 2018 and agricultural loans at 33.7 percent. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

No other loan types, such as home mortgage lending or consumer loans at 14.5 percent and 6.0 percent by dollar volume, respectively, represent a major product line. Therefore, they provided no material support for conclusions or ratings and this evaluation does not present them. In addition, this evaluation does not consider any affiliate lending activity. The following table shows the bank's originations and purchases over the most recent calendar year by loan type. Bank records indicated the lending focus and product mix remained consistent throughout the evaluation period.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	1,280	5.1	6	1.9
Secured by Farmland	1,312	5.2	7	2.2
Secured by 1-4 Family Residential Properties	3,611	14.5	49	15.4
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	4,726	18.9	4	1.2
Commercial and Industrial Loans	4,933	19.8	60	18.8
Agricultural Loans	7,118	28.5	59	18.5
Consumer Loans	1,488	6.0	131	41.1
Other Loans	500	2.0	3	0.9
<b>Total Loans</b>	<b>24,968</b>	<b>100.0</b>	<b>319</b>	<b>100.0</b>
<i>Source: Bank Records 1/1/2018 through 12/31/2018</i>				

Examiners selected a sample of small farm loans originated in the period January 1, 2018, through December 31, 2018. This sample was considered representative of the bank's performance during the entire evaluation period. The bank originated 65 small farm loans totaling \$7.26 million in 2018, of which examiners sampled 36 totaling \$3.64 million. D&B data for 2018 provided a standard of comparison for the sampled small farm loans.

In addition, this evaluation considered a sample of small business loans originated in the period January 1, 2018, through December 31, 2018. The bank originated 62 small business loans totaling \$5.25 million in 2018, of which examiners sampled 35 totaling \$2.22 million. D&B data for 2018 provided a standard of comparison for the sampled small business loans.

After considering both the number and dollar volume of small farm and small business loans, examiners determined that the bank's record of originating small farm and small business loans contributed equal weight to overall conclusions.

While this evaluation presents both the number and dollar volume of loans, examiners placed emphasis on the number of loans as the number of loans is a better indicator of the number of farms and businesses served.

## DESCRIPTION OF INSTITUTION

### ***Background***

Community Bank is a \$103 million institution headquartered in Alva, Oklahoma. The bank is wholly owned by Community Bancshares of Alva, Inc., a one bank holding company also based in Alva, Oklahoma. The bank has no other affiliates. The institution received a “Satisfactory” rating at its previous FDIC Performance Evaluation based on Interagency Small Institution Examination Procedures and dated December 17, 2012.

### ***Operations***

Community Bank is a retail bank focusing on agricultural and commercial lending from its main office in northwestern Oklahoma. The bank did not open or close any branches or participate in any merger or acquisition activities since the previous evaluation.

The bank offers a variety of loan products, including commercial, residential, agricultural, and consumer loans. Additionally, the institution provides a variety of deposit services including checking, savings, money market, and certificates of deposit. The institution maintains banking hours typical for the area and the industry. Alternative banking services include internet and mobile banking, as well as three automated teller machines.

### ***Ability and Capacity***

The following table, which reflects the bank’s asset distribution, shows that securities constitute a majority of the bank’s total assets as of December 31, 2018. Assets totaled approximately \$103 million and included net loans of \$43.43 million and securities totaling \$54.48 million. Since the previous evaluation, total assets increased 26.3 percent, net loans increased 26.8 percent, and total deposits increased 23.2 percent. As of the December 31, 2018, Report of Condition, Community Bank recorded a Return on Average Assets of 1.4 percent and a Tier 1 Leverage Capital ratio of 11.9 percent.

Asset Distribution		
Asset Category	\$(000s)	%
Cash	2,122	2.1
Securities	54,482	52.9
Net Loans & Leases	43,432	42.1
Premises & Fixed Assets	242	0.2
Other Real Estate Owned	100	0.1
Intangible Assets	108	0.1
Other Assets	2,566	2.5
<b>Total Assets</b>	<b>103,052</b>	<b>100.0</b>
<i>Source: Report of Condition and Income (12/31/2018)</i>		

As shown in the following table, the mix of outstanding loans as of December 31, 2018, reflects a product distribution generally consistent with the distribution of originated loans as discussed under the Scope of Evaluation. Agricultural loans at 39.3 percent represent the largest loan category by dollar volume followed by commercial loans at 33.8 percent.



Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction and Land Development	863	2.0
Secured by Farmland	5,085	11.5
Secured by 1-4 Family Residential Properties	5,738	13.0
Secured by Multifamily (5 or more) Residential Properties	111	0.3
Secured by Nonfarm Nonresidential Properties	4,193	9.5
<b>Total Real Estate Loans</b>	<b>15,990</b>	<b>36.3</b>
Commercial and Industrial Loans	10,701	24.3
Agricultural Loans	12,245	27.8
Consumer Loans	2,306	5.2
Other Loans	2,842	6.4
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>44,084</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income (12/31/2018)</i>		

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

## DESCRIPTION OF ASSESSMENT AREA

Community Bank designated a single assessment area in the Oklahoma Non-Metropolitan Statistical Area. The assessment area consists of all of Woods County in northwest Oklahoma.

### *Economic and Demographic Data*

Community Bank designated all census tracts in Woods County as the bank's sole assessment area. The assessment area includes three census tracts; one middle-income and two upper-income census tracts based on 2015 American Community Survey (ACS) Census Data. The bank's main office is located in the city of Alva, in an upper-income census tract in Woods County. The bank's assessment area conforms to the CRA regulation. In addition, the one middle-income census tract is not designated distressed or underserved. The following table provides additional demographic data for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	0.0	33.3	66.7	0.0
Population by Geography	9,033	0.0	0.0	37.9	62.1	0.0
Housing Units by Geography	4,457	0.0	0.0	27.6	72.4	0.0
Owner-Occupied Units by Geography	2,371	0.0	0.0	29.1	70.9	0.0
Occupied Rental Units by Geography	1,055	0.0	0.0	34.5	65.5	0.0
Vacant Units by Geography	1,031	0.0	0.0	17.1	82.9	0.0
Businesses by Geography	698	0.0	0.0	43.0	57.0	0.0
Farms by Geography	122	0.0	0.0	13.9	86.1	0.0
Family Distribution by Income Level	2,035	13.5	12.6	14.1	59.8	0.0
Household Distribution by Income Level	3,426	21.0	12.7	11.8	54.5	0.0
Median Family Income		\$51,698	Median Housing Value Median Gross Rent Families Below Poverty Level			\$92,315 \$625 9.8%
Source: 2015 ACS Data; 2018 D&B Data; FFIEC Estimated Median Family Income (*) The NA category consists of geographies that have not been assigned an income classification.						

According to 2018 D&B data, the assessment area contains 122 farms. The analysis of small farm loans under the borrower profile criterion compares the distribution of farm by gross annual revenue (GAR) level. The following includes a breakdown of the assessment area's farms by GAR.

- 99.2 percent reported GARs of \$1 million or less.
- 0.8 percent reported GARs of more than \$1 million.

Similarly, according to 2018 D&B data, the assessment area contains 698 businesses. The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. The following includes a breakdown of the assessment area's businesses by GAR.

- 77.1 percent reported GARs of \$1 million or less.
- 5.6 percent reported GARs of more than \$1 million.
- 17.3 percent did not report revenue information.

Service industries represent the largest portion of businesses at 34.9 percent; followed by agriculture, forestry, and fishing at 14.5 percent; retail trade at 12.6 percent; and finance, insurance, and real estate at 8.3 percent. In addition, 70.4 percent of area businesses have four or fewer employees, and 89.0 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics reflects a 2018 year-end unemployment rate of 3.0 percent statewide. Woods County reported an unemployment rate of 2.0 percent for the same time period. Unemployment rates remained constant throughout the evaluation period. Major employers in the area include Northwestern Oklahoma State University and WalMart, both located in Alva, Oklahoma.

### ***Competition***

The assessment area is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2018, there were six financial institutions that operated seven full-service branches within the bank's assessment area. Of these institutions, Community Bank ranked 3<sup>rd</sup> with a 14.8 percent 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 credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

The contact, knowledgeable of the area's business and agricultural environment, noted a steady economy with a slight downturn in population from the recent downturn in oil and gas activity. The contact also noted a reliance on agriculture in the area. The contact indicated that, despite the drought affecting some crops, livestock prices have remained steady to support the local economy. Overall, the contact noted that local banks are involved in the community and participating in established community development projects and programs.

Considering information obtained from demographic data, economic data, and bank management, examiners determined small business and small farm loans represent the primary credit needs of the assessment area.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Community Bank demonstrated a satisfactory record regarding the Lending Test. The bank exhibited a reasonable record regarding its loan-to-deposit ratio and the bank originated a majority of the loans reviewed within its assessment area. In addition, the bank exhibited reasonable performance regarding its borrower profile loan distribution.

### Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's average, net LTD ratio, calculated from Report of Condition data, averaged 41.5 percent over the past 25 calendar quarters from December 31, 2012, to December 31, 2018. The ratio ranged from a low of 34.9 percent as of March 31, 2015, to a high of 48.0 percent as of December 31, 2018. The ratio remained generally stable during the evaluation period. In addition, Community Bank maintained a ratio that compared reasonably to those of comparable institutions, particularly to those with the lowest two ratios, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2018 (\$000s)	Average, Net LTD Ratio (%)
Community Bank, Alva, Oklahoma	103,052	41.5
Alva State Bank and Trust, Alva, Oklahoma	414,960	83.5
The Hopeton State Bank, Hopeton, Oklahoma	27,596	37.5
CoreBank, Waynoka, Oklahoma	45,211	29.3
Source: Reports of Condition and Income (12/31/2012 through 12/31/2018)		

### Assessment Area Concentration

Overall, the institution originated a majority of the loans reviewed within its assessment area. A majority of the bank's small farm and small business loans originated inside the assessment area support this conclusion. As previously noted, this evaluation weighs the institution's small farm and small business lending performance equal when arriving at overall conclusions. Examiners considered the bank's asset size, business strategy, and loan products reviewed relative to the assessment area's size and credit needs when arriving at this conclusion.

### Small Farm Loans

The following table shows that the bank originated a majority of the small farm loans reviewed, by number and dollar volume, within the bank's assessment area. Weighing both measures equally, the institution originated a majority of its small farm loans inside the assessment area.

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

Additionally, the table shows that the bank originated a majority of the small business loans reviewed by number, and a substantial majority by dollar volume, within the bank's assessment area. Weighing both measures equally, the institution originated a majority of its small business loans inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	26	72.2	10	27.8	36	2,364	65.0	1,273	35.0	3,637
Small Business	26	74.3	9	25.7	35	2,151	97.0	68	3.0	2,219
Source: Bank Records 1/1/2018 through 12/31/2018										

### **Geographic Distribution**

As previously noted, the bank's assessment area is comprised of only middle-income and upper-income geographies. Examiners did not review the bank's record of geographically distributing loans throughout its assessment area as the review would not yield meaningful data to affect overall conclusions.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. An excellent record regarding the bank's small farm lending hampered by a reasonable record regarding the bank's small business lending supports this conclusion.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

### ***Small Farm Loans***

The distribution of small farm loans based on the borrowers' profiles reflects excellent performance. The farms' GARs define the borrowers' profiles for this review. Examiners focused on the percentage by number of small farms loans to entities with GARs of \$1 million or less.

The following table shows that the bank originated 92.3 percent of the sampled loans by number to farms with GARs of \$1 million or less, reflective of excellent performance. The table also shows that the bank granted nearly half of the loans by number sampled to farms in the two smallest revenue categories, further supporting excellent performance. Examiners noted that 99.2 percent of farms report GARs of \$1 million or less. Primarily considering the bank's overall level, the borrower profile distribution of small farm loans reflects excellent performance.



Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	57.4	8	30.8	132	5.6
\$100,000 - \$249,999	34.4	4	15.4	385	16.3
\$250,000 - \$499,999	4.1	5	19.2	242	10.2
\$500,000 - \$1,000,000	3.3	7	26.9	1,055	44.6
<b>Subtotal ≤ \$1,000,000</b>	<b>99.2</b>	<b>24</b>	<b>92.3</b>	<b>1,814</b>	<b>76.7</b>
> \$1,000,000	0.8	2	7.7	550	23.3
Revenue Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>2,364</b>	<b>100.0</b>

*Source: 2018 D&B Data; Bank Records 1/1/2018 through 12/31/2018*

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

The distribution of small business loans based on the borrowers' profiles reflects reasonable performance. The businesses' GARs define the borrowers' profiles for this review. Examiners focused on the percentage by number of small business loans to entities with GARs of \$1 million or less.

The following table shows that the bank originated 84.6 percent of the sampled loans by number to businesses with GARs of \$1 million or less, reflecting reasonable performance. Examiners noted that 77.1 percent of businesses report GARs of \$1 million or less. Primarily considering the bank's overall level, the borrower profile distribution of small business loans reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	38.7	15	57.7	611	28.4
\$100,000 - \$249,999	27.2	6	23.1	515	24.0
\$250,000 - \$499,999	7.9	0	0.0	0	0.0
\$500,000 - \$1,000,000	3.3	1	3.8	45	2.0
<b>Subtotal ≤ \$1,000,000</b>	<b>77.1</b>	<b>22</b>	<b>84.6</b>	<b>1,171</b>	<b>54.4</b>
> \$1,000,000	5.6	4	15.4	980	45.6
Revenue Not Available	17.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>2,151</b>	<b>100.0</b>

*Source: 2018 D&B Data; Bank Records 1/1/2018 through 12/31/2018*

### **Response to Complaints**

Community Bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test conclusion.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## 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.

**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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**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.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**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 (for example, 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.

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

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

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

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

**Nonmetropolitan Area:** 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.