

PUBLIC DISCLOSURE

April 4, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Security Bank
Certificate Number: 58739

1212 Turtle Creek Boulevard
Dallas, Texas 75207

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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INSTITUTION RATING

INSTITUTION'S COMMUNITY REINVESTMENT ACT (CRA) RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding 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.

The Lending Test is rated Outstanding.

- The loan-to-deposit ratio is more than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending related activities are in the institution's assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The bank did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. The bank demonstrated its excellent responsiveness to community development needs in the assessment area through an excellent level of community development lending and an excellent level of community development services, while not ignoring qualified investments.

DESCRIPTION OF INSTITUTION

Texas Security Bank (TSB), headquartered in Dallas, Texas, began operations in 2008. Texas Security Bancshares, Inc., a one-bank holding company, wholly owns TSB. The bank maintains two subsidiaries: 1) TSB Financial Services, which serves as the bank's licensed insurance agent, and 2) TSBRE Property Company, which owns the bank's banking facilities and other real estate (ORE) holdings. The bank received a Satisfactory rating based on Intermediate Small Bank Examination Procedures at the January 28, 2019, Federal Deposit Insurance Corporation CRA evaluation.

TSB operates from its three full-service offices in its assessment area located within the Dallas-Fort Worth-Arlington Metropolitan Statistical Area (Dallas MSA). The main office operates in Dallas, Texas. The Garland Branch lies within the city of Garland, Texas and the Metro Crest Branch, operates in Farmers Branch, Texas. The bank did not experience any other branch opening or closure activity, or participated in any merger or acquisition activity since the last evaluation.

The institution maintains banking hours typical for its area and the industry with lobby hours from 9:00 a.m. to 4:00 p.m. Monday through Friday. TSB also offers drive-thru services during the week from 9:00 a.m. to 4:00 p.m., at the Dallas main office and the Garland Branch. Although TSB does not have any proprietary automated teller machines (ATMs), the bank offers access to ATMs through its network partners, and reimburses customer fees charged for use of ATMs. In addition, customers maintain 24-hour access to their accounts via online banking.

While TSB maintains a commercial lending specialization, the bank offers a full line of loan products including commercial, residential, and consumer loans, as well as a variety of deposit services and on-line banking through the institution's website. The bank also offers Small Business Administration (SBA) loans and personal lines of credit.

As of December 31, 2021, the bank reported total assets of \$969.6 million, net loans of \$633.2 million, and total deposits of \$809.3 million. Since the previous CRA evaluation, total assets grew 29.0 percent, net loans increased 19.4 percent, and total deposits increased 37.1 percent.

As seen in the following table, the mix of outstanding loans as of the December 31, 2021, Report of Income and Condition reflects a similar distribution to that shown for originated loans under the Scope of Evaluation. The primary lending products remained Commercial (Commercial and Industrial and Secured by Nonfarm Nonresidential Properties) and Home Mortgage (Secured by 1-4 Family and Multifamily Residential). Commercial loans represent the largest loan category of outstanding loans at 76.6 percent, followed by home mortgage loans at 14.4 percent. These two lending products represent 91.0 percent of the bank's loan activity.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	54,277	8.5
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	92,784	14.4
Secured by Multifamily (5 or more) Residential Properties	282	<0.1
Secured by Nonfarm Nonresidential Properties	320,944	50.0
Total Real Estate Loans	468,337	72.9
Commercial and Industrial Loans	170,715	26.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,256	0.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	1,748	0.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	642,056	100.0
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas (AA) within which its CRA performance will be evaluated. TSB designated 1,186 census tracts within the Dallas MSA, which encompasses the following full counties: Dallas, Denton, Collin, Rockwall, and Tarrant. This designation reflects an increase of 883 census tracts since the prior evaluation. The area conforms to CRA regulatory requirements.

Economic and Demographic Data

The current 1,186 census tracts hold the following income designations based on the 2015 American Community Survey Census (2015 ACS Census) data:

- 162 low-income tracts,
- 310 moderate-income tracts,
- 307 middle-income tracts,
- 400 upper-income tracts, and
- 7 tracts with no income designation.

Dallas County, part of the Dallas MSA AA, houses all three of TSB's offices in the cities of Dallas, Garland, and Farmers Branch. The Turtle Creek Main Office and the Garland Branch operate within moderate-income geographies; whereas the Metro Crest Branch operates within

an upper-income geography, as illustrated in the table below.

Office Locations				
Office/Address	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Turtle Creek</i> 1212 Turtle Creek Boulevard Dallas, Texas	Main office	0100.00	Moderate	No
<i>Garland</i> 101 North Garland Avenue Garland, Texas	Branch	0188.02	Moderate	No
<i>Metro Crest</i> 3212 East Belt Line Road Farmers Branch, Texas	Branch	0138.03	Upper	No

Source: Bank Records; 2015 ACS Census

According to the 2015 ACS Census data, the population of TSB’s Dallas MSA AA stood at 6,079,131. The following table shows additional demographic and economic characteristics of the bank’s assessment area.

Demographic Information of the Assessment Area Dallas MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,186	13.7	26.1	25.9	33.7	0.6
Population by Geography	6,079,131	11.5	25.7	27.6	35.1	0.1
Housing Units by Geography	2,321,930	12.0	24.4	28.2	35.2	0.2
Owner-Occupied Units by Geography	1,253,823	5.4	19.8	29.0	45.7	0.1
Occupied Rental Units by Geography	892,752	19.4	30.2	27.7	22.4	0.4
Vacant Units by Geography	175,355	21.3	28.3	24.6	25.4	0.3
Businesses by Geography	734,618	7.0	18.0	25.9	48.4	0.7
Farms by Geography	12,157	4.8	16.4	28.9	49.4	0.5
Family Distribution by Income Level	1,475,195	23.6	16.3	17.9	42.2	0.0
Household Distribution by Income Level	2,146,575	23.9	16.5	17.7	42.0	0.0
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Housing Value			\$180,513
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Gross Rent			\$984
			Families Below Poverty Level			11.6%

*Source: 2015 ACS and 2021 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Examiners utilized the 2020 Federal Financial Institutions Examination Council’s (FFIEC) updated Median Family Income (MFI) level to analyze home mortgage loans under the Borrower Profile criterion. The following table includes the income categories for the Dallas-Plano-Irving Metropolitan Division (MD) and Fort Worth-Arlington-Grapevine MD, which collectively make up the Dallas MSA AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Dallas-Plano-Irving, TX Median Family Income (19124)				
2020 (\$86,200)	<\$43,100	\$43,100 to <\$68,960	\$68,960 to <\$103,440	≥\$103,440
Fort Worth-Arlington-Grapevine, TX Median Family Income (23104)				
2020 (\$81,100)	<\$40,550	\$40,550 to <\$64,880	\$64,880 to <\$97,320	≥\$97,320
<i>Source: FFIEC</i>				

There are 2.3 million housing units in the bank’s Dallas MSA AA. Of these, 54.0 percent are owner-occupied, 38.4 percent are occupied rental units, and 7.6 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

D&B Business Demographic Data (D&B) indicates the largest employment sectors include: services, finance/insurance/real estate, and retail. The largest employers in the area include American Airlines, Bank of America, Toyota, Texas Health Resources Inc., and Baylor Health Care Systems.

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenue level. According to 2021 D&B data, the assessment area includes 734,618 businesses. The following includes the breakdown of gross annual revenues for these businesses.

- 88.4 percent reported gross annual revenues of \$1 million or less,
- 3.6 percent reported gross annual revenues exceeding \$1 million, and
- 8.0 percent of businesses have unknown revenues.

As illustrated in the table below and based on the U.S. Bureau of Labor Statistics data, unemployment rates in all areas, except Rockwall County, more than doubled from 2019 to 2020. Unemployment rates for the bank’s Dallas MSA AA and the State of Texas have not recovered as quickly as the National rates. Specifically, in Dallas County, where all the bank’s offices are located, the average unemployment rate of 5.6 percent in 2021 fell lower than the average state rate of 5.7 percent, but remained above the National rate of 5.4 percent for the same period.

Unemployment Rates				
Area	2019	2020	2021	YTD 2022 Average
	%	%	%	%
Collin County	3.1	6.3	4.3	3.3
Dallas County	3.5	7.8	5.6	4.2
Denton County	3.0	6.4	4.4	3.4
Rockwall County	3.1	5.9	4.3	3.4
Tarrant County	3.3	7.4	5.3	4.0
State of Texas	3.5	7.7	5.7	4.5
National Average	3.7	8.1	5.4	3.8

Source: Bureau of Labor Statistics

Corporate expansion continues to drive solid growth in professional and financial services. According to Moody’s Analytics, the area “will expand at an above-average pace, led by financial services, other professional services, and the recovery of hospitality. Longer term, the concentration of corporate headquarters, technology businesses and financial services-along with rising population growth-will contribute to better-than-average performance.” Additionally, the report states “strong job growth in well-paying industries such as financial services” has been a major driver in homebuilding in the area.

Competition

The assessment area is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2021, there were 157 financial institutions, which operated 1,433 full-service offices within TSB’s assessment area. TSB ranks 37th in deposit market share by capturing 0.1 percent of the area’s deposits. The high competition level still allows for lending opportunities.

Further, the area contains a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2020, 1,026 lenders reported a total of 354,640 residential mortgage loans originated or purchased. TSB ranked 173rd out of this group of lenders, with a market share of less than 0.1 percent.

Community Contact

Examiners utilized an established community contact knowledgeable of the area’s business environment to help assess the area’s current economic conditions, community credit needs, and potential opportunities for bank involvement in the Dallas MSA AA. The contact noted expanding economic conditions, with stable economic growth despite the impacts of the COVID-19 pandemic and a growing need for small business credit across Dallas County.

The contact stated that geographies located south of Interstate 30 in Dallas County, consisting primarily of low- and moderate-income geographies, continue to lack access to credit and financial products, with small business lending and banking services being a critical need for future development of southern Dallas County. Further, the contact noted a need for the

expansion of financial literacy programs for local populations, as well as a need for micro-loans that provide credit and capital for small businesses that do not have the revenues, capital, or credit history necessary to qualify for larger, more traditional commercial loans.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined small business loans represent the primary credit needs of the assessment area. The significant percentage (59.7%) of small businesses operating in this area, with gross annual revenues under \$100,000, supports this conclusion. Economic development and activities that revitalize and stabilize low- and moderate-income geographies serve as the primary community development needs.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from January 28, 2019, to April 4, 2022, the date of the previous evaluation to this evaluation's date. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate TSB's CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test. See the Appendices a list of each test's criteria.

This evaluation does not include lending activity performed by affiliates or subsidiaries.

Activities Reviewed

For the Lending Test, CRA Intermediate Small Bank procedures require examiners to determine the bank's major product lines from which to review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

Considering the bank's overall lending strategy and the bank's dollar volume and number of loans originated during the evaluation period, examiners determined that the bank's major product lines consist of Commercial and Home Mortgage lending, at 65.1 and 18.9 percent of dollar volume, respectively. Consumer loans only accounted for 0.1 percent of the loans originated by dollar volume, and the bank did not originate any agricultural purpose loans. Therefore, these types of lending did not represent major product lines and inclusion of these products would provide no material support for conclusions or ratings.

The following table shows the bank's 2021 lending activity by loan category, which reflects a generally consistent pattern with the bank's lending emphasis since last evaluation.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction & Land Development	87,166	15.9	38	3.7
Secured by 1-4 Family Residential	104,145	18.9	244	23.6
Secured by Multi-Family Residential	0	0.0	0	0.0
Secured by Commercial Real Estate	137,638	25.0	80	7.7
Total Real Estate Loans	328,949	59.8	362	35.0
Commercial & Industrial	220,415	40.1	664	64.1
Consumer	432	0.1	9	0.9
Total Loans	549,796	100.0	1,035	100.0
<i>Source: Bank Records (1/1/21 – 12/31/21).</i>				

Examiners identified a small business universe of 650 loans totaling \$123.4 million, from the total 744 commercial loan universe totaling \$358.1 million, originated in 2021. Examiners used all 650 small business loans totaling \$123.4 million to arrive at applicable conclusions for the assessment area concentration performance factor. For the geographic distribution performance factor, examiners used all 576 small business loans totaling \$108.4 million originated inside the sole assessment area. Finally, examiners selected a random sample of 60 small business loans totaling \$10.8 million, inside the bank’s assessment area, to arrive at applicable conclusions for the borrower profile performance factor. Examiners based the sample on a 90 percent confidence interval with a greater than 10 percent precision level. D&B data for 2021 provided a standard of comparison for the sampled small business loans.

In addition, due to the availability of aggregate data, examiners selected for analysis all originated and purchased home mortgage loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) in 2020. Consequently, examiners used the 149 loans totaling \$45.9 million reported on the bank’s 2020 HMDA Loan Application Register for analysis. In addition, examiners utilized 2019 and 2021 HMDA data for trend analysis. Under the borrower profile and geographic distribution performance factors, examiners analyzed only those loans originated within the bank’s sole assessment area. Examiners used the demographics of the institution’s assessment area based on the 2015 American Community Survey (ACS) Census to analyze the bank’s home mortgage lending. Further, 2020 HMDA aggregate data provided the standard of comparison.

Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period. Examiners considered the universes of the dollar volume and number of loans originated in 2021 for the loan categories reviewed as well as management's stated business strategy to determine the weighting applied to those loan categories.

The following table shows that for the bank's activities for the loan categories reviewed, considering both the dollar volume and number percentages, small business loans account for a greater percentage by both number and dollar volumes. Consequently, examiners determined small business lending would receive more weight when arriving at applicable conclusions.

Loan Category Weighting				
Loan Category	Universes of Loan Categories Reviewed			
	\$(000s)	%	#	%
Small Business	108,449	75.5	576	82.4
Home Mortgage	35,241	24.5	123	17.6
Total	143,690	100.0	699	100.0
<i>Source: Bank Records from 01/01/2021 through 12/31/2021; 2020 HMDA LAR.</i>				

The performance evaluation presents information regarding the number and dollar volume of home mortgage and small business loans; however, for the Lending Test, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of families and businesses served.

The scope for the Community Development Test considered all community development activities since the previous January 28, 2019, FDIC Performance Evaluation. The scope of this evaluation further encompassed all prior period qualified investments, those purchased prior to the evaluation, but still outstanding as of this evaluation’s date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

TSB demonstrated an outstanding overall record regarding the Lending Test. The excellent geographic distribution performance combined with the more than reasonable loan-to-deposit ratio and substantial majority of loans originated inside of the assessment area to outweigh the poor borrower profile performance.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is more than reasonable (considering seasonal variations and taking into account lending-related activities) given the institution’s size, financial condition, and assessment area credit needs. The bank’s LTD ratio, calculated from Report of Condition and Income data, averaged 91.9 percent over the past 22 calendar quarters since the prior evaluation, slightly lower than the average, net LTD ratio of 93.3 percent reported at last evaluation. The bank’s quarterly net LTD ratios ranged from a low of 73.4 percent on June 30, 2021, to a high of 126.1 percent on September 30, 2020.

Examiners identified and listed in the following table four similarly-situated institutions operating in the bank’s general area and reflecting similar asset sizes and lending emphases. As shown, TSB’s ratio exceeds the ratios of all similarly-situated institutions. Specifically, the bank’s ratio lands between 1.9 and 26.5 percentage points higher than the other institutions.

Loans to Deposits		
Bank Name and Location	Total Assets \$(000s)	Average, Net LTD Ratio (%)
Texas Security Bank, Dallas, Texas	969,647	91.9
Similarly-Situated Banks		
United Texas Bank, Dallas, Texas	1,266,837	66.8
Pegasus Bank, Dallas, Texas	1,045,699	65.4
Oakwood Bank, Dallas, Texas	702,532	87.0
MapleMark Bank, Dallas, Texas	929,932	90.0
<i>Source: Reports of Income and Condition (3/31/2019 to 12/31/2021).</i>		

Assessment Area Concentration

A substantial majority of loans and other lending related activities are in the institution's assessment area. The substantial majority of small business loans originated inside the assessment area primarily supports this conclusion. Examiners considered the bank's asset size and office structure as well as the loan categories reviewed relative to the combined size and economy of its assessment area when arriving at this conclusion.

The following table shows TSB originated a substantial majority of its small business inside its assessment area, by both number and dollar volume. Additionally, TSB originated a majority of its home mortgage loans inside its assessment area, by both number and dollar volume.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	576	88.6	74	11.4	650	108,499	87.9	14,945	12.1	123,394
Home Mortgage										
2019	119	79.3	31	20.7	150	44,029	84.7	7,980	15.3	52,008
2020	123	82.6	26	17.5	149	35,241	76.8	10,620	23.2	45,861
2021	199	79.3	52	20.7	251	97,753	79.6	24,981	20.4	122,734
Subtotal	441	80.2	109	19.8	550	177,023	80.2	43,581	19.8	220,603
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%.</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The excellent small business lending slightly hampered by the reasonable home mortgage lending supports this conclusion.

Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by number of loans in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank’s assessment area.

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. The excellent level of lending within moderate-income census tracts primarily supports this conclusion.

The table below shows the geographic distribution of the bank’s small business loans as compared to 2021 D&B data. TSB originated 9.2 percent of small business loans within its assessment area’s low-income census tracts, which exceeds the D&B data by 2.2 percentage points, reflecting reasonable performance. The bank originated 28.8 percent of small business loans within its assessment area’s moderate-income tracts, exceeding D&B data by 10.8 percentage points, reflecting excellent performance. Given the ratios relative levels, examiners determined the overall level of lending reflects excellent performance.

Geographic Distribution of Small Business Loans Dallas MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	7.0	53	9.2	15,349	14.2
Moderate	18.0	166	28.8	33,454	30.8
Middle	25.9	108	18.8	19,562	18.0
Upper	48.4	236	41.0	38,654	35.6
Not Available	0.7	13	2.3	1,430	1.3
Totals	100.0	576	100.0	108,449	100.0

Source: 2021 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Reasonable performance within low- and moderate-income census tracts primarily supports this conclusion. The analysis focused on the bank’s loan number percentage relative to the aggregate data when arriving at this conclusion.

As shown in the table below, the bank originated 9.8 percent of loans to low-income borrowers, which exceeds the aggregate data figure by 7.1 percentage points, reflective of reasonable performance. Within moderate-income census tracts, the bank originated 13.8 percent of its home mortgage loans, exceeding aggregate performance by 2.9 percentage points. This level of lending falls in line with the aggregate data, and is reflective of reasonable performance. Focusing on the overall levels of the bank’s percentages and lending opportunities, the geographic distribution of home mortgage loans reflects reasonable performance.

Geographic Distribution of Home Mortgage Loans Dallas MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.4	2.7	12	9.8	2,168	6.2
Moderate	19.8	10.9	17	13.8	3,092	8.8
Middle	29.0	28.8	34	27.6	8,322	23.6
Upper	45.7	57.5	60	48.8	21,660	61.5
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	123	100.0	35,241	100.0

Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile Distribution

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Poor performance regarding small business loans hampered the reasonable performance regarding home mortgage lending to support this conclusion.

Examiners considered the loan product types reviewed relative to the available comparative data and any performance context issues. Examiners focused on the percentages by number of small business loans to businesses with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income families when arriving at this conclusion. This factor considered a sample of small business loans and all home mortgage loans originated inside the bank’s assessment area.

Small Business Loans

TSB demonstrated a poor record regarding its distribution of small business loans among businesses of different sizes. Examiners focused on the bank’s level of lending to businesses with gross annual revenues of \$1 million or less when arriving at this conclusion. The businesses’ gross annual revenues define the borrowers’ profiles for this review.

The following table shows the bank originated 41.7 percent of its sampled small business loans, by number, to businesses with gross annual revenues of \$1 million or less. This number falls 46.7 percentage points below the 2021 D&B demographic figure, reflective of poor performance. While poor overall, this figure reflects an increase from the 24.4 percent noted at the previous evaluation. Additionally, the bank established a new small business loan program with streamlined underwriting and dedicated loan officers, during the evaluation period, in order to reach more small businesses in the Dallas MSA AA.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Dallas MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	59.7	4	6.7	310	2.9
\$100,000 - \$249,999	21.3	3	5.0	43	0.4
\$250,000 - \$499,999	4.9	7	11.7	200	1.8
\$500,000 - \$1,000,000	2.5	11	18.3	759	7.0
Subtotal <= \$1,000,000	88.4	25	41.7	1,312	12.1
>\$1,000,000	3.6	35	58.3	9,535	87.9
Revenue Not Available	8.0	0	0.0	0	0.0
Total	100.0	60	100.0	10,847	100.0

Source: 2021 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Home Mortgage Loans

TSB demonstrated a reasonable record regarding its distribution of home mortgage loans among individuals of varying incomes. The reasonable level of lending to low- and moderate-income borrowers primarily supports this conclusion. Examiners focused on the overall levels of the bank's percentages and comparisons to aggregate data when arriving at conclusions.

The following table shows the bank originated no loans to low-income borrowers. This number falls below aggregate performance by 3.0 percentage points, generally reflective of reasonable performance given the limited opportunities. The bank originated 8.9 percent of its home mortgage loans, by number, to moderate-income borrowers, which falls below aggregate data by 3.5 percentage points, also reflective of reasonable performance. Examiners also considered the 11.6 percent of families that live below the poverty level, which restricts lending opportunities. Additionally, examiners considered the four down payment assistance programs the bank started during the review period. Given the overall levels examiners determined TSB demonstrated a reasonable record regarding its distribution of home mortgage loans.

Distribution of Home Mortgage Loans by Borrower Income Level Dallas MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.6	3.0	0	0.0	0	0.0
Moderate	16.3	12.4	11	8.9	1,997	5.7
Middle	17.9	19.2	19	15.4	5,178	14.7
Upper	42.2	47.8	73	59.4	23,126	65.6
Not Available	0.0	17.7	20	16.3	4,940	14.0
Total	100.0	100.0	123	100.0	35,241	100.0

Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Response to Complaints

The bank did not receive any CRA-related complaints since last evaluation. Therefore, this factor did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. Excellent records regarding the bank's community development lending and services, as well as its responsiveness to community development needs, without simply ignoring the other types of community development activities, primarily support this conclusion. The bank also demonstrated adequate records regarding its qualified investments.

Community Development Loans

The bank exhibited an excellent record regarding its community development (CD) loans. Excellent performance regarding the dollar volume of CD loans along with excellent responsiveness to the assessment area needs primarily support this conclusion. Examiners evaluated the number and dollar volume of CD loans relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that since the last evaluation, the bank granted 126 CD loans totaling \$305.0 million. This level equates to 40.6 percent of average to total assets of \$751.7 million and 57.5 percent of average net loans of \$530.4 million since the last evaluation. These levels reflect an increase over the 37.9 percent of average total assets and 46.9 percent of average net loans reported in the prior evaluation.

The following table illustrates the bank's CD loans by purpose and year. As shown, the vast majority of CD loans, 96.1 percent, benefitted efforts to revitalize or stabilize communities, which supports an identified CD need and illustrates the bank's excellent responsiveness to those needs.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (Partial)	5	2,685	0	0	0	0	18	41,890	23	44,575
2020	7	650	1	3,350	1	1,000	45	115,541	54	120,541
2021	4	4,339	0	0	0	0	30	89,055	34	93,394
2022 (YTD)	0	0	0	0	0	0	15	46,516	15	46,516
Total	16	7,674	1	3,350	1	1,000	108	293,002	126	305,026

Source: Bank Data

The CD loans benefitted the following areas:

- Dallas MSA AA – 121 CD Loans totaling \$295.4 million.
- Broader Statewide Area – 5 CD Loans totaling \$9.7 million.

The following points provide examples of the bank’s CD loans.

- ***Affordable Housing:*** The bank originated a commercial loan for \$301 thousand for a 12-unit, affordable housing complex in a moderate-income census tract in Dallas County. On average, the units lease for \$900 per month, which falls below the Department of Housing and Urban Development’s Fair Market Rent Value.
- ***Revitalization/Stabilization:*** The bank originated a construction loan for \$10.5 million for the redevelopment of a shopping center in Southwest Dallas, which is located in a low-income census tract. The loan helps to revitalize the low-income census tract by renovating the existing structure and attracting new businesses and residents to the area.

Additionally, examiners noted the bank was particularly responsive to the needs of businesses in the Dallas MSA AA during the COVID-19 pandemic and their participation in the PPP, which allowed businesses to keep their workforces employed during the state of emergency. TSB participated in two rounds of funding, originating almost 1,500 loans. The bank was able to establish new relationships with approximately 400 new businesses, and assist them with funding through the loan program.

Qualified Investments

TSB displayed an adequate record regarding its qualified investments (QIs). Adequate performance regarding the dollar volume of QIs primarily supports this conclusion. Examiners evaluated the number and dollar volume of QIs along with their responsiveness to the needs of the assessment area relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that the bank made five QIs totaling \$9.0 million, as well as 18 grants and donations totaling \$122 thousand. This level equates to 1.2 percent of average total assets of \$751.7 million and 6.5 percent of average total securities of \$140.4 million since the last evaluation. The current figures reflect adequate performance. These levels reflect an increase over the 0.5 percent of average total assets and 6.4 percent of average total securities reported in the prior evaluation.

The following table illustrates the bank’s QIs by purpose and year. As shown, the vast majority of QIs, 87.7 percent, benefitted affordable housing, while 11.2 percent benefitted economic development. These levels illustrate the bank’s adequate responsiveness to the Dallas MSA AA needs.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	1	1,000	0	0	1	1,000
Partial 2019	0	0	0	0	0	0	0	0	0	0
2020	4	7,983	0	0	0	0	0	0	4	7,983
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	0	0	0	0
Subtotal	4	7,983	0	0	1	1,000	0	0	5	8,983
Qualified Grants & Donations	0	0	13	113	1	4	4	5	18	122
Total	4	7,983	13	113	2	1,004	4	5	23	9,105
<i>Source: Bank Data</i>										

The QIs benefitted the following areas:

- Dallas MSA AA – 18 QIs totaling \$5.2 million.
- Greater Statewide Area – 4 QIs totaling \$2.9 million.
- Greater Regional Area – 1 QI totaling \$1.0 million.

The following points provide examples of the bank’s QIs.

- **Affordable Housing:** The bank invested \$5.1 million in a Fannie Mae mortgage-backed security for multi-family housing. All tenants are income-restricted persons and all the affordable units benefit low- and moderate-income individuals in the bank’s assessment area.
- **Community Services:** The bank provided grants and donations to many local organizations that benefit low- and moderate-income individuals, which include a high school where the majority of students come from low-income families, a free healthcare clinic, and an organization that supports children in need.

Community Development Services

The bank established an excellent record of providing CD services. Excellent performance regarding the types of services primarily supports this conclusion. Examiners evaluated the types and availability of services relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The bank showed excellent performance regarding the type of services that primarily benefit low- and moderate-income individuals. An excellent number of CD services supports this conclusion.

The following table shows that the bank provided 117 CD services, which on average equates to 12.3 CD services per office, per year since the previous evaluation, and is reflective of excellent

performance. These levels reflect an increase over the 4.2 CD services per office, per year reported in the prior evaluation.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Partial 2019	0	3	27	1	31
2020	0	1	38	1	40
2021	0	1	36	0	37
YTD 2022	0	0	9	0	9
Total	0	5	110	2	117
<i>Source: Bank Data</i>					

All of the bank’s CD services benefitted the bank’s Dallas MSA AA. The following points provide examples of the bank’s qualified services.

- **Economic Development:** Through the TSB Academy, the bank provided technical assistance to small businesses and businesses in low- and moderate-income geographic areas. The curriculum reflects the bank’s employees’ areas of expertise such as financial, human resources, information technology, and legal services. TSB Academy promotes economic growth throughout the Dallas Metroplex by supporting the local business owners.
- **Community Service:** A bank employee used his financial expertise to serve as a financial consultant for the Cristo Rey High School in Dallas, Texas. This model school is exclusively for students whose adjusted household income is at or below the Federal Poverty Line.

The bank showed adequate performance regarding the availability of its services to low- and moderate-income individuals. The excellent availability of branches inhibited by the adequate alternative banking services supports this conclusion.

The following table shows that two of the bank’s three locations are located within moderate-income census tracts, reflective of excellent performance. Although the bank does not operate any ATMs, they do offer online banking, remote deposit capture, mobile banking, and telephone banking thereby allowing access to financial services.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	162	13.7	702,136	11.5	0	0.0	0	0.0
Moderate	310	26.1	1,562,043	25.7	2	66.7	0	0.0
Middle	307	25.9	1,675,308	27.6	0	0.0	0	0.0
Upper	400	33.7	2,131,392	35.1	1	33.3	0	0.0
NA	7	0.6	8,252	0.1	0	0.0	0	0.0
Total	1,186	100.0	6,079,131	100.0	3	100.0	0	0.0
<i>Source: 2015 ACS Data; Bank Data</i>								

Given the bank’s excellent branch structure and the adequate alternative delivery systems, the availability of services to low- and moderate-income individuals or geographies reflects adequate performance.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.